

**Mobile Telephone Networks Holdings Limited and its
subsidiaries**

(Registration number: 1993/001411/06)

Annual Financial Statements

for the year ended 31 December 2024

Mobile Telephone Networks Holdings Limited

Annual Financial Statements

for the year ended 31 December 2024

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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 was supervised by the Group Chief Financial Officer, TBL Molefe CA(SA).

These Annual Financial Statements were authorised on 29 April 2025 by the Board of Directors.

Mobile Telephone Networks Holdings Limited

Statement of directors' responsibility

for the year ended 31 December 2024

The directors are responsible for the integrity, preparation and fair presentation of the annual separate and consolidated financial statements of Mobile Telephone Networks Holdings Limited (the Company), its subsidiaries, joint ventures, associates and structured entities (together, the Group) in accordance with International Financial Reporting Standards (IFRS Accounting Standards 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) Debt and Specialist Securities Listings Requirements and the requirements of the South African Companies Act, No 71 of 2008 (the Companies Act) as amended 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 Accounting standards 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.

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Mobile Telephone Networks Holdings Limited

Statement of directors' responsibility (continued)

for the year ended 31 December 2024

The directors have reviewed the Group and the Company budgets and cash flow forecasts for the year to 31 December 2025. 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 21 to 27.

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 179 were approved for issue by the Board of Directors on 29 April 2025 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

Mobile Telephone Networks Holdings Limited

Certificate by the Company Secretary

for the year ended 31 December 2024

I certify that, to the best of my knowledge and belief, Mobile Telephone Networks Holdings Limited has filed all its returns and notices with the Registrar of Companies and Intellectual Property Commission for the year ended 31 December 2024, as required of a public company in terms of section 88(2)(e) of the Companies Act, No 71 of 2008 as amended and that such returns and notices are true, correct and up to date.



PT Sishuba-Bonoyi
Group Secretary

Fairland
29 April 2025

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee

for the year ended 31 December 2024

This report is provided by the MTN Group Audit Committee (the committee) which serves as the audit committee of MTN Group Limited as well as Mobile Telephone Networks Holdings Limited for the 2024 financial year, in accordance with section 94 of the Companies Act, King IV, the JSE Debt and Specialist Securities Listings Requirements and other relevant regulatory requirements. It outlines how the committee has fulfilled its statutory responsibilities under the Companies Act, as well as additional tasks assigned by the Board for the financial year ending 31 December 2024.

COMPOSITION AND GOVERNANCE

Members of the committee are all independent non-executive directors, all of whom satisfy the requirements of section 94(4) and 92(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 and delegates during the 2024 financial year are set out below.

Members	22 Feb 2024*	29 Feb 2024*	05 Mar 2024	18 Mar 2024*	25 Apr 2024*	21 May 2024	31 May 2024*	02 Aug 2024*	07 Aug 2024	05 Sep 2024*	16 Sep 2024*	25 Nov 2024
SN Mabaso-Koyana	√	√	√	√	√	√	√	√	√	#	√	√
VM Rague	√	√	√	√	√	√	√	√	√	X	√	√
CWN Molope	√	√	√	√	√	√	√	√	√	√	√	√
NP Gosa	√	√	√	√	√	√	√	√	√	√	X	√
T Pennington	√	√	√	√	√	√	√	√	√	√	√	√

* Special meeting held.

X An apology was tendered for non-attendance.

√ Attended the meeting.

5 September 2024, a special meeting was scheduled to discuss specifically MTN Zakhele Futhi Circular. SN Mabaso-Koyana had a conflict of interest as a non-executive director of the MTN Zakhele Futhi hence the recusal from the meeting.

Four formal committee meetings were held in accordance with the Group's financial reporting and regulatory cycle during the financial year under review. Additionally, eight *ad hoc* meetings were conducted to consider and approve various head office subsidiary annual financial statements, MTN Group trading statements and circulars, as well as various investment opportunities. 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 Operations, 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 maintains regular communication with the Group's senior management team to discuss pertinent matters throughout the year. Both internal and the external auditors have direct access to the committee, including the opportunity for closed sessions without management present, on any issue they deem relevant to committee's responsibilities. Additionally, the committee meeting agenda provides for separate meetings between the internal auditor, external auditor, senior management and committee members.

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

COMPOSITION AND GOVERNANCE (continued)

The committee chairman reports to the Group Board on committee activities and the matters discussed at each meeting, noting any issues that require action by the Board, and providing recommendations to address those issues.

The Group's Company Secretariat conducts an annual assessment of the committee's effectiveness. Every two years, this process includes an externally facilitated evaluation. Both assessment procedures are approved by the committee.

TERMS OF REFERENCE

The committee assists the Board carry out its duties by independently overseeing the effectiveness of operational, financial and control processes. This oversight includes internal financial controls and ensuring that assurance services and functions maintain an effective control environment, supporting the integrity of information in accordance with the applicable legal and regulatory requirements.

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.	<p>The internal control improvement programme is an intensified drive to improve, enhance and standardise the internal control posture in the organisation. Progress on activities to coordinate and oversee the standardisation of key controls across key processes includes:</p> <ul style="list-style-type: none">• Continuing to enhance the understanding and baselining the current maturity levels of the Finance Operating Model with an intention to identify opportunities for control improvement.• Development and implementation of an Internal Control Framework (ICF) in consultation with the organisation-wide assurance partner.• Development of a Control Self-Assessment (CSA) tool and attestation process to aid management with control oversight.• Standardisation a minimum set of key internal controls.
Strengthening the effectiveness of internal controls and internal financial controls.	<p>The Group reviewed, updated and drafted new policies to strengthen the control environment.</p> <p>The Group completed a finance skills assessment and developed a programme to enhance finance capabilities across taxation, treasury and finance operations functions.</p> <p>Further, an enhanced attestation process was implemented to ensure that Chief Financial Officers and Chief Executive Officers across the Group continually considered the internal control environment.</p>
Oversight of the salient matters reported by the Audit Committees of the Group's operating companies.	<p>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.</p>

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

FEEDBACK ON KEY FOCUS AREAS FOR THE YEAR UNDER REVIEW (continued)

Key focus areas	Developments in key focus areas
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.	The committee continues to review the execution of the enterprise cloud solution against the Group's Strategic roadmap. Cloud solution deployments continued for the Group's operating companies, including its platform business, Bayobab, and the Group's operation in Côte d'Ivoire. Progress reviews noted sustainable cadence reflecting the maturity of the platform.
Ensure fair and balanced financial reporting.	<p>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.</p> <p>The committee has recommended that the Board approves the Annual Financial Statements.</p> <p>As part of the ongoing enhancement of financial reporting within the Group, the Group designed and is implementing a verticalisation of technical accounting skills across the Group. This involved expanding the technical accounting team, including in-country technical accounting resources for key operations and the platform businesses.</p>
Consider the potential benefits from the Introduction Robotic Process Automation (RPA) for key finances processes and controls.	The Group made progress in implementing RPA bots for automating manual tasks relating to intercompany mismatching and the tax return processes for professional fees and travel expenses.

EXECUTION 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 7.3(e) of the JSE Debt and Specialist Securities 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 2024. 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.

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

EXTERNAL AUDITOR (continued)

The fees paid for non-audit services are disclosed in note 2.3 of these Annual Financial Statements and represents 8% of audit fees, which is within the Group's policy of 25% of audit fees. These comprised:

	2024 %	2023 %
Assurance related	86	57
Consulting	-	3
Tax	8	40
Other services	6	-
	100	100

Non-audit 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 2024 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 2024. 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 four 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 and the requirements of JSE Debt and Specialist Securities Listings Requirement 3.84(g)(iii), 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 30th 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 2024, 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 Accounting Standards, the SAICA Financial Reporting Guides as issued by the APC, Financial Reporting Pronouncements as issued by the FRSC, and the JSE Debt and Specialist Securities 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.

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND OTHER FINANCIAL MATTERS (continued)

- 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 and Specialist Securities 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 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 Mobile Telephone Networks Holdings Limited and its subsidiaries, associates and joint ventures to allow the Group to effectively prepare and report on the financial statements.

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

Significant matters considered	Actions and conclusions
<p><i>Significant transactions for 2024 included:</i></p> <ul style="list-style-type: none"> • MTN Nigeria Communications Plc (MTN Nigeria) renegotiated the binding commercial terms of the existing infrastructure sharing and master lease agreements which resulted in additional lease liabilities and right-of-use assets of R10 150 million recognised (note 6.5.6). • The Group disposed 686 million shares in Scancom PLC (MTN Ghana) to pension funds as part of localisation for net proceeds of R1 462 million, decreasing the Group's effective shareholding by 7.05% to 73.99% (note 9.4.2.3). • The Group disposed 1 575 million shares in MTN Uganda as part of localisation for net proceeds of R 1 036 million, decreasing the Group's effective shareholding by 7.03% to 76.02% (note 9.4.2.4). • The Group completed the disposal of MTN Afghanistan Limited (MTN Afghanistan), Guinea-Bissau S.A (MTN Guinea-Bissau) and Areeba Guinea SA (MTN Guinea-Conakry) (note 9.4.2). 	<p>The committee considered the accounting treatments and the disclosures of the transactions proposed by management.</p> <p>The committee was satisfied that these transactions were appropriately accounted for and disclosed by management.</p>

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND OTHER FINANCIAL MATTERS (continued)

Significant matters considered	Actions and conclusions
<p><i>Recognition of a deferred tax asset in MTN International (Mauritius) Limited (MTN Mauritius)</i></p> <p>MTN Mauritius has accumulated a deferred tax asset of R3 332 million resulting mainly from an assessed loss. The assessed losses have no expiry. The Group evaluated the reasons for the historical losses and the likelihood that the identifiable causes will recur. It also considered whether it is probable that the entity will have taxable profits before the unused tax losses expire. The Group also performed a stress test on the recovery period based on possible outcomes. The Group concluded that sufficient taxable profit will be available against which the unused tax losses can be utilised (note 1.5.4).</p>	<p>The committee also considered management's assumptions on future taxable profits and the outcome of the stress test completed. The recovery period of the deferred tax asset was also assessed against the Group's investment period.</p> <p>The committee considered the assessment by the Group's auditors. The committee was satisfied with management's assessment that it is probable that taxable profits will be available and the resulting accounting treatment of the deferred tax asset.</p> <p>The committee reviewed management's assessment of the historic reasons for the assessed loss and the likelihood that it will recur.</p>
<p><i>Judgement relating to uncertain tax exposure, legal and regulatory matters</i></p> <p>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).</p>	<p>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.</p> <p>The committee was satisfied that the recognition, measurement and disclosure of uncertain tax, legal and regulatory matters by management was appropriate.</p>

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

FINANCIAL STATEMENTS, ACCOUNTING PRACTICES AND OTHER FINANCIAL MATTERS (continued)

Significant matters considered	Actions and conclusions
<p><i>Judgement applied regarding the impairment of cash-generating units</i></p> <p>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).</p> <p>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. An impairment loss of R146 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).</p> <p>The Group's life insurance business, aYo is currently undergoing significant restructure. Given the changes and impact on projected cash flows, an impairment of goodwill of R437 million was recognised (note 5.2.1).</p> <p>The ongoing conflict in Sudan has resulted in loss of revenue and earnings and has led to a prolonged hyperinflationary environment. As a result, MTN Group has recognised an impairment of R11 722 million relating to MTN Sudan's non-current assets (note 5.3).</p>	<p>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.</p>

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

INTERNAL AUDIT FUNCTION OVERSIGHT

The committee has oversight over the Group internal audit function (IA). 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 IA's 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 IA mandate in the year under review.
- The Audit Committee obtained appropriate evidence to satisfy themselves that the Group IA 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 Group IA 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 IA 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 19.
- 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 programme. 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 IA 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.

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

GROUP CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION

- Reviewed the performance of the Group Chief Financial Officer, 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 2024.
- Reviewed the performance of the Debt Officer, T Shomang, and was satisfied that he has the appropriate expertise and experience to fulfill this role and that he had performed satisfactorily for the year ended 31 December 2024.
- The committee reviewed and confirmed the adequacy of the expertise and experience within the Group finance function, as well as the sufficiency of resources allocated to meet all financial, control, and reporting needs of the Group. Additionally, the committee assessed management's efforts to enhance financial skills across all its operations.

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 Company is contained on page 18 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

In April 2025, the committee will review the integrated report for the 2024 financial year and verify its consistency with operational, financial, and other information available to the committee. Additionally, the committee will ensure that the report is prepared in line with relevant reporting

standards and adheres to the requirements of King IV and the JSE Debt and Specialist Securities Listings Requirements.

The committee, in collaboration with the Social, Ethics and Sustainability committee, will verify the integrity of sustainability disclosures in the Sustainability Report. They will ensure these disclosures are reliable and consistent with financial information. Based on their findings, they will recommend the 2024 Integrated Report to the Board for approval.

INFORMATION TECHNOLOGY GENERAL CONTROLS

In alignment with King IV, the Board is responsible for overseeing IT governance and general IT controls. MTN adheres to established IT governance policies to ensure the effectiveness of IT general controls and integrates IT risks into the organisation's comprehensive risk management practices. The Group Risk Management and Compliance Committee, under the guidance of the Board's directives, meticulously oversees IT general controls, prioritising information security due to the escalating cyber threat landscape.

Additionally, the Audit Committee evaluates the effectiveness of IT governance and control mechanisms through assurance reports provided by both internal and external auditors. The application of a combined assurance framework enables continuous feedback across various control and governance lines, ensuring a comprehensive and integrated approach to IT risk and control within MTN.

Mobile Telephone Networks Holdings Limited

Report of the Audit Committee (continued)

for the year ended 31 December 2024

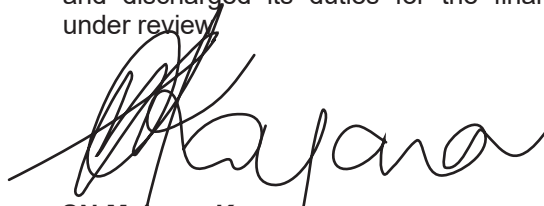
KEY FOCUS AREAS FOR 2025

The committee has set the following key areas of focus for 2025 in addition to its annual governance responsibilities:

- Accelerate digital adoption in finance including the adoption of cloud ERP solutions and adoption of AI functionality as it is released; to build a future-ready and technology driven finance function.
- Continue to ensure the effectiveness of the separate governance structures for the Fintech Group and GlobalConnect Solutions Limited (Bayobab) related to risk and control and compliance capabilities.
- Enhance specialised finance skills across the Group's operations and strengthen centres of excellence of key finance functions.
- Monitor the progress on the implementation and standardisation of key controls to further enhance the overall control environment.
- Oversight of compliance with Pillar Two legislation, including management's calculation of minimum tax within the Group and relevant filing of the Global Anti-Base Erosion (GloBE) return.
- The management team continues to prioritize the development and execution of an efficient intercompany management fee invoicing strategy. As part of a phased implementation approach, specific opcos are selected annually for rollout. Robust governance and oversight are maintained throughout the implementation process to ensure transparency, stakeholder engagement, and alignment. For the 2025 financial year, four potential opcos have been identified for inclusion.
- Continue to enhance specialized 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

29 April 2025

Mobile Telephone Networks Holdings Limited

Directors' report

for the year ended 31 December 2024

The Board of Directors is pleased to present its report for the year ended 31 December 2024. The report has been prepared based on the requirements of the Companies Act, No 71 of 2008, as amended (the Companies Act), King IV, the JSE Listings Requirements and other applicable regulatory requirements.

NATURE OF BUSINESS

The Company is a wholly owned subsidiary of MTN Group Limited, incorporated in the Republic of South Africa on 17 March 1993 (Registration number: 1993/001411/06) and carries on the business of an investment holding company. Through its investment holdings, the Group is a leading Pan-African mobile operator that provides a diverse range of voice, data, digital, fintech, wholesale and enterprise services. The Company's registered address is 216 14th Avenue, Fairland, Roodepoort, Gauteng, 2195.

COMPLIANCE WITH FINANCIAL REPORTING STANDARDS

The Group and the Company Annual Financial Statements were prepared in accordance with IFRS Accounting Standards 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 loss after tax for the year ended 31 December 2024 of R9 712 million (2023: R4 315 million profit). 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 2024.

Currency devaluation

During the 2024 financial year, the naira devalued from NGN907 to NGN1 535 against the US\$ and foreign exchange losses of NGN925 billion (R14 111 million) (2023: NGN740 billion (R20 975 million)) were recognised in MTN Nigeria. These losses include NGN447 billion (R6 816 million) (2023: NGN367 billion (R10 612 million)) unrealised forex losses on leases.

Sudan conflict

The ongoing conflict in Sudan has caused a loss in revenue and earnings, contributing to a prolonged period of hyperinflation. As a result, the Group has recognised an impairment of R11 722 million relating to MTN Sudan's non-current assets.

CAPITAL EXPENDITURE

Capital expenditure for the year ended 31 December 2024 amounted to R53 200 million (2023: R63 295 million) which comprised the following:

	2024 Rm	2023 Rm
Property, plant and equipment	25 070	32 772
Land and buildings	102	358
Leasehold improvements	55	71
Network infrastructure	19 052	22 246
Information systems, furniture and office equipment	842	1 413
Capital work -in-progress/other ¹	4 835	8 357
Spare parts	12	203
Vehicles	172	124
Intangible assets	5 095	8 086
Software	4 209	6 697
Capital work -in-progress	886	1 389
Leased assets	23 035	22 437
Right-of-use assets	23 035	22 437
	53 200	63 295

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

Mobile Telephone Networks Holdings Limited

Directors' report (continued)

for the year ended 31 December 2024

CAPITAL EXPENDITURE (continued)

Licences and spectrum acquired during the year:

	2024 Rm	2023 Rm
MTN Zambia Limited (MTN Zambia)	-	259
Global Connect Uganda Limited (Global Connect Uganda)	4	-
Mobile Telephone Networks (Pty) Ltd (MTN SA)	-	1 967
MTN Nigeria Communications PLC (MTN Nigeria)	309	4 454
Congo-Brazzaville S.A (MTN Congo B)	319	12
Scancom PLC (MTN Ghana)	816	804
MTN South Sudan Limited (MTN South Sudan)	3	-
MTN Sudan Company Limited (MTN Sudan)	-	228
	1 451	7 724

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 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. On 28 March 2024, the court granted the Plaintiffs' motion to amend their complaint and also vacated the Magistrate Judge's report recommending the dismissal of the first amended complaint and stayed the Cabrera case pending the U.S. Supreme Court's decision in another case which Plaintiffs contend is a relevant legal precedent.

Irancell Anti-Terrorism second complaint (Zobay v MTN)

There are no material developments regarding this matter, which has previously been reported on.

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

There are no material developments regarding this matter, which has previously been reported on.

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 claim is predicated on similar core factual allegations as the previous ATA cases that have already been filed against MTN. MTN has filed a Motion to Dismiss.

Mobile Telephone Networks Holdings Limited

Directors' report (continued)

for the year ended 31 December 2024

Turkcell claim

On 29 April 2025 the Supreme Court of Appeal (SCA) handed down its judgement. The SCA set aside the High Court judgement in relation to exclusive jurisdiction, State Immunity and the Act of State Doctrine and decided that the South African courts do have jurisdiction to adjudicate the claim. The SCA, however, upheld the High Court ruling that Iranian law is applicable to key aspects of the dispute. The decision to uphold the appeal does not relate to the merits of Turkcell's claims as the issues before the Supreme Court of Appeal pertain to preliminary points of law that address jurisdiction and choice of laws. MTN intends to approach the Constitutional Court to appeal.

BORROWING POWERS

In terms of the memorandum of incorporation (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 next 12 month period. 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 to 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

Notice is hereby given that a gross final dividend of 1 293 cents per share for the period to 31 December 2024 has been declared payable to the shareholder. The number of ordinary shares in issue at the date of this declaration is 525 757 682.

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 1 500 million shares of 0.01 cents each.

Issued share capital

The issued share capital of the Company is R525 757 682 (2023: R525 757 682) comprising R525 757 682 (2023: 525 757 682) 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.

Mobile Telephone Networks Holdings Limited

Directors' report (continued)

for the year ended 31 December 2024

ACQUISITION OF THE COMPANY'S OWN SHARES

At the last AGM held on 24 May 2024, shareholders gave the Company or any of its subsidiaries a general approval in terms of section 48 of the Companies Act, 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.

RETIREMENT BY ROTATION OF DIRECTORS

In accordance with the Company's MOI, MH Jonas, KDK Mokhele, SLA Sanusi and VM Rague will retire by rotation at the forthcoming AGM. The retiring directors, being eligible, offer themselves for re-election.

N Sowazi and S Miller, both appointed on 1 August 2016, will reach their nine-year tenure on the Board on 1 August 2025.

S Kheradpir retired from the Group Board, effective 31 March 2025, following nine years of dedicated service. The Board extends its sincere appreciation for his invaluable contributions, particularly in his role as Chairman of the Group Risk and Compliance Committee since 2020 and wishes him all the best in his future endeavours.

RETIREMENT BY ROTATION OF DIRECTORS (continued)

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

There were no new appointments and no resignations during the year under review.

COMPANY INDEMNITY DISCLOSURE

In accordance with paragraph 135.2 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 indemnity:

The directors and prescribed officers of Mobile Telephone Networks Holdings 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.

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 Afghanistan

On 20 June 2022, the Group received a binding offer for the sale of MTN Afghanistan. MTN Dubai and MINT Trading Middle East Limited (a 100% subsidiary of M1 Group Limited) signed a sale and purchase agreement on 10 March 2023. The sale of MTN Afghanistan concluded on 21 February 2024.

MTN Guinea-Bissau and MTN Conakry

The Group received an unsolicited offer of USD1 for each of MTN Guinea-Bissau and MTN Guinea-Conakry from Telecel. The sale and purchase agreement was signed 15 December 2023. The regulator approved the sale of MTN Bissau, and the sale closed on 1 August 2024. The Guinean government rejected the sale of MTN Conakry and subsequently offered to purchase MTN Guinea-Conakry for GNF1. The sale of MTN Guinea was completed on 30 December 2024.

Mobile Telephone Networks Holdings Limited

Directors' report (continued)

for the year ended 31 December 2024

MTN Ghana transactions

The Group disposed of 686 million shares in MTN Ghana as part of the Group's localisation strategy. This decreased the shareholding from 81.04% to 73.99%.

MTN Uganda localisation

The Group disposed of 1 575 million shares in MTN Publicom Limited (MTN Uganda) as part of the Group's localisation strategy. This took the Group's shareholding from 83.05% to 76.02%.

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 cyber threat 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 auditors. 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.

ANNUAL GENERAL MEETING

The AGM will be held on Thursday, 29 May 2025. Refer to the notice of the 30th AGM, when issued for further details of the ordinary and special business for consideration at the meeting.

AUDITORS

EY were the auditors in accordance with section 90 of the Companies Act for the 2024 year. The Audit Committee reviewed the independence of the auditors during the period under review and satisfied itself that the auditors were independent of the Group. The Audit Committee will recommend the re-appointment of EY as Group auditors at the AGM.



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Independent Auditor's Report

To the Shareholders of Mobile Telephone Networks Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Mobile Telephone Networks Holdings Limited and its subsidiaries ("the Group") and Company set out on pages 28 to 179, which comprise of the Group statement of financial position and the Company statement of financial position as at 31 December 2024, and the Group income statement, the Group statement of comprehensive income, the Company statement of comprehensive income, the Group statement of changes in equity, the Company statement of changes in equity, the Group statement of cash flows and the Company statement of cashflows for the year then ended, and notes to the Group financial statements and the Company financial statements, including material accounting policy information.

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 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule) we report:

Final Materiality

The ISAs recognise that:

- ▶ misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;

- ▶ judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- ▶ judgments about matters that are material to users of the financial statements consider users as a Group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Group Final Materiality:

We determined final materiality for the Group to be R1.8 billion, which is based on 2.5% of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). We have identified adjusted EBITDA as the most appropriate basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings. Profit before tax (PBT) and earnings before interest and tax (EBIT) were considered as bases, however these bases are not relevant as the Group's communications to the market continues to be focused on EBITDA and not PBT or EBIT. Our review of information provided to users by the entity and analysts confirms our view. In using the earnings-based measure we did believe it was necessary to adjust or normalise the base. In normalising the base, we adjusted for non-recurring amounts relating to the disposal of subsidiaries namely: MTN Afghanistan (R 872 000 000), MTN Guinea Bissau (R 247 000 000) and MTN Guinea Conakry (R 1 918 000 000), and the impairment of assets within MTN Sudan (R 11 722 000 000). The amounts adjusted for are disclosed in notes 2.1.

Company Final Materiality:

We determined materiality for the standalone Company to be R488 million, which is 1% of Total Assets. We have identified Total Assets as the most appropriate basis due to the nature of the standalone Company which is the basis against which the performance of the Company is most commonly measured by users, and is a generally accepted basis in companies evaluated by users for capital growth as well as the performance of investments.

Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the Group. In addition, we further consider the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the Group. Our process focuses on identifying and assessing the risk of material misstatements of the Group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the Group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component. We involved component auditors in this risk assessment process.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the Group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the 19 components selected, we identified:

- ▶ 12 components (“full scope components”) which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.
- ▶ 7 components (“specific scope components”) where our procedures were more focussed or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

At group level we also tested the consolidation process and procedures were performed centrally for, amongst others, material valuations within the group, hyperinflation and the assessment of recoverability for material deferred tax asset balances.

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.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

The key audit matters apply only to the audit of the consolidated financial statements.

Key audit mater description	How the matter was addressed in the audit
<p>Matter one Lease modification in MTN Nigeria</p> <p>During the year, MTN Nigeria renegotiated the binding commercial terms of the existing infrastructure sharing and master lease agreements with IHS (Nigeria) Limited, INT Towers Limited and IHS Towers NG Limited (together, IHS).</p> <p>The revised Terms of Agreement was executed on 7 August 2024, with the terms of the amendment taking effect from 1 April 2024. The revised terms modified the pricing considerations, including the US dollar and naira indexed components of the lease arrangement, the tenure of the lease and certain modifications relating to the non-lease components.</p> <p>As a result of the renewals and lease extensions, additional lease liabilities and right-of-use assets amounting to NGN901.33 billion (ZAR 10.15 billion) were recognised, resulting in a total value of the lease liability to N2.28 trillion (ZAR 28 billion) and the ROU asset to N1.40 trillion (ZAR 17 billion) at 31 December 2024.</p> <p>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.</p> <p>Refer to note:</p> <ul style="list-style-type: none"> ▶ 1.5.8 – Leases ▶ 6.5.5 – MTN Nigeria lease modification 	<p>Our audit procedures, amongst others, included:</p> <p>With the involvement of our component auditors (EY Nigeria) the following procedures were performed:</p> <ul style="list-style-type: none"> ▶ Reviewed the new terms of agreement and gained an understanding of the lease modifications and their implications. This included reviewing management’s accounting and legal opinions to ensure that the appropriate accounting treatment and presentation were applied in accordance with IFRS 16 <i>Leases</i> (IFRS 16). ▶ Recomputed and tested arithmetical accuracy of the cash flows, applicable discounts stated in the contract, splits between naira and US dollar lease and non-lease components and compared our outputs to management’s outputs. ▶ Together with our IT specialist team, tested the lease application software tool by verifying that the software is producing accurate outputs and carried out additional testing of management’s IT general control environment. Together with our valuations specialist team, we reviewed the incremental borrowing rate supported by management’s sources. ▶ We assessed the appropriateness of the Group’s disclosures related to the lease modifications, including their impact on the right-of-use assets and lease liabilities, ensuring compliance with IFRS 16 requirements.
<p>Key Observations – Matter one</p> <p>Based on the procedures performed over the lease modification in MTN Nigeria, we did not identify any significant matters requiring further consideration in concluding on our procedures.</p>	

<p>Matter Two Impairment of MTN Sudan</p> <p>The conflict that erupted in Khartoum, Sudan, on 15 April 2023, between the Sudanese Armed Forces and the Rapid Support Forces has had an impact on the operational capabilities of MTN Sudan.</p> <p>As the conflict escalated, MTN Sudan faced several operational challenges resulting in loss of earnings for MTN Sudan, exacerbated by a hyperinflationary economic environment.</p> <p>Due to the ongoing conflict in Sudan and the potential impact on macro-economic conditions. IAS 36 <i>Impairment of Assets</i> (IAS36) requires that an entity should assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exist, the entity shall estimate the recoverable amount of goodwill and consider whether any impairment loss should be recognised.</p> <p>In response to these adverse conditions, MTN Group recognized an impairment of ZAR 11.7 billion related to MTN Sudan's non-current assets.</p> <p>The following key assumptions were used:</p> <ul style="list-style-type: none"> ▶ Growth rate: A terminal growth rate of 8.4% ▶ Discount rate: Two discount rates of 74.29% and 35.58%, reflecting periods in conflict and out of conflict respectively. ▶ Hyperinflation: Inflation rate of 242% and an average adjustment factor of 2.31 for 2024. <p>The impairment of non-current assets in MTN Sudan is a critical area of focus for our audit, given the significant judgment involved in assessing the recoverable amount of these assets due to the ongoing conflict and the impact on the company's operations and financial performance.</p> <p>Refer to note:</p> <ul style="list-style-type: none"> ▶ 5.1.1 – Impairment losses ▶ 5.3 – Impairment of non-financial asset ▶ 1.5.5 – Hyperinflation 	<p>Our audit procedures, amongst others, included:</p> <ul style="list-style-type: none"> ▶ Assessed the appropriateness of management's valuation models, including comparing to leading market practice and the requirements of IAS 36. ▶ Considered the reasonability of management's estimates and assumptions such as revenue growth rates and EBITDA margins within the valuation model, we also compared the budget numbers within the model to Board approved budgets for consistency, as well as historically achieved growth rates and margins that has been achieved. ▶ With the involvement of our valuations specialists, we performed a sensitivity analysis to determine the minimum changes in key assumptions such as discount rates, long-term growth rates and assumptions in forecast cash flows. ▶ Compared the results of our sensitivity analysis to management's impairment results to determine if the CGU is considered sensitive to a change in assumptions (if any) for disclosure purposes. ▶ Recomputed the hyperinflationary impact of impairments considered during the interim review, as well as non-current assets at 31 December 2024. ▶ We assessed the appropriateness of the Group's disclosures related to the IAS 36.
<p>Key Observations – Matter Two</p> <p>Based on the procedures performed over the impairment of MTN Sudan, we did not identify any significant matters requiring further consideration in concluding on our procedures.</p>	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 179-page document titled “ Mobile Telephone Networks Holdings Limited and its subsidiaries Annual Financial Statements for the year ended 31 December 2024”, 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 report, and the Annual Reports, 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.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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.

Auditor’s 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.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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

Audit Tenure

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 4 years.

Ernst & Young Inc.

Ernst & Young Inc.
Director: EAL Botha
Registered Auditor
Johannesburg, South Africa
29 April 2025

Mobile Telephone Networks Holdings Limited

Group income statement

for the year ended 31 December 2024

	Note	2024 Rm	2023 Rm
Revenue	2.1; 2.2	188 118	221 123
Other income		566	262
Fair value adjustment on MTN Group shares		(16)	(9)
Direct network and technology operating costs	2.1	(35 943)	(38 513)
Costs of handsets and other accessories		(11 209)	(12 583)
Interconnect and roaming costs		(9 512)	(12 196)
Staff costs	2.3	(12 029)	(13 378)
Selling, distribution and marketing expenses	2.1	(24 056)	(26 994)
Government and regulatory costs		(7 444)	(8 789)
Impairment and write-down of trade receivables and contract assets	2.3	(2 528)	(1 330)
Loss on disposal of subsidiaries	9.4.2	(611)	-
Other operating expenses	2.3	(13 388)	(17 935)
Depreciation of property, plant and equipment	5.1	(20 346)	(24 665)
Depreciation of right-of-use assets	6.5.3	(9 297)	(9 440)
Amortisation of intangible assets	5.2	(5 949)	(7 926)
Impairment loss of goodwill	5.2	(437)	-
Impairment loss on remeasurement of non-current assets held for sale	9.4.2.1	(146)	(900)
Impairment loss on MTN Sudan's non-current assets	5.3	(11 722)	-
Finance income	2.4	2 283	3 125
Finance costs	2.4	(18 274)	(18 909)
Net foreign exchange losses	2.4	(18 839)	(23 175)
Net monetary gain		2 853	744
Share of results of associates and joint ventures after tax	9.2	4 735	3 581
(Loss)/profit before tax		(3 191)	12 093
Income tax expense	3.1	(6 521)	(7 778)
(Loss)/profit after tax		(9 712)	4 315
Attributable to:			
Equity holders of the Company		(8 097)	4 390
Non-controlling interests		(1 615)	(75)
		(9 712)	4 315

Mobile Telephone Networks Holdings Limited

Group statement of comprehensive income

for the year ended 31 December 2024

	Note	2024 Rm	2023 Rm
(Loss)/profit after tax		(9 712)	4 315
Other comprehensive income after tax:			
Items that may be and/or have been reclassified to profit or loss:		5 447	12 979
Net investment hedges	7.5	(233)	(554)
Foreign exchange movement on hedging instruments		(319)	(759)
Normal tax		86	205
Exchange differences on translating foreign operations including the effect of hyperinflation²		5 680	13 533
Gains arising during the year	1.5.5; 7.6	5 553	13 533
Reclassification of foreign currency translation on disposal	9.4.2.1; 9.4.2.2	127	-
Items that will not be reclassified to profit or loss:		(2 650)	(2 726)
Losses arising during the year on equity investments at fair value through other comprehensive income ^{1,2}	7.1.3	(2 650)	(2 689)
Remeasurement loss on defined benefit obligation ¹		*	(37)
Other comprehensive income for the year		2 797	10 253
Attributable to:			
Equity holders of the Company		1 319	7 262
Non-controlling interests		1 478	2 991
Total comprehensive income for the year		(6 915)	14 568
Attributable to:			
Equity holders of the Company		(6 778)	11 652
Non-controlling interests		(137)	2 916

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

² Equity investments at fair value through other comprehensive income mainly relates to the Group's investment in IHS Group (note 7.2).

* Amounts less than R1 million.

Mobile Telephone Networks Holdings Limited

Group statement financial position

for the year ended 31 December 2024

	Note	2024 Rm	2023 Rm
ASSETS			
Non-current assets		285 845	287 404
Property, plant and equipment	5.1	109 522	116 653
Intangible assets and goodwill	5.2	68 547	72 362
Right-of-use assets	6.5	59 264	48 207
Investments	7.2	5 187	7 388
Investment in associates and joint ventures	9.2	23 691	24 445
Mobile Money deposits	4.6	790	755
Loans and other non-current receivables	7.3	5 050	4 572
Capitalised contract costs	2.2	1 230	1 124
Contract assets	2.2	2 613	2 391
Deferred tax assets	3.2	9 951	9 507
Current assets		148 183	143 369
Inventories	4.1	1 213	1 472
Trade and other receivables	4.2	40 602	35 052
Contract assets	2.2	3 587	3 305
Taxation assets	3.3	1 814	2 277
Current investments	7.4	9 026	3 659
Restricted cash	4.3	2 029	11 002
Mobile Money deposits	4.6	60 054	49 418
Cash and cash equivalents	4.4	29 858	37 184
Non-current assets held for sale	6.5.5; 9.4.2	447	6 890
Total assets		434 475	437 663
EQUITY			
Ordinary share capital and share premium	8.1	223	223
Shareholder's loan	8.1	5 818	5 818
Retained earnings		107 686	122 384
Other reserves	8.2	9 967	9 605
Attributable to equity holders of the Company		123 694	138 030
Non-controlling interests	9.5	15 023	11 001
Total equity		138 717	149 031
LIABILITIES			
Non-current liabilities		142 537	119 880
Borrowings	6.1	66 151	55 219
Lease liabilities	6.5	65 806	54 378
Deferred tax liabilities	3.2	6 409	5 237
Provisions	6.3	737	865
Other non-current liabilities	6.2	3 434	4 181
Current liabilities		152 819	160 760
Trade and other payables	4.5	60 470	57 902
Mobile Money payables	4.6	60 844	50 173
Contract liabilities	2.2	4 054	4 836
Provisions	6.3	2 471	3 577
Taxation liabilities	3.3	1 754	5 819
Borrowings	6.1	12 591	28 081
Lease liabilities	6.5	9 336	9 030
Derivative liabilities	7.1.3	59	352
Bank overdrafts	4.4	1 240	990
Liabilities directly associated with non-current assets held for sale	6.5.5; 9.4.2.4	402	7 992
Total liabilities		295 758	288 632
Total equity and liabilities		434 475	437 663

Mobile Telephone Networks Holdings Limited

Group statement of changes in equity

for the year ended 31 December 2024

		Attributable to equity holders of the Company						Non-	Total
	Note	Share capital	Share premium	Shareholders' loan	Retained earnings	Other reserves	Total	controlling interests	equity
		Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Restated balance at 1 January 2023		5	218	5 818	118 157	(11 239)	112 959	5 173	118 132
Opening reserve adjustment for hyperinflation	1.5.5	-	-	-	6 352	15 705	22 057	4 419	26 476
Total comprehensive income		-	-	-	4 390	7 262	11 652	2 916	14 568
Profit after tax		-	-	-	4 390	-	4 390	(75)	4 315
Other comprehensive income after tax		-	-	-	-	7 262	7 262	2 991	10 253
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
Contributions by non-controlling interest		-	-	-	-	-	-	136	136
Shared-based payment transactions	8.4	-	-	-	-	8	8	-	8
Transfers to contingency reserves	8.2	-	-	-	(186)	186	-	-	-
Dividends paid	8.3	-	-	-	(6 500)	-	(6 500)	(3 897)	(10 397)
Other movements		-	-	-	171	(9)	162	67	229
Balance at 31 December 2023		5	218	5 818	122 384	9 605	138 030	11 001	149 031
Total comprehensive income		-	-	-	(8 097)	1 319	(6 778)	(137)	(6 915)
Profit after tax		-	-	-	(8 097)	-	(8 097)	(1 615)	(9 712)
Other comprehensive income after tax		-	-	-	-	1 319	1 319	1 478	2 797
Transactions with owners of the Company:									
MTN Uganda localisation	9.4.2.4	-	-	-	-	564	564	446	1 010
MTN Ghana share localisation	9.4.2.3	-	-	-	-	(1 451)	(1 451)	2 884	1 433
Derecognition of non-controlling interest	9.4.2.2	-	-	-	-	-	-	2 240	2 240
Transactions with non-controlling interests	8.2	-	-	-	-	(122)	(122)	(77)	(199)
Contributions by non-controlling interest		-	-	-	-	-	-	387	387
Shared-based payment transactions	8.4	-	-	-	-	(33)	(33)	-	(33)
Transfers to contingency reserves	8.2	-	-	-	(101)	101	-	-	-
Dividends paid	8.3	-	-	-	(6 500)	-	(6 500)	(1 728)	(8 228)
Other movements		-	-	-	0	(16)	(16)	7	(9)
Balance at 31 December 2024		5	218	5 818	107 686	9 967	123 694	15 023	138 717
Note		8.1	8.1	8.1		8.2			

Mobile Telephone Networks Holdings Limited

Group statement of cash flows

for the year ended 31 December 2024

	Note	2024 Rm	2023 Rm
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES			
Cash generated from operations	2.5	68 881	91 956
Interest received		1 933	2 871
Interest paid		(15 426)	(16 242)
Income tax paid	3.3	(10 075)	(15 833)
Dividends received from joint ventures		86	228
Net cash generated from operating activities		45 399	62 980
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(24 184)	(32 045)
Acquisition of intangible assets		(6 287)	(13 525)
Proceeds from sale of property, plant and equipment and intangible assets		70	100
(Increase)/decrease loans receivable		(373)	72
(Increase)/decrease in prepayments		(346)	2
Acquisition of right-of-use asset ¹	6.5.4	(713)	(901)
Cash deconsolidated on disposal of subsidiaries net of cash disposed of	9.4.2	(836)	-
Realisation of non-current investment bonds, treasury bills and foreign currency		-	120
Purchase of non-current investment bonds, fixed deposits and equity instruments		(192)	(34)
(Purchase)/realisation of current investment treasury bills and foreign deposits		(5 356)	745
Increase in restricted cash		(13 553)	(12 575)
Decrease in restricted cash		19 154	5 982
Other investing activities		(225)	131
Net cash used in investing activities		(32 841)	(51 928)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Proceeds from borrowings	2.6	34 849	33 381
Repayment of borrowings	2.6	(35 351)	(25 878)
Repayment of lease liabilities	2.7	(9 024)	(7 828)
Dividends paid to equity holders of the Company		(6 500)	(6 500)
Dividends paid to non-controlling interests		(1 558)	(3 776)
Consideration received on MTN Ghana share localisation	9.4.2.3; 9.4.1.2	1 462	715
Proceeds from MTN Nigeria secondary offer	9.4.1.1	-	1 175
Proceeds from MTN Uganda share localisation	9.4.2.4	1 036	-
Decrease in other non-current liabilities	6.2	(80)	-
Contribution from non-controlling interest		382	101
Contribution to non-controlling interest		(86)	-
Other financing activities		(499)	33
Net cash used in financing activities		(15 369)	(8 577)
Net (decrease)/ increase in cash and cash equivalents		(2 811)	2 475
Net cash and cash equivalents at beginning of the year		36 194	43 116
Exchange losses on cash and cash equivalents		(4 365)	(9 756)
Net monetary (loss)/gain on cash and cash equivalents		(1 541)	942
Decrease/(increase) in cash classified as held for sale	9.4.2	1 141	(583)
Net cash and cash equivalents at end of the year	4.4	28 618	36 194

¹ Relates to fully prepaid leases.

Mobile Telephone Networks Holdings Limited

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Mobile Telephone Networks Holdings Limited

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Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS

1.1 Basis of preparation

The consolidated financial statements of Mobile Telephone Networks Holdings 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 Accounting Standards) 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 except for *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7* resulting in additional disclosure. Refer to note 4.5 and 6.1.

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 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, incomes, 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 179 to 180 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.3.1 Consolidation

Consolidation of subsidiaries

The Group financial statements incorporate the financial statements of Mobile Telephone Networks Holdings Limited and all its subsidiaries and controlled structured entities (SEs) for the reporting date 31 December 2024 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.

Non-current assets are classified as non-current assets held for sale and are stated at the lower of their carrying amounts and fair value less cost to sell when their carrying amounts are to be recovered principally through sale rather than continued use and the sale is considered to be highly probable.

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.3 Principal accounting policies (continued)

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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, South 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), MTN South Sudan Limited (MTN South 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.3 Principal accounting policies (continued)

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.

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 effect of *Lack of Exchangeability* (Amendments to IAS 21) continues to be assessed based on the facts and circumstances that exist in each of the jurisdictions in which the Group operates. The adoption of the new accounting standards and amendments is not expected to have a material impact on the Group results, except for IFRS 18 *Presentation and Disclosure in Financial Statements*, the impact of which is currently being assessed. 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, except for IFRS 18 *Presentation and Disclosure in Financial Statements*, the impact of which is currently being assessed.

Standard	Effective date for annual periods beginning on or after
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)	1 January 2026
Presentation and Disclosures in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

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 R437 million in the current year (2023: Rnil), 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% (2023: 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 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 R9 951 million (2023: R9 507 million). The Group has deductible temporary differences and unused assessed losses of R31 109 million (2023: R19 853 million) for which no deferred tax asset has been recognised as at 31 December 2024, as well as an unrecognised deferred tax asset of R872 million (2023: R801 million) relating to foreign tax credits. Refer note 3.2.

MTN Mauritius recognised a deferred tax asset of R3 332 million (2023: R4 386 million) mainly resulting from an assessed loss. The Group derecognised R1 055 million of the previously recognised deferred tax asset as a result of reducing the number of years considered in assessing the recoverability of the recognised deferred tax asset.

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 continue to reduce as MTN Mauritius repays its US\$ denominated intercompany debt. The repayment is currently scheduled to occur in 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 10 to 11 years

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.5 Critical accounting judgements, estimates and assumptions (continued)

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 non-monetary 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 Nigeria's economy was hyperinflationary. Based on the available information, the Group concluded that this economy is currently not hyperinflationary.

As at 31 December 2023, the information available indicated that South Sudan had ceased to be in hyperinflation from 1 July 2023. However, the latest information indicates that South Sudan remains hyperinflationary. This has been treated as a change in estimate in the current period.

Following management's assessment, the Group's subsidiaries, MTN Sudan, MTN South 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 South Sudan, MTN Ghana and Irancell have been expressed in terms of the measuring units current at the reporting date.

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 2024	2007	494 004	242

The cumulative inflation rate over three years as at 31 December 2024 is 1 267% (2023: 2 550%). The average adjustment factor used for 2024 was 2.31 (2023: 2.29).

MTN South Sudan

The economy of South Sudan has been assessed as hyperinflationary in the year 2016, and hyperinflation accounting has been applied.

The general price index used as published by the National Bureau of Statistics is as follows:

Date	Base year ¹	General price index	Inflation rate (%)
31 December 2024	2007	88 153	299

¹ The general price index was rebased in August 2024, however, the full year inflation was extrapolated from the original base year of 2007 together with the inflation from August 2024 onwards.

The cumulative inflation rate over three years as 31 December 2024 is 491% (2023: 30%). The average adjustment factor used for 2024 was 2.62 (2023: 1.04).

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.5 Critical accounting judgements, estimates and assumptions (continued)

1.5.5 Hyperinflation (continued)

Significant judgement (continued)

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 2024	2016	1 166	30

The cumulative inflation rate over three years as at 31 December 2024 is 165% (2023: 190%). The average adjustment factor used for 2024 was 1.16 (2023: 1.22).

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.

The general price index used as published by the Ghana Statistical Services is as follows:

Date	Base year	General price index	Inflation rate (%)
31 December 2024	2012	715	24

The cumulative inflation rate over three years as at 31 December 2024 is 118% (2023: 114%). The average adjustment factor used for 2024 was 1.13 (2023: 1.10).

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

	2024	2023
	Rm	Rm
Income statement		
Increase in revenue	4 580	4 715
Net monetary gain ¹	2 853	744
Increase in share of results of associates and joint ventures after tax ²	276	1 124
Decrease in profit after tax ³	(12 226)	(3 958)

¹ Significant increase in net monetary gain is mainly due to MTN South Sudan which was accounted for as not being in hyperinflation for the period 1 July 2023 to 31 December 2023.

² Significant decrease in share of results of associates and joint ventures after tax is mainly due to the decrease in Iran's inflation rates and devaluation of Iran's currency (IRR).

³ Significant decrease in profit after tax is due to the impairment of MTN Sudan's hyperinflated non-current assets, refer to note 5.3.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

1 ACCOUNTING FRAMEWORK AND CRITICAL JUDGEMENTS (continued)

1.5 Critical accounting judgements, estimates and assumptions (continued)

1.5.6 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.

1.5.7 Accounting for Mobile Money (MoMo) deposits and payables

Significant judgement

Limited accounting guidance exists in IFRS Accounting Standards 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.

1.5.8 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 six to seven 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 stand-alone selling prices. The standalone selling prices of each component are based on available market prices.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 and losses, tax, depreciation and amortisation, and is also presented before recognising the following items:

- Net monetary gain resulting from the application of hyperinflation (note 1.5.5).
- Hyperinflation (note 1.5.5).
- Share of results of associates and joint ventures after tax (note 9.2).
- Gain on sale of MTN SA Towers (note 6.5.5).
- Impairment loss on remeasurement of non-current assets held for sale (note 9.4.2.1).
- Gain on disposal of MTN Afghanistan (note 9.4.2.1).
- Loss on disposal of MTN Guinea-Conakry (note 9.4.2.2).
- Gain on disposal of MTN Guinea-Bissau (note 9.4.2.2).
- Impairment loss on MTN Sudan's non-current assets (note 5.3).

These exclusions remained unchanged from the prior year, except for gain on disposal of MTN Afghanistan, loss on disposal of MTN Guinea-Conakry, gain on disposal of MTN Guinea-Bissau and impairment loss on MTN Sudan's non-current assets. Impairment losses on property, plant and equipment and intangible assets are generally included in the CODM EBITDA as they are operational in nature. As the impairment of MTN Sudan's property, plant and equipment and intangible assets arose from the conflict in Sudan, it was not considered reflective of MTN Sudan's operational performance for the period.

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued) for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued) 2.1 Operating segments (continued)

Revenue	Network services	Mobile devices	Interconnect and roaming	Digital and fintech	Other	Revenue from contracts with customers	Interest revenue	Total revenue
2024	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
South Africa	32 160	9 421	4 852	3 172	2 247	51 852	744	52 596
Nigeria ¹	35 801	288	2 449	2 183	323	41 043	-	41 043
SEA	15 312	264	1 074	7 307	555	24 512	-	24 512
Uganda	9 625	142	735	4 670	287	15 459	-	15 459
Other SEA ²	5 687	122	339	2 637	268	9 053	-	9 053
WECA	41 096	241	2 147	12 943	1 559	57 986	-	57 986
Ghana	15 581	78	660	6 120	203	22 642	-	22 642
Côte d'Ivoire	6 747	22	657	1 163	813	9 402	-	9 402
Cameroon	8 160	91	340	2 324	148	11 063	-	11 063
Other WECA	10 608	50	490	3 336	395	14 879	-	14 879
MENA	900	13	342	26	3	1 284	-	1 284
Sudan	496	10	269	11	-	786	-	786
Afghanistan ³	404	3	73	15	3	498	-	498
Bayobab	2 808	-	5 630	10	2 391	10 839	220	11 059
Major joint venture - Irancell ⁴	8 908	197	320	1 346	370	11 141	8	11 149
Head office companies ⁵	416	-	-	221	7 822	8 459	-	8 459
Eliminations	(1 145)	(1)	(3 387)	(117)	(8 537)	(13 186)	(215)	(13 401)
Hyperinflation impact	3 356	19	400	769	36	4 580	-	4 580
Irancell revenue exclusion	(8 908)	(197)	(320)	(1 346)	(370)	(11 141)	(8)	(11 149)
Consolidated revenue	130 704	10 245	13 507	26 514	6 399	187 369	749	188 118

¹ Nigeria revenue for the 2024 period was translated at a significantly weaker naira exchange rate to rand compared to the prior period. Refer to note 7.6.

² Zambia has been aggregated into Other SEA in the current year, with comparative numbers restated accordingly.

³ Afghanistan segment analysis has been included until the sale was concluded on 21 February 2024. Refer to note 9.4.2.1.

⁴ Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS Accounting Standards reported results due to equity accounting for joint ventures.

⁵ Head office companies consist mainly of revenue from the Group's central financing activities and management fees from segments.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued) for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued) 2.1 Operating segments (continued)

Revenue	Network services	Mobile devices	Interconnect and roaming	Digital and fintech	Other	Revenue from contracts with customers	Interest revenue	Total revenue
2023	Rm	Rm	Rm	Rm	Rm	Rm	Rm	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
Other SEA ¹	6 192	127	515	2 589	316	9 739	-	9 739
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	2 153	6	6 962	-	2 136	11 257	220	11 477
Major joint venture - Irancell²	6 990	213	397	1 538	216	9 354	11	9 365
Head office companies³	405	-	-	104	6 736	7 245	-	7 245
Eliminations	(1 215)	-	(5 550)	(120)	(7 374)	(14 259)	(202)	(14 461)
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	6 235	220 507	616	221 123

¹ Zambia has been aggregated into Other SEA in the current year, 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 Accounting Standards 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

	2024			2023		
	External revenue Rm	Inter-segment revenue Rm	Total revenue Rm	External revenue Rm	Inter-segment revenue Rm	Total revenue Rm
External vs inter-segment revenue						
South Africa	52 106	490	52 596	51 403	404	51 807
Nigeria ¹	40 235	808	41 043	73 159	1 111	74 270
SEA	24 042	470	24 512	22 411	512	22 923
Uganda	15 122	337	15 459	12 810	374	13 184
Other SEA ²	8 920	133	9 053	9 601	138	9 739
WECA	56 733	1 253	57 986	55 624	1 415	57 039
Ghana	22 152	490	22 642	20 170	601	20 771
Côte d'Ivoire	9 181	221	9 402	10 109	193	10 302
Cameroon	10 892	171	11 063	9 725	180	9 905
Other WECA	14 508	371	14 879	15 620	441	16 061
MENA	1 098	186	1 284	5 248	860	6 108
Sudan	649	137	786	2 918	566	3 484
Afghanistan ³	449	49	498	2 330	294	2 624
Bayobab	7 069	3 990	11 059	7 193	4 284	11 477
Major joint venture - Irancell ⁴	11 149	-	11 149	9 365	-	9 365
Head office companies ⁵	2 253	6 206	8 459	1 250	5 995	7 245
Eliminations	-	(13 401)	(13 401)	-	(14 461)	(14 461)
Hyperinflation impact	4 582	(2)	4 580	4 835	(120)	4 715
Irancell revenue exclusion	(11 149)	-	(11 149)	(9 365)	-	(9 365)
Consolidated revenue	188 118	-	188 118	221 123	-	221 123

¹ Nigeria revenue for the 2024 period was translated at a significantly weaker naira exchange rate to rand compared to the prior period. Refer to note 7.6.

² Zambia has been aggregated into Other SEA in the current year, with comparative numbers restated accordingly.

³ Afghanistan segment analysis has been included until the sale was concluded on 21 February 2024. Refer to note 9.4.2.1.

⁴ Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS Accounting Standards reported results due to equity accounting for joint ventures.

⁵ Head office companies consist mainly of revenue from the Group's central financing activities and management fees from segments.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

	2024 Rm		2023 Rm	
	Direct network and technology operating costs	Selling, distribution and marketing expenses	Direct network and technology operating costs	Selling, distribution and marketing expenses
South Africa	6 652	6 799	6 175	6 547
Nigeria¹	15 747	2 863	18 506	5 789
SEA	3 284	4 021	3 264	3 902
Uganda	1 709	2 609	1 666	2 284
Other SEA	1 575	1 412	1 598	1 618
WECA	7 709	9 628	7 352	9 509
Ghana	2 243	3 109	2 132	2 971
Côte d'Ivoire	1 350	1 858	1 324	1 817
Cameroon	1 737	1 722	1 521	1 622
Other WECA	2 379	2 939	2 375	3 099
MENA	586	75	1 851	518
Sudan	431	26	983	259
Afghanistan ²	155	49	868	259
Bayobab	3 427	35	2 695	65
Major joint venture - Irancell³	1 700	449	1 476	449
Head office companies	392	395	382	472
Eliminations	(2 604)	(331)	(2 601)	(162)
Hyperinflation impact	750	571	889	354
Irancell exclusion	(1 700)	(449)	(1 476)	(449)
	35 943	24 056	38 513	26 994

¹ Nigeria capital expenditure for the 2024 period includes contractual modifications to lease agreements (note 6.5.6) and was translated at a significantly weaker naira exchange rate to rand compared to the prior period (note 7.6).

² Afghanistan segment analysis has been included until the sale was concluded on 21 February 2024. Refer to note 9.4.2.1.

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

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

	2024	2023
	Rm	Rm
CODM EBITDA		
South Africa	19 653	18 623
Nigeria ¹	15 969	36 916
SEA	10 928	10 549
Uganda	8 068	6 769
Other SEA ²	2 860	3 780
WECA	24 019	23 299
Ghana	12 915	12 135
Côte d'Ivoire	3 092	3 392
Cameroon	4 395	3 749
Other WECA	3 617	4 023
MENA	44	1 800
Sudan	(114)	1 065
Afghanistan ³	158	735
Bayobab	1 364	1 201
Head office companies ⁴	1 906	(1 118)
Eliminations	(3 019)	(1 474)
CODM EBITDA	70 864	89 796
Major joint venture - Irancell ⁵	6 207	3 850
Hyperinflation impact	1 751	73
Gain on sale of MTN SA towers	2	76
Impairment loss on remeasurement of non-current assets held for sale	(146)	(900)
Gain on disposal of MTN Afghanistan	1 018	-
Loss on disposal of MTN Guinea-Conakry	(1 918)	-
Fair value adjustment on MTN Group shares	(16)	(9)
Gain on disposal of MTN Guinea-Bissau	247	-
Impairment loss on MTN Sudan's non-current assets	(11 722)	(277)
Irancell CODM EBITDA exclusion	(6 207)	(3 850)
CODM EBITDA before impairment of goodwill	60 080	88 759
Depreciation, amortisation and impairment of goodwill and investment in joint ventures	(36 029)	(42 031)
Net finance cost	(34 830)	(38 959)
Net monetary gain	2 853	744
Share of results of joint ventures and associates after tax	4 735	3 581
Profit before tax	(3 191)	12 094

¹ Nigeria CODM EBITDA for the 2024 period was translated at a significantly weaker naira exchange rate to rand compared to the prior period. Refer to note 7.6.

² Zambia has been aggregated into Other SEA in the current year, with comparative numbers restated accordingly.

³ Afghanistan CODM EBITDA has been included until the sale was concluded on 21 February 2024. Refer to note 9.4.2.1.

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

⁵ Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS Accounting Standards reported results due to equity accounting for joint ventures.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.1 Operating segments (continued)

	2024	2023
	Rm	Rm
Capital expenditure incurred		
South Africa	16 307	15 709
Nigeria ¹	17 958	16 785
SEA	6 088	6 054
Uganda	3 178	3 478
Other SEA ²	2 910	2 576
WECA	10 455	21 095
Ghana	4 820	5 521
Côte d'Ivoire	1 428	6 828
Cameroon	1 923	5 992
Other WECA	2 284	2 754
MENA	180	1 030
Sudan	167	619
Afghanistan ³	13	411
Bayobab	872	1 501
Major joint venture - Irancell ⁴	4 671	4 117
Head office companies	562	275
Eliminations	(332)	(345)
Hyperinflation impact	987	1 191
Irancell capex exclusion	(4 671)	(4 117)
	53 077	63 295

¹ Nigeria capital expenditure for the 2024 period was translated at a significantly weaker naira exchange rate to rand compared to the prior period. Refer to note 7.6.

² Zambia has been aggregated into Other SEA in the current year, with comparative numbers restated accordingly.

³ Afghanistan capital expenditure has been included until the sale was concluded on 21 February 2024. Refer to note 9.4.2.1.

⁴ Irancell proportionate results are included in the segment analysis as reviewed by the CODM. This is, however, excluded from IFRS Accounting Standards reported results due to equity accounting for joint ventures.

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

	2024			
	Revenue	Capex	Direct network and technology operating costs	Selling, distribution and marketing expenses
	Rm	Rm	Rm	Rm
Sudan	748	216	335	18
South Sudan (included in other SEA)	1 202	211	162	145
Ghana	2 630	560	253	408
	4 580	987	750	571
Major joint venture - Irancell	(1 688)	(360)	(259)	(70)
	2023			
	Revenue	Capex	Direct network and technology operating costs	Selling, distribution and marketing expenses
	Rm	Rm	Rm	Rm
Sudan	3 126	572	735	169
South Sudan (included in other SEA)	(247)	(41)	(49)	(29)
Ghana	1 836	660	203	215
	4 715	1 191	889	355
Major joint venture - Irancell	1 124	485	157	45

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.2 Revenue from contracts with customers (continued)

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.

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:

	2024 Rm	2023 Rm
Contract assets	6 200	5 843
Contract assets - non-current	2 613	2 473
Contract assets - current	3 587	3 370
Loss allowance	*	(147)
Total contract assets	6 200	5 696
Capitalised contract costs	1 230	1 124
Contract liabilities	4 054	4 836

* Amounts less than R1 million

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 an increase in sales for postpaid devices. 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.2 Revenue from contracts with customers (continued)

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.

	2024 Rm	2023 Rm
Revenue recognised that was included in the contract liability balance ¹	3 311	5 411

¹ Nigeria revenue for the 2024 period was translated at a significantly weaker naira exchange rate to rand compared to the related contract liability balance as at 31 December 2023. Refer to note 7.6.

Unsatisfied performance obligations

	2024 Rm	2023 Rm
Aggregate amount of transaction price allocated to unsatisfied performance obligations ¹	3 683	5 005

¹ Nigeria transaction prices for the 2024 period were translated at a significantly weaker naira exchange rate to rand compared to the related unsatisfied performance obligations as at 31 December 2023. Refer to note 7.6.

For postpaid contracts that were effective at 31 December 2024 the above amounts reflect the transaction price for services to be provided over the remainder of the contractual periods.

Management expects that 93% (2023: 87%) of the transaction price allocated to the unsatisfied contracts as at 31 December 2024 will be recognised as revenue amounting to R3 425 million (2023: R4 376 million) during the next reporting period. The remaining 7% (2023: 13%) amounting to R258 million (2023: R629 million) will be recognised in the 2026 financial year.

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

Nigeria tariff increase

On 15 January 2025, the National Communication Commission (NCC) announced its approval of a 50% increase in tariff in response to the prevailing macroeconomic environment, increasing inflationary pressures, and rising operational costs for all telecommunication companies within the telecommunication ecosystem. The decision was made in compliance with regulatory guidelines and following engagements with relevant stakeholders. Implementation of this change will result in a tariff adjustment across its service offerings. The tariff increase was necessary to ensure the sustainability of network expansion, continued investment in infrastructure, and the delivery of high-quality services to customers. The Company remains committed to balancing affordability with the need to maintain service excellence and financial sustainability.

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.3 Operating expenses (continued)

Employee benefits (continued)

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.

	2024 Rm	2023 Rm
Staff costs	(12 029)	(13 378)
Salaries and wages	(9 891)	(10 330)
Post-employment benefits	(408)	(571)
Share options granted to directors and employees (note 8.4)	(588)	(1 261)
Training	(209)	(250)
Other	(933)	(966)
Auditors' remuneration	(207)	(226)
Audit fees	(182)	(194)
Fees for other services	(15)	(20)
Expenses	(10)	(12)
Emoluments to directors and prescribed officers (note 10.1 and 10.2)	(350)	(286)
Research and development costs	(123)	(48)
(Loss)/gain on disposal of property, plant and equipment and intangible assets	(155)	(7)
Net impairment loss on property, plant and equipment (note 5.1)	(10 253)	(847)
Impairment loss on intangible assets (note 5.2)	(1 456)	(3)
Impairment loss on right-of-use assets (note 6.5.3)	(65)	-
Impairment loss on goodwill (note 5.2)	(437)	-
Loss on disposal of MTN Guinea Conakry (note 9.4.2.2)	(1 882)	-
Net write-down of inventories to net realisable value (note 4.1)	(3)	(76)
Impairment and write-down of trade receivables and contract assets ¹	(2 528)	(1 330)
Impairment of restricted cash balances	(3)	(17)
Increase in provisions (note 6.3) ²	(184)	(1 015)
Amortisation of capitalised contract costs	(1 052)	(977)
Professional and consulting fees	(1 864)	(2 733)
Spectrum fees	(1 282)	(1 300)
Outsourcing fees	(1 515)	(1 313)
Insurance	(535)	(724)

¹ The impairment and write-down of trade receivables and contract assets includes amounts disclosed in note 4.2. In 2023, a reversal of impairment amounting to R505 million related to contract assets was included.

² The increase in provision excludes bonus provision R1 586 million (2023: R1 399 million) and provision for long service awards R30 million (2023: R47 million) included in staff costs.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 and 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 and fair value movements. 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.

	2024 Rm	2023 Rm
Interest income on loans and receivables	828	1 312
Interest income on bank deposits	1 455	1 813
Finance income	2 283	3 125
Interest expense on financial liabilities measured at amortised cost	(10 340)	(11 247)
Lease liability interest expense (note 6.5.3)	(7 934)	(7 662)
Finance costs	(18 274)	(18 909)
Net foreign exchange losses	(18 839)	(23 175)

Nigeria currency devaluation

During the 2024 financial year, the Naira devalued from NGN907 to NGN1 535 (2023: NGN461 to NGN907) against the US\$ and foreign exchange losses of NGN925 billion (R14 111 million) (2023: 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. There is an ongoing effort to re-denominate some categories of foreign denominated expenditure to local currency. This strategic move aims to reduce exposure to exchange rate volatility.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

2.5 Cash generated from operations

	2024 Rm	2023 Rm
(Loss)/profit before tax	(3 191)	12 093
<i>Adjusted for:</i>		
Finance costs (note 2.4)	18 274	18 909
Finance income (note 2.4)	(2 283)	(3 125)
Foreign exchange losses (note 2.4)	18 839	23 175
Fair value adjustment on MTN Group shares	16	9
Depreciation of property, plant and equipment and right-of-use assets (note 5.1 and 6.5.3)	29 643	34 105
Amortisation of intangible assets (note 5.2)	5 949	7 926
Loss on disposal of property, plant and equipment and intangible assets (note 2.3)	155	8
Impairment loss on remeasurement of non-current assets held for sale (note 9.4.2.1)	146	900
Amortisation of capitalised contract costs (note 2.3)	1 052	977
Share of results of associates and joint ventures after tax (note 9.2)	(4 735)	(3 581)
Increase in provisions (note 6.3)	1 800	2 461
Net write-down of inventories to net realisable value (note 4.1)	3	76
Net impairment loss on property, plant and equipment (note 5.1)	10 253	847
Impairment loss on right-of-use assets (note 2.3 and 6.5.3)	65	-
Impairment loss on intangible assets (note 5.2)	1 456	3
Impairment and write-down of trade receivables and contract assets (note 2.3)	2 528	1 330
Gain on disposal of MTN Afghanistan (note 9.4.2.1)	(1 018)	-
Loss on disposal of MTN Guinea-Conakry (note 9.4.2.2)	1 882	-
Gain on disposal of MTN Guinea-Bissau (note 9.4.2.2)	(253)	-
Impairment on goodwill (note 5.2)	437	-
Share base-payment transactions (note 8.4)	588	1 261
Impairment of restricted cash balances (note 2.3)	3	17
Net monetary gain (note 1.5.5)	(2 853)	(744)
Gain of MTN SA tower sale (note 6.5.5)	(2)	(76)
Other	(268)	178
	78 486	96 749
Changes in working capital	(9 605)	(4 793)
Decrease in inventories	303	828
Increase in contract assets and capitalised contract costs	(550)	(1 310)
Net increase in receivables and prepayments	(9 035)	(11 523)
Net increase in payables and contract liabilities	(323)	7 212
Cash generated from operations	68 881	91 956

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

2 RESULTS OF OPERATIONS (continued)

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

	2024	2023
	Rm	Rm
Borrowings at the beginning of the year	83 300	80 377
Current	28 081	15 454
Non-current	55 219	64 923
Cash flows	(502)	7 503
Proceeds from borrowings	34 849	33 381
Repayment of borrowings	(35 351)	(25 878)
Other movements	(4 055)	(4 580)
Effects of changes in foreign exchange rates and interest accrued	3 992	4 310
Transfer to held for sale ¹	-	(301)
Interest paid ²	(8 047)	(8 589)
Borrowings at the end of the year	78 743	83 300
Comprising:		
- Current	12 591	28 081
- Non-current	66 152	55 219

¹ MTN Guinea-Bissau and MTN Guinea-Conakry were held for sale in the prior year, and have been subsequently disposed of, refer to note 9.4.2.2.

² Presented as part of cash generated from operating activities.

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

	2024	2023
	Rm	Rm
Leases at the beginning of the year	63 408	55 850
Current	9 030	6 020
Non-current	54 378	49 830
Cash flows	(9 024)	(7 824)
Repayment of lease liabilities	(9 024)	(7 824)
Other movements	20 758	15 382
Additions (note 6.5.2)	7 282	17 943
Interest paid ¹ (note 6.5.4)	(6 336)	(6 496)
Modifications ²	15 287	1 191
Transfer to held for sale ³ (note 6.5.5)	-	(48)
Effects of changes in foreign exchange rates and interest accrued	4 525	2 792
Leases at the end of the year	75 142	63 408
Comprising:		
- Current	9 336	9 030
- Non-current	65 806	54 378

¹ Presented as part of cash generated from operating activities.

² MTN Nigeria and MTN SA had lease modifications related to the extension of the respective lease terms with IHS Group (refer to note 6.5). In 2023, MTN SA had a lease modification, related to the reduction of the lease term with IHS Group.

³ 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	2024	2023
	Rm	Rm
Analysis of income tax expense for the year		
Normal tax	(7 489)	(12 778)
Current year	(7 403)	(12 507)
Adjustments in respect of the prior year	(86)	(271)
Deferred tax (note 3.2)	2 168	6 177
Current year	1 781	6 007
Adjustments in respect of the prior year	387	170
Withholding taxes on foreign income	(1 200)	(1 177)
	(6 521)	(7 778)

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

3 TAXATION (continued)

3.1 Income tax expense (continued)

The table below 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% (2023: 27%). 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 below.

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

	2024	2023
	%	%
Tax rate reconciliation		
Tax at statutory tax rate	27.00	27.00
Expenses not allowed	(305.56)	39.09
Sudan non-deductible expenses ¹	(58.72)	18.04
Assessed loss and other balances on which deferred tax was not recognised	(106.45)	8.20
Disallowed interest expenses	(5.00)	0.78
Impairment of goodwill and investment in joint ventures	(3.70)	-
Controlled foreign company legislation imputation	(7.50)	2.17
Impairment loss on remeasurement of non-current assets held for sale	(1.23)	2.01
Impairment loss on MTN Sudan's non-current assets	(99.20)	-
Reversal of deferred tax asset	(33.06)	-
Hyperinflation	41.24	3.42
Loss on disposal of subsidiary	(15.92)	-
General non-deductible expenses ²	(11.36)	-
Other	(4.66)	4.47
Effect of different tax rates in other countries	56.39	(1.86)
Income not subject to tax	15.97	(1.61)
Exempt income	5.21	(1.61)
Gain on disposal of subsidiaries	10.76	-
Share of results of associates and joint ventures	40.06	(7.99)
Foreign income and withholding taxes	(37.76)	10.15
Change in corporate income tax rate	-	(0.04)
Other	(0.46)	(0.42)
Effective tax rate	(204.36)	64.32

¹ This line item includes the effect of hyperinflation.

² General non-deductible expenses were previously included in other and have been disaggregated in the current year. Comparative numbers have been re-presented accordingly.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

3 TAXATION (continued)

3.1 Income tax expense (continued)

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

Country	Corporate tax rate	
	2024 %	2023 %
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	31	32
Netherlands	25	25
Nigeria	30	30
Rwanda	28	28
South Africa	27	27
South Sudan	30	30
Sudan	10	10
Uganda	30	30
United Arab Emirates ¹	9	-
Zambia	35	35

¹ On 31 January 2022, the Ministry of Finance announced a new federal corporate tax system in the United Arab Emirates, effective for financial years commencing on or after 1 June 2023, with a standard effective tax rate of 9%.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

3 TAXATION (continued)

3.2 Deferred taxes

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

	1 January 2023	Opening balance hyperinflation adjustment	Recognised in profit or loss	Exchange/ other movements ¹	31 December 2023	Recognised in profit or loss	Exchange/ other movements ¹	31 December 2024
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Provisions and tax losses carried forward	9 270	(2 349)	4 183	(2 473)	8 631	1 725	(1 898)	8 458
Working capital allowances	2 627	-	(380)	100	2 347	(671)	46	1 722
Tax allowances in excess of depreciation	(9 708)	-	(302)	2 841	(7 169)	861	292	(6 016)
Other temporary differences	(832)	-	2 676	(1 383)	461	253	(1 336)	(622)
Net deferred tax asset	1 357	(2 349)	6 177	(915)	4 270	2 168	(2 896)	3 542
Comprising:								
Deferred tax assets	6 071				9 507			9 951
Deferred tax liabilities	(4 714)				(5 237)			(6 409)
	1 357				4 270			3 542

¹ Including the effect of hyperinflation.

Global minimum top-up tax

The Group is within the scope of the OECD Pillar Two model rules. The ultimate parent entity ("UPE") 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 minimum tax as at 31 December 2024.

The South African global minimum tax legislation was enacted during December 2024 and is retrospectively effective from 1 January 2024 for Groups with fiscal years commencing on or after that date. The Group also operates in Kenya and the Netherlands which have both enacted new legislation to implement the global minimum tax as at 31 December 2024. This legislation is effective from 1 January 2024 in the Netherlands, while there is an intention in Kenya to change the effective date of the global minimum tax legislation to 1 January 2025.

Since the newly enacted Pillar Two legislation in South Africa is effective from 1 January 2024, the Group has assessed the related current tax impact for the year ended 31 December 2024. The Group determined that the global minimum top-up tax, which it is required to pay under the 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 an impact assessment of its potential exposure in relation to the Pillar Two legislation based on relevant 2023 and 2024 financial year information. Based on the outcome of the assessment, the Group does not anticipate being subject to a material top-up tax exposure in any of the jurisdictions in which it operates.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

3 TAXATION (continued)

3.2 Deferred taxes (continued)

There were deductible temporary differences and unused tax losses of R31 109 million (2023: R19 853 million) for which no deferred tax asset had been recognised in the statement of financial position at year-end.

2024

Year of expiry	2025	2026	2027	2028	2029	Total
Amount (Rm)	348	349	332	1 023	1 183	3 235
No expiry (Rm)	-	-	-	-	-	27 874
Total¹	348	349	332	1 023	1 183	31 109

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)	-	-	-	-	-	-	13 540
Total¹	655	1 153	2 065	321	1 562	557	19 853

There were foreign tax credits of R872 million (2023: R801 million) for which no deferred tax asset had been recognised in the statement of financial position at year-end.

2024

Year of expiry	2025	2026	2027	2028	2029	2030	2031	Total
Amount (Rm)	93	98	124	119	143	145	150	872
Total¹	93	98	124	119	143	145	150	872

2023

Year of expiry	2024	2025	2026	2027	2028	2029	2030	Total
Amount (Rm)	79	93	98	124	119	143	145	801
Total¹	79	93	98	124	119	143	145	801

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

3.3 Income tax paid

	2024 Rm	2023 Rm
At the beginning of the year	(3 542)	(8 993)
Amount recognised in profit or loss (note 3.1)	(6 521)	(7 778)
Deferred tax (note 3.1)	(2 168)	(6 177)
Effect of movements in exchange rates	1 306	3 496
Normal tax recognised in other comprehensive income	(86)	(205)
Decrease in withholding tax accruals	929	854
Transferred to held for sale (note 9.4.2.4)	-	80
Other	67	(651)
At the end of the year	(60)	3 542
Taxation assets	(1 814)	(2 277)
Taxation liabilities	1 754	5 819
Total tax paid	(10 075)	(15 832)

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	2024 Rm	2023 Rm
Finished goods – at cost	1 691	2 140
Handsets	987	1 192
SIM cards and accessories	704	948
Consumables	69	91
Less: Write-down to net realisable value ¹	(547)	(759)
	1 213	1 472

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 R62 million (2023: R127 million) (note 6.1).

Reconciliation of write-down of finished goods

	At beginning of the year Rm	Additions ¹ Rm	Reversals ¹ Rm	Utilised Rm	Exchange and other movements Rm	At end of the year Rm
2024						
Movement in write-down	(759)	(55)	52	258	(43)	(547)
2023						
Movement in write-down	(1 071)	(99)	23	294	94	(759)

¹ A net write-down on inventories of R3 million (2023: R76 million) was recognised in the current year. This amount is included in other operating expenses in profit or loss (note 2.3).

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued) for the year ended 31 December 2024

4 WORKING CAPITAL (continued)

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.

	2024	2023
	Rm	Rm
Trade receivables (note 7.1.4)	22 300	19 683
Less: Allowance for impairment of trade receivables (note 7.1.4)	(3 314)	(2 117)
Net trade receivables	18 986	17 566
Prepayments and other receivables	4 978	3 932
Sundry debtors and advances ¹	16 638	13 554
	40 602	35 052

¹ Sundry debtors and advances include advances to suppliers and intercompany receivables (note 10.1).

Impairment of trade receivables

An allowance for impairment of R2 528 million (2023: R1 312 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).

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 R1 893 million (2023: R2 073 million) (note 6.1).

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 from the following operations; MTN Nigeria R1 318 million (2023: R7 944 million) relates to cash deposits with banks to secure letters of credit and collateral against repayment of borrowings. MTN Cameroon R141 million (2023: R471 million), relates to garnishee orders of ongoing court cases. MTN International (Mauritius) related to dividends from MTN Nigeria being held on behalf of the Group by the Nigeria Registrar at an amount of R24 million (2023: R1 930 million). These cash balances will remain restricted until foreign currency (US\$) becomes available in the market. Lastly, MTN Dubai has a R169 million restricted cash balance which consists of electronic funds in transit for which there is no practical ability to access funds.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

4 WORKING CAPITAL (continued)

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:

	2024	2023
	Rm	Rm
Cash at bank and on hand	29 858	37 184
Bank overdrafts	(1 240)	(990)
Net cash and cash equivalents	28 618	36 194

MTN Ghana has secured facilities through the pledge of its cash and cash equivalents amounting to R2 792 million (2023: R3 435 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.

The Group classifies supplier finance arrangement transactions as trade payables if they have a similar nature and function to trade payables. This is the case if the supplier finance arrangement is part of the working capital used in the Group's normal operating cycle, the level of security provided is similar to trade payables and the terms of the liabilities that are part of the supply chain finance arrangement are not substantially different from the terms of trade payables that are not part of the arrangement.

Other payables are measured at their nominal values.

	2024	2023
	Rm	Rm
Trade payables	17 528	17 582
Sundry creditors	4 191	3 370
Accrued expenses ¹	27 024	25 775
Other payables ²	10 991	10 567
Financial liability measured at fair value through profit or loss ³	736	608
	60 470	57 902

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, VAT payable and intercompany payables.

³ Relates to financing of an intangible asset. Refer to note 5.2 and note 7.1.1.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

4 WORKING CAPITAL (continued) 4.5 Trade and other payables (continued)

MTN SA has established supplier financing arrangements with various suppliers with normal payment terms that vary between 30, 60 and 90 days. The extended payment terms are 180 days.

MTN SA classifies financial liabilities that arise from supplier finance arrangement within trade and other payables in the statement of financial position. Cash flows related to trade payables arising from supplier finance arrangements are included in net cash generated from operating activities in the statement of cash flows.

	2024	2023 ¹
	Rm	Rm
Presented within trade payables	3 472	-
Of which suppliers have received payment	448	-

¹The transition relief has been applied to comparatives.

There were no significant non-cash changes in the carrying amount of the trade payables included in the company's supplier finance arrangement.

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 balances 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

4 WORKING CAPITAL (continued)

4.6 MoMo deposits and payables (continued)

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.

	2024	2023
	Rm	Rm
Non-current Mobile Money deposits	790	755
WECA	790	755
Côte d'Ivoire	790	755
Current Mobile Money deposits	60 054	49 418
South Africa	114	65
Nigeria	47	153
SEA	11 402	10 607
Uganda	6 945	7 194
Other SEA	4 457	3 413
WECA	48 448	38 593
Ghana	30 586	24 898
Côte d'Ivoire	2 713	2 376
Cameroon	5 327	4 378
Other WECA	9 822	6 941
MENA	43	*
Sudan	43	*
Total MoMo deposits and current MoMo payables	60 844	50 173

* Amounts below R1 million.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 over their estimated useful lives. Depreciation relating to the 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:

	2024 Years	2023 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

5. INFRASTRUCTURE INVESTMENTS (continued)

5.1 Property, plant and equipment (continued)

	Land and buildings	Leasehold improvements	Network infrastructure	Information systems, furniture and office equipment	Capital work-in-progress /other	Spare parts	Vehicles	Total
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Carrying amount at 1 January 2023	6 701	1 057	82 480	4 790	11 222	1 600	500	108 350
Opening Hyperinflation adjustment ¹	382	162	6 759	419	-	-	91	7 813
Additions	358	71	22 193	1 389	8 345	44	124	32 524
Disposals	(4)	(1)	(100)	(8)	-	-	(22)	(135)
Reallocations	344	(8)	3 983	743	(4 927)	(75)	48	108
Depreciation for the year	(320)	(147)	(21 394)	(2 277)	(309)	-	(218)	(24 665)
Net impairment loss	2	(1)	(729)	(91)	(29)	1	-	(847)
Reclassified to held for sale ²	-	(10)	(514)	(59)	(196)	-	(12)	(791)
Other movements	7	(5)	(300)	40	(33)	-	(4)	(295)
Effect of movements in exchange rates ³	(358)	(164)	(6 125)	79	1 728	(503)	(66)	(5 409)
Carrying amount at 31 December 2023	7 112	954	86 253	5 025	15 801	1 067	441	116 653
Comprising:								
Cost	11 702	4 832	243 147	21 678	19 805	1 083	1 360	303 607
Accumulated depreciation and impairment losses	(4 590)	(3 878)	(156 894)	(16 653)	(4 404)	(16)	(919)	(186 954)
	7 112	954	86 253	5 025	15 801	1 067	441	116 653
Carrying amount at 1 January 2024	7 112	954	86 253	5 025	15 801	1 067	441	116 653
Additions	102	55	19 052	842	4 835	12	172	25 070
Disposals	(60)	(115)	(29)	(81)	(6)	-	(21)	(312)
Reallocations	258	134	3 699	499	(3 600)	(708)	9	291
Depreciation for the year	(428)	(161)	(17 550)	(1 749)	(309)	-	(149)	(20 346)
Net impairment (loss)/reversal ⁴	(237)	(28)	(3 878)	(472)	(5 319)	(308)	(11)	(10 253)
Other movements	46	(1)	(77)	34	(163)	(7)	(5)	(173)
Effect of movements in exchange rates ³	(156)	(57)	(2 190)	68	968	(11)	(30)	(1 408)
Carrying amount at 31 December 2024	6 637	781	85 280	4 166	12 207	45	406	109 522
Comprising:								
Cost	11 287	4 085	244 863	19 139	22 591	67	1 396	303 428
Accumulated depreciation and impairment losses	(4 650)	(3 304)	(159 583)	(14 973)	(10 384)	(22)	(990)	(193 906)
	6 637	781	85 280	4 166	12 207	45	406	109 522

¹ Adjustment is due to Ghana being assessed as a hyperinflationary economy, refer to note 1.5.5.

² MTN Afghanistan was held for sale in the 2023 year, refer to note 9.4.2.1.

³ Includes the effect of hyperinflation.

⁴ Impairment recognised for Sudan is due to the Sudan conflict, refer to note 5.3.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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:

	2024	2023
	Rm	Rm
MTN Nigeria	13	(57)
MTN Sudan ¹	(10 201)	(746)
Spacetel Guinea-Bissau S.A (MTN Guinea-Bissau) ²	-	(45)
Other	(65)	1
	(10 253)	(847)

¹ Impairment loss recognised due to Sudan conflict, refer to note 5.3.

² MTN Guinea-Bissau was held for sale in 2023, 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:

	2024	2023
	Rm	Rm
MTN SA	446	465
MTN Ghana	539	573
MTN Sudan ¹	4 118	6 585
MTN Nigeria ²	2 457	2 936
MTN Côte d'Ivoire S.A. (MTN Côte d'Ivoire)	929	850
Spacetel Benin S.A (MTN Benin)	212	277
MTN South Sudan	62	77
MTN Congo-Brazzaville	287	199
Lonestar Communications Corporation (MTN Liberia)	213	117
MTN Uganda	153	70
Bayobab ³	1 852	1 961
GlobalConnect Zambia Limited	85	267
Other	172	109
	11 525	14 486

¹ Mainly consist 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.

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 R17 300 million (2023: R16 494 million) for MTN Ghana, R113 million (2023: R118 million) for MTN Zambia.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 intangible assets and goodwill 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		2024 Years	2023 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 - 9	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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

5. INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

	Goodwill Rm	Licences Rm	Customer relationships Rm	Software Rm	Other intangible assets Rm	Capital work- in-progress Rm	Total Rm
Carrying amount at 1 January 2023	12 992	23 472	2	9 224	597	1 513	47 800
Opening hyperinflation adjustment ¹	17 399	1 072	-	220	-	-	18 691
Additions	-	7 724	3	6 671	167	1 388	15 953
Disposals	-	(14)	-	(8)	-	-	(22)
Reallocations	-	399	-	520	-	(1 049)	(130)
Amortisation for the year	-	(3 220)	-	(4 672)	(34)	-	(7 926)
Net impairment loss	-	(2)	-	0	(1)	-	(3)
Reclassified to held for sale ²	-	(833)	-	(107)	(6)	(17)	(963)
Other movements	-	(17)	-	(6)	0	60	37
Effect of movements in exchange rates ³	3 897	(4 517)	(1)	(327)	58	(185)	(1 075)
Carrying amount at 31 December 2023	34 288	24 064	4	11 515	781	1 710	72 362
Comprising:							
Cost	39 609	42 571	1 316	30 981	6 292	1 710	122 479
Accumulated amortisation and impairment losses	(5 321)	(18 507)	(1 312)	(19 466)	(5 511)	-	(50 117)
	34 288	24 064	4	11 515	781	1 710	72 362
Carrying amount at 1 January 2024	34 288	24 064	4	11 515	781	1 710	72 362
Additions	-	1 451	-	4 209	19	886	6 565
Disposals	-	-	-	(84)	-	(1)	(85)
Reallocations	-	(116)	-	1 107	566	(1 998)	(441)
Amortisation for the year	-	(2 010)	(1)	(3 740)	(198)	-	(5 949)
Net impairment loss ⁴	(437)	(607)	-	(720)	(13)	(116)	(1 893)
Other movements	-	(182)	(1)	91	(2)	(42)	(136)
Effect of movements in exchange rates ³	788	(2 502)	1	56	27	(246)	(1 876)
Carrying amount at 31 December 2024	34 639	20 098	3	12 434	1 180	193	68 547
Comprising:							
Cost	39 609	41 180	1 314	31 754	6 831	315	121 003
Accumulated amortisation and impairment losses	(4 970)	(21 082)	(1 311)	(19 320)	(5 651)	(122)	(52 456)
	34 639	20 098	3	12 434	1 180	193	68 547

¹ Adjustment is due to Ghana being assessed as a hyperinflationary economy, refer to note 1.5.5.

² MTN Afghanistan was held for sale in 2023 year, refer to note 9.4.2.1.

³ Includes the effect of hyperinflation.

⁴ Impairment recognised for Sudan is due to the Sudan conflict, refer to note 5.3.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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:

	2024			2023			Goodwill carrying amount Rm
	Growth rate	Discount rate	Goodwill carrying amount Rm	Growth rate	Discount rate	Goodwill carrying amount Rm	
	%	%		%	%		
MTN Côte d'Ivoire	2.0	10.1	3 638	2.0	11.7	3 760	
MTN Ghana	8.0	27.6	23 953	8.0	27.4	22 907	
MTN Uganda	5.0	15.9	831	5.0	19.2	781	
MTN Congo-Brazzaville	3.0	15.9	1 204	3.0	20.1	1 245	
MTN Benin	2.0	10.5	1 682	2.0	12.9	1 744	
MTN SA	4.5	12.0	2 563	4.5	13.4	2 563	
MTN Rwandacell Limited (MTN Rwanda)	5.0	15.2	290	5.0	16.4	307	
MTN Nigeria aYo	14.0	27.1	123	14.0	30.6	202	
Other	6.0	13.0	319	4.5	15.3	746	
Other	-	-	36	-	-	33	
Total			34 639			34 288	

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 14.0% (2023: 2% to 14%).
- Discount rates: discount rates used reflect both time value of money and other specific risks relating to the relevant CGU. The overall risk environment improved slightly, as a result, the discount rates ranged from 10.7% to 27.6% (2022: 11.7% to 30.6%).

Goodwill impairment

Impairment losses of R437 million were recognised for aYo.

5.2.2 Encumbrances

Borrowings are secured by various categories of intangible assets of MTN Ghana with a carrying amount of R851 million (2023: R965 million), refer to note 6.1.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

5. INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

5.2.3 Licences

Licence agreements	Type	Granted/renewed	Term
MTN South Africa	ECS licence	15/01/2009	20 years
	ECNS licence	15/01/2009	20 years
	900MHz	29/01/2003	Renewable annually
	1 800MHz	29/10/2004	Renewable annually
	2 100MHz	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	21/10/2005	Renewable annually
	28GHz	12/04/2012	Renewable annually
	38GHz	07/02/2006	Renewable annually
	Eband (60-90GHz)	13/12/2007	Renewable annually
	Fixed Satellite Earth Station	08/08/2007	Renewable annually
Spectrum 800MHz 2x10MHz	17/03/2022	20 years	
Spectrum 2 600MHz 1x40MHz	17/03/2022	20 years	
Spectrum 3 500MHz 1x40 MHz	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	Unified Access Service Licence (UASL)	01/09/2021	10 years
	Digital Mobile License now extended as 900MHz and 1 800MHz Spectrum Licences	01/09/2021	10 years
	WACS	01/01/2010	20 years
	700MHz spectrum	14/12/2020	10 years
	800MHz spectrum (Visafone)	01/01/2025	10 years
	800MHz - Intercellular acquisition	01/01/2021	10 years
	900MHz	01/05/2023	2 years
	1 800MHz	01/05/2023	2 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

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

5. INFRASTRUCTURE INVESTMENTS (continued)

5.2 Intangible assets and goodwill (continued)

5.2.3 Licences (continued)

Licence agreements	Type	Granted/renewed	Term
MTN Ghana	Fixed access service of united access	23/03/2020	15 years
	800MHz Spectrum (2x5MHz)	10/01/2020	15 years
	BroadBand Wireless Access (2 600MHz radio access)	01/12/2018	15 years
	2G (900MHz & 1800MHz)	12/02/2019	15 years
	4G (LTE) Spectrum (800MHz Spectrum (2x10MHz))	21/06/2016	15 years
	BWA 30MHz 2 620 MHz to 2 650 MHz	18/06/2023	5 years
	BWA 30MHz 2 500 MHz to 2 690 MHz	18/06/2023	5 years
	International gateway	05/12/2024	5 years
MTN Cameroon	4G	15/02/2015	15 years
MTN Côte d'Ivoire	Universal networks	04/01/2016	17 years
MTN Benin	900 MHz	19/10/2007	30 years
	1 800 MHz	19/10/2007	30 years
	Universal licence	19/03/2012	25 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
	1 800MHz	25/11/2011	15 years
	2G	25/11/2011	15 years
	3G	25/11/2011	17 years
	LTE Spectrum	12/09/2016	15 years
5G	01/01/2024	15 years	
MTN Liberia	Universal Telecommunication Licence	04/08/2015	15 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

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

5. INFRASTRUCTURE INVESTMENTS (continued)

5.3 Impairment of non-financial asset

Sudan conflict

Conflict started in Sudan's capital Khartoum on 15 April 2023 between Sudanese Armed Forces and the Rapid Support Forces which led to damage to state-owned infrastructure in the city. The conflict resulted in the displacement of Sudanese citizens to neighbouring countries and the evacuation of foreign nationals. As the conflict continued, limited grid power and fuel availability and the instability of fibre transmission links resulted in the degradation of network availability of MTN's Sudanese operation in 2023.

On 2 February 2024, the network was shutdown country wide due to ongoing conflict and the situation on the ground. Due to MTN Sudan's network topology and increased conflict in the country, MTN Sudan was only able to recover the network at the end of May 2024 and currently have some sites on-air in safe regions by the end of December 2024. MTN Sudan is committed to increasing their on-air sites to connect the Sudanese people despite the challenging circumstances.

The ongoing conflict in Sudan has resulted in loss of revenue and earnings and has led to a prolonged hyperinflationary environment. Accordingly, the future economic benefits that can be derived from MTN Sudan's operations have declined. To this end, MTN Group has recognised an impairment of R11 722 million relating to MTN Sudan's non-current assets.

The following key assumptions were used:

- Growth rate: A terminal growth rate of 8.4%.
- Discount rate: Two discount rates of 74.29% and 35.58%, reflecting periods in conflict and out of conflict respectively.

The total impairment of R11 722 million comprised of the following:

	Rm
Property, plant and equipment	10 201
Right-of-use assets	65
Intangible assets	1 456
	11 722

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 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.

The Group classifies supplier finance arrangement transactions as borrowings if these arrangements result in the lender providing funds directly to the Group and the Group subsequently paying the related suppliers using these funds.

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

	2024 Rm	2023 Rm	Denomi- nated currency	Nominal Interest %*	Interest payment	Final maturity
Unsecured						
MTN Holdings	36 731	30 285				
	907	907	ZAR ^{2,4}	10.4	Quarterly	June 2025
	-	5 257	ZAR ^{1,2}	11.0	Quarterly	June 2025
	402	403	ZAR ^{2,4}	10.1	Quarterly	March 2025
	1 207	1 208	ZAR ^{2,4}	10.3	Quarterly	September 2026
	-	507	ZAR ^{2,4}	10.1	Quarterly	May 2024
	-	504	ZAR ^{2,4}	10.0	Quarterly	May 2024
	574	574	ZAR ^{2,4}	10.3	Quarterly	May 2026
	-	2 023	ZAR ^{2,3}	10.7	Quarterly	June 2024
	-	2 001	ZAR ^{2,3}	10.9	Quarterly	June 2024
	1 512	1 535	ZAR ^{2,3}	10.6	Quarterly	May 2029
	-	1 041	ZAR ^{2,4}	10.5	Quarterly	October 2024
	163	163	ZAR ^{2,4}	11.3	Quarterly	January 2026
	932	931	ZAR ^{2,4}	8.3	Semi-annual	January 2026
	-	357	ZAR ^{2,4}	10.0	Quarterly	June 2024
	944	944	ZAR ^{2,4}	10.5	Quarterly	June 2026
	738	739	ZAR ^{2,4}	10.8	Quarterly	June 2028
	322	322	ZAR ^{2,4}	9.9	Quarterly	March 2025
	1 400	1 399	ZAR ^{2,4}	10.2	Quarterly	March 2027
	587	587	ZAR ^{2,4}	10.6	Quarterly	September 2028
	543	543	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	714	ZAR ^{2,4}	10.1	Quarterly	November 2027
	868	869	ZAR ^{2,4}	10.3	Quarterly	November 2029
	367	367	ZAR ^{2,4}	9.8	Quarterly	June 2026
	604	604	ZAR ^{2,4}	10.0	Quarterly	June 2028
	1 030	1 030	ZAR ^{2,4}	10.3	Quarterly	June 2030
	251	251	ZAR ^{2,4}	9.7	Quarterly	September 2026

¹ Syndicated term loan facility

² Variable interest rate

³ Revolving credit facility

⁴ Domestic medium-term notes

* Contractual interest rates on loans as at 31 December 2024.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

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

	2024 Rm	2023 Rm	Denomi- nated currency	Nominal interest %*	Interest payment	Final maturity
MTN Holdings (continued)						
	351	351	ZAR ^{2,4}	10.0	Quarterly	September 2028
	401	401	ZAR ^{2,4}	10.2	Quarterly	September 2030
	505	504	ZAR ^{2,6}	10.1	Quarterly	December 2027
	-	707	ZAR ^{2,6}	10.2	Quarterly	December 2027
	506	507	ZAR ^{2,6}	10.2	Quarterly	December 2027
	305	-	ZAR ^{2,4}	9.4	Quarterly	July 2027
	713	-	ZAR ^{2,4}	9.6	Quarterly	July 2029
	1 018	-	ZAR ^{2,4}	9.9	Quarterly	July 2031
	302	-	ZAR ^{2,4}	9.4	Quarterly	September 2029
	644	-	ZAR ^{2,4}	9.6	Quarterly	September 2031
	305	-	ZAR ^{2,4}	9.4	Quarterly	April 2028
	813	-	ZAR ^{2,4}	9.6	Quarterly	October 2029
	610	-	ZAR ^{2,4}	9.8	Quarterly	October 2031
	5 575	-	ZAR ^{1,2}	9.7	Quarterly	December 2029
	1 003	-	ZAR ^{2,6}	9.6	Quarterly	December 2027
	2 027	-	ZAR ^{2,6}	9.8	Quarterly	December 2027
	1 004	-	ZAR ^{2,6}	10.0	Quarterly	December 2027
	1 013	-	ZAR ^{2,6}	9.8	Quarterly	December 2027
	504	-	ZAR ^{2,3}	9.4	Quarterly	May 2029
	2 023	-	ZAR ^{2,6}	9.8	Quarterly	July 2030
	4	-	ZAR ^{2,11}	8.9	Monthly	January 2025
	1 005	-	ZAR ^{2,11}	9.2	Monthly	January 2025
MTN Nigeria	11 325	15 598				
	384	1 252	NGN ^{1,2}	30.0	Quarterly	August 2025
	184	502	NGN ^{1,2}	30.0	Quarterly	May 2026
	1 279	1 234	US\$ ^{2,6}	9.3	Semi-annual	April 2031
	1 526	1 464	US\$ ^{2,6}	11.5	Semi-annual	April 2029
	3 940	6 431	NGN ^{5,10}	12.8	Semi-annual	May 2028
	-	4 715	NGN ^{5,10}	14.6	Quarterly	May 2024
	1 946	-	NGN ^{5,8}	28.3	Annual	September 2025
	765	-	NGN ^{2,6}	27.0	Semi-annual	June 2026
	653	-	NGN ^{2,6}	33.0	Semi-annual	October 2026
	648	-	NGN ^{2,6}	30.0	Semi-annual	November 2026
MTN International (Mauritius) Limited	8 479	6 572				
	6 571	6 572	ZAR ^{1,2}	10.1	Quarterly	October 2028
	1 908	-	US\$ ^{2,3}	8.5	Quarterly	May 2028
MTN (Mauritius) Investments Limited	9 580	11 029				
	-	1 776	US\$ ^{5,7}	4.8	Semi-annual	November 2024
	9 580	9 253	US\$ ^{5,7}	6.5	Semi-annual	October 2026

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 Senior unsecured notes

⁸ Commercial paper

⁹ Credit letter

¹⁰ Local bonds

¹¹ Bank borrowings

¹² Vendor finance facility

* Contractual interest rates on loans as at 31 December 2024.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

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

	2024 Rm	2023 Rm	Denomi- nated currency	Nominal interest %*	Interest payment	Final maturity
MTN Zambia	889	949				
	354	526	ZMK ^{1,2}	21.0	Semi-annual	June 2026
	147	206	ZAR ^{1,2}	15.0	Semi-annual	June 2026
	76	79	ZMK ^{5,12}	16.5	Annual	November 2025
	81	138	ZMK ^{5,12}	16.5	Annual	December 2025
	135	-	ZMK ^{5,12}	19.0	Annual	March 2026
	96	-	ZMK ^{5,12}	2.4	Quarterly	December 2026
MTN Uganda	115	978				
	-	169	UGX ^{1,2}	14.0	Quarterly	February 2025
	-	543	UGX ^{1,2}	14.2	Quarterly	February 2025
	-	266	UGX ^{1,2}	15.9	Quarterly	February 2025
	115	-	UGX ^{2,3}	16.4	Quarterly	December 2029
MTN Benin	2 351	1 171				
	25	32	CFA ^{5,11}	2.0	Semi-annual	April 2029
	-	32	CFA ^{5,11}	7.2	Semi-annual	May 2024
	388	799	CFA ^{1,5}	6.8	Semi-annual	November 2025
	-	308	CFA ^{5,11}	6.8	Annual	December 2024
	1 938	-	CFA ^{5,11}	6.8	Semi-annual	May 2031
MTN Côte d'Ivoire	3 659	3 423				
	467	804	CFA ^{1,5}	7.0	Quarterly	January 2026
	1 700	1 849	CFA ^{1,5}	6.0	Quarterly	September 2029
	746	770	CFA ^{1,5}	7.0	Quarterly	December 2032
	746	-	CFA ^{1,5}	7.0	Quarterly	December 2031
MTN Cameroon	1 954	2 692				
	1 954	2 692	XAF ^{1,5}	5.5	Monthly	May 2027
MTN Rwanda	960	1 101				
	691	732	RWF ^{1,2}	15.0	Semi-annual	July 2028
	269	369	RWF ^{1,2}	15.0	Semi-annual	November 2025
MTN Congo-Brazzaville	1 715	644				
	224	538	CFA CB ^{1,5}	5.0	Quarterly	June 2025
	-	106	CFA CB ^{5,12}	5.0	Quarterly	December 2024
	1 491	-	CFA CB ^{1,5}	6.0	Quarterly	December 2029
aYo Holdings Limited	-	188				
	-	188	US\$ ^{2,15}	7.3	Monthly	July 2024
Other unsecured borrowings	96	-				
Total unsecured borrowings	77 854	74 630				

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 2024.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

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

	2024 Rm	2023 Rm	Denomi- nated currency	Nominal interest %*	Interest payment	Final maturity	Security/ collateral
Secured							
MTN Ghana	88	340					
	88	340	GHS ^{1,2}	34.8	Semi- annual	June 2025	Floating charge on company
MTN Zambia	145	187					
	145	187	ZMK ^{2,3}	24.5	Semi- annual	August 2027	Security on fixed assets
MTN Nigeria	655	8 111					
	-	8 111	US\$ ^{2,4}	8.1	Monthly	December 2024	Security on restricted cash
	655	-	NGN ^{2,4}	16.0	Monthly	December 2025	Security on restricted cash
Other secured borrowings	-	32					
Total secured borrowings	888	8 670					
Total unsecured borrowings	77 854	74 630					
Total borrowings	78 742	83 300					

¹ Syndicated term loan facility

² Variable interest rate

³ Medium-term loan

⁴ Credit letter

* Contractual interest rates on loans as at 31 December 2024.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.1 Borrowings (continued)

	2024	2023
	Rm	Rm
The classification of the Group's borrowings is as follows:		
Current	12 591	28 081
Non-current	66 151	55 219
	78 742	83 300
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
Nigerian naira	9 175	12 900
United States dollar	14 293	22 026
South African rand	43 449	37 063
Benin Communauté Financière Africaine franc	2 351	1 171
Côte d'Ivoire Communauté Financière Africaine franc	3 659	3 423
Zambian kwacha	887	930
Congo-Brazzaville Communauté Financière Africaine franc	1 715	644
Ugandan shilling	115	978
Cameroon Communauté Financière Africaine franc	1 954	2 692
Ghanaian cedi	88	340
Rwandan franc	960	1 101
Other currencies	96	32
	78 742	83 300

The Group has undrawn variable rate facilities of R36 533 million (2023: R44 598 million).

MTN Nigeria has a supply chain financing (SCF) arrangement, in terms of which the financier has agreed to provide funds directly to MTN Nigeria based on supplier invoices submitted by MTN Nigeria. MTN Nigeria uses these funds to settle the suppliers and then subsequently pays the financier within 90 days from the financier providing the funds to MTN Nigeria. The amount due to the financier is secured against the underlying goods or services. Amounts owing to the financier under this arrangement are classified within current borrowings.

Payments received from, and made to, the financier are included in net cash used in financing activities while the payments made to suppliers are included in net cash generated from operating activities.

The carrying amount of the supply chain financing balance in borrowings:

	2024	2023 ¹
	Rm	Rm
Presented within current borrowings	246	-
Of which suppliers have received payment	246	-

¹ The transition relief has been applied to the comparatives.

There were no material foreign exchange differences, or other non-cash transfers affecting the carrying amount of liabilities under supplier finance arrangements.

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.

	2024	2023
	Rm	Rm
Deferred income ¹	1 088	1 157
Financial liability measured at fair value through profit or loss ²	2 346	1 880
	3 434	4 181

¹ Includes deferred income relating to indefeasible right-of-use asset 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 7.1.3).

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

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. A provision to pay a levy is not recognised until the obligating event specified in the legislation occurs, even if there is no realistic opportunity to avoid the obligation. Provisions are not recognised for future operating losses.

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
2024						
Non-current						
Decommissioning provision	245	10	(4)	(102)	4	153
Employee benefit provisions	440	135	-	(81)	(121)	373
Litigation provisions	88	67	-	-	(36)	119
Other provisions ²	92	88	(60)	(7)	(21)	92
	865	300	(64)	(190)	(174)	737
Current						
Bonus and other employee benefit provisions	2 107	1 876	(200)	(1 674)	(140)	1 969
Licence obligations	65	-	-	(31)	-	34
Litigation provisions	487	289	(312)	(149)	(186)	129
Other provisions ²	918	66	(155)	(31)	(459)	339
	3 577	2 231	(667)	(1 885)	(785)	2 471

¹ Includes the effect of hyperinflation.

² Other provisions relate to restructuring and credit notes.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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
2023						
Non-current						
Decommissioning provision	235	63	-	(57)	4	245
Employee benefit provisions	624	80	(34)	(160)	(70)	440
Litigation provisions	163	2	-	(2)	(75)	88
Other provisions ²	82	80	(5)	(7)	(58)	92
	1 104	225	(39)	(226)	(199)	865
Current						
Bonus and other employee benefit provisions	2 914	1 737	(91)	(2 398)	(55)	2 107
Licence obligations	230	-	-	(165)	-	65
Litigation provisions	743	398	(34)	(351)	(269)	487
Other provisions ²	1 104	543	(278)	(514)	63	918
	4 991	2 678	(403)	(3 428)	(261)	3 577

¹ Includes the effect of hyperinflation.

² Other provisions relate to 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 recognizes 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.4 Capital commitments

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

	2024 Rm	2023 Rm
Capital expenditure authorised not yet incurred at the reporting date is as follows:		
Contracted	10 629	16 034
- Property, plant and equipment ¹	9 388	14 052
- Software	1 241	1 982
Not contracted ²	17 265	20 848
- Property, plant and equipment	14 146	15 689
- Software	3 119	5 159
Total commitments for property, plant and equipment and software	27 894	36 882

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 were held for sale in the prior year and have subsequently been disposed of, 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

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 fifteen 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.

6.5.1.1 *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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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* (continued)

As at 31 December 2024, 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:

	2024 Rm	2023 Rm
Land, buildings and network infrastructure	57 776	46 613
Licences	1 187	1 249
Other	301	345
Total right-of-use assets	59 264	48 207
Current	9 336	9 030
Non-current	65 806	54 378
Total lease liabilities	75 142	63 408

Included in the amounts above is additions to the right-of-use assets during the current financial year of R7 282 million (2023: R17 943 million). Additionally, right-of-use assets increased by a net amount of R15 287 million as a result of lease modifications. This includes R4 659 million relating to MTN SA (note 6.5.5) and R10 150 million relating to MTN Nigeria (note 6.5.6).

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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:

	2024 Rm	2023 Rm
Land, buildings and network infrastructure	9 067	9 207
Licences	131	128
Other	99	105
Depreciation charge of right-of-use assets	9 297	9 440
Impairment loss on right-of-use assets	65	-
Interest expense (included in finance costs)	7 934	7 662
Expense relating to short-term leases (included in other operating expenses)	148	92
Expense relating to leases of low-value assets (included in other operating expenses)	49	23
Foreign exchange losses (included in net foreign exchange losses)	6 761	10 636

6.5.4 Amounts recognised in the statement of cash flows

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

	2024 Rm	2023 Rm
Interest paid	6 336	6 496
Repayment of lease liabilities	9 024	7 828
Acquisition of right-of-use asset	713	901
Total cash outflow	16 073	15 225

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.

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.

	31 December 2024 Tower sale and leaseback Rm	31 December 2023 Tower sale and leaseback Rm
Derecognise:		
Right-of-use assets - land leases	(342)	(644)
Lease liabilities - land leases	344	720
Recognise:		
Right-of use assets - modifications during the year	9	-
Lease liabilities- modifications during the year	(9)	-
Gain recognised	2	76

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

6 FINANCING STRUCTURE AND COMMITMENTS (continued)

6.5 Leases (continued)

6.5.5 MTN Tower sale (continued)

The remaining land leases are presented as held for sale:

	31 December 2024	31 December 2023
	Rm	Rm
Right-of-use assets	447	780
Lease liabilities	(402)	(797)
Net carrying amount of assets held for sale	45	(17)

During the current financial year, MTN SA revised the IHS agreement, which now encompasses increased lease payments, as well as an increase in the initial lease term by an additional two years. This resulted in an increase to right-of-use assets and lease liabilities of R4 659 million.

6.5.5 MTN Nigeria lease modification

During the current year, MTN Nigeria renegotiated the binding commercial terms of the existing infrastructure sharing and master lease agreements with IHS (Nigeria) Limited, INT Towers Limited and IHS Towers NG Limited (together, IHS). The revised Terms of Agreement was executed on 7 August 2024, with the terms of the amendment taking effect from 1 April 2024, and a mutual agreement to extend all agreements to 31 December 2032.

The revised terms reduced the US dollar-indexed portion of the overall arrangement, making the leases majority Nigerian Naira-based, as well as set a cap of 20% for the Nigerian Naira CPI escalation component. As a result of the lease extension and renewals, additional lease liabilities and right-of-use assets amounting to R10 150 million have been recognised.

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.

	2024	2023
	Rm	Rm
Contingent liabilities	1 585	1 327
Uncertain tax exposures	693	418
Legal and regulatory matters	892	909

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 2024, there were a number of tax disputes ongoing in various of the Group's operating entities.

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

- The economic characteristics and risks are not closely related to the host;
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives that are closely related to the host are not separated and the host is 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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 is 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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

Impairment (continued)

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.

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.

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.1 Categories of financial instruments

	Assets			Liabilities		Total carrying amount Rm
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	
	Rm	Rm	Rm	Rm	Rm	
2024						
Non-current financial assets						
Investment in joint ventures	2 806	-	-	-	-	2 806
Loans and other non-current receivables	3 119	-	-	-	-	3 119
Investments	138	-	5 049	-	-	5 187
Mobile Money deposits	790	-	-	-	-	790
Current financial assets						
Trade and other receivables	33 741	-	-	-	-	33 741
Current investments	6 965	1 781	278	-	-	9 024
Restricted cash	2 029	-	-	-	-	2 029
Mobile Money deposits	60 054	-	-	-	-	60 054
Cash and cash equivalents	29 858	-	-	-	-	29 858
	139 500	1 781	5 327	-	-	146 608
Non-current financial liabilities						
Borrowings	-	-	-	66 151	-	66 151
Financial liability measured at fair value through profit or loss	-	-	-	-	1 842	1 842
Lease liabilities ¹	-	-	-	66 159	-	66 159
Current financial liabilities						
Trade and other payables	-	-	-	54 620	-	54 620
Mobile Money payables	-	-	-	60 844	-	60 844
Financial liability measured at fair value through profit or loss	-	-	-	-	736	736
Lease liabilities ¹	-	-	-	9 385	-	9 385
Borrowings	-	-	-	12 591	-	12 591
Derivative liabilities	-	-	-	-	59	59
Bank overdrafts	-	-	-	1 240	-	1 240
	-	-	-	270 990	2 637	273 627

¹ Includes lease liabilities directly associated with non-current assets held for sale, refer to note 6.5.5.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.1 Categories of financial instruments (continued)

	Assets			Liabilities		Total carrying amount Rm
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	
	Rm	Rm	Rm	Rm	Rm	
2023						
Non-current financial assets						
Investments in joint venture and associates	3 152	-	-	-	-	3 152
Loans and other non-current receivables	2 641	-	-	-	-	2 641
Investments	164	-	7 409	-	-	7 573
Mobile Money deposits	755	-	-	-	-	755
Current financial assets						
Trade and other receivables ¹	31 848	-	-	-	-	31 848
Current investments	1 539	2 090	30	-	-	3 659
Restricted cash ¹	11 048	-	-	-	-	11 048
Mobile Money deposits ¹	49 840	-	-	-	-	49 840
Cash and cash equivalents ¹	37 184	-	-	-	-	37 184
	138 171	2 090	7 439	-	-	147 700
Non-current financial liabilities						
Borrowings	-	-	-	55 694	-	55 694
Other non-current liabilities	-	-	-	19	1 880	1 899
Lease liabilities ¹	-	-	-	55 381	-	55 381
Current financial liabilities						
Trade and other payables	-	-	-	56 765	608	57 373
Mobile Money payables ¹	-	-	-	50 595	-	50 595
Lease liabilities ¹	-	-	-	9 220	-	9 220
Borrowings	-	-	-	28 082	-	28 082
Derivative liabilities	-	-	-	-	352	352
Bank overdraft	-	-	-	990	-	990
	-	-	-	256 746	2 840	259 586

¹Includes liabilities directly associated with non-current assets held for sale, refer to note 6.5.5, 9.4.2.1 and 9.4.2.2.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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	Amount offset	Net amount
	Rm	Rm	Rm
2024			
Current financial assets			
Trade and other receivables	2 202	(1 423)	779
Current financial liabilities			
Trade and other payables	2 907	(1 423)	1 484
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

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 are 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).

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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
2024				
Financial assets				
Investment in IHS Group	4 702	-	-	4 702
Unlisted equity investments	-	-	347	347
Investment in insurance cell captives	-	-	1 699	1 699
Treasury bills	298	-	-	298
Investment in MTN Group Limited shares classified as fair value through profit or loss	62	-	-	62
Total assets	5 062	-	2 046	7 108
Financial liabilities				
Cross-currency swaps	-	59	-	59
Financial liability measured at fair value through profit or loss	-	-	2 578	2 578
Total liabilities	-	59	2 578	2 637
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	9 327
Financial liabilities				
Cross-currency swaps	-	352	-	352
Financial liability measured at fair value through profit or loss	-	-	1 880	1 880
Total liabilities	-	352	1 880	2 232

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\$2.92 (2023: US\$4.60) on the last trading day of the year.

A fair value decrease (translated at average exchange rate) of R2 650 million (2023: R2 689 million) has been recognised for the year. On 25 April 2025, the IHS Group share price was US\$4.79, equating to an increase in the fair value of R2 929 million subsequent to 31 December 2024.

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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)

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.

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

Financial liabilities measured at fair value through profit or loss – The Group has financial liabilities relating to the deferred payment terms that arose with the acquisition of the MoMo platform license. A portion of the deferred payments includes cash flows that vary according to the performance of each operating company in terms of revenue generation as well as the strength of the Local currency compared to the fixed minimum commitment (contractually stated forward exchange rates and revenues). The economic characteristics and risks of these cashflows were assessed to be closely related to the fixed minimum commitments. Accordingly, the embedded derivative was not separated from the host contract. At initial recognition, the MoMo platform license was measured as the present value of the future minimum commitments using each operating company's incremental borrowing rate. Each reporting period, the financial liability is remeasured to its fair value utilising the forward-looking revenues and forward exchange rates for each operating company that will affect the value of the future minimum commitments.

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 had listed long-term fixed interest rate senior unsecured notes which were issued in prior years. In 2023, the carrying amount was R1 776 million and had a fair value of R1 767 million. The notes were listed on the Irish bond market and the fair values of these instruments were determined by reference to quoted prices in this market. The market for these bonds was not considered to be liquid and consequently the fair value measurement was 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. At 31 December 2024, US\$500 million redeemable in 2026 (the 2026 notes) had a carrying amount of R9 580 million (2023: R9 253 million) and a fair value of R9 559 million (2023: R9 230 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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.3 Fair value estimation (continued)

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 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 1 January 2024	1 793
Contributions paid to insurance cell captives	653
Claims received by insurance cell captives	(634)
Loss recognised in profit or loss	(113)
Balance at 31 December 2024	1 699

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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:

	2024 Rm	2023 Rm
Investments	138	164
Investment in associates and joint ventures	2 806	3 152
Loans and other non-current receivables	3 119	2 641
Trade and other receivables	33 741	31 848
Trade receivables	18 986	18 803
Other receivables	14 755	13 045
Contract assets	6 200	5 696
Current investments	8 962	3 455
Restricted cash	2 029	11 048
Mobile Money deposits	60 844	50 595
Cash and cash equivalents	29 858	37 184
	147 697	145 783

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 institutions	Cash and Cash equivalents Rm	Restricted cash Rm
2024			
South Africa (including head office entities)	AA+ to AA	10 169	181
MTN Nigeria	AAA to BBB-	3 120	1 318
MTN Dubai and Bayobab	A+ to BBB+	3 816	182
MTN Rwanda	AA to B	197	-
MTN Ghana	Unrated	4 210	-
MTN Congo-Brazzaville ¹	Unrated	1 620	42
MTN Cameroon ¹	Unrated	2 110	141
Other ¹	Various/unrated	4 616	165
		29 858	2 029
2023			
South Africa (including head office entities)	AA+ to AA	14 658	2 095
MTN Nigeria	AAA to BBB-	6 950	7 944
MTN Dubai and Bayobab	AAA to BBB+	5 578	19
MTN Rwanda	AA to B	292	82
MTN Ghana	Unrated	4 478	-
MTN Congo-Brazzaville ¹	Unrated	532	40
MTN Cameroon ¹	Unrated	2 727	471
Other ^{1,2}	Various/unrated	1 969	397
		37 184	11 048

¹ MTN Congo-Brazzaville and MTN Cameroon were previously included in other and have been disaggregated in the current year and comparative numbers have been re-presented accordingly.

² Includes assets directly associated with non-current assets held for sale, refer to note 9.4.2.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.4 Credit risk (continued)

The Group's treasury bills and foreign currency deposits denominated in Nigerian naira and Rwandan franc respectively have a local credit risk rating grade of B (2023: AAA to B).

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 R4.97 billion (2023: R6 billion) has been insured for which the Group's risk is limited to R500 million (2023: 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 R22.5 million (2023: R36.9 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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.4 Credit risk (continued)

Ageing and impairment analysis

	2024			2023 ¹		
	Gross Rm	Impairment Rm	Net Rm	Gross Rm	Impairment Rm	Net Rm
Fully performing trade receivables	9 811	(1 019)	8 792	10 279	(240)	10 039
Interconnect receivables	1 162	(140)	1 022	1 471	(69)	1 402
Contract receivables	1 856	(11)	1 845	1 150	(19)	1 131
Retail receivables	4 700	(776)	3 924	5 016	(51)	4 965
EBU receivables	690	(1)	689	922	(9)	913
Other receivables ²	1 403	(91)	1 312	1 720	(92)	1 628
Past due trade receivables	12 489	(2 295)	10 194	11 198	(2 435)	8 764
<i>Interconnect receivables</i>	<i>1 277</i>	<i>(206)</i>	<i>1 071</i>	1 454	(276)	1 178
0 to 3 months	437	(24)	413	562	(33)	529
3 to 6 months	335	(25)	310	334	(60)	274
6 to 9 months	14	(8)	6	103	(13)	90
9 to 12 months	491	(149)	342	455	(170)	285
<i>Contract receivables</i>	<i>2 597</i>	<i>(176)</i>	<i>2 421</i>	2 777	(552)	2 225
0 to 3 months	1 231	(35)	1 196	1 398	(80)	1 318
3 to 6 months	1 108	(77)	1 031	977	(245)	732
6 to 9 months	64	-	64	163	(45)	118
9 to 12 months	194	(64)	130	239	(182)	57
<i>Retail receivables</i>	<i>1 299</i>	<i>(138)</i>	<i>1 161</i>	1 676	(636)	1 040
0 to 3 months	174	(3)	171	462	(11)	451
3 to 6 months	916	(44)	872	511	(220)	291
6 to 9 months	37	(14)	23	91	(91)	-
9 to 12 months	172	(77)	95	612	(314)	298
<i>EBU receivables</i>	<i>2 169</i>	<i>(725)</i>	<i>1 444</i>	1 412	(472)	940
0 to 3 months	459	(11)	448	350	(25)	325
3 to 6 months	583	(314)	269	462	(108)	354
6 to 9 months	139	(42)	97	65	(14)	51
9 to 12 months	988	(358)	630	535	(325)	210
<i>Other receivables²</i>	<i>5 147</i>	<i>(1 050)</i>	<i>4 097</i>	3 879	(499)	3 380
0 to 3 months	2 971	(385)	2 586	1 154	(4)	1 150
3 to 6 months	1 067	(211)	856	1 981	(104)	1 877
6 to 9 months	59	(47)	12	121	(66)	55
9 to 12 months	1 050	(407)	643	623	(325)	298
Total	22 300	(3 314)	18 986	21 478	(2 675)	18 803

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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

	Interconnect receivables	Contract receivables	Retail receivables	EBU receivables	Other receivables ¹	Total
	Rm	Rm	Rm	Rm	Rm	Rm
2024						
MTN SA	224	1 844	556	560	1 483	4 667
MTN Nigeria	128	107	-	-	11	246
MTN Côte d'Ivoire	358	164	151	471	42	1 186
MTN Ghana	37	24	366	14	284	725
MTN Zambia	33	152	69	19	118	391
MTN Cameroon	191	89	51	378	38	747
MTN Benin	16	-	-	143	139	298
MTN Congo-Brazzaville	221	3	-	436	62	722
MTN Uganda	6	172	101	-	-	279
Other operations	63	42	5	148	2 970	3 228
	1 277	2 597	1 299	2 169	5 147	12 489
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	420	1 026
	1 454	2 777	1 678	1 411	3 879	11 199

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.4 Credit risk (continued)

Expected credit losses (continued)

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.

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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

	Gross carrying amount Rm	Impairment Rm	Average ECL/ Impairment ratio %
2024			
Interconnect receivables	2 439	(346)	14.19
Fully performing	1 162	(140)	12.05
Up to 90 days past due	437	(24)	5.49
90 days and above	840	(182)	21.67
Contract receivables	1 694	(187)	11.04
Fully performing	941	(11)	1.17
Up to 90 days past due	225	(35)	15.56
90 days and above	528	(141)	26.7
Retail receivables	5 999	(914)	15.24
Fully performing	4 700	(776)	16.51
Up to 90 days past due	174	(3)	1.72
90 days and above	1 125	(135)	12.00
EBU receivables	2 859	(578)	20.22
Fully performing	690	(1)	0.14
Up to 90 days past due	459	(11)	2.40
90 days and above	1 710	(566)	33.10
Other receivables¹	6 550	(1 141)	17.42
Fully performing	1 403	(91)	6.49
Up to 90 days past due	2 971	(385)	12.96
90 days and above	2 176	(665)	30.56
Total	19 541	(3 166)	16.20
2023			
Interconnect receivables	2 925	(342)	11.69
Fully performing	1 471	(69)	4.69
Up to 90 days past due	562	(33)	5.87
90 days and above	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	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	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	1 062	(447)	42.09
Other receivables¹	5 599	(591)	10.56
Fully performing	1 720	(92)	5.35
Up to 90 days past due	1 154	(4)	0.35
90 days and above	2 725	(495)	18.17
Total	19 239	(2 552)	13.26

¹ Other receivables includes both national and international roaming receivables.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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). 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:

2024	Total	Trade receivables ¹	Contract assets ²
Gross balance	8 958	2 758	6 200
Expected credit loss allowance	(148)	(148)	*
	8 810	2 610	6 200
2023			
Gross balance	8 081	2 238	5 843
Expected credit loss allowance	(265)	(118)	(147)
	7 816	2 120	5 696

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.

* Amounts less than R1 million.

Trade receivables are written off when there is no reasonable expectation of recovery. An amount of R1 177 million (2023: R1 140 million) has been written off in the current year is 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.

	2024	2023	2024	2023
	Trade receivables	Trade receivables ¹	Contract assets	Contract assets
Reconciliation of allowance for credit losses	Rm	Rm	Rm	Rm
At the beginning of the year	(2 329)	(2 870)	(147)	(651)
Additions ²	(2 575)	(1 317)	-	-
Reversals ²	47	5	147	504
Utilised ²	1 315	1 105	-	-
Transferred to held for sale (note 9.4.2.2)	-	509	-	-
Exchange differences and other movements ³	228	239	-	-
At the end of the year	(3 314)	(2 329)	-	(147)

¹ Includes assets and liabilities directly associated with non-current assets held for sale, refer to note 9.4.2.4.

² A net impairment loss of R2 528 million (2023: R1 307 million) was recognised during the year.

³ Includes the effect of hyperinflation.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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:

	2024	2023 ¹
	Rm	Rm
Trade and other receivables	33 741	31 848
Current investments	8 962	3 659
Mobile Money deposits ²	60 844	50 595
Cash and cash equivalents	29 858	37 184
	133 405	123 286

¹ Includes assets and liabilities directly associated with non-current assets held for sale, refer to note 9.4.2.4.

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

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.5 Liquidity risk (continued)

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

	Carrying amount	Total	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
2024								
Borrowings	78 742	100 264	3 856	1 986	14 361	23 348	49 400	7 313
Financial liability measured at fair value through profit or loss	2 578	3 935	248	189	851	1 229	1 418	-
Lease liabilities	75 544	113 599	2 694	1 145	17 432	23 345	45 153	23 830
Trade and other payables	54 621	54 770	31 730	8 313	14 727	-	-	-
Mobile Money payables	60 844	60 844	60 844	-	-	-	-	-
Derivative liabilities	59	59	-	-	59	-	-	-
Bank overdrafts	1 240	1 240	367	378	495	-	-	-
	273 628	334 711	99 739	12 011	47 925	47 922	95 971	31 143
2023								
Borrowings	83 776	102 804	837	2 459	30 174	10 297	37 302	21 735
Financial liability measured at fair value through profit or loss	1 899	3 250	47	141	430	1 700	932	-
Lease liabilities ¹	64 601	91 431	2 973	931	12 635	14 519	29 919	30 454
Trade and other payables	57 373	57 892	33 381	3 630	20 881	-	-	-
Mobile Money payables	50 595	50 595	50 595	-	-	-	-	-
Derivative liabilities	352	352	-	-	352	-	-	-
Bank overdrafts	990	990	391	158	441	-	-	-
	259 586	307 313	88 224	7 319	64 913	26 516	68 153	52 189

¹ Includes assets and liabilities directly associated with non-current assets held for sale, refer to note 6.5.5 and 9.4.2.2.

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 R19.5 billion as at 31 December 2024 (2023: R16.4 billion).

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISK (continued)

7.1 Financial risk management and financial instruments (continued)

7.1.6 Market risk (continued)

7.1.6.1 Interest rate risk (continued)

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	
	2024	2023
	Rm	Rm
Non-current financial assets		
Loans and other non-current receivables	2 503	2 929
Current financial assets		
Trade and other receivables	6 238	5 650
Current investments	450	423
Restricted cash	4	-
Mobile Money deposits	1	4 442
Cash and cash equivalents	9 266	9 609
	18 462	23 053
Non-current financial liabilities		
Borrowings	43 312	34 095
Current financial liabilities		
Trade and other payables	2 306	2 733
Mobile Money payables	1	4 442
Borrowings	9 830	19 147
Bank overdrafts	224	391
	55 673	60 808

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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, SOFR, 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 2023.

	2024			2023		
	(Decrease)/increase in profit before tax			(Decrease)/increase in profit before tax		
	Change in interest rate	Upward change in interest rate	Downward change in interest rate	Change in interest rate	Upward change in interest rate	Downward change in interest rate
	%	Rm	Rm	%	Rm	Rm
JIBAR	1	(418.2)	418.2	1	(361.2)	361.2
LIBOR and associated rates ¹	-	-	-	1	39.2	(39.2)
SOFR and associated rates ¹	1	22.7	(22.7)	1	-	-
NIBOR	1	(32.9)	32.9	1	(98.8)	98.8
Money market	1	4.5	(4.5)	1	(3.5)	3.5
Prime	1	64.7	(64.7)	1	33.1	(33.1)
Other	1	(12.9)	12.9	1	8.1	(8.1)

¹ LIBOR ceased on 30 September 2024 when the final synthetic LIBOR settings were published. The alternative reference rate for US\$ LIBOR is the Secured Overnight Financing Rate (SOFR). Amendments to financial instruments with contractual terms indexed to US\$ LIBOR such that they incorporate the new benchmark rate were completed.

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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)

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

Denominated: Functional currency	Increase/(decrease) in profit before tax				Increase/(decrease) in OCI			
	Net assets / (liabilities) denominated in foreign currency	Change in exchange rate	Weakening in functional currency	Strength- ening in functional currency	Change in exchange rate	Weakening in functional currency	Strength- ening in functional currency	
	Rm	%	Rm	Rm	%	Rm	Rm	
2024								
US\$:ZAR ¹	12 060	10	1 206.0	(1 206.0)	10	-	-	
US\$:SDG	(1 582)	10	-	-	10	(158.2)	158.2	
US\$:NGN	(23 383)	10	(2 338.3)	2 338.3	10	-	-	
EUR:SDG	(2 718)	10	(271.8)	271.8	10	-	-	
EUR:US\$	3 956	10	395.6	(395.6)	10	-	-	
US\$:ZMK	(202)	10	(20.2)	20.2	10	-	-	
IRR:ZAR	1 945	10	194.5	(194.5)	10	280.6	(280.6)	
EUR:ZAR	801	10	80.1	(80.1)	10	-	-	
NGN:ZAR	24	10	2.4	(2.4)	10	-	-	
US\$:EUR	496	10	49.6	(49.6)	10	-	-	
GHS:US\$	462	10	46.2	(46.2)	10	-	-	
2023								
US\$:ZAR ¹	10 919	10	1 091.9	(1 091.9)	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	-	-	10	(282.8)	282.8	
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	-	-	

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.

Mobile Telephone Network Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 prior year, MTN Guinea-Bissau breached a loan covenant as result of negative EBITDA performance. No formal waiver was provided by the lender, and as a result, the full outstanding balance of R171 million was classified as current. MTN Guinea-Bissau, has subsequently been disposed of. 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.

	2024	2023
Net debt: Capital management EBITDA		
Borrowings and bank overdrafts (Rm)	79 983	84 290
Less: Cash and cash equivalents, restricted cash and current investments (Rm)	(39 214)	(51 286)
Net debt (Rm)	40 769	33 004
Net debt: total equity		
CODM EBITDA before impairment of goodwill ¹ (Rm)	60 096	88 666
Less: Repayment and interest paid on lease liabilities (Rm) (Note 6.5.4)	(15 360)	(14 324)
Capital management EBITDA (Rm)	44 736	74 342
Net debt/Capital management EBITDA ratio	0.9	0.4
Net interest: Capital management EBITDA		
Net debt (Rm)	40 769	33 004
Total equity (Rm)	138 717	148 906
Net debt/Total equity (%)	29.39	22.2
Net interest: Capital management EBITDA		
Net finance costs (Rm)	34 812	38 959
Less: Lease liability finance costs (Rm) (Note 2.4 and 6.5.3)	(7 934)	(7 662)
Net interest (Rm)	26 878	31 297
Capital management EBITDA (Rm)	44 736	74 342
Net interest/Capital management EBITDA (%)	60.1	42.1

¹ CODM EBITDA is defined in note 2.1.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISKS

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.

	2024 Rm	2023 Rm
Financial assets at amortised cost		
Government bonds with a fixed interest rate of 4.3% – 19.3% and maturing between January 2026 and April 2029 ¹	112	134
Capital investment ²	26	30
Financial assets at fair value through other comprehensive income		
Investment in IHS Group (note 7.1.3)	4 702	7 158
Unlisted equity investments (note 7.1.3)	347	66
	5 187	7 388

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.

	2024 Rm	2023 Rm
Other non-current receivables	3 128	2 575
Non-current prepayments ¹	1 922	1 997
Total loans and other non-current receivables	5 050	4 572

¹ Includes prepayments relating to infeasible right-of-use of R1 249 million (2023: R1 315 million) over capacity on international telecommunication cables.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISKS (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.

	2024	2023
	Rm	Rm
Financial assets held at fair value through profit or loss		
Investment in insurance cell captives (note 7.1.3)	1 699	1 793
Investment in MTN Group Limited shares held 669 124 (2023: 791 536)	62	293
Treasury bills with a fixed interest rate of 13.4% and maturity date in January 2024 ¹	-	4
Treasury bills with fixed interest rates of 20.5% and a maturity date in March 2025 ¹	20	-
	1 781	2 090
Amortised cost		
Treasury bills with variable interest rates of 27.0% to 29.0% and maturity date in March 2024 ³	-	423
Treasury bills with a fixed interest rate of 10.5% and a maturity date in February 2025 ⁴	86	-
Treasury bills with fixed interest rates of 8% to 14% and maturity dates between January and February 2024 ^{1,4}	-	140
Treasury bills with a fixed interest rate of 11.5% and a maturity date in June 2025 ¹	144	-
Treasury bills with variable interest rates of 23.8% to 27.9% and maturity dates between January and April 2025 ³	450	-
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 fixed interest rate of 5.0% and maturity date in February 2025 ²	293	-
Foreign currency deposits with fixed interest rates of 1.5% to 3.0% and maturity date in January 2025 ⁶	900	-
Foreign currency deposits with fixed interest rates of 4.3% to 4.8% and maturity dates in January and February 2025 ²	5 092	-
	6 965	1 539
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 a fixed interest rate of 11.9% and maturity date in April 2025 ¹	188	-
Treasury bills with a variable interest rate of 6.0% and maturity date in March 2025 ⁵	90	-
	278	30
Total current investments	9 024	3 659

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 Communauté Financière Africaine franc.

⁶ Denominated in Euro.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISKS (continued)

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:

	2024 Rm	2023 Rm
US\$ denominated bonds held by MTN (Mauritius) Investments Limited	9 559	10 996

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

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

	2024 Rm	2023 Rm
Carrying value of US\$ denominated bonds held by MTN (Mauritius) Investments Limited	9 580	11 029
Nominal value of US\$ denominated bonds held by MTN (Mauritius) Investments Limited ¹	500	597
Change in carrying amount of loans as a result of foreign exchange movements	(319)	(1 166)
Change in value of the hedged item used to determine hedge effectiveness	319	1 166
Hedge ratio	100%	100%
Foreign currency translation reserve		
Balance at the beginning of the year	5 852	5 298
Change in fair value of hedging instrument recognised in OCI for the year - after tax	233	554
Balance at the end of the year	6 085	5 852

¹ Amount presented in United States dollar.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

7 FINANCIAL RISKS (continued)

7.6 Exchange rates to South African rand

		Closing rates		Average rates	
		2024	2023	2024	2023
Foreign currency to South African rand:					
United States dollar	US\$	18.90	18.27	18.32	18.40
Euro	EUR	19.57	20.22	19.82	19.98
South African rand to foreign currency:					
Ugandan shilling	UGX	194.64	206.91	205.17	202.47
Rwanda franc	RWF	73.76	69.62	72.61	63.49
Cameroon Communauté Financière Africaine franc	XAF	33.53	32.45	33.15	32.84
Nigerian naira	NGN	81.20	49.65	82.15	32.58
Iranian rial ¹	IRR	33 185.44	21 372.32	26 000.70	19 379.16
Botswana pula	BWP	0.73	0.73	0.73	0.72
Côte d'Ivoire Communauté Financière Africaine franc	CFA	33.53	32.45	33.06	32.87
Congo-Brazzaville Communauté Financière Africaine franc	XAF	33.53	32.45	33.09	32.85
Zambian kwacha	ZMK	1.47	1.41	1.41	1.14
eSwatini lilangeni	SZL	1.00	1.00	1.00	1.00
Afghanistan afghani	AFN	3.73	3.85	3.73	4.10
Ghanaian cedi ¹	GHS	0.78	0.66	0.79	0.64
Benin Communauté Financière Africaine franc	XOF	33.53	32.45	32.97	33.01
Guinean franc	GNF	455.03	465.91	464.62	495.11
Sudanese pound ¹	SDG	105.51	45.60	108.03	34.14
Guinea-Bissau Communauté Financière Africaine franc	XOF	33.53	32.45	33.31	32.26
South Sudanese pound ¹	SSP	208.41	58.62	117.28	49.31

¹The financial results, positions and cash flows of foreign operations trading in hyperinflationary economies are translated as set out in note 1.3.3.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	2024	2023
Ordinary share capital (par value of 0.01 cents)	Number of shares	Number of shares
Authorised	1 500 000 000	1 500 000 000
Issued (fully paid up)	525 757 682	525 757 682
	2024	2023
	Rm	Rm
Share capital		
Balance at the beginning of the year	5	5
Balance at the end of the year	5	5
Share premium		
Balance at the beginning of the year	218	218
Balance at the end of the year	218	218
Shareholder loan classified as equity		
Balance at the beginning of the year	5 818	5 818
Balance at the end of the year	5 818	5 818

The loan is unsecured and interest-free and repayable at the election of the Company. As a result, the shareholder's loan is classified as equity.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

8 EQUITY STRUCTURE (continued)

8.2 Other reserves

	2024	2023
	Rm	Rm
Balance at the beginning of the year	9 605	(11 239)
Opening reserve adjustment for hyperinflation	-	15 705
Transactions with non-controlling interests	(1 009)	(2 308)
Net transfer to retained earnings, contingency and statutory reserves	101	186
Share-based payment transactions	(33)	8
Exchange differences on translating foreign operations ¹	4 202	10 542
Foreign exchange movement on hedging instruments ¹	(233)	(554)
Net change in fair value of debt and equity instruments through other comprehensive income reserve	(2 650)	(2 689)
Other	(16)	(46)
Balance at the end of the year	9 967	9 605
Consisting of:		
Contingency reserve (as required by insurance regulations) ²	518	451
Statutory reserve (as required by Rwanda, Congo-Brazzaville and other joint venture legislation) ³	178	144
Transactions with non-controlling interests ⁴	3 625	4 634
Share-based payment transactions ⁵	2 199	2 232
Foreign currency translation reserve ¹	27 801	23 832
Equity and debt instruments at fair value through other comprehensive income ⁶	(24 675)	(22 025)
Share of other reserves of joint ventures	(81)	(81)
Other	402	418
	9 967	9 605

¹ 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 R4 202 million (2023: R10 542 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 R233 million (2023: R554 million). Refer to the translation and disposal of foreign operations sections in accounting policy 1.3.2 foreign currency.

² 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.

³ 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.

⁴ 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, R564 million gain on MTN Uganda localisation transaction (refer to note 9.4.2.4), R1 451 million loss on the MTN Ghana localisation transaction (refer to note 9.4.2.3) and R122 million loss on acquisition from minorities in MTN Nigeria Mobile Money.

⁵ Refer to the accounting policy in note 8.4 with regard to cash-settled share-based payments.

⁶ 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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	2024		2023	
	Cents per share	Rm	Cents per share	Rm
Final dividend declared in respect of the prior year	1 236	6 500	1 236	6 500
Dividends declared after year end				
Approved after the reporting date and not recognised as a liability ¹	1 293	6 800	1 236	6 500

¹ Declared at the board meeting on 14 March 2025.

8.4 Share-based payments

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 cash-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. Under these schemes the Group receives services from employees as consideration for the equity instruments of MTN Group Limited.

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.

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

8 EQUITY STRUCTURE (continued)

8.4 Share-based payments (continued)

MTN PSP(continued)

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 (BEE)

Vesting is based on the achievement of previously agreed upon deliverables as applicable in South Africa. The BEE condition is only applicable for the 2021 and 2022 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.

Return of 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.

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.

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			
	2021 grant		2022 grant	
	Employee level 3-4 %	Employee level 5-6 %	Employee level 3-4 %	Employee level 5-6 %
Vesting conditions for shares granted				
TSR	25.0	25.0	25.0	22.5 - 25.0
OFCF	25.0	25.0 - 30.0	25.0	22.5 - 25.0
ROE	25.0	25.0 - 30.0	25.0	22.5 - 25.0
ESG	25.0	22.5 - 25.0	25.0	22.5 - 25.0
Compliance	-	0.0 - 5.0	-	0.0 - 5.0
BEE	-	0.0 - 5.0	-	0.0 - 5.0

The following performance conditions apply for the 2023 and 2024 grants:

	Proportion of grant	
	Employee level	Employee level
	3-4 %	5-6 %
Vesting conditions for shares granted		
TSR	25.0	25.0
OFCF	25.0	25.0
ROE	25.0	25.0
ESG	25.0	25.0

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

8 EQUITY STRUCTURE (continued)

8.4 Share-based payments (continued)

MTN PSP (continued)

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

	Number outstanding at 31 December 2023	Offered	Forfeited ¹	Exercised during 2024	Number outstanding at 31 December 2024
21 December 2020	8 646 356	-	(690 700)	(7 955 656)	-
13 December 2021	3 736 439	-	(110 850)	-	3 625 589
12 December 2022	6 116 239	-	(291 225)	-	5 825 014
28 December 2023	8 191 246	-	(415 336)	-	7 775 910
13 December 2024	-	11 169 389	(71 815)	-	11 097 574
Total	26 690 280	11 169 389	(1 579 926)	(7 955 656)	28 324 087

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.

The range of inputs into the stochastic model used for rights outstanding at 31 December 2024 was as follows:

	December 2024
Share price (R)	91.99
Expected life	1-3 years
Risk-free rate	8.07% - 8.26%
Expected volatility	33.35% - 36.04%
Dividend yield	3.76%

	December 2023
Share price (R)	115.50
Expected life	1-3 years
Risk-free rate	8.43% - 8.78%
Expected volatility	29.96% - 35.23%
Dividend yield	2.66%

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 PSPs is provided below:

Offer date	Non-market conditions	Market conditions
12 December 2022	R84.55	R7.08
28 December 2023	R77.07	R31.20
13 December 2024	R70.77	R45.27

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

8 EQUITY STRUCTURE (continued)

8.4 Share-based payments (continued)

ESOP

During 2024, 547 008 (2023: nil) shares were granted to qualifying employees for no consideration and subject to a service condition. 136 127 shares for the 2019 and 2020 onwards awards (2023: 335 456 shares for the 2017, 2018, 2019 and 2020 awards) vested during 2024. 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 all schemes in the current year is R588 million (2023: R1 261 million).

	2024	2023
	Rm	Rm
Expense arising from cash-settled share-based payment transactions	588	1 261

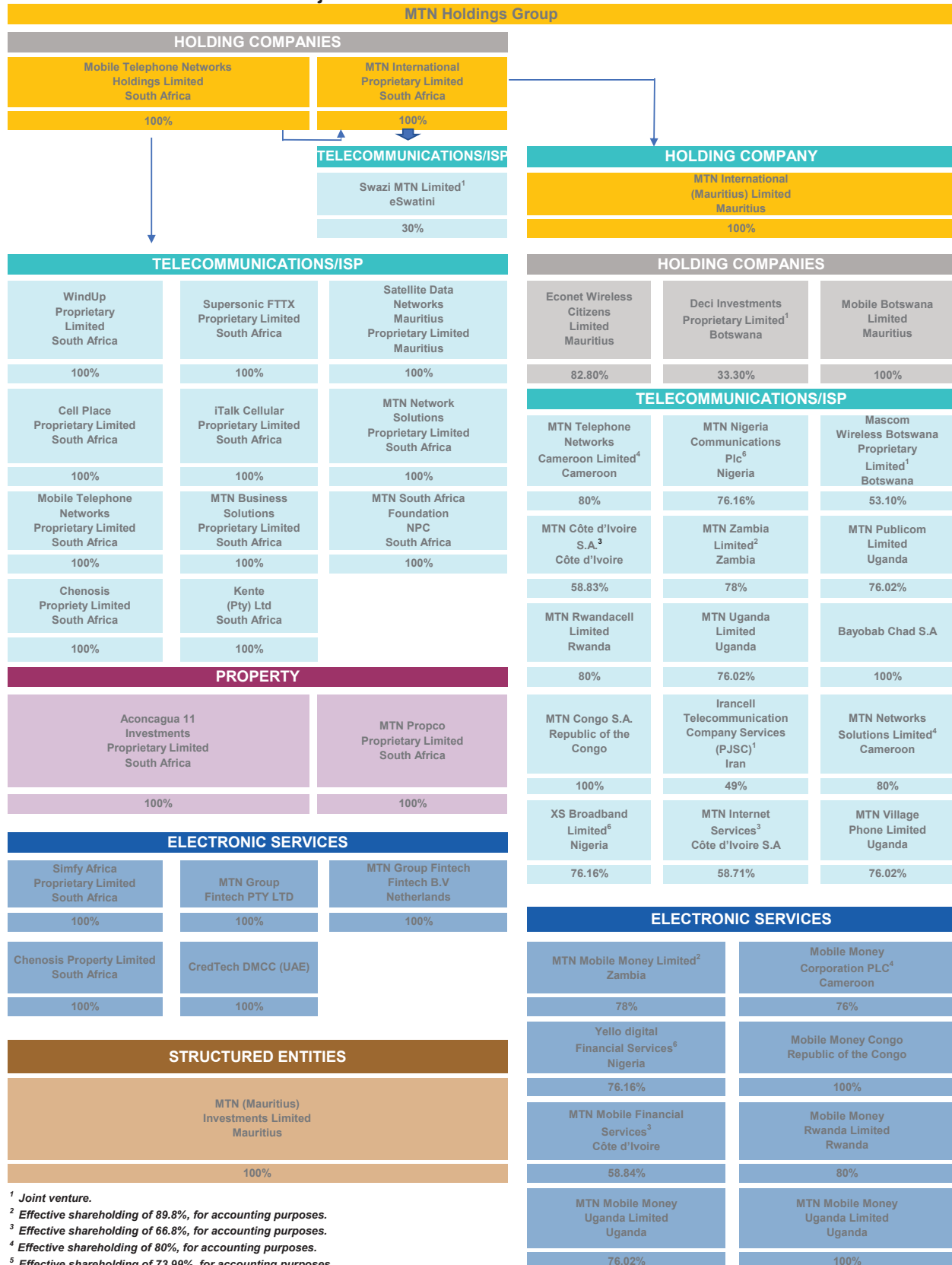
Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION

9.1 Interest in subsidiaries and joint ventures



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 73.99%, for accounting purposes.

⁶ Effective shareholding of 76.27%, for accounting purposes.

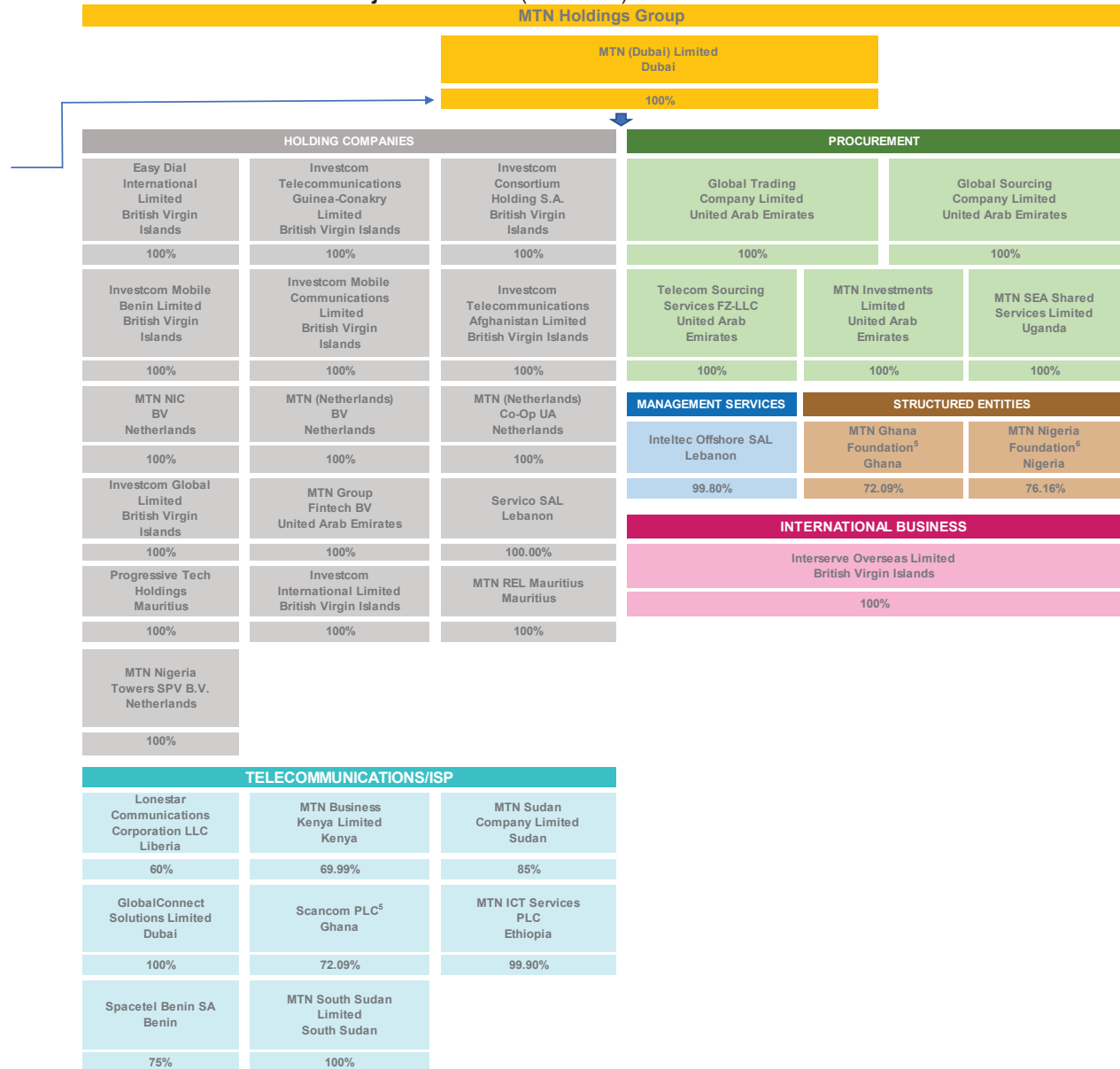
Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.1 Interest in subsidiaries and joint ventures (continued)



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 73.99%, for accounting purposes.

⁶ Effective shareholding of 76.27%, for accounting purposes.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 **GROUP COMPOSITION** (continued)
9.1 **Interest in subsidiaries and joint ventures** (continued)

MTN Holdings Group				
MTN (Dubai) Limited Dubai				
ELECTRONIC SERVICES				
aYo/Fintech		Bayobab		
MTN Mobile Money Benin	Middle East Internet Middle East Tech Venture Holdings ¹	GlobalConnect Zambia ² Zambia	GlobalConnect Fibre Co B.V Netherlands	
75%	50%	99%	100%	
Mobile Money Limited Ghana ⁵	Lonestar CeII MTN Mobile Money Inc Liberia	GlobalConnect Ghana Solutions Ghana Limited ⁵ Ghana	MTN GlobalConnect Uganda Limited	
72.09%	60%	100%	99.99%	
MTN Sudan Fintech Comp Limited Sudan	aYo Holdings Limited Mauritius	GlobalConnect Solutions Limited DIFC	MTN GlobalConnect E2W Holdings Limited (UAE)	
85%	100%	100%	70%	
aYo Côte d'Ivoire Limited ³ Côte d'Ivoire	aYo Insurance Brokers Limited ⁴ Cameroon	Bayobab South Africa (Pty) Ltd	Bayobab International Solutions Ltd	
100%	100%	100%	100%	
aYo Micro Insurance Limited ⁶ Nigeria	aYo Rwanda Limited Rwanda	GlobalConnect Nigeria Infra (Pty) Ltd ⁶ Nigeria	GlobalConnect Nigeria Limited ⁶ Nigeria	
75%	100%	100%	100%	
MTN Fintech South Sudan Services Ltd	aYo Intermediaries South Africa	Bayobab Cote d'Ivoire ³ S.A.		
69%	50%	100%		
aYo Uganda Limited Uganda	aYo Intermediaries Ghana Limited ⁵ Ghana			
100%	100%			
aYo Insurance Brokers Zambia Limited ² Zambia				
99.90%				

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 73.99%, for accounting purposes.

⁶ Effective shareholding of 76.27%, for accounting purposes.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	2024	2023
	Rm	Rm
Investment in associates	3	235
Loans and receivables to joint ventures	2 806	3 152
Investment in joint ventures	20 882	21 058
Total investment in associates and joint ventures	23 691	24 445
Share of results of associates after tax ¹	(153)	104
Share of results of joint ventures after tax	4 888	3 477
Total share of results of associates and joint ventures after tax	4 735	3 581

¹ During the current year, the Group recognised its share of losses from iME up until the carrying amount of the Group's investment in iME was reduced to Rnil.

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 R2 806 million (2023: R3 512 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures (continued)

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		
			2024	2023	
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
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
2024					
Balance at the beginning of the year			232	3	235
Share of results after tax ¹			(153)	-	(153)
Effect of movements in exchange rates			(79)	-	(79)
Balance at the end of the year			-	3	3

¹ During the current year, the Group recognised its share of losses from iME up until the carrying amount of the Group's investment iME was reduced to Rnil.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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	
	2024 Rm	2023 Rm
Summarised statement of financial position		
Total assets	4 213	2 738
Non-current assets	195	152
Current assets	4 018	2 586
Total liabilities	5 503	3 394
Non-current liabilities	815	620
Current liabilities	4 688	2 774
Net assets	(1 290)	(656)
% ownership interest held	29.55	29.55
Interest in associate	(381)	(194)
Adjustment up to 31 December ¹	9	171
Goodwill	247	255
Balance at the end of the year	(125)	232
Summarised income statement		
Revenue	12 057	8 526
Profit before tax	822	754
Income tax expense	(1 762)	(403)
Profit after tax	(940)	351
% ownership interest held	29.55	29.55
Share of results after tax²	(278)	104

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 2024. Preparation of financial statements at 31 December 2024 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.

² During the current year, the Group recognised its share of losses from iME up until the carrying amount of the Group's investment in iME was reduced to Rnil.

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

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.2 Investment in associates and joint ventures (continued)

Investment in joint ventures

Classification of significant joint arrangements

Joint arrangements are all arrangements where two or more parties contractually agree to share control of the arrangement, which only exists when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint ventures are joint arrangements whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has the following effective interests in joint ventures:

Joint venture	Principal activity	Country of incorporation	Effective % interest in issued ordinary share capital	
			2024	2023
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	Telecommunications	Luxembourg	50	50

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

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 Telecommunication Company Services (PJSC) that has a year-end of 21 December, in line with statutory requirements in Iran.

	Irancell ¹ Rm	Mascom Rm	Other Rm	Total Rm
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	451	19	48	518
Balance at the end of the year	18 235	2 206	617	21 058
2024				
Balance at the beginning of the year	18 235	2 206	617	21 058
Share of results after tax	4 683	233	(28)	4 888
Dividend income	(512)	-	(44)	(556)
Other comprehensive income and effect of movements in exchange rates including the effect of hyperinflation	(4 493)	22	(37)	(4 508)
Balance at the end of the year	17 913	2 461	508	20 882

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	Iracell		Mascom	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Summarised statement of financial position				
ASSETS				
Non-current assets	53 923	59 504	2 730	3 000
Property, plant and equipment	45 741	49 361	2 076	2 078
Intangible assets	2 816	3 733	241	222
Right-of-use assets	1 046	1 171	393	681
Investment property	317	214	20	19
Loans and other non-current receivables	388	1 778	-	-
Investment in associate	383	458	-	-
Capitalised contract costs	701	804	-	-
Investments	2 531	1 985	-	-
Current assets	8 721	7 791	1 869	723
Inventories	125	195	14	22
Trade and other receivables	5 227	5 735	211	173
Taxation assets	-	-	14	-
Current investments	522	607	-	-
Restricted cash	16	24	-	-
Cash and cash equivalents	2 831	1 230	1 519	468
Contract assets	-	-	111	60
Total assets	62 644	67 295	4 599	3 723
LIABILITIES				
Non-current liabilities	7 545	8 592	935	963
Borrowings	-	-	259	31
Deferred tax liabilities	7 093	8 011	169	157
Provisions	215	325	-	-
Other non-current liabilities	1	3	507	775
Lease liabilities	236	253	-	-
Current liabilities	18 554	21 509	664	575
Trade and other payables	12 116	15 029	664	552
Provisions	253	260	-	-
Taxation liabilities	799	918	-	23
Borrowings	3 669	3 037	-	-
Lease liabilities	138	141	-	-
Dividends payable	1 579	2 124	-	-
Total liabilities	26 099	30 101	1 599	1 538
Total net assets	36 545	37 194	3 000	2 185
% ownership interest held	49	49	53.1	53.1
Interest in joint venture excluding goodwill	17 907	18 225	1 593	1 160
Adjustment up to 31 December ¹	-	-	-	175
Goodwill	6	10	868	870
Balance at the end of the year	17 913	18 235	2 461	2 206

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 ¹		Mascom	
	2024	2023	2024	2023
	Rm	Rm	Rm	Rm
Summarised income statement				
Revenue	19 310	21 406	2 264	2 266
Other income	5	18	30	57
Operating expenses	(8 222)	(13 200)	(1 424)	(1 180)
Depreciation of property, plant and equipment	(3 607)	(6 123)	(383)	(312)
Amortisation of intangible assets	(897)	(1 084)	-	(216)
Finance income	683	537	83	175
Finance costs	(804)	(537)	(11)	(74)
Net monetary gain	3 484	5 790	-	-
Share of results of associate after tax	-	7	-	-
Profit before tax	9 952	6 814	559	716
Income tax expense	(394)	(438)	(120)	(151)
Profit after tax	9 558	6 376	439	565
% ownership interest held	49	49	53.1	53.1
Share of results after tax	4 683	3 124	233	300

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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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)

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.

	2024	2023
	Rm	Rm
Capital commitments		
Share of capital commitments of joint ventures not yet incurred at the reporting date:		
Contracted	947	607
- Property, plant and equipment	918	607
- Software	29	-
Authorised but not contracted	3 521	3 539
- Property, plant and equipment	3 091	3 448
- Software	430	91
	4 468	4 146

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	800MHz	01/01/2022	15 years
	900MHz	01/09/2018	15 years
	1800MHz	01/09/2018	15 years
	2100MHz	01/09/2018	15 years
	2600MHz	01/09/2018	15 years
	3500MHz	01/01/2022	15 years
Swazi MTN Limited	Electronic Communications Network Licence	28/11/2018	10 years
	Electronic Communications Service Licence	28/11/2018	10 years
	800MHz	01/04/2024	Renewable annually
	900MHz	01/04/2024	Renewable annually
	1800MHz	01/04/2024	Renewable annually
	2100MHz	01/04/2024	Renewable annually

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION

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	
	2024	2023
	%	%
Joint operation		
Europe India Gateway Submarine Cable System	6.96	6.96
West Africa Cable System	11.14	11.14
EASSy Cable System	16.28	16.28
Africa Coast to Europe Cable system	9.74	9.61

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.4 Changes in shareholding

9.4.1 Prior year changes in shareholding

9.4.1.1 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 included R440 million for the related withholding tax.

9.4.1.2 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 million¹). R715 million has been received to date in cash. This resulted in a net loss of R511 million that was recognised in equity as a 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 included 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.

9.4.2 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. MTN Dubai and MINT Trading Middle East Limited (a 100% subsidiary of M1 Group Limited) 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. The sale was concluded on 21 February 2024 for US\$21 million (R409 million¹).

An impairment loss of R146 million (2023: 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, an amount of R956 million accumulated foreign currency translation reserve (FCTR) gains was reclassified to profit and loss.

¹ Translated at the date of disposal on 21 February 2024 of US\$1 = 19.21.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.4 Changes in shareholding (continued)

9.4.2 Current year changes in shareholding (continued)

9.4.2.1 MTN Afghanistan (continued)

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

	31 December 2024 Rm
Property, plant and equipment	114
Right-of-use assets	62
Intangible assets	38
Deferred tax asset and other non-current asset	201
Trade receivables and other current assets	551
Cash and cash equivalents	885
Total assets	1 851
Current liabilities	1 049
Lease liabilities	344
Other non-current liabilities	49
Total liabilities	1 442
Net carrying amount of assets held for sale	409
	Rm
Total consideration	409
Recognition of intercompany receivables on deconsolidation	62
Reclassification of foreign currency translation reserve	956
Net carrying amount of assets derecognised	(409)
Gain on disposal of subsidiary	1 018
Net cash:	
Cash received	87
Less: Cash and cash equivalents in MTN Afghanistan	(885)
Proceeds, net of cash disposed of	(798)

Included in the 2024 Group results is R498 million revenue representing 0.26% of the Group's total revenue and R12 million CODM EBITDA¹ representing 0.02% of the Group's CODM EBITDA relating MTN Afghanistan up to the effective date of sale.

¹ CODM EBITDA is defined in note 7.

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.

MTN Guinea-Bissau and MTN Guinea-Conakry are presented as part of WECA cluster in the segment information (note 2.1).

The regulator approved the sale of MTN Guinea-Bissau which was concluded on 1 August 2024. As a result of the net liability position for MTN Guinea-Bissau on classification of held for sale, there was no further impairment on measuring at the lower of carrying amount and fair value less costs to sell. On disposal of MTN Guinea-Bissau, an amount of R287 million accumulated foreign currency translation reserve (FCTR) gains was reclassified to profit and loss.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 (continued)

Included in the 2024 Group results is R217 million revenue representing 0.12% of the Group's total revenue and R30 million CODM EBITDA¹ loss representing 0.04% of the Group's CODM EBITDA relating MTN Guinea-Bissau up to the effective date of sale.

The Guinean government subsequently offered to purchase MTN Guinea-Conakry and the sale of MTN Guinea-Conakry was concluded on 30 December 2024. As a result of the net liability position for MTN Guinea-Conakry on classification of held for sale, there was no further impairment on measuring at the lower of carrying amount and fair value less costs to sell. On disposal of MTN Guinea-Conakry, an amount of R1 370 million accumulated foreign currency translation reserve (FCTR) loss was reclassified to profit and loss.

Included in the 2024 Group results is R1 105 million revenue representing 0.57% of the Group's total revenue and R313 million CODM EBITDA¹ loss representing 0.45% reduction of the Group's CODM EBITDA relating MTN Guinea-Conakry up to the effective date of sale.

¹ CODM EBITDA is defined in note 7.

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

	Guinea-Bissau Guinea-Conakry	
	31 December 2024	31 December 2024
	Rm	Rm
Property, plant and equipment	271	571
Right-of-use assets	1	64
Intangible assets	7	1 011
Other non-current assets	186	135
Trade receivables and other current assets	264	7
Cash and cash equivalents	15	23
Total assets	744	1 811
Current liabilities	629	3 143
Lease liabilities	5	6
Other non-current liabilities	198	390
Total liabilities	832	3 539
Net carrying amount of assets held for sale	(88)	(1 728)
	Rm	Rm
Liabilities incurred on disposal	(122)	-
Reclassification of foreign currency translation reserve	287	(1 370)
Net carrying amount of liabilities derecognised	88	1 728
Non-controlling interests derecognised	-	(2 240)
Gain/(loss) on disposal of subsidiary	253	(1 882)
	Rm	Rm
Net cash:		
Cash received	-	-
Cash and cash equivalents	15	23
Cash deconsolidated on disposal of subsidiary	(15)	(23)

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.4 Changes in shareholding (continued)

9.4.2 Current year changes in shareholding (continued)

9.4.2.3 MTN Ghana

The Group disposed of 686 million shares in MTN Ghana to Ghanaian citizens as part of the Group's localisation strategy. This took the Group's shareholding from 81.04% to 73.99%. The proceeds generated from the localisation, net of taxes and transaction costs amounted to US\$72 million (R1 462 million¹). This resulted in a net loss of R1 451 million that was recognised in equity as 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.

9.4.2.4 MTN Uganda

The Group disposed of 1 575 million shares in MTN Uganda as part of the Group's localisation strategy. This took the Group's shareholding from 83.05% to 76.02%. Proceeds generated from the sale of shares, net of taxes and transaction costs amounted to UGX214 billion (R1 036 million¹). This resulted in a net gain of R564 million recognised in equity as a transaction with non-controlling interests.

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

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.5 Interest in subsidiaries

The subsidiaries in which MTN Holdings 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.

Subsidiary	Principal place of business	Non-controlling interests	
		2024 Rm	2023 Rm
MTN Nigeria	Nigeria	(1 230)	(195)
MTN Côte d'Ivoire	Côte d'Ivoire	1 167	1 252
MTN Sudan	Sudan	472	1 429
MTN Uganda	Uganda	1 576	921
MTN Ghana	Ghana	12 602	8 785
MTN Guinea-Conakry ¹	Guinea-Conakry	-	(1 990)
Other		436	799
		15 023	11 001

¹ MTN Guinea-Conakry was disposed of in the current year. Refer to note 9.4.2.2.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

9 GROUP COMPOSITION (continued)

9.5 Interest in subsidiaries (continued)

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	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm	2024 Rm	2023 Rm
% ownership interest held by non-controlling interests	23.73	23.73	33.17 ¹	33.17 ¹	15.00	15.00
Summarised statement of financial position						
Non-current assets	42 745	41 551	14 843	15 696	9 808	15 678
Current assets	9 669	20 105	9 005	5 658	1 368	2 168
Total assets	52 414	61 656	23 848	21 354	11 176	17 846
Non-current liabilities	32 840	23 865	6 869	7 909	4 933	4 804
Current liabilities	24 756	38 614	13 461	9 671	3 099	3 518
Total liabilities	57 596	62 479	20 330	17 580	8 032	8 322
Summarised income statement						
Revenue	41 043	74 270	9 402	10 302	1 521	6 525
(Loss)/profit before tax	(9 590)	72	294	768	(13 682)	(2 716)
Income tax expense	2 804	(513)	(154)	(308)	(134)	(506)
(Loss)/profit after tax	(6 786)	(441)	140	460	(13 816)	(3 222)
(Loss)/profit attributable to non-controlling interests	(1 610)	(105)	46	153	(2 072)	(483)
Dividends paid to non-controlling interests	-	2 477	-	111	-	-
Summarised statement of cash flows						
Net cash generated from operating activities	11 070	26 480	1 259	1 130	290	361
Net cash used in investing activities	(2 624)	(22 652)	(1 358)	(964)	(283)	(1 691)
Net cash (used in)/generated from financing activities	(9 903)	(93)	(145)	69	(32)	31
Net increase/(decrease) in cash and cash equivalents	(1 457)	3 735	(244)	97	(25)	(1 299)
Net cash and cash equivalents at the beginning of the year	6 951	12 931	700	537	822	803
Exchange (losses)/gains on cash and cash equivalents	(2 374)	(9 715)	(4)	66	(492)	1 173
Net cash and cash equivalents at the end of the year	3 120	6 951	452	700	305	677

¹ 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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
% ownership interest held by non-controlling interests	23.98	16.95	26.01	18.96
Summarised statement of financial position				
Non-current assets	14 952	13 142	52 401	49 549
Current assets	9 047	9 491	38 125	32 579
Total assets	23 999	22 633	90 526	82 128
Non-current liabilities	6 507	6 016	6 481	7 102
Current liabilities	11 341	11 714	36 446	29 862
Total liabilities	17 848	17 730	42 927	36 924
Summarised income statement				
Revenue	15 459	13 184	25 275	22 556
Profit before tax	4 490	3 484	9 103	6 999
Income tax expense	(1 361)	(1 054)	(3 096)	(2 746)
Profit after tax	3 129	2 430	6 007	4 253
Profit attributable to non-controlling interests	750	412	1 562	806
Dividends paid to non-controlling interests	531	226	849	648
Summarised statement of cash flows				
Net cash generated from operating activities	3 351	2 734	7 910	8 963
Net cash used in investing activities	(2 022)	(1 666)	(4 930)	(5 322)
Net cash used in financing activities	(1 761)	(906)	(1 909)	(1 333)
Net increase in cash and cash equivalents	(432)	162	1 071	2 308
Net cash and cash equivalents at the beginning of the year	1 152	878	4 477	2 550
Exchange gains/(losses) on cash and cash equivalents	60	112	(1 358)	(377)
Net cash and cash equivalents at the end of the year	780	1 152	4 190	4 481

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	2024 Rm	2023 Rm
Key management compensation		
Salaries and other short-term employee benefits	112	107
Post-employment benefits	7	7
Share gains	129	100
Other benefits	29	13
Bonuses	73	59
Total	350	286

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	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Balances outstanding at 31 December				
Loans receivable	2 806	3 152	-	-
Other non-current receivables ¹	1 277	1 239	-	-
Trade receivables ¹	272	104	-	1
Trade payables	433	347	-	-
Transactions for the year ended 31 December				
Revenue generated	71	86	-	-
Expenses incurred	29	40	-	-
Interest income	105	101	2	2
Dividends declared	556	767	-	-

¹ In the current year, the receivable owing from Irancell has been re-presented from trade receivables to other non-current receivables.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

10 RELATED PARTIES (continued)

10.1 Related party transactions (continued)

	2024		2023	
	MTN Group Limited ¹ Rm	MTN Group Management Services (Pty) Ltd ² Rm	MTN Group Limited ¹ Rm	MTN Group Management Services (Pty) Ltd ² Rm
Balances with other related parties				
Trade and other payables	134	2 883	126	4 553
Loans receivable	-	1 100	-	1 100
Trade and other receivables	1 013	4 943	751	3 477
Transactions with other related parties				
Management fee income	-	67	-	63
Other income	-	-	-	13
Finance income	-	111	-	104
Management fee expense	-	3 364	-	3 391
Dividends received	1	-	-	-
Dividends paid	6 500	-	6 500	-

¹ Holding company.

² Fellow subsidiary.

Shareholder

The shareholder of the company is MTN Group Limited.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

10 RELATED PARTIES (continued)

10.2 Emoluments, equity compensation and dealings in ordinary shares

Directors' emoluments and related payments

	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
2024								
Executive directors								
RT Mupita	03/04/2017	18 762	914	1 980	24 497	46 153	45 802	91 955
TBL Molefe	01/04/2021	9 916	1 459	891	12 598	24 864	10 740	35 604
Total		28 678	2 373	2 871	37 095	71 017	56 542	127 559

* Includes medical aid, expense allowances and unemployment insurance fund.

** Pre-tax gains on equity-settled share-based payments.

	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
2023								
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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

10 RELATED PARTIES (continued)

10.2 Emoluments, equity compensation and dealings in ordinary shares (continued)

Directors' emoluments and related payments (continued)

	Date appointed	Retainer [#] R'000	Attendance [#] R'000	Special board R'000	Strategy session R'000	Ad hoc work R'000	Total R'000
2024							
Non-executive directors							
MH Jonas	01/06/2018	3 328	1 437	1 193	1 065	351	7 374
NP Gosa	01/04/2021	437	821	820	490	79	2 647
S Kheradpir ⁺	08/07/2015	1 944	1 305	1 019	941	157	5 366
SP Miller ⁺	01/08/2016	1 814	1 317	1 019	941	157	5 248
KDK Mokhele	01/07/2018	669	939	585	649	-	2 842
CWN Molohe	01/04/2021	437	821	794	490	79	2 621
N Newton-King	01/01/2023	349	656	524	490	79	2 098
T Pennington ⁺	01/08/2022	1 999	1 665	1 605	941	157	6 367
VM Rague ⁺	01/07/2019	1 888	1 424	1 381	941	157	5 791
SLA M Sanusi ⁺	01/07/2019	1 820	1 250	1 062	941	-	5 073
NL Sowazi	01/08/2016	502	845	701	490	-	2 538
Total		15 187	12 480	10 703	8 379	1 216	47 965

⁺ Fees have been paid in euros.

[#] Retainer and attendance fees include fees for Board and committee representation and meetings.

	Date appointed	Retainer [#] R'000	Attendance [#] R'000	Special board R'000	Strategy session R'000	Ad hoc work R'000	Total R'000
2023							
Non-executive directors							
MH Jonas	01/06/2018	3 268	1 271	178	694	347	5 758
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	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 Molohe	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		14 872	12 294	1 697	5 467	2 263	36 593

⁺ Fees have been paid in euros.

[^] Resigned on 30 April 2023.

[#] Retainer and attendance fees include fees for Board and committee representation and meetings.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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.

	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
2024							
Prescribed officers							
E Asante	14 126	1 413	2 343	12 559	30 441	18 874	49 315
C Molapisi	9 630	1 027	819	9 802	21 278	10 280	31 558
J Schulte-Bockum ^{1,2}	3 089	319	16 181	4 026	23 615	27 250	50 865
K Toriola	9 412	1 541	7 037	9 474	27 464	15 859	43 323
Total	36 257	4 300	26 380	35 861	102 798	72 263	175 061

[#] Includes medical aid and unemployment insurance fund.

^{**} Pre-tax gains on equity-settled share-based payments.

¹ Resigned as Group Chief Operating Officer on 31 March 2024.

² Included in other benefits is a restraint of trade payment.

	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
2023							
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.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 2024	December 2023	Beneficial
RT Mupita ¹	1 117 651	863 519	Direct
RT Mupita ²	680	680	Indirect
SP Miller	-	7 500	Direct
J Schulte-Bockum ³	N/A	158 400	Direct
PT Sishubu-Bonoyi	11 889	11 889	Direct
C Molapisi	52 700	52 700	Direct
TBL Molefe	100 967	49 615	Direct
T Pennington ²	14 090	14 090	Indirect
Total	1 297 977	1 158 393	

¹ Includes 402 268 shares (2023: 402 268) held in American Depository Receipt.

² Refers to the indirect holdings of associates.

³ Resigned as Group Chief Operating Officer on 31 March 2024.

Subsequent to year end, up to and including 29 April 2025, director PSPs were settled and directors and their associates purchased shares which resulted in an increase in the following directors' beneficial interest in MTN Group:

	Number of Shares	Beneficial
RT Mupita	47 759	Direct
Total	47 759	

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

10 RELATED PARTIES (continued)

10.2 Emoluments, equity compensation and dealings in ordinary shares (continued)

Directors, prescribed officers and Company Secretary of MTN Group Limited's shareholding relating to MTN Zakhele Futhi.

Beneficiary	December 2024	December 2023	Beneficial
RT Mupita	33 562	33 562	Indirect
Total	33 562	33 562	

Subsequent to year end, up to and including 29 April 2025, there were no changes in the directors' beneficial interest in MTN Zakhele Futhi.

Mobile Telephone Networks Holdings Limited

Notes to the Group financial statements (continued)

for the year ended 31 December 2024

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 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 2023	Awarded	Settled	Forfeited	Settlement date	Price on settlement R	Number outstanding as at 31 December 2024
RT Mupita								
21/12/2020	21/12/2023	530 800	-	475 013	55 787	30/04/2024	96.42	-
13/12/2021	13/12/2024	205 200	-	-	57 251	-	-	147 949
12/12/2022	12/12/2025	275 800	-	-	-	-	-	275 800
28/12/2023	28/12/2026	321 077	-	-	-	-	-	321 077
13/12/2024	13/12/2027	-	462 398	-	-	-	-	462 398
Total		1 332 877	462 398	475 013	113 038	-	-	1 207 224
J Schulte-Bockum¹								
21/12/2020	21/12/2023	315 800	-	282 609	33 191	25/04/2024	96.42	-
13/12/2021	13/12/2024	121 500	-	-	57 306	-	-	64 194
12/12/2022	12/12/2025	170 700	-	-	96 631	-	-	74 069
28/12/2023	28/12/2026	212 614	-	-	194 203	-	-	18 411
Total		820 614	-	282 609	381 331	-	-	156 674
PT Sishuba-Bonoyi								
21/12/2020	21/12/2023	52 100	-	47 536	4 564	12/04/2024	96.42	-
13/12/2021	13/12/2024	21 300	-	-	6 603	-	-	14 697
12/12/2022	12/12/2025	26 900	-	-	-	-	-	26 900
28/12/2023	28/12/2026	32 412	-	-	-	-	-	32 412
13/12/2024	13/12/2027	-	49 229	-	-	-	-	49 229
Total		132 712	49 229	47 536	11 167	-	-	123 238
TBL Molefe								
01/04/2021	21/12/2023	126 100	-	111 384	14 716	29/08/2024	96.42	-
13/12/2021	13/12/2024	101 900	-	-	31 589	-	-	70 311
12/12/2022	12/12/2025	128 600	-	-	-	-	-	128 600
28/12/2023	28/12/2026	171 738	-	-	-	-	-	171 738
13/12/2024	13/12/2027	-	240 347	-	-	-	-	240 347
Total		528 338	240 347	111 384	46 305	-	-	610 996
E Asante								
21/12/2020	21/12/2023	221 600	-	195 739	25 861	22/04/2024	96.42	-
13/12/2021	13/12/2024	81 000	-	-	25 110	-	-	55 890
12/12/2022	12/12/2025	101 600	-	-	-	-	-	101 600
28/12/2023	28/12/2026	247 856	-	-	-	-	-	247 856
13/12/2024	28/12/2027	-	277 238	-	-	-	-	277 238
Total		652 056	277 238	195 739	50 971	-	-	682 584
K Toriola								
21/12/2020	21/12/2023	186 200	-	164 470	21 730	22/04/2024	96.42	-
13/12/2021	13/12/2024	50 850	-	-	15 764	-	-	35 086
12/12/2022	12/12/2025	84 500	-	-	-	-	-	84 500
28/12/2023	28/12/2026	108 375	-	-	-	-	-	108 375
13/12/2024	13/12/2027	-	140 793	-	-	-	-	140 793
Total		429 925	140 793	164 470	37 494	-	-	368 754
C Molapisi								
21/12/2020	21/12/2023	120 700	-	106 614	14 086	22/04/2024	96.42	-
13/12/2021	13/12/2024	58 800	-	-	18 228	-	-	40 572
12/12/2022	12/12/2025	120 000	-	-	-	-	-	120 000
28/12/2023	28/12/2026	144 529	-	-	-	-	-	144 529
13/12/2024	13/12/2027	-	224 176	-	-	-	-	224 176
Total		444 029	224 176	106 614	32 314	-	-	529 277

¹ Resigned as Group Chief Operating Officer on 31 March 2024.

Mobile Telephone Networks Holdings Limited

Company income statement

for the year ended 31 December 2024

	Note	2024 Rm	2023 Rm
Dividend income ¹	1	5 002	1 003
Interest income ¹		3 272	3 205
Other income	2	91	476
Operating expenses	3	(46)	(24)
Interest expense		(3 492)	(3 017)
Finance income	4	392	303
Finance cost	4	(121)	-
Fair value adjustment to current investment	10	(11)	(6)
Profit before tax		5 087	1 940
Income tax expense	5	(1)	(64)
Profit after tax		5 086	1 876

¹ Dividend income and interest income were previously disclosed as revenue and have been disaggregated in the current year. Comparative numbers have been re-presented accordingly.

Mobile Telephone Networks Holdings Limited

Company statement of financial position

as at 31 December 2024

	Note	2024 Rm	2023 Rm
ASSETS			
Non-current assets		37 453	37 264
Investment in subsidiaries	6	8 714	8 714
Loans receivable	7	28 739	28 550
Current assets		12 095	7 587
Loans receivable	7	30	30
Trade and other receivables	8	4 267	3 545
Insurance receivable	9	774	683
Taxation prepaid	17	8	16
Current investment	10	5	60
Cash and cash equivalents	11	7 011	3 253
Total assets		49 548	44 851
EQUITY			
Ordinary share capital and share premium	12	223	223
Retained earnings		5 656	7 070
Shareholder's loan	13	5 818	5 818
Total equity		11 697	13 111
LIABILITIES			
Non-current liabilities		33 234	22 156
Borrowings	14	33 234	22 156
Current liabilities		4 617	9 584
Payables	15	376	389
Financial guarantee contracts	19	744	1 066
Borrowings	14	3 497	8 129
Total liabilities		37 851	31 740
Total equity and liabilities		49 548	44 851

Mobile Telephone Networks Holdings Limited

Company statement of changes in equity

For the year ended 31 December 2024

	Ordinary share capital Rm	Share premium Rm	Retained earnings Rm	Shareholder's loan Rm	Total equity Rm
Balance at 1 January 2023	5	218	11 694	5 818	17 735
Other comprehensive income for the year	-	-	1 876	-	1 876
Dividends declared	-	-	(6 500)	-	(6 500)
Balance at 1 January 2024	5	218	7 070	5 818	13 111
Total comprehensive income	-	-	5 086	-	5 086
Transactions with shareholders					
Dividends declared	-	-	(6 500)	-	(6 500)
Balance at 31 December 2024	5	218	5 656	5 818	11 697
Note	12	12		13	

Mobile Telephone Networks Holdings Limited

Company statement of cash flows

for the year ended 31 December 2024

	Note	2024 Rm	2023 Rm
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES			
Cash generated/(utilised) from operations	16	5 670	(2 071)
Interest paid		(3 382)	(2 951)
Interest received		3 005	3 119
Income tax paid	17	7	(64)
Dividends received	1	5 002	1 002
Net cash generated/(utilised) from operating activities		10 302	(965)
CASH FLOWS UTILISED IN FINANCING ACTIVITIES			
Dividends paid		(6 500)	(6 500)
Net cash utilised in financing activities		(6 500)	(6 500)
Net increase in cash and cash equivalents		3 802	(7 465)
Exchange (losses)/gains on cash and cash equivalents		(44)	50
Cash and cash equivalents at beginning of the year		3 253	10 668
Cash and cash equivalents at end of the year	11	7 011	3 253

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements

for the year ended 31 December 2024

1 Dividend income

Dividend income is recognised when the right to receive payment is established.

	2024 Rm	2023 Rm
Dividend income - other revenue	5 002	1 003
	5 002	1 003

2 Other income

Other income comprises of changes in amounts recoverable under insurance contracts (note 9).

	2024 Rm	2023 Rm
Increase in insurance receivable	91	476
	91	476

3 Operating expenses

The following disclosable items have been included in arriving at operating expense:

	2024 Rm	2023 Rm
Auditor's remuneration	(5)	(5)
Audit fees	(5)	(5)
Audit expenses	*	*

*Amounts less than R1 million.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

4 Finance income and finance cost

Finance income

Finance income comprises amortisation of financial guarantee contracts, net gain on remeasurement of financial guarantee contracts and net foreign exchange gains that are recognised in profit or loss.

Finance cost

Finance costs comprise net foreign exchange losses and net losses on remeasurement of financial guarantees.

	2024 Rm	2023 Rm
Finance income		
Amortisation of financial guarantee contracts	392	294
Net foreign exchange gains	-	9
	392	303
Finance cost		
Net foreign exchange losses	(55)	-
Loss on remeasurement of financial guarantees	(66)	-
	(121)	-

5 Income tax expense

Refer to note 3.1 of the Group financial statements for the applicable accounting policy.

	2024 Rm	2023 Rm
Income tax expense		
Current tax	(1)	(64)
Current year	-	(64)
Prior year underprovision	(1)	-
	(1)	(64)

Tax rate reconciliation

The charge for the year can be reconciled to the effective rate of taxation in South Africa as follows:

	2024 %	2023 %
Statutory tax rate	27.0	27.0
Income not subject to tax ¹	(29.2)	(17.0)
Prior year under provision	*	*
Expense not tax deductible	2.1	(6.7)
Effective tax rate	*	3.3

¹ The majority of the exempt income relates to dividend received.

* Below 0.1%.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

6 Investment in subsidiaries

Subsidiaries are all entities (including structured entities) controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through its power over the entity. The Company has power over an entity when it has existing rights that give it the current ability to direct the relevant activities that significantly affect the entity's returns. The Company accounts for investments in subsidiaries at cost less accumulated impairment losses. Interest free loans owing to the Company by its subsidiaries, with no payment terms are included in the cost of the investment.

	Country of incorporation	2024 Rm	2023 Rm
10 000 shares (100%) in Mobile Telephone Networks Proprietary Limited	South Africa	121	121
61 000 shares (100%) in MTN Business Solutions Proprietary Limited	South Africa	2 372	2 372
100 000 shares (100%) in iTalk Cellular Proprietary Limited	South Africa	360	360
Share incentive loan ¹		59	59
Net interest in subsidiary		2 912	2 912
1 000 shares (100%) in MTN International Proprietary Limited ²	South Africa	4 397	4 397
Loan owing by subsidiary ¹		1 379	1 379
Net interest in subsidiary		5 776	5 776
1 000 shares (100%) in MTN Network Solutions Proprietary Limited	South Africa	*	*
Loan owing by subsidiary ²		25	25
Net interest in subsidiary		25	25
1 share (100%) in Windup Co Proprietary Limited	South Africa	*	*
1 share (100%) in MTN Propco Proprietary Limited	South Africa	*	*
100% Investment in Simfy Africa (Pty) Limited	South Africa	1	1
1000 shares (100%) in MTN Group Fintech (Pty) Ltd	South Africa	*	-
Total interest in subsidiary companies		8 714	8 714

¹ These loans are interest free, South African rand denominated and have no fixed repayment terms.

² The cost of the investment includes a capital contribution relating to the company providing a financial guarantee for the subsidiary without charging a guarantee fee, refer to note 19 for details of financial guarantees.

* Amounts less than R1 million.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

7 Loans receivable

Refer to note 7.1 of the Group financial statements for the applicable accounting policy.

	2024 Rm	2023 Rm
Non-current portion	28 739	28 550
Current portion	30	30
	28 769	28 580

Loan receivables consist mainly of loans to Mobile Telephone Networks Proprietary Limited (MTN SA), MTN Group Management Services Proprietary Limited and MTN Group Fintech Holding.

	Face value		Drawn down balance	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Loans to MTN SA				
Facility A ¹	17 500	17 500	11 346	11 735
Facility B ²	17 500	17 500	15 800	15 550
Facility C ³	1 000	1 000	-	-
Loans to MTN Group Management Services Proprietary Limited				
Loan ⁴	2 100	2 100	1 100	1 100
Loans to MTN Group Fintech Holding				
Loan ⁵	500	500	500	380

¹ Facility bears interest at a fixed rate of 9.7% (2023: fixed rate 9.7%) with a final maturity of 31 July 2026.

² Facility bears interest at a variable rate of JIBAR plus 2.4% (2023: JIBAR plus 2.4%) with a final maturity of 31 July 2026.

³ Facility bears interest at a variable rate of JIBAR plus 2.45% (2023: JIBAR plus 2.45%) with a final maturity of 31 July 2026.

⁴ Facility bears interest at JIBAR plus 1.6% (2023: JIBAR plus 1.6%) payable quarterly and the maturity date of the loan is 30 November 2029.

⁵ Facility bears interest at JIBAR plus 2.4% (2023: JIBAR plus 2.4%) payable semi-annually and has a final maturity date is not yet finalised.

Refer to note 18 for details of outstanding balances from related parties.

The recoverability of the loans was assessed at the reporting date, refer to note 20.3 for expected credit losses. In 2024, no expected credit losses were recognised in profit and loss (2023: Rnil).

8 Trade and other receivables

Refer to note 4.2 of the Group financial statements for the applicable accounting policy.

	2024 Rm	2023 Rm
Amounts due from related parties	3 970	3 252
Sundry debtors and other receivables	297	293
	4 267	3 545

The Company does not hold any collateral for receivables. The Company's exposure to credit and currency risk relating to receivables is disclosed in note 20.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

9 Insurance receivable

The Company accounts for its investment in Cell no. 79 of Guardrisk Insurance Company Limited as an insurance receivable in terms of IFRS 17 Insurance contracts. The insurance receivable is measured at the amount recoverable or due in terms of the shareholder's agreement.

	2024	2023
	Rm	Rm
Opening balance	683	207
Increase in insurance receivable (note 2)	91	476
Closing balance	774	683

The Company has subscribed for 25 "A" ordinary shares of R1 each equal to 100% of the shareholding in Cell no. 79 of Guardrisk Insurance Company Limited (Guardrisk) for an amount of R25. Guardrisk is a specialised short-term insurance business. It provides its shareholders with the opportunity to be members of a licensed insurance company on the basis that each member owns a specific class of shares in Guardrisk. This entitles each shareholder to participate in the profit or loss from the insurance business conducted by Guardrisk in respect of risks each shareholder requires to be insured and Guardrisk has agreed to insure. The Company is obliged to maintain a solvency ratio of 25%. The solvency ratio is the gross premium income less premiums in respect of approved reinsurance of the cell expressed as a percentage of shareholders' funds of the cell. The Company maintained a solvency ratio in the current year of 553:774 (71%) (2023: 316:683 (46%)).

MTN SA insures its corporate trade receivables in Cell no. 79. The maximum amount which could be claimed from Cell no. 79 is limited to shareholder's funds plus the amount of any payments actually received by Guardrisk from any reinsurance contract.

Risk management is carried out under policies approved by the Board of Directors of the Company. The Board provides written principles for overall risk management. The Company's maximum exposure to credit risk is represented by the carrying amount of the insurance receivable. Guardrisk has a Ba2 (2023: Ba2) claims paying ability rating.

There was no impairment loss recognised in the current and prior year relating to the insurance receivable.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

9 Insurance receivable (continued) Summarised statement of financial position of Cell no. 79

	2024 Rm	2023 Rm
Assets		
Non-current assets	10	11
Investments	10	11
Current assets	947	726
Trade and other receivables	148	30
Cash and cash equivalents	799	696
Total assets	957	737
Equity		
Ordinary share capital and share premium	*	*
Retained earnings	774	683
Total shareholder's equity	774	683
Liabilities		
Current liabilities	183	54
Trade and other payables ¹	4	1
Insurance contract liabilities ¹	78	12
Provisions	83	37
Tax liabilities	18	4
Total liabilities	183	54
Total equity and liabilities	957	737

*Amounts less than R1 million.

¹ Insurance contract liabilities were previously included in trade and other payables and have been disaggregated in the current year. Comparative numbers have been re-presented accordingly.

Summarised statement of comprehensive income of Cell no. 79

	2024 Rm	2023 Rm
Insurance premiums	553	316
Net insurance premiums	553	316
Investment income	73	46
Total revenue	626	362
Movements in claims under insurance contracts	(539)	119
Other expense/decrease in provisions	(9)	(5)
Profit before tax	78	476
Income tax expense	13	-
Profit and total comprehensive income	91	476

*Amounts less than R1 million.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

10 Current investment

Current investments consist of financial assets held at fair value through profit or loss that are accounted for in accordance with the accounting policy disclosed in note 7.1 of the Group financial statements.

	2024 Rm	2023 Rm
55 866 (2023: 518 089) shares in MTN Group Limited	5	60

The Company is directly held by MTN Group Limited. The Company sold 462 223 shares (2023: nil) to MTN Group Limited to settle employee share rights.

The MTN Group Limited's share price at the reporting date was R91.99 (2023: R115.50).

Reconciliation of current investment at fair value:

	2024 Rm	2023 Rm
Balance at the beginning of the year	60	66
Shares sold	(44)	-
Fair value loss	(11)	(6)
Balance at the end of the year	5	60

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

11 Cash and cash equivalents

Refer to note 4.4 of the Group financial statements for the applicable accounting policy.

For purpose of the statement of cash flows, cash and cash equivalents comprises the following:

	2024 Rm	2023 Rm
Cash at bank	7 011	3 253

The Company's exposure to interest rate risk, credit risk and foreign currency risk for the related cash and cash equivalents is disclosed in note 20.

12 Ordinary share capital and share premium

Refer to note 8.1 of the Group financial statements for the applicable accounting policy.

	2024 Rm	2023 Rm
Ordinary share capital		
<i>Authorised share capital</i>		
1 500 million ordinary shares of 1 cent each	15	15
<i>Issued share capital</i>		
Issued and fully paid-up share capital		
525 757 682 (2023: 525 757 682) ordinary shares of 1 cent each	5	5
<i>Share premium</i>		
Balance at beginning and end of the year	218	218
Total ordinary shares and share premium	223	223

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act until the forthcoming annual general meeting.

13 Shareholder's loan

	2024 Rm	2023 Rm
MTN Group Limited	5 818	5 818

The loan is unsecured and interest-free and repayable at the election of the Company. As a result, the shareholder's loan is classified as equity.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

14 Borrowings

Refer to note 6.1 of the Group financial statements for the applicable accounting policy.

Details of the Company's significant borrowings are provided below:

Denominated currency	Nominal interest (%) [*]	Interest payment	Final maturity	2024 Rm	2023 Rm
				36 731	30 285
ZAR ^{2.4}	10.4	Quarterly	June 2025	907	907
ZAR ^{1.2}	11.0	Quarterly	June 2025	-	5 257
ZAR ^{2.4}	10.1	Quarterly	May 2025	402	403
ZAR ^{2.4}	10.3	Quarterly	September 2026	1 207	1 208
ZAR ^{2.4}	10.1	Quarterly	May 2024	-	507
ZAR ^{2.4}	10.0	Quarterly	May 2024	-	504
ZAR ^{2.4}	10.3	Quarterly	May 2026	574	574
ZAR ^{2.3}	10.7	Quarterly	June 2024	-	2 023
ZAR ^{2.3}	10.9	Quarterly	June 2024	-	2 001
ZAR ^{2.3}	10.6	Quarterly	May 2029	1 512	1 535
ZAR ^{2.4}	10.5	Quarterly	October 2024	-	1 041
ZAR ^{2.4}	11.3	Quarterly	January 2026	163	163
ZAR ^{2.4}	8.3	Semi-annual	January 2026	932	931
ZAR ^{2.4}	10.0	Quarterly	June 2024	-	357
ZAR ^{2.4}	10.5	Quarterly	June 2026	944	944
ZAR ^{2.4}	10.8	Quarterly	June 2028	738	739
ZAR ^{2.4}	9.9	Quarterly	March 2025	322	322
ZAR ^{2.4}	10.2	Quarterly	March 2027	1 400	1 399
ZAR ^{2.4}	10.6	Quarterly	September 2028	587	587
ZAR ^{2.4}	9.8	Quarterly	September 2025	543	543
ZAR ^{2.4}	10.1	Quarterly	September 2027	1 046	1 046
ZAR ^{2.4}	10.4	Quarterly	September 2029	989	989
ZAR ^{2.4}	10.1	Quarterly	November 2027	714	714
ZAR ^{2.4}	10.3	Quarterly	November 2029	868	869
ZAR ^{2.4}	9.8	Quarterly	June 2026	367	367
ZAR ^{2.4}	10.0	Quarterly	June 2028	604	604
ZAR ^{2.4}	10.3	Quarterly	June 2030	1 030	1 030
ZAR ^{2.4}	9.7	Quarterly	September 2026	251	251
ZAR ^{2.4}	10.0	Quarterly	September 2028	351	351
ZAR ^{2.4}	10.2	Quarterly	September 2030	401	401
ZAR ^{2.3}	10.1	Quarterly	December 2027	505	504
ZAR ^{2.3}	10.2	Quarterly	December 2027	-	707
ZAR ^{2.3}	10.2	Quarterly	December 2027	506	507
ZAR ^{2.4}	9.4	Quarterly	July 2027	305	-
ZAR ^{2.4}	9.6	Quarterly	July 2029	713	-
ZAR ^{2.4}	9.9	Quarterly	July 2031	1 018	-
ZAR ^{2.4}	9.4	Quarterly	September 2029	302	-
ZAR ^{2.4}	9.6	Quarterly	September 2031	644	-
ZAR ^{2.4}	9.4	Quarterly	April 2028	305	-
ZAR ^{2.4}	9.6	Quarterly	October 2029	813	-

¹ Syndicated term loan facility

² Variable interest rate

³ Revolving credit facility

⁴ Domestic medium-term notes

⁵ Bilateral term loan facility * Contractual interest rates on loans as at 31 December 2024.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

14 Borrowings (continued)

Denominated currency	Nominal interest (%) [*]	Interest payment	Final maturity	2024 Rm	2023 Rm
ZAR ^{2,4}	9.8	Quarterly	October 2031	610	-
ZAR ^{1,6}	9.7	Quarterly	December 2029	5 575	-
ZAR ^{2,6}	9.6	Quarterly	December 2027	1 003	-
ZAR ^{2,6}	9.8	Quarterly	December 2027	2 027	-
ZAR ^{2,6}	10.0	Quarterly	December 2027	1 004	-
ZAR ^{2,6}	9.8	Quarterly	December 2027	1 013	-
ZAR ^{2,3}	9.4	Quarterly	May 2029	504	-
ZAR ^{2,6}	9.8	Quarterly	July 2030	2 023	-
ZAR ^{2,11}	8.9	Monthly	January 2025	4	-
ZAR ^{2,11}	9.2	Monthly	January 2025	1 005	-

¹ Syndicated term loan facility ² Variable interest rate ³ Revolving credit facility ⁴ Domestic medium-term notes

⁵ Bilateral term loan facility

* Contractual interest rates on loans as at 31 December 2024.

The maturity of the above loans is as follows:

	2024 Rm	2023 Rm
Current	3 497	8 129
Non-current	33 234	22 156
	36 731	30 285

MTN Group Limited along with certain of its subsidiaries have provided cross guarantees for the borrowing of the Company.

An amount of R36 533 million (2023: R44 598 million) undrawn debt facilities is available for use by other entities (including MTN Holdings) in the MTN Group.

The Company is entitled to R36 533 million (2023: R30 439 million) of the total undrawn debt facilities as the sole principal borrower in the MTN Group structure with regards to all the debt facilities that have been made available to the MTN Group by the financial institutions.

15 Payables

Refer to notes 4.5 of the Group financial statements for the applicable accounting policy.

	2024 Rm	2023 Rm
Amounts due to related parties	322	382
Accrued expenses and other payables	54	7
	376	389

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

16 Cash generated from operations

	2024 Rm	2023 Rm
Profit before tax	5 087	1 940
<i>Adjusted for:</i>		
Finance income (note 4)	(392)	(303)
Interest income (note 1)	(3 272)	(3 205)
Interest expense	3 492	3 017
Fair value adjustment (note 11)	11	6
Finance cost (note 4)	121	-
Increase insurance receivable (note 2)	(91)	(476)
Dividends received (note 1)	(5 002)	(1 003)
	(46)	(24)
Changes in capital:	5 716	(2 047)
Increase in receivables	(415)	(1 015)
Increase/(decrease) in payables	(126)	(106)
Increase in loans receivable	(189)	(2 728)
Increase in borrowings	6 446	1 802
	5 670	(2 071)

17 Income tax paid

	2024 Rm	2023 Rm
Opening balance	16	16
Amounts recognised in profit or loss (note 5)	(1)	(64)
Closing balance	(8)	(16)
Total tax paid	7	(64)

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

18 Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the Company and a related party of the Company, regardless of whether a price is charged.

The Company is controlled by MTN Group Limited which owns 100% of the Company's shares. The Company has related party relationships with subsidiaries, associates and joint ventures of MTN Group Limited.

The following is a summary of significant transactions between the Company and related parties during the financial year:

	2024	2023
	Rm	Rm
Interest income	3 096	2 876
Mobile Telephone Networks Proprietary Limited ¹	2 928	2 773
MTN Group Fintech	57	-
MTN Group Management Services Proprietary Limited ²	111	103
Facility fees income		
Mobile Telephone Networks Proprietary Limited ¹	32	33
Dividend income	5 002	1 002
Mobile Telephone Networks Proprietary Limited ¹	1 000	1 000
MTN International Proprietary Limited ¹	4 000	-
MTN Group Limited ³	2	2
Dividends paid		
MTN Group Limited ³	6 500	6 500
Intercompany receivables	3 970	3 252
MTN Group Management Services Proprietary Limited ²	1 609	1 238
Mobile Telephone Networks Proprietary Limited ¹	1 933	1 584
Simfy Africa Proprietary Limited ¹	179	179
MTN Group Limited ³	10	11
MTN Nigeria Communications Plc ²	4	63
MTN Rwandacell S.A.R.L. ²	10	9
MTN Cote d'Ivoire SA ²	*	5
MTN Zambia Limited ²	5	5
Spacetel Benin S.A (MTN Benin) ²	8	7
Spacetel Guinea-Bissau SA (MTN Guinea-Bissau) ⁴	-	11
Areeba Guinea S.A (MTN Guinea-Conakry) ⁴	-	16
MTN Dubai Ltd ³	50	38
MTN Group Fintech ¹	127	24
Scancom PLC (MTN Ghana) ²	4	6
MTN Sudan Co Ltd ²	10	11
MTN South Sudan Co Ltd ²	3	5
Lonestar Communications Corp (MTN Liberia) ²	2	2
MTN GlobalConnect Solutions Limited (Bayobab) ²	10	36
Other	6	2

¹ Subsidiary of the Company

² Fellow subsidiary of MTN Group Limited

³ Holding Company

⁴ Disposed subsidiary

* Amounts less than R1 million.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

18 Related party transactions (continued)

	2024 Rm	2023 Rm
Intercompany payables	322	382
MTN Group Limited ³	90	89
MTN International Proprietary Limited ¹	228	283
MTN Group Management Services Proprietary Limited ²	2	2
MTN PROPCO (Pty) Limited	2	8
Share incentive loans		
Mobile Telephone Networks Proprietary Limited ¹	59	59
Shareholders loans	1 403	1 404
MTN International Proprietary Limited ¹	1 378	1 379
MTN Network Solutions Proprietary Limited ¹	25	25
Long-term loans to related parties	28 754	28 580
Mobile Telephone Networks Proprietary Limited ¹	26 979	27 100
MTN Group Fintech Holding ¹	675	380
MTN Group Management Services Proprietary Limited ²	1 100	1 100
Long-term loans from related parties, classified as part of equity		
MTN Group Limited ³	5 818	5 818

¹ Subsidiary of the Company

² Fellow subsidiary of MTN Group Limited

³ Holding Company

19 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 expected credit loss (ECL) in accordance with IFRS 9; or
- 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.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

19 Financial guarantee contracts (continued)

	Face value		Drawn down balance ¹	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Bond guarantees				
US\$ senior unsecured notes	9 451	10 905	9 580	11 029
Syndicated and other loan facilities				
US\$ revolving-credit-facility	14 650	-	1 908	-
	24 101	10 905	11 488	11 029

¹ 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\$500 million (2023: US\$593 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.

MTN Group Limited's credit rating (which is deemed the same as that of the MTN Holding's Group) 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 the 2021 financial year (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 2024 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. Previously, Refinitiv's CDS spreads for BB and B Telecoms provided market-based PD estimates. This approach became unfeasible due to the declining number of constituents in the indices. The current methodology uses S&P's Annual Global Corporate Default Study as its foundation, supplemented with forward-looking adjustments.

The LGD specific to the Group was determined based on the S&P Ratings report dated 27 October 2022 at 35% (2023: 35%). The original effective interest rate of the underlying borrowing is used as the discount rate.

At 31 December 2024, the financial guarantees over the debt instruments of MTN (Mauritius) Investments Limited were measured at the carrying amount and loss on remeasurements of R66 million (2023: Rnil) have been recognised in profit or loss.

The Company's financial liability relating to financial guarantee contracts amounts to R744 million (2023: R1 066 million) and R392 million (2023: 294 million) was amortised to profit or loss for the year.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments

Refer to note 7.1 of the Group financial statements for the applicable accounting policy.

20.1 Categories of financial instruments

	Assets at amortised cost	Fair value through profit or loss ¹	Liabilities at amortised cost	Total carrying amount	Fair value ²
2024	Rm	Rm	Rm	Rm	Rm
Non-current financial assets					
Loans receivable	28 724	-	-	28 724	29 465
Current financial assets					
Trade and other receivables	4 267	-	-	4 267	4 267
Loans receivable	30	-	-	30	30
Current investments	-	5	-	5	5
Bank and cash	7 011	-	-	7 011	7 011
	40 032	5	-	40 037	40 778
Non-current financial liabilities					
Borrowings	-	-	33 234	33 234	35 096
Current financial liabilities					
Payables	-	-	376	376	376
Financial guarantee	-	-	744	744	663
Borrowings	-	-	3 497	3 497	2 160
	-	-	37 851	37 851	38 295

¹ All financial instruments at fair value through profit or loss are held for trading.

² Where a financial instrument's carrying amount is the same as its fair value, the carrying amount approximates its fair value.

	Assets at amortised cost	Fair value through profit or loss ¹	Liabilities at amortised cost	Total carrying amount	Fair value ²
2023	Rm	Rm	Rm	Rm	Rm
Non-current financial assets					
Loans receivable	28 549	-	-	28 549	35 387
Current financial assets					
Trade and other receivables	3 545	-	-	3 545	3 545
Loans receivable	30	-	-	30	30
Current investments	-	60	-	60	60
Bank and cash	3 253	-	-	3 253	3 253
	35 377	60	-	35 437	42 275
Non-current financial liabilities					
Borrowings	-	-	22 156	22 156	22 168
Current financial liabilities					
Payables	-	-	389	389	389
Financial guarantee contracts	-	-	1 066	1 066	755
Borrowings	-	-	8 129	8 129	7 888
	-	-	31 740	31 740	31 200

¹ All financial instruments at fair value through profit or loss are held for trading.

² Where a financial instrument's carrying amount is the same as its fair value, the carrying amount approximates its fair value.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.2 Fair value estimation

Refer to note 7.1 of the Group financial statements for the applicable accounting policy.

The following table represents the Company's fair value measurement hierarchy of the Company's assets and liabilities:

	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2024				
Assets				
Loans receivable	-	-	29 465	29 465
Current investments	5	-	-	5
	5	-	29 465	29 470
Liabilities				
Financial guarantee contracts	-	-	663	663
Listed borrowings	-	19 716	-	19 716
Unlisted borrowings	-	-	17 540	17 540
	-	19 716	18 203	37 919
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
2023				
Assets				
Loans receivable	-	-	35 387	35 387
Current investments	60	-	-	60
	60	-	35 387	35 447
Liabilities				
Financial guarantee contracts	-	-	755	755
Listed borrowings	-	17 447	-	17 447
Unlisted borrowings	-	-	12 609	12 609
	-	17 447	13 364	30 811

Valuation methods and assumptions

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

Current investments-Quoted ordinary shares - The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.2 Fair value estimation (continued)

Valuation methods and assumptions (continued)

Financial guarantee contracts: The fair value of the financial guarantee contract 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 and the maximum recovery amount and interest rate curve.

Loans receivable – The fair value of loans receivable is determined using the discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, which include the interest rate curves.

Financial liabilities at amortised cost - The listed long term fixed interest rate senior unsecured notes in issue with a carrying amount of R19 877 million (2023: R17 611 million) have a fair value of R19 716 million (2023: R17 447 million) at 31 December 2024. The fair value of this instrument is determined by reference to published market values on the relevant exchange. This instrument is classified as level two of the fair value hierarchy due to lack of sufficient trade activity in the bond market. The fair value of the remaining borrowings is determined using the discounted cash flow model. The valuation requires management to make certain assumptions about the model inputs, which include the interest rate curves.

20.3 Credit risk

Refer to note 7.1 of the Group financial statements for the applicable accounting policy.

Exposure to credit risk

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

	2024 Rm	2023 Rm
Financial guarantee contracts	9 580	11 029
Loans receivable	28 769	28 580
Trade and other receivables	4 267	3 545
Cash and cash equivalents	7 011	3 253
	49 627	46 407

The following instruments give rise to credit risk:

Financial guarantees

Details of the financial guarantees are included in note 19; the probability of default based on management's estimate is low.

Loan receivables

Loan receivable and receivables are mostly due from entities within the Group. The aging of the receivables is predominantly current. Loan receivables are within terms and conditions.

Details of the loan receivable balances are included in note 7. Details of the expected credit losses on the loan receivable balances have been determined as follows:

	2024 Rm	2023 Rm
Gross balance	28 870	28 683
Expected credit loss allowance	(116)	(103)
	28 754	28 580

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.3 Credit risk (continued)

Loan receivables

Simplified parameter-based approach

The 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. $PD \times LGD \times EAD = ECL$). The exposures are separated by the related party to which the loan receivable balance relates to. This is done to allow for risk differentiation.

The loan receivable balances were considered to have low credit risk because the related parties have strong financial positions and performances and have been able to maintain all repayments in addition to paying dividends, where applicable. This indicates that the related parties have strong capacity to meet their contractual cash flow obligations. This is despite any adverse changes in the economy such as the deteriorated gross domestic product growth and credit downgrades in South Africa. Management has thus considered these factors and have not noted a significant increase in credit risk since the inception of the contracts and as such, 12-month expected credit losses were recognised.

Cash and cash equivalents

MTN Group Limited's Treasury Committee (which is the same as the Group treasury committee) 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 the Company's exposure to a single counterparty by spreading transactions among approved financial institutions. The Group Treasury Committee regularly reviews and monitors the Company's credit exposure.

The Company holds its cash balances in financial institutions with a rating range of AA+ to AA (2023: AA+ to AA). Given this credit rating, management does not expect any counterparty to fail to meet its obligations.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.3 Credit risk (continued)

Receivables

Ageing and impairment analysis

	2024			2023		2023
	Rm	Rm	Rm	Rm	Rm	Rm
	Gross	Impaired	Net	Gross	Impaired	Net
Fully performing receivables	239	-	239	293	-	293
Sundry debtors	-	-	-	284	-	284
Other receivables	239	-	239	9	-	9
Past due other receivables	4 028	-	4 028	3 252	-	2 236
Sundry debtors	251	-	251	-	-	1 794
9 to 12 months	251	-	251	-	-	1 794
Other receivables	3 777	-	3 777	3 252	-	3 252
0 to 3 months	1 032	-	1 032	1 255	-	1 255
3 to 6 months	15	-	15	661	-	661
6 to 9 months	9	-	9	767	-	767
9 to 12 months	2 721	-	2 721	569	-	569
	4 267	-	4 267	3 545	-	3 545

20.4 Liquidity risk

Refer to note 7.1 of the Group financial statements for an explanation on liquidity risk and how it is managed.

The following liquid resources are available:

	2024	2023
	Rm	Rm
Other receivables	4 267	3 545
Current investments	5	60
Cash and cash equivalents	7 011	3 253
	11 283	6 858

The Company's undrawn borrowing facilities are disclosed in note 14.

The operations of the entity will be funded from operating cash flows, the existing borrowing facilities, and where necessary by raising additional borrowings.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.4 Liquidity risk (continued)

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

	Carrying amount Rm	Total Rm	Within 1 year Rm	More than 1 year not exceeding 2 years Rm	More than 2 years not exceeding 5 years Rm	More than 5 years Rm
2024						
Non-current liabilities						
Borrowings	33 234	45 861	2 909	7 219	31 731	4 002
Current liabilities						
Payables	376	376	376	-	-	-
Borrowings	3 497	3 497	3 497	-	-	-
Financial guarantee contracts	744	11 488	11 488	-	-	-
	37 851	61 222	18 270	7 219	31 731	4 002

	Carrying amount Rm	Total Rm	Within 1 year Rm	More than 1 year not exceeding 2 years Rm	More than 2 years not exceeding 5 years Rm	More than 5 years Rm
2023						
Non-current liabilities						
Borrowings	22 156	29 442	2 590	1 925	10 353	14 574
Current liabilities						
Payables	389	389	389	-	-	-
Borrowings	8 129	8 129	8 129	-	-	-
Financial guarantee contracts	1 066	11 029	11 029	-	-	-
	31 740	48 989	22 137	1 925	10 353	14 574

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.5 Market risk

20.5.1 Interest rate risk

Refer to note 7.1 of the Group financial statements for an explanation on interest rate risk and how it is managed.

Profile

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

	2024			2023		
	Fixed rate Rm	Variable rate Rm	No interest Rm	Fixed rate Rm	Variable rate Rm	No interest Rm
Financial assets						
Non-current financial assets						
Loans receivable	11 365	17 359	-	11 748	16 802	-
Current financial assets						
Loans receivable	12	18	-	12	18	-
Trade and other receivables	-	3 970	297	-	3 252	293
Cash and cash equivalents	-	7 011	-	-	3 253	-
Current investments	-	-	5	-	-	60
	11 377	28 358	302	11 760	23 325	353
Financial liabilities						
Non-current financial liabilities						
Borrowings	-	33 234	-	-	22 156	-
Current financial liabilities						
Payables	-	376	-	-	389	-
Borrowings	-	3 497	-	-	8 129	-
	-	37 107	-	-	30 674	-

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 SOFR 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.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.5 Market risk (continued)

20.5.1 Interest rate risk (continued)

Sensitivity analysis (continued)

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 2023.

The analysis performed applies an instantaneous increase or decrease of 1%.

	2024			2023		
	Decrease/(increase) in profit before tax			Decrease/(increase) in profit before		
	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	(158)	158	1	(105)	105
Prime	1	70	(70)	1	31	(31)
Other	1	1	(1)	1	1	(1)

20.5.2 Currency risk

Refer to note 7.1 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:

	2024	2023
	Rm	Rm
Current financial assets		
United States dollar	180	161
Euro	(25)	(12)
Pound	(3)	(6)
Current financial liabilities		
United States dollar	217	1
Euro	-	6

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.5 Market risk (continued)

20.5.2 Currency risk (continued)

Sensitivity analysis

The Company has used a sensitivity analysis technique that measures the estimated change to profit or loss 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 Company is mainly exposed to fluctuations in foreign exchange rates in respect of the US\$, Pound and the Euro. This analysis considers the impact of changes in foreign exchange rates on profit. A change in the foreign exchange rates to which the Company is exposed 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, interest rates, remain constant. The analysis is performed at 10% in the current year, to be indicative of the current economic conditions under which the Company operates.

	Increase/(decrease) in profit before tax		
	Change in exchange rate	Weakening in functional currency	Strengthening in functional currency
Denominated: functional currency			
2024	%	Rm	Rm
US\$:ZAR	10	(4)	4
EURO:ZAR	10	(3)	3
POUND:ZAR	10	*	*
2023			
US\$:ZAR	10	16	(16)
EURO:ZAR	10	(2)	2
POUND:ZAR	10	(1)	1

*Amounts less than 1 million.

Mobile Telephone Networks Holdings Limited

Notes to the Company financial statements (continued)

for the year ended 31 December 2024

20 Financial risk management and financial instruments (continued)

20.5 Market risk (continued)

20.5.3 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company's exposure to price risk is currently limited to its investment in the MTN Group shares (current investments).

Sensitivity analysis

The Company has used a sensitivity analysis technique that measures the estimated change to profit or loss and equity of an instantaneous 10% appreciation or depreciation of the share price of its held for trading financial assets applicable at 31 December, with all other variables remaining constant.

A change in the shares price to which the Company is exposed at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

	2024		2023	
	(Decrease)/increase in profit before tax		(Decrease)/increase in profit before tax	
	Depreciation in share price Rm	Appreciation in share price Rm	Depreciation in share price Rm	Appreciation in share price Rm
Current investments	(1)	1	(6)	6

20.6 Capital risk management

Capital comprises ordinary share capital and share premium and equity attributable to the equity holders of the Company.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Equity funding for the Company is raised centrally by MTN Group, first from excess cash and then from new borrowings while retaining an acceptable level of debt for the consolidated Group. Where funding is not available to the Company locally or in specific circumstances where it is more efficient to do so, funding is sourced centrally.

21 Events after the reporting period

Subsequent to year end, a dividend of R6 500 million was declared on 14 March 2025 in respect of the financial year ended 31 December 2024.

Mobile Telephone Networks Holdings Limited

Financial definitions

for the year ended 31 December 2024

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 thereon.
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: <ul style="list-style-type: none"> • Net monetary gain resulting from the application of hyperinflation. • Hyperinflation. • Share of results of associates and joint ventures after tax. • Gain on sale of MTN SA Towers. • Impairment loss on remeasurement of non-current assets held for sale. • Gain on disposal of MTN Afghanistan. • Loss on disposal of MTN Guinea-Conakry. • Gain on disposal of MTN Guinea-Bissau. • Impairment loss on Sudan's non-current 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.
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.

Mobile Telephone Networks Holdings Limited

Financial definitions (continued)

for the year ended 31 December 2024

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