Annual Financial Statements

for the year ended 31 December 2023

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The Group and Company financial statements were audited in terms of the Companies Act, No 71 of 2008 as amended.

The Group and Company Annual 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).

These Annual Financial Statements were authorised on 22 March 2024 by the Board of Directors.

Statement of directors' responsibility

for the year ended 31 December 2023

The directors are responsible for the integrity, preparation and fair presentation of the annual separate and consolidated financial statements of MTN Group Limited (the Company), its subsidiaries, joint ventures, associates and structured entities (together, the Group) in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008, as amended (the Companies Act) and the Company's memorandum of incorporation (MOI).

The Company also subscribes in all its activities to principles of best practice and corporate governance, as set out in the King IV Report on Corporate Governance for South Africa 2016 (King IV*).

The preparation of financial statements in conformity with IFRS requires management to consistently apply appropriate accounting policies, supported by reasonable judgements and estimates. The directors are of the opinion that the information contained in the Annual Financial Statements fairly present, in all material respects, the financial position at year-end and the financial performance and cash flows of the Group and the Company for the year then ended.

The directors have taken the responsibility for ensuring that accurate and complete accounting records are kept to enable the Group and the Company to satisfy their obligation with respect to the preparation of financial statements. The directors confirm that no facts have been omitted or untrue statements made that would make the financial statements false or misleading.

The directors are also responsible for the oversight of the Group's system of internal controls. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

The Group operates in an established control environment, which is documented and regularly reviewed. The Group Risk Management and Compliance Committee plays an integral role in risk management. Risk management and internal control procedures are designed to provide reasonable assurance that assets are safeguarded and that the risks facing the business are controlled.

Internal financial controls have been put in place to ensure that material information relating to the Company and the Group has been provided to effectively prepare the Annual Financial Statements. The internal financial controls are considered adequate and effective and can be relied upon in compiling the Annual Financial Statements. Where deficiencies in the design and operational effectiveness of internal financial controls have been identified, the Group continues to make improvements to the internal financial controls.

The directors are responsible for the controls over, and the security of, the website and where applicable, for establishing and controlling the process for electronically distributing Annual Financial Statements and other financial information to shareholders and to the Companies and Intellectual Property Commission.

The Group's internal audit function, which operates unimpeded by operational management, and has unrestricted access to the Group's Audit Committee, assesses and, when necessary, recommends improvements in the system of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business. The Group's internal audit function operates within the Group's combined assurance framework.

The directors have reviewed the Group and the Company budgets and cash flow forecasts for the year to 31 December 2024. In light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the Group and the Company Annual Financial Statements. The directors have no reason to believe that the Company or its subsidiaries will not be going concerns in the year ahead. These financial statements support the viability of the Group and the Company.

The Group's external auditor, Ernst & Young Inc (EY) audited the Group and the Company Annual Financial Statements and their unqualified audit report is presented on pages 13 to 16.

The external auditor was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The directors believe that all representations made to the independent auditor during their audit are valid and appropriate.

The Group and the Company Annual Financial Statements which appear on pages 1 to 137 were approved for issue by the Board of Directors on 22 March 2024 and are signed on its behalf by:

RT Mupita
Group President and Chief Executive Officer (CEO)
Fairland

TBL Molefe
Group Chief Finance Officer (GCFO)
Fairland

CEO and CFO responsibility statement
for the year ended 31 December 2023

Each of the directors, whose names are stated below, hereby confirm that:
(a) The Annual Financial Statements set out on pages 1 to 137, fairly present in all material respects the financial position, financial performance and cash flows of MTN Group Limited in terms of IFRS.
(b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading.
(c) Internal financial controls have been put in place to ensure that material information relating to MTN Group Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of MTN Group Limited.
(d) The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls.
(e) Where we are not satisfied, we have disclosed to the Group Audit Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy deficiencies.
(f) We are not aware of any fraud involving directors.

RT Mupita
Group President and Chief Executive Officer (CEO)

Fairland
22 March 2024

TBL Molefe
Group Chief Finance Officer (GCFO)

Fairland
22 March 2024

Certificate by the Company Secretary
for the year ended 31 December 2023

I certify that, to the best of my knowledge and belief, MTN Group Limited has filed all its returns and notices with the Registrar of Companies and Intellectual Property Commission for the year ended 31 December 2023, as required of a public company in terms of section 88(2)(e) of the Companies Act, and that such returns and notices are true, correct and up to date.

PT Sishuba-Bonoyi
Group Secretary

Fairland
22 March 2024

Report of the Audit Committee

for the year ended 31 December 2023

This report is provided by the MTN Group Audit Committee ("the committee"), in respect of the 2023 financial year, in compliance with section 94 of the Companies Act, King IV, the JSE Listings Requirements and other applicable regulatory requirements, and describes how the committee has discharged its statutory duties in terms of the Companies Act and its additional duties assigned to it by the Board in respect of the financial year ended 31 December 2023.

COMPOSITION AND GOVERNANCE

Members of the committee are all independent non-executive directors, all of whom satisfy the requirements of section 94(4) of the Companies Act and King IV. The committee is adequately skilled, and all members possess the appropriate financial and related qualifications, skills, expertise and experience required to discharge their responsibilities.

The composition of the committee and the attendance at the meetings by its members during the 2023 financial year are set out below.

Members	2 February 2023*	6 March 2023	19 April 2023*	23 May 2023	28 July 2023*	7 August 2023	3 October 2023*	27 October 2023*	24 November 2023
SN Mabaso-Koyana	√	√	√	√	√	√	√	√	√
NP Gosa	√	√	√	√	√	√	√	√	√
CWN Molope	X	√	√	√	√	√	√	√	√
T Pennington	√	√	√	√	√	√	√	√	√
VM Rague	X	√	√	√	√	√	√	X	√

* Special meeting held.
X An apology was tendered for non-attendance.
√ Attended the meeting.

Four formal committee meetings were held in line with the Group's financial reporting and regulatory cycle in the financial year under review. There were five ad hoc meetings held to consider and approve various head office subsidiary annual financial statements, MTN Group trading statements, and JSE regulatory engagements. Members' fees are included in the table of directors' emoluments and related payments in note 10.

The Group President and CEO, the Group Chief Financial Officer, the Group Chief Risk Officer, the Group Chief Legal Counsel, the Group Executive: Internal Audit, the Group Executive: Finance, and representatives of the external auditor attend committee meetings by invitation. Other members of management are invited to attend certain meetings to provide the committee with assurance and greater insight into specific issues or areas in the Group.

The committee chairman has regular contact with the Group senior management team to discuss relevant matters directly during the year. The internal auditors and the external auditor have direct access to the committee, including closed sessions without management, during the year on any matter they regard as relevant to the fulfilment of the committee responsibilities. Further, the committee meeting agenda allows for the internal auditors, external auditor and senior management to meet separately with the members.

The committee chairman reports to the Group Board on committee activities and the matters discussed at each meeting, highlighting any key issues that the committee believes warrant action by the Board, and providing recommendations to resolve the said issues.

The Group's Company Secretariat annually assesses the effectiveness of the committee. An external facilitated assessment is conducted every two years. Both processes are endorsed by the committee.

TERMS OF REFERENCE

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

Report of the Audit Committee (continued)

for the year ended 31 December 2023

FEEDBACK ON KEY FOCUS AREAS FOR THE YEAR UNDER REVIEW

Key focus areas	Developments in key focus areas
Monitor the progress on the implementation and standardisation of key controls to further enhance the overall control environment.	Progress on activities to coordinate and oversee the standardisation of key controls across key processes includes: • Understanding the current maturity levels of the Finance Operating Model with an intention to identify opportunities for control improvement. • Developing an Internal Control Framework (ICF) in consultation with the organisation-wide assurance partner. • Launching a strategic initiative aimed at optimising control processes in six operating companies. • Fast tracking of the cloud Enterprise Resource Planning implementation to all operating companies and monitoring maturity after implementation.
Strengthening the effectiveness of internal controls and internal financial controls.	The Group conducted proactive assessments to identify areas of improvement to analyse the people, processes and systems with specific focus on the internal financial control environment. The internal audit plan for the financial reporting period encompassed coverage of financial and non-financial factors to provide independent assurance on the adequacy and effectiveness of critical internal financial controls across the Group's operating and holding companies. Insights obtained from these targeted deep dives have led to control environment improvement efforts designed to address the specific areas of control improvement and beyond, specially where control design changes were necessary and warranted.
Annual Financial Statements restatements identified during 2023.	The committee considered management's assessment of accounting matters identified and evaluated the appropriate accounting treatment thereof, after considering the relevant legal and accounting opinions and views of the Group's auditor. The committee evaluated and reviewed the disclosure of the restatements and related stakeholder engagements. The committee reviewed management's assessment of the root cause analysis as well as the corrective actions to internal financial controls to mitigate risks in future.
Oversight of the salient matters reported by the Audit Committees of the Group's operating companies	The Group's operating companies including its platform businesses, Fintech and Bayobab, submit quarterly reports to the Group Audit Committee. The committee reviews these reports and identifies key themes or material items that require further management attention.
Review the progress on the implementation of the enterprise cloud solution across the Group's footprint.	The committee reviews the execution of the enterprise cloud solution against the Group's strategic implementation roadmap. During 2023, Scancom PLC Ghana (MTN Ghana) implemented the enterprise cloud solution in February 2023. Fintech Holdings continued deployment across its entities with a combination of enterprise resource planning solutions. The cloud payroll system was deployed in a number of South African-based entities.
Considered the enterprise resource planning set-up and readiness for the implementation of United Arab Emirates (UAE) corporate tax.	The enterprise resource planning system has been set up and implementation considerations are in the process of being finalised.
Review of internal audit and forensic services governance structures.	The committee reviewed the appropriate governance structures and effectiveness of the functions. The committee approved the separation of the internal audit and forensic services functions. Following the separation, the forensic services function formed part of the Group's Risk Management and Compliance function.
Ensure fair and balanced financial reporting.	The committee considered the appropriateness of the Group's financial reporting to ensure fair and balanced reporting is achieved. The committee reviewed submissions and presentations by management on the financial results, significant transactions, critical accounting judgements and assumptions as well as views by the Group's auditor on key audit matters and internal auditors on internal financial controls. The committee has recommended that the Board approve both the summary and Annual Financial Statements.

Report of the Audit Committee (continued)

for the year ended 31 December 2023

EXECUTION OF FUNCTIONS OF THE AUDIT COMMITTEE

The committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its terms of reference and the Companies Act and paragraph 3.84(g) of the JSE Listings Requirements.

The committee discharged the following responsibilities during the year under review:

EXTERNAL AUDITOR

The committee is responsible for the appointment, compensation and oversight of the external auditor for the Group, namely Ernst & Young Inc (EY) in 2023. EY is a global auditing firm and is a level 1 broad-based black economic empowerment (B-BBEE) contributor.

During the period under review the committee:

- Considered and satisfied itself with the independence and objectivity of the external auditor and designated registered auditor and ensured that the scope of non-audit services rendered did not impair their independence.
- Approved the non-audit related services performed by the external auditor during the year in accordance with the policy established and approved by the Board.

The fees paid for non-audit services are disclosed in note 2.3 of these Annual Financial Statements and represents 9% of audit fees, which is within the Group's policy of 25% of audit fees. These comprised:

	2023 %	2022 %
Assurance related	**57**	35
Consulting	**3**	31
Tax	**40**	33
Other services	**–**	1
	100	100

Services assigned to the Group audit firms were pre-approved following an evaluation of the impact on auditor independence based on the Group's approved policy.

Services for larger assignments are individually evaluated by the committee and approved if the committee is satisfied that the independence of the audit firms will not be compromised. These appointments relate to work that will further complement the audit engagement or where the audit firm will be in a position to provide a higher quality or more cost-effective service. Other than for the fees for approved services, no other benefits were provided to the auditor. Larger projects during 2023 included limited assurance reviews on revenue assurance maturity and control self-assessment, agreed upon procedures on remuneration and tax administration and consultation services.

The committee performed the following oversight role of the external audit function:

- Determined the external auditor terms of engagement and fees for 2023. Fees paid to auditor for the year under review are disclosed in note 2.3 of these Annual Financial Statements.
- Satisfied itself with the performance of the external auditor and designated registered auditor.
- Satisfied itself that the designated registered auditor is within his tenure and rotation requirements.
  - EY has been auditing the Group for three years. Mr EAL Botha has been the engagement partner since 2021.
- Assessed the audit firm as well as the engagement partner's suitability for appointment, taking into account the quality of the audit work and related reporting to the committee, industry expertise of the firm and its designated partner, findings by the Independent Regulatory Board for Auditors (IRBA) and statements relating to independence as well as the representations made by the external auditor to the committee including those under ISQC 1 *International Standard on Quality Control 1*.
- The committee recommends the re-appointment of EY at the Company's 29th Annual General Meeting (AGM).

FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND OTHER FINANCIAL MATTERS

- Reviewed and approved the accounting policies and the Annual Financial Statements of the Group and the Company for the year ended 31 December 2023, and based on the information provided to it, the committee considered that, in all material respects, they are appropriate and comply with the provisions of the Companies Act, IFRS, the SAICA Financial Reporting Guides as issued by the APC, Financial Reporting Pronouncements as issued by the FRSC, and the JSE Listings Requirements as well as content from the JSE's annual proactive monitoring report and references to prior year reports highlighted therein.
- Reviewed the processes in place for the reporting of concerns and complaints relating to financial reporting and accounting practices, internal audit, contents of the Group's and the Company's financial statements, internal financial controls and any related matters. The committee can confirm that there were no such complaints of substance during the year under review.
- Reviewed Group tax exposures and assessed the appropriateness of the Group's tax policies.
- Reviewed the Group Treasury Policy, compliance thereof and management's counter-party risk assessments.
- Considered the effectiveness of T Shomang as the Debt Officer in line with requirements of paragraph 7.3(g) of the JSE Debt Listings Requirements.
- Reviewed progress on litigation and legal exposures and the related accounting applied and disclosure included in these Annual Financial Statements.
- Received regular updates from management on the repatriation of funds from the Group's operating entities.
- Considered the appropriateness of management judgements, estimates made and the accounting treatment of significant transactions.
- Considered if the established financial reporting procedures are appropriate and that the procedures are operating effectively, which includes a consideration of all entities included in the consolidated Group Annual Financial Statements. The committee considered if the Group had access to all the financial information of MTN Group Limited and its subsidiaries, associates and joint ventures to allow the Group to effectively prepare and report on the financial statements.

Report of the Audit Committee (continued)

for the year ended 31 December 2023

Significant matters that the Group Audit Committee has considered in relation to the Annual Financial Statements were:

Significant matters considered	**Actions and conclusions**
Significant transactions for 2023 included: • The Group disposed 160 million shares in MTN Ghana to pension funds as part of localisation for net proceeds of R215 million, decreasing the Group's effective shareholding by 1.3% to 82.8% (note 9.4.1.3). • The Group received an offer for Spacetel Guinea-Bissau S.A (MTN Guinea-Bissau) and Areeba Guinea SA (MTN Guinea-Conakry). The two operations have been classified as held for sale as at 31 December 2023 (note 9.4.2.2).	The committee considered the accounting treatments and the disclosures of the transactions proposed by management. The committee was satisfied that these transactions were appropriately accounted for and disclosed by management.
Judgement relating to uncertain tax exposure, legal and regulatory matters The Group operates in a number of complex and uncertain regulatory and tax jurisdictions where judgement is required in assessing the regulatory and tax exposures (note 1.5.7; note 3 and note 6.6).	The committee reviewed risk and compliance, legal and tax reports from management and requested opinions from independent specialists where it considered appropriate. The committee considered management's assessment of possible, probable and remote exposures and the related provisions and contingent liability disclosure on tax, regulatory and legal matters, in light of the latest correspondence on these matters by the respective authorities. The committee also considered the assessment by the Group's external auditor of the appropriate recognition, measurement and disclosure of uncertain tax, legal and regulatory matters. The committee was satisfied that the recognition, measurement and disclosure of uncertain tax, legal and regulatory matters by management was appropriate.
Judgement applied regarding the impairment of cash-generating units Cash-generating units are tested at least annually for impairment to assess whether the recoverable amounts exceed the carrying amounts. The calculation of the recoverable amounts require judgement in estimating discount rates and future cash flows (note 1.5.1 and note 5.2.1). Following the binding offer for the sale of MTN Afghanistan Limited (MTN Afghanistan), the Group signed a sale and purchase agreement which closed on 21 February 2024. Accordingly, MTN Afghanistan's assets and liabilities have been presented as held for sale. An impairment loss of R900 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 (note 9.4.2.1). Due to the conflict in Sudan, there was limited damage during the period to the network infrastructure, resulting in a R277 million impairment of property, plant and equipment. The impairment as at 31 December 2023 is R746 million due to hyperinflationary adjustments (and exchange rate movements (note 5.1.1). An impairment loss of R48 million for property, plant and equipment and intangible assets was recognised for MTN Guinea-Bissau.	The committee reviewed submissions and presentations by management on the financial results, significant transactions, critical accounting judgements and assumptions as well as views by the Group's external auditor on key audit matters.

Report of the Audit Committee (continued)

for the year ended 31 December 2023

INTERNAL AUDIT AND FORENSIC SERVICES FUNCTION OVERSIGHT

The committee has oversight over the Group internal audit and forensic services function (IAFS). The committee:

- Considered the effectiveness and independence of the internal audit function, its impact as a third line of assurance and monitored adherence to the annual internal audit plan.
- Reviewed the continued embedment of the third line of defence as a central reporting function and its effective positioning within the organisation's operation.
- Considered the appropriateness of IAFS key performance indicators (KPIs) for alignment to the mandate of an independent third line assurance function.
- Reviewed the performance of the Chief Audit Executive to assess her skills, experience, human resources and budgetary support from the organisation in order to successfully execute the IAFS mandate in the year under review.
- The Audit Committee obtained appropriate evidence to satisfy themselves that the Group IAFS function fulfilled its mandate appropriately.
- Reviewed the reported results of audit work and forensic investigations in order to be satisfied that they appropriately supported the final annual assessment of governance, risk management and system of internal controls of the Group.
- Reviewed the critical matters raised by the IAFS function, obtained and evaluated management's action plans to address those matters and assessed the adequacy of those actions to appropriately and sustainably resolve those critical matters.
- Considered the effectiveness of the combined assurances provided by all the lines of assurance, through a review of management's representations and attestations, reports from the risk and compliance function and other similar second lines of assurance, together with an evaluation of the assurance of third lines, namely external and internal audit functions.

INTERNAL FINANCIAL CONTROLS

The committee utilises the skills and expertise of the IAFS to monitor, review and evaluate the effectiveness of the internal financial controls. The committee:

- Reviewed the journey towards a digitally transformed operating model.
- Reviewed the assessment, prepared by internal audit, on the effectiveness of the Group's risk management, governance and system of internal financial controls. This assessment, together with the report on the overall control environment, formed the basis of the committee's recommendation to the Board in this regard. The Board's report on the effectiveness of the system of internal controls, which the committee fully supports, is included in the directors' report on page 12.
- Reviewed the report from the Group's forensic services function on the result of forensic investigations conducted in the period under review and their financial impact as they pertain to financial reporting.
- Provided oversight of a successful cyber risk management program. Monitored managements' preparation for and response to cyber threats. Reviewed reports from management on cybersecurity breaches.
- Reviewed the reports of the external auditor detailing the findings arising from their audit.

The IAFS performed an audit of the following in respect of the risk function:

- Reviewed the Group risk management framework i.e., policies and processes of risk identification, assessment, and continuous risk monitoring.
- Reviewed the matters related to financial reporting presented on the risk registers, its impact, likelihood of occurrence and mitigating actions.

GROUP CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

- Reviewed the performance of the GCFO, TBL Molefe, and was satisfied that she has the appropriate expertise and experience to fulfil this role and that she had performed appropriately for the year ended 31 December 2023.
- The committee also considered and has satisfied itself of the appropriateness of the expertise and experience of the Group finance function and adequacy of resources employed to fulfil all financial, control and reporting requirements of the Group and management's actions to develop and strengthen finance skills across its footprint.

GOING CONCERN STATUS

The committee was satisfied that the Group's and Company's Annual Financial Statements have been prepared on a going concern basis, and the directors are satisfied that the Group is in a sound financial position to meet its foreseeable cash requirements. The Board's statement on the going concern status of the Group and the Company is contained on page 10 of the Directors' report.

SOLVENCY AND LIQUIDITY REVIEW

The committee is satisfied that the Board has performed a solvency and liquidity test on the Company in terms of section 46 of the Companies Act and has concluded that the Company will satisfy the test after payment of the final dividend.

The committee also considered guarantees issued on behalf of subsidiaries.

INTEGRATED REPORT

During the course of April 2024, the committee will evaluate the integrated report for the 2023 financial year and assess its consistency with operational, financial and other information available to the committee. Similarly, the committee will ensure that the report is prepared in accordance with appropriate reporting standards and conforms to the requirements of King IV and the JSE Listings Requirements.

In collaboration with the Social, Ethics and Sustainability Committee, the committee will review the integrity of the sustainability disclosures included in the sustainability report and confirm that they are reliable and do not conflict with financial information. On the basis of the processes and assurances obtained, the committee will recommend the 2023 integrated report to the Board for approval.

Report of the Audit Committee (continued)

for the year ended 31 December 2023

KEY FOCUS AREAS FOR 2024

The committee has set the following key areas of focus for 2024 in addition to its annual governance responsibilities:

- Consider the potential benefits from the introduction of RPA (Robotic Process Automation) for key finances processes and controls.
- Continue to review the implementation of the enterprise cloud solution across the Group's footprint, the delivery of additional functionality, enhancements to platform performance management and incident resolution and the decommissioning of some legacy platforms.
- Continuous improvement of the separate governance structures for the Fintech Group and GlobalConnect Solutions Limited (Bayobab) enhancements to the related risk and control and compliance capabilities.
- Enhance specialised finance skills across the Group's operations and strengthen centres of excellence of key finance functions.

APPROVAL OF THE AUDIT COMMITTEE REPORT

The committee hereby confirms that it has functioned in accordance with its terms of reference and discharged its duties for the financial year under review.

SN Mabaso-Koyana
Group Audit Committee Chairman

22 March 2024

Director's Report

for the year ended 31 December 2023

The Board of Directors is pleased to present its report for the year ended 31 December 2023.

The report has been prepared based on the requirements of the Companies Act, King IV, the JSE Listings Requirements and other applicable regulatory requirements.

NATURE OF BUSINESS

The Company was incorporated in the Republic of South Africa on 23 November 1994 (Company registration: 1994/009584/06). The Company's shares are listed on the JSE under JSE: MTN, in the mobile telecommunications sector. The Company's registered address is 216 14th Avenue, Fairland, Roodepoort, Gauteng, 2195.

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

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Group and the Company Annual Financial Statements were prepared in accordance with IFRS as issued by the IASB and Interpretations as issued by the IFRIC and comply with the SAICA Financial Reporting Guides as issued by the APC and Financial Reporting Pronouncements as issued by the FRSC, the JSE Listings Requirements and the requirements of the Companies Act.

FINANCIAL RESULTS

The Group recorded a profit after tax for the year ended 31 December 2023 of R4 017 million (2022: R23 854 million). Full details of the financial results of the Group and the Company are set out in these Annual Financial Statements and accompanying notes for the year ended 31 December 2023.

CURRENCY DEVALUATION

During the 2024 financial year, the naira devalued from NGN461 to NGN907 against the US$ and foreign exchange losses of NGN740 billion (R20 975 million) were recognised in MTN Nigeria. These losses include NGN367 billion (R10 612 million) unrealised forex losses on leases.

RESTATEMENT OF LEASES

During the current year, MTN Nigeria restated its financial statements to account for the correct translation of the US$ portion of the outstanding lease liabilities and the reassessment of the lease term. This resulted in the restatement of the previous year's financial statements with a R2 395 million reduction in retained income at 31 December 2022. Please refer to note 11 for further details.

CAPITAL EXPENDITURE

Capital expenditure for the year ended 31 December 2023 amounted to R63 622 million (2022: R56 794 million) which comprised the following:

	2023 Rm	2022 Rm
Property, plant and equipment	**32 914**	32 203
Land and buildings	**358**	1 089
Leasehold improvements	**71**	77
Network infrastructure	**22 301**	19 849
Information systems, furniture and office equipment	**1 423**	1 522
Capital work-in-progress/other[1]	**8 433**	9 450
Spare parts	**203**	82
Vehicles	**125**	134
Intangible assets	**8 271**	5 984
Software	**6 882**	4 749
Capital work-in-progress	**1 389**	1 235
Leased assets	**22 437**	18 607
Right-of-use assets	**22 437**	18 607
	63 622	56 794

[1] The majority of capital work-in-progress relates to long-term network infrastructure projects.

Licences and spectrum acquired during the year:

	2023 Rm	2022 Rm
MTN Zambia Limited (MTN Zambia)	**259**	221
Mobile Money Rwanda Limited	**–**	25
Mobile Telephone Networks (Pty) Ltd (MTN SA)	**1 967**	3 240
MTN Nigeria Communications Plc (MTN Nigeria)	**4 454**	4 426
Areeba Guinea S.A (MTN Guinea-Conakry)	**–**	839
Congo-Brazzaville S.A (MTN Congo B)	**12**	84
Scancom PLC (MTN Ghana)	**804**	159
Lonestar Communications Corp (MTN Liberia)	**–**	57
MTN Sudan Company Limited (MTN Sudan)	**228**	–
	7 724	9 051

RELATED PARTY TRANSACTIONS

Details of related party transactions are set out in note 10.1 of these Annual Financial Statements.

YEAR UNDER REVIEW

The results of the Group and Company have been set out in the attached Annual Financial Statements.

LITIGATION

MTN conducts its business in a responsible and compliant manner in all its territories and will defend its position where necessary. The below matters have each been assessed as remote and therefore no contingent liabilities have been disclosed.

MTN Afghanistan Anti-Terrorism first complaint (Cabrera v Black & Veatch)

On 27 December 2019, a complaint for violation of the Anti-Terrorism Act (ATA) was filed in the United States District Court for the District of Columbia against MTN Group, MTN Afghanistan and others. MTN filed a motion to dismiss the complaint on the basis that MTN is not subject to the jurisdiction of the US courts and that the complaint fails to articulate a viable claim under the ATA. On 30 July 2021 the magistrate judge issued a report and recommendation (R&R) recommending that the case against the MTN defendants be dismissed. On 27 November 2023, the plaintiffs filed an application for leave to amend their complaint. MTN is opposing the application.

Irancell Anti-Terrorism second complaint (Zobay v MTN)

In 2021, a complaint for violation of the US Anti-Terrorism Act (ATA) was filed in the United States District Court for the Eastern District of New York, against MTN Group Limited, MTN (Dubai) Limited (MTN Dubai), and other defendants, including Irancell Telecommunication Company (PJSC). MTN Group and MTN Dubai filed a Motion to Dismiss on the basis that they are not subject to the jurisdiction of the US courts and that the complaint fails to articulate a viable claim under the ATA. On 28 September 2023, the court denied MTN Group's motion but dismissed the claim against MTN Dubai. MTN has filed an application for leave to appeal and awaits the court's decision.

Irancell Anti-Terrorism third and fourth complaints (Chand v MTN and Davis v MTN)

On 27 March 2022, two further complaints for violation of Anti-Terrorism Act (ATA) were filed in the United State District Court for the District of Columbia against MTN Group Limited, two former MTN executives and Irancell Telecommunication Company (PJSC). MTN filed a Motion to Dismiss on the basis that MTN is not subject to the jurisdiction of the US courts and that the complaint fails to articulate a viable claim under the ATA. On 28 July 2023, the court denied MTN's motion and granted plaintiffs leave to pursue jurisdictional discovery.

Irancell Anti-Terrorism fifth complaint (Long v MTN)

On 28 July 2023 a new complaint for violations of the US Anti-Terrorism Act (ATA) was filed in the United States District Court for the Eastern District of New York against MTN Group, MTN Dubai (Limited) (MTN Dubai) and other defendants, including Irancell Telecommunication Company (PJSC) (Irancell). The complaint alleges that MTN supported anti-American militias in Iraq, Afghanistan and Syria by, among other things, participating as a minority, non-controlling shareholder (49% shareholding) in Irancell and thereby, allegedly, indirectly supported Iran's Islamic Revolutionary Guard Corps. The claim is predicated on similar core factual allegations as the previous ATA cases that have already been filed against MTN. MTN will file a Motion to Dismiss in due course.

Turkcell claim

The claim was initiated by Turkcell and the East Asian Consortium (EAC) as plaintiffs against MTN Group Limited and certain of its subsidiaries. The plaintiffs are allegedly aggrieved by their unsuccessful bid to obtain a mobile licence in Iran, and the awarding of that licence to Irancell in 2005. MTN Group Limited has consistently opposed this claim on the basis that the licence to Irancell was validly issued and that the allegations made by the plaintiffs are without merit. During November 2020, Turkcell withdrew as a plaintiff, leaving EAC as the sole plaintiff in the action against MTN. In a judgment handed down by the High Court of South Africa on 30 November 2022, EAC's action against MTN has been dismissed with costs. EAC has appealed and the appeal is presently pending before the Supreme Court of Appeal.

BORROWING POWERS

In terms of the MOI, the borrowing powers of the Company are unlimited. However, all borrowings by the Company are subject to limitations set out in the treasury policy of the Group. The details of borrowings are disclosed in note 6.1.

GOING CONCERN

The directors have reviewed the Group's and Company's budget and cash flow forecasts for the year to 31 December 2024. On the basis of this review, the current financial position and existing borrowing facilities, the directors are satisfied that the Company and the Group have access to adequate resources to continue in operational existence for the foreseeable future, are going concerns, and have continued to adopt the going concern basis in preparing the Annual Financial Statements.

SUBSIDIARY COMPANIES AND JOINT VENTURES

Details of subsidiaries and joint ventures in which the Group has a direct or indirect interest are set out in note 9.1 of these Annual Financial Statements.

All Group entities have a year-end consistent with that of the Company with the exception of Irancell, a joint venture of the Group that has a year-end of 21 December for Group reporting purposes and a statutory year-end of 21 March.

DISTRIBUTION TO SHAREHOLDERS

Before declaring dividends, the Board:

- Applied the solvency and liquidity test.
- Assesses whether the Company would satisfy the solvency and liquidity test immediately after payment of the interim and final dividend.

The payments of future dividends will depend on the Board's ongoing assessment of the Group's earnings, financial position, cash needs, future earnings prospects and other future factors.

Dividends

No dividends were declared for the half-year ended 30 June 2023.

Director's Report (continued)

for the year ended 31 December 2023

Final dividend

Notice is hereby given that a gross final dividend of 330 cents per share for the period to 31 December 2023 has been declared payable to shareholders. This dividend has been declared out of the Company's reserves. The number of ordinary shares in issue at the date of this declaration is 1 884 269 758 (including 518 089 treasury shares held by Mobile Telephone Networks Holdings Limited (MTN Holdings)), the 441 494 shares held by the 2016 MTN ESOP trust and 76 835 378 shares held by MTN Zakhele Futhi (RF) Limited (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 Company'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, the salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Tuesday, 16 April 2024
First trading day ex dividend on the JSE	Wednesday, 17 April 2024
Record date	Friday, 19 April 2024
Payment date	Monday, 22 April 2024

No share certificates may be dematerialised or rematerialised between Wednesday, 17 April 2024 and Friday, 19 April 2024, both days inclusive. On Monday, 22 April 2024, the dividend will be transferred electronically to the bank accounts of certificated shareholders. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository participant or broker credited on Monday, 22 April 2024. The Board confirms that the Company will satisfy the solvency and liquidity test after the completion of the dividend distribution.

SHARE CAPITAL

Authorised share capital

There was no change in the authorised share capital of the Company during the year under review. The authorised ordinary share capital of the Company is 2.5 billion shares of 0.01 cents each.

Issued share capital

The issued share capital of the Company is R188 427 (2022: R188 427) comprising 1 884 269 758 (2022: 1 884 269 758) ordinary shares of 0.01 cents each.

CONTROL OF UNISSUED SHARE CAPITAL

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act. As this general authority remains valid only until the next AGM, shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, to a maximum of 10% of the Company's issued share capital, under the control of the directors until the next AGM.

The Company did not exercise this authority during the current or prior financial year.

ACQUISITION OF THE COMPANY'S OWN SHARES

At the last AGM held on 26 May 2023, shareholders gave the Company or any of its subsidiaries a general approval in terms of section 48 of the Companies Act and the JSE Listings Requirements, by way of special resolution, for the acquisition of its own shares. As this general approval remains valid only until the next AGM, shareholders will be asked at that meeting to consider a special resolution to renew this general authority until the next AGM, subject to a maximum extension of 15 months.

SHAREHOLDERS' INTEREST

Details of shareholders' interest and a shareholder spread analysis are disclosed in Annexure 1 of these Annual Financial Statements.

RETIREMENT OF DIRECTORS

PB Hanratty will step down as an independent non-executive director on 30 April 2023.

PB Hanratty has been a director since 2016 and has served as the Chairman of Group Finance and Investment Committee and on the Audit and Risk and Compliance Committees. The Board would like to express its gratitude for his significant contribution to the Group.

RETIREMENT BY ROTATION OF DIRECTORS

In accordance with the Company's MOI, S Mabaso Koyana, N Sowazi, S Miller and T Molefe will retire by rotation at the forthcoming AGM. The retiring directors, being eligible, offer themselves for re-election.

In July 2024, S Kheradpir will have been a director of the Company for a period in excess of nine years. The decision to extend beyond nine years will be communicated in the AGM notice.

The profiles of the directors retiring by rotation and seeking re-election will be set out in the notice of the AGM.

APPOINTMENTS AND RESIGNATIONS

N Newton-King was appointed as independent non-executive director with effect from 1 January 2023.

There were no other director appointments or resignations other than those mentioned above during the year under review.

COMPANY INDEMNITY DISCLOSURE

In accordance with paragraph 166.2 of the Company's MOI, stating that the Company may "advance expenses to a director to defend litigation in any proceedings arising out of the director's service to the Company", the Company has approved an indemnity for its directors and prescribed officers, to the extent of the below indemnity:

The directors and prescribed officers of MTN Group Limited (who fall within the definition of director in terms of section 78 of the Companies Act) (directors), are hereby indemnified in respect of any liability arising other than contemplated in section 78(6) of the Companies Act, and the Company will advance the director's reasonable expenses to defend litigation in any proceedings arising out of the director's service to the Company and hereby indemnify the directors in respect of such expenses subject to the provisions of section 78(8) of the Companies Act.

Director's Report (continued)

for the year ended 31 December 2023

DIRECTORS AND PRESCRIBED OFFICERS' INTERESTS, SHAREHOLDINGS AND DEALINGS

Details of the interests of directors and prescribed officers' shareholdings and dealings are provided in note 10.2.

EMPLOYEE SHARE SCHEMES

Details of the Group's share schemes are provided in note 8.4.

CHANGES IN SHAREHOLDING

MTN Guinea-Bissau and MTN Conakry

The Group signed a sale and purchase agreement for the sale of MTN Guinea-Bissau and Guinea-Conakry for a consideration of US$1 for each of the companies. The two operations have been classified as held for sale as at 31 December 2023.

MTN Ghana transactions

The net impact of the MTN Ghana localisations and scrip dividend resulted in the Group's effective shareholding decreasing to 81.04%.

MTN Nigeria scrip dividend

In August 2023, the Group elected a scrip dividend from MTN Nigeria which resulted in an increase of the shareholding from 75.7% to 76.3%. The scrip dividend was accounted for as a change in shareholding with the related loss being recognised in equity on issue of the shares.

INTERNAL FINANCIAL CONTROLS

During the year under review, the Board, through the Audit Committee, assessed the results of the formal documented review of the Group's system of internal controls and risk management, including the design, implementation and effectiveness of the internal financial controls conducted by internal audit and considered information and explanations given by management and discussions with the external auditor on the results of the audit. Although certain weaknesses in financial controls, whether in design, implementation or execution were identified, the internal financial controls are considered adequate and effective and can be relied upon in compiling the Annual Financial Statements.

Where deficiencies in the design and operational effectiveness of internal financial controls have been identified, remedial actions have been initiated.

IT GENERAL CONTROLS

In line with King IV, the MTN Board has oversight of IT governance and IT general controls. MTN is committed to established IT governance policies, to ensure the efficacy of IT general controls, and integrating IT risks into the organisation's overarching risk management practices. The Group Risk and Compliance Committee, guided by the Board's directives, is particularly vigilant in overseeing IT general controls, placing information security as a priority due to the increasing cyberthreat landscape.

Furthermore, the Audit Committee reviews the effectiveness of the IT governance and control mechanisms in the assurance reports provided by both internal and external auditor. The implementation of a combined assurance framework facilitates continuous feedback across different control and governance lines, ensuring a holistic and integrated approach to IT risk and control within MTN.

EVENTS AFTER THE REPORTING PERIOD

MTN Fintech and Mastercard

The Group signed definitive agreements with Mastercard on 5 February 2024 for a minority investment of up to US$200 million into MTN Fintech at a valuation of US$5.2 billion. It will be treated as a transaction with non-controlling interests, with any gain or loss recognised in equity on closing.

MTN Afghanistan

The Group signed a sales and purchase agreement to sell its entire investment in MTN Afghanistan. The related assets and liabilities were classified as non-current assets held for sale up until the effective date of the sale.

Subsequent to year-end, the transaction closed on 21 February 2024 and has been reported as a non-adjusting subsequent event after reporting period.

Nigeria currency devaluation

Following the end of the reporting period the Naira devalued from NGN907 against US$ at 31 December 2023 to NGN1 595 at 29 February 2024. MTN Nigeria's exposure to US$ amounted to US$1 650 million at 31 December 2023. The MTN Nigeria revenue contributed 34% to the total Group revenue in the current period. The translation of the Naira to ZAR is affected by the weakening of the Naira exchange rate.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 24 May 2024. Refer to the notice of the 29th AGM, when issued, for further details of the ordinary and special business for consideration at the meeting.

AUDITOR

EY was the auditor in accordance with section 90 of the Companies Act for the 2023 year.

The Audit Committee reviewed the independence of the auditor during the period under review and satisfied itself that the auditor was independent of the Group. The Audit Committee will recommend the re-appointment of EY as Group auditor at the AGM.

Independent Auditor's Report to the Shareholders of MTN Group Limited

for the year ended 31 December 2023

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of MTN Group Limited ('the company') and its subsidiaries ('the group') and company set out on pages 18 to 133, which comprise of the Group and Company statements of financial position as at 31 December 2023, and the Group income statement for the year then ended, the Group and Company statements of changes in equity and the Group and Company of cash flows for the year then ended, and notes to the Group and Company financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section* of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matters apply only to the audit of the Consolidated Financial Statements.

Independent Auditors' Report to the Shareholders of MTN Group Limited (continued)

for the year ended 31 December 2023

Key audit matter	How the matter was addressed in the audit
Initial application of hyperinflation accounting following the determination of the Ghanaian economy as hyperinflationary At year end, the three-year cumulative inflation rate of Ghana was 114%, which resulted in the Ghanaian economy being assessed as hyperinflationary. Consequently, MTN Ghana (Scancom Plc and MobileMoney Limited) applied hyperinflation accounting in accordance with *IAS 29 Financial Reporting in Hyperinflationary Economies* (IAS 29) for the first time in respect of the year ended 31 December 2023. The first time application of IAS 29 is complex due to the measurement and restatement requirements. IAS 29 requires entities operating in hyperinflationary economies to restate their financial statements in terms of the measuring unit current at the reporting date. This involves complex calculations resulting in adjustments to account for the effects of inflation on the value of non-monetary items. With the assistance of external consultants, management developed a hyperinflationary model, one of the key inputs into the model is the official consumer price index ("CPI") determined by the Ghana Statistical Service ("GSS"). Due to the significant quantitative impact and the inherent complexities of hyperinflationary accounting, the initial application of IAS 29 relating to MTN Ghana required significant auditor attention and therefore we consider this as a key audit matter in the current year. Refer to notes: • 1.5.5 Hyperinflation • 2.1 Operating segments • 8.2 Other reserves	**Our audit procedures, amongst others, included:** • We obtained an understanding of management's hyperinflationary model including assessing management's process of; accounting for the first time application of IAS 29 and reviewing the work of the external consultants. • With the involvement of our component auditors (EY Ghana), the following procedures were performed: – We independently obtained the consumer price index from the Ghana Statistical Service and compared it to the data that were used in the hyperinflation model. – We assessed material hyperinflationary adjustments made by recalculating the adjustments in line with IAS 29 and comparing it to the adjustments made within the model. • We analysed if the exchange rates used to translate the hyperinflation adjusted Group statement of financial position, Group income statement, Group statement of comprehensive income, Group statement of changes in equity, and Group statement of cash flows and the resultant impact on the foreign currency translation reserves in accordance with IFRS. • We assessed the appropriateness of the disclosures included in the consolidated financial statements for compliance with IFRS.

Independent Auditors' Report to the Shareholders of MTN Group Limited

for the year ended 31 December 2023

Key audit matter	How the matter was addressed in the audit
MTN Nigeria lease restatement MTN Nigeria leases passive network infrastructure assets from tower leasing companies ("TowerCo"). The lease consideration relating to these lease arrangements comprises of US$-derived portions and Naira-based portions, whilst the total lease consideration is invoiced and settled in Naira. Following the significant deterioration of the Naira against the US$ during 2023 (December 2023: N907.1/US$1; May 2023: N465/US$1), MTN Nigeria reviewed the accounting treatment of these lease arrangements and identified that the US$ portion of the lease liabilities had not been correctly remeasured for changes in exchange rates. Management identified that in accordance with IFRS 16 *Leases* (IFRS 16) and IAS 21 *The Effects of Changes in Foreign Exchange Rate* (IAS 21), MTN Nigeria should have recorded the unrealised foreign exchange losses arising from the remeasurement of the outstanding US$ lease liabilities using the closing exchange rates ruling at the end of each reporting period. Management also identified that significant changes in facts and circumstances relating to whether MTN Nigeria would exercise respective renewal options were previously not correctly considered in determining the related lease terms. Consequently, MTN Nigeria restated its lease liabilities, the opening balance of total equity and the prior year profit after tax. The impact for MTN Group is that the lease liabilities have been restated higher by R2.5 billion, right of use assets have been restated lower by R6.5 billion and opening retained profit have been restated lower by R2.4 billion, to reflect the impact of the restatements relating to the financial periods from 2019 to 2021. Profit after tax for the year ended 31 December 2022 has been restated lower by R407 million. The audit team consider this a key audit matter due to the significant time incurred to analyse and interpret the contractually enforceable rights and obligations, the complexity in interpreting the relevant accounting requirements and the laws and regulations, and the magnitude of the amounts in the consolidated financial statements. Refer to notes: • 2.4 Finance income, finance costs and foreign exchange gains/losses • 2.5 Earnings per ordinary share • 6.5 Leases • 11 Prior period error.	**Our audit procedures, amongst others, included:** • With the involvement of our legal team, we reviewed the lease contracts to determine the contractual rights, obligations, lease payment consideration and enforceable lease terms. • With the involvement of our component auditor's (EY Nigeria) we performed a review of management's accounting and legal opinions to support the appropriate accounting treatment and presentation. • We evaluated the company's internal control process over the determination of the closing exchange rate used for translating the foreign currency denominated portion of the lease liabilities as at the reporting date. • We performed procedures over the lease liability schedule provided by management and performed a re-computation and assessed the reasonableness and tested of management's inputs to determine that the remeasurement of the lease term is in line with the requirements of IFRS 16. • We assessed whether the US$-linked lease liabilities were correctly remeasured for foreign currency exposures using the prevailing closing rate at 31 December 2021, 2022 and 2023 in line with the requirements of IAS 21. • We assessed the enforceable contractual rights and obligations and the relevant facts and circumstances relating to the determination of the lease terms to determine the extent that the lessee is reasonably certain not to exercise renewal options in determining the enforceable lease term. • We analysed if the exchange rates used to translate the Group statement of financial position, Group income statement, Group statement of comprehensive income, Group statement of changes in equity, and Group statement of cash flows and the resultant impact on the foreign currency translation reserves in accordance with the requirements of IFRS. • We assessed the appropriateness of the Group's disclosures in respect of right of use assets, lease liabilities and required restatements in terms of IFRS.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the 137-page document titled "*MTN Group Limited Annual Financial Statements for the year ended 31 December 2023*", which includes the Directors' Report, the Report of the Audit Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the document titled "*MTN Group Limited Integrated Report for the year ended 31 December 2023*", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report to the Shareholders of MTN Group Limited (continued)

for the year ended 31 December 2023

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of MTN Group Limited for 3 years.

Ernst & Young Inc.

Ernst & Young Inc.
EAL Botha
Director
Registered Auditor

Johannesburg, South Africa,
22 March 2024

MTN

Group Financial Statements

Group income statement

for the year ended 31 December 2023

	Note	2023 Rm	2022 Restated[1] Rm
Revenue	2.1; 2.2	**221 056**	207 003
Other income	6.5.5	**324**	410
Direct network and technology operating costs		**(38 539)**	(32 854)
Costs of handsets and other accessories		**(12 583)**	(12 055)
Interconnect and roaming costs		**(12 196)**	(11 288)
Staff costs	2.3	**(15 099)**	(12 675)
Selling, distribution and marketing expenses		**(27 134)**	(24 819)
Government and regulatory costs		**(8 789)**	(7 610)
Impairment and write-down of trade receivables and contract assets	2.3	**(1 330)**	(1 579)
Other operating expenses		**(16 030)**	(13 431)
Depreciation of property, plant and equipment	5.1	**(24 690)**	(20 812)
Depreciation of right-of-use assets	6.5.3	**(9 440)**	(7 807)
Amortisation of intangible assets	5.2	**(8 138)**	(5 999)
Impairment of goodwill and investment in joint ventures	5.2; 9.2	**–**	(625)
Impairment loss on remeasurement of non-current assets held for sale	9.4.2.1	**(900)**	(1 263)
Finance income	2.4	**3 055**	2 042
Finance costs[2]	2.4	**(18 954)**	(14 313)
Net foreign exchange losses[2]	2.4	**(23 170)**	(6 055)
Net monetary gain		**744**	1 251
Share of results of associates and joint ventures after tax	9.2	**3 581**	3 369
Profit before tax		**11 768**	40 890
Income tax expense	3.1	**(7 751)**	(17 036)
Profit after tax		**4 017**	23 854
Attributable to:			
Equity holders of the Company		**4 092**	19 037
Non-controlling interests		**(75)**	4 817
		4 017	23 854
Basic earnings per share (cents)	2.5	**227**	1 054
Diluted earnings per share (cents)	2.5	**223**	1 028

[1] Restated, refer to note 11 for details on the restatement.
[2] Foreign exchange losses were previously included in finance costs and have been disaggregated in the current year and comparative numbers have been re-presented accordingly.

Group statement of comprehensive income

for the year ended 31 December 2023

	Note	2023 Rm	2022 Restated[1] Rm
Profit after tax		**4 017**	23 854
Other comprehensive income after tax:			
Items that may be and/or have been reclassified to profit or loss:		**12 979**	(1 009)
Net investment hedges	7.5	**(554)**	(800)
Foreign exchange movement on hedging instruments		**(759)**	(1 112)
Normal tax		**205**	312
Exchange differences on translating foreign operations including the effect of hyperinflation[2]		**13 533**	(209)
Gains/(losses) arising during the year	1.5.5; 7.6	**13 533**	(209)
Items that will not be reclassified to profit or loss:		**(2 726)**	(10 873)
Losses arising during the year on equity investments at fair value through other comprehensive income[2,3]	7.1.3	**(2 689)**	(10 908)
Remeasurement (loss)/gain on defined benefit obligation[2]		**(37)**	35
Other comprehensive income for the year			
Attributable to:		**10 253**	(11 882)
Equity holders of the Company		**7 262**	(11 103)
Non-controlling interests		**2 991**	779
Total comprehensive income for the year		**14 270**	11 972
Attributable to:			
Equity holders of the Company		**11 354**	7 934
Non-controlling interests		**2 916**	4 038

[1] Restated, refer to note 11 for details on the restatement.
[2] This component of other comprehensive income (OCI) does not attract any tax.
[3] Equity investments at fair value through other comprehensive income mainly relates to the Group's investment in IHS Group (note 7.2).

Group statement of financial position

for the year ended 31 December 2023

	Note	2023 Rm	2022 Restated[1] Rm	1 January 2022 Restated[1] Rm
ASSETS				
Non-current assets		**289 988**	247 786	226 575
Property, plant and equipment	5.1	**117 197**	108 776	99 769
Intangible assets and goodwill	5.2	**74 813**	50 277	43 760
Right-of-use assets	6.5	**48 207**	44 095	36 825
Investments	7.2	**7 388**	9 593	19 916
Investment in associates and joint ventures	9.2	**24 445**	22 942	13 848
Mobile Money deposits	4.6	**755**	612	609
Loans and other non-current receivables	7.3	**3 445**	1 724	1 820
Capitalised contract costs	2.2	**1 124**	1 114	1 091
Contract assets	2.2	**2 391**	2 082	1 714
Deferred tax assets	3.2	**10 223**	6 571	7 223
Current assets		**137 836**	134 207	125 800
Inventories	4.1	**1 472**	1 906	1 539
Trade and other receivables	4.2	**29 352**	28 828	27 995
Contract assets	2.2	**3 305**	3 090	3 007
Taxation assets	3.3	**2 376**	2 483	3 288
Current investments	7.4	**3 366**	4 654	5 422
Restricted cash	4.3	**11 002**	10 235	6 801
Mobile Money deposits	4.6	**49 418**	38 661	38 260
Cash and cash equivalents	4.4	**37 545**	44 350	39 488
Non-current assets held for sale	6.5.5; 9.4.2	**6 890**	3 358	7 291
Total assets		**434 714**	385 351	359 666
EQUITY				
Ordinary share capital and share premium	8.1	**38 490**	38 490	37 994
Retained earnings		**96 339**	93 296	81 485
Other reserves	8.2	**4 376**	(17 298)	(10 298)
Attributable to equity holders of the Company		**139 205**	114 488	109 181
Non-controlling interests	9.5	**10 978**	5 151	3 434
Total equity		**150 183**	119 639	112 615
LIABILITIES				
Non-current liabilities		**119 737**	122 588	115 591
Borrowings	6.1	**55 925**	65 781	65 484
Lease liabilities	6.5	**54 378**	49 830	39 680
Deferred tax liabilities	3.2	**5 709**	4 971	8 500
Provisions	6.3	**715**	894	807
Other non-current liabilities	6.2	**3 010**	1 112	1 120
Current liabilities		**156 802**	140 023	127 058
Trade and other payables	4.5	**54 678**	56 815	50 767
Mobile Money payables	4.6	**50 173**	39 273	38 869
Contract liabilities	2.2	**4 634**	6 716	6 428
Provisions	6.3	**3 002**	3 482	2 892
Taxation liabilities	3.3	**5 819**	11 395	7 035
Borrowings	6.1	**28 124**	15 493	14 949
Lease liabilities	6.5	**9 030**	6 020	5 635
Derivative liabilities	7.1.3	**352**	113	14
Bank overdrafts	4.4	**990**	716	469
Liabilities directly associated with non-current assets held for sale	6.5.5; 9.4.2	**7 992**	3 101	4 402
Total liabilities		**284 531**	265 712	247 051
Total equity and liabilities		**434 714**	385 351	359 666

[1] Restated, refer to note 11 for details on the restatement.

Group statement of changes in equity

for the year ended 31 December 2023

	Note	Attributable to equity holders of the Company						
		Share capital Rm	Share premium Rm	Retained earnings Rm	Other reserves Rm	Total Rm	Non-controlling interests Rm	Total equity Rm
Balance at 1 January 2022 as previously reported		*	37 994	83 580	(10 527)	111 047	3 935	114 982
Prior period error	11	–	–	(2 095)	229	(1 866)	(501)	(2 367)
Restated balance at 1 January 2022		*	37 994	81 485	(10 298)	109 181	3 434	112 615
Total comprehensive income		–	–	19 037	(11 103)	7 934	4 038	11 972
Profit after tax		–	–	19 037	–	19 037	4 817	23 854
Other comprehensive income after tax		–	–	–	(11 103)	(11 103)	(779)	(11 882)
Transactions with owners of the Company:								
Gain on transactions with non-controlling interests[1]	8.2	–	–	–	400	400	667	1 067
Gain on MTN Nigeria Communications PLC (MTN Nigeria) secondary offer	9.4.1.1	–	–	–	3 046	3 046	356	3 402
Share-based payment transaction – Scancom PLC (MTN Ghana) share localisation	9.4.1.3	–	–	–	330	330	13	343
Purchase of treasury shares	8.1	–	(1 417)	–	–	(1 417)	–	(1 417)
Reduction in treasury shares	8.1	–	1 913	(1 913)	–	–	–	–
Contributions by non-controlling interest		–	–	–	–	–	160	160
Recapitalisation	8.2	–	–	251	(251)	–	–	–
Shared-based payment transactions	8.4	–	–	–	659	659	–	659
Transfers to contingency reserves	8.2	–	–	(154)	154	–	–	–
Dividends paid	8.3	–	–	(5 414)	–	(5 414)	(3 662)	(9 076)
Other movements		–	–	4	(235)	(231)	145	(86)
Restated balance at 31 December 2022		*	38 490	93 296	(17 298)	114 488	5 151	119 639
Opening reserve adjustment for hyperinflation	1.5.5	**–**	**–**	**6 352**	**15 705**	**22 057**	**4 419**	**26 476**
Total comprehensive income		**–**	**–**	**4 092**	**7 262**	**11 354**	**2 916**	**14 270**
Profit after tax		**–**	**–**	**4 092**	**–**	**4 092**	**(75)**	**4 017**
Other comprehensive income after tax		**–**	**–**	**–**	**7 262**	**7 262**	**2 991**	**10 253**
Transactions with owners of the Company:								
MTN Nigeria scrip dividend	9.4.2.3	**–**	**–**	**–**	**(1 513)**	**(1 513)**	**1 351**	**(162)**
MTN Ghana scrip dividend	9.4.2.4	**–**	**–**	**–**	**(284)**	**(284)**	**201**	**(83)**
MTN Ghana share localisation	9.4.2.4	**–**	**–**	**–**	**(511)**	**(511)**	**635**	**124**
Purchase of treasury shares	8.1	**–**	**(1 299)**	**–**	**–**	**(1 299)**	**–**	**(1 299)**
Reduction in treasury shares	8.1	**–**	**1 299**	**(1 299)**	**–**	**–**	**–**	**–**
Contributions by non-controlling interest		**–**	**–**	**–**	**–**	**–**	**136**	**136**
Shared-based payment transactions	8.4	**–**	**–**	**–**	**841**	**841**	**–**	**841**
Transfers to reserves	8.2	**–**	**–**	**(186)**	**186**	**–**	**–**	**–**
Dividends paid	8.3	**–**	**–**	**(5 963)**	**–**	**(5 963)**	**(3 897)**	**(9 860)**
Other movements		**–**	**–**	**47**	**(12)**	**35**	**66**	**101**
Balance at 31 December 2023		*****	**38 490**	**96 339**	**4 376**	**139 205**	**10 978**	**150 183**
Note		8.1	8.1		8.2			

[1] Included in gain on transactions with non-controlling interest is a R293 million gain related to the 50% sale in aYo (refer to note 9.4.1.2).
* Amounts less than R1 million.

Group statement of cash flows

for the year ended 31 December 2023

	Note	2023 Rm	2022 Rm
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES			
Cash generated from operations	2.6	**93 127**	94 247
Interest received		**2 811**	1 873
Interest paid		**(16 284)**	(14 417)
Income tax paid	3.3	**(15 824)**	(13 953)
Dividends received from joint ventures		**228**	371
Net cash generated from operating activities		**64 058**	68 121
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(32 187)**	(31 398)
Acquisition of intangible assets		**(13 710)**	(13 786)
Proceeds on sale of MTN SA tower sale	6.5.5	**–**	6 355
Proceeds from sale of property, plant and equipment and intangible assets		**100**	198
Acquisition of right-of-use asset[1]	6.5.4	**(901)**	(628)
Realisation of non-current investment bonds		**120**	157
Purchase of non-current investment bonds and fixed deposits		**(34)**	(147)
Realisation of current investment bonds, treasury bills and foreign deposits		**745**	335
Increase in restricted cash		**(12 575)**	(9 384)
Decrease in restricted cash		**5 982**	5 326
Other investing activities		**205**	(464)
Net cash used in investing activities		**(52 255)**	(43 436)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Proceeds from borrowings	2.7	**33 381**	25 000
Repayment of borrowings	2.7	**(26 027)**	(28 134)
Repayment of lease liabilities	2.8	**(7 828)**	(7 405)
Dividends paid to equity holders of the Company		**(5 963)**	(5 414)
Dividends paid to non-controlling interests		**(3 776)**	(3 689)
Purchase of treasury shares	8.1	**(1 299)**	(1 417)
Consideration received on MTN Ghana share localisation	9.4.1.3; 9.4.2.4	**715**	234
Proceeds from MTN Nigeria secondary offer	9.4.1.1	**1 175**	1 970
Consideration received on transaction with MTN Ghana non-controlling interests		**–**	267
Proceeds from MTN Uganda initial public offering		**–**	103
Contribution from non-controlling interest		**101**	110
Proceeds from disposal of shares in aYo	9.4.1.2	**–**	702
Other financing activities		**36**	254
Net cash used in financing activities		**(9 485)**	(17 419)
Net increase in cash and cash equivalents		**2 318**	7 266
Net cash and cash equivalents at the beginning of the year		**43 634**	39 019
Exchange losses on cash and cash equivalents		**(9 730)**	(2 280)
Net monetary gain on cash and cash equivalents		**916**	175
Increase in cash classified as held for sale	9.4.2	**(583)**	(546)
Net cash and cash equivalents at the end of the year	4.4	**36 555**	43 634

[1] Relates to fully prepaid leases.

Index to the notes to the Group financial statements

Notes to the Group financial statements

for the year ended 31 December 2023

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS

1.1 Basis of preparation

The consolidated financial statements of MTN Group Limited (the Company) comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures and controlled structured entities (together referred to as the Group and individually as Group entities).

The consolidated financial statements and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee (APC), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Johannesburg Stock Exchange (JSE) Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008, as amended (Companies Act).

The Group and the Company have considered all new accounting pronouncements and interpretations that became effective in the current reporting period. These had no material effect on the Group's or Company's financial statements.

The financial statements have been prepared on the historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies and for certain financial instruments that have been measured at fair value, where applicable.

Amounts are rounded to the nearest million with the exception of earnings per share and the related number of shares (note 2.5), number of ordinary shares (note 8.1), share-based payments (note 8.4) and directors' emoluments and interests (note 10.2).

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 1.5.

1.2 Going concern

The Group's and the Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group and the Company should be able to operate within their current funding levels into the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the Company and its subsidiaries have adequate resources to continue in operational existence for the foreseeable future. The financial statements therefore have been prepared on a going concern basis.

1.3 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out on the following pages and in the related notes to the Group financial statements and should be read in conjunction with the financial definitions disclosed on pages 134 to 135 of the financial statements. Where applicable, the principal accounting policies applied in the Company financial statements are consistent with those applied in the Group financial statements. The principal accounting policies applied are consistent with those adopted in the prior year.

The Group and the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy that users need to understand other information in the financial statements.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial reports make on the basis of those reports, which provide financial information about a specific reporting entity. In other words, materiality is an entity-specific aspect of relevance based on the nature or magnitude, or both, of the items to which the information relates in the context of an individual entity's financial report.

The amendments have had an impact on the Group and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in their respective financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.3 Principal accounting policies (continued)

1.3.1 Consolidation

Consolidation of subsidiaries

The Group financial statements incorporate the financial statements of MTN Group Limited and all its subsidiaries and controlled structured entities (SEs) for the reporting date 31 December 2023 on the basis outlined below.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases (disposal date). The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether control exists, the Group considers all existing substantive rights that result in the current ability to direct relevant activities.

The Company accounts for investments in subsidiaries at cost, less accumulated impairment losses.

Loss of control

When the Group ceases to have control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests. Any retained interest in the entity is remeasured to its fair value. Any resulting gain or loss is recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income (OCI) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss. The remaining other reserves related to that entity are transferred to retained earnings.

Non-controlling interests

Non-controlling shareholders are treated as equity participants; therefore, all acquisitions of non-controlling interests or disposals by the Group of its interests in subsidiaries, where control is maintained subsequent to the disposal, are accounted for as equity transactions. Consequently, the difference between the fair value of the consideration transferred and the carrying amount of a non-controlling interest purchased or disposed of, is recorded in equity.

Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.3.2 Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the entity's functional currency. The Group financial statements are presented in South African rand, which is the functional and presentation currency of the Company.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Translation of foreign operations

The results, cash flows and financial position of Group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date.
- Specific transactions in equity are translated at rates of exchange ruling at the transaction dates.
- Income and expenditure and cash flow items are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable.
- Foreign exchange translation differences are recognised in OCI and accumulated in the foreign currency translation reserve (FCTR), except to the extent the difference is allocated to non-controlling interests.

The results, cash flows and financial position of the Group entities, which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the Group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to OCI and accumulated in the FCTR.

The exchange rates relevant to the Group are disclosed in note 7.6. For more details on judgements applied in the selection of exchange rates in countries operating in dual exchange rate economies please refer to note 1.5.3.

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.3 Principal accounting policies (continued)

1.3.2 Foreign currency (continued)

Disposal of foreign operations

On disposal of a foreign operation, all exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Group are reclassified to profit or loss. The amount of FCTR reclassified to profit or loss is calculated based on the appreciation or devaluation in the functional currency of the foreign operation disposed against the functional currency of the Company. As the Group's functional and presentation currency is South African rand and the FCTR is based on the appreciation or devaluation of the South African rand against the equity of the underlying operations in the Group, the Group uses the direct method to recycle the FCTR.

Exchange differences accumulated in equity in respect of a monetary item that is part of the Group's net investment in a foreign operation, are not reclassified to profit or loss on settlement of the monetary item.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is reattributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals, the accumulated exchange differences are reclassified to profit or loss.

1.3.3 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.

As the presentation currency of the Group or the Company is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in OCI.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount. On initial application of hyperinflation prior period gains and losses are recognised directly in equity.

Gains or losses on the net monetary position are recognised in profit or loss.

All items recognised in the income statement are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the initial adjustment is capped at the recoverable amount and the net increase is recorded directly in retained earnings. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The Iranian, Sudanese and Ghanaian economies have been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiaries; MTN Sudan Company Limited (MTN Sudan), Scancom PLC (MTN Ghana) and the Group's joint venture, Irancell Telecommunication Company Services (PJSC) (Irancell), have been expressed in terms of the measuring unit current at the reporting date. For further details, refer to note 1.5.5.

1.3.4 Impairment of non-financial assets

An impairment loss is recognised in profit or loss if the carrying amount of an asset or a CGU exceeds its estimated recoverable amount. For the purpose of impairment testing, assets are grouped together into CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use and fair value less costs of disposal, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Goodwill arising from business combinations is allocated to CGUs or the group of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is subsequently reversed only to the extent that the asset or CGU's carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

An impairment loss in respect of goodwill is not reversed.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.4 New accounting pronouncements

The standards and amendments listed below will be effective in future reporting periods. It is expected that the Group will adopt the pronouncements on their respective dates. The adoption of the new accounting standards and amendments is not expected to have a material impact on the Group results.

Standard	Effective date for annual periods beginning on or after
Classification of Liabilities as Current or Non-current Liabilities with Covenants (Amendments to IAS 1)	**1 January 2024**
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	**1 January 2024**
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	**1 January 2024**
Lack of Exchangeability (Amendments to IAS 21)	**1 January 2025**

1.5 Critical accounting judgements, estimates and assumptions

The Group makes judgements, estimates and assumptions concerning the future when preparing its financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

This note should be read in conjunction with the principal accounting policies disclosed in note 1.3.

1.5.1 Impairment of goodwill

The Group tests goodwill for impairment on an annual basis or whenever there is an impairment indicator identified by management, in accordance with the accounting policy disclosed in note 1.3.4. The recoverable amounts of cash-generating units (CGUs) have been determined based on value in use calculations being the estimated future cash flows discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. These calculations are performed internally by the Group and require the use of estimates and assumptions.

Source of estimation uncertainty

The input factors most sensitive to change are management estimates of future cash flows based on budgets and forecasts, growth rates, terminal rates and discount rates. Further detail on these assumptions has been disclosed in note 5.2. The Group has performed a sensitivity analysis by varying these input factors by a reasonably possible margin and assessing whether the changes in input factors result in any of the goodwill allocated to an appropriate CGU, being impaired. Goodwill impairment is zero in the current year (2022: R283 million), refer to note 5.2.

1.5.2 IHS Group fair value through other comprehensive income (FVOCI)

Significant judgement – investment classification

The Group has an economic interest in IHS Group of 25.66% (2022: 25.66%) comprising of ordinary shares. An investor is presumed to have significant influence over an investee when it owns 20% of the investee, unless it can be clearly demonstrated that this is not the case. According to IHS Group's articles of association, while the Group owns more than 20% of the issued shares, the Group's voting rights are limited to 20%. The Group is not entitled to appoint a Board member. The Group does not have any special information rights or access to strategic, financial or operational information beyond that available to other public shareholders.

As a result of these restrictions, the Group's rights do not constitute significant influence to participate in the financial and operating policy decisions of IHS Group. Consequently, the Group accounts for its investment in IHS Group as an equity instrument held at fair value through other comprehensive income (FVOCI) (refer to note 7.2).

1.5.3 Dual exchange rates

Significant judgement

The Group operates in a number of foreign jurisdictions that have multiple quoted exchange rates. When several quoted exchange rates are available in a foreign jurisdiction, the Group uses judgement to determine the rate at which the future cash flows represented by foreign denominated transactions or balances could have been settled if those cash flows had occurred at the measurement date in these foreign entities. For the translation of the results, cash flows and financial position of the foreign entities into the presentation currency of the Group, the Group uses the rate at which dividends can be remitted. If exchangeability between two currencies is temporarily lacking, the rate used is the first subsequent rate at which exchanges could be made.

Further information on the relevant exchange rates is provided in note 7.6.

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.5 Critical accounting judgements, estimates and assumptions (continued)

1.5.4 Income taxes

Source of estimation uncertainty

The Group is subject to income taxes in numerous jurisdictions. As a result, significant judgement is required in determining the Group's provision for income taxes. There are numerous calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business.

The Group recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. In determining whether an interpretation and/or application of the various tax rules may result in a dispute of which the outcome may not be favourable to the Group, the Group seeks, where relevant, expert advice to determine whether an unfavourable outcome is probable or possible. Where payment is determined to be possible but not probable the tax exposure is disclosed as a contingent liability, refer to note 6.6.

Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax in the period in which such determination is made.

Deferred tax assets – 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 R10 223 million (2022: R6 571 million). The Group has deductible temporary differences and unused assessed losses of R20 837 million (2022: R16 138 million) for which no deferred tax asset has been recognised as at 31 December 2023, as well as an unrecognised deferred tax asset of R801 million (2022: R728 million) relating to foreign tax credits, refer to note 3.2.

MTN Mauritius recognised a deferred tax asset of R4 386 million (2022: R4 386 million) mainly resulting from an assessed loss.

The Group considered the following factors in assessing whether it is probable that MTN Mauritius will have future taxable profits available against which the deferred tax asset can be used:
- It is unlikely that the circumstances that resulted in MTN Mauritius incurring assessed losses will recur indefinitely.
- Interest expense and foreign exchange exposures will reduce as MTN Mauritius repays its US$ denominated intercompany debt. The repayments are currently scheduled to occur in 2024 and 2026.
- Technical service fees from subsidiaries are expected to increase as more services are provided centrally.

Based on current business plans and stress scenarios, the Group expects to utilise the deferred tax asset in the next ten to 12 years (2022: 10 to 13 years).

1.5.5 Hyperinflation

Significant judgement

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint ventures is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:
- The general population prefers to keep its wealth in nonmonetary assets or in a relatively stable foreign currency.
- Prices are quoted in a relatively stable foreign currency.
- Sales or purchase prices take expected losses of purchasing power during a short credit period into account.
- Interest rates, wages and prices are linked to a price index.
- The cumulative inflation rate over three years is approaching, or exceeds, 100%.

The analysis of the cumulative inflation rate over three years resulted in the Group considering whether Afghanistan's economy was hyperinflationary. Based on the available information, the Group concluded that this economy is currently not hyperinflationary.

Following management's assessment, the Group's subsidiaries, MTN Sudan, MTN Ghana and the Group's joint venture, Irancell, have been accounted for as entities operating in hyperinflationary economies. The results, cash flows and financial positions of MTN Sudan, MTN Ghana and Irancell have been expressed in terms of the measuring units current at the reporting date.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.5 Critical accounting judgements, estimates and assumptions (continued)

1.5.5 Hyperinflation (continued)

MTN Sudan

The economy of Sudan was assessed to be hyperinflationary during 2018, and hyperinflation accounting has been applied since.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
31 December 2023	2007	228 979	238

The cumulative inflation rate over three years as at 31 December 2023 is 2 550% (2022: 3 444%). The average adjustment factor used for 2023 was 2.29 (2022: 1.70).

MTN South Sudan

The three-year cumulative inflation in South Sudan for 2023 is below 100%, indicating that the economy has ceased to be hyperinflationary with effect from 1 July 2023. Accordingly, the amounts expressed in terms of the measuring unit current at 30 June 2023 are treated as the basis for the carrying amounts with no further hyperinflation adjustments being passed from 1 July 2023 onwards.

Date	Base year	General price index	Inflation rate (%)
30 June 2023	2007	24 055	14

The cumulative inflation rate over three years as at 30 June 2023 is 30% (2022: 147%). The average adjustment factor used for 2023 was 1.04 (2022: 1.15).

Irancell

The economy of Iran was assessed to be hyperinflationary effective 1 January 2020, and hyperinflation accounting has been applied since.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
31 December 2023	2016	897	40

The cumulative inflation rate over three years as at 31 December 2023 is 190% (2022: 190%). The average adjustment factor used for 2023 was 1.22 (2022: 1.24).

MTN Ghana

The economy of Ghana was assessed to be hyperinflationary effective 1 January 2023, and hyperinflation accounting was applied for the current financial year-end. Upon first application of hyperinflation, net prior period gains of R26 799 million were recognised directly in equity. The uplift of the assets on initial adoption resulted in the net asset value of MTN Ghana exceeding its estimated recoverable amount. As a result of this, the initial adjustment was capped at the recoverable amount. If the initial uplift had not been capped, the related increase in opening equity would have been R30 718 million.

The general price index used as published by the International Monetary Fund is as follows:

Date	Base year	General price index	Inflation rate (%)
31 December 2023	2012	577	23

The cumulative inflation rate over three years as at 31 December 2023 is 114%. The average adjustment factor used for 2023 was 1.10.

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.5 Critical accounting judgements, estimates and assumptions (continued)

1.5.5 Hyperinflation (continued)

The cumulative impact of adjusting the Group's results for the effects of hyperinflation is set out below:

	2023 Rm	2022 Rm
Income statement		
Increase in revenue[1]	**4 715**	2 484
Net monetary gain	**744**	1 251
Increase in share of results of associates and joint ventures after tax	**1 124**	1 174
(Decrease)/increase in profit after tax[2]	**(3 958)**	2 471

[1] Significant increase in revenue is due to inclusion of MTN Ghana's revenue in the cumulative impact of adjusting the Group's results in 2023.
[2] Significant decrease in profit after tax is due to increase in MTN Ghana's depreciation and amortisation expenses and MTN Sudan's increased expenses due to the Sudan war.

1.5.6 Consolidation of MTN Zakhele Futhi

Significant judgement

MTN implemented its broad-based black economic empowerment (B-BBEE) transaction through a separate legal entity, MTN Zakhele Futhi during the 2016 financial year. MTN Zakhele Futhi is a structured entity with the sole business of holding shares of MTN Group Limited and administering the associated funding of these shares.

The Group was involved in structuring MTN Zakhele Futhi, determining the level of its debt and negotiating the related debt covenants. In addition, the Group holds a call option which, if exercised on the occurrence of a trigger event, entitles it to settle MTN Zakhele Futhi's debt with the third-party funders. This gives the Group the ability to manage the credit risk of MTN Zakhele Futhi and consequently, the related B-BBEE credentials which are dependent on the continued success of MTN Zakhele Futhi. As these activities are considered to be the relevant activities of MTN Zakhele Futhi, it is consolidated by the Group.

1.5.7 Contingent liabilities

Significant judgement

The Group applies judgement in assessing the potential outcome of uncertain legal and regulatory matters. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision or a tax liability is recognised. The Group has disclosed contingent liabilities where economic outflows are considered possible but not probable. Refer to note 6.6.

1.5.8 Accounting for Mobile Money (MoMo) deposits and payables

Significant judgement

Limited accounting guidance exists in IFRS relating to MoMo customers' balances held with banks. In the Group's larger MoMo markets, as the MoMo products mature and the regulatory and legal positions are codified, the underlying exposure to its MoMo customers is clarified ultimately resulting in the MoMo balances being recorded on the statement of financial position.

As the Group operates in a number of markets where the legal and regulatory position relating to MoMo has not been clarified, the judgement was made to recognise all MoMo liabilities, representing the obligation which exists in the ordinary course to refund the customer for deposits made, and the related MoMo balances held with the banks on the statement of financial position. For further details of the Group's MoMo policy refer to note 4.6.

1.5.9 Leases

Significant judgement – renewal and termination options

The Group applies judgement in determining the lease term by considering all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option and whether it is reasonably likely that options will be exercised by considering factors such as how far in the future an option occurs, the Group's business planning cycle and past history of terminating/not renewing leases. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The average remaining lease term for recognised leases is five to six years. Refer to note 6.5 for further details.

Significant judgement – lease and non-lease components

A number of lease contracts include both lease and non-lease components (e.g. maintenance, security, etc.). The Group has not elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred. The Group applies judgement in allocating the consideration in the contract to each lease and non-lease component based on their relative standalone selling prices. The standalone selling prices of each component are based on available market prices.

Significant judgement – sale and leaseback

In 2022, Mobile Telephone Networks Proprietary Limited South Africa (MTN SA) concluded an agreement with IHS Group to sell its tower infrastructure and power assets, cede related agreements including land lease agreements (on which the towers are constructed) to IHS Group, and lease back spaces on the towers. The key judgements include the following, which have been further explained in note 6.5.5:

- Nature of the transaction being a sale and leaseback in terms of IFRS 16 *Leases*.
- Accounting for pre-existing barter arrangements.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS

2.1 Operating segments

The Group has identified reportable segments that are used by the Group Executive Committee (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, finance costs and foreign exchange gains or losses, tax, depreciation and amortisation, and is also presented before recognising the following items:
- Impairment of goodwill and investment in joint ventures (note 5.2.1 and note 9.2).
- Net monetary gain resulting from the application of hyperinflation (note 1.5.5).
- Share of results of associates and joint ventures after tax (note 9.2).
- Hyperinflation (note 1.5.5).
- Impairment loss on remeasurement of non-current assets held for sale (note 9.4.2.1).
- Gain on sale of towers (note 6.5.5).
- Impairment loss on assets (note 5.1.1).

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 (capex) due to equity accounting for joint ventures. The results of Irancell in the segments analysis exclude the impact of hyperinflation accounting.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

Revenue 2023	Network services Rm	Mobile devices Rm	Inter-connect and roaming Rm	Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
South Africa	31 959	9 925	5 019	2 471	1 835	51 209	598	51 807
Nigeria	64 101	417	5 408	3 739	605	74 270	–	74 270
SEA	14 502	322	1 052	6 448	599	22 923	–	22 923
Uganda	8 310	195	537	3 859	283	13 184	–	13 184
Zambia	2 121	80	192	1 005	67	3 465	–	3 465
Other SEA	4 071	47	323	1 584	249	6 274	–	6 274
WECA	41 363	211	2 625	11 236	1 604	57 039	–	57 039
Ghana	14 680	84	699	5 066	242	20 771	–	20 771
Côte d'Ivoire	7 375	38	839	1 259	791	10 302	–	10 302
Cameroon	7 336	41	356	2 029	143	9 905	–	9 905
Other WECA	11 972	48	731	2 882	428	16 061	–	16 061
MENA	4 728	19	1 139	182	40	6 108	–	6 108
Sudan	2 638	9	721	90	26	3 484	–	3 484
Afghanistan	2 090	10	418	92	14	2 624	–	2 624
Bayobab[1]	2 153	6	6 962	–	2 136	11 257	220	11 477
Major joint venture – Irancell[2]	6 990	213	397	1 538	216	9 354	11	9 365
Head office companies[3]	405	–	–	104	10 134	10 643	–	10 643
Eliminations	(1 215)	–	(5 550)	(120)	(10 839)	(17 724)	(202)	(17 926)
Hyperinflation impact	3 477	17	700	467	54	4 715	–	4 715
Irancell revenue exclusion	(6 990)	(213)	(397)	(1 538)	(216)	(9 354)	(11)	(9 365)
Consolidated revenue	161 473	10 917	17 355	24 527	6 168	220 440	616	221 056

[1] Bayobab has been disaggregated from head office companies in 2023 with comparative numbers restated accordingly.

[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 the Group's central financing activities and management fees from segments.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

Revenue 2022	Network services Rm	Mobile devices Rm	Inter-connect and roaming Rm	Digital and fintech Rm	Other Rm	Revenue from contracts with customers Rm	Interest revenue Rm	Total revenue Rm
South Africa	32 018	9 792	4 359	2 417	1 573	50 159	481	50 640
Nigeria	65 721	237	6 518	4 087	697	77 260	–	77 260
SEA	12 732	240	872	5 019	479	19 342	–	19 342
Uganda	6 518	90	400	2 932	186	10 126	–	10 126
Zambia	2 096	104	184	869	63	3 316	–	3 316
Other SEA	4 118	46	288	1 218	230	5 900	–	5 900
WECA	35 510	204	2 294	8 920	1 351	48 279	–	48 279
Ghana	12 920	62	590	4 170	289	18 031	–	18 031
Côte d'Ivoire	6 446	46	663	1 116	647	8 918	–	8 918
Cameroon	5 829	28	354	1 422	94	7 727	–	7 727
Other WECA	10 315	68	687	2 212	321	13 603	–	13 603
MENA	5 005	27	1 007	146	27	6 212	–	6 212
Sudan	3 276	19	642	78	17	4 032	–	4 032
Afghanistan	1 729	8	365	68	10	2 180	–	2 180
Bayobab[1]	1 418	–	6 180	–	1 869	9 467	255	9 722
Major joint venture – Irancell[2]	7 093	183	362	702	206	8 546	18	8 564
Head office companies[3]	438	–	–	–	13 231	13 669	–	13 669
Eliminations	(957)	(3)	(5 571)	(22)	(13 810)	(20 363)	(242)	(20 605)
Hyperinflation impact	1 988	13	419	49	15	2 484	–	2 484
Irancell revenue exclusion	(7 093)	(183)	(362)	(702)	(206)	(8 546)	(18)	(8 564)
Consolidated revenue	153 873	10 510	16 078	20 616	5 432	206 509	494	207 003

[1] Bayobab has been disaggregated from head office companies in 2023 with comparative numbers restated accordingly.
[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 the Group's central financing activities and management fees from segments.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 **RESULTS OF OPERATIONS** (continued)

2.1 **Operating segments** (continued)

External vs inter-segment revenue	2023 External revenue Rm	2023 Inter-segment revenue Rm	2023 Total revenue Rm	2022 External revenue Rm	2022 Inter-segment revenue Rm	2022 Total revenue Rm
South Africa	51 403	404	51 807	50 153	487	50 640
Nigeria	73 159	1 111	74 270	76 015	1 245	77 260
SEA	22 411	512	22 923	18 892	450	19 342
Uganda	12 810	374	13 184	9 790	336	10 126
Zambia	3 418	47	3 465	3 269	47	3 316
Other SEA	6 183	91	6 274	5 833	67	5 900
WECA	55 624	1 415	57 039	47 047	1 232	48 279
Ghana	20 170	601	20 771	17 401	630	18 031
Côte d'Ivoire	10 109	193	10 302	8 759	159	8 918
Cameroon	9 725	180	9 905	7 540	187	7 727
Other WECA	15 620	441	16 061	13 347	256	13 603
MENA	5 248	860	6 108	5 381	831	6 212
Sudan	2 918	566	3 484	3 472	560	4 032
Afghanistan	2 330	294	2 624	1 909	271	2 180
Bayobab[1]	7 193	4 284	11 477	6 064	3 658	9 722
Major joint venture – Irancell[2]	9 365	–	9 365	8 564	–	8 564
Head office companies[3]	1 183	9 460	10 643	949	12 720	13 669
Eliminations	–	(17 926)	(17 926)	–	(20 605)	(20 605)
Hyperinflation impact	4 835	(120)	4 715	2 502	(18)	2 484
Irancell revenue exclusion	(9 365)	–	(9 365)	(8 564)	–	(8 564)
Consolidated revenue	221 056	–	221 056	207 003	–	207 003

[1] Bayobab has been disaggregated from head office companies in 2023 with comparative numbers restated accordingly.
[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 the Group's central financing activities and management fees from segments.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

CODM EBITDA	2023 Rm	2022 Restated[1] Rm
South Africa	**18 623**	19 480
Nigeria	**36 916**	41 087
SEA	**10 549**	8 877
Uganda	**6 769**	5 233
Zambia	**1 075**	847
Other SEA	**2 705**	2 797
WECA	**23 299**	19 109
Ghana	**12 135**	10 210
Côte d'Ivoire	**3 392**	2 950
Cameroon	**3 749**	2 752
Other WECA	**4 023**	3 197
MENA	**1 800**	2 716
Sudan	**1 065**	2 128
Afghanistan	**735**	588
Bayobab[2]	**1 201**	1 182
Head office companies[3]	**(2 106)**	1 390
Eliminations	**(474)**	(3 961)
CODM EBITDA	**89 808**	89 880
Major joint venture – Irancell[4]	**3 850**	3 555
Hyperinflation impact	**73**	851
Gain on sale of MTN SA towers	**76**	371
Impairment loss on remeasurement of non-current assets held for sale	**(900)**	(1 263)
Impairment loss on Sudan assets due to war	**(277)**	–
Irancell CODM EBITDA exclusion	**(3 850)**	(3 555)
CODM EBITDA before impairment of goodwill	**88 780**	89 839
Depreciation, amortisation and impairment of goodwill and investment in joint ventures	**(42 268)**	(35 243)
Net finance cost	**(39 069)**	(18 326)
Net monetary gain	**744**	1 251
Share of results of joint ventures and associates after tax	**3 581**	3 369
Profit before tax	**11 768**	40 890

[1] Restated, refer to note 11 for details on the restatement.
[2] Bayobab has been disaggregated from head office companies in 2023 with comparative numbers restated accordingly.
[3] Included in 2022 R3.8 billion gain on the MTN Nigeria secondary offer and R1.4 billion gain on the MTN Ghana share localisation.
[4] 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 **RESULTS OF OPERATIONS** (continued)

2.1 **Operating segments** (continued)

Capital expenditure incurred	**2023 Rm**	2022 Rm
South Africa[1]	**15 709**	17 987
Nigeria	**16 785**	19 088
SEA	**6 054**	6 483
Uganda	**3 478**	4 261
Zambia	**757**	636
Other SEA	**1 819**	1 586
WECA	**21 095**	8 588
Ghana	**5 521**	3 515
Côte d'Ivoire	**6 828**	1 844
Cameroon	**5 992**	1 075
Other WECA	**2 754**	2 154
MENA	**1 030**	1 647
Sudan	**619**	1 264
Afghanistan	**411**	383
Bayobab[2]	**1 501**	1 311
Major joint venture – Irancell[3]	**4 117**	3 283
Head office companies	**603**	932
Eliminations	**(346)**	(99)
Hyperinflation impact	**1 191**	857
Irancell capex exclusion	**(4 117)**	(3 283)
	63 622	56 794

[1] 2022 capex has been re-presented to include contractual modifications to lease agreements in MTN SA.
[2] Bayobab has been disaggregated from head office companies in 2023 with comparative numbers restated accordingly.
[3] Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS reported results due to equity accounting for joint ventures.

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

	2023 Revenue Rm	**2023 Capex Rm**
Sudan	**3 126**	**572**
South Sudan (included in other SEA)	**(247)**	**(41)**
Ghana	**1 836**	**660**
	4 715	**1 191**
Major joint venture – Irancell	**1 124**	**485**

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

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)

2.2 Revenue from contracts with customers

The Group principally generates revenue from providing mobile telecommunications services, such as network services (comprising data, voice and SMS), digital and fintech services, interconnect and roaming services, as well as from the sale of mobile devices. Products and services may be sold separately or in bundled packages. The typical length of a contract for postpaid bundled packages is 24 months.

For bundled packages, the Group accounts for individual products and services separately if they are distinct. The consideration is allocated between separate products and services in a bundle based on their standalone selling prices. The standalone selling prices are determined based on the list prices at which the Group sells mobile devices and network services separately.

The main categories of revenue and the basis of recognition are as follows:

Network services and digital and fintech

The Group provides mobile telecommunication services, including network services and digital and fintech services. Network services (comprising data, voice and SMS) are considered to represent a single performance obligation as all are provided over the MTN network and transmitted as data representing a digital signal on the network. The transmission of voice, data and SMS all consume network bandwidth and therefore, irrespective of the nature of the communication, the subscriber ultimately receives access to the network. Network services are therefore viewed as a single performance obligation represented by capacity on the MTN network.

Digital and fintech services include value-added services, rich media services, MoMo, insurance, airtime lending, e-commerce, etc.

Customers either pay in advance for these services or pay monthly in equal instalments over the contractual period. A contract liability is recognised for amounts received in advance, until the services are provided or the likelihood of the usage of services becomes remote. The assessment of when services would become remote is based on historical experience in each market in which the Group operates.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of network services/digital services provided during the reporting period as a proportion of the total units of network services/digital services expected to be provided. The customer receives and uses the benefits of these services simultaneously.

Mobile devices

The Group sells a range of mobile devices. The Group recognises revenue when customers obtain control of mobile devices, being when the customers take possession of the devices. For mobile devices sold separately, customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments over the contract period. Contract assets are recognised when customers take possession of devices for postpaid contracts.

The Group assesses postpaid contracts including handsets to determine if they contain a significant financing component. The Group has elected to apply the practical expedient that allows the Group not to adjust the transaction price for the significant financing component for contracts where the time difference between customer payment and transfer of goods or services is expected to be one year or less. For contracts containing significant financing components, the Group reduces device revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

The Group bases the subscriber contract period on the contractual term and accounts for early upgrades as contract modifications. The effect of the modification is that the contract asset at modification date is treated as a payment to a customer and results in a reduction of the revenue from the subsequent contract.

Interconnect and roaming

The Group provides interconnect and roaming services. The Group recognises interconnect and roaming revenue and a receivable (debtors) as the service is provided unless it is not probable (based on historical information) on transaction date that the interconnect revenue will be received, in which case interconnect revenue is recognised only when the cash is received or where a right of set-off exists with interconnect parties in settling amounts.

Payment for interconnect and roaming is generally received on a monthly basis. Some interconnect and roaming debtors have a historical pattern of late payment due to sanctions imposed. The Group has continued to provide services to these debtors (due to regulatory requirements) where the recovery of principal is significantly delayed beyond the contractual terms. The Group has considered historical payment patterns (i.e. customary business practice) in assessing whether the contract contains a significant financing component. For contracts containing a significant financing component, the Group reduces interconnect and roaming revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

2 RESULTS OF OPERATIONS (continued)

2.2 Revenue from contracts with customers (continued)

Capitalisation of subscriber acquisition costs

The Group expects that incremental subscriber acquisition costs for obtaining and renewing contracts are recoverable. These costs include agent's commission on postpaid contracts and SIM activation costs on prepaid contracts. The Group has therefore capitalised these costs as contract costs. Capitalised contract costs are amortised on a systematic basis over the average customer life and included in selling, distribution and marketing expenses in profit or loss.

In terms of a practical expedient, the Group has elected to recognise the incremental costs of obtaining contracts as a selling, distribution and marketing expense in profit or loss, when incurred, if the amortisation period of the assets that the Group otherwise would have recognised is 12 months or less.

Contract costs are assessed for impairment in terms of IAS 36 *Impairment of Assets* when there is an indication of impairment.

Assets and liabilities related to contracts with customers

The Group has recognised the following assets and liabilities related to contracts with customers:

	2023 Rm	2022 Rm
Contract assets	**5 843**	5 823
Contract assets – non-current	**2 473**	2 341
Contract assets – current	**3 370**	3 482
Loss allowance	**(147)**	(651)
Total contract assets	**5 696**	5 172
Capitalised contract costs	**1 124**	1 114
Contract liabilities	**4 634**	6 716

The Group also recognised a loss allowance for contract assets as per IFRS 9 *Financial Instruments* (IFRS 9).

Significant changes in contract assets and liabilities

Contract assets have increased compared to prior year mainly as a result of a lower ECL allowance. The contract asset ECL allowance reduced as a result of a significant improvement in the forward-looking scalar compared to the prior year.

Contract liabilities decreased due to a decrease in the provision of vouchers activated but not yet recharged. There was also a decrease in voice effective rates compared to the prior year.

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2023 Rm	2022 Rm
Revenue recognised that was included in the contract liability balance	**5 411**	5 171

Unsatisfied performance obligations

	2023 Rm	2022 Rm
Aggregate amount of transaction price allocated to unsatisfied performance obligations	**5 005**	6 981

For postpaid contracts that were effective at 31 December 2023 the above amounts reflect the transaction price for services to be provided over the remainder of the contractual periods.

Management expects that 87% (2022: 87%) of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 will be recognised as revenue amounting to R4 376 million (2022: R6 073 million) during the next reporting period. The remaining 13% (2022: 13%) amounting to R629 million (2022: R908 million) will be recognised in the 2025 financial year.

For contracts with a term of one year or less, the transaction price is not disclosed above as allowed by IFRS 15.

Notes to the Group financial statements (continued)
for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)
2.3 Operating expenses

Employee benefits
Short-term employee benefits
Salaries and wages, including non-monetary benefits and accumulated leave pay (remuneration), that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised as a liability and are measured at the amounts expected to be paid when the liabilities are settled.

A liability for bonuses is recognised when there is no realistic alternative other than to settle the liability, and at least one of the following conditions is met:
- There is a formal plan and the amounts to be paid can be reliably estimated.
- Achievement of previously agreed bonus criteria has created a valid expectation by employees that they will receive a bonus and the amount can be reliably estimated.

Long-term employee benefits
Long-term service awards
Salaries and wages, includes long service awards which employees become entitled to after having been in the employ of the Group for a continuous period of between three and 30 years and depending on the specific Group entity with whom they are employed. Long-term service awards are recognised as a liability and are measured at the amount of the benefit attributable to the years of service rendered to date in comparison to the total years of continuous service required to qualify for the long-term employee benefit.

For both short-term and long-term employee benefits, remuneration to employees in respect of services rendered during a reporting period is expensed in that reporting period.

Share-based payment transactions
As part of long-term employee benefits, the Group operates a number of share incentive schemes. For further details, refer to note 8.4.

Post-employment benefits
Group companies operate various defined contribution plans. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

	2023 Rm	2022 Rm
Staff costs	**(15 099)**	(12 675)
Salaries and wages	**(11 831)**	(10 114)
Post-employment benefits	**(691)**	(596)
Share options granted to directors and employees (note 8.4)	**(1 079)**	(807)
Training	**(305)**	(287)
Other	**(1 193)**	(871)
Auditors' remuneration	**(268)**	(289)
Audit fees	**(234)**	(236)
Fees for other services	**(21)**	(34)
Expenses	**(13)**	(19)
Emoluments to directors and prescribed officers (note 10.1 and note 10.2)	**(288)**	(325)
Research and development costs	**(52)**	(2)
(Loss)/gain on disposal of property, plant and equipment and intangible assets	**(8)**	185
Net impairment loss on property, plant and equipment (note 5.1)	**(847)**	(170)
Impairment loss on intangible assets (note 5.2)	**(3)**	(11)
Impairment loss on right-of-use assets (note 6.5.3)	**–**	(3)
Net write-down of inventories to net realisable value (note 4.1)	**(76)**	(183)
Impairment and write-down of trade receivables and contract assets[1]	**(1 330)**	(1 579)
Impairment of cash balances	**(17)**	–
Increase in provisions (note 6.3)[2]	**(1 442)**	(1 512)
Amortisation of capitalised contract costs	**(977)**	(782)
Professional and consulting fees	**(3 913)**	(3 823)

[1] The impairment and write-down of trade receivables and contract assets includes amounts disclosed in note 4.2 and R505 million impairment reversal (2022: R27 million impairment reversal) relating to contract assets.
[2] The increase in provision excludes bonus provision R1 902 million (2022: R1 682 million) and provision for long service awards R47 million (2022: R77 million) in 2023 with comparative numbers restated accordingly.

2 RESULTS OF OPERATIONS (continued)

2.4 Finance income, finance costs and net foreign exchange losses

Finance income
Finance income comprises interest income on funds invested, changes in the fair value of financial assets at fair value through profit or loss (FVTPL). Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs
Finance costs comprise interest expenses on borrowings, lease liability interest expense, unwinding of the discount on provisions, fair value movements, net foreign exchange losses, unwind of revision of cash flows and any losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method, unless the borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets, in which case the directly attributable borrowing costs are capitalised.

Net foreign exchange losses
Foreign exchange gains/losses comprise of net foreign exchange losses and any losses on hedging instruments that are recognised in profit or loss.

	2023 Rm	2022 Restated[1] Rm
Interest income on loans and receivables	**1 212**	638
Interest income on bank deposits	**1 843**	1 404
Finance income	**3 055**	2 042
Interest expense on financial liabilities measured at amortised cost	**(11 292)**	(6 881)
Lease liability interest expense (note 6.5.3)	**(7 662)**	(7 432)
Finance costs[2]	**(18 954)**	(14 313)
Net foreign exchange losses[2]	**(23 170)**	(6 055)

[1] Restated, refer to note 11 for details on the restatement.
[2] Foreign exchange losses were previously included in finance costs and have been disaggregated in the current year and comparative numbers have been re-presented accordingly.

Nigeria currency devaluation
During the 2023 financial year, the Naira devalued from NGN461 as at 31 December 2022 to NGN907 as at 31 December 2023 against the US$ and foreign exchange losses of NGN740 billion (R20 975 million) were recognised in MTN Nigeria. The foreign exchange losses are largely unrealised losses and relate mainly to the revaluation of the dollar component of tower lease liabilities and unsettled letters of credit for dollar denominated capital acquisitions

2.5 Earnings per ordinary share

Basic earnings per share
Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the profit after tax attributable to ordinary shareholders. For the purpose of calculating earnings per share, treasury shares are deducted from the number of ordinary shares in issue.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and is based on the net profit attributable to ordinary shareholders, adjusted for the after-tax dilutive effect. The Company has dilutive potential ordinary shares which comprise of the Group's employee share ownership plan (ESOP), performance share plan (PSP) and MTN Zakhele Futhi.

Headline earnings per share
Headline earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the earnings attributable to ordinary shareholders, after excluding those items as required by Circular 1/2023 *Headline Earnings* issued by SAICA as amended from time to time and as required by the JSE Limited.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)

2.5 Earnings per ordinary share (continued)

	2023 '000	2022 '000
Weighted average number of shares (excluding treasury shares) for calculation of basic earnings per share	**1 806 315**	1 805 193
Adjusted for:		
– Share options – MTN Zakhele Futhi	**18 293**	29 042
– Performance share plan	**13 029**	16 956
– Employee share ownership plan	**323**	895
Weighted average number of shares for calculation of diluted earnings per share	**1 837 960**	1 852 086

Refer to note 8.1 for a reconciliation of total shares in issue.

Reconciliation between net profit attributable to the equity holders of the Company and headline earnings:

	2023 Gross Rm	2023 Net[2] Rm	Restated[1] 2022 Gross Rm	Restated[1] 2022 Net[2] Rm
Profit attributable to equity holders of the Company		**4 092**		19 037
Adjusted for:				
Net profit on disposal of property, plant and equipment and intangible assets	**(2)**	**28**	(190)	(163)
– Subsidiaries (IAS 16)	**8**	**38**	(185)	(158)
– Joint ventures (IAS 28)	**(10)**	**(10)**	(5)	(5)
Impairment of goodwill and investment in joint ventures (IAS 36)	**–**	**–**	625	625
Net impairment loss on property, plant and equipment, right-of-use-assets and intangibles (IAS 36)	**850**	**726**	184	175
Gain on sale of MTN SA towers (IFRS 5)	**(76)**	**(56)**	(371)	(405)
Impairment loss on remeasurement of non-current assets held for sale (IFRS 5)	**900**	**900**	1 263	1 263
Headline earnings		**5 690**		20 532

	2023	2022 Restated[1]
Earnings per share (cents)		
– Basic	**227**	1 054
– Basic headline	**315**	1 137
Diluted earnings per share (cents)		
– Diluted	**223**	1 028
– Diluted headline	**310**	1 109

[1] Restated, refer to note 11 for details on the restatement.
[2] Amounts are measured after taking into account non-controlling interests and tax.

2 RESULTS OF OPERATIONS (continued)

2.6 Cash generated from operations

	2023 Rm	2022 Restated[1] Rm
Profit before tax	**11 768**	40 890
Adjusted for:		
Finance costs (note 2.4)^[2]	**18 954**	14 313
Finance income (note 2.4)	**(3 055)**	(2 042)
Foreign exchange losses (note 2.4)[2]	**23 170**	6 055
Depreciation of property, plant and equipment and right-of-use assets (note 5.1 and 6.5.3)	**34 130**	28 619
Amortisation of intangible assets (note 5.2)	**8 138**	5 999
Loss/(gain) on disposal of property, plant and equipment and intangible assets (note 2.3)	**8**	(185)
Impairment loss on remeasurement of non-current assets held for sale (note 9.4.2.1)	**900**	1 263
Amortisation of contract costs (note 2.3)	**977**	782
Share of results of associates and joint ventures after tax (note 9.2)	**(3 581)**	(3 369)
Increase in provisions (note 6.3)	**3 391**	3 271
Net write-down of inventories to net realisable value (note 4.1)	**76**	183
Impairment of goodwill and investment in joint ventures (note 5.2.1 and 9.2)	**–**	625
Net impairment loss on property, plant and equipment (note 5.1)	**847**	170
Impairment loss on right-of-use assets (note 2.3 and 6.5.3)	**–**	3
Impairment loss on intangible assets (note 5.2)	**3**	11
Impairment and write-down of trade receivables and contract assets (note 2.3)	**1 330**	1 579
Share-based payment transactions (note 8.4)	**1 079**	807
Impairment of restricted cash balances (note 2.3)	**17**	–
Net monetary gain (note 1.5.5)	**(744)**	(1 251)
Gain on MTN SA tower sale (note 6.5.5)	**(76)**	(371)
Other	**(84)**	(358)
	97 248	96 994
Changes in working capital	**(4 121)**	(2 747)
Decrease/(increase) in inventories	**828**	(611)
Increase in contract assets and capitalised contract costs	**(1 310)**	(517)
Net increase in receivables and prepayments	**(7 457)**	(7 581)
Net increase in payables and contract liabilities	**3 818**	5 962
Cash generated from operations	**93 127**	94 247

[1] Restated, refer to note 11 for details on the restatement.
[2] Foreign exchange losses were previously included in finance costs and have been disaggregated in the current year and comparative numbers have been re-presented accordingly.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

2 RESULTS OF OPERATIONS (continued)

2.7 Reconciliation of cash flows arising from financing activities related to borrowings

	2023 Rm	2022 Rm
Borrowings at the beginning of the year	**81 274**	80 433
Current	**15 493**	14 949
Non-current	**65 781**	65 484
Cash flows	**7 354**	(3 134)
Proceeds from borrowings	**33 381**	25 000
Repayment of borrowings	**(26 027)**	(28 134)
Other movements	**(4 579)**	3 975
Effects of changes in foreign exchange rates and interest accrued	**4 356**	11 561
Transfer to held for sale[1]	**(301)**	–
Interest paid[2]	**(8 634)**	(7 586)
Borrowings at the end of the year	**84 049**	81 274
Comprising:		
– Current	**28 124**	15 493
– Non-current	**55 925**	65 781

[1] Refer to note 9.4.2.
[2] Presented as part of cash generated from operating activities.

2.8 Reconciliation of cash flows arising from financing activities related to lease liabilities

	2023 Rm	2022 Restated[1] Rm
Leases at the beginning of the year	**55 850**	45 315
Current	**6 020**	5 635
Non-current	**49 830**	39 680
Cash flows	**(7 828)**	(7 405)
Repayment of lease liabilities	**(7 828)**	(7 405)
Other movements	**15 386**	17 940
Additions[2] (note 6.5.2)	**17 943**	15 362
Interest paid[3] (note 6.5.4)	**(6 496)**	(6 166)
Modifications[4]	**1 194**	2 712
Transfer to held for sale[5]	**(48)**	(1 583)
Effects of changes in foreign exchange rates and interest accrued	**2 793**	7 615
Leases at the end of the year	**63 408**	55 850
Comprising:		
– Current	**9 030**	6 020
– Non-current	**54 378**	49 830

[1] Restated, refer to note 11 for details on the restatement.
[2] In the current year, MTN Côte d'Ivoire had a significant addition of R4 123 million (2022: Rnil) related to the IHS contract which was renewed in April 2023. In 2022, additions include those additions related to MTN SA sale and leaseback (refer to note 6.5.5).
[3] Presented as part of cash generated from operating activities.
[4] In the current year, MTN SA had a lease modification, related to the reduction of the lease term with IHS Group. In prior year, MTN SA had a contract modification in existing lease agreements for RAN sharing agreements.
[5] Refer to note 6.5.5 for remaining land leases that are held for sale. Refer to note 9.4.2 for liabilities associated with non-current assets held for sale.

3 TAXATION

3.1 Income tax expense

The income tax expense for the period comprises current, deferred and withholding tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. For these items the tax is also recognised in OCI or directly in equity, respectively.

Current tax
Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes liabilities where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax
Deferred tax is recognised by providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements for financial reporting purposes. Deferred tax is measured at tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply to temporary differences when they reverse.

Deferred tax is not provided on temporary differences arising on investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax
Withholding tax is payable at different rates varying between 0% and 25% on amounts paid to the Group companies by certain of their subsidiaries as dividends, interest and management fees.

Analysis of income tax expense for the year	**2023 Rm**	2022 Restated[1, 2] Rm
Normal tax	**(12 748)**	(17 863)
Current year	**(12 477)**	(16 373)
Adjustments in respect of the prior year[1]	**(271)**	(1 490)
Deferred tax (note 3.2)	**6 178**	2 422
Current year	**6 008**	935
Adjustments in respect of the prior year[1]	**170**	1 487
Withholding taxes on foreign income	**(1 180)**	(1 595)
	(7 751)	(17 036)

[1] In prior years, mobile devices that were sold as part of postpaid contract packages were included in taxable income as the monthly subscriptions were invoiced. As revenue from such handsets are recognised upfront, historically there was a deferred tax liability recognised for the related timing difference. Following discussions with SARS, the Group revised the timing on the inclusion of the handset revenue in taxable income to the date that the handsets are sold. Following this change, the related deferred tax liability was reversed and the related current tax liability was recognised, in 2022.
[2] Restated, refer to note 11 for details on the restatement.

The table on the next page explains the differences between the expected tax expense on continuing operations, at the South African statutory rate of 27% and the Group's total tax expense for each year.

The reconciliation of taxation has been performed using the statutory tax rate of the Company of 27% (2022: 28%). The impact of different corporate tax rates applied to the various jurisdictions in which the Group operates has been incorporated in the "Effect of different tax rates in other countries" line on the next page.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

3 TAXATION (continued)

3.1 Income tax expense (continued)

The Group's effective tax rate is reconciled to the South African statutory rate as follows:

Tax rate reconciliation	2023 %	2022 Restated[1] %
Tax at statutory tax rate	**27.00**	28.00
Expenses not allowed	**43.44**	11.35
Sudan non-deductible expenses[2]	**18.54**	2.97
Assessed loss and other balances on which deferred tax was not recognised	**10.83**	4.12
Reversal of deferred tax asset	**–**	2.86
Disallowed interest expenses	**0.90**	0.34
Impairment of goodwill and investment in joint ventures	**–**	0.43
Controlled foreign company legislation imputation	**2.23**	0.62
Impairment loss on remeasurement of non-current assets held for sale	**2.07**	0.87
Hyperinflation[2]	**3.92**	(1.39)
Other[3]	**4.95**	0.53
Effect of different tax rates in other countries	**(2.41)**	1.57
Income not subject to tax	**(1.65)**	(0.44)
Exempt income	**(1.65)**	(0.25)
Gain on MTN SA tower sale	**–**	(0.19)
Share of results of associates and joint ventures	**(8.22)**	(2.31)
Foreign income and withholding taxes	**10.46**	3.92
Share-based payment transactions[4]	**(2.28)**	(0.30)
Change in corporate income tax rate	**–**	0.42
Other	**(0.48)**	(0.55)
Effective tax rate	**65.86**	41.66

[1] Restated, refer to note 11 for details on the restatement.
[2] This line item includes the effect of hyperinflation and comparative has been re-presented to include hyperinflation which was previously included in other.
[3] Includes disallowed expenses for depreciation and amortisation relating to MTN Nigeria and technical and management service fees incurred in both MTN Cameroon and MTN Benin which are subject to deductibility limitations.
[4] Tax deductions on share-based payments are calculated based on the cash-settled share-based payment expense in each of the Group entities to which it relates. However, the share-based payment expense included in the Group profit before tax, against which the effective tax rate is calculated, is an equity-settled share-based payment expense. The differential between the equity-settled and cash-settled share-based payment expense gives rise to the tax rate reconciling item.

The following are the corporate tax rates applicable to the various jurisdictions in which the Group operates:

	Corporate tax rate	
Country	**2023 %**	2022 %
Afghanistan	**20**	20
Benin	**30**	30
Cameroon	**33**	33
Congo-Brazzaville	**28**	28
Côte d'Ivoire S.A.	**30**	30
Ethiopia	**30**	30
Ghana	**25**	25
Guinea-Bissau	**25**	25
Guinea-Conakry	**35**	35
Kenya	**30**	30
Liberia	**25**	25
Namibia	**32**	32
Netherlands	**25**	25
Nigeria	**30**	30
Rwanda	**28**	30
South Africa[1]	**27**	28
South Sudan[2]	**30**	30
Sudan	**10**	10
Uganda	**30**	30
Zambia[3]	**35**	40

[1] The Rwanda Revenue Authority (RRA) has published a Public Ruling of the Commissioner General dated 4 January 2024 concerning the reduction in the corporate income tax rate from 30% to 28% by Law No. 051/2023, which was published and entered into force on 14 September 2023.
[2] In the budget speech read in Parliament on 23 February 2022, South Africa's finance minister announced that the corporate tax rate be reduced from 28% to 27% for years of assessment ending on or after 31 March 2023.
[3] With effect from 1 January 2023, the two-tier taxation system in the telecommunications sector has been abolished and replaced with a single tax rate of 35%.

3 TAXATION (continued)

3.2 Deferred taxes

Deferred tax is accounted for in accordance with the accounting policy disclosed in note 3.1.

	1 Jan 2022 Restated[1] Rm	Recognised in profit or loss Restated[1] Rm	Recognised in other compre-hensive income Restated[1] Rm	Exchange/ and other move-ments[2] Rm	31 Dec 2022 Restated[1] Rm	**Opening balance hyper-inflation adjustment Rm**	**Recognised in profit or loss Rm**	**Recognised in other compre-hensive income Rm**	**Exchange/ other move-ments[2] Rm**	**31 Dec 2023 Rm**
Provisions and tax losses carried forward[3]	10 201	(355)	(34)	(135)	9 677	**(2 349)**	**4 178**	**–**	**(2 473)**	**9 033**
Working capital allowances	(614)	3 236	–	4	2 626	**–**	**(380)**	**–**	**100**	**2 346**
Tax allowances in excess of depreciation	(9 884)	(404)	–	582	(9 706)	**–**	**(303)**	**–**	**2 841**	**(7 168)**
Other temporary differences	(980)	(97)	(16)	96	(997)	**–**	**2 683**	**–**	**(1 383)**	**303**
Net deferred tax (liability)/asset	(1 277)	2 380	(50)	547	1 600	**(2 349)**	**6 178**	**–**	**(915)**	**4 514**
Comprising:										
Deferred tax assets	7 223				6 571					**10 223**
Deferred tax liabilities	(8 500)				(4 971)					**(5 709)**
	(1 277)				1 600					**4 514**

[1] Restated, refer to note 11 for details on the restatement.
[2] Including the effect of hyperinflation.
[3] The amendment indicated in the 2022 budget speech relating to the future limitation on the utilisation of assessed losses to 80% of taxable income came into effect for years of assessment ending on or after 31 March 2023.

Global minimum top-up tax

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

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

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

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

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

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

3 TAXATION (continued)

3.2 Deferred taxes (continued)

Unrecognised deductible temporary differences and unused tax losses

There were deductible temporary differences and unused tax losses of R20 837 million (2022: R16 138 million) for which no deferred tax asset had been recognised in the statement of financial position at year-end.

2023 **Year of expiry**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total**
Amount (Rm)	**655**	**1 153**	**2 065**	**321**	**1 562**	**557**	**6 313**
No expiry (Rm)	**–**	**–**	**–**	**–**	**–**	**–**	**14 524**
Total[1]	**655**	**1 153**	**2 065**	**321**	**1 562**	**557**	**20 837**
2022 Year of expiry	2023	2024	2025	2026	2027	2028	Total
Amount (Rm)	1 650	813	1 073	2 238	300	–	6 074
No expiry (Rm)	–	–	–	–	–	–	10 064
Total[1]	1 650	813	1 073	2 238	300	–	16 138

There were foreign tax credits of R801 million (2022: R728 million) for which no deferred tax asset had been recognised in the statement of financial position at year-end.

2023 **Year of expiry**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Amount (Rm)	**79**	**93**	**98**	**124**	**119**	**143**	**145**	**801**
Total[1]	**79**	**93**	**98**	**124**	**119**	**143**	**145**	**801**
2022 Year of expiry	2023	2024	2025	2026	2027	2028	2029	Total
Amount (Rm)	72	79	93	98	124	119	143	728
Total[1]	72	79	93	98	124	119	143	728

[1] Includes unused tax losses attributable to tax deductible expenditure recognised in OCI.

3.3 Income tax paid

	2023 **Rm**	2022 Restated[1] Rm
At the beginning of the year	**(8 912)**	(3 747)
Amount recognised in profit or loss (note 3.1)	**(7 751)**	(17 236)
Deferred tax (note 3.1)	**6 178**	(2 222)
Effect of movements in exchange rates	**3 496**	64
Normal tax recognised in other comprehensive income	**(205)**	(312)
Increase in withholding tax accruals	**854**	597
Transferred to held for sale (note 9.4.2)	**80**	186
Other	**(651)**	(195)
At the end of the year	**3 443**	8 912
Taxation assets	**(2 376)**	(2 483)
Taxation liabilities	**5 819**	11 395
Total tax paid	**(15 824)**	(13 953)

[1] Restated, refer to note 11 for details on the restatement.

4 WORKING CAPITAL

4.1 Inventories

Inventories mainly comprise of handsets, SIM cards, accessories held for sale and consumable items.

Inventories are measured at the lower of cost and net realisable value. The cost of inventory is determined using the weighted average method.

	2023 Rm	2022 Rm
Finished goods – at cost	**2 140**	2 817
Handsets	**1 192**	1 779
SIM cards and accessories	**948**	1 038
Consumables	**91**	160
Less: Write-down to net realisable value[1]	**(759)**	(1 071)
	1 472	1 906

[1] The write-down of inventories to net realisable value mainly relates to handsets.

MTN Ghana has secured facilities through the pledge of its inventories amounting to R127 million (2022: R22 million) (note 6.1).

Reconciliation of write-down of finished goods

	At the beginning of the year Rm	Additions[1] Rm	Reversals[1] Rm	Utilised Rm	Exchange and other movements Rm	At the end of the year Rm
2023						
Movement in write-down	**(1 071)**	**(99)**	**23**	**294**	**94**	**(759)**
2022						
Movement in write-down	(1 014)	(203)	20	—	126	(1 071)

[1] A net write-down on inventories of R76 million (2022: R183 million net write-down) was recognised in the current year. This amount is included in other operating expenses in profit or loss (note 2.3).

4.2 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services rendered in the ordinary course of business and are accounted for at amortised cost in accordance with the accounting policy disclosed in note 7.1.

Prepayments and other receivables are measured at their nominal values.

	2023 Rm	2022 Rm
Trade receivables (note 7.1.4)	**19 683**	18 574
Less: Allowance for impairment of trade receivables (note 7.1.4)	**(2 117)**	(2 833)
Net trade receivables	**17 566**	15 741
Receivable from Irancell[1]	**–**	770
Prepayments and other receivables	**3 630**	2 512
Sundry debtors and advances[2]	**8 156**	9 805
	29 352	28 828

[1] The receivable owing from Irancell has been reclassified from current receivables to other non-current receivables in the current year, based on management's assessment that the receivable is expected to be recovered more than 12 months after the reporting date.
[2] Sundry debtors and advances include advances to suppliers and receivables from related parties (note 10.1).

Impairment of trade receivables

An allowance for impairment of R1 312 million (2022: R1 194 million) was incurred in the current year. This amount is included in impairment and write down of trade receivables and contract assets in profit or loss (note 2.3). In 2022, R364 million was written-off directly to profit or loss.

The Group's exposure to credit and currency risk relating to trade and other receivables is disclosed in note 7.1.

Secured facilities and collateral

MTN Ghana has secured facilities through the pledge of its trade and other receivables amounting to R2 073 million (2022: R1 999 million) (note 6.1).

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

4 **WORKING CAPITAL** (continued)

4.3 Restricted cash

Restricted cash comprises of short-term deposits that are not highly liquid and are accounted for at amortised cost in accordance with the accounting policy disclosed in note 7.1.

Restricted cash balance includes amounts of R7 944 million (2022: R7 203 million) related to MTN Nigeria operations. The balance relates to cash deposits with banks to secure letters of credit and collateral against repayment on borrowings. Furthermore, the restricted cash balance includes dividends from MTN Nigeria being held on behalf of the Group by the Nigeria Registrar at an amount of R1 930 million (2022: R592 million). These cash balances will remain restricted until foreign currency (US$) becomes available in the market. In addition, the restricted cash balance includes an amount of R471 million (2022: R548 million) related to MTN Cameroon for garnishee orders in respect of ongoing court cases. Prior year restricted cash included an amount of R1 545 million, which is from MTN Nigeria secondary offer which became available to the Group during the current financial year (note 9.4.1.1).

4.4 Cash and cash equivalents

Cash and cash equivalents are accounted for at amortised cost and bank overdrafts are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 7.1.

Cash and cash equivalents comprise of cash on hand and deposits held on call, all of which are available for use by the Group. Bank overdrafts are included within current liabilities on the statement of financial position, unless the Group has a current legally enforceable right to set off the amounts and intends to settle on a net basis, or realise the asset and settle the liability simultaneously, in which case it is netted off against cash and cash equivalents on the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents comprise of the following:

	2023 Rm	2022 Rm
Cash at bank and on hand	**37 545**	44 350
Bank overdrafts	**(990)**	(716)
Net cash and cash equivalents	**36 555**	43 634

MTN Ghana has secured facilities through the pledge of its cash and cash equivalents amounting to R3 435 million (2022: R1 891 million) (refer to note 6.1).

4.5 Trade and other payables

Trade payables, sundry creditors and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 7.1.

Other payables are measured at their nominal values.

	2023 Rm	2022 Rm
Trade payables	**17 714**	16 758
Sundry creditors	**3 116**	2 881
Accrued expenses[1]	**25 820**	30 712
Other payables[2]	**7 420**	6 464
Financial liability measured at fair value through profit or loss[3]	**608**	–
	54 678	56 815

[1] Includes accruals for operating expenses, inventories and capital expenditure for which supplier invoices are outstanding at year-end.
[2] Includes dealer commissions, withholding taxes and VAT payable.
[3] Relates to financing of an intangible asset. Refer to note 5.2 and note 7.1.1.

4 WORKING CAPITAL (continued)
4.6 MoMo deposits and payables

MoMo deposits are balances that are held with banks for and on behalf of MoMo customers. MoMo regulations in most of the Group's markets require that these balances with banks are held in a manner to ensure that these balances are not co-mingled with the Group's cash and cash equivalents and that these are ring-fenced to settle MoMo customers' obligations. Regulations in certain jurisdictions specify the types of permissible liquid instruments that these deposits may be invested in. The deposits held are accounted for at amortised cost in accordance with the Group's accounting policy disclosed in note 7.1.

Upon recognition of the MoMo financial asset, the Group recognises a corresponding current liability, in the ordinary course, to refund MoMo customers for the deposits made.

The Group earns transactional fees and also earns interest on these MoMo balances and recognises the interest and transactional fees as part of revenue. Transactional fees are recognised over time as the transactions occur. The Group accounts for fees paid to agents as a commission expense as part of selling, distribution and marketing expenses and interest paid to customers in other operating expenses.

Cash flows that relate to interest received, transaction fees earned and operating expenses incurred are classified as operational cash flows. Cash flows that relate to the principal MoMo deposit balance and corresponding liabilities are reflective of customer transactions and, consequently, are not recorded on the Group's statement of cash flows.

MoMo involves the issuing of electronic money in return for cash. MoMo enables an active mobile phone subscriber to load a MoMo wallet, with a balance which is recorded electronically for immediate or later use. The Group utilises MoMo agents to facilitate customer activities i.e. depositing cash and loading and storing the MoMo in wallets. The Group also performs the activities of a MoMo agent through MTN branches. Any monetary value stored on a MoMo wallet is supported by an equivalent MoMo deposit held with a bank or multiple banks.

The Group provides the platform to administer the MoMo wallet and the MoMo service generally. The Group opens bank accounts in which the MoMo deposits and interest earned on the cash balances is held.

MoMo is a regulated service offering. These regulations govern the manner in which MoMo services are conducted as well as the rights and obligations of all parties to the MoMo service offering. These regulations and rights and obligations differ from market to market.

The treatment of MoMo in the financial statements is not, and should not be construed as a waiver by members of the Group of any legal, contractual or statutory rights, remedies and defences they may have, or as an admission of liability enforceable against any of them in law or otherwise. The legal, contractual and statutory rights, remedies and defences of members of the Group are reserved.

	2023 Rm	2022 Rm
Non-current MoMo deposits	**755**	612
WECA	**755**	612
Côte d'Ivoire	**755**	612
Current MoMo deposits	**49 418**	38 661
South Africa	**65**	36
Nigeria	**153**	46
SEA	**10 607**	8 740
Uganda	**7 194**	5 529
Zambia	**1 155**	1 381
Other SEA	**2 258**	1 830
WECA	**38 593**	29 749
Ghana	**24 898**	18 757
Côte d'Ivoire	**2 376**	2 230
Cameroon	**4 378**	3 498
Other WECA	**6 941**	5 264
MENA	*****	90
Sudan	*****	90
Total MoMo deposits and current MoMo payables	**50 173**	39 273

* Amounts below R1 million.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

5 INFRASTRUCTURE INVESTMENTS

5.1 Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment. The Group capitalises general and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are expensed in profit or loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to provisions (note 6.3) for further information about the recognised decommissioning provision and the accounting judgements, estimates and assumptions made.

In circumstances whereby the Group enters into an exchange transaction, the Group determines whether such an exchange has commercial substance. Property, plant and equipment acquired in an exchange transaction are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up. Any consideration paid or payable is included in the cost of the asset received. Property, plant and equipment received for no consideration are accounted for at zero value.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation is calculated on a straight-line basis to write off the depreciable amount of the assets over their estimated useful lives. Depreciation relating to property, plant and equipment under construction (capital work-in-progress) commences from the date the assets are transferred to an appropriate category of property, plant and equipment, i.e., when commissioned and ready for their intended use.

In determining residual values, the Group uses historical sales and management's best estimate based on market prices of similar items.

Useful lives of property, plant and equipment are based on management estimates and take into account historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets.

Land is not depreciated.

The estimated useful lives of property, plant and equipment are as follows:

	2023 Years	2022 Years
Buildings	**5 – 50**	5 – 50
Network infrastructure	**2 – 25**	2 – 25
Information systems equipment	**2 – 15**	2 – 15
Furniture and fittings	**2 – 15**	2 – 15
Leasehold improvements	**3 – 20**	3 – 20
Office equipment	**2 – 13**	2 – 13
Vehicles	**3 – 13**	3 – 13

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance costs are included in profit or loss during the financial period in which they are incurred. The gain or loss arising on the disposal or retirement of an asset is included in profit or loss.

The Group annually reviews the carrying amounts of its property, plant and equipment in order to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss. Refer to note 1.3.4 for the accounting policy on impairment.

5 INFRASTRUCTURE INVESTMENTS (continued)
5.1 Property, plant and equipment (continued)

	Land and buildings Rm	Leasehold improve-ments Rm	Network infra-structure Rm	Information systems, furniture and office equipment Rm	Capital work-in-progress/ other Rm	Spare parts Rm	Vehicles Rm	Total Rm
Carrying amount at 1 January 2022	5 502	1 370	75 945	4 669	10 208	1 549	526	99 769
Additions	1 089	77	19 849	1 522	9 450	82	134	32 203
Disposals	(2)	(8)	(35)	(19)	–	(14)	(14)	(92)
Reallocations	327	51	7 462	953	(8 227)	44	66	676
Depreciation for the year	(143)	(335)	(17 970)	(1 921)	(275)	–	(168)	(20 812)
Net impairment loss	3	(1)	(75)	(3)	(95)	2	(1)	(170)
Reclassified to held for sale[1]	–	(1)	(732)	(68)	(4)	(40)	–	(845)
Other movements	(2)	5	53	(148)	(341)	(33)	–	(466)
Effect of movements in exchange rates[2]	(73)	(71)	(1 856)	(147)	693	10	(43)	(1 487)
Carrying amount at 31 December 2022	6 701	1 087	82 641	4 838	11 409	1 600	500	108 776
Comprising:								
Cost	10 816	4 675	212 870	18 949	14 760	1 614	1 264	264 948
Accumulated depreciation and impairment losses	(4 115)	(3 588)	(130 229)	(14 111)	(3 351)	(14)	(764)	(156 172)
	6 701	1 087	82 641	4 838	11 409	1 600	500	108 776
Carrying amount at 1 January 2023	**6 701**	**1 087**	**82 641**	**4 838**	**11 409**	**1 600**	**500**	**108 776**
Opening Hyperinflation adjustment[3]	**382**	**162**	**6 759**	**419**	**–**	**–**	**91**	**7 813**
Additions	**358**	**71**	**22 248**	**1 398**	**8 421**	**44**	**124**	**32 664**
Disposals	**(4)**	**(1)**	**(100)**	**(8)**	**–**	**–**	**(22)**	**(135)**
Reallocations	**344**	**(8)**	**3 983**	**743**	**(4 927)**	**(75)**	**48**	**108**
Depreciation for the year	**(320)**	**(152)**	**(21 395)**	**(2 296)**	**(309)**	**–**	**(218)**	**(24 690)**
Net impairment loss	**2**	**(1)**	**(729)**	**(91)**	**(29)**	**1**	**–**	**(847)**
Reclassified to held for sale[4]	**–**	**(10)**	**(514)**	**(59)**	**(196)**	**–**	**(12)**	**(791)**
Other movements	**7**	**(5)**	**(300)**	**40**	**(33)**	**–**	**(4)**	**(295)**
Effect of movements in exchange rates[2]	**(358)**	**(163)**	**(6 123)**	**79**	**1 728**	**(503)**	**(66)**	**(5 406)**
Carrying amount at 31 December 2023	**7 112**	**980**	**86 470**	**5 063**	**16 064**	**1 067**	**441**	**117 197**
Comprising:								
Cost	**11 702**	**4 892**	**243 388**	**21 954**	**20 067**	**1 083**	**1 360**	**304 446**
Accumulated depreciation and impairment losses	**(4 590)**	**(3 912)**	**(156 918)**	**(16 891)**	**(4 003)**	**(16)**	**(919)**	**(187 249)**
	7 112	**980**	**86 470**	**5 063**	**16 064**	**1 067**	**441**	**117 197**

[1] Refer to note 9.4.2.1.
[2] Includes the effect of hyperinflation.
[3] Adjustment is due to Ghana being assessed as a hyperinflationary economy.
[4] Refer to note 9.4.2.2.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

5 INFRASTRUCTURE INVESTMENTS (continued)

5.1 Property, plant and equipment (continued)

5.1.1 Impairment (losses)/reversals

The following entities recognised impairment (losses)/reversals in other operating expenses in profit or loss:

	2023 Rm	2022 Rm
MTN Nigeria	**(57)**	(29)
MTN Sudan[1]	**(746)**	–
Spacetel Guinea-Bissau S.A (MTN Guinea-Bissau)[2]	**(45)**	(151)
Other	**1**	10
	(847)	(170)

[1] Due to the conflict in Sudan, there was limited damage during the period to the network infrastructure, resulting in a R277 million impairment of property, plant and equipment. The impairment as at 31 December 2023 is R746 million due to the effects of exchange rate movements and hyperinflationary adjustments.

[2] MTN Guinea-Bissau is held for sale in the current year, refer to note 9.4.2.2.

5.1.2 Capital work-in-progress

There are various capital work-in-progress projects under way within the Group, a summary of which is set out below:

	2023 Rm	2022 Rm
MTN SA	**465**	655
MTN Ghana	**573**	137
MTN Sudan[1]	**6 585**	2 504
MTN Nigeria[2]	**2 936**	3 348
MTN Côte d'Ivoire S.A. (MTN Côte d'Ivoire)	**850**	687
Spacetel Benin S.A (MTN Benin)	**277**	173
MTN South Sudan	**77**	56
MTN Congo-Brazzaville	**199**	194
MTN Cameroon Limited (MTN Cameroon)	**1**	74
Lonestar Communications Corporation (MTN Liberia)	**117**	99
MTN Uganda	**70**	44
Bayobab[3]	**1 961**	1 339
MTN Group Management Services Proprietary Limited Ltd	**262**	186
GlobalConnect Zambia Limited	**267**	93
MTN Rwanda	**99**	62
Other[4]	**9**	345
	14 748	9 996

[1] Mainly consists of the impact of hyperinflation.

[2] Includes work-in-progress relating to the MTN Nigeria 5G project rollout.

[3] Mainly relates to work-in-progress on subsea cable infrastructure.

[4] MTN Guinea-Conakry is held for sale in the current year, refer to note 9.4.2.2. It was aggregated in other in the current year. Comparatives were re-presented.

5.1.3 Changes in estimates

There were no material changes in the depreciation method, residual values or useful lives for any of the categories of property, plant and equipment during the current or prior year.

5.1.4 Encumbrances

Borrowings (note 6.1) are secured by various categories of property, plant and equipment with the carrying amounts of R16 494 million (2022: R7 703 million) for MTN Ghana and R118 million (2022: R156 million) for MTN Zambia, R119 million (2022: R118 million) for MTN Guinea-Bissau and R16 million (2022: R15 million) for MTN Guinea-Conakry. MTN Guinea-Bissau and MTN Guinea-Conakry have been classified to held for sale, refer to note 9.4.2.

5 INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill

Goodwill

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed.

Subsequently goodwill is measured at cost less accumulated impairment losses. Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired.

Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Goodwill arising on the acquisition of an associate or joint venture is included in 'Investment in associates and joint ventures' and is tested for impairment as part of the overall balance when there is an indicator of impairment.

The Group annually reviews the carrying amounts of goodwill and intangible assets with indefinite useful lives for impairments. The recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss.

Intangible assets with finite useful lives

The Group's intangible assets with finite useful lives are as follows:

- Licences.
- Customer relationships.
- Computer software.
- Other intangible assets.

Intangible assets with finite useful lives are measured at historical cost less accumulated amortisation and impairment losses. The initial cost incurred in respect of licences is capitalised. Contingent licence fees are expensed as they are incurred.

Amortisation is calculated on a straight-line basis to write off the depreciable amount of intangible assets over their estimated useful lives.

Useful lives are reviewed on an annual basis with the effects of any changes in estimate accounted for on a prospective basis. The residual values of intangible assets are assumed to be zero.

The basis for determining the useful lives for the various categories of intangible assets is as follows:

	Basis for determining useful lives	2023 Years	2022 Years
Licences	The useful lives are determined primarily with reference to the unexpired licence period.	**5 – 30**	5 – 30
Customer relationships	The useful life principally reflects management's view of the average economic life of the customer base and is assessed by reference to factors such as customer churn rates. An increase in churn rates may lead to a reduction in the estimated useful life.	**4 – 6**	4 – 6
Software	The useful life is determined with reference to the licence term of the computer software. For unique software products controlled by the Group, the useful life is based on historical experience with similar assets as well as anticipation of future events such as technological changes, which may impact the useful life.	**3 – 6**	3 – 6
Other intangible assets	Useful lives are based on management's estimate and take into account historical experience as well as future events which may impact the useful lives.	**3 – 10**	3 – 10

The gain or loss arising on the disposal or retirement of an intangible asset is included in profit or loss.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

5 INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

Intangible assets with finite useful lives (continued)

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use or sell it.
- There is an ability to use or sell the software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available.
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Research and development expenditure that does not meet the criteria above is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Expenditure that enhances or extends the performance of intangible assets beyond their original specifications is recognised as a capital improvement and capitalised to the original cost of the assets. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

5 INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

	Goodwill Rm	Licences Rm	Customer relation-ships Rm	Software[1] Rm	Other intangible assets Rm	Capital work-in-progress[1] Rm	Total Rm
Carrying amount at 1 January 2022	15 611	17 849	29	8 634	372	1 265	43 760
Additions	–	9 051	–	4 749	482	1 235	15 517
Disposals	–	–	–	(12)	–	–	(12)
Reallocations	–	(210)	(2)	980	(15)	(1 299)	(546)
Amortisation for the year	–	(2 628)	(24)	(3 340)	(7)	–	(5 999)
Net impairment (loss)/reversal	(283)	1	–	(9)	(3)	–	(294)
Reclassified to held for sale[2]	(510)	(179)	–	(105)	–	–	(794)
Other movements	–	(165)	–	371	43	338	587
Effect of movements in exchange rates[3]	(1 588)	(247)	(1)	(85)	5	(26)	(1 942)
Carrying amount at 31 December 2022	13 230	23 472	2	11 183	877	1 513	50 277
Comprising:							
Cost	22 371	37 396	1 307	32 206	6 326	1 513	101 119
Accumulated amortisation and impairment losses	(9 141)	(13 924)	(1 305)	(21 023)	(5 449)	–	(50 842)
	13 230	23 472	2	11 183	877	1 513	50 277
Carrying amount at 1 January 2023	**13 230**	**23 472**	**2**	**11 183**	**877**	**1 513**	**50 277**
Opening hyperinflation adjustment[4]	**17 399**	**1 072**	**–**	**220**	**–**	**–**	**18 691**
Additions	**–**	**7 724**	**3**	**6 857**	**167**	**1 388**	**16 139**
Disposals	**–**	**(14)**	**–**	**(8)**	**–**	**–**	**(22)**
Reallocations	**–**	**399**	**–**	**520**	**–**	**(1 049)**	**(130)**
Amortisation for the year	**–**	**(3 220)**	**–**	**(4 885)**	**(33)**	**–**	**(8 138)**
Net impairment (loss)/reversals	**–**	**(2)**	**–**	**–**	**(1)**	**–**	**(3)**
Reclassified to held for sale[5]	**–**	**(833)**	**–**	**(107)**	**(6)**	**(17)**	**(964)**
Other movements	**–**	**(17)**	**–**	**(6)**	**–**	**60**	**37**
Effect of movements in exchange rates[3]	**3 897**	**(4 515)**	**(1)**	**(328)**	**57**	**(185)**	**(1 075)**
Carrying amount at 31 December 2023	**34 526**	**24 066**	**4**	**13 446**	**1 061**	**1 710**	**74 813**
Comprising:							
Cost	**39 770**	**42 571**	**1 316**	**36 735**	**6 576**	**1 710**	**128 678**
Accumulated amortisation and impairment losses	**(5 244)**	**(18 505)**	**(1 312)**	**(23 289)**	**(5,515)**	**–**	**(53 865)**
	34 526	**24 066**	**4**	**13 446**	**1 061**	**1 710**	**74 813**

[1] Included in software are internally generated intangible assets with a carrying value of R2 billion (2022: R2.1 billion). During the year additions of R185 million (2022: R634 million) and amortisation of R213 million (2022: R204 million) were recognised.
[2] Refer to note 9.4.2.1.
[3] Includes the effect of hyperinflation.
[4] Adjustment is due to Ghana being assessed as a hyperinflationary economy.
[5] Refer to note 9.4.2.2.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

5 INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

5.2.1 Goodwill

A summary of the goodwill allocation and related assumptions applied for impairment testing purposes is presented below:

	2023			2022		
	Growth rate %	**Discount rate %**	**Goodwill carrying amount Rm**	Growth rate %	Discount rate %	Goodwill carrying amount Rm
MTN Côte d'Ivoire	**2.0**	**11.7**	**3 760**	2.0	10.7	3 396
MTN Ghana	**8.0**	**27.4**	**22 907**	6.0	28.9	2 146
MTN Uganda	**5.0**	**19.2**	**781**	5.0	16.8	740
MTN Congo-Brazzaville	**3.0**	**20.1**	**1 245**	3.0	19.7	1 124
MTN Benin	**2.0**	**12.9**	**1 744**	2.0	12.0	1 558
MTN SA	**4.5**	**13.4**	**2 563**	4.5	12.5	2 584
MTN Liberia	**2.1**	**23.8**	**155**	1.9	20.8	144
MTN Rwanda	**5.0**	**16.4**	**307**	5.0	16.5	338
MTN Nigeria	**14.0**	**30.6**	**202**	10.5	24.6	370
aYo[1]	**4.5**	**15.3**	**746**	N/A	N/A	696
Other	**–**	**–**	**116**	–	–	134
Total			**34 526**			13 230

[1] Impairment testing for aYo was based on the aYo share sale transaction in the prior year. Refer to note 9.4.1.2.

Goodwill is tested annually for impairment. The recoverable amounts of the CGUs were determined based on value in use calculations. The calculations mainly used cash flow projections based on financial budgets approved by management covering a three to five-year period. Cash flows beyond the above period were extrapolated using the estimated growth rates as mentioned above. These growth rates are in line with industry norms.

The following key assumptions were used for the value in use calculations:

- Growth rates: the Group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The growth rates were consistent with publicly available information relating to long-term average growth rates for each of the markets in which the respective CGU operated. The average growth rates used ranged from 2.0% to 14% (2022: 1.9% to 10.5%).
- Discount rates: discount rates used reflect both time value of money and other specific risks relating to the relevant CGU. The Group experienced a deterioration in these specific risks, as a result, the discount rates ranged from 11.7% to 30.6% (2022: 10.7% to 29.5%).

Goodwill impairment

Impairment losses were recognised relating to the following entities:

	2023 Rm	2022 Rm
MTN Guinea-Bissau (note 9.4.2.2)	**–**	(251)
Other	**–**	(32)
	–	(283)

5.2.2 Encumbrances

Borrowings are secured by various categories of intangible assets of MTN Ghana with a carrying amount of R965 million (2022: R344 million), refer to note 6.1.

5 INFRASTRUCTURE INVESTMENTS (continued)
5.2 Intangible assets and goodwill (continued)
5.2.3 Licences

Licence agreements	Type	Granted/renewed	Term
MTN SA	ECS licence	15/01/2009	20 years
	ECNS licence	15/01/2009	20 years
	900MHz	29/01/2003	Renewable annually
	1800MHz	29/10/2004	Renewable annually
	2100MHz	02/02/2005	Renewable annually
	6GHz	30/08/2015	Renewable annually
	7GHz	14/06/2010	Renewable annually
	8GHz	14/06/2010	Renewable annually
	10.5GHz	07/02/2006	Renewable annually
	11GHz	23/03/2009	Renewable annually
	13GHz	06/04/2009	Renewable annually
	15GHz	21/10/2005	Renewable annually
	18GHz	14/06/2010	Renewable annually
	23GHz	14/06/2010	Renewable annually
	26GHz Sub 17	21/10/2005	Renewable annually
	26GHz Sub 18	07/02/2006	Renewable annually
	28GHz	12/04/2012	Renewable annually
	38GHz	07/10/2006	Renewable annually
	Eband (60-90GHz)	13/12/2007	Renewable annually
	Spectrum 800MHz 2x10MHz	17/03/2022	20 years
	Spectrum 2600MHz 1x40MHz	17/03/2022	20 years
	Spectrum 3500MHz 1x40MHz	17/03/2022	20 years
MTN Uganda	National Operator Telecom Licence	01/07/2020	12 years
MTN Rwanda	2G	01/07/2021	10 years
	3G	01/07/2021	10 years
	4G	01/07/2023	8 years
MTN Nigeria	Universal Access Licence (including International Gateway)	01/09/2021	10 years
	WACS	01/01/2010	20 years
	700MHz spectrum[1]	16/01/2018	TBC
	800MHz spectrum (Visafone)	01/01/2015	10 years
	800MHz – Intercellular acquisition	01/01/2021	10 years
	900MHz	01/09/2021	10 years
	1800MHz	01/09/2021	10 years
	2.6GHz spectrum	01/01/2018	10 years
	3G spectrum	01/05/2022	15 years
	3.5GHz spectrum	24/08/2022	10 years
	2.6Ghz (Opensky Acquisition)	07/09/2023	10 years
MTN Zambia	National Service Licence	08/08/2017	8 years
	International Network Licence	08/08/2017	8 years

[1] The Nigerian Communications Commission suspended the effective date (16 January 2018) of the licence until all encumbrances (interferences on the network) have been cleared.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

5 INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

5.2.3 Licences (continued)

Licence agreements	Type	Granted/renewed	Term
MTN Ghana	International gateway	11/08/2019	5 years
	Fixed access service of united access	23/03/2020	15 years
	800MHz Spectrum (2x5MHz)	10/01/2020	15 years
	BroadBand Wireless Access (2600MHz radio access)	01/12/2018	15 years
	2G (900MHz & 1800MHz)	12/02/2019	15 years
	2G (900MHz & 1800MHz)	02/12/2019	15 years
	3G	23/01/2009	15 years
	4G (LTE) Spectrum (800MHz (2x10MHz))	21/06/2016	15 years
	BWA 30MHz 2620MHz to 2650MHz	18/06/2023	5 Years
	BWA 30MHz 2500MHz to 2690MHz	18/06/2023	5 Years
MTN Cameroon	2G	15/02/2015	15 years
	3G	15/02/2015	15 years
	4G	15/02/2015	15 years
MTN Côte d'Ivoire	Universal networks	04/01/2016	17 years
MTN Benin	900MHz	19/10/2007	30 years
	1800MHz	19/10/2007	30 years
	Universal licence	19/03/2012	25 years
MTN Guinea-Conakry[1]	2G	04/02/2022	10 years
	3G	04/02/2022	10 years
	4G	04/02/2022	10 years
MTN Congo-Brazzaville	Optical fibre licence	02/04/2010	15 years
	International gateway by optical fibre	06/01/2023	10 years
	900MHz	25/11/2011	15 years
	1800MHz	25/11/2011	15 years
	2G	25/11/2011	15 years
	3G	25/11/2011	17 years
	LTE Spectrum	12/09/2016	15 years
MTN Liberia	WiMax	24/03/2009	15 years
	Universal Telecommunication Licence	04/08/2015	15 years
MTN Guinea-Bissau[1]	900MHz	23/05/2014	10 years
	1800MHz	23/05/2014	10 years
	3G	17/07/2015	10 years
	4G	17/07/2015	10 years
MTN Sudan	2G + 3G	25/10/2005	20 years
	Transmission	25/10/2005	20 years
	VSAT gateway	25/10/2005	20 years
	VSAT hub	25/10/2005	20 years
	VSAT terminal	25/10/2005	20 years
	Frequency 4G	25/10/2017	7 years
MTN Afghanistan[2]	2G Spectrum licence	01/10/2020	10 years
	3G unified licence	01/07/2012	15 years
	New number range RTU	31/10/2012	15 years
	New number range RTU	25/08/2013	14 years
	New number range RTU	31/10/2014	13 years
	New number range RTU	31/05/2015	12 years
	New number range RTU	31/12/2018	9 years

[1] Refer to note 9.4.2.2.
[2] Refer to note 9.4.2.1.

6 FINANCING STRUCTURE AND COMMITMENTS

6.1 Borrowings

Borrowings are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 7.1.

Fees paid on the establishment of loan facilities are recognised as transaction costs and capitalised to the extent that it is probable that some or all of the facility will be drawn down. When the draw down is made, the transaction costs are amortised to profit or loss using the effective interest rate method. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Details of the Group's significant unsecured borrowings are provided below:

	2023 Rm	2022 Rm	Denominated currency	Nominal interest %*	Interest payment	Final maturity
Unsecured						
MTN Holdings	**30 285**	28 441				
	-	604	ZAR [2,4]	9.0	Quarterly	June 2023
	907	906	ZAR [2,4]	10.4	Quarterly	June 2025
	–	1 007	ZAR [2,3]	9.5	Quarterly	February 2023
	5 257	5 252	ZAR [1,2]	11.0	Quarterly	June 2025
	403	402	ZAR [2,4]	10.1	Quarterly	March 2025
	1 208	1 208	ZAR [2,4]	10.3	Quarterly	September 2026
	507	506	ZAR [2,4]	10.1	Quarterly	May 2024
	504	504	ZAR [2,4]	10.0	Quarterly	May 2024
	574	574	ZAR [2,4]	10.3	Quarterly	May 2026
	2 023	2 018	ZAR [2,3]	10.7	Quarterly	June 2024
	2 001	1 999	ZAR [2,3]	10.9	Quarterly	June 2024
	1 535	1 524	ZAR [2,3]	10.6	Quarterly	June 2024
	1 041	1 037	ZAR [2,4]	10.5	Quarterly	October 2024
	–	851	ZAR [2,4]	9.8	Quarterly	June 2023
	163	163	ZAR [2,4]	11.3	Quarterly	January 2026
	931	932	ZAR [2,4]	8.3	Semi-annual	January 2026
	–	447	ZAR [2,4]	9.0	Quarterly	July 2023
	357	357	ZAR [2,4]	10.0	Quarterly	June 2024
	944	944	ZAR [2,4]	10.5	Quarterly	June 2026
	739	739	ZAR [2,4]	10.8	Quarterly	June 2028
	322	322	ZAR [2,4]	9.9	Quarterly	March 2025
	1 399	1 400	ZAR [2,4]	10.2	Quarterly	March 2027
	587	588	ZAR [2,4]	10.6	Quarterly	September 2028
	543	542	ZAR [2,4]	9.8	Quarterly	September 2025
	1 046	1 046	ZAR [2,4]	10.1	Quarterly	September 2027
	989	989	ZAR [2,4]	10.4	Quarterly	September 2029
	714	713	ZAR [2,4]	10.1	Quarterly	November 2027
	869	867	ZAR [2,4]	10.3	Quarterly	November 2029
	367	–	ZAR [2,4]	9.8	Quarterly	June 2026
	604	–	ZAR [2,4]	10.0	Quarterly	June 2028
	1 030	–	ZAR [2,4]	10.3	Quarterly	June 2030
	251	–	ZAR [2,4]	9.7	Quarterly	September 2026
	351	–	ZAR [2,4]	10.0	Quarterly	September 2028
	401	–	ZAR [2,4]	10.2	Quarterly	September 2030
	504	–	ZAR [2,6]	10.1	Quarterly	December 2027
	707	–	ZAR [2,6]	10.2	Quarterly	December 2027
	507	–	ZAR [2,6]	10.2	Quarterly	December 2027

[1] Syndicated term loan facility [2] Variable interest rate [3] Revolving credit facility [4] Domestic medium-term notes
[5] Fixed interest rate [6] Bilateral term loan facility
* Contractual interest rates on loans as at 31 December 2023.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

Details of the Group's significant unsecured borrowings are provided below:

	2023 Rm	2022 Rm	Denominated currency	Nominal interest %*	Interest payment	Final maturity
MTN Nigeria	**15 598**	25 497				
	1 252	3 443	NGN [1,2]	16.1	Quarterly	August 2025
	502	1 289	NGN [1,2]	16.1	Quarterly	May 2026
	–	641	US$ [1,2]	8.4	Semi-annual	December 2023
	–	829	NGN [5,9]	9.1	Quarterly	March 2023
	1 234	1 142	US$ [2,6]	8.0	Semi-annual	April 2031
	1 464	403	US$ [2,6]	11.5	Semi-annual	April 2029
	–	5 961	NGN [2,10]	1.4	Monthly	April 2023
	6 431	11 789	NGN [5,11]	12.8	Semi-annual	May 2028
	4 715	–	NGN [5,11]	14.6	Quarterly	May 2024
MTN International (Mauritius) Limited	**6 572**	–				
	6 572	–	ZAR [1,2]	1.8	Quarterly	October 2028
MTN (Mauritius) Investments Limited	**11 029**	16 336				
	1 776	7 703	US$ [5,8]	4.8	Semi-annual	November 2024
	9 253	8 633	US$ [5,8]	6.5	Semi-annual	October 2026
MTN Zambia	**949**	1 175				
	526	905	ZMK [1,2]	20.0	Semi-annual	June 2026
	206	270	ZAR [1,2]	15.0	Semi-annual	June 2026
	79	–	ZMK [5,14]	16.5	Annual	November 2025
	138	–	ZMK [5,14]	16.5	Annual	December 2025
MTN Uganda	**978**	1 142				
	169	282	UGX [1,2]	15.6	Quarterly	February 2025
	–	57	UGX [2,6]	14.8	Quarterly	December 2023
	543	355	UGX [1,2]	15.9	Quarterly	February 2025
	266	448	UGX [1,2]	13.0	Quarterly	February 2025
MTN Benin	**1 171**	1 195				
	32	34	CFA [5,12]	2.0	Semi-annual	April 2029
	32	85	CFA [5,12]	7.2	Semi-annual	May 2024
	799	1 076	CFA [1,5]	6.8	Semi-annual	November 2025
	308	–	CFA [5,12]	6.8	Annual	December 2024
MTN Côte d'Ivoire	**3 423**	2 658				
	804	1 014	CFA [1,5]	7.0	Quarterly	January 2026
	1 849	1 644	CFA [1,5]	6.0	Quarterly	September 2029
	770	–	CFA [1,5]	7.0	Quarterly	December 2032
MTN Cameroon	**2 692**	251				
	–	251	XAF [1,3,5]	6.0	Monthly	December 2023
	2 692	–	XAF [1,5]	5.5	Monthly	May 2027
MTN Rwanda	**1 101**	1 436				
	732	1 076	RWF [1,2]	15.0	Semi-annual	July 2028
	369	360	RWF [1,2]	15.0	Semi-annual	November 2025
MTN Congo-Brazzaville	**644**	765				
	538	765	CFA CB [1,5]	5.0	Quarterly	June 2025
	106	–	CFA CB [5,12]	5.0	Quarterly	December 2024
Ayo Holdings Limited	**188**	–				
	188	–	US$ [2,15]	7.3	Monthly	July 2024
MTN Zakhele Futhi	**749**	898				
	749	898	ZAR [2,13]	7.5	Semi-annual	November 2024
Other unsecured borrowings	**–**	75				
Total unsecured borrowings	**75 379**	79 869				

[1] Syndicated term loan facility
[2] Variable interest rate
[3] Revolving credit facility
[4] Domestic medium-term notes
[5] Fixed interest rate
[6] Bilateral term loan facility
[7] Export credit facility
[8] Senior unsecured notes
[9] Commercial paper
[10] Credit letter
[11] Local bonds
[12] Bank borrowings
[13] Preference shares
[14] Vendor finance facility
[15] Bridge finance
* Contractual interest rates on loans as at 31 December 2023.

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

Details of the Group's significant secured borrowings are provided below:

	2023 Rm	2022 Rm	Denominated currency	Nominal interest %*	Interest payment	Final maturity	Security/ collateral
Secured							
MTN Ghana	**340**	599					
	340	599	GHS [1,2]	34.8	Semi-annual	June 2025	Floating charge on company assets
MTN Zambia	**187**	199					
	187	199	ZMK [2,6]	21.5	Semi-annual	February 2027	Security on fixed assets
MTN Nigeria	**8 111**	–					
	8 111	–	US$ [2,7]	8.1	Monthly	December 2024	Security on restricted cash
MTN Guinea-Bissau[8]	**–**	171					
	–	171	XOF [4,5]	7.0	Monthly	November 2028	Security on fixed assets
MTN Guinea-Conakry[8]	**–**	367					
	–	367	GNF [4,5]	10.5	Monthly	September 2027	Security on fixed assets
Other secured borrowings	**32**	69					
Total secured borrowings	**8 670**	1 405					
Total unsecured borrowings	**75 379**	79 869					
Total borrowings	**84 049**	81 274					

[1] Syndicated term loan facility [2] Variable interest rate [3] Revolving credit facility [4] Fixed interest rate
[5] Bank borrowings [6] Medium-term loan [7] Credit letter
[8] The borrowings relating to MTN Guinea-Bissau and MTN Guinea-Conakry have been excluded as these entities are held for sale (refer to note 9.4.2.2).
* Contractual interest rates on loans as at 31 December 2023.

	2023 Rm	2022 Rm
The classification of the Group's borrowings is as follows:		
Current	**28 124**	15 493
Non-current	**55 925**	65 781
	84 049	81 274
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
Nigerian naira	**12 900**	23 311
United States dollar	**22 026**	18 970
South African rand	**37 812**	29 609
Benin Communauté Financière Africaine franc	**1 171**	1 195
Côte d'Ivoire Communauté Financière Africaine franc	**3 423**	2 658
Zambian kwacha	**930**	1 104
Congo-Brazzaville Communauté Financière Africaine franc	**644**	765
Ugandan shilling	**978**	694
Cameroon Communauté Financière Africaine franc	**2 692**	251
Ghanaian cedi	**340**	599
Rwandan franc	**1 101**	1 436
Guinea-Bissau Communauté Financière Africaine franc[1]	**–**	171
Guinean franc[1]	**–**	367
Other currencies	**32**	144
	84 049	81 274

[1] The borrowings relating to MTN Guinea-Bissau and MTN Guinea-Conakry have been excluded as these entities are held for sale (refer to note 9.4.2.2).

The Group has undrawn variable rate facilities of R44 598 million (2022: R56 058 million).

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.2 Other non-current liabilities

Deferred income is accounted for in accordance with the policy disclosed in note 2.2 and other liabilities are accounted for in accordance with the accounting policy disclosed in note 7.1.

	2023 Rm	2022 Rm
Deferred income[1]	**1 130**	1 045
Financial liability measured at fair value through profit or loss[2]	**1 880**	–
Other	**–**	67
	3 010	1 112

[1] Includes deferred income relating to indefeasible right-of-use assets over capacity on international telecommunication cables which are amortised to the income statement on a monthly basis.
[2] Relates to financing of an intangible asset (refer to note 5.2 and note 7.1.1).

6.3 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expected outflow of resources required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

	At the beginning of the year Rm	Additions Rm	Reversals Rm	Utilised Rm	Exchange and other movements[1] Rm	At the end of the year Rm
2023						
Non-current						
Decommissioning provision	235	63	(1)	(57)	4	244
Employee benefit provisions	414	19	(34)	(38)	(69)	292
Litigation provisions	163	2	–	(2)	(76)	87
Other provisions[2]	82	80	(5)	(7)	(58)	92
	894	164	(40)	(104)	(199)	715
Current						
Bonus and other employee benefit provisions	1 537	2 729	(91)	(1 574)	(936)	1 665
Licence obligations	230	–	–	(165)	–	65
Litigation provisions	743	398	(34)	(351)	(270)	486
Other provisions[2]	972	543	(278)	(514)	63	786
	3 482	3 670	(403)	(2 604)	(1 143)	3 002

[1] Includes the effect of hyperinflation.
[2] Other provisions relate to indirect tax exposures, restructuring and credit notes.

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.3 Provisions (continued)

	At the beginning of the year Rm	Additions Rm	Reversals Rm	Utilised Rm	Exchange and other movements[1] Rm	At the end of the year Rm
2022						
Non-current						
Decommissioning provision	269	13	(28)	(36)	17	235
Employee benefit provisions	384	289	(2)	(221)	(36)	414
Litigation provisions	92	59	–	–	12	163
Other provisions[2]	62	77	(68)	–	11	82
	807	438	(98)	(257)	4	894
Current						
Bonus and other employee benefit provisions	1 487	2 081	(294)	(1 450)	(287)	1 537
Licence obligations	164	81	–	(15)	–	230
Litigation provisions	767	322	(2)	(340)	(4)	743
Other provisions[2]	474	1 175	(432)	(191)	(54)	972
	2 892	3 659	(728)	(1 996)	(345)	3 482

[1] Includes the effect of hyperinflation.
[2] Other provisions relate to tax exposures, restructuring and credit notes.

Decommissioning provision

This provision relates to the estimate of the cost of dismantling and removing either an item of property, plant and equipment or a right-of-use asset and restoring the site on which the item was located to its original condition. The Group also provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including removal of items included in property, plant and equipment or right-of-use assets that are erected on leased land.

The Group only recognises these decommissioning costs for the proportion of its overall number of sites for which it expects decommissioning to take place. The expected percentage has been based on actual experience in the respective operations.

Bonus and other employee benefit provisions

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group entity's performance with regard to a set of predetermined key performance measures. Bonuses are payable annually after the Group annual results have been approved. Other employee benefit provisions include long-term service awards. This provision relates to the estimated staff cost associated with employees becoming entitled to a long-term service award after having been in the employ of the Group for a continuous period of between three and 30 years depending on the specific Group entity with whom they are employed.

Licence obligations

The licence obligations provision represents the estimated costs to be incurred in fulfilling the Universal Services Obligation (USO) in South Africa. USOs are governed by the Electronic Communications Act.

Litigation

The Group is involved in various third party, regulatory and indirect taxation matters specific to the respective jurisdictions in which the Group operates. These matters may not necessarily be resolved in a manner that is favourable to the Group. The Group has therefore recognised provisions in respect of these matters based on estimates and the probability of an outflow of economic benefits and should not be construed as an admission of legal liability. When legal action has either been initiated or is reasonably expected, these matters are categorised as litigation provisions. The expected timing of cash outflows is uncertain depending on the specifics of each matter.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.4 Capital commitments

Commitments for the acquisition of property, plant and equipment and software:

	2023 Rm	2022 Rm
Capital expenditure authorised not yet incurred at the reporting date is as follows:		
Contracted	**16 136**	9 808
– Property, plant and equipment[1]	**14 052**	8 830
– Software	**2 084**	978
Not contracted	**20 991**	27 267
– Property, plant and equipment[2]	**15 689**	21 574
– Software[2]	**5 302**	5 693
Total commitments for property, plant and equipment and software	**37 127**	37 075

[1] Includes capital expenditure commitment by MTN Nigeria for the 5G project rollout.

[2] The capital commitments relating to MTN Guinea-Bissau and MTN Guinea-Conakry have been excluded as these entities are held for sale. Refer to note 9.4.2.2.

Capital expenditure will be funded from operating cash flows, existing borrowing facilities and, where necessary, by raising additional facilities.

6.5 Leases

6.5.1 The Group's leasing activities and significant accounting policies

The Group's leases include network infrastructure (including tower space and land), retail stores, vehicles, licences and office equipment. Rental contracts are typically made for fixed periods varying between two to 15 years but may have renewal periods as described below.

The Group recognises right-of-use assets and lease liabilities at the lease commencement date for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. office equipment) and for short-term leases, i.e. leases that at commencement date have lease terms of 12 months or less. The Group defines low-value leases as leases of assets for which the value of the underlying asset when it is new is US$5 000 or less and is not considered fundamental to its network. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term.

Generally, the Group uses its incremental borrowing rate to discount the lease payments. The Group's incremental borrowing rate is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments specific to the lease, e.g. term, country, currency and security.

After commencement date, the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. The lease liability is remeasured when there is a change in future lease payments such as changes arising from a change in index or rate, a change in the estimate of the amount payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of the lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Decommissioning costs.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The right-of-use assets are depreciated over the shorter of the assets' useful lives and the lease terms on a straight-line basis.

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.5 Leases (continued)

6.5.1 The Group's leasing activities and significant accounting policies (continued)

6.5.1.1 Renewal and termination options

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle, significance of related leasehold improvements and past history of terminating/not renewing leases.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

A number of leases entitle both the Group and the lessor to terminate the lease without a termination penalty. In determining whether the Group has an economic incentive to not exercise the termination option, the Group considers the broader economics of the contract and not only contractual termination payments.

As at 31 December 2023, a number of lease contracts relating to network infrastructure, include renewal options for an unlimited number of renewal periods. Due to the judgement exercised in relation to the determination of the lease term as outlined above, the Group is exposed to potential future cash outflows relating to an indefinite period which have not been included in the lease liability because it is not reasonably certain that the leases will be extended beyond the estimated lease term.

6.5.1.2 Lease and non-lease components

A number of lease contracts include both lease and non-lease components (e.g. maintenance, security, etc). The Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone selling prices. The stand-alone selling prices of each component are based on available market prices. The Group has not elected the practical expedient to account for non-lease components as part of its lease liabilities and right-of-use assets. Therefore, non-lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred.

6.5.2 Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2023 Rm	2022 Restated[1] Rm
Land, buildings and network infrastructure	**46 613**	42 313
Licences	**1 249**	1 371
Other	**345**	411
Total right-of-use assets	**48 207**	44 095
Current	**9 030**	6 020
Non-current	**54 378**	49 830
Total lease liabilities	**63 408**	55 850

[1] Restated, refer to note 11 for details on the restatement.

Included in the amounts above is additions to the right-of-use assets during the current financial year of R17 943 million (2022: R15 362 million).

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.5 Leases (continued)

6.5.3 Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2023 Rm	2022 Restated[1] Rm
Land, buildings and network infrastructure	**9 207**	7 564
Licences	**128**	122
Other	**105**	121
Depreciation charge of right-of-use assets	**9 440**	7 807
Interest expense (included in finance costs)	**7 662**	7 432
Expense relating to short-term leases (included in other operating expenses)	**92**	91
Expense relating to leases of low-value assets (included in other operating expenses)	**23**	95
Impairment loss on right-of-use assets[2]	**–**	3

[1] Restated, refer to note 11 for details on the restatement.

[2] The impairment loss of R183 million relating to the MTN Afghanistan right-of-use assets has been excluded as MTN Afghanistan is held for sale.

Foreign exchange losses of R10 636 million (2022: R1 543 million) were recognised on foreign denominated lease liabilities included in finance costs.

6.5.4 Amounts recognised in the statement of cash flows

The statement of cash flows shows the following amounts relating to leases:

	2023 Rm	2022 Rm
Interest paid	**6 496**	6 166
Repayment of lease liabilities	**7 828**	7 405
Acquisition of right-of-use asset	**901**	628
Total cash outflow	**15 225**	14 199

6.5.5 MTN SA Towers sale

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. 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 transferred 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 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.

The transaction was accounted for as a sale and leaseback transaction in terms of IFRS 16 for the year ended 31 December 2022. 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 the disposal group.

6 **FINANCING STRUCTURE AND COMMITMENTS** (continued)
6.5 **Leases** (continued)
6.5.5 MTN SA Towers sale (continued)

	31 December 2023 Tower sale and leaseback Rm	31 December 2022 Tower sale and leaseback Rm	31 December 2022 Power assets Rm	31 December 2022 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	**(644)**	(2 407)		(2 407)
Lease liability – land leases	**720**	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	**76**	823	(452)	371

The remaining land leases are presented as held for sale:

	31 December 2023 Rm	31 December 2022 Rm
Right-of-use assets	**780**	1 406
Lease liabilities	**(797)**	(1 583)
Net carrying amount of liabilities held for sale	**(17)**	(177)

6.6 **Contingent liabilities**

The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is recognised.

	2023 Rm	2022 Rm
Contingent liabilities	**1 327**	2 021
Uncertain tax exposures	**418**	1 142
Legal and regulatory matters	**909**	879

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 2023, there were a number of tax disputes ongoing in various of the Group's operating entities. Following a tax court ruling in MTNIM's favour, the contingent liability relating to a transfer pricing IP matter has been removed for the 2023 period.

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 Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK

7.1 Financial risk management and financial instruments

Accounting for financial instruments

Financial instruments comprise investments in equity and debt securities, loans receivable, trade and other receivables (excluding prepayments), investments in self-insurance cell captives (insurance cell captives), cash and cash equivalents, restricted cash, MoMo deposits, borrowings, other non-current liabilities (excluding provisions), bank overdrafts, derivatives, trade and other payables and MoMo payables.

Recognition

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments. Financial assets are recognised on the date the Group commits to purchase the instruments (trade date accounting).

Financial assets are classified as current if expected to be realised or settled within 12 months from the reporting date; if not, they are classified as non-current. Financial liabilities are classified as non-current if the Group has an unconditional right to defer payment for more than 12 months from the reporting date.

Classification

The Group classifies financial assets on initial recognition as measured at amortised cost, FVOCI or FVTPL on the basis of the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset.

Financial assets are classified as follows:

Measurement category	Criteria
FVTPL	Debt investments that do not qualify for measurement at amortised cost or FVOCI; equity investments that are held for trading; and equity investments designated as at FVTPL.
Amortised cost	The asset is held within a business model with the objective to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.
Equity investments at FVOCI	The asset is not held for trading and the Group has irrevocably elected on initial recognition to recognise the asset as at FVOCI.
Debt investments at FVOCI	The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding however, the Group's business model is to both collect the contractual cash flows and sell the financial asset.

Financial assets are not reclassified unless the Group changes its business model. In rare circumstances where the Group does change its business model, reclassifications are done prospectively from the date that the Group changes its business model.

Financial liabilities are classified as measured at amortised cost except for those derivative liabilities that are measured at FVTPL.

Measurement on initial recognition

All financial assets (unless it is a trade receivable without a significant financing component) and liabilities are initially measured at fair value, including transaction costs, except for those classified as at FVTPL which are initially measured at fair value excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss. A trade receivable without a significant financing component is initially recognised at the transaction price.

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

Subsequent measurement: Financial assets

Subsequent to initial recognition, financial assets are measured as described below.

Measurement category	Subsequent measurement
FVTPL	These financial assets are subsequently measured at fair value and changes therein (including any interest or dividend income) are recognised in profit or loss.
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairments are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These financial assets are subsequently measured at fair value. Dividends are recognised in profit or loss when the right to receive payment is established. Other net gains and losses are recognised in OCI and never reclassified to profit or loss.
Debt investments at FVOCI	These financial assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Subsequent measurement: Financial liabilities

All financial liabilities, excluding derivative liabilities, are subsequently measured at amortised cost using the effective interest method. Derivative liabilities are subsequently measured at fair value with changes therein recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire. On derecognition of a financial asset/liability, any difference between the carrying amount extinguished and the consideration paid is recognised in profit or loss.

Modification of financial liabilities

A substantial modification of the terms of an existing debt instrument or part of it is accounted for as an extinguishment of the original debt instrument and the recognition of a new debt instrument.

Gains or losses arising from the modification of the terms of a debt instrument are recognised immediately in profit or loss where the modification does not result in the derecognition of the existing instrument.

Offsetting financial instruments

Offsetting of financial assets and liabilities is applied when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The net amount is reported in the statement of financial position.

Impairment

Under IFRS 9 the Group calculates its allowance for credit losses as ECLs for financial assets measured at amortised cost, debt investments at FVOCI and contract assets (unbilled handset component for contract). ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the original effective interest rate (EIR) of the financial asset.

To calculate ECLs the Group segments/groups trade receivables by customer type i.e. interconnect, Enterprise Business Unit (EBU), mobile (billed handset and network services component for contracts) etc. The Group applies the simplified approach to determine the ECL for trade receivables and contract assets. This results in calculating lifetime ECLs for trade receivables and contract assets. ECLs for trade receivables is calculated using a provision matrix. For contract assets and mobile trade receivables relating to the South African operation, ECLs are determined using a simplified parameter-based approach. Refer to note 7.1.4 for more detail about ECLs and how these are calculated.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

Risk management

Introduction

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (foreign exchange, interest rate and price risk). This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. While MTN Afghanistan, MTN Guinea-Bissau and MTN Guinea-Conakry have been classified as a disposal group held for sale, the entities still exposes the Group to risks relating to financial instruments. Accordingly, the entities have been included in the financial risk management and financial instruments disclosure.

Risk profile

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group considers natural hedges that may exist and, in addition, where possible, uses derivative financial instruments such as cross-currency swaps to hedge exposures. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes. The Group applies hedge accounting to manage its risk of currency exchange rate volatility associated with certain of its investments in foreign operations.

Risk management is carried out under policies approved by the Board of Directors of the Group and of relevant subsidiaries. The MTN Group Treasury Committee identifies, evaluates and hedges financial risks in cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as for specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments, and investing cash. Group treasury is responsible for managing the Group's exposure to financial risk within the policies set by the Board of Directors, under the guidance of the Group CFO, Group Audit Committee and Group Risk Management and Compliance committee.

7.1.1 Categories of financial instruments

	Assets			Liabilities		
	Amortised cost Rm	FVTPL Rm	FVOCI Rm	Amortised cost Rm	FVTPL Rm	Total carrying amount Rm
2023						
Non-current financial assets						
Investment in joint venture	3 152	–	–	–	–	3 152
Loans and other non-current receivables[1]	1 523	–	–	–	–	1 523
Investments[1]	164	–	7 409	–	–	7 573
Mobile Money deposits	755	–	–	–	–	755
Current financial assets						
Trade and other receivables[1]	26 382	–	–	–	–	26 382
Current investments	1 539	1 797	30	–	–	3 366
Restricted cash[1]	11 048	–	–	–	–	11 048
Mobile Money deposits[1]	49 840	–	–	–	–	49 840
Cash and cash equivalents[1]	37 545	–	–	–	–	37 545
	131 948	1 797	7 439	–	–	141 184
Non-current financial liabilities						
Borrowings[1]	–	–	–	56 400	–	56 400
Other non-current liabilities	–	–	–	19	1 880	1 899
Lease liabilities[1]	–	–	–	55 381	–	55 381
Current financial liabilities						
Trade and other payables[1]	–	–	–	53 176	608	53 784
Mobile Money payables[1]	–	–	–	50 595	–	50 595
Lease liabilities[1]	–	–	–	9 220	–	9 220
Borrowings	–	–	–	28 125	–	28 125
Derivative liabilities	–	–	–	–	352	352
Bank overdrafts	–	–	–	990	–	990
	–	–	–	253 906	2 840	256 746

[1] Includes assets and liabilities directly associated with non-current assets held for sale, refer to note 6.5.5 and 9.4.2.

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.1 Categories of financial instruments (continued)

	Assets			Liabilities		
	Amortised cost Rm	FVTPL Rm	FVOCI Rm	Amortised cost Rm	FVTPL Rm	Total carrying amount Rm
2022						
Non-current financial assets						
Investment in joint venture and associates	5 009	–	–	–	–	5 009
Loans and other non-current receivables	307	–	–	–	–	307
Investments	392	–	9 201	–	–	9 593
Mobile Money deposits	612	–	–	–	–	612
Current financial assets						
Trade and other receivables[1]	25 081	–	–	–	–	25 081
Current investments	2 740	1 414	500	–	–	4 654
Restricted cash[1]	10 350	–	–	–	–	10 350
Mobile Money deposits[1]	38 668	–	–	–	–	38 668
Cash and cash equivalents[1]	44 896	–	–	–	–	44 896
	128 055	1 414	9 701	–	–	139 170
Non-current financial liabilities						
Borrowings	–	–	–	65 781	–	65 781
Other non-current liabilities	–	–	–	14	–	14
Lease liabilities[1,2]	–	–	–	51 574	–	51 574
Current financial liabilities						
Trade and other payables	–	–	–	52 832	–	52 832
Mobile Money payables[1]	–	–	–	39 280	–	39 280
Lease liabilities[1,2]	–	–	–	6 092	–	6 092
Borrowings	–	–	–	15 642	–	15 642
Derivative liabilities	–	–	–	–	113	113
Bank overdrafts	–	–	–	716	–	716
	–	–	–	231 931	113	232 044

[1] Includes liabilities directly associated with non-current assets held for sale, refer to note 6.5.5 and 9.4.2.1.

[2] Restated, refer to note 11 for details on the restatement.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.2 Financial assets and liabilities subject to offsetting

The following table presents the Group's financial assets and liabilities that are subject to offsetting:

	Gross amount Rm	Amount offset Rm	Net amount Rm
2023			
Current financial assets			
Trade and other receivables	**2 587**	**(1 252)**	**1 335**
Current financial liabilities			
Trade and other payables	**1 571**	**(1 252)**	**319**
2022			
Current financial assets			
Trade and other receivables	2 786	(2 038)	748
Current financial liabilities			
Trade and other payables	2 325	(2 038)	287

The amounts subject to offsetting include interconnect receivables and payables. The Group has entered into agreements with the respective counterparties which permit it to offset any payables owing to the counterparty against receivables owing to the Group. This right to offset exists in all circumstances and the Group intends to settle on a net basis.

7.1.3 Fair value estimation

A number of the Group's accounting policies and disclosures require the measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The table on the next page presents the Group's assets and liabilities that are measured at fair value. The classification into different levels is based on the extent that quoted prices are used in the calculation of fair value and the levels have been defined as follows:

- Level 1: fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); or
- Level 3: fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

7 FINANCIAL RISK (continued)
7.1 Financial risk management and financial instruments (continued)
7.1.3 Fair value estimation (continued)

The following table presents the fair value measurement hierarchy of the Group's assets and liabilities measured at fair value:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2023				
Financial assets				
Investment in IHS Group	**7 158**	**–**	**–**	**7 158**
Unlisted equity investments[1]	**–**	**–**	**251**	**251**
Investment in insurance cell captives	**–**	**–**	**1 793**	**1 793**
Treasury bills	**34**	**–**	**–**	**34**
Total assets	**7 192**	**–**	**2 044**	**9 236**
Financial liabilities				
Cross-currency swaps	**–**	**352**	**–**	**352**
Other non-current liabilities	**–**	**–**	**1 880**	**1 880**
Total liabilities	**–**	**352**	**1 880**	**2 232**
2022				
Financial assets				
Investment in IHS Group	8 930	–	–	8 930
Unlisted equity investments	–	–	271	271
Investment in insurance cell captives	–	–	1 394	1 394
Treasury bills	520	–	–	520
Total assets	9 450	–	1 665	11 115
Financial liabilities				
Cross-currency swaps	–	113	–	113
Total liabilities	–	113	–	113

[1] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

Valuation methods and assumptions

The following methods and assumptions were used to estimate the respective fair values:

IHS Group listed equity investment – 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$4.60 (2022: US$6.15) on the last trading day of the year.

A fair value decrease (translated at average exchange rate) of R2 689 million (2022: R10 908 million) has been recognised for the year. On 21 March 2024, the IHS Group share price was US$3.39, equating to a decrease in the fair value of R1 722 million subsequent to 31 December 2023.

Unlisted equity investments – Fair values have been estimated using a discounted cash flow model. The discounted cash flow model requires management to make assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

Derivatives – The Group enters into derivative financial instruments with various counterparties. Interest rate swaps, cross-currency swaps, foreign exchange contracts and equity derivatives are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves.

Investment in insurance cell captives – The fair value of the investment in insurance cell captives is determined based on the net asset value of the insurance cell captive at the reporting date. The net asset value is determined from statements received from the insurer in respect of the net assets of the cell.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.3 Fair value estimation (continued)

Valuation methods and assumptions (continued)

Investment in treasury bills – The fair value of these investments is determined by reference to published price quotations in an active market.

Fair value measurements for financial instruments not measured at fair value

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

The fair values of the majority of the non-current receivables and liabilities measured at amortised cost, other than for the instruments listed below, are also not significantly different to their carrying values.

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 R1 776 million (2022: R7 703 million) and a fair value of R1 767 million (2022: R7 480 million). In the current year the Group settled notes with a face value of US$353 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.

In 2016, the Group issued US$1 billion listed long-term fixed interest rate unsecured notes. Notes with a face value of US$500 million, were settled in the prior financial year in line with the Group's strategy to reduce exposure to United States dollar debt. At 31 December 2023, the remaining US$500 million redeemable in 2026 (the 2026 notes) had a carrying amount of R9 253 million (2022: R8 633 million) and a fair value of R9 230 million (2022: R8 520 million). The notes are listed on the Irish bond market and the fair value of these instruments is 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.

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 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 1 January 2023	**1 394**
Contributions paid to insurance cell captives	**458**
Claims received by insurance cell captives	**(119)**
Gain recognised in profit or loss	**60**
Balance at 31 December 2023	**1 793**

	Investments Rm
Balance at 1 January 2022	364
Foreign exchange movements	(93)
Balance at 1 January 2023	**271**
Foreign exchange movements	**(107)**
Balance at 31 December 2023	**164**

7 **FINANCIAL RISK** (continued)

7.1 **Financial risk management and financial instruments** (continued)

7.1.4 Credit risk

Credit risk, or the risk of financial loss to the Group due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures. The Group's maximum exposure to credit risk is represented by the carrying amount of the financial assets and contract assets that are exposed to credit risk.

The Group considers its maximum exposure per class, without taking into account any collateral and financial guarantees, to be as follows:

	2023 Rm	2022 Rm
Investments[1]	**164**	392
Investment in associates and joint ventures	**3 152**	5 009
Loans and other non-current receivables	**1 523**	307
Trade and other receivables[1]	**26 382**	25 081
Trade receivables	**18 802**	15 848
Other receivables	**7 580**	9 233
Contract assets	**5 696**	5 172
Current investments	**3 366**	4 654
Restricted cash[1]	**11 048**	10 350
Mobile Money deposits[1]	**50 595**	39 280
Cash and cash equivalents[1]	**37 545**	44 896
	139 471	135 141

[1] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

The local risk rating grade of cash and cash equivalents and restricted cash are set out below. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

	Credit ratings of financial institution	**Cash and cash equivalents Rm**	**Restricted cash Rm**
2023			
South Africa (including head office entities)	**AA+ to BB-**	**14 658**	**2 095**
MTN Nigeria	**AAA to BBB-**	**6 950**	**7 944**
MTN Dubai and Bayobab	**A+ to BBB+**	**5 578**	**19**
MTN Rwanda	**AA to B**	**292**	**82**
MTN Ghana[1]	**Unrated**	**4 478**	**–**
Other[1,2]	**Various/unrated**	**5 589**	**908**
		37 545	**11 048**
2022			
South Africa (including head office entities)	AA+ to AA	17 306	2 167
MTN Nigeria	AAA to BBB-	12 921	7 203
MTN Dubai and Bayobab	AA to BBB+	4 794	30
MTN Rwanda	AA to B	321	–
MTN Ghana[1]	Unrated	2 551	–
Other	Various/unrated	7 003	950
		44 896	10 350

[1] MTN Ghana was previously included in other and has been disaggregated in the current year and comparative numbers have been re-presented accordingly.

[2] Includes assets and liabilities directly associated with non-current assets held for sale, refer to note 9.4.2.2.

The Group's treasury bills and foreign currency deposits denominated in Nigerian naira and Rwandan franc respectively have local credit risk rating grades ranging from AAA to B (2022: A to B+).

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.4 Credit risk (continued)

Cash and cash equivalents, restricted cash and current investments

The Group determines appropriate internal credit limits for each counterparty. In determining these limits, the Group considers the counterparty's credit rating established by an accredited ratings agency and performs internal risk assessments. The Group manages its exposure to a single counterparty by spreading transactions among approved financial institutions. The Group Treasury Committee regularly reviews and monitors the Group's credit exposure.

Investment in insurance cell captives

The Group has exposure to the credit risk of the insurance company through its investment in preference shares in its cell captive arrangements.

MoMo deposits

MoMo deposits are balances that are held with banks for and on behalf of MoMo customers. Regulations in certain jurisdictions specify the types of permissible liquid instruments that these deposits may be invested in. MoMo deposits are spread among approved, reputable financial institutions based on internal risk assessments or guidance provided by regulators, to manage the concentration of credit risk to a single counterparty. Many risk mitigations are in place and banks are also obliged to pay insurance premiums to protect MoMo customer deposits (or a portion thereof) in the event of bank failure.

As a result of the uncertain and evolving legal and regulatory environment, the assessment of which party in a MoMo arrangement is exposed to a bank credit risk event, has become increasingly complex and dependent on legal interpretations that are largely untested in the respective markets in which the Group operates. Consequently, the assessment of the Group's credit risk exposure with regards to MoMo remains subject to legal and regulatory developments.

The treatment of MoMo in the financial statements is not and should not be construed as a waiver by members of the Group of any legal, contractual or statutory rights, remedies and defences they may have, or as an admission of liability enforceable against any of them in law or otherwise. The legal, contractual and statutory rights, remedies and defences of members of the Group are reserved.

Trade receivables and contract assets (unbilled handset component)

A large portion of the Group's postpaid market revenues are generated in South Africa. There are no other significant concentrations of credit risk, since the other operations within the Group operate largely within the prepaid market. The Group has policies in place to ensure that retail sales of products and services are made to customers with an appropriate credit history. Before credit is granted to a customer, the Group performs credit risk assessments through credit bureaus. The Group insures some of its trade receivables in its South African operation, in which instance the credit risk assessments are performed by the credit insurer prior to the granting of credit by the Group. In terms of this arrangement R6 billion (2022: R5.7 billion) has been insured for which the Group's risk is limited to R600 million (2022: R600 million). In addition, some entities within the Group require potential customers to obtain guarantees from banks before credit is granted. During the current year the Group did not recognise ECLs amounting to R36.9 million (2022: R39.2 million) as a result of collateral held

The recoverability of interconnect receivables in certain international operations is uncertain; however, this is actively managed within acceptable limits and has been incorporated in the assessment of an appropriate revenue recognition policy (note 2.2) and the ECL of trade receivables where applicable. In addition, in certain countries there exists a right of set-off with interconnect parties to enable collection of outstanding amounts.

7 FINANCIAL RISK (continued)
7.1 Financial risk management and financial instruments (continued)
7.1.4 Credit risk (continued)
Ageing and impairment analysis

	2023[1] Gross Rm	2023[1] Impairment Rm	2023[1] Net Rm	2022[1] Gross Rm	2022[1] Impairment Rm	2022[1] Net Rm
Fully performing trade receivables	**10 279**	**(240)**	**10 039**	11 530	(215)	11 315
Interconnect receivables	**1 471**	**(69)**	**1 402**	1 777	(137)	1 640
Contract receivables	**1 150**	**(19)**	**1 131**	1 470	(18)	1 452
Retail receivables	**5 016**	**(51)**	**4 965**	5 686	(17)	5 669
EBU receivables	**922**	**(9)**	**913**	725	(16)	709
Other receivables[2]	**1 720**	**(92)**	**1 628**	1 872	(27)	1 845
Past due trade receivables	**11 199**	**(2 435)**	**8 764**	7 188	(2 655)	4 533
Interconnect receivables	**1 454**	**(276)**	**1 178**	1 021	(390)	631
0 to 3 months	**562**	**(33)**	**529**	448	(73)	375
3 to 6 months	**334**	**(60)**	**274**	201	(109)	92
6 to 9 months	**103**	**(13)**	**90**	36	(25)	11
9 to 12 months	**455**	**(170)**	**285**	336	(183)	153
Contract receivables	**2 777**	**(552)**	**2 225**	2 148	(685)	1 463
0 to 3 months	**1 398**	**(80)**	**1 318**	1 410	(260)	1 150
3 to 6 months	**977**	**(245)**	**732**	238	(120)	118
6 to 9 months	**163**	**(45)**	**118**	151	(54)	97
9 to 12 months	**239**	**(182)**	**57**	349	(251)	98
Retail receivables	**1 676**	**(636)**	**1 040**	1 037	(559)	478
0 to 3 months	**462**	**(11)**	**451**	343	(49)	294
3 to 6 months	**511**	**(220)**	**291**	323	(174)	149
6 to 9 months	**91**	**(91)**	**–**	42	(37)	5
9 to 12 months	**612**	**(314)**	**298**	329	(299)	30
EBU receivables	**1 412**	**(472)**	**940**	1 144	(496)	648
0 to 3 months	**350**	**(25)**	**325**	282	(42)	240
3 to 6 months	**462**	**(108)**	**354**	330	(148)	182
6 to 9 months	**65**	**(14)**	**51**	38	(19)	19
9 to 12 months	**535**	**(325)**	**210**	494	(287)	207
Other receivables[2]	**3 789**	**(499)**	**3 380**	1 838	(525)	1 313
0 to 3 months	**1 154**	**(4)**	**1 150**	919	(73)	846
3 to 6 months	**1 981**	**(104)**	**1 877**	223	(105)	118
6 to 9 months	**121**	**(66)**	**55**	53	(21)	32
9 to 12 months	**623**	**(325)**	**298**	643	(326)	317
Total	**21 477**	**(2 675)**	**18 802**	18 718	(2 870)	15 848

[1] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.
[2] Other receivables includes both national and international roaming receivables.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.4 Credit risk (continued)

Total past due per significant operation

	Inter-connect receivables Rm	Contract receivables Rm	Retail receivables Rm	EBU receivables Rm	Other receivables[1] Rm	Total Rm
2023						
MTN SA	**172**	**1 661**	**500**	**238**	**2 058**	**4 629**
MTN Nigeria	**232**	**434**	**–**	**–**	**3**	**669**
MTN Côte d'Ivoire	**210**	**105**	**236**	**256**	**29**	**836**
MTN Ghana	**–**	**18**	**316**	**228**	**208**	**770**
MTN Zambia	**142**	**150**	**13**	**22**	**173**	**500**
MTN Cameroon	**157**	**18**	**52**	**357**	**75**	**659**
MTN Benin	**17**	**–**	**–**	**102**	**185**	**304**
MTN Guinea-Conakry[2]	**74**	**17**	**325**	**98**	**225**	**739**
MTN Congo-Brazzaville	**237**	**–**	**–**	**–**	**504**	**741**
MTN Uganda	**7**	**176**	**145**	**–**	**–**	**328**
Other operations[2]	**206**	**198**	**91**	**110**	**419**	**1 025**
	1 454	**2 777**	**1 678**	**1 411**	**3 879**	**11 199**
2022						
MTN SA	151	781	149	314	324	1 719
MTN Nigeria	147	810	–	–	22	979
MTN Côte d'Ivoire	102	–	175	254	24	555
MTN Ghana	–	14	287	29	124	454
MTN Zambia	38	195	20	20	221	494
MTN Cameroon	50	52	39	249	21	411
MTN Benin	16	70	–	69	37	192
MTN Guinea-Conakry	71	15	247	113	27	473
MTN Congo-Brazzaville	249	–	–	–	462	711
MTN Uganda	8	49	41	–	–	98
Other operations	189	162	79	96	576	1 102
	1 021	2 148	1 037	1 144	1 838	7 188

[1] Other receivables includes both national and international roaming receivables.
[2] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

Expected credit losses

The Group has the following financial assets subject to the ECL model:

- Trade and other receivables.
- Contract assets.
- Loans and other non-current receivables.
- Debt investments carried at amortised cost.
- Treasury bills and foreign deposits carried at amortised cost.
- Cash and cash equivalents.
- Restricted cash.
- MoMo deposits.

Application of the ECL model had an immaterial impact on all financial assets except for contract assets and trade receivables.

Included in other receivables are amounts receivable from related parties (note 10.1) to which the Group has applied the general impairment model. The Group has considered the financial performance, external debt and future cash flows of the related parties and concluded that the credit risk relating to these receivables is limited and consequently the probability of default relating to these balances is low.

Provision matrix – ECLs are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historical/proxy write-offs to the payment profile of the sales population. In instances where there was no evidence of historical write offs management used a proxy write-off. Trade receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations. The historic loss ratio is then adjusted for forward-looking information (including forecast economic indicators) to determine the ECL for the portfolio of trade receivables at the reporting date to the extent that there is a strong correlation between the forward-looking information, and the ECL.

7 FINANCIAL RISK (continued)
7.1 Financial risk management and financial instruments (continued)
7.1.4 Credit risk (continued)
Expected credit losses (continued)
Provision matrix (continued)
The Group used 12 – 36 months sales data to determine the payment profile of the sales. Where the Group has information about actual historical write-offs, actual write-offs have been used to determine a historic loss ratio. Alternatively, management has used a proxy write-off based on management's best estimate. The Group has considered quantitative forward-looking information such as the core inflation rate. Qualitative assessments have also been performed, of which the impact was found to be immaterial.

The loss allowance for trade receivables to which the provision matrix has been applied is determined as follows:

2023	Gross carrying amount Rm	Impairment Rm	Average ECL/ impairment ratio %
Interconnect receivables	**2 925**	**(345)**	**11.79**
Fully performing	**1 471**	**(69)**	**4.69**
Up to 90 days past due	**562**	**(33)**	**5.87**
90 days and above past due	**892**	**(243)**	**27.24**
Contract receivables	**1 689**	**(453)**	**26.82**
Fully performing	**394**	**(5)**	**1.27**
Up to 90 days past due	**501**	**(2)**	**0.40**
90 days and above past due	**794**	**(446)**	**56.17**
Retail receivables	**6 692**	**(687)**	**10.27**
Fully performing	**5 016**	**(51)**	**1.02**
Up to 90 days past due	**462**	**(11)**	**2.38**
90 days and above past due	**1 214**	**(625)**	**51.48**
EBU receivables	**2 334**	**(481)**	**20.61**
Fully performing	**922**	**(9)**	**0.98**
Up to 90 days past due	**350**	**(25)**	**7.14**
90 days and above past due	**1 062**	**(447)**	**42.09**
Other receivables[1]	**5 600**	**(591)**	**10.55**
Fully performing	**1 720**	**(92)**	**5.35**
Up to 90 days past due	**1 099**	**(4)**	**0.36**
90 days and above past due	**2 781**	**(495)**	**17.80**
Total	**19 240**	**(2 555)**	**13.28**
2022			
Interconnect receivables	2 798	(527)	18.83
Fully performing	1 777	(137)	7.71
Up to 90 days past due	448	(73)	16.29
90 days and above past due	573	(317)	55.32
Contract receivables	2 059	(498)	24.19
Fully performing	514	(5)	0.97
Up to 90 days past due	807	(68)	8.43
90 days and above past due	738	(425)	57.59
Retail receivables	6 723	(576)	8.57
Fully performing	5 686	(17)	0.30
Up to 90 days past due	343	(49)	14.29
90 days and above past due	694	(510)	73.49
EBU receivables	1 869	(512)	27.39
Fully performing	725	(16)	2.21
Up to 90 days past due	282	(42)	14.89
90 days and above past due	862	(454)	52.67
Other receivables[1]	3 710	(552)	14.88
Fully performing	1 872	(27)	1.44
Up to 90 days past due	919	(73)	7.94
90 days and above past due	919	(452)	49.18
Total	17 169	(2 665)	15.53

[1] Other receivables includes both national and international roaming receivables.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.4 Credit risk (continued)

Expected credit losses (continued)

Simplified parameter-based approach – ECL is calculated using a formula incorporating the following parameters: Exposure at Default (EAD), Probability of Default (PD), Loss Given Default (LGD) discounted using the Effective Interest Rate (EIR) (i.e. PD x LGD x EAD = ECL). The probability of default has been increased for the estimated deteriorated gross domestic product growth in South Africa. Exposures are mainly segmented by customer type i.e. corporate, consumer etc, ageing, device vs. SIM only contracts and months in contract. This customer segmentation occurs at MTN SA level and is not reported to Group key management personnel. This is done to allow for risk differentiation. The probability of a customer defaulting as well as the realised loss with defaulted accounts has been determined using historical data of 12 months. The EIR represents a weighted average rate which is representative of the portfolio of customers and incorporates a risk-free rate plus a risk premium on initial recognition of the trade receivables. A qualitative assessment of the impact of forward-looking information has been performed and found to be immaterial.

For corporate customers management rebutted the presumption that a customer is in default when 90 days past due and have determined default as 180 days past due. This is on the basis of billing disputes taking time to resolve resulting in a high-cure rate. Other than corporate customers, a customer is in default when 90 days past due.

The balance of trade receivables and contract assets to which the simplified parameter-based approach has been applied is as follows:

	Total Rm	Trade receivables[1] Rm	Contract assets[2] Rm
2023			
Gross balance	**8 081**	**2 238**	**5 843**
Expected credit loss allowance	**(265)**	**(118)**	**(147)**
	7 816	**2 120**	**5 696**
2022			
Gross balance	7 383	1 560	5 823
Expected credit loss allowance	(856)	(205)	(651)
	6 527	1 355	5 172

[1] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

[2] Contract assets mainly relate to the South African operation.

Trade receivables are written off when there is no reasonable expectation of recovery. The amounts written off in the current year are subject to enforcement activity. This is assessed individually by each operation and includes for example where the trade receivables have been handed over for collection and remain outstanding or the debtor has entered bankruptcy.

Reconciliation of allowance for credit losses	**2023 Trade receivables Rm**	2022 Trade receivables[1] Rm	**2023 Contract assets Rm**	2022 Contract assets Rm
At the beginning of the year	**(2 870)**	(3 054)	**(651)**	(679)
Additions[2]	**(1 317)**	(1 355)	**–**	–
Reversals[2]	**5**	161	**504**	27
Utilised[2]	**1 105**	1 397	**–**	1
Transferred to held for sale (note 9.4.2)	**509**	–	**–**	–
Exchange differences and other movements[3]	**239**	(19)	**–**	–
At the end of the year	**(2 885)**	(2 870)	**(147)**	(651)

[1] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

[2] A net impairment loss of R1 302 million (2022: R1 194 million) was recognised during the year. In addition to the R1 105 million (2022: R1 397 million) provision utilised, Rnil (2022: R364 million) was written off directly to profit or loss during the year.

[3] Includes the effect of hyperinflation.

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.5 Liquidity risk

Liquidity risk is the risk that an entity in the Group will be unable to meet its obligations as they become due.

The Group's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Group treasury develops strategies to ensure that the Group has sufficient cash on demand or access to facilities to meet expected operational expenses, and to service financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Group treasury performs regular cash flow forecasts, monitors cash holdings of the Group, negotiates lines of credit and sets policies for maturity profiles of loans.

The following liquid resources are available:

	2023[1] Rm	2022[1] Rm
Trade and other receivables	**26 382**	25 081
Current investments	**3 366**	4 654
Mobile Money deposits[2]	**50 595**	39 280
Cash and cash equivalents	**37 545**	44 896
	117 888	113 911

[1] Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

[2] MoMo deposits are utilised to settle the corresponding MoMo payable which gives rise to liquidity risk for the Group.

The following are the undiscounted contractual cash flows of financial liabilities:

	Carrying amount Rm	Total Rm	Payable within one month or on demand Rm	More than one month but not exceeding three months Rm	More than three months but not exceeding one year Rm	More than one year but not exceeding two years Rm	More than two years but not exceeding five years Rm	More than five years Rm
2023								
Borrowings[1]	**84 525**	**103 553**	**837**	**2 459**	**30 217**	**10 297**	**38 008**	**21 735**
Other non-current liabilities	**1 899**	**3 250**	**47**	**141**	**430**	**1 700**	**932**	**–**
Lease liabilities[1]	**64 601**	**91 430**	**2 973**	**931**	**12 635**	**14 519**	**29 919**	**30 454**
Trade and other payables[1]	**53 784**	**53 932**	**30 140**	**3 250**	**20 542**	**–**	**–**	**–**
Mobile Money payables[1]	**50 595**	**50 595**	**50 595**	**–**	**–**	**–**	**–**	**–**
Derivative liabilities	**352**	**352**	**–**	**–**	**352**	**–**	**–**	**–**
Bank overdrafts	**990**	**990**	**391**	**158**	**441**	**–**	**–**	**–**
	256 746	**304 102**	**84 983**	**6 938**	**64 617**	**26 516**	**68 859**	**52 189**
2022								
Borrowings	81 274	104 582	1 165	3 977	16 181	24 369	39 778	19 112
Other non-current liabilities	14	29	–	–	–	20	9	–
Lease liabilities[1,2]	60 309	119 205	2 373	659	11 785	17 218	42 626	44 544
Trade and other payables	52 832	52 922	25 464	3 413	24 045	–	–	–
Mobile Money payables	39 280	39 280	39 280	–	–	–	–	–
Derivative liabilities	113	113	–	–	113	–	–	–
Bank overdrafts	716	716	452	–	264	–	–	–
	234 538	316 847	68 734	8 049	52 388	41 607	82 413	63 656

[1] Includes liabilities directly associated with non-current assets held for sale, refer to note 6.5.5 and 9.4.2.

[2] Restated, refer to note 11 for details on the restatement.

The Group has sufficient undrawn facilities to manage shortfalls in operational cash flows. Refer to note 6.1 for details of the Group's undrawn facilities. Holdco cash balances including restricted cash and current investments was R16.7 billion as at 31 December 2023 (2022: R24.2 billion).

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.6 Market risk

Market risk is the risk that changes in market prices (such as interest rates, foreign currencies and equity prices) will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Derivatives are entered into solely for risk management purposes and not as speculative investments. The Group treasury policy specifies approved instruments which may be used to economically hedge the Group's exposure to variability in interest rates and foreign currency and to manage and maintain market risk exposures within the parameters set by the Group's Board of Directors.

7.1.6.1 Interest rate risk

Interest rate risk is the risk that arises on an interest-bearing asset or liability, due to variability of interest rates.

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents, restricted cash, MoMo deposits/payables, trade and other receivables/payables, loans receivable/payable, debt investments carried at amortised cost, treasury bills and foreign deposits carried at amortised cost, borrowings, bank overdrafts and other non-current assets/liabilities. The interest rates applicable to these financial instruments are a combination of floating and fixed rates in line with those currently available in the market.

The Group's interest rate risk arises from the repricing of the Group's floating rate debt, incremental funding or new borrowings, the refinancing of existing borrowings and the magnitude of the cash balances which exist.

The Group aims to maintain its mix of fixed and floating rate debt within internally determined parameters, however, this depends on the market conditions in the geographies where the Group operates.

Holding companies' (as disclosed in note 9.1) (including MTN (Mauritius) Investments Limited) debt is managed on an optimal fixed versus floating interest rate basis, in line with the approved Group treasury policy.

Debt in the majority of the Group's non-South African operations is mainly at floating interest rates. This is due to the environment and availability of funding in the market in which the entity operates. The Group continues to monitor developments which may create opportunities as these markets evolve in order to align each underlying operation with the Group treasury policy. Group treasury reports on the interest rate profile, in particular that of the holding companies, to the Board of Directors, Group Audit and Group Risk Management and Compliance Committees on a regular basis.

Where appropriate, the Group uses interest rate derivatives and other suitable hedging tools as a way to manage interest rate risk. The Group does not apply hedge accounting to these derivatives.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Variable rate instruments	
	2023 Rm	2022 Rm
Non-current financial assets		
Loans and other non-current receivables	**1 829**	3 848
Current financial assets		
Trade and other receivables	**1 886**	1 466
Current investments	**423**	1 984
Mobile Money deposits	**4 442**	18 793
Cash and cash equivalents	**9 898**	18 860
	18 478	44 951
Non-current financial liabilities		
Borrowings	**34 801**	33 884
Current financial liabilities		
Trade and other payables	**233**	177
Mobile Money payables	**4 442**	18 756
Borrowings	**19 190**	12 787
Bank overdrafts	**391**	180
	59 400	65 784

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.6 Market risk (continued)

7.1.6.2 Sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable at 31 December, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

The Group is mainly exposed to fluctuations in the following market interest rates: JIBAR, LIBOR, NIBOR, Money Market and Prime rates. Changes in market interest rates affect the interest income or expense of floating rate financial instruments.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown in the table to follow.

The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as was used for 2022.

	2023 (Decrease)/increase in profit before tax			2022 (Decrease)/increase in profit before tax		
	Change in interest rate %	**Upward change in interest rate Rm**	**Downward change in interest rate Rm**	Change in interest rate %	Upward change in interest rate Rm	Downward change in interest rate Rm
JIBAR	**1**	**(371.3)**	**371.3**	1	(285.0)	285.0
LIBOR and associated rates	**1**	**39.8**	**(39.8)**	1	33.9	(33.9)
NIBOR	**1**	**(98.8)**	**98.8**	1	(107.1)	107.1
Money market	**1**	**(3.5)**	**3.5**	1	(6.2)	6.2
Prime	**1**	**27.9**	**(27.9)**	1	118.2	(118.2)
Other	**1**	**8.1**	**(8.1)**	1	37.1	(37.1)

7.1.6.3 Currency risk

Currency risk is the exposure to exchange rate fluctuations that have an impact on cash flows and financing activities.

Currency risk arises on recognised financial assets and liabilities which are denominated in a currency that is not the entity's functional currency. The Group aims to maintain its foreign currency exposure within internally determined parameters, however, this depends on the market conditions in the geographies where the Group operates. Group treasury reports on the status of foreign currency positions or derivatives to the Group Treasury Committee on a regular basis. Where possible, entities in the Group use forward contracts to hedge their actual exposure to foreign currency.

Sensitivity analysis

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss and to OCI, of an instantaneous 10% strengthening or weakening in the rand against all other currencies, from the rate applicable at 31 December, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice, market rates rarely change in isolation.

The Group is mainly exposed to fluctuations in foreign exchange rates in respect of the United States dollar, Euro, Nigerian naira and Iranian rial. This analysis considers the impact of changes in foreign exchange rates on profit or loss and OCI.

The analysis excludes foreign exchange translation differences resulting from the translation of Group entities that have functional currencies different from the presentation currency, into the Group's presentation currency, which are recognised in the FCTR.

The analysis has been performed on the basis of the change occurring at the reporting date and assumes that all other variables, in particular interest rates, remain constant.

Intercompany balances that are denominated in a currency other than the functional currency of the entity are reflected as either impacting profit or loss before tax, or equity in the case of loans for which settlement is neither planned nor likely to occur in the foreseeable future.

Notes to the Group financial statements (continued)
for the year ended 31 December 2023

7 FINANCIAL RISK (continued)
7.1 Financial risk management and financial instruments (continued)
7.1.6 Market risk (continued)
7.1.6.3 Currency risk (continued)
***Sensitivity analysis** (continued)*
A change in the foreign exchange rates to which the Group is exposed at the reporting date would have increased/(decreased) profit before tax or equity by the amounts shown below.

	Increase/(decrease) in profit before tax				Increase/(decrease) in OCI		
Denominated: Functional currency	Net assets/(liabilities) denominated in foreign currency Rm	Change in exchange rate %	Weakening in functional currency Rm	Strengthening in functional currency Rm	Change in exchange rate %	Weakening in functional currency Rm	Strengthening in functional currency Rm
2023							
US$:ZAR[1]	**10 550**	**10**	**1 055.0**	**(1 055.0)**	**10**	**–**	**–**
US$:SDG	**(1 571)**	**10**	**–**	**–**	**10**	**(157.1)**	**157.1**
US$:NGN	**(30 157)**	**10**	**(3 015.7)**	**3 015.7**	**10**	**–**	**–**
EUR:SDG	**(2 828)**	**10**	**(282.8)**	**282.8**	**10**	**–**	**–**
EUR:US$	**4 051**	**10**	**405.1**	**(405.1)**	**10**	**–**	**–**
US$:GNF	**(6 777)**	**10**	**(372.4)**	**372.4**	**10**	**(305.3)**	**305.3**
US$:ZMK	**(71)**	**10**	**(7.1)**	**7.1**	**10**	**–**	**–**
IRR:ZAR	**1 245**	**10**	**124.5**	**(124.5)**	**10**	**315.2**	**(315.2)**
EUR:ZAR	**910**	**10**	**91.0**	**(91.0)**	**10**	**–**	**–**
NGN:ZAR	**1 931**	**10**	**193.1**	**(193.1)**	**10**	**–**	**–**
US$:EUR	**1 388**	**10**	**138.8**	**(138.8)**	**10**	**–**	**–**
GHS:US$	**1 350**	**10**	**135.0**	**(135.0)**	**10**	**–**	**–**
2022							
US$:ZAR[1]	13 285	10	1 328.5	(1 328.5)	10	–	–
US$:SDG	(1 267)	10	(15.1)	15.1	10	(111.6)	111.6
US$:SSP	(94)	10	(3.4)	3.4	10	(6.0)	6.0
US$:NGN	(24 479)	10	(2 447.9)	2 447.9	10	–	–
EUR:SDG	(2 337)	10	(0.0)	0.0	10	(233.7)	233.7
EUR:US$	3 564	10	121.5	(121.5)	10	234.9	(234.9)
US$:GNF	(5 718)	10	(266.4)	266.4	10	(305.3)	305.3
US$:ZMK	(477)	10	(47.7)	47.7	10	–	–
IRR:ZAR	4 207	10	77.0	(77.0)	10	343.7	(343.7)
EUR:ZAR	(532)	10	(53.2)	53.2	10	–	–
NGN:ZAR	2 131	10	213.1	(213.1)	10	–	–
US$:EUR	(1 749)	10	(174.9)	174.9	10	–	–
GHS:US$	2 826	10	282.6	(282.6)	10	–	–

[1] Reduced by the impact of the net investment hedge as disclosed in note 7.5.

7.1.6.4 Price risk
The Group is exposed to equity price risk, which arises from equity investments at FVOCI (see note 7.2).

Refer to note 7.1.3 for disclosure of the sensitivity of the fair values of the investments to a change in the inputs used to determine their fair values. OCI (before tax) will be affected by the amounts disclosed in respect of these investments in note 7.1.3.

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.7 Capital management

The Group's policy is to borrow using a mixture of long-term and short-term borrowing facilities to meet anticipated funding requirements. Borrowings are managed within the Group's established debt: equity ratios. The Group seeks to maximise borrowings at an operating company level, on a non-recourse basis, within an acceptable level of debt for the maturity of the local company.

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 waiver has been provided by the lender, and as a result the full outstanding balance of R171 million has been included in current borrowing balance and is disclosed as part of the non-current assets held for sale. The Group has complied with all other externally imposed loan covenants during the current financial year.

The Group's net debt: capital management EBITDA, net debt: total equity and net interest: capital management EBITDA at the end of the year are set out below. Net debt is defined as borrowings and bank overdrafts less cash and cash equivalents, restricted cash and current investments (excluding investment in insurance cell captives). Total equity is as per the Group statement of financial position. Net interest comprises finance costs less finance income and an add back of lease liability finance costs per notes 2.4 and 6.5. CODM EBITDA as defined in note 2.1, is reduced by an approximation of lease expenses (calculated as the aggregate of capital repayments and interest paid on lease liabilities) which would have been recognised had the lease liabilities not been capitalised, to arrive at capital management EBITDA.

	2023	2022 Restated[1]
Net debt: Capital management EBITDA		
Borrowings and bank overdrafts (Rm)	**85 039**	81 990
Less: Cash and cash equivalents, restricted cash and current investments (Rm)	**(51 354)**	(58 391)
Net debt (Rm)	**33 685**	23 599
CODM EBITDA before impairment of goodwill[1] (Rm)	**88 780**	89 838
Less: Repayment and interest paid on lease liabilities (Rm) (note 6.5.4)	**(14 324)**	(13 571)
Capital management EBITDA (Rm)	**74 456**	76 267
Net debt/Capital management EBITDA ratio	**0.5**	0.3
Net debt: Total equity		
Net debt (Rm)	**33 685**	23 599
Total equity (Rm)	**150 183**	122 343
Net debt/Total equity (%)	**22.4**	19.7
Net interest: Capital management EBITDA		
Net finance costs (Rm)	**39 069**	17 686
Less: Lease liability finance costs (Rm) (note 2.4 and note 6.5.3)	**(7 662)**	(7 432)
Net interest (Rm)	**31 407**	10 254
Capital management EBITDA (Rm)	**74 456**	76 267
Net interest/Capital management EBITDA (%)	**42.2**	13.4

[1] CODM EBITDA is defined in note 2.1.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.2 Investments

Investments consist of equity investments at FVOCI and financial assets at amortised cost, that are accounted for in accordance with the accounting policy disclosed in note 7.1.

	2023 Rm	2022 Rm
Financial assets at amortised cost		
Fixed deposits with a fixed interest rate of 3% and maturing in January 2026[1]	**134**	272
Bonds (debt instruments) held with fixed interest rates of 5.32% and maturing in January 2026[1]	**–**	120
Capital investment[2]	**30**	–
Financial assets at fair value through other comprehensive income		
Investment in IHS Group (note 7.1.3)	**7 158**	8 930
Unlisted equity investments (note 7.1.3)	**66**	271
	7 388	9 593

[1] Denominated in Nigerian naira.
[2] Denominated in Ghanaian cedi.

7.3 Loans and other non-current receivables

Loans and other non-current receivables are measured at amortised cost in accordance with the accounting policy disclosed in note 7.1.

Prepayments include costs paid relating to subsequent financial years and are stated at nominal value.

	2023 Rm	2022 Rm
Other non-current receivables[1]	**1 448**	334
Non-current prepayments[2]	**1 997**	1 390
	3 445	1 724

[1] The receivable owing from Irancell has been reclassified from current receivables to other non-current receivables in the current year, based on management's assessment that the receivable is expected to be received more than 12 months after the reporting date.
[2] Includes prepayments relating to indefeasible right-of-use of R1 315 million (2022: R963 million) over capacity on international telecommunication cables.

7 FINANCIAL RISK (continued)

7.4 Current investments

Current investments consist of financial assets at amortised cost and financial assets held at FVTPL or OCI, that are accounted for in accordance with the accounting policy disclosed in note 7.1.

	2023 Rm	2022 Rm
Financial assets held at fair value through profit or loss		
Investment in insurance cell captives (note 7.1.3)	**1 793**	1 394
Treasury bills with fixed interest rates of 13.4% and maturity date in January 2024	**4**	–
Treasury bills with fixed interest rates of 11.6% and maturity date in January 2023[1]	**–**	20
	1 797	1 414
Amortised cost		
Treasury bills with fixed interest rates of 0% and maturity date in January 2023[5]	**–**	148
Treasury bills with variable interest rates of 27% to 29% and maturity date in March 2024[3]	**423**	–
Treasury bills with fixed interest rates of 8% to 14% and maturity dates between January and February 2024[1,4]	**140**	–
Treasury bills with fixed interest rates of 12.5% to 16.45% and maturity dates between January and December 2023[1,3]	**–**	533
Foreign currency deposits with fixed interest rate of 3.5% to 10.5% and maturity dates between January and August 2024[2]	**976**	–
Foreign currency deposits with a variable interest rate of 4.1% to 4.3% and maturity date at January 2023[2]	**–**	1 984
Foreign currency deposits with a fixed interest rate of 9.5% and maturity dates between January and March 2023[4]	**–**	75
	1 539	2 740
Financial assets held at fair value through other comprehensive income		
Treasury bills with fixed interest rates of 11% to 13% and maturity date at April 2024[1]	**30**	–
Treasury bills with fixed interest rates of 11.85% – 14.1% and maturity dates between January and September 2023[1]	**–**	500
	30	500
Total current investments	**3 366**	4 654

[1] Denominated in Nigerian naira.
[2] Denominated in United States dollar.
[3] Denominated in Ghanaian cedi.
[4] Denominated in Rwandan franc.
[5] Denominated in Côte d'Ivoire Communaute Financière Africaine franc.

7.5 Net investment hedges

The Group hedges a designated portion of its United States 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. For the period of the hedge relationship, foreign exchange movements on these hedging instruments are recognised in OCI as part of the FCTR, offsetting the exchange differences recognised in OCI, arising on translation of the designated United States dollar net assets of MTN Dubai to ZAR. The cumulative forex movement recognised in OCI will only be reclassified to profit or loss upon loss of control of MTN Dubai.

To assess hedge effectiveness the Group performs hedge effectiveness testing by comparing the changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the net assets designated in MTN Dubai. There was no hedge ineffectiveness recognised in profit or loss during the current or prior year.

The fair value of the financial liabilities (included in borrowings) designated as net investment hedges are:

	2023 Rm	2022 Rm
US$ denominated bonds held by MTN (Mauritius) Investments Limited	**10 996**	16 000

The determination of fair value of these financial liabilities is disclosed in note 7.1.3.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

7 FINANCIAL RISK (continued)

7.5 Net investment hedges (continued)

The following information also relates to the hedge of the net investment:

	2023 Rm	2022 Rm
Carrying value of US$ denominated bonds held by MTN (Mauritius) Investments Limited	**11 029**	16 336
Nominal value of US$ denominated bonds held by MTN (Mauritius) Investments Limited[1]	**597**	950
Change in carrying amount of loans as a result of foreign exchange movements	**(1 166)**	(1 112)
Change in value of the hedged item used to determine hedge effectiveness	**1 166**	1 112
Hedge ratio	**100%**	100%
Foreign currency translation reserve		
Balance at the beginning of the year	**5 298**	4 498
Change in fair value of hedging instrument recognised in OCI for the year – after tax	**554**	800
Balance at the end of the year	**5 852**	5 298

[1] Amount presented in United States dollar.

7.6 Exchange rates to South African rand

		Closing rates		Average rates	
		2023	2022	2023	2022
Foreign currency to South African rand:					
United States dollar	US$	**18.27**	17.05	**18.40**	16.36
Euro	EUR	**20.22**	18.26	**19.98**	17.21
South African rand to foreign currency:					
Ugandan shilling	UGX	**206.91**	218.43	**202.47**	225.50
Rwanda franc	RWF	**69.62**	63.26	**63.49**	63.59
Cameroon Communauté Financière Africaine franc	XAF	**32.45**	35.93	**32.84**	37.98
Nigerian naira[1]	NGN	**49.65**	27.05	**32.58**	26.05
Iranian rial[2, 3]	IRR	**21 372.32**	16 914.43	**19 379.16**	15 736.47
Botswana pula	BWP	**0.73**	0.75	**0.72**	0.75
Côte d'Ivoire Communauté Financière Africaine franc	CFA	**32.45**	35.93	**32.87**	38.08
Congo-Brazzaville Communauté Financière Africaine franc	XAF	**32.45**	35.93	**32.85**	37.98
Zambian kwacha	ZMK	**1.41**	1.06	**1.14**	1.03
eSwatini lilangeni	SZL	**1.00**	1.00	**1.00**	1.00
Afghanistan afghani	AFN	**3.85**	5.23	**4.10**	5.01
Ghanaian cedi[3]	GHS	**0.66**	0.62	**0.64**	0.54
Benin Communauté Financière Africaine franc	XOF	**32.45**	35.93	**33.01**	38.06
Guinean franc	GNF	**465.91**	501.74	**495.11**	522.07
Sudanese pound[3]	SDG	**45.60**	34.03	**34.14**	33.51
Guinea-Bissau Communauté Financière Africaine franc	XOF	**32.45**	35.93	**32.26**	37.19
Ethiopian birr	ETB	**3.08**	3.16	**2.97**	3.26
South Sudanese pound	SSP	**58.62**	39.22	**49.31**	32.25

[1] Nigerian Autonomous Foreign Exchange Market (NAFEM) rate for December 2023.
[2] SANA rate.
[3] The financial results, positions and cash flows of foreign operations trading in hyperinflationary economies are translated as set out in note 1.3.3.

7 FINANCIAL RISK (continued)

7.6 Exchange rates to South African rand (continued)

Subsidiaries and joint ventures operating in dual exchange rate economies

Irancell

During the 2018 financial year, the CBI clarified that all future dividends can be expected to be repatriated at the SANA rate. Consequently, the Group equity accounts the results and translates any receivables from Irancell at the SANA rate from August 2018.

Certain historical receivables were translated at the stronger CBI exchange rate in accordance with the prior government approved capital investment incentive under FIPPA. During the 2023 financial year, the Iranian government introduced a tiered SANA rate and it is no longer considered likely that the Group will be able to repatriate these historical receivable balances at the stronger CBI exchange rate. As a result, all receivables with Irancell are translated at the SANA rate in 2023.

Nigeria

In prior financial years, the Group changed its reference rate for MTN Nigeria from the CBN rate to the Nigeria Autonomous Foreign Exchange (NAFEX) rate due to the paucity and absence of a unified foreign exchange price for the Nigerian naira. During the 2023 financial year, the NAFEM rate became the relevant reference rate for the closing Nigerian naira spot rate and, as a result, the Group transitioned from the NAFEX to NAFEM rate during the last quarter of 2023.

Following the end of the reporting period, the Naira devalued from NGN907 against US$ at 31 December 2023 to NGN1 595 at 29 February 2024. MTN Nigeria's exposure to US$ amounted to US$1 650 million (R30 157 million) at 31 December 2023. The MTN Nigeria revenue contributed 34% to the total Group revenue in the current period. The translation of the Naira to ZAR has been affected by the weakening of the Naira exchange rate.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

8 EQUITY STRUCTURE

8.1 Ordinary share capital and share premium

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new ordinary shares or share options are recognised in equity as a deduction (net of tax) from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs (net of tax), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders and the cost of the treasury shares is released from share premium to retained earnings.

Ordinary share capital (par value of 0.01 cents)	2023 Number of shares	2022 Number of shares
Authorised	**2 500 000 000**	2 500 000 000
Issued (fully paid up)	**1 884 269 758**	1 884 269 758
In issue at the end of the year	**1 884 269 758**	1 884 269 758
Treasury shares[1]	**(959 583)**	(1 319 536)
Options held by MTN Zakhele Futhi[2]	**(76 835 378)**	(76 835 378)
In issue at the end of the year – excluding MTN Zakhele Futhi options and treasury shares[3]	**1 806 474 797**	1 806 114 844

[1] Treasury shares held by MTN Holdings and the 2016 MTN ESOP Trust.
[2] These shares, although legally issued to MTN Zakhele Futhi, are not deemed to be issued in terms of IFRS as the MTN Zakhele Futhi transaction has the substance of an option and are shown as such in the share capital reconciliation.
[3] There are no restrictions, rights or preferences including restrictions on dividend distributions attached to these shares.

	2023 Rm	2022 Rm
Share capital		
Balance at the beginning of the year	*	*
Treasury shares	*	*
Balance at the end of the year	*	*
Share premium		
Balance at the beginning of the year	**38 490**	37 994
Reduction in treasury shares	**1 299**	1 913
Purchase of treasury shares	**(1 299)**	(1 417)
Balance at the end of the year	**38 490**	38 490

* Amounts less than R1 million.

MTN Zakhele Futhi

The Group structured a B-BBEE transaction through a separate legal entity in 2016, MTN Zakhele Futhi which replaced the Group's previous black economic empowerment (BEE) structure known as MTN Zakhele. The transaction was designed to provide long-term, sustainable benefits to all B-BBEE participants and will run for a period of eight years.

As part of the transaction MTN Zakhele Futhi acquired 76 835 378 of the Company's shares at a price of R128.50 per share.

MTN Zakhele Futhi is a structured entity with the sole business of holding shares of MTN Group Limited and administering the associated funding of these shares. The Group was involved in structuring MTN Zakhele Futhi, determining the level of its debt and negotiating the related debt covenants. In addition, the Group holds a call option which, if exercised on the occurrence of a trigger event, entitles it to settle MTN Zakhele Futhi's debt with the third-party funders. This gives the Group the ability to manage the credit risk of MTN Zakhele Futhi and consequently, the related B-BBEE credentials which are dependent on the continued success of MTN Zakhele Futhi. As these activities are considered to be the relevant activities of MTN Zakhele Futhi, it is consolidated by the Group.

8 EQUITY STRUCTURE (continued)

8.1 Ordinary share capital and share premium (continued)

MTN Zakhele Futhi (continued)

MTN Zakhele Futhi is funded by equity contributions (comprising cash received from new investors and reinvestment by existing MTN Zakhele shareholders in MTN Zakhele Futhi), preference shares issued to third parties, a donation received from the Group and notional vendor financing (NVF) from the Company. MTN Zakhele Futhi must repay the preference shares and NVF before the Company's shares held by it become unencumbered, while the Company's shares are the only security offered by MTN Zakhele Futhi for the debt funding obtained. Until the Company's shares held by MTN Zakhele Futhi become unencumbered, the ordinary shareholders of MTN Zakhele Futhi are exposed to the gains on the Company's shares, while their exposure to downside risk or risk of loss is limited to their equity contributions (i.e. the purchase price paid by them for the MTN Zakhele Futhi shares). Consequently, the Company does not recognise its shares issued to MTN Zakhele Futhi and does not recognise the NVF as outstanding but treats it as an option for accounting purposes.

Further, no non-controlling interest is recognised in respect of the shares held by the ordinary shareholders of MTN Zakhele Futhi. From a consolidated perspective, their equity contributions (comprising cash received from new investors and the reinvestment by existing MTN Zakhele shareholders in MTN Zakhele Futhi) are in substance treated as a premium paid for the option to acquire the Company's shares in future.

Third-party preference share funding obtained by MTN Zakhele Futhi

A reconciliation of the third-party preference share funding obtained by MTN Zakhele Futhi to purchase shares of the Company is provided below:

Class A cumulative redeemable non-participating preference shares	2023 Rm	2022 Rm
Balance at the beginning of the year	**898**	927
Interest accrued at the effective interest rate	**45**	73
Interest paid	**(62)**	(30)
Redemption of preference shares during the year	**(132)**	(72)
Balance at the end of the year	**749**	898

The Class A preference shares are held by Jabisan 04 Proprietary Limited. The preference share debt was refinanced in September 2021 and will mature in November 2024. Dividends are paid semi-annually on 30 April and 30 September. The preference share dividend rate is 75% of Prime.

On 28 April 2023, MTN Zakhele Futhi paid preference dividends of R62 million (2022: R30 million).

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

8 EQUITY STRUCTURE (continued)

8.2 Other reserves

	2023 Rm	Restated[1] 2022 Rm
Balance at the beginning of the year	**(17 297)**	(10 298)
Opening reserve adjustment for hyperinflation	**15 705**	–
Transactions with non-controlling interests	**(2 308)**	3 446
Net transfer to retained earnings, contingency and statutory reserves	**186**	(97)
Share-based payment transactions	**841**	990
Exchange differences on translating foreign operations[2]	**10 542**	570
Foreign exchange movement on hedging instruments[2]	**(554)**	(800)
Net change in fair value of debt and equity instruments through other comprehensive income reserve	**(2 689)**	(10 909)
Other	**(49)**	(200)
Balance at the end of the year	**4 376**	(17 298)
Consisting of:		
Contingency reserve (as required by insurance regulations)[3]	**451**	338
Statutory reserve (as required by Rwanda, Congo-Brazzaville and other joint venture legislation)[4]	**144**	71
Transactions with non-controlling interests[5]	**(7 177)**	(4 869)
Share-based payment transactions[6]	**10 767**	9 926
Foreign currency translation reserve[2]	**22 519**	3 174
Equity and debt instruments at fair value through other comprehensive income[7]	**(22 028)**	(19 339)
Share of other reserves of joint ventures	**(81)**	(81)
Other	**(219)**	(170)
	4 376	(17 298)

[1] Restated, refer to note 11 for details on the restatement.

[2] The Group's presentation currency is rand. The weakening of the closing rate of the rand against the functional currencies of the Group's largest operations and hyperinflationary impacts contributed to an increase in assets and liabilities and the resulting FCTR increase of R10 542 million (2022: R570 million) since 31 December 2023. In addition, the Group recognised foreign currency losses arising on the translation of financial liabilities designated as net investment hedges in a foreign operation of R554 million (2022: R800 million). Refer to the translation and disposal of foreign operations sections in accounting policy 1.3.2 foreign currency.

[3] A contingency reserve has been created in terms of the Short-term Insurance Act, 1988. Transfers to the contingency reserve are treated as an appropriation of income, and the balance of the reserve is disclosed in the statement of financial position as a non-distributable reserve, forming part of shareholders' funds. On dissolution of the structured entities to which the reserve relates, they will become available for distribution.

[4] A statutory reserve has been created in terms of local legislation. Transfers to the statutory reserve are treated as an appropriation of income, and the balance of the reserve is disclosed in the statement of financial position as a non-distributable reserve, forming part of the shareholders' funds.

[5] Non-controlling shareholders are treated as equity participants and, therefore, all acquisitions of non-controlling interests or disposals by the Group of its interests in subsidiary companies where control is maintained subsequent to the disposal, are accounted for as equity transactions. Consequently, the difference between the fair value of the consideration transferred and the carrying amount of a non-controlling interest purchased is recorded in equity. All profits or losses arising as a result of the disposal of interests in subsidiaries to non-controlling shareholders, where control is maintained subsequent to the disposal, are also recorded in equity. In the current year, R511 million loss on MTN Ghana localisation transaction, R284 million loss on the MTN Ghana scrip dividend and R1 513 million loss on the MTN Nigeria scrip dividend. In 2022, the Group realised gains on the following sales (refer to note 9.4.1); R3 046 million in the disposal of 3.25% interest held in MTN Nigeria, R293 million gain in the disposal of 50% interest held in aYo Holdings and R107 million gain in the disposal of 1.21% interest held in MTN Ghana.

[6] Refer to the accounting policy in note 8.4 with regard to equity-settled share-based payments. In 2022, MTN Group realised a net gain of R259 million from the disposal of 5% interest in MTN Ghana to Ghanaian citizens through MTN Ghana SPV as part of the Group localisation strategy (refer to note 9.4.2.4).

[7] This comprises of all fair value adjustments on all equity and debt investments that have been classified as FVOCI. On the disposal of the FVOCI equity investments, the cumulative gains recognised on these investments are not reclassified to profit or loss.

8 EQUITY STRUCTURE (continued)

8.3 Dividends

Dividends declared to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's directors.

Dividends declared during the year	2023 Cents per share	2023 Rm	2022 Cents per share	2022 Rm
Final dividend declared in respect of the prior year	**330**	**5 963**	300	5 414
Dividends declared after year-end				
Approved after the reporting date and not recognised as a liability[1]	**330**	**5 963**	330	5 963

[1] Declared at the board meeting on 22 March 2024.

8.4 Share-based payments

Equity-settled share-based payments
Equity-settled share-based payments are measured at fair value (excluding the effect of service or non-market-based vesting conditions) at the grant date. The fair value is measured using a stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations, where applicable. The fair value determined at the grant date of the equity-settled share-based options or rights is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, based on the Group's estimate of the shares that will eventually vest. The expense is adjusted to reflect the actual number of share rights for which the related service and non-market-based vesting conditions are met.

Settlement of the PSP awards are done through the acquisition of shares in the open market and the subsequent delivery to participants.

Cash-settled share-based payments
The fair value of the amount payable to employees in respect of cash-settled share-based payments is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured to fair value at each reporting date and at settlement date. Any changes in the liability are recognised in profit or loss.

The MTN Group performance share plan and employee share ownership scheme
The Group operates a number of equity-settled share-based payment schemes for the benefit of eligible employees, including executive directors, in accordance with the schemes' rules. The schemes are designed to retain and recognise the contributions of executive directors and eligible employees and to provide additional incentives to contribute to the Group's continued growth.

The PSP and the ESOP are the active schemes.

The vesting period for the PSP is three years and the awards vest in full based on set performance targets. Employees are not entitled to receive dividends on the shares during the vesting period.

The employees participating under the ESOP are entitled to dividends during the vesting period. The shares vest in three tranches, with a third vesting on the third, fourth and fifth anniversary of the grant date.

The total number of shares which may be allocated for the purposes of the schemes shall not exceed 5% of the total issued ordinary share capital of the Company, being 94 213 488 shares as approved by shareholders in 2001.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

8 EQUITY STRUCTURE (continued)

8.4 Share-based payments (continued)

MTN PSP

During prior financial years, the Group granted eligible employees share rights under the PSP established in 2010. The rights are granted to employees on levels 3, 4, 5 and 6. The PSP was established in order to attract, retain and reward selected employees who are able to contribute to the business of the employer companies and to stimulate their personal involvement thereby encouraging their continued service and encouraging them to advance the interests of the relevant employer company and the Group in general.

The following performance conditions apply to the PSPs for the three-year vesting period:

Total shareholder return (TSR)

Vesting is based on a sliding scale of 100% vesting at the 75th percentile as compared to MSCI Emerging Markets Communication Services Index and 25% vesting at the median with straight-line vesting in between the two points and, 0% vesting for below the median. TSR will be measured by comparing the 30-day volume-weighted average price at the beginning and end of the three-year period plus re-invested dividends. TSR must be positive and to be measured on common currency. The TSR condition is applicable for all awards.

Cumulative operating free cash flow (OFCF)

Targeted at the sum of the budgeted OFCF established each year for the three-year measurement period with a threshold of 25% vesting at 90% of the target, and a stretch of 100% vesting at 110% of the target, with a sliding scale between each point. OFCF will be measured on constant currency. The OFCF condition is applicable for all awards.

Black Economic Empowerment

Vesting is based on the achievement of previously agreed upon deliverables as applicable in South Africa. The BEE condition is applicable for all awards.

Compliance

The vesting conditions with regards to compliance to the Department of Trade, Industry and Competition (dtic) and Independent Communications Authority of South Africa (ICASA) are based on reasonable efforts made to ensure compliance with the relevant targets and codes. The compliance condition is applicable for all awards.

Individual retention

100% vesting upon remaining with the Group for the duration of award fulfilment period, unless the participant terminates employment on good terms. The retention performance condition is only applicable for awards up to December 2020.

Return on equity (ROE)

Defined as adjusted headline earnings per share/equity excluding non-controlling interests for each year divided by three. There is a 25% vesting at 90% of budget (kick-in) and a 100% vesting at 100% of budget target with a straight-line vesting between the kick-in and budget target rate. ROE is only applicable for awards from December 2020.

Environmental, social and governance (ESG)

ESG comprises of emissions, broadband coverage and diversity and inclusion as per approved business plan. ESG will be measured over the three-year measurement period with a 25% vesting at threshold value (kick-in) and a 100% vesting at 100% of threshold value, with a straight-line vesting between the kick-in and the threshold value. ESG is only applicable for awards from December 2021.

8 EQUITY STRUCTURE (continued)

8.4 Share-based payments (continued)

MTN PSP (continued)

The following performance conditions must be fulfilled to qualify for the percentage of the shares granted as stated in the table below:

	Proportion of grant			
	2020 grant		2021 grant	
	Employee level 3 – 4 %	Employee level 5 – 6 %	Employee level 3 – 4 %	Employee level 5 – 6 %
Vesting conditions for shares granted				
Total shareholder return (TSR)	25.0	25.0	25.0	25.0
Cumulative operating free cash flow (OFCF)	25.0	25.0 - 30.0	25.0	25.0 – 30.0
Individual retention	25.0	0.0 - 25.0	25.0	0.0 – 25.0
Return on equity (ROE)	25.0	25.0 - 30.0	25.0	25.0 – 30.0
Environmental, Social and Governance (ESG)	–	–	25.0	22.5 – 25.0
Compliance	–	0.0 - 5.0	–	0.0 – 5.0
Black Economic Empowerment (BEE)	–	0.0 - 5.0	–	0.0 – 5.0

	Proportion of grant			
	2022 grant		**2023 grant**	
	Employee level 3 – 4 %	Employee level 5 – 6 %	**Employee level 3 – 4 %**	**Employee level 5 – 6 %**
Vesting conditions for shares granted				
Total shareholder return (TSR)	25.0	22.5 – 25.0	**25.0**	**25.0**
Cumulative operating free cash flow (OFCF)	25.0	22.5 – 25.0	**25.0**	**25.0**
Return on equity (ROE)	25.0	22.5 – 25.0	**25.0**	**25.0**
Environmental, Social and Governance (ESG)	25.0	22.5 – 25.0	**25.0**	**25.0**
Compliance	–	0.0 – 5.0	**–**	**–**
Black Economic Empowerment (BEE)	–	0.0 – 5.0	**–**	**–**

Details of the outstanding equity-settled performance share plan rights are as follows:

	Number outstanding at 31 December 2022	**Offered**	**Forfeited**[1]	**Exercised during 2023**	**Number outstanding at 31 December 2023**
Offer date					
20 December 2019	10 365 830	**–**	**(1 989)**	**(10 363 841)**	**–**
21 December 2020	15 013 406	**–**	**(694 903)**	**–**	**14 318 503**
21 December 2021	6 649 948	**–**	**(375 190)**	**–**	**6 274 758**
12 December 2022	10 675 481	**–**	**(755 437)**	**–**	**9 920 044**
28 December 2023	–	**13 428 231**	**(70 294)**	**–**	**13 357 937**
Total	42 704 665	**13 428 231**	**(1 897 813)**	**(10 363 841)**	**43 871 242**

[1] Forfeitures occur either when an employee leaves the employ of the Group prior to the vesting or when the vesting date conditions are not met, as determined by the scheme rules.

A valuation has been prepared using a stochastic model to determine the fair value of the PSP and the expense to be recognised for the shares granted during the current and prior periods.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

8 EQUITY STRUCTURE (continued)

8.4 Share-based payments (continued)

MTN PSP (continued)

The inputs into the stochastic model used for rights granted during the year was as follows:

	December 2023
Share price (R)	**113.79**
Expected life	**3 years**
Risk-free rate	**8.37%**
Expected volatility	**32.75%**
Dividend yield	**2.66%**

The range of inputs into the stochastic model used for rights granted during the prior year was as follows:

	December 2022
Share price (R)	131.00
Expected life	3 years
Risk-free rate	8.07% – 8.43%
Expected volatility	29.52% – 38.09%
Dividend yield	1.58%

The risk-free rate was estimated using the nominal bond curve as compiled by the JSE and obtained from I-Net Bridge.

Volatility was estimated using the weekly closing share price as provided by I-Net Bridge. An annualised standard deviation of the continuously compounded rates of return of the share and the daily dividend yield was used.

The fair value per share of the PSP granted during the year was R90.08 for non-market conditions and R60.72 for the TSR condition.

ESOP

During 2023, nil (2022: 75 330) shares were granted to qualifying employees for no consideration and subject to a service condition. 353 706 shares for the 2017, 2018, 2019 and 2020 awards (2022: 694 090 shares for the 2017, 2018 and 2019 awards) vested during 2023. The shares vest in three tranches. A third will vest on the third, fourth and fifth anniversary of the grant date. The plan is facilitated through a structured entity (the 2016 MTN ESOP Trust). The Group provides shares and funding to the 2016 MTN ESOP Trust to enable the trust to satisfy its objectives.

Amounts recognised in income statement

In addition, throughout the Group there are various notional share schemes. The total expense recorded for these schemes in the current year is R238 million (2022: R148 million).

	2023 Rm	2022 Rm
Expense arising from equity-settled share-based payment transactions	**841**	659
Expense arising from cash-settled share-based payment transactions	**238**	148
Total	**1 079**	807

Notes to the Group financial statements

for the year ended 31 December 2023

9 **GROUP COMPOSITION**

9.1 **Interest in subsidiaries and joint ventures**

MTN Group

HOLDING COMPANIES

Company	Shareholding
Mobile Telephone Networks Holdings Limited, South Africa	100%
MTN International Proprietary Limited, South Africa	100%

MANAGEMENT SERVICES

Company	Shareholding
MTN Group Management Services Proprietary Limited, South Africa	100%

TELECOMMUNICATIONS/ISP

Company	Shareholding
Swazi MTN Limited[1], eSwatini	30%

HOLDING COMPANY

Company	Shareholding
MTN International (Mauritius) Limited, Mauritius	100%

Held by Mobile Telephone Networks Holdings Limited

TELECOMMUNICATIONS/ISP

Company	Shareholding
Windup Proprietary Limited, South Africa	100%
Supersonic FTTX Proprietary Limited, South Africa	100%
Satellite Data Networks Mauritius Proprietary Limited, Mauritius	100%
Cell Place Proprietary Limited, South Africa	100%
iTalk Cellular Proprietary Limited, South Africa	100%
MTN Network Solutions Proprietary Limited, South Africa	100%
Mobile Telephone Networks Proprietary Limited, South Africa	100%
MTN Business Solutions Proprietary Limited, South Africa	100%
MTN South Africa Foundation NPC, South Africa	100%
Chenosis Propriety Limited, South Africa	100%
Kente (Pty) Ltd, South Africa	100%

PROPERTY

Company	Shareholding
Aconcagua 11 Investments Proprietary Limited, South Africa	100%
MTN Propco Proprietary Limited, South Africa	100%

ELECTRONIC SERVICES

Company	Shareholding
Simfy Africa Proprietary Limited, South Africa	100%
MTN Group Fintech PTY LTD	100%
MTN Group Fintech Fintech B.V, Netherlands	100%

STRUCTURED ENTITIES

Company	Shareholding
Munyati Buffalo Zambia Limited[2], Zambia	100%
MTN (Mauritius) Investments Limited, Mauritius	100%

Held by MTN International (Mauritius) Limited

HOLDING COMPANIES

Company	Shareholding
Econet Wireless Citizens Limited, Mauritius	82.8%
Deci Investments Proprietary Limited[1], Botswana	33.3%
Mobile Botswana Limited, Mauritius	100%

TELECOMMUNICATIONS/ISP

Company	Shareholding
MTN Telephone Networks Cameroon Limited[4], Cameroon	80%
MTN Nigeria Communications Plc[6], Nigeria	76.16%
Mascom Wireless Botswana Proprietary Limited[1], Botswana	53.1%
MTN Côte d'Ivoire S.A.[3], Côte d'Ivoire	58.83%
MTN Zambia Limited[2], Zambia	78%
MTN Publicom Limited, Uganda	83.05%
MTN Rwandacell Limited, Rwanda	80%
MTN Uganda Limited, Uganda	83.05%
Visafone Communications Limited[6], Nigeria	76.16%
MTN Congo S.A., Republic of the Congo	100%
Irancell Telecommunication Company Services (PJSC)[1], Iran	49%
MTN Networks Solutions Limited[4], Cameroon	80%
XS Broadband Limited[6], Nigeria	76.16%
MTN Internet Services[3], Côte d'Ivoire S.A	58.71%
MTN Village Phone Limited, Uganda	83.05%

ELECTRONIC SERVICES

Company	Shareholding
MTN Mobile Money Limited[2], Zambia	78%
Mobile Money Corporation PLC[4], Cameroon	76%
Yello digital Financial Services[6], Nigeria	76.16%
Mobile Money Congo, Republic of the Congo	100%
MTN Mobile Financial Services[3], Côte d'Ivoire	58.83%
Mobile Money Rwanda Limited, Rwanda	80%
MTN Mobile Money Uganda Limited, Uganda	82.97%

[1] Joint venture.
[2] Effective shareholding of 89.8%, for accounting purposes.
[3] Effective shareholding of 66.8%, for accounting purposes.
[4] Effective shareholding of 80%, for accounting purposes.
[5] Effective shareholding of 81.04%, for accounting purposes.
[6] Effective shareholding of 76.27%, for accounting purposes.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

9 GROUP COMPOSITION (continued)

9.1 Interest in subsidiaries and joint ventures (continued)

MTN Group

MTN (Dubai) Limited
Dubai
100%

HOLDING COMPANIES

Easy Dial International Limited, British Virgin Islands	100%
Investcom Telecommunications Guinea-Conakry Limited, British Virgin Islands	100%
Investcom Consortium Holding S.A., British Virgin Islands	100%
Investcom Mobile Benin Limited, British Virgin Islands	100%
Investcom Mobile Communications Limited, British Virgin Islands	100%
Investcom Telecommunications Afghanistan Limited, British Virgin Islands	100%
MTN NIC BV, Netherlands	100%
MTN (Netherlands) BV, Netherlands	100%
MTN (Netherlands) Co-Op UA, Netherlands	100%
Investcom Global Limited, British Virgin Islands	100%
MTN Group Fintech BV, United Arab Emirates	100%
Servico SAL, Lebanon	99.97%
Progressive Tech Holdings, Mauritius	100%
Investcom International Limited, British Virgin Islands	100%
MTN REL Mauritius, Mauritius	100%
MTN Nigeria Towers SPV B.V., Netherlands	100%

TELECOMMUNICATIONS/ISP

Lonestar Communications Corporation LLC, Liberia	60%
MTN Afghanistan Limited, Afghanistan	100%
MTN Sudan Company Limited, Sudan	85%
GlobalConnect Solutions Limited, Dubai	100%
Scancom PLC[5], Ghana	77.32%
Areeba Guinea S.A., Guinea-Conakry	75%
Spacetel Benin SA, Benin	75%
Spacetel Guinea-Bissau S.A., Guinea-Bissau	100%
MTN South Sudan Limited, South Sudan	100%
Easynet Search Limited[5], Ghana	97.80%
MTN ICT Services PLC, Ethiopia	99.90%
MTN Business Kenya Limited, Kenya	70%

PROCUREMENT

Global Trading Company Limited, United Arab Emirates	100%
Global Sourcing Company Limited, United Arab Emirates	100%
Telecom Sourcing Services FZ-LLC, United Arab Emirates	100%
MTN Investments Limited, United Arab Emirates	100%
MTN SEA Shared Services Limited, Uganda	100%

MANAGEMENT SERVICES

Inteltec Offshore SAL, Lebanon	99.8%

STRUCTURED ENTITIES

MTN Ghana Foundation[5], Ghana	77.32%
MTN Nigeria Foundation[6], Nigeria	76.16%

INTERNATIONAL BUSINESS

Interserve Overseas Limited, British Virgin Islands	100%

ELECTRONIC SERVICES

aYo/Fintech

MTN Mobile Money Benin	75%
Middle East Internet Holding S.A.R.L[1] Luxemburg	50%
Mobile Money Limited Ghana[5]	77.32%
Lonestar Cell MTN Mobile Money Inc Liberia	60%
MTN Sudan Fintech Comp Limited Sudan	85%
aYo Holdings Limited Mauritius	50%
aYo Côte d'Ivoire Limited[3] Côte d'Ivoire	50%
aYo Insurance Brokers Limited[4] Cameroon	50%
aYo Micro Insurance Limited[6] Nigeria	50%
aYo Rwanda Limited Rwanda	50%
MTN Mobile Money Guinea Limited Guinea-Conakry	75%
aYo Intermediaries South Africa	50%
aYo Uganda Limited Uganda	50%
aYo Intermediaries Ghana Limited[5] Ghana	50%
aYo Insurace Brokers Zambia Limited[2] Zambia	49.95%
MTN Fintech South Sudan Services Ltd	69%

Bayobab

GlobalConnect Zambia[2] Zambia	99%
GlobalConnect FibreCo B.V Netherlands	100%
GlobalConnect Ghana Solutions Ghana Limited[5] Ghana	100%
MTN GlobalConnect Uganda Limited	100%
GlobalConnect Solutions Limited DIFC	100%
MTN GlobalConnect E2W Holdings Limited (UAE)	70%
Bayobab South Africa (Pty) Ltd	100%
Bayobab International Solutions Ltd	100%
GlobalConnect Nigeria Infra (Pty) Ltd[6] Nigeria	100%
GlobalConnect Nigeria Limited[6] Nigeria	100%
Bayobab Cote d'Ivoire[3] S.A.	100%

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures

Associates and joint ventures are accounted for using the equity method and are recognised initially at cost.

The Group's investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment losses.

The carrying amount of the Group's investments in associates and joint ventures is reduced to recognise any potential impairment in the value of individual investments.

Profits or losses resulting from upstream and downstream transactions between the Group and its associates and joint ventures are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the associates and joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

	2023 Rm	2022 Rm
Investment in associates	**235**	103
Loan and receivables to joint ventures	**3 152**	5 009
Investment in joint ventures	**21 058**	17 830
Total investment in associates and joint ventures	**24 445**	22 942
Share of results of associates after tax	**104**	(152)
Share of results of joint ventures after tax	**3 477**	3 521
Total share of results of associates and joint ventures after tax	**3 581**	3 369

Irancell loans and receivables

On 20 September 2019, the US Treasury Department's Office of Foreign Assets Control (OFAC) designated the CBI as being subject to sanctions. Sanctions imposed on the CBI create a secondary sanctions risk if the CBI allocates foreign currency to an MTN entity for the purpose of repatriating the receivable and/or loan.

Considering the continued uncertainty of when the sanctions will be lifted, the Group has classified R3 152 million (2022: R5 009 million) of the outstanding receivables as non-current as the settlement is neither planned nor likely to occur in the foreseeable future. The balance has been presented as part of investment in associates and joint ventures. There was a decrease in the balance due to the change in the applicable exchange rates, refer to note 7.6.

Investment in associates

Unless otherwise stated, the Group's associates' countries of incorporation are also their principal place of operation.

The Group has the following effective interests in associates:

Associate	Principal activity	Country of incorporation	Effective % interest in issued ordinary share capital 2023	2022
Number Portability Proprietary Limited	Porting	South Africa	**20**	20
International Digital Services Middle East Limited (iME)	Telecommunications	United Arab Emirates	**29.55**	29.55

	iME Rm	Other Rm	Total Rm
2022			
Balance at the beginning of the year	252	3	255
Share of results after tax	(152)	–	(152)
Balance at the end of the year	100	3	103
2023			
Balance at the beginning of the year	**100**	**3**	**103**
Share of results after tax	**104**	**–**	**104**
Effect of movements in exchange rates	**28**	**–**	**28**
Balance at the end of the year	**232**	**3**	**235**

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures (continued)

Investment in associates (continued)

Summarised financial information of associates

Set out below is the summarised financial information of an associate that is material to the Group. The summarised financial information is adjusted to reflect adjustments made by the Group when applying the equity method, including fair value adjustments at acquisition and modifications for differences in accounting policy.

	iME	
	2023 Rm	2022 Rm
Summarised statement of financial position		
Total assets	**2 738**	1 778
Non-current assets	**152**	142
Current assets	**2 586**	1 636
Total liabilities	**3 394**	2 404
Non-current liabilities	**620**	466
Current liabilities	**2 774**	1 938
Net assets	**(656)**	(626)
% ownership interest held	**29.55**	29.55
Interest in associate	**(194)**	(185)
Adjustment up to 31 December[1]	**171**	54
Goodwill	**255**	231
Balance at the end of the year	**232**	100
Summarised income statement		
Revenue	**8 526**	5 342
Profit/(loss) before tax	**754**	(7)
Income tax expense	**(403)**	(509)
Profit/(loss) after tax	**351**	(516)
% ownership interest held	**29.55**	29.55
Share of results after tax	**104**	(152)

[1] Summarised financial information presented with regard to the Group's interest in iME is as per the latest available management accounts at 30 November 2023. Preparation of financial statements at 31 December 2023 by iME was impracticable. Appropriate adjustments have been made to the Group's interest and share of results for the effects of significant transactions and events that occurred for the one month up to the reporting date.

There are no significant contingent liabilities relating to the Group's interests in these associates at the end of the current or prior year.

9 **GROUP COMPOSITION** (continued)

9.2 **Investment in associates and joint ventures** (continued)

Investment in joint ventures

Classification of significant joint arrangements

The Group has the following effective interests in joint ventures:

Joint venture	Principal activity	Country of incorporation	Effective % interest in issued ordinary share capital 2023	2022
Irancell	Network operator	Iran	**49**	49
Mascom Wireless Botswana Proprietary Limited (Mascom)	Network operator	Botswana	**53.1**	53.1
Swazi MTN Limited	Network operator	eSwatini	**30**	30
Deci Investments Proprietary Limited (Deci Investments)	Holding company	Botswana	**33.3**	33.3
Middle East Tech Ventures Holding Limited (METVH)[1,2]	Telecommunications	Luxembourg	**50**	50

[1] The entity operates in various countries across the Middle East.

[2] During the current year, all of Middle East Internet Holding S.A.R.L (MEIHs) assets and liabilities were transferred to METVH. MEIH was subsequently liquidated. MTN Group owns 50% shareholding in METVH and has joint control.

The joint ventures listed above are unlisted and their countries of incorporation are also their principal place of operation unless otherwise indicated.

All joint ventures have a year-end consistent with that of the Company with the exception of Irancell that has a year-end of 21 December, for Group reporting purposes.

	Irancell Rm	Mascom Rm	Other Rm	Total Rm
2022				
Balance at the beginning of the year	10 682	1 815	1 096	13 593
Impairments	–	–	(342)	(342)
Share of results after tax	3 101	337	83	3 521
Dividend income	(859)	(286)	83	(1 230)
Other comprehensive income and effect of movements in exchange rates including the effect of hyperinflation[1]	2 279	21	(12)	2 288
Balance at the end of the year	15 203	1 887	740	17 830
2023				
Balance at the beginning of the year	**15 203**	**1 887**	**740**	**17 830**
Share of results after tax	**3 124**	**300**	**53**	**3 477**
Dividend income	**(543)**	**–**	**(224)**	**(767)**
Other comprehensive income and effect of movements in exchange rates including the effect of hyperinflation[1]	**451**	**19**	**48**	**518**
Balance at the end of the year	**18 235**	**2 206**	**617**	**21 058**

[1] Refer to note 1.3.3 for the Group's accounting policy with regard to those entities whose functional currency is the currency of a hyperinflationary economy.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures (continued)

Investment in joint ventures (continued)

Summarised financial information of joint ventures

Set out below is the summarised financial information of each joint venture that is material to the Group. The summarised financial information is adjusted to reflect adjustments made by the Group when applying the equity method including fair value adjustments at acquisition and modifications for differences in accounting policy.

	Irancell		Mascom	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm
Summarised statement of financial position				
ASSETS				
Non-current assets	**59 504**	48 502	**3 000**	2 719
Property, plant and equipment	**49 361**	41 766	**2 078**	1 218
Intangible assets	**3 733**	3 150	**222**	934
Right-of-use assets	**1 171**	1 106	**681**	552
Investment property	**214**	138	**19**	15
Loans and other non-current receivables	**1 778**	1 245	**–**	–
Investment in associate	**458**	413	**–**	–
Capitalised contract costs	**804**	684	**–**	–
Investments	**1 985**	–	**–**	–
Current assets	**7 791**	5 819	**723**	855
Inventories	**195**	270	**22**	45
Trade and other receivables	**5 735**	3 384	**173**	130
Current investments	**607**	779	**–**	–
Restricted cash	**24**	30	**–**	–
Cash and cash equivalents	**1 230**	1 356	**468**	656
Contract assets	**–**	–	**60**	24
Total assets	**67 295**	54 321	**3 723**	3 574
LIABILITIES				
Non-current liabilities	**8 592**	6 827	**963**	912
Borrowings	**–**	–	**31**	–
Deferred tax liabilities	**8 011**	6 305	**157**	110
Provisions	**325**	284	**–**	–
Other non-current liabilities	**3**	3	**775**	802
Lease liabilities	**253**	235	**–**	–
Current liabilities	**21 509**	16 492	**575**	713
Trade and other payables	**15 029**	12 347	**552**	658
Provisions	**260**	415	**–**	–
Taxation liabilities	**918**	965	**23**	55
Borrowings	**3 037**	992	**–**	–
Lease liabilities	**141**	173	**–**	–
Dividends payable	**2 124**	1 600	**–**	–
Total liabilities	**30 101**	23 319	**1 538**	1 625
Total net assets	**37 194**	31 002	**2 185**	1 949
% ownership interest held	**49**	49	**53.1**	53.1
Interest in joint venture excluding goodwill	**18 225**	15 191	**1 160**	1 035
Adjustments up to 31 December[1]	**–**	–	**175**	–
Goodwill	**10**	12	**870**	852
Balance at the end of the year	**18 235**	15 203	**2 206**	1 887

[1] Summarised financial information presented with regard to the Group's interest in Mascom is as per the latest available management accounts at 31 October 2023. Preparation of financial statements at 31 December 2023 by Mascom was impracticable. Appropriate adjustments have been made to the Group's interest and share of results for the effects of significant transactions and events that occurred for the two months up to the reporting date.

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures (continued)

Investment in joint ventures (continued)

Summarised financial information of joint ventures (continued)

	Irancell		Mascom[2]	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm
Summarised income statement				
Revenue	**21 406**	20 225	**2 266**	2 119
Other income	**18**	50	**57**	1
Operating expenses	**(13 200)**	(11 932)	**(1 180)**	(1 048)
Depreciation of property, plant and equipment	**(6 123)**	(5 762)	**(312)**	(200)
Amortisation of intangible assets	**(1 084)**	(992)	**(216)**	(157)
Finance income	**537**	524	**175**	161
Finance costs	**(537)**	(140)	**(74)**	(57)
Net monetary gain[1]	**5 790**	4 896	**–**	–
Share of results of associate after tax	**7**	12	**–**	–
Profit before tax	**6 814**	6 881	**716**	819
Income tax (expense)/income	**(438)**	(553)	**(151)**	(184)
Profit after tax	**6 376**	6 328	**565**	635
% ownership interest held	**49**	49	**53.1**	53.1
Share of results after tax	**3 124**	3 101	**300**	337

[1] The economy of Iran was assessed to be hyperinflationary effective 1 January 2020, and hyperinflation accounting has since been applied. Upon first application of hyperinflation, net prior period gains were recognised directly in equity.

[2] Summarised financial information presented with regard to the Group's interest in Mascom is as per the latest available management accounts at 31 October 2023. Preparation of financial statements at 31 December 2023 by Mascom was impracticable. Appropriate adjustments have been made to the Group's interest and share of results for the effects of significant transactions and events that occurred for the two months up to the reporting date.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures (continued)

Investment in joint ventures (continued)

Commitments relating to joint ventures

Commercial commitments

Irancell

The investment in Irancell is subject to a number of sovereign, regulatory and commercial risks, which could result in the Group failing to realise full market value of its investment should it be required to dispose of any portion thereof. In this regard, 21% of Irancell is required to be offered to members of the Iranian public within approximately three years from the date of the licence. Such offering could have a proportional dilutionary effect on the Company's 49% shareholding, effectively reducing its shareholding by 10.3% to 38.7%. Local management together with the shareholders continue to engage the regulator on this matter.

Capital commitments	**2023 Rm**	2022 Rm
Share of capital commitments of joint ventures not yet incurred at the reporting date:		
Contracted	**607**	932
– Property, plant and equipment	**607**	903
– Software	**–**	29
Authorised but not contracted	**3 539**	2 144
– Property, plant and equipment	**3 448**	1 982
– Software	**91**	162
	4 146	3 076

Contingent liabilities relating to joint ventures

There are no material contingent liabilities relating to the Group's interests in its joint ventures during the current or prior year.

Licences

Licences awarded to the joint ventures are set out below:

Licence agreements	Type	Granted/renewed	Term
Irancell	GSM	07/10/2021	5 years
	UNSP	23/07/2023	8 years
Mascom	900MHz	01/09/2018	15 years
	1 800MHz	01/09/2018	15 years
	2 100MHz	01/09/2018	15 years
	2 600MHz	01/09/2018	15 years
Swazi MTN Limited	Electronic Communications Network Licence	28/11/2018	10 years
	Electronic Communications Service Licence	28/11/2018	10 years
	800MHz	01/04/2022	Renewable annually
	900MHz	01/04/2022	Renewable annually
	1 800MHz	01/04/2022	Renewable annually
	2 100MHz	01/04/2022	Renewable annually

9 GROUP COMPOSITION (continued)

9.3 Joint operations

In respect of its interest in joint operations, the Group recognises in its financial statements its share of the assets jointly held, classified according to the nature of the assets, any liabilities that it has incurred, its share of any liabilities incurred jointly with the other joint operators in relation to the joint operation, any income from the sale or use of its share of the output of the joint operation, together with its share of any expenses incurred by the joint operation and any expenses that it has incurred in respect of its interest in the joint operation.

When the Group acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, identifiable assets acquired and liabilities assumed are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss. Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

When the Group increases its interest in a joint operation in which the activity of the joint operation constitutes a business, by acquiring an additional interest in the joint operation, the Group's previously held interests in the joint operation are not remeasured if the joint operator retains joint control.

The Group has entered into agreements with several other companies to construct high-capacity fibre optic submarine cable systems.

The Group has the following interests in jointly controlled operations:

	Ownership interest held	
	2023 %	2022 %
Joint operation		
Europe India Gateway Submarine Cable System	**6.96**	6.72
West Africa Cable System	**11.14**	11.14
Eassy Cable System	**16.28**	16.28
Africa Coast to Europe Cable system	**9.61**	9.61

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

9 GROUP COMPOSITION (continued)

9.4 Changes in shareholding

9.4.1 Prior year changes in shareholding

9.4.1.1 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.

9.4.1.2 Disposal of aYo shares

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, before transaction costs amounted to US$40 million (R735 million[1]). This resulted in a net gain of R 293 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.

9.4.1.3 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.

9.4.2 Current year changes in shareholding

9.4.2.1 MTN Afghanistan

On 20 June 2022, the Group received a binding offer for the sale of MTN Afghanistan for a consideration of approximately US$25 million (R457 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. During the second half of 2023, the transaction received conditional regulatory approval to proceed, pending the submission of relevant documentation to the Afghanistan Regulatory Authority. Accordingly, MTN Afghanistan's assets and liabilities have been presented as held for sale.

An impairment loss of R900 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 2.1). On disposal of MTN Afghanistan, accumulated foreign currency translation reserve (FCTR) gains will be reclassified to profit and loss. As at 31 December 2023, MTN Afghanistan's accumulated FCTR gain was R657 million.

The sale was concluded on 21 February 2024. The delay on concluding the sale was due to the pending final regulatory approval, among other conditions precedent.

[1] Translated at the closing exchange at 31 December 2023 of US$1 = R18.2698.

The carrying amounts of assets and liabilities that have been reclassified to non-current assets held for sale as at 31 December 2023 were:

	31 December 2023 Rm	31 December 2022 Rm
Property, plant and equipment	**184**	449
Right-of-use assets	**101**	245
Intangible assets	**62**	151
Deferred tax asset	**53**	43
Trade receivables and other current assets	**598**	518
Cash and cash equivalents	**1 128**	546
Total assets	**2 126**	1 952
Current liabilities	**1 376**	1 135
Lease liabilities	**348**	383
Total liabilities	**1 724**	1 518
Net carrying amount of assets held for sale	**402**	434

9 GROUP COMPOSITION (continued)

9.4 Changes in shareholding (continued)

9.4.2 Current year changes in shareholding (continued)

9.4.2.2 MTN Guinea-Bissau and MTN Guinea-Conakry

On 26 October 2023, the Group received a binding offer for the sale of both MTN Guinea-Bissau and MTN Guinea-Conakry for a consideration of US$1 for each of the companies. MTN Group and Telecel Group (Telecel) have subsequently signed a sale and purchase agreement on 15 December 2023, which is subject to conditions precedent. Accordingly, the assets and liabilities of both MTN Guinea-Bissau and MTN Guinea-Conakry have been presented as held for sale. As a result of the net liability positions for MTN Guinea-Bissau and MTN Guinea-Conakry on classification as held for sale, there was no further impairment on measuring at the lower of carrying amount and fair value less costs to sell.

MTN Guinea-Bissau and MTN Guinea-Conakry are presented as part of the WECA cluster in the segment information (note 2.1). On disposal of MTN Guinea-Bissau and MTN Guinea-Conakry, accumulated foreign currency translation reserve (FCTR) gains and losses will be reclassified to profit and loss. As at 31 December 2023, MTN Guinea-Bissau's accumulated FCTR gain was R277 million and MTN Guinea-Conakry's accumulated FCTR loss was R1 691 million.

The carrying amounts of assets and liabilities that have been reclassified to non-current assets held for sale as at 31 December 2023 were:

	Guinea-Bissau 31 December 2023 Rm	Guinea-Conakry 31 December 2023 Rm
Property, plant and equipment	241	550
Right-of-use assets	1	62
Intangible assets	7	957
Other non-current assets	149	72
Deferred tax asset	9	–
Trade receivables and other current assets	211	1 712
Cash and cash equivalents	1	12
Total assets	**619**	**3 365**
Current liabilities	526	3 968
Lease liabilities	11	37
Other non-current liabilities	265	664
Total liabilities	**802**	**4 669**
Net carrying amount of assets held for sale	**(183)**	**(1 304)**

9.4.2.3 MTN Nigeria

During 2023, the Group elected a scrip dividend from MTN Nigeria and received approval from the Securities and Exchange Commission, increasing the Group's effective shareholding from 75.69% to 76.27%. The scrip dividend was accounted for as a change in shareholding on issuance of the shares and the Group recognised the related loss of R1 531 million in equity as a transaction with non-controlling interest. The amount recognised in equity includes R440 million for the related withholding tax.

9.4.2.4 MTN Ghana

During 2023, the Group disposed of shares in MTN Ghana to Ghanaian citizens as part of the Group's localisation strategy. The Group also elected to take a scrip dividend from MTN Ghana. These transactions had a net result of decreasing the Group's effective shareholding from 84.28% to 81.04%.

The proceeds from the localisation, net of taxes and transaction costs amounted to US$42 million (R780 million[1]). R715 million has been received to date in cash. This resulted in a net loss of R511 million that was recognised in equity as transaction with non-controlling interest.

The scrip dividend was accounted for as a change in shareholding on issuance of the shares and the Group recognised the related loss of R284 million in equity as a transaction with non-controlling interest. The amount recognised in equity includes R155 million for the related withholding tax.

[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.

9.4.3 Changes in shareholding subsequent to the reporting period

9.4.3.1 MTN Fintech and Mastercard

The Group signed definitive agreements on 5 February 2024 with Mastercard for a minority investment of up to US$200 million into MTN Fintech at a valuation of US$5.2 billion. The transaction will be accounted for as a transaction with non-controlling interests, with any gain or loss recognised in equity on closing.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

9 GROUP COMPOSITION (continued)

9.5 Interest in subsidiaries

The subsidiaries in which MTN Group Limited has direct and indirect interests are set out in note 9.1. A summary of the Group's subsidiaries with material non-controlling interests is presented below.

		Non-controlling interests	
Subsidiary	**Principal place of business**	**2023 Rm**	2022 Restated[1] Rm
MTN Nigeria	Nigeria	**(195)**	2 427
MTN Côte d'Ivoire	Côte d'Ivoire	**1 252**	1 087
MTN Sudan	Sudan	**1 429**	333
MTN Uganda	Uganda	**921**	800
MTN Ghana	Ghana	**8 785**	1 581
MTN Guinea-Conakry[2]	Guinea-Conakry	**(1 990)**	(1 646)
Other		**776**	569
		10 978	5 151

[1] Restated, refer to note 11 for details on the restatement.
[2] MTN Guinea-Conakry is held for sale in the 2023 year (see note 9.4.2.2).

Summarised financial information of subsidiaries with material non-controlling interests

Set out below and on the next page is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. Unless otherwise stated, the Group's subsidiaries' countries of incorporation are also their principal places of operation. The summarised financial information presented is before intercompany eliminations.

	MTN Nigeria		MTN Côte d'Ivoire		MTN Sudan	
	2023 Rm	2022 Restated[1] Rm	**2023 Rm**	2022 Rm	**2023 Rm**	2022 Rm
% ownership interest held by non-controlling interests	**23.73**	24.31	**33.17[2]**	33.17[2]	**15.00**	15.00
Summarised statement of financial position						
Non-current assets	**41 551**	65 338	**15 696**	9 605	**15 678**	6 818
Current assets	**20 105**	29 327	**5 658**	4 502	**2 168**	2 460
Total assets	**61 656**	94 665	**21 354**	14 107	**17 846**	9 278
Non-current liabilities	**23 865**	40 380	**7 909**	2 618	**4 804**	3 766
Current liabilities	**38 614**	44 578	**9 671**	8 211	**3 518**	3 293
Total liabilities	**62 479**	84 958	**17 580**	10 829	**8 322**	7 059
Summarised income statement						
Revenue	**74 270**	77 260	**10 302**	8 918	**6 525**	6 665
Profit before tax	**72**	19 864	**768**	823	**(2 716)**	3 269
Income tax expense	**(513)**	(6 518)	**(308)**	(338)	**(506)**	(569)
(Loss)/profit after tax	**(441)**	13 346	**460**	485	**(3 222)**	2 700
(Loss)/profit attributable to non-controlling interests	**(105)**	3 236	**153**	161	**(483)**	405
Dividends attributable to non-controlling interests	**2 477**	2 590	**111**	119	**–**	–
Summarised statement of cash flows						
Net cash generated from operating activities	**26 480**	21 776	**1 130**	1 555	**361**	2 548
Net cash used in investing activities	**(22 652)**	(18 425)	**(964)**	(1 591)	**(1 691)**	(2 132)
Net cash (used in)/generated from financing activities	**(93)**	1 067	**69**	(105)	**31**	(1)
Net increase/(decrease) in cash and cash equivalents	**3 735**	4 418	**97**	(141)	**(1 299)**	415
Net cash and cash equivalents at beginning of the year	**12 931**	9 828	**537**	668	**803**	378
Exchange (losses)/gains on cash and cash equivalents	**(9 715)**	(1 315)	**66**	10	**1 173**	10
Net cash and cash equivalents at the end of the year	**6 951**	12 931	**700**	537	**677**	803

[1] Restated, refer to note 11 for details on the restatement.
[2] The non-controlling interests hold 41.17% of the issued ordinary share capital of MTN Côte d'Ivoire. However, the effective ownership for accounting purposes is 33.17% due to outstanding funding provided by the Group to the non-controlling interests to acquire ordinary share capital in MTN Côte d'Ivoire.

9 GROUP COMPOSITION (continued)

9.5 Interest in subsidiaries (continued)

Summarised financial information of subsidiaries with material non-controlling interests (continued)

	MTN Uganda		MTN Ghana	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm
% ownership interest held by non-controlling interests	**16.95**	16.95	**18.96**	15.72
Summarised statement of financial position				
Non-current assets[1]	**13 142**	10 699	**49 549**	11 471
Current assets	**9 491**	7 480	**32 579**	24 109
Total assets	**22 633**	18 179	**82 128**	35 580
Non-current liabilities	**6 016**	4 834	**7 102**	3 437
Current liabilities	**11 714**	9 202	**29 862**	22 959
Total liabilities	**17 730**	14 036	**36 964**	26 396
Summarised income statement				
Revenue	**13 184**	10 126	**22 556**	18 031
Profit before tax	**3 484**	2 627	**6 999**	7 494
Income tax expense	**(1 054)**	(821)	**(2 746)**	(2 273)
Profit after tax	**2 430**	1 806	**4 253**	5 221
Profit attributable to non-controlling interests	**412**	306	**806**	821
Dividends attributable to non-controlling interests	**226**	171	**648**	390
Summarised statement of cash flows				
Net cash generated from operating activities	**2 734**	2 315	**8 963**	6 753
Net cash used in investing activities	**(1 666)**	(1 293)	**(5 322)**	(3 707)
Net cash used in financing activities	**(906)**	(925)	**(1 333)**	(1 375)
Net increase in cash and cash equivalents	**162**	97	**2 308**	1 671
Net cash and cash equivalents at beginning of the year	**878**	805	**2 550**	2 514
Exchange gains/(losses) on cash and cash equivalents	**112**	(24)	**(377)**	(1 635)
Net cash and cash equivalents at the end of the year	**1 152**	878	**4 481**	2 550

[1] In addition to the assets included in the summarised financial information, R22 907 million (2022: R2 146 million) of goodwill is recognised in the Group statement of financial position in relation to MTN Ghana.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

10 RELATED PARTIES

10.1 Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged. For the purposes of defining related party transactions with key management, key management has been defined as directors and the Group's Executive Committee and includes close members of their families and entities controlled or jointly controlled by these individuals.

	2023 Rm	2022 Rm
Key management compensation		
Salaries and other short-term employee benefits	**109**	93
Post-employment benefits	**7**	7
Share gains	**100**	140
Other benefits	**13**	8
Bonuses	**59**	77
Total	**288**	325

Details of directors' remuneration are disclosed in note 10.2 of the financial statements.

Subsidiaries
Details of investments in subsidiaries are disclosed in note 9.1 of the financial statements.

Changes in shareholding
Details of changes in shareholding are disclosed in note 9.4 of the financial statements.

Joint ventures and associates
Details of the Group's investments in and share of results and dividend income from its joint ventures and associates are disclosed in note 9.2 of the financial statements.

Details of transactions and balances with joint ventures and associates are set out below:

	Joint ventures		Associates	
	2023 Rm	2022 Rm	2023 Rm	2022 Rm
Balances outstanding at 31 December				
Loans receivable	**3 152**	5 009	**–**	–
Trade receivables	**1 374**	930	**–**	240
Trade payables	**359**	331	**–**	–
Transactions for the year ended 31 December				
Revenue generated	**86**	46	**–**	–
Expenses incurred	**40**	29	**–**	–
Interest income	**101**	56	**2**	1
Dividends declared	**767**	1 230	**–**	–

10 RELATED PARTIES (continued)

10.1 Related party transactions (continued)

Shareholders

The principal shareholders of the Company are disclosed in Annexure 1, which is unaudited.

10.2 Emoluments, equity compensation and dealings in ordinary shares

Directors' emoluments and related payments

2023	Date appointed	Salaries R'000	Post-employment benefits R'000	Other benefits* R'000	Bonuses R'000	Sub-total R'000	Share gains** R'000	Total R'000
Executive directors								
RT Mupita	03/04/2017	**17 627**	**846**	**1 286**	**13 981**	**33 740**	**29 075**	**62 815**
TBL Molefe	01/04/2021	**9 238**	**1 341**	**781**	**7 150**	**18 510**	**–**	**18 510**
Total		**26 865**	**2 187**	**2 067**	**21 131**	**52 250**	**29 075**	**81 325**

* Includes medical aid, expense allowances and unemployment insurance fund.
** Pre-tax gains on equity-settled share-based payments.

2022	Date appointed	Salaries R'000	Post-employment benefits R'000	Other benefits* R'000	Bonuses R'000	Sub-total R'000	Share gains** R'000	Total R'000
Executive directors								
RT Mupita	03/04/2017	16 439	772	616	21 933	39 760	37 700	77 460
TBL Molefe	01/04/2021	8 149	1 123	374	10 169	19 815	–	19 815
Total		24 588	1 895	990	32 102	59 575	37 700	97 275

* Includes medical aid, expense allowances and unemployment insurance fund.
** Pre-tax gains on equity-settled share-based payments.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

10 RELATED PARTIES (continued)

10.2 Emoluments, equity compensation and dealings in ordinary shares (continued)

Directors' emoluments and related payments (continued)

2023	**Date appointed**	**Retainer# R'000**	**Attendance# R'000**	**Special Board R'000**	**Strategy session R'000**	***Ad hoc* work R'000**	**Total R'000**
Non-executive directors							
MH Jonas	01/06/2018	**3 268**	**1 271**	**178**	**694**	**347**	**5 758**
SN Mabaso-Koyana	01/09/2020	**500**	**844**	**174**	**316**	**152**	**1 986**
NP Gosa	01/04/2021	**417**	**784**	**176**	**316**	**152**	**1 845**
PB Hanratty+^	01/08/2016	**101**	**–**	**–**	**79**	**–**	**180**
S Kheradpir+	08/07/2015	**1 863**	**1 230**	**160**	**605**	**151**	**4 009**
NP Mageza[1]	16/01/2023	**92**	**382**	**–**	**–**	**–**	**474**
SP Miller+	01/08/2016	**1 744**	**1 293**	**160**	**605**	**303**	**4 105**
KDK Mokhele	01/07/2018	**635**	**869**	**106**	**405**	**97**	**2 112**
CWN Molope	01/04/2021	**417**	**751**	**79**	**316**	**79**	**1 642**
N Newton-King**	01/01/2023	**332**	**624**	**83**	**316**	**152**	**1 507**
T Pennington+	01/08/2022	**1 931**	**1 576**	**271**	**605**	**303**	**4 686**
VM Rague+	01/07/2019	**1 847**	**1 341**	**204**	**605**	**303**	**4 300**
SLA M Sanusi+	01/07/2019	**1 744**	**1 334**	**179**	**605**	**303**	**4 165**
NL Sowazi	01/08/2016	**481**	**839**	**101**	**316**	**73**	**1 810**
Total		**15 372**	**13 138**	**1 871**	**5 783**	**2 415**	**38 579**

\+ Fees have been paid in euros.
\# Retainer and attendance fees include fees for Board and committee representation and meetings.
** Appointed on 1 January 2023.
^ Resigned on 30 April 2023.
[1] Appointed as an independent non-executive Chairman of the MTN Group sourcing committee.

2022	Date appointed	Retainer# R'000	Attendance# R'000	Special board R'000	Strategy session R'000	*Ad hoc* work R'000	Total R'000
Non-executive directors							
MH Jonas	01/06/2018	3 150	1 114	40	521	9	4 834
SN Mabaso-Koyana	01/09/2020	407	702	66	218	91	1 484
NP Gosa	01/04/2021	396	743	53	218	82	1 492
PB Hanratty+	01/08/2016	270	337	44	218	26	895
S Kheradpir+	08/07/2015	1 576	930	44	408	79	3 037
SP Miller+	01/08/2016	1 489	1 048	40	408	79	3 064
KDK Mokhele	01/07/2018	615	838	40	290	9	1 792
CWN Molope	01/04/2021	380	685	66	218	82	1 431
T Pennington**+	01/08/2022	843	634	39	–	22	1 538
VM Rague+	01/07/2019	1 728	1 117	22	408	87	3 362
SLA M Sanusi+	01/07/2019	1 529	1 128	57	408	70	3 192
NL Sowazi	01/08/2016	434	781	44	218	26	1 503
BS Tshabalala^	01/06/2018	185	131	4	–	38	358
Total		13 002	10 188	559	3 533	700	27 982

\+ Fees have been paid in euros.
\# Retainer and attendance fees include fees for Board and committee representation and meetings.
** Appointed on 1 August 2022.
^ Retired on 28 May 2023.

10 **RELATED PARTIES** (continued)

10.2 **Emoluments, equity compensation and dealings in ordinary shares** (continued)

Prescribed officers' emoluments and related payments

The designation as a prescribed officer is assessed annually. Accordingly, individuals can be assessed as, or cease to be, a prescribed officer in any given year.

2023	**Salaries R'000**	**Post-employment benefits R'000**	**Other benefits# R'000**	**Bonuses R'000**	**Sub-total R'000**	**Share gains** R'000**	**Total R'000**
Prescribed officers							
E Asante	**12 634**	**1 774**	**6 325**	**10 506**	**31 239**	**18 645**	**49 884**
C Molapisi	**8 191**	**850**	**1 077**	**6 468**	**16 586**	**8 385**	**24 971**
J Schulte-Bockum	**11 909**	**1 216**	**681**	**12 058**	**25 864**	**28 176**	**54 040**
K Toriola	**10 466**	**1 466**	**3 033**	**8 380**	**23 345**	**15 729**	**39 074**
Total	**43 200**	**5 306**	**11 116**	**37 412**	**97 034**	**70 935**	**167 969**

Includes medical aid and unemployment insurance fund.

** Pre-tax gains on equity-settled share-based payments.

2022	Salaries R'000	Post-employment benefits R'000	Other benefits# R'000	Bonuses R'000	Sub-total R'000	Share gains** R'000	Total R'000
Prescribed officers							
E Asante	11 312	1 548	2 374	8 823	24 057	27 520	51 577
C Molapisi	7 855	848	918	8 770	18 391	9 248	27 639
J Schulte-Bockum	11 025	1 149	686	15 112	27 972	42 882	70 854
K Toriola	10 441	1 296	3 368	12 496	27 601	22 596	50 197
Total	40 633	4 841	7 346	45 201	98 021	102 246	200 267

Includes medical aid and unemployment insurance fund.

** Pre-tax gains on equity-settled share-based payments.

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

10 **RELATED PARTIES** (continued)

10.2 **Emoluments, equity compensation and dealings in ordinary shares** (continued)

Directors, prescribed officers and Company Secretary of the MTN Group Limited's shareholding and dealings in ordinary shares

	December 2023	December 2022	Beneficial
RT Mupita[1]	**863 519**	601 830	Direct
RT Mupita[2]	**680**	680	Indirect
SN Mabaso-Koyana	**744**	744	Direct
SP Miller	**7 500**	7 500	Direct
J Schulte-Bockum	**158 400**	50 000	Direct
PT Sishuba-Bonoyi	**11 889**	2 201	Direct
C Molapisi	**52 700**	52 700	Direct
TBL Molefe	**49 615**	14 819	Direct
PB Hanratty*	**20 000**	20 000	Direct
T Pennington[2]	**14 090**	–	Indirect
Total	**1 179 137**	750 474	

[1] Includes 402 268 shares (2022: 291 200) held in American Depository Receipt.
[2] Refers to the indirect holdings of associates.
* Resigned on 30 April 2023. Includes 20 000 (2022: 20 000) held in American Depository Receipt shares.

None of the directors' holdings are subject to security, guarantee or collateral.

Subsequent to year-end, up to and including 22 March 2024, there were no changes in the directors' beneficial interest in MTN Group.

Directors, prescribed officers and Company Secretary of the MTN Group Limited's shareholding relating to MTN Zakhele Futhi

Beneficiary	**December 2023**	December 2022	Beneficial
RT Mupita	**33 562**	33 562	Indirect
SN Mabaso-Koyana	**50 000**	50 000	Indirect
Total	**83 562**	83 562	

Subsequent to year-end, up to and including 22 March 2024, there were no changes in the directors' beneficial interest in MTN Zakhele Futhi.

Notes to the Group financial statements

for the year ended 31 December 2023

10 RELATED PARTIES (continued)

10.2 Emoluments, equity compensation and dealings in ordinary shares (continued)

Equity compensation benefits for executive directors, prescribed officers and Company Secretary of the MTN Group Limited and directors of major subsidiaries in respect of the performance share plan.

Award date	Vesting date	Number outstanding as at 31 December 2022	Awarded	Settled	Forfeited	Settlement date	Price on settlement R	Number outstanding as at 31 December 2023
RT Mupita								
20/12/2019	20/12/2022	67 000	–	67 000	–	20/04/2023	130.24	**–**
20/12/2019	20/12/2022	156 300	–	156 300	–	02/05/2023	130.24	**–**
21/12/2020	21/12/2023	530 800	–	–	–	–	–	**530 800**
13/12/2021	13/12/2024	205 200	–	–	–	–	–	**205 200**
12/12/2022	12/12/2025	275 800	–	–	–	–	–	**275 800**
28/12/2023	28/12/2026	–	321 077	–	–	–	–	**321 077**
Total		1 235 100	321 077	223 300	–	–	–	**1 332 877**
J Schulte-Bockum								
20/12/2019	20/12/2022	108 400	–	108 400	–	26/04/2023	130.24	**–**
20/12/2019	20/12/2022	108 000	–	108 000	–	18/04/2023	130.24	**–**
21/12/2020	21/12/2023	315 800	–	–	–	–	–	**315 800**
13/12/2021	13/12/2024	121 500	–	–	–	–	–	**121 500**
12/12/2022	12/12/2025	170 700	–	–	–	–	–	**170 700**
28/12/2023	28/12/2026	–	212 614	–	–	–	–	**212 614**
Total		824 400	212 614	216 400	–	–	–	**820 614**
PT Sishuba-Bonoyi								
20/12/2019	20/12/2022	17 112	–	17 112	–	24/05/2023	130.24	**–**
20/12/2019	20/12/2022	19 688	–	19 688	–	19/04/2023	130.24	**–**
21/12/2020	21/12/2023	52 100	–	–	–	–	–	**52 100**
13/12/2021	13/12/2024	21 300	–	–	–	–	–	**21 300**
12/12/2022	12/12/2025	26 900	–	–	–	–	–	**26 900**
28/12/2023	28/12/2026	–	32 412	–	–	–	–	**32 412**
Total		137 100	32 412	36 800	–	–	–	**132 712**

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

10 RELATED PARTIES (continued)

10.2 Emoluments, equity compensation and dealings in ordinary shares (continued)

Equity compensation benefits for executive directors, prescribed officers, Company Secretary of the MTN Group Limited and directors of major subsidiaries in respect of the performance share plan (continued)

Award date	Vesting date	Number outstanding as at 31 December 2022	Awarded	Settled	Forfeited	Settlement date	Price on settlement R	Number outstanding as at 31 December 2023
TBL Molefe								
01/04/2021	21/12/2023	126 100	–	–	–	–	–	**126 100**
13/12/2021	13/12/2024	101 900	–	–	–	–	–	**101 900**
12/12/2022	12/12/2025	128 600	–	–	–	–	–	**128 600**
28/12/2023	28/12/2026	–	171 738					**171 738**
Total		356 600	171 738	–	–	–	–	**528 338**
E Asante								
20/12/2019	20/12/2022	143 200	–	143 200	–	17/04/2023	130.24	**-**
21/12/2020	21/12/2023	221 600	–	–	–	–	–	**221 600**
13/12/2021	13/12/2024	81 000	–	–	–	–	–	**81 000**
12/12/2022	12/12/2025	101 600	–	–	–	–	–	**101 600**
28/12/2023	28/12/2026	–	247 856	–	–	–	–	**247 856**
Total		547 400	247 856	143 200	–	–	–	**652 056**
K Toriola								
20/12/2019	20/12/2022	120 800	–	120 800	–	17/04/2023	130.24	**-**
21/12/2020	21/12/2023	186 200	–	–	–	–	–	**186 200**
13/12/2021	13/12/2024	50 850	–	–	–	–	–	**50 850**
12/12/2022	12/12/2025	84 500	–	–	–	–	–	**84 500**
28/12/2023	28/12/2026	–	108 375	–	–	–	–	**108 375**
Total		442 350	108 375	120 800	–	–	–	**429 925**
C Molapisi								
20/12/2019	20/12/2022	19 300	–	19 300	–	22/08/2023	130.24	**-**
20/12/2019	20/12/2022	45 100	–	45 100	–	22/08/2023	130.24	**-**
21/12/2020	21/12/2023	120 700	–	–	–	–	–	**120 700**
13/12/2021	13/12/2024	58 800	–	–	–	–	–	**58 800**
12/12/2022	12/12/2025	120 000	–	–	–	–	–	**120 000**
28/12/2023	28/12/2026	–	144 529	–	–	–	–	**144 529**
Total		363 900	144 529	64 400	–	–	–	**444 029**

11 PRIOR PERIOD ERROR

The Group adopted IFRS 16 *Leases* retrospectively from 1 January 2019, resulting in the recognition of right-of-use assets and lease liabilities. MTN Nigeria's leases include network infrastructure relating to tower space, of which the lease consideration comprises of a combination of Naira based lease payments and a portion of the lease consideration that is indexed to United States Dollars (US$), but invoiced and paid in Naira.

MTN Nigeria identified that the US$ portion of the lease liabilities has not been correctly remeasured for changes in exchange rates. As part of this review, MTN Nigeria also identified that significant changes in facts and circumstances relating to whether MTN Nigeria would exercise respective renewal options were not taken into account in determining the related lease term.

11.1 Quantification of prior period error

The restatement had no impact on cash flows. The impact of the restatement on the prior period results is as follows (all related notes and affected financial risk management disclosures will also be restated):

	Year ended 31 December 2022		
Income statement (extract)	As previously reported Rm	Restatement Rm	Restated Rm
Depreciation of right-of-use assets	(7 840)	33	(7 807)
Finance costs	(14 680)	367	(14 313)
Net foreign exchange loss	(5 048)	(1 007)	(6 055)
Profit before tax	41 497	(607)	40 890
Taxation	(17 236)	200	(17 036)
Profit after tax	24 261	(407)	23 854
Attributable to:			
Equity holders of the Company	19 337	(300)	19 037
Non-controlling interests	4 924	(107)	4 817
Basic earnings per share (cents)	1 071	(17)	1 054
Diluted earnings per share (cents)	1 044	(16)	1 028

	Year ended 31 December 2022		
Statement of comprehensive income (extract)	As previously reported Rm	Restatement Rm	Restated Rm
Profit after tax	24 261	(407)	23 854
Exchange differences arising on translating foreign operations including the effect of hyperinflation	(279)	70	(209)
(Losses)/gains arising during the year	(279)	70	(209)
Other comprehensive income for the year	(11 952)	70	(11 882)
Attributable to:			
Equity holders of the Company	(11 156)	53	(11 103)
Non-controlling interests	(796)	17	(779)
Total comprehensive income	12 309	(337)	11 972
Attributable to:			
Equity holders of the Company	8 181	(247)	7 934
Non-controlling interests	4 128	(90)	4 038

Notes to the Group financial statements (continued)

for the year ended 31 December 2023

11 PRIOR PERIOD ERROR (continued)

11.1 Quantification of prior period error (continued)

Statement of financial position (extract)	31 December 2021 As previously reported Rm	Restatement Rm	1 January 2022 Restated Rm	31 December 2022 As previously reported Rm	Restatement Rm	31 December 2022 Restated Rm
Non-current assets						
Right-of-use assets	42 957	(6 132)	36 825	50 625	(6 530)	44 095
Total assets	365 798	(6 132)	359 666	391 881	(6 530)	385 351
Total equity						
Retained profit	83 580	(2 095)	81 485	95 691	(2 395)	93 296
Other reserves	(10 527)	229	(10 298)	(17 580)	282	(17 298)
Equity attributable to owners of the company	111 047	(1 866)	109 181	116 601	(2 113)	114 488
Non-controlling interests	3 935	(501)	3 434	5 742	(591)	5 151
Total equity	114 982	(2 367)	112 615	122 343	(2 704)	119 639
Non-current liabilities						
Lease liabilities	41 409	(1 729)	39 680	52 473	(2 643)	49 830
Deferred tax	9 666	(1 166)	8 500	6 303	(1 332)	4 971
Current liabilities						
Lease liabilities	6 505	(870)	5 635	5 871	149	6 020
Total liabilities	250 816	(3 765)	247 051	269 538	(3 826)	265 712
Total equity and liabilities	365 798	(6 132)	359 666	391 881	(6 530)	385 351

Company Financial Statements

Company statement of comprehensive income

for the year ended 31 December 2023

	Note	2023 Rm	2022 Rm
Revenue	1	**6 500**	6 079
Finance income	2	**307**	214
Finance costs	2	**(57)**	(257)
Other income		**1**	1
Operating expenses	3	**(251)**	(582)
Profit before tax		**6 500**	5 455
Income tax (expense)/income	4	**(55)**	24
Profit and total comprehensive income for the year		**6 445**	5 479

Company statement of financial position

as at 31 December 2023

	Note	2023 Rm	2022 Rm
ASSETS			
Non-current assets		**24 351**	23 869
Investment in subsidiaries	5	**24 350**	23 808
Deferred tax asset		**1**	61
Current assets		**838**	579
Trade and other receivables	6	**659**	366
Cash and cash equivalents	7	**179**	213
Total assets		**25 189**	24 448
EQUITY			
Ordinary share capital and share premium	8	**37 040**	37 040
Accumulated loss		**(21 245)**	(21 472)
Other reserves		**7 324**	7 324
Total equity		**23 119**	22 892
LIABILITIES			
Non-current liabilities		**–**	6
Deferred tax liability		**–**	6
Current liabilities		**2 070**	1 550
Trade and other payables	9	**1 004**	776
Financial guarantee contracts	13	**1 066**	774
Total liabilities		**2 070**	1 556
Total equity and liabilities		**25 189**	24 448

Company statement of changes in equity

for the year ended 31 December 2023

	Share capital Rm	Share premium Rm	Accumulated losses Rm	Other reserves[1] Rm	Total Rm
Balance at 1 January 2022	*	37 040	(21 298)	7 324	23 066
Profit and total comprehensive income	–	–	5 479	–	5 479
Dividends declared[2]	–	–	(5 653)	–	(5 653)
Balance at 1 January 2023	*****	**37 040**	**(21 472)**	**7 324**	**22 892**
Profit and total comprehensive income	**–**	**–**	**6 445**	**–**	**6 445**
Transactions with shareholders					
Dividends declared[2]	**–**	**–**	**(6 218)**	**–**	**(6 218)**
Balance at 31 December 2023	*****	**37 040**	**(21 245)**	**7 324**	**23 119**
Note	**8**	**8**			

[1] Share-based payment reserve.
[2] Refer to note 8.3 of the Group financial statements for the dividends declared per share during the current period.
* Amounts less than R1 million.

Company statement of cash flows

for the year ended 31 December 2023

	Note	2023 Rm	2022 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	**(329)**	(75)
Interest received		**13**	1
Income tax received	11	**–**	4
Dividends received		**6 500**	5 700
Net cash generated from operating activities		**6 184**	5 630
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(6 218)**	(5 653)
Net cash used in financing activities		**(6 218)**	(5 653)
Net decrease in cash and cash equivalents		**(34)**	(23)
Cash and cash equivalents at the beginning of the year		**213**	236
Cash and cash equivalents at the end of the year	7	**179**	213

Notes to the Company financial statements
for the year ended 31 December 2023

1 REVENUE

Revenue comprises of dividend income and management fees received. Dividend income is recognised when the right to receive payment is established. Management fees received are recognised as and when the services are rendered.

	2023 Rm	2022 Rm
Dividend income – other revenue	**6 500**	5 700
Management fees received – revenue from contracts with customers[1]	**–**	379
	6 500	6 079

[1] In the current year, the management fee policy was restructured resulting in less management fees earned.

2 FINANCE INCOME AND FINANCE COSTS

Finance income
Finance income mainly comprises of amortisation of financial guarantee contracts and the related net foreign exchange gains.

Finance cost
Finance cost comprises of net foreign exchange losses on financial guarantee contracts and remeasurements of financial guarantee contracts.

Finance income	2023 Rm	2022 Rm
Interest income on bank deposits	**13**	–
Amortisation of financial guarantee contracts	**294**	214
	307	214
Finance cost		
Net loss on remeasurement of financial guarantees	**–**	(169)
Net foreign exchange losses	**(57)**	(88)
	(57)	(257)
Net finance income/(cost) recognised in profit or loss	**250**	(43)

3 OPERATING EXPENSES

The following disclosable items have been included in arriving at profit before tax:

	2023 Rm	2022 Rm
Directors' emoluments[1]	**(40)**	(23)
Fees paid for services	**(103)**	(455)
– Professional fees	**(103)**	(110)
– Management fees paid (note 12)[2]	**–**	(345)
Auditors' remuneration	**(37)**	(41)
– Audit fees	**(37)**	(41)

[1] Includes reimbursement of expenses.
[2] In the current year, the management fee policy was restructured resulting in less management fees incurred.

4 INCOME TAX (EXPENSE)/INCOME

Refer to note 3.1 of the Group financial statements for the applicable accounting policy.

	2023 Rm	2022 Rm
Normal tax	–	–
Current year	–	(5)
Adjustments in respect of the prior year	–	5
Deferred tax – current year	(55)	24
Income tax (expense)/income	**(55)**	24

South African normal taxation is calculated at 27% (2022: 28%[1]) of the estimated taxable income for the year.

The Company's effective tax rate is reconciled to the South African statutory rate as follows:

	2023 %	2022 %
Tax rate reconciliation		
Tax at statutory tax rate	27.0	28.0
Income not subject to tax[2]	(28.2)	(30.4)
Prior year under provision	(0.1)	*
Expenses not allowed[3]	2.2	1.9
Change in tax rate	*	*
Effective tax rate	**0.8**	(0.5)

[1] In the budget speech read in Parliament on 23 February 2023, South Africa's finance minister announced that the corporate tax rate be reduced from 28% to 27% for years of assessment ending on or after 31 March 2023.
[2] The majority of the exempt income relates to dividend income received in the current year (2022: dividend income, amortisation and net gain on remeasurement of financial guarantee contracts).
[3] Includes non-deductible net foreign exchange losses on financial guarantee contracts.
* Percentage less than 0.1%.

5 INVESTMENT IN SUBSIDIARIES

The Company accounts for investment in subsidiaries at cost less accumulated impairment losses.

The Group structure and Company's subsidiaries are disclosed in note 9.1 of the Group financial statements.

	2023 Rm	2022 Rm
Total interest in MTN Holdings[1]	22 852	22 310
Total interest in MTN Group Management Services Proprietary Limited	57	57
Total interest in MTN SA[2]	1 441	1 441
Total interest in subsidiary companies	**24 350**	23 808

[1] The increase in the investment in MTN Holdings relates to a new financial guarantee granted during 2023.
[2] The interest in MTN SA arose from the share-based transaction undertaken by the Group with MTN Zakhele Futhi (note 8).

6 TRADE AND OTHER RECEIVABLES

Refer to note 4.2 of the Group financial statements for the applicable accounting policy.

	2023 Rm	2022 Rm
Trade receivables due from related parties (note 12)	635	344
Prepayments and other receivables	23	21
Sundry debtors and advances	1	1
	659	366

Notes to the Company financial statements (continued)

for the year ended 31 December 2023

7 CASH AND CASH EQUIVALENTS

Refer to note 4.4 of the Group financial statements for the applicable accounting policy.

	2023 Rm	2022 Rm
Cash at bank	**179**	213

8 ORDINARY SHARE CAPITAL AND SHARE PREMIUM

Refer to note 8.1 of the Group financial statements for the applicable accounting policy.

	2023 Number of shares	2022 Number of shares
Ordinary share capital (par value of 0.01 cents)		
Authorised	**2 500 000 000**	2 500 000 000
Issued (fully paid up)	**1 884 269 758**	1 884 269 758
In issue at the beginning and end of the year	**1 884 269 758**	1 884 269 758
Options held by MTN Zakhele Futhi[1]	**(76 835 378)**	(76 835 378)
In issue at the end of the year – excluding MTN Zakhele Futhi	**1 807 434 380**	1 807 434 380

[1] These shares, although legally issued to MTN Zakhele Futhi, are not deemed to be issued in terms of IFRS and are shown as such in the share capital reconciliation.

	2023 Rm	2022 Rm
Share capital		
Balance at the beginning of the year	*****	*
Balance at the end of the year	*****	*
Share premium		
Balance at the beginning of the year	**37 040**	37 040
Balance at the end of the year	**37 040**	37 040

* Amounts less than R1 million.

Share-based payment transaction

The Group structured a B-BBEE transaction through a separate legal entity in 2016, MTN Zakhele Futhi which replaced the Group's previous BEE structure known as MTN Zakhele. The transaction was designed to provide long-term, sustainable benefits to all B-BBEE participants and will run for a period of eight years.

As part of the transaction MTN Zakhele Futhi acquired 76 835 378 of the Company's shares at a price of R128.50 per share. The B-BBEE transaction with MTN Zakhele Futhi has the substance of an option for accounting purposes. MTN Zakhele Futhi must repay the preference shares and NVF before the Company's shares held by it become unencumbered, while the Company's shares are the only security offered by MTN Zakhele Futhi for the debt funding obtained. Until the Company's shares held by MTN Zakhele Futhi becomes unencumbered, the ordinary shareholders of MTN Zakhele Futhi are exposed to the gains on the Company's shares, while their exposure to downside risk or risk of loss is limited to their equity contributions (i.e. the purchase price paid by them for the MTN Zakhele Futhi shares).

Consequently, although legally issued, the Company does not recognise its shares issued to MTN Zakhele Futhi and does not recognise the NVF as outstanding for accounting purposes. Equity contributions from external parties comprising cash received from new investors (including amounts funded from the preference shares) and the reinvestment by existing MTN Zakhele shareholders in MTN Zakhele Futhi, are in substance treated as a premium paid for the option to acquire the Company's shares in future. The resultant premium recognised by the Company in the share-based payment reserve amounted to R4 036 million. Securities transfer tax of R10 million was paid by the Company on the acquisition of shares from MTN Zakhele Futhi, which was recognised in the share-based payment reserve.

The transaction with MTN Zakhele Futhi's shareholders is an equity-settled share-based payment transaction among Group entities in terms of which the Company will issue shares in future to MTN Zakhele Futhi's shareholders in exchange for B-BBEE benefits received by MTN SA.

9 TRADE AND OTHER PAYABLES

Refer to note 4.5 of the Group financial statements for the applicable accounting policy.

	2023 Rm	2022 Rm
Payables due to related parties (note 12)	**751**	522
Accrued expenses and other payables	**253**	254
	1 004	776

10 CASH GENERATED FROM OPERATIONS

	2023 Rm	2022 Rm
Profit before tax	**6 500**	5 455
Adjusted for:		
Dividend income (note 1)	**(6 500)**	(5 700)
Finance income (note 2)	**(307)**	(214)
Finance costs (note 2)	**57**	257
	(250)	(202)
Changes in working capital	**(79)**	127
Decrease in trade and other receivables	**(295)**	(46)
Increase in trade and other payables	**216**	173
	(329)	(75)

11 INCOME TAX RECEIVED

	2023 Rm	2022 Rm
Balance at the beginning of the year	**–**	36
Amounts recognised in profit or loss (note 4)	**(55)**	24
Deferred tax	**55**	(24)
Other	**1**	(32)
Balance at the end of the year	**(1)**	—
Income tax received	**–**	4

Notes to the Company financial statements (continued)

for the year ended 31 December 2023

12 RELATED PARTY TRANSACTIONS

Refer to note 10.1 of the Group financial statements for the applicable accounting policy.

Various transactions were entered into by the Company during the year with related parties.

The following is a summary of significant transactions with subsidiaries during the year and significant balances at the reporting date:

	2023 Rm	2022 Rm
Dividends paid		
– MTN Zakhele Futhi	**(254)**	(231)
Dividends received		
– MTN Holdings	**6 500**	5 700
Management fees paid		
– MTN Group Management Services Proprietary Limited	**–**	(345)
Management fees received		
– MTN International Proprietary Limited	**–**	379
Receivables		
– MTN Holdings	**90**	90
– MTN Group Management Services Proprietary Limited	**509**	191
– MTN SA	**9**	9
– MTN Dubai[1]	**26**	5
– MTN International Proprietary Limited	**–**	48
– 2016 MTN ESOP Trust	**2**	1
– MTN (Mauritius) Investments Limited[2]	*****	*
– MTN Mauritius	*****	*
Payables		
– MTN Group Management Services Proprietary Limited	**–**	(158)
– MTN Dubai[1]	**(474)**	(350)
- MTN Holdings	**(10)**	(10)
- MTN International Proprietary Limited	**(263)**	–
- MTN Mauritius	**(4)**	(4)
- MTN Zambia	*****	*

1 The balances result from transactions whereby MTN Dubai and the Company extinguished liabilities on behalf of one another.
2 The balance results from transactions whereby the Company extinguished liabilities on behalf of MTN (Mauritius) Investments Limited.
* Amounts less than R1 million.

Receivables from and payables to related parties above have a 30-day credit term from the date of invoice and bear interest at various rates to the extent that accounts are overdue, unless stated otherwise in these Company financial statements.

Financial guarantee contracts
Details of financial guarantee contracts are disclosed in note 13 of the Company financial statements.

Directors
Details of directors' remuneration are disclosed in note 3 of the Company financial statements and note 10.2 of the Group financial statements.

Shareholders
The principal shareholders of the Company are disclosed in Annexure 1 which is unaudited.

13 FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:
- The ECL in accordance with IFRS 9.
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15.

The ECLs are a probability weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the company expects to receive from the holder, debtor or any other party.

Where guarantees in relation to loans to related parties are provided for no compensation, the fair values are accounted for as capital contributions and recognised as part of the cost of the investment.

The Company along with subsidiaries in the Group have guaranteed the bonds, senior unsecured notes, revolving credit facilities, long-term loans and general banking facilities of MTN Holdings and MTN (Mauritius) Investments Limited. Under the terms of the guarantee, the Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due.

	Face value		Drawn down balance[2]	
	2023 Rm	2022 Rm	**2023 Rm**	2022 Rm
Bond guarantees				
Bonds[1] and commercial paper	**35 000**	35 000	**17 751**	16 641
US$ senior unsecured notes	**10 905**	16 198	**11 029**	16 336
Syndicated and other loan facilities				
US$ revolving-credit-facility	**14 159**	21 309	**–**	–
ZAR long-term loan	**32 000**	23 000	**19 106**	11 800
	92 064	95 507	**47 886**	44 777

[1] R17 751 million (2022: R16 641 million) of the bonds are listed on the Bond Exchange of South Africa.
[2] Includes interest accrued.

The Company, together with subsidiaries in the Group guaranteed senior unsecured notes issued by MTN (Mauritius) Investments Limited on the Irish Stock Exchange amounting to US$593 million (2022: US$950 million). A financial liability was recognised at the fair value of the guarantees issued. A fee was not charged by the Company providing the guarantee and therefore the benefit provided by the Company to its subsidiary was recognised as a capital contribution.

The Group's credit rating as determined by Standard and Poor (S&P) has been used to assess whether there has been a significant increase in credit risk in relation to the financial guarantees issued over the senior unsecured notes of MTN (Mauritius) Investments Limited. Following the downgrade in the Group's credit rating by S&P during 2021 (BB+ to BB-), it was determined that use of lifetime ECL for these debt instruments was appropriate as they were entered into prior to the downgrade. This assessment remained unchanged for the 2023 financial year.

The following formula was used to determine the ECL: Exposure at Default x Probability of Default (PD) x Loss Given Default (LGD) x discount rate. PDs have been determined with reference to Refinitiv's Telecoms BB credit default swap (CDS) spreads adjusted to firstly BB-, being the Group's current credit rating by S&P, and then further for the difference in credit risk between the Group and MTN (Mauritius) Investments Limited. CDS's are forward looking and considered reflective of markets view on future potential losses and therefore default probabilities. The LGD specific to the Group was determined based on the S&P Ratings report dated 27 October 2022 at 35% (2022: 35%). The original effective interest rate of the underlying borrowings is used as the discount rate.

At 31 December 2023, the financial guarantees over the debt instruments of MTN (Mauritius) Investments Limited were measured at the carrying amount and no remeasurements (2022: R169 million losses) have been recognised in profit or loss.

Notes to the Company financial statements (continued)

for the year ended 31 December 2023

13 FINANCIAL GUARANTEE CONTRACTS (continued)

In addition to the financial guarantees issued over the cash management facility, senior unsecured notes and Citibank facilities, the Company, together with subsidiaries in the Group, have also issued various financial guarantees over the bonds, revolving credit facilities, long-term loans and banking facilities of MTN Holdings. Each guarantor is jointly and severally liable. Limited value was attached to these financial guarantee contracts which resulted in immaterial fair values being ascribed on initial recognition. The Company carries on the business of an investment holding company. As industry practice has developed, it has become clear that consideration should be given to which guarantor the borrower could reasonably be expected to seek recovery from. Therefore, the Group assessed that in the event of default by MTN Holdings, while the Company remains jointly and severally liable, it can be reasonably assumed that a borrower would seek recovery from the other guarantors, considering the assets held by each guarantor. As such, the ECLs attributable to the Company as at 31 December 2023 have been estimated at zero, remaining unchanged since prior year (2022: estimated at zero).

The Company's financial liability relating to financial guarantee contracts amounts to R1 066 million (2022: R774 million) and R294 million (2022: R214 million) was amortised to profit or loss for the year.

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Refer to note 7.1 of the Group financial statements for the applicable accounting policy.

14.1 Categories of financial instruments

	Assets amortised cost Rm	Liabilities amortised cost Rm	Total carrying amount Rm	Fair value Rm
2023				
Trade and other receivables	**636**	**–**	**636**	#
Cash and cash equivalents	**179**	**–**	**179**	#
	815	**–**	**815**	#
Trade and other payables	**–**	**1 004**	**1 004**	#
Financial guarantee contracts	**–**	**1 066**	**1 066**	**755**
	–	**2 070**	**2 070**	
2022				
Trade and other receivables	345	–	345	#
Cash and cash equivalents	213	–	213	#
	558	–	558	#
Trade and other payables	–	766	766	#
Financial guarantee contracts	–	774	774	580
	–	1 540	1 540	

The carrying amount of the financial instrument approximates its fair value.

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

14.1 Categories of financial instruments (continued)

14.1.1 Fair value estimation

Refer to note 7.1.3 of the Group financial statements for the applicable accounting policy.

The following table presents the fair value measurement hierarchy of the Company's liabilities that are materially different from the carrying amount:

	Total carrying amount Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2023					
Current financial liabilities					
Financial guarantee contracts	**1 066**	**–**	**–**	**755**	**755**
2022					
Current financial liabilities					
Financial guarantee contracts	774	–	–	580	580

Valuation methods and assumptions

The following methods and assumptions were used to estimate the fair values:

The fair value of the financial guarantee contracts is determined using the discounted cash flow method. The valuation requires management to make certain assumptions about the model inputs, which include the probability of default, the maximum recovery amount and the interest rate curve.

14.2 Credit risk

Refer to note 7.1.4 of the Group financial statements for an explanation on credit risk and how it is managed.

The Company considers its maximum exposure per class, without taking into account any collateral and financial guarantees, to be as follows:

	2023 Rm	2022 Rm
Cash and cash equivalents	**179**	213
Trade and other receivables	**636**	345
Financial guarantee contracts	**47 886**	44 777
	48 701	45 335

Credit risk is mitigated to the extent that the majority of trade receivables consist of related party receivables of R635 million (2022: R344 million).

The Company holds its cash balances in financial institutions with ratings of AA+ to AA (2022: AA+). Given these ratings, management does not expect the counterparty to fail to meet its obligations.

Application of the ECL model had an immaterial impact on all financial instruments except for financial guarantee contracts (refer to note 13).

Notes to the Company financial statements (continued)

for the year ended 31 December 2023

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

14.2 Credit risk (continued)

Trade and other receivables

Ageing and impairment analysis

	2023 Gross Rm	2023 Impaired Rm	2023 Net Rm	2022 Gross Rm	2022 Impaired Rm	2022 Net Rm
Fully performing trade and other receivables	**13**	**–**	**13**	75	–	75
Trade receivables due from related parties	**13**	**–**	**13**	75	–	75
Past due trade and other receivables	**623**	**–**	**623**	270	–	270
Trade receivables due from related parties	**623**	**–**	**623**	270	–	270
0 to 3 months	**42**	**–**	**42**	61	–	61
3 to 6 months	**–**	**–**	**–**	–	–	–
6 to 9 months	**41**	**–**	**41**	105	–	105
9 to 12 months	**540**	**–**	**540**	104	–	104
	636	**–**	**636**	345	–	345

14.3 Liquidity risk

Refer to note 7.1.5 of the Group financial statements for an explanation on liquidity risk and how it is managed.

The following liquid resources are available:

	2023 Rm	2022 Rm
Cash and cash equivalents	**179**	213
Trade and other receivables	**636**	345
	815	558

The Company and other subsidiaries in the Group have undrawn variable rate facilities of R44 598 million (2022: R56 058 million).

The following are the undiscounted contractual maturities of financial liabilities:

	Carrying amount Rm	Total Rm	Payable within 1 month or on demand Rm
2023			
Trade and other payables	**1 004**	**1 004**	**1 004**
Financial guarantee contracts	**1 066**	**47 886**	**47 886**
	2 070	**48 890**	**48 890**
2022			
Trade and other payables	776	776	776
Financial guarantee contracts	774	44 777	44 777
	1 550	45 553	45 553

Further details of financial guarantee contracts are provided in note 13 of the Company financial statements.

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

14.4 Market risk

14.4.1 Interest rate risk

Refer to note 7.1.6.1 of the Group financial statements for an explanation on interest rate risk and how it is managed.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	Variable rate instruments Rm
2023	
Financial assets	
Cash and cash equivalents	**179**
Trade and other receivables	**636**
	815
Financial liabilities	
Trade and other payables	**751**
2022	
Financial assets	
Cash and cash equivalents	213
Trade and other receivables	344
	557
Financial liabilities	
Trade and other payables	522

Sensitivity analysis

The Company has used a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable at 31 December, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice market rates rarely change in isolation.

The Company is mainly exposed to fluctuations in the following market interest rates: JIBAR, prime and LIBOR rates. Changes in market interest rates affect the interest income or expense of floating rate financial instruments. Changes in market interest rates only affect profit or loss in relation to financial instruments with fixed interest rates if these financial instruments are subsequently measured at their fair value.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis is performed on the same basis as was used for 2022.

	2023 Increase/(decrease) in profit before tax			2022 Increase/(decrease) in profit before tax		
	Change in interest rate %	**Upward change in interest rate Rm**	**Downward change in interest rate Rm**	Change in interest rate %	Upward change in interest rate Rm	Downward change in interest rate Rm
JIBAR	**1**	**3.4**	**(3.4)**	1	1.7	(1.7)
Prime	**1**	**1.8**	**(1.8)**	1	2.1	(2.1)
LIBOR	**1**	**(4.5)**	**4.5**	1	(3.5)	3.5

Notes to the Company financial statements (continued)

for the year ended 31 December 2023

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

14.4 Market risk (continued)

14.4.2 Currency risk

Refer to note 7.1.6.3 of the Group financial statements for an explanation on currency risk and how it is managed.

Included in the Company statement of financial position are the following amounts denominated in currencies other than the functional currency of the Company.

	2023 Rm	2022 Rm
Current assets		
United States dollar	**22**	1
Current liabilities		
United States dollar	**888**	950

Sensitivity analysis

A change in the foreign exchange rates to which the Company is exposed at the reporting date would have (decreased)/increased profit before tax by the amounts shown below:

Denominated: functional currency	**Change in exchange rate %**	**Weakening in functional currency Rm**	**Strengthening in functional currency Rm**
2023			
US$: ZAR	**10**	**(87)**	**87**
2022			
US$: ZAR	10	(95)	95

The exchange rates relevant to the Company are disclosed in note 7.6 of the Group financial statements.

Financial definitions

for the year ended 31 December 2023

The following financial terms are used in the Annual Financial Statements with the meanings specified:

Amortised cost	The asset is held within a business model with the objective to collect the contractual cash flows; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.
Capital management EBITDA	CODM EBITDA before impairment of goodwill less repayments and interest paid on lease liabilities.
Carrying amount	The amount at which the asset is recognised after deducting any accumulated depreciation/amortisation and accumulated impairment losses there on.
CODM EBITDA	Earnings before interest which includes gains and 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. • Net monetary gain resulting from the application of hyperinflation. • Share of results of associates and joint venture after tax. • Hyperinflation. • Impairment loss on remeasurement of non-current assets held for sale. • Impairment loss on assets.
Defined contribution plan	A post-employment benefit plan (such as a pension plan) under which the Group pays a fixed percentage of employees' remuneration as contributions into a separate entity (a fund), and will have no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.
dtic	Department of Trade, Industry and Competition.
Equity investments at fair value through other comprehensive income (FVOCI)	The asset is not held for trading and the Group has irrevocably elected on initial recognition to recognise the asset as at FVOCI.
Financial assets at fair value through profit or loss (FVTPL)	Debt investments that do not qualify for measurement at amortised cost or FVOCI; equity investments that are held for trading; and equity investments designated as at FVTPL.
Gain or loss on disposal of an asset	The difference between the proceeds from the disposal and the carrying amount of the asset.
ICASA	Independent Communications Authority of South Africa.
Interconnect revenue	Revenue derived from other operators for local and international incoming voice minutes, short messaging (SMS) and multimedia services (MMS).
Net debt	Borrowings and bank overdrafts less cash and cash equivalents, restricted cash and current investments (excluding investment in insurance cell captives).
Net debt to capital management EBITDA ratio	Net debt divided by capital management EBITDA.
Net interest	Finance costs less finance income and add back lease liability finance costs.

Financial definitions (continued)

for the year ended 31 December 2023

Net interest to capital management EBITDA	Net interest divided by capital management EBITDA.
Postpaid product	Products and services provided on the MTN network which customers pay for subsequent to the usage.
Prepaid product	Products and services provided on the MTN network which customers pay for in advance of usage.
Roaming revenue	Revenue generated from subscribers making calls when using other networks, including MTN networks outside the country of operation.
SARS	South African Revenue Services.

Annexure 1 – Shareholder information

for the year ended 31 December 2023

Shareholder spread

	2023			
	Number of shareholders	%	Number of shares	%
1 – 1 000 shares	113 947	90.34	19 289 708	1.02
1 001 – 10 000 shares	9 887	7.85	26 733 030	1.42
10 001 – 100 000 shares	1 429	1.13	49 089 491	2.61
100 001 – 1 000 000 shares	687	0.54	225 787 673	11.98
1 000 001 shares and over	178	0.14	1 563 369 856	82.97
Total	**126 128**	**100.00**	**1 884 269 758**	**100.00**

Nominees holding shares in excess of 5% of the issued ordinary capital of the Company

	2023		2022	
	Number of shares	% of Issued share capital	Number of shares	% of Issued share capital
Standard Bank Nominees (RF) (Pty) Ltd	**861 250 829**	**45.71**	835 681 736	44.35
First National Nominees Proprietary Limited	**140 495 035**	**7.46**	186 896 361	9.92
JP Morgan Chase Bank	**239 615 029**	**12.72**	190 557 478	10.11
CMB Nominees (RF) Proprietary Limited	**150 268 249**	**7.97**	147 087 749	7.81
Citi Bank Nominees	**120 362 638**	**6.39**	140 186 920	7.44
State Street Bank and Trust	**106 954 174**	**5.68**	46 269 785	2.46

Beneficial shareholders holding 5% or more

	2023		2022	
	Number of shares	% of Issued share capital	Number of shares	% of Issued share capital
Government Employees Pension Fund	**384 824 084**	**20.42**	389 139 377	20.65
Lombard Odier Darier Hentsch & Cie (M1 Limited)	**116 004 910**	**6.16**	121 330 000	6.44

Spread of ordinary shareholders

	2023			2022	
	Number of shareholdings	Number of shares	% of Issued share capital	Number of shares	% of Issued share capital
Public	**126 105**	**1 304 486 666**	**69.23**	1 294 894 993	68.72
Non-public	**23**	**579 783 092**	**30.77**	589 374 765	31.28
Directors, prescribed officers and Company Secretary of MTN Group Limited[1]	**17**	**1 159 137**	**0.06**	750 474	0.04
MTN Zakhele Futhi (RF) Limited	**1**	**76 835 378**	**4.08**	76 835 378	4.08
Lombard Odier Darier Hentsch & Cie (M1 Limited)	**2**	**116 004 910**	**6.16**	121 330 000	6.44
Government Employees Pension Fund	**1**	**384 824 084**	**20.42**	389 139 377	20.65
Mobile Telephone Network Holdings Limited and 2016 ESOP Trust	**2**	**959 583**	**0.05**	1 319 536	0.07
Total	**126 128**	**1 884 269 758**	**100.00**	1 884 269 758	100.00

[1] Includes associates of directors, prescribed officers and Company Secretary.

Annexure 2 – Administration

for the year ended 31 December 2023

MTN GROUP LIMITED
Incorporated in the Republic of South Africa

Company registration number: 1994/009584/06
ISIN code: ZAE000042164
Share code: MTN

Board of Directors
MH Jonas^
KDK Mokhele^
RT Mupita[1]
TBL Molefe[1]
NP Gosa^
S Kheradpir[2]^
SN Mabaso-Koyana^
SP Miller[3]^
CWN Molope^
N Newton-King^
T Pennington[4]^
NL Sowazi^
SLA Sanusi[5]^
VM Rague[6]^

[1] *Executive*
[2] *American*
[3] *Belgian*
[4] *British*
[5] *Nigerian*
[6] *Kenyan*

^ Independent non-executive director

Group Secretary
PT Sishuba-Bonoyi
Private Bag X9955, Cresta, 2118

Registered office
216 – 14th Avenue
Fairland
Gauteng, 2195

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
101 Barclay Street, New York NY, 10286, USA

MTN Group sharecare line
Toll free: 0800 202 360 or +27 11 870 8206
if phoning from outside South Africa

Transfer secretaries
Computershare Investor Services Proprietary Limited
Registration number: 2004/003647/07
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
PO Box 61051, Marshalltown, 2107

Auditor
Ernst & Young Inc.
102 Rivonia Road, Sandton, Johannesburg,
South Africa, 2196

Lead sponsor
Tamela Holdings Proprietary Limited
Ground Floor, Golden Oak House, 35 Ballyclare Drive,
Bryanston, 2021

Joint sponsor
JP Morgan Equities (SA) Proprietary Limited
1 Fricker Road, cnr Hurlingham Road, Illovo, 2196

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Date of release: 25 March 2024

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