Mobile Telephone Networks Proprietary Limited

(Registration number: 1993/001436/07)

Company Financial Statements

For the year ended 31 December 2024

The Company's financial statements were audited in terms of the Companies Act 71 of 2008

The Company's annual financial statements were prepared by the Company's Finance team under the guidance of the General Manager – Financial Operations, Lebogang Semono CA (SA) and under the supervision of the Chief Financial Officer, Dineo Molefe CA (SA).

Mobile Telephone Networks Proprietary Limited

Company annual financial statements
For the year ended 31 December 2024

Contents

Mobile Telephone Networks Proprietary Limited

Company information

			Date of appointment	Date of resignation
Directors	:	MJ Harper (Chairman)	01 July 2016	
		CS Molapisi (Chief Executive Officer)	01 January 2022	
		D Molefe(Chief Financial Officer)	01 November 2020	
		JA Boggenpoel	30 August 2024	
		MJ Bosman	01 July 2016	
		SA Fakie	11 April 2013	30 August 2024
		N Khan	11 February 2021	
		T Leoka	01 October 2019	23 January 2024
		TBL Molefe	01 October 2021	
		F Moolman	01 April 2021	
		N Medupe	30 August 2024	
		RT Mupita [1]	03 April 2017	
		PD Norman	08 March 2016	
		R Ramashia	01 April 2021	
		J Schulte Bockum [2]	28 February 2017	
		SA Zinn	01 July 2018	
		1 Zimbabwean		
		2 German		
Company Secretary	:	MMF Rantofi	01 August 2022	
Registered office	:	216 14th Avenue Fairland 2195		
Auditor	:	Ernst & Young Inc. (EY)		
Bank	:	ABSA Bank Limited Barclays Bank Plc Deutche Bank First National Bank Investec Bank Limited Nedbank Limited Nedgroup Investments Propriety Limited Rand Merchant Bank Standard Bank Limited of South Africa Stanlib Asset Management Limited		
Legal Representative	:	Kgokong Nameng Tumagole Incorporated Mashiane Moodley & Monama Incorporated Mkhabela Huntley Attorneys Incorporated SB Wotshela Incorporated Webber Wentzel Attorneys Werksmans Attorneys		
Issue Date		27 March 2025		

Statement of directors' responsibility
For the year ended 31 December 2024

The directors are responsible for the preparation, integrity, and fair representation of the annual financial statements of Mobile Telephone Networks Proprietary Limited ("the Company") in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board and the requirements of Companies Act of South Africa. The annual financial statements of the Company presented on pages 1-110 have been prepared in accordance with the requirements of IFRS Accounting Standards and the Companies Act and include amounts based on judgements and estimates made by management.

The directors consider that having applied IFRS Accounting Standards in preparing the annual financial statements, they have used the most appropriate accounting policies, consistently applied, and supported by reasonable and prudent judgement and estimates, and that all IFRS Accounting Standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the annual financial statements fairly presents the results of the operations for the year and financial position of the Company at year-end in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

The directors have the responsibility for ensuring that all accounting records are kept. The accounting records disclose, with reasonable accuracy, the financial position, and results of the Company and enable the directors to ensure that the annual financial statements comply with relevant legislation.

The Company operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and the risks facing the business are controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

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 going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These annual financial statements support the viability of the Company.

The company's external auditor, Ernst & Young Inc, (EY) have audited the financial statements and their unqualified report is presented on pages 13 to 15.

Statement of directors' responsibility (continued)
For the year ended 31 December 2024

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 the audit are valid and appropriate.

The Company's annual financial statements were prepared by the Company's Finance team under the guidance of the General Manager – Financial Operations, Lebogang Semono CA (SA) and under the supervision of the Chief Financial Officer, Dineo Molefe CA (SA).

The annual financial statements of the Company which appear on pages 1-110 were approved by the board of directors and are signed on its behalf by:

CS Molapisi
Chief Executive Officer
27 March 2025

D Molefe
Chief Financial Officer
27 March 2025

Mobile Telephone Networks Proprietary Limited

Certificate by the company secretary
For the year ended 31 December 2024

In terms of the section 88(2)(e) of the Companies Act of 2008, I certify that, to the best of my knowledge, the Company has lodged with the Companies and Intellectual Property Commission (CIPC) for the year ended 31 December 2024, all such returns as are required of a private Company in terms of the Companies Act of 2008 and such returns are true, correct and up to date.

MMF Rantofi
Company Secretary
Fairland
27 March 2025

Audit Committee Report

For the year ended 31 December 2024

Report in terms of the Companies Act

The report provides an overview of the audit committee ("the committee") and its activities as well as appropriate information on how the committee has discharged its responsibilities. The committee is a statutory committee and performs duties as prescribed by the Companies Act as well as any other duties delegated by the board of directors. The committee has a majority of independent non-executive directors who are financially literate as recommended by the Companies Act.

The committee met four times during the year, in compliance with its terms of reference.

The Company's head of internal audit and forensics, head of risk and compliance and the external auditors have unrestricted access to the committee and its Chairperson. The performance of the internal audit function is reviewed annually by the committee.

The performance and independence of the external auditors is regularly monitored by the committee and formally assessed annually. The audit partner is rotated every five years. The Company's auditor is appointed by the shareholders on the recommendation of the board and the audit committee. Both internal and external auditors attend all committee meetings. The executive directors attend committee meetings as permanent invitees.

Where required, the meetings of the committee are preceded by a session of the non-executive directors only and are concluded by a separate session with management and a separate session with the external auditors.

The committee has conducted its work over the year and discharged its responsibilities in terms of its terms of reference. The committee is pleased to present below its report in terms of section 94(7)(f) of the Companies Act of 2008 as amended, for the financial year ended 31 December 2024.

Execution of the functions of the audit committee

The committee has executed its duties and responsibilities in accordance with its terms of reference as they relate to the Company's accounting, internal auditing, internal control, and financial reporting practices. The committee performed the following activities during the year under review:

1.1 External audit

- 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.

- Satisfied itself with the performance of the external auditor and designated registered auditor and further that they are accredited by the Independent Regulatory Board for Auditors (IRBA).

Audit Committee Report (continued)

For the year ended 31 December 2024

Execution of the functions of the audit committee (continued)

1.1 External audit (continued)

- Satisfied itself that the designated registered auditor is within their tenure and rotation requirements.

The Company's external auditor for the year ended 2024 is Ernst & Young Inc. (EY). Fees paid to the auditor for the year under review are disclosed under Note 8 to the annual financial statements.

After assessing the requirements set out in section 94(8) of the Companies Act, the committee is satisfied with the independence and objectivity of the external auditor. The committee recommends the appointment of Ernst & Young Inc. (EY) as external auditor in accordance with the MTN Group Limited rotation requirements at the next annual general meeting.

1.2 Financial statements, accounting practices and other financial matters

- Reviewed and approved the accounting policies and the annual financial statements of 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, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC) and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC).

- Reviewed the processes in place for the reporting of concerns and complaints including reportable irregularities relating to financial reporting and accounting practices, internal audit, contents of the Company's annual financial statements, internal financial controls and any related matters.

1.3 Internal financial controls

- Reviewed the assessment prepared by internal audit, on the effectiveness of the Company'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.

- Considered the reports and attestations from management related to internal financial controls.

- Reviewed the report from the Company's forensic services function on the result of any forensic investigations conducted in the period under review and their financial impact as they pertain to financial reporting.

- Considered the reports from management on fraud and information technology risks as they pertain to financial reporting.

Audit Committee Report (continued)

For the year ended 31 December 2024

Execution of the functions of the audit committee (continued)

1.3 Internal financial controls (continued)

- Reviewed the reports of the external auditor detailing the findings arising from their audit and considered the appropriateness of the responses from management.

- Assessed the revenue assurance control environment and related revenue leakage exposure for the Company.

- Reviewed fraud and whistleblowing reports and ensured that appropriate management action is taken with regards to the control environment and consequence management.

1.4 Internal Audit and Forensics ("IAFS")

- Considered the effectiveness and independence of the internal audit function and monitored adherence to the annual internal audit plan.

- Reviewed the Company's system of internal controls and risk management.

- Reviewed the performance of the Executive: Internal Audit and Forensics ("EIAF") and confirmed that the EIAF had the requisite skill, experience, human resources and budgetary support from the organisation in order to successfully execute on their mandate in the year under review.

- Reviewed the reported results of internal 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 Company.

- Reviewed the critical matters raised by the IAFS function, obtained and evaluated management's responses and action plans to address those matters and assessed the adequacy of those actions to appropriately resolve those critical matters.

- Considered the effectiveness of the combined assurance 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.

1.5 Risk and Compliance

The committee has confirmed that the Risk and Compliance committee executed its duties and responsibilities in accordance with its terms of reference and performed the following activities during the year under review:

Execution of the functions of the audit committee (continued)

1.5 Risk and Compliance (continued)

- Reviewed the Company's policies on risk assessment and risk management for financial reporting and the going concern assessment.

- Reviewed the matters related to financial reporting presented on the risk registers, their impact and likelihood of occurrence.

- Reviewed the matters relating to non-compliance with applicable laws and regulations. The committee can confirm that there were no such matters of substance during the year under review.

1.6 Chief Financial Officer (CFO) and finance function

- Reviewed the performance of the Chief Financial Officer and was satisfied that the CFO had the necessary expertise and experience to fulfil this role and had performed appropriately during the year under review.

- Considered and satisfied itself of the appropriateness of the expertise and experience of the finance function and adequacy of resources employed in this function.

The Chairperson of the committee met separately with management and with both internal and external auditors over the course of the year.

The committee considered the information and explanations given by management and had discussions with both internal and external auditors on the outcome of their audits. Nothing has come to the attention of the committee that caused it to believe that the Company's system of internal controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

The committee has evaluated the annual financial statements of the Company for the year ended 31 December 2024, and based on the information provided to it, considers that the Company complies with the requirements of the Companies Act of South Africa and International Financial Reporting Standards (IFRS).

N Khan
Audit Committee Chairperson
27 March 2025

Directors' report

For the year ended 31 December 2024

Incorporation and nature of the business

The Company is incorporated in the Republic of South Africa under the South African Companies Act as a private Company. The Company is involved with the operation of GSM cellular telephone networks and the provision of related services to customers.

Results of operations

The Company's financial position and the results of operations are comprehensively covered on pages 16 to 110 of the accompanying annual financial statements. Dividends paid were R1 billion during the year (2023 – R1 billion).

Holding and ultimate holding Company

The Company is a wholly owned subsidiary of Mobile Telephone Networks Holdings Proprietary Limited and its ultimate holding Company is MTN Group Limited, both of which are incorporated in the Republic of South Africa.

Share capital

There were no changes in the authorised or issued share capital of the Company during the current or previous financial year.

Property, plant and equipment

There were no significant changes in the nature of the property, plant and equipment nor in the policy regarding their use during the current or previous year.

Borrowing powers

In terms of the Memorandum of Incorporation (MOI) of the Company, the borrowing powers of the Company are unlimited. However, all borrowing powers of the Company are subject to limitations expressed in the Group's Treasury Policy. The details of borrowing appear in Note 23 of the annual financial statements.

Going concern

The directors have reviewed the Company's budget and cash flow forecast for the period to 31 March 2026. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and is a going concern and has continued to adopt the going concern basis in preparing the annual financial statements.

Directors' report (continued)
For the year ended 31 December 2024
Consolidated Annual Financial Statements

No group or consolidated annual financial statements are presented in terms of IFRS 10 Consolidated Financial Statements, as the Company's ultimate holding Company, MTN Group Limited incorporated in South Africa, produces consolidated annual financial statements available for public use that comply with IFRS Accounting Standards. These group annual financial statements are available on the Company's website, www.mtn.com/investors. The disclosures in the separate annual financial statements of the Company's subsidiaries are considered to be adequate to enable the users of the annual financial statements of the Company to determine the financial position, financial performance and cash flows for the Group as a whole. Details of the Company's subsidiaries and associates are included in Note 13 to the annual financial statements.

Litigation statement

The Company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The Company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Auditor

Ernst & Young Inc. (EY) was appointed as the Company auditors on 24 November 2022 commencing in the 2023 financial year. The Board approved the reappointment of the auditor, Ernst & Young Inc. (EY) in accordance with section 90(1) of the Companies Act. Ernst & Young Inc. (EY) has indicated its willingness to continue in office.

Events after the reporting date

The company does not have any events after reporting date to report.

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Private Bag X14
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2146

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Independent Auditor's Report

To the Shareholders of Mobile Telephone Networks Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mobile Telephone Networks Proprietary Limited ('the company') set out on pages 16 to 110, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Mobile Telephone Networks Proprietary Limited as at 31 December 2024, and its financial performance and 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 Financial Statements section of our report. We are independent of the 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 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 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 110-page document titled "Mobile Telephone Networks Proprietary Limited Company Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, the Report of Audit Committee and the Certificate by the Company Secretary as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Building a better working world

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Signed by:
Ernst & Young Inc.
A0CE752220E049D

Ernst & Young Inc.

Ofentse Moralo
Director
Registered Auditor
Chartered Accountant (SA)

27 March 2024

102 Rivonia Road
Sandton
2194

Mobile Telephone Networks Proprietary Limited

Statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 R'm	2023 R'm
Revenue	7	**52 576**	51 807
Other income		**650**	425
Direct network and technology operating costs		**(6586)**	(6177)
Costs of handsets and other accessories		**(9674)**	(10365)
Interconnect and roaming costs		**(2392)**	(2017)
Employee benefits	8	**(3623)**	(3690)
Selling, distribution and marketing expenses		**(6614)**	(6546)
Government and regulatory costs		**(291)**	(281)
Impairment and write-down of trade receivables and contract assets		**(1100)**	(946)
Other operating expenses	8	**(3008)**	(3511)
Depreciation of property, plant and equipment	11	**(7748)**	(6968)
Depreciation of right-of-use asset	33	**(2052)**	(1740)
Amortisation of intangible assets	12	**(1339)**	(1868)
Amortisation of right-of-use assets	33	**(131)**	(122)
Finance income	9	**517**	796
Finance costs	9	**(5427)**	(5224)
Foreign exchange loss		**(113)**	(453)
Profit before tax		**3 645**	3 120
Income tax expense	10	**(1012)**	(880)
Profit after tax		**2 633**	2 240
Other comprehensive income for the year		**-**	-
Total comprehensive income after tax for the year		**2 633**	**2 240**

Mobile Telephone Networks Proprietary Limited

Statement of financial position

For the year ended 31 December 2024

	Note	**2024 R'm**	2023 R'm
ASSETS			
Non-current assets		**71 454**	**67 171**
Property, plant and equipment	11	33 784	33 865
Right-of-use asset	33	19 982	16 639
Intangible assets	12	10 694	10 320
Goodwill	12	2 553	2 553
Investments in associates and subsidiaries	13	542	233
Loans and other non-current receivables	14	569	497
Contract assets - non-current	7	2 429	2 259
Capitalised contract costs	7	826	730
Other non-current investments	15	75	75
Current assets		**17 163**	**17 587**
Inventories	16	722	865
Current portion of loan and other receivables	14	77	77
Trade and other receivables	17	12 820	12 269
Contract assets - current	7	3 370	3 168
Taxation asset	29	7	-
Current investments	20	59	213
Cash and cash equivalents	19	108	995
Non-current assets held for sale	**18**	**447**	**1 007**
Total assets		**89 064**	**85 765**
EQUITY			
Ordinary share capital and share premium	21	121	121
Retained earnings		8 176	6 652
Other reserves	22	5 694	5 694
Total equity attributable to equity holders of the company		**13 991**	**12 467**
Total equity		**13 991**	**12 467**
LIABILITIES			
Non-current liabilities		**51 129**	**48 059**
Borrowings	23	27 095	27 202
Deferred tax liabilities	24	1 802	1 082
Provisions	25	68	167
Other non-current liabilities	26	34	186
Lease liabilities	33	22 130	19 422
Current liabilities		**23 542**	**24 359**
Trade and other payables	27	18 370	18 630
Contract liabilities	7	1 808	1 909
Other current liabiliites	26	117	120
Lease liabilities	33	2 283	2 003
Provisions	25	812	1 083
Income tax Liability		-	605
Borrowings	23	9	9
Bank overdraft and short term borrowings	19	143	-
Liabilities directly associated with non-current assets held for sale	18	**402**	**880**
Total liabilities		**75 073**	**73 298**
Total equity and liabilities		**89 064**	**85 765**

Mobile Telephone Networks Proprietary Limited

Statement of changes in equity

For the year ended 31 December 2024

	Share capital R'm	Share premium R'm	Retained earnings R'm	Other reserves R'm	Attributable to equity holders of the company R'm	Total equity R'm
Opening balance at 1 January 2023	*	121	6 050	5 694	11 865	11 865
Dividends paid	-	-	(1 000)	-	(1 000)	(1 000)
Capital Contribution - financial guarantee liablity	-	-	(638)	-	(638)	(638)
Total comprehensive income	-	-	2 240	-	2 240	2 240
Balance at 1 January 2024	*****	**121**	**6 652**	**5 694**	**12 467**	**12 467**
Dividends paid	-	-	**(1 000)**	-	**(1 000)**	**(1 000)**
Capital Contribution - financial guarantee liablity	-	-	**(109)**	-	**(109)**	**(109)**
Total comprehensive income	**-**	**-**	**2 633**	-	**2 633**	**2 633**
Balance at 31 December 2024	*****	**121**	**8 176**	**5 694**	**13 991**	**13 991**
Notes	**21**	**21**		**22**		

*Represents an amount less than R1 million

Mobile Telephone Networks Proprietary Limited

Statement of cash flows

For the year ended 31 December 2024

	Note	2024 R'm	2023 R'm
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES			
Cash generated from operations	28	**17 432**	17 602
Interest paid		**(5 149)**	(4 863)
Interest received		**62**	190
Dividend received		**358**	180
Income tax paid	29	**(892)**	(2 182)
Net cash generated from operating activities		**11 811**	10 927
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(7 669)**	(8 308)
Acquisition of intangible assets		**(1 975)**	(4 108)
Proceeds from sale of property, plant and equipment and intangible assets		**23**	-
Intercompany loan advance		**(110)**	-
Acquisition of indefeasible right-of-use asset		**-**	(118)
Net cash utilised in investing activities		**(9 731)**	(12 534)
CASH FLOWS GENERATED (USED IN)/FROM FINANCING ACTIVITIES			
Proceeds from borrowings raised	30	**8 139**	4 795
Repayment of borrowings	30	**(8 278)**	(2 450)
Dividends Paid		**(1 000)**	(1 000)
Repayment of lease liabilities - Capital portion		**(1 910)**	(1018)
Repayment of liabilities of a disposal group classified as held for sale		**(61)**	(84)
Proceeds from increase in other liabilities		**-**	73
Net cash generated (used in)/from financing activities		**(3 110)**	316
Net decrease in cash and cash equivalents		**(1 030)**	(1 291)
Cash and cash equivalents at beginning of the year		**995**	2 270
Exchange gains on cash and cash equivalents		*****	16
Cash and cash equivalents at end of the year	19	**(35)**	995

* Represents amount less than 1 million

1. Reporting entity

Mobile Telephone Network Proprietary Limited ("the Company") is a private Company incorporated in South Africa. Its parent Company is Mobile Telephone Networks Holdings Proprietary Limited and ultimate holding and controlling Company is MTN Group Limited, companies both incorporated in the Republic of South Africa. MTN Group Limited is listed on the Johannesburg Stock Exchange (JSE). The addresses of the registered office and principal place of business are disclosed in the introduction to the annual financial statements. The principal activity of the Company is the operation of GSM cellular networks and the provision of related services to customers.

2. Basis of preparation

The annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Companies Act (2008), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee (APC) and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC). The Company has adopted all new accounting pronouncements that became effective in the current reporting period.

The annual financial statements are presented in South African Rand, which is the functional and presentation currency of the Company.

The annual financial statements have been prepared on the historical cost basis, except for certain financial instruments that have been measured at fair value. The methods used to measure fair value are discussed further in the accounting policies in the respective notes.

Amounts are rounded to the nearest million with the exception of Directors' Emoluments (Note 35) and related payments.

The preparation of the annual financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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. 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 annual financial statements are included in Note 6.

No group or consolidated annual financial statements are presented in terms of IFRS 10 Consolidated Financial Statements, as the Company's ultimate holding Company, MTN Group Limited incorporated in South Africa, produces consolidated annual financial statements available for public use that comply with IFRS Accounting Standards. These group annual financial statements are available on the Company's website at www.mtn.com/investors. The disclosures in the separate annual financial statements of the Company's subsidiaries are considered to be adequate to enable the users of the annual financial statements of the Company to determine the financial position, financial performance and cash flows for the Group as a whole. Details of the Company's subsidiaries and associates are included in Note 13 to the annual financial statements.

3. Going concern

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

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

4. Summary of material accounting policies

The material accounting policies applied in the preparation of these annual financial statements are set out on the following pages and in the related notes to the Company annual financial statements and are consistent with those adopted in the prior year.

Investment in subsidiaries

Subsidiaries are all entities (including Small Entities) controlled by the Company. Control exists when the Company is exposed to, 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. 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.

Foreign currency

Functional and presentation currency

Items included in the annual financial statements of the Company are measured using the Company's functional currency. The Company annual 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.

5. New accounting pronouncements

New and amended standards and interpretations

The Company has considered all the new, revised or amended accounting pronouncements issued by the IASB which were effective for the Company from 1 January 2024. The new accounting pronouncements did not have a material impact on the Company's results.

Amendments to IAS 12 - 'International Tax reform – Pillar Two Model'

On 23 May 2023, the IASB issued amendments to IAS 12 'Income Taxes' to provide a mandatory temporary exception to the accounting for deferred taxes arising in relation to International Tax Reform (the "Pillar Two" rules) and to require additional disclosures regarding the impact of the Pillar Two regulations.

The introduction of Pillar Two regulations is not expected to result in any material future impact on the company's current tax expense. The Company has applied the mandatory temporary exception and therefore has not recognised or disclosed deferred tax assets or liabilities relating to Pillar Two regulations in the financial statement for the year ended 31 December 2024.

Amendments to IAS 1- Classification of Liabilities as Current or Non-current and Non-current with Covenants

On January 2020 and October 2022, the IASB issued amendments to IAS 1 'Presentation to Financial Statements' to specify the requirements for classifying liabilities as current or non-current based on the right to defer settlement of a liability subject to the entity complying with covenants at the date subsequent to the reporting period.

The amendment of IAS 1 is not expected to have any material impact on the current financial year, non-current liabilities of the company are repayable in 2026 and there are no covenants attached to loans.

Amendments to IAS 7 and IFRS 7 -Supplier Finance Arrangements

On May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. With the amendments, the IASB has introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

The impact of the amendment has resulted in disclosure of the supplier arrangements in note 27 of the financial statements. Supplier finance arrangements are included as part of trade and other payables. The company has elected to apply the transition reliefs provided; no comparative information has been disclosed for any reporting periods prior to the current year.

5. New accounting pronouncement (continued)

Standards and amendments issued but not yet effective

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

Standard	Effective date
Lack of exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Improvement to International Financial Reporting Standards - Volume 11	1 January 2026
Contracts Referencing Nature – dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

IFRS 18 – Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 *Presentation of financial statements* and applies for annual reporting periods beginning on or after 1 January 2027. IFRS 18 will introduce new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. IFRS 18 will not impact the recognition or measurement of items in the annual financial statements. However, its impacts on presentation and disclosure are expected to be pervasive. Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements.

6. Critical accounting judgements, estimates and assumptions

The Company makes judgements, estimates and assumptions concerning the future when preparing its annual financial statements. Actual results may differ from these estimates. The 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.

The "Critical accounting judgements, estimates and assumptions" note should be read in conjunction with the "Summary of material accounting policies" disclosed in Note 4.

6.1. Income taxes

The Company exercises significant judgement in determining its provision for income taxes when dealing with calculations and transactions for which the ultimate tax position is uncertain during the ordinary course of business. The Company recognises tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be payable. 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.

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 company, the company 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.

6.2. Provisions

The Company exercises judgement in determining the expected cash outflows related to its provisions. Judgement is necessary in determining the timing of outflow as well as quantifying the possible range of the financial settlements that may occur.

The present value of the Company's provisions is based on management's best estimate of the future cash outflows expected to be required to settle the obligations, discounted using appropriate pre-tax discount rates that reflect current market assessment of the time value of money and the risks specific to each provision. Additional information on provisions is presented in Note 25.

6.3. Impairment of trade receivables and contract assets

The Company determines impairment of trade receivables when objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the trade receivables. Management exercises significant judgment in assessing the impact of adverse indicators and events on the recoverability of trade receivables using the indicators disclosed in Note 37.

6. Critical accounting judgements, estimates and assumptions (continued)

6.3. Impairment of trade receivables and contract assets (continued)

The impairment loss is determined as the difference between the carrying amount of the trade receivables and the present value of their estimated future cash flows (excluding future credit losses that have been incurred) discounted at the asset's original effective interest rate. In the current year, an impairment loss of R1 100 million (2023: R946 million) was incurred on trade receivables.

Adjustments were made to impairment estimates to account for the expected increase in risk of missed payments or default, due to general economic and sovereign related stress affecting the ability of clients to pay their telecommunication-related debt.

For mobile/contract receivables and contract assets, the company adjusted its impairment estimates by applying a stress factor to its probability of default (PD) based on the default rate experience of the book. This stress factor was only applied to the PDs for asset classes where there was a notable deterioration in the aging distribution or default rate. For non-mobile receivables, the Company had recalibrated their coverage ratios.

The distribution of exposure for all aging buckets for all categories of trade and other receivables was reviewed to determine whether a deterioration of the debtor's book was observed. As indicated above, the probability of default and coverage ratios were recalibrated to take the future conditions and forecasts into account.

6.4. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the Company's asset base. Therefore, the judgements made in determining their estimated useful lives and residual values are critical to the Company's financial position and performance. Useful lives and residual values are reviewed on an annual basis with the effects of any changes in estimate accounted for on a prospective basis. In determining residual values, the Company 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.

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

	2024	2023
Buildings - owned	**5 – 25 years**	5 – 25 years
Network infrastructure	**3 – 25 years**	3 – 25 years
Information systems equipment	**1 – 15 years**	1 – 15 years
Furniture and fittings	**3 – 15 years**	3 – 15 years

6. Critical accounting judgements, estimates and assumptions (continued)

6.4. Property, plant and equipment (continued)

Leasehold improvements	**3 – 20 years**	3 – 20 years
Office equipment	**3 – 13 years**	3 – 13 years
Motor vehicles	**3 – 13 years**	3 – 13 years

The company reviewed the useful lives of the asset for all the categories of property plant and equipment, the company extended the useful lives of the assets to reflect the condition of the asset. The change in estimate has resulted in depreciation savings of R654 million in the current year. Additional information on property, plant and equipment is disclosed in Note 11.

6.5. Intangible assets with finite useful lives

The relative size of the Company's intangible assets with finite useful lives makes the judgements surrounding the estimated useful lives and residual values critical to the Company's financial position and performance. 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:

Network Licences
The useful lives of licences are determined primarily with reference to the unexpired licence period.

Software
The useful life is determined with reference to the useful lives of software, based on management's estimates and take into account historical experience as well as anticipation of future events such as technological changes which may impact the useful lives. The company reviewed the useful lives of intangible assets, the company extended the useful lives of the assets to reflect the condition of the asset. The change in estimate has resulted in depreciation savings of R1.1 billion in the current year.

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.

Brand
The useful life is based on management's estimates and take into account historical experience as well as future events which may impact the useful lives.

6. Critical accounting judgements, estimates and assumptions (continued

The estimated useful lives of intangible assets with finite useful lives are as follows:

	2024	2023
Network licenses	**15 – 20 years**	15 – 20 years
Software	**1 – 20 years**	1 – 20 years
Customer Relationships	**4 – 6 years**	4 – 6 years
Brand	**3 years**	3 years

Additional information on intangible assets is disclosed in Note 12.

6.6. Goodwill

Goodwill is tested annually for impairment. Judgements, estimates and assumptions used in assessing the recoverable amount are disclosed in Note 12.

6.7. Inventory write-down to net realisable value

Inventories are measured at the lower of cost and net realisable value. The cost of inventory is determined using the weighted average method. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Additional information on inventories is disclosed in Note 16.

6.8. Leases

Renewal and termination options

The Company 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 Company's business planning cycle of three to five years 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 lease term for recognised leases is seven to ten years. Refer to Note 33 for further details.

In 2021, the Company entered into an agreement with IHS Holding Limited, a subsidiary of IHS Group (IHS), 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; and lease back space on the towers which it would sell. As the Company has transferred its land leases and tower infrastructure to IHS Group and is leasing tower spaces back on this infrastructure, this part of the transaction has been accounted for as a sale and leaseback in terms of IFRS 16 Leases. The Company has agreed to lease tower spaces for its own use for a 10-year period, with an option to renew for a further 10 years.

6. Critical accounting judgements, estimates and assumptions (continued)

6.8. Leases (continued)

The Company applied judgement in assessing the option to renew the lease contract beyond the original term and initially concluded that it was likely that the option period would be renewed and included the option period in determining the right of use asset and lease liability recognised in terms of the leaseback transaction. During the current financial year, the Company determined that it is increasingly less likely that the renewal option will be exercised due to the commercial viability of the existing contract. As a result, the lease liability and right of use asset have been remeasured to exclude the renewal period.

Lease and non-lease components

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

Control over barter sites

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

Subsequent to the transaction with IHS Group, the Company has retained the pre-existing barter arrangement with the other mobile network operator. The Company received a reduced upfront purchase price for the tower infrastructure and thereby, in substance, prepaid for the lease of these barter spaces.

An assessment was performed to determine whether control over each tower space has transferred to IHS. This is considered in detail for the mobile network operator spaces, as a portion of the sale proceeds which would otherwise have been received has been foregone for these spaces and the duration of the lease is longer for these spaces.

Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of and obtaining the benefits from an asset. In addition, an entity shall consider indicators of the transfer of control, which include, but are not limited to, the following:

6. Critical accounting judgements, estimates and assumptions (continued)

6.9. Judgement in relation to the transfer of control in relation to barter transactions

Control over barter sites (continued)

- The entity has a present right to payment for the asset.
- The customer has legal title to the asset.
- The entity has transferred physical possession of the asset.
- The customer has the significant risks and rewards of ownership of the asset.
- The customer has accepted the asset.

In this transaction, judgement was exercised to determine whether the Company transferred control over the mobile network operator tower space to IHS. The following factors was considered.

- By specifying that the Company may only utilise the mobile network operator space to sub-lease to the mobile network operator, IHS directed the use of the mobile network operator space and prevented the Company from directing the use of the mobile network operator space.
- If the mobile network operator terminates the barter arrangements for all/specified sites, IHS would be entitled to utilise the space in whatever manner it wishes. If then the mobile network operator subsequently wishes to utilise that tower space again, during the lease term, IHS will need to make the space available for the mobile network operator. This further indicates that IHS has the ability to direct the use of this tower space.
- IHS paid the Company the fair value of the tower portfolio (as determined by competitive bid process) less an amount representing the rental income it would have received from the mobile network operator over the 30-year period. This effectively means that IHS has received compensation from the Company for the mobile network operator tower spaces.
- IHS has legal title to the entire tower, including the mobile network operator space for each of the affected towers.
- IHS has the significant risks and rewards of ownership of the asset:
  - IHS is responsible maintaining the towers in reasonable repair and condition and incurring the related costs.
  - IHS has been compensated for 30 years of rental income from the mobile network operator, via paying the reduced purchase price for the tower portfolio.
  - IHS is entitled to revenues generated by that tower space after the 30-year lease period.
  - If the mobile network operator no longer wishes to utilise the tower space, IHS is entitled to use that tower space to generate further economic benefits.

Based on the above, it was concluded that IHS has the ability to direct the use of, and obtain substantially all of the remaining benefits from the mobile network operator spaces, and IHS has the ability to prevent the Company from directing the use of, and obtaining the benefits from the mobile

6. Critical accounting judgements, estimates and assumptions (continued)

6.9. Judgement in relation to the transfer of control in relation to barter transactions

Control over barter sites (continued)

network operator spaces, other than as specifically generated from the sub-lease to the mobile network operator. Therefore, control over the mobile network operator tower spaces has transferred to IHS on the effective date of the transaction.

6.10. Cell C National roaming revenue

The Company has a National Roaming agreement in place with Cell C. Historically, the Company recognized revenue for completed services based on the non-refundable consideration received ("cash basis"). This was due to concerns around Cell C's ability to pay, which resulted in the IFRS 15 criteria for a contract not being met. After Cell C's successful recapitalisation in September 2022, there was a significant inflow of funds and Cell C's financial position and payment record to MTN significantly improved. The Company concluded that the recapitalization positively influenced Cell C's ability to pay, and therefore concluded that a contract in terms of IFRS 15 between the parties did exist. As a result, the revenue recognition basis was changed from the "cash basis" to the measurement basis in IFRS 15 for a contract with customers during 2022. This measurement basis recognises revenue as the amount of the transaction price which excludes estimates of constrained variable consideration for each performance obligation that has been satisfied.

The price concession granted in the prior year was subject to certain conditions relating to the repayment of outstanding balances. Cell C met these conditions, and the price concession became effective. This price concession was estimated as the constrained variable consideration and was not recognised as revenue. The accrual basis of accounting continues to be applied to Cell C for the 2024 year. The total revenue recorded from Cell C amounts to R3.1 billion (2023: R3.3 billion) in the current year.

6.11. Financial guarantee liability

The valuation of the financial guarantees includes assumptions on credit default rates, credit risks, credit ratings and expected credit losses. The ECL model includes estimates relating to the probability of a default by the borrower and the resultant loss to the guarantor for each underlying borrower. Details of the estimates and assumptions used in assessing the valuation of the financial guarantee liability are included in Note 27.

7. Revenue

The Company principally generates revenue from providing mobile telecommunications services, such as network services (comprising of 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 post-paid bundled packages is 36 months.

7. Revenue (continued)

For bundled packages, the Company accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Company sells mobile devices and network services separately.

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

7.1 Network services and digital and fintech

The Company provides mobile telecommunication services, including network services and digital and fintech services. Network services (comprising of voice, data 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 and the right to consume network bandwidth. Network services is, 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, mobile money (MoMo), insurance, airtime lending and e-commerce.

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 when the usage of services becomes remote.

The Company 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 to be provided. The customer receives and uses the benefits of these services simultaneously. Units of network services/digital services outside of post-paid contracts are recognised as the service is provided.

When the Company expects to be entitled to breakage (forfeiture of unused value or network services), the Company recognises usage older than 3 years. Any unexpected amounts of breakage are recognised when the unused value of network services expire or when usage thereof becomes remote. Assessment of breakage is updated each reporting period, and any resulting change is accounted for prospectively as a change in estimate in terms of *IAS 8 Accounting policies, changes in accounting estimates and errors.*

7.2 Mobile devices

The Company sells a range of mobile devices. The Company recognises revenue when customers obtain control of mobile devices, being when the customers take possession of the devices. For mobile

7. Revenue (continued)

7.2 Mobile devices (continued)

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 a period of 24 to 36 months. Contract assets are recognised when customers take possession of devices for post-paid contracts.

The Company assesses post-paid contracts including handsets to determine if they contain a significant financing component. The Company has elected to apply the practical expedient that allows the company 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 Company reduces device revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

The Company bases the subscriber contract period on the contractual term and accounts for early upgrades as contract modifications. The effect of the modification results in the reversal of the remaining contract asset and reduces revenue recognised.

7.3 Interconnect and roaming

The Company provides interconnect and roaming services. The Company recognises interconnect and roaming revenue and debtors as the service is provided. An accrual is raised for interconnect revenue if not invoiced.

Payment for interconnect and roaming is generally received on a monthly basis.

Capitalisation of subscriber acquisition costs

The Company expects that incremental subscriber acquisition costs for obtaining and renewing contracts are recoverable. These costs include agents' commission on post-paid contracts and SIM activation costs on prepaid contracts. The Company 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 Company 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 Company otherwise would have recognised is twelve months or less. Contract costs are assessed for impairment in terms of *IAS 36 Impairment of Assets* when there is an indication of impairment.

7. Revenue (continued)

7.4 Disaggregation of revenue from contracts with customers

The company derives revenue from the transfer of following major goods and services:

	2024	2023
	R'm	R'm
Network services	**32 360**	31 959
Mobile devices	**9 421**	9 925
Interconnect and roaming	**4 854**	5 019
Digital and fintech	**3 060**	2 472
Other revenue[1]	**2 137**	1 835
Revenue from contracts with customers	**51 832**	51 210
Interest revenue	**744**	597
Total revenue	**52 576**	51 807

[1]Other revenue in the current financial year includes Internet Service Provider (ISP) revenue R1 478 million (2023: R1 263million), BTS rental recoveries R345 million (2023: R325 million) and Internet of Things (IOT) revenue R230 million (2023: R227 million).

7.5 Assets and liabilities related to contracts with customers

Derecognition of contract assets

IFRS 15 *Revenue from Contracts with Customers* ('IFRS 15') is silent on the derecognition principles of contract assets. The Company has elected to apply the derecognition principles for financial assets in IFRS 9 *Financial Instruments* ('IFRS 9') in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ('IAS 8'). Management applied judgement in developing and applying an accounting policy that results in information that is relevant and reliable.

In terms of IFRS 9 *Financial Instruments*, a financial asset may be derecognised if the asset is transferred to another entity and the transfer qualifies for derecognition, i.e. the financial assets are transferred in a way that substantially all the risks and rewards of ownership have been transferred from the transferor (the Company) to the transferee.

The transfer of a financial asset may be a direct transfer of the contractual rights to the cash flows arising on the financial asset or may take place through a pass-through arrangement as per IFRS 9.

The gain or loss on derecognition of Contract assets is included within finance costs.

7. Revenue (continued)

7.5 Assets and liabilities related to contracts with customers (continued)

If a transfer meets the pass-through requirements, the entity is deemed to have transferred the financial asset to the other party. A pass-through arrangement arises when the entity retains the contractual rights to collect cash receipts from the financial asset but assumes an obligation to pass on those receipts to another party.

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

	2024	2023
Contract assets relating to devices	**R'm**	R'm
Non-current		
Gross	**2 429**	2 341
Loss allowance	**-**	(82)
Net	**2 429**	2 259
Current		
Gross	**3 370**	3 233
Loss allowance	**-**	(65)
Net	**3 370**	3 168
Total contract assets	**5 799**	5 428
Capitalised contract costs	**826**	730
Total capitalised contract costs	**826**	730
Contract liabilities	**1 808**	1 909
Total current contract liabilities	**1 808**	1 909

7.5.1 Significant changes in contract assets and liabilities

The contract asset balance increased compared to the prior year mainly due to increase in sales for postpaid devices. The contract asset balance relates to normal handset revenue that will be paid over the contract period which is R5 799 million (2023: R5 428 million). Capitalised commission cost related to the acquisition of customers, i.e. capitalised contract cost R826 million (2023: R730 million).

The contract liability balance decreased R1 808 million (2023: R1 909 million) compared to the prior year mainly due to a decrease in the data and voice effective rates.

Refer to Note 37.3 for ECL disclosure relating to contract assets.

7. Revenue (continued)

7.5 Assets and liabilities related to contracts with customers (continued)

7.5.2 Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to contract liabilities carried forward, and how much relates to performance obligations that were satisfied in the prior year.

	2024 R'm	2023 R'm
Revenue recognised that was included in the contract liability balance at the beginning of the period	**1 813**	1 910
	1 813	1 910

(iii) Unsatisfied performance obligations

	2024 R'm	2023 R'm
Aggregate amount of the transaction price allocated to unsatisfied performance obligations	**1 808**	1 909
	1 808	1 909

Management expects that 95% (2023: 96%) of the transaction price allocated to the unsatisfied contracts as at 31 December 2024 will be recognised as revenue during the next reporting period. The remaining 5% (2023: 4%) will be recognised in the 2026 financial year.

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

8.Operating expenses

Employee benefits

Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is expensed in that reporting period. A liability is recognised for accumulated leave when there is a present legal or constructive obligation as a result of past service rendered by employees.

A liability for unvested short-term benefits 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 can be determined reliably; or
- 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.

Share-based payment transactions

The Company operates a share incentive scheme. For further details refer to Note 36.

Post-employment benefits

The Company operates a defined contribution plan. A defined contribution plan is a post-employment benefit plan (such as a pension plan) under which the Company 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. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Long service benefits

The Company has a long service incentive scheme in place for qualifying employees. Refer to Note 25 for additional information relating to the long service benefits.

Termination benefits

Termination benefits may be payable when an employee's employment is terminated before the normal retirement date due to retrenchment or whenever an employee accepts voluntary redundancy in exchange for these benefits.

8.Operating expenses (continued)

Termination benefits

The Company recognises termination benefits at the earlier of the following dates:

- when the Company can no longer withdraw the offer of these benefits; and
- when the Company recognises the costs for a restructuring that is within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets that includes the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

	2024 **R'm**	2023 R'm
Staff Costs	**(3 623)**	**(3 690)**
Salaries and wages	**(2 635)**	(2 327)
Post-employment benefits	**(128)**	(288)
Share options granted to directors and employees	**(196)**	(222)
Long service awards	-	38
Termination benefits	-	(186)
Training	**(85)**	(54)
Other	**(89)**	(300)
Bonus provision	**(490)**	(351)
Other operating expenses	**(3 008)**	**(3 511)**
Auditors remuneration - Audit fees	**(25)**	(25)
Auditors remuneration- Fees for other services	**(1)**	-
Profit on disposal leases	**458**	(31)
Profit on disposalof property, plant and equipment and intangible asset	**34**	3
Impairment on loans and other non receivables	**(3)**	(240)
Professional and Consulting fees	**(425)**	(439)
Management fees	**(523)**	(514)
Insurance premiums	**(698)**	(480)
Bank charges	**(173)**	(131)
Outsourcing costs	**(289)**	(321)
Procurement commission costs	**(178)**	(179)
Office Building maintenance	**(94)**	(105)
Power costs	**(61)**	(45)
Security costs	**(49)**	(34)
MTN Foundation contributions	**(54)**	(54)
Courier costs	**(221)**	(215)
Other expenses [1]	**(706)**	(701)

[1] Other expenses cannot be disaggregated further as they consist of various other items.

9. Finance income and finance costs

Finance income

Finance income comprises interest income on funds invested, amortisation of guarantee fees and gains on remeasurement of financial guarantees. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, interest expense on lease liabilities and losses on remeasurement of financial guarantees.

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.

	2024	2023
	R'm	R'm
Interest income from banks	**62**	142
Interest income on loans and receivables	**1**	69
Fair value adjustments	**-**	(22)
Amortisation of guarantee fee (Note 27)	**454**	607
Finance income	**517**	796
Interest expense on financial liabilities measured at amortised cost	**(3 004)**	(3 097)
Interest expense on lease liabilities	**(2 207)**	(1 993)
Interest expense on liabilities held for sale	**(57)**	(110)
Loss on derecognition of contract assets	**(159)**	(24)
Finance costs	**(5 427)**	(5 224)

10. Income tax expense

The tax expense for the period comprises current, deferred tax and withholding tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity. For these items, the tax is also recognised in other comprehensive income 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 Country in which the Company operates and generates 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 provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

10. Income tax expense (continued)

Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements for financial reporting purposes. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. 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.

Withholding tax

Withholding tax is payable at different rates varying between 0% and 25% on amounts paid to the Company by its subsidiaries as dividends and management fees.

Analysis of income tax expense for the year	**2024**	2023
	R'm	R'm
Normal Tax	**(259)**	(768)
Current year	**(264)**	(498)
Adjustments in respect of the prior year[1]	**5**	(270)
Witholding tax	*****	(2)
Deferred tax (Note 24)	**(753)**	(110)
Current year	**(517)**	(281)
Adjustments in respect of the prior year[1]	**(236)**	171
	(1 012)	(880)

* Represents an amount less than R1 million

[1]In prior years, mobile devices that were sold as part of post-paid contract packages were included in taxable income as the monthly subscriptions were invoiced. As revenue from such handsets are recognised upfront, historically there was a deferred tax liability recognised for the related timing difference. Following discussions with SARS (South African Revenue Services), the Company revised the timing on the inclusion of the handset revenue in taxable income to align with the gross income requirements in the Income Tax Act. Following this change in 2022, the related deferred tax liability was reversed, and the related current tax liability was recognised. In the current year there have been no adjustments in deferred tax relating to prior years.

10. Income tax expense (continued)

Tax rate reconciliation

The table below explains the differences between the expected tax expenses on continuing operations, at the South Africa statutory tax rate of 27% (2023: 27%) for current tax and 27% (2023: 27%) for deferred tax. The corporate tax rate was not changed by the Minister of Finance in the National Budget speech for years ending on or after 31 March 2024.

The statutory income tax charge for the year is reconciled to the effective rate of taxation in South Africa as follows:

	2024	**2024**	2023	2023
	R'm	**%**	R'm	%
	3 646		3 121	
Statutory tax	**984**		843	
Adjusted for:				
Exempt income	**(96)**	**(2,6%)**	(61)	(1,9%)
Normal tax - Adjustments in respect of prior year	**(5)**	**(0,1%)**	270	8,7%
Deferred tax - Adjustments in respect of prior year	**236**	**6,5%**	(171)	(5,5%)
Witholding taxes	**-**	**0,0%**	2	0,1%
Permanent differences	**(107)**	**(2,9%)**	(2)	(0,1%)
Effective tax rate	**1 012**	**27,8%**	881	29,2%

The Company is regarded as tax resident in South Africa by the South African Revenue Services ("SARS") and is subject to tax on its worldwide income in South Africa. Refer to Note 6 for management's estimates and assumptions in relation to Income Tax.

11. Property, plant and equipment

Property, plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses. Property, plant and equipment acquired through business combinations is initially shown at fair value (based on replacement cost) and are subsequently carried at the initially determined fair value less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition or construction of the assets, any other costs directly attributable to bringing the assets to the location and condition for their intended use and the present value of estimated decommissioning costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Property, plant and equipment under construction are measured at initial cost and depreciated from the date the assets are available for use in the manner intended by management over their estimated useful lives. Assets are transferred from capital work-in-progress to an appropriate category of property, plant and equipment when commissioned and ready for their intended use.

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 25) for further information about the recognised decommissioning provision and the accounting judgements, estimates and assumptions made.

The Company 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. A qualifying asset is deemed to be an asset which takes more than 12 months to acquire, construct or produce. Borrowing costs include general and specific borrowings directly attributable to the acquisition, construction or production of qualifying assets. Other borrowing costs are expensed in profit or loss.

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 cost of the assets to their residual values over their estimated useful lives. Work in progress is not depreciated until it is ready for its intended use. For a summary of useful lives, refer to Note 6.4.

Land is not depreciated. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the expected term of the relevant lease.

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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

11. Property, plant and equipment (continued)

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the proceeds from the disposal and the carrying amount of the asset and is included in profit or loss.

Impairment of assets

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

Property, plant and equipment with finite useful lives

The Company annually reviews the carrying amounts of its property, plant and equipment with finite useful lives in order to determine whether there is any indication that those assets have suffered an impairment loss. 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. For a summary of useful lives, refer to Note 6.4.

11. Property, plant and equipment (continued)

	Land and buildings	Leasehold improvements	Network infrastructure	Information systems, furniture and office equipment	Vehicles	Work in progress	Total
	R'm	R'm	R'm		R'm	R'm	R'm
Cost							
At 1 January 2023	6 184	1 804	82 356	5 807	92	655	96 898
Additions	151	-	6 549	275	2	891	7 868
Disposals	(5)	(98)	(1 224)	(730)	(46)	-	(2 103)
Reallocations	292	-	737	145	-	(1 081)	93
At 31 December 2023	6 622	1 706	88 418	5 497	48	465	102 756
At 1 January 2024	**6 622**	**1 706**	**88 418**	**5 497**	**48**	**465**	**102 756**
Additions	**6**	-	**6 378**	**79**	**2**	**1 287**	**7 753**
Disposals	**(459)**	**(522)**	**(14 919)**	**(3 461)**	**(4)**	-	**(19 366)**
Reallocations	**217**	**(11)**	**829**	**57**	-	**(1 074)**	**19**
Other movements[1]	-	-	**253**	**55**	**(3)**	**(232)**	**73**
At 31 December 2024	**6 386**	**1 174**	**80 958**	**2 229**	**43**	**446**	**91 236**
Accumulated Depreciation and Impairment losses							
At 1 January 2023	(2 845)	(1 666)	(54 527)	(4 942)	(73)	-	(64 053)
Depreciation	(162)	(17)	(6 365)	(417)	(7)	-	(6 968)
Disposals	-	97	1 212	728	43	-	2 080
Reallocations	15	(15)	-	49	-	-	49
At 31 December 2023	(2 992)	(1 601)	(59 680)	(4 582)	(37)	-	(68 893)
At 1 January 2024	**(2 992)**	**(1 601)**	**(59 680)**	**(4 582)**	**(37)**	-	**(68 893)**
Disposals	**399**	**407**	**15 049**	**3 381**	**4**	-	**19 240**
Depreciation	**(271)**	**(54)**	**(7 087)**	**(331)**	**(5)**	-	**(7 748)**
Reallocations	**17**	**138**	**(221)**	**61**	-	-	**(5)**
Other movements[1]	-	-	**(13)**	**(35)**	-	-	**(48)**
At 31 December 2024	**(2 848)**	**(1 109)**	**(51 951)**	**(1 507)**	**(39)**	-	**(57 452)**
Carrying amounts							
At 1 January 2024	3 630	105	28 738	915	11	465	33 865
At 31 December 2024	3 538	65	29 007	722	5	446	33 784
Cost of assets with zero net book value still in use	845	618	10 733	105	6	-	12 307

[1]Other movements included in the property, plant and equipment note relate to assets held for sale at the beginning of the year.

11. Property, plant and equipment (continued)

11.1 Capital work-in-progress

There are various capital work-in-progress projects under way within the Company. At the reporting date, the main contributors to these project balances were:

	2024	2023
	R'm	R'm
Project 1 -EBU and MNS cloud connect	226	356
Project 2 - NWG Facilities, Mechanical and Electricity	75	-
Project 3 - National Long Distance	22	42
Project 4 - Radio roll out	112	65
Project 5 - Core Modernisation and upgrade	11	-
Project 6 - Various other projects	-	2
	446	465

12. Intangible assets

Intangible assets with an indefinite useful life or not yet available for use

Intangible assets with an indefinite useful life or not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Intangible assets with finite useful lives

Intangible assets with finite useful lives are measured at historical cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired through business combinations are initially shown at fair value and are subsequently carried at the initially determined fair value less accumulated amortisation and accumulated 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 cost of intangible assets over their estimated useful lives. Work in progress is not amortised until it is brought into use. For a summary of useful lives, refer to Note 6.5.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the proceeds from the disposal and the carrying amount of the asset and is included in profit or loss.

12. Intangible assets (continued)

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

- Network licences
- Computer software
- Customer relationships
- Brands

Costs associated with maintaining intangible assets are recognised as an expense as incurred.

Costs that are directly associated with the production of identifiable intangible assets controlled by the Company, and that will probably generate economic benefits, are capitalised when all the criteria for capitalisation are met.

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

For the accounting policy on impairment of intangible assets, refer to Note 11 on property, plant and equipment.

Cost	Goodwill	Network licences	Brand [1]	Customer relationships[1]	Software	Work in progress	Total
	R'm	R'm	R'm	R'm	R'm	R'm	Rm
At 1 January 2023	2 553	3 764	78	1 212	13 451	443	21 502
Additions	-	1 895	-	-	1 957	277	4 129
Disposals	-	-	-	-	(190)	-	(190)
Reallocations	-	-	-	-	(244)	(228)	(471)
At 31 December 2023	2 553	5 659	78	1 212	14 974	493	24 971
At 1 January 2024	**2 553**	**5 659**	**78**	**1 212**	**14 974**	**493**	**24 971**
Additions	-	-	-	-	**1 918**	**58**	**1 976**
Disposals	-	-	-	-	**(3 634)**	-	**(3 634)**
Reallocations	-	-	-	-	**512**	**(531)**	**(19)**
Other movements[2]	-	**(179)**	-	-	**187**	**(5)**	**2**
At 31 December 2024	**2 553**	**5 480**	**78**	**1 212**	**13 957**	**14**	**23 295**
Accumulated amortisation and impairment							
At 1 January 2023	-	(409)	(78)	(1 212)	(8 928)	-	(10 627)
Amortisation for the year	-	(204)	-	-	(1 664)	-	(1 868)
Reallocations	-	-	-	-	213	-	213
Disposals	-	-	-	-	185	-	185
At 31 December 2023	-	(613)	(78)	(1 212)	(10 194)	-	(12 097)
At 1 January 2024	-	**(613)**	**(78)**	**(1 212)**	**(10 194)**	-	**(12 097)**
Amortisation for the year	-	**(263)**	-	-	**(1 076)**	-	**(1 339)**
Reallocations	-	-	-	-	**5**	-	**5**
Disposals	-	-	-	-	**3 596**	-	**3 596**
Other movements[2]	-	-	-	-	**(212)**	-	**(212)**
At 31 December 2024	-	**(876)**	**(78)**	**(1 212)**	**(7 881)**	-	**(10 048)**
Carrying amounts							
At 1 January 2024	2 553	5 046	-	-	4 780	493	12 873
At 31 December 2024	2 553	4 604	-	-	6 076	14	13 247
Cost of assets with zero net book value still in use	-	-	-	-	538	-	538

[1]The Company acquired brand names (Brand) and customer lists (Customer relationships) in prior years. All assets capitalised relating to Brand and Customer relationships reached their useful lives. The Company continues to derive benefit from these intangible assets.

12. Intangible assets (continued)

[2]Other movement included in the Intangible asset note relate to assets held for sale at the beginning of the year.

12.1. Goodwill

Goodwill is measured at cost less accumulated impairment losses and is not amortised but tested for impairment annually.

The Company 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.

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

	2024			2023		
	Growth rate %	Discount rate %	R'm	Growth rate %	Discount rate %	R'm
Mobile Telephone Networks Propriety Limited	*	11.53	2 553	*	13.41	2 553

The Goodwill arose as a result of the acquisition of MTN Business Solutions Proprietary Limited and MTN Service Provider Proprietary Limited in prior years. Goodwill is tested annually for impairment. There was no impairment of the cash generating unit (CGU) above to which goodwill had been allocated.

* The recoverable amount of the CGU was based on the value in use calculation 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. The calculations mainly used cash flow projections based on financial budgets approved by management covering a three to five-year (2023: three to five-year) period. Management is confident that projections covering periods longer than three years are appropriate in order for terminal values to be determined using steady state cash flows. Cash flows beyond the above period were extrapolated.
using the estimated growth rates as mentioned below. The growth rates are in line with industry norms.

12.1. Goodwill (continued)

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

- Revenue growth rates: The Company used steady growth rates to extrapolate revenues beyond the budget period cash flows. The growth rates were consistent with approved budget amounts. The average growth rates used ranged from 1.48% to 1.78% (2023: 4.17% to 4.98%); and

- Expenditure growth rates: The Company used steady growth rates to extrapolate expenses beyond the budget period cash flows. The growth rates were consistent with approved budget amounts. The average growth rates used ranged from 1.48% to 4.35% (2023: 1.61% to 4.35%).

12.2. Network licences

Type of License	Granted / renewed	Licence term	Renewable term	Licence fee currency	Initial licence fee	Annual Licence fee	Further fees/obligations where applicable
ECS Licence	15/01/2009	20 years	Renewable on application	ZAR	-	Not Applicable	None
ECNS Licence	15/01/2009	20 years	Renewable on application	ZAR	100,000,000	Not Applicable	None
Spectrum 800MHz 2 * 10 MHz Spectrum 2600MHz 1*40MHZ Spectrum 3500MHz 1 * 40 MHz	17/03/2022	20 Years	Renewable on application	ZAR	5,151,382,000	44,062,500	None
900 Mhz	29/01/2003	1 year	Renewable annually	ZAR	Not Applicable	14,062,500	None
1800 Mhz	29/10/2004	1 year	Renewable annually	ZAR	Not Applicable	13,500,000	Note 1
2100Mhz	02/02/2005	1 year	Renewable annually	ZAR	Not Applicable	16,875,000	Note 1
6GHz	30/08/2015	1 year	Renewable annually	ZAR	Not Applicable	45,645,000	None
7GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	792,750	None
8GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	27,797	None
10.5GHz	07/02/2006	1 year	Renewable annually	ZAR	Not Applicable	10,500,000	None
11GHz	23/03/2009	1 year	Renewable annually	ZAR	Not Applicable	857,500	None
13GHz	06/04/2009	1 year	Renewable annually	ZAR	Not Applicable	248,500	None
15GHz	21/10/2005	1 year	Renewable annually	ZAR	Not Applicable	10,578,927	None
18GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	188,203	None
23GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	64,313	None
26GHz Sub 17	21/10/2005	1 year	Renewable annually	ZAR	Not Applicable	5,250,000	None
26GHz Sub 18	21/10/2005	1 year	Renewable annually	ZAR	Not Applicable	5,250,000	None
28GHz	12/04/2012	1 year	Renewable annually	ZAR	Not Applicable	21,000,000	None
38GHz	07/02/2006	1 year	Renewable annually	ZAR	Not Applicable	5,250,000	None
Eband 60-90 GHz	13/12/2007	1 year	Renewable annually	ZAR	Not Applicable	3,186	None
Fixed Satelite Earth station	08/08/2022	1 year	Renewable annually	ZAR	Not Applicable	78,121	None

Note 1 – Provision of 1,640 terminal equipment (PC's) to public Schools and IPWD's (Inclusion of People with Disabilities).

12.2. Network licences (continued)

Licences worth R1.9 billion (rounded) were paid in the prior year and was capitalised to network licences in intangible assets. No new network licences were procured in the current year.

13. Investment in subsidiaries

13.1. Investment in associates

Associates are all entities over which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity.

The Company has elected not to apply the equity method to its investments in associates in its separate financial statements as its ultimate parent, MTN Group Limited, prepares consolidated annual financial statements available for public use. Refer to Note 2 for further details. The Company accounts for investments in associates at cost, less accumulated impairment losses.

			2024	2023	**2024**	2023
Associate	**Principal activity**	**Country incorporation**	**Effective % interest in issued ordinary share capital**		**R'm**	**R'm**
Number Portability Company (Pty) Ltd	Facilitation of the porting by subscribers between different networks in South Africa.	South Africa	**20,00%**	20,00%	*	*
MTN Service Provider (Pty) Ltd - Cell 00072	The main objective is to carry out insurance activities. Mobile Telephone Networks Proprietary Limited owns 100% of the preference shares of the company.	South Africa	**0,00%**	0,00%	*	*

*Represents an amount less than 1 million

MTN Service Provider (Pty) Ltd - Cell 00072
The Company entered into a sale agreement for the sale of its device insurance book. The sale agreement was subject to various conditions precedent being fulfilled. All the conditions precedent were fulfilled, and the sale agreement became effective on 1 January 2024 when all insurance obligations passed. The company still owns 100% of preference shares in Cell 00072. Interim dividends of R221 million and R130 million were received in March and June 2024, respectively. A final dividend of R7 million was received in December 2024. All were accounted for in other income.

13. Investment in subsidiaries (continued)

13.1. Investment in associates (continued)

Set out below are the summarised financial information for the Company's associates:

	2024	2023
	R'm	R'm
Revenue	**28**	393
Share of profit after tax	**3**	92
Total Assets	**56**	272
Total Liabilities	**3**	44

13.2. Investments in subsidiaries

The Company has the below interest in subsidiaries and has elected not to prepare consolidated financial statements as its ultimate parent, MTN Group Limited prepares consolidated financial statements, which is available for public use.

Investments in subsidiaries are accounted for at cost less accumulated impairment losses. Dividends received from subsidiaries are recognised in other income.

			2024	2023	**2024**	2023
Subsidiaries and joint ventures in which the company has a direct or	**Principal activity**	**Place of incorporation**	**% interest in issued ordinary share capital**		**Investment in subsidiary**	**Investment in subsidiary**
					R'm	R'm
Supersonic FTX Proprietary Limited	Provision of fibre services	South Africa	100,00%	100,00%	**233**	233
Cell Place Proprietary Limited	Non-trading subsidiary	South Africa	100,00%	100,00%	*	*
MTN SA Towerco Proprietary Limited	Non-trading subsidiary	South Africa	100,00%	100,00%	*	*
Mobile Fintech Proprietary Limited	Fintech business - Mobile money, insurance , lending	South Africa	100,00%	0,00%	**309**	-
					542	233

* Represents an amount less than R1 million

The Company held 51% of the share capital of Cell Place (Proprietary) Limited as at 31 December 2007. On 31 July 2008, the Company acquired the remaining 49% of the share capital of Cell Place (Proprietary) Limited, trading as Mobile Solutions, a cellular dealership operating in South Africa. The motivation for acquisition of Cell Place (Proprietary) Limited was to secure their distribution footprint. This was classified as a common control transaction.

During the year ended 31 December 2011, the investment in Cell Place Proprietary Limited was impaired. Management determined that the investment in Cell Place Proprietary Limited was not recoverable due to the entity's distribution outlets now being incorporated into MTN SP and it seized its normal operations as at 31 December 2011.

On 31 March 2024, the company concluded the sale of the fintech operations to MTN SA Fintech (Pty) Ltd. The transaction transferred R600 million in assets and R291 million in liabilities resulting in investment in subsidiary of R309 million. This transaction has had no impact in the statement of comprehensive income.

13.2. Investments in subsidiaries (continued)

No group or consolidated financial statements are presented in terms of IFRS 10 Consolidated Financial Statements, as the Company's ultimate holding company, MTN Group Limited incorporated in South Africa, produces consolidated financial statements available for public use that comply with International Financial Reporting Standards. The disclosures in the separate annual financial statements of the Company's subsidiaries are considered to be adequate to enable the users of the annual financial statements of the Company to determine the financial position, results of operations and cash flows for the group as a whole.

14. Loans and other non-current receivables

Loans and other non-current receivables are accounted for at amortised cost in accordance with the accounting policy. Refer to Note 37.

	2024	2023
	R'm	R'm
Loan to Supersonic FTTX Propriety Limited	**439**	332
Total IRU assets (Note 14.2)	**207**	242
	646	574
Non current portion	**569**	497
Current portion	**77**	77
	646	574

14.1. Loan to Supersonic FTTX Proprietary Limited

The loan advanced to Supersonic FTTX Proprietary Limited is unsecured and is interest free. The impact of discounting is immaterial.

	2024	2023
	R'm	R'm
Loan to Supersonic FTTX Propriety Limited - Gross	**683**	572
Less: Expected credit loss (ECL)[1]	**(244)**	(240)
	439	332

[1]The Company recognised an expected credit loss relating to non-current loans advanced to its subsidiary of R4 million in the current year. The recoverability of the loan receivable was assessed at reporting date and the Company adjusted its impairment estimates by applying a stress factor to its probability of default (PD) based on lower operational cash flows from the subsidiary. Supersonic FTTX Proprietary Limited has an important service offering to the MTN Group, and management are confident of increasing operational cash flows.

14. Loans and other non-current receivables (continued)

14.1. Loan to Supersonic FTTX Proprietary Limited (continued)

Additional information relating to the loan, including repayment dates is presented below:

	2024 R'm Facility available	2023 R'm Facility available	2024 R'm Balance drawn down	2023 R'm Balance drawn down
Facility B - Repayment Date - 31 December 2023 [1]	**98**	-	**98**	98
Facility C - Repayment Date - 31 December 2024[1]	**219**	219	**219**	219
Facility D - Repayment Date - 21 February 2026	**95**	95	**95**	95
Facility E - Repayment Date - 31 December 2026	**184**	184	**184**	160
Facility F- Repayment Date - 31 December 2028	**75**	75	**75**	-
Facility G- Repayment Date - 31 December 2029	**15**	-	**12**	-
	686	573	**683**	572

[1]Facility B and C were repayable on or before 31 December 2023 and 31 December 2024, respectively. A resolution was passed by the board on the 25th of July 2022 to approve the conversion of the debt to equity. This is expected to be concluded by December 2025 and was considered as part of the ECL above.

14.2. Indefeasible right of use (IRU) arrangements

The Company adopted IFRS 16 Leases "IFRS 16", as issued by the International Accounting Standards Board (IASB), which was effective for the Company from 1 January 2019.

From 1 January 2019, at the inception of a contract, the Company assesses whether a contract is or contains a lease in terms of "IFRS 16". A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The total IRU asset at 31 December 2024 amounted to R206 million (2023: R242 million), of which R129 million (2023: R165 million) was recognised as a non-current asset.

15. Other non-current investments

Investments consist of equity investments at fair value through other comprehensive income.

	2024 R'm	2023 R'm
Financial assets at fair value through other comprehensive income		
Unlisted equity investments - The SA SME Fund Limited	**75**	75
	75	75

Management have performed a fair value assessment for this unlisted equity investment as at 31 December 2024 and deem the fair value of R75 million to still represent the fair value of the investment. No fair value adjustment has been recognised in the current or prior financial year. Refer to Note 37.2 for additional disclosure relating to other non-current investments.

16. Inventories

Inventories mainly comprise 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. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

	2024 R'm	2023 R'm
Finished goods (handsets, SIM cards and accessories) – at cost	**982**	1 232
Less: write-down to net realisable value	**(260)**	(367)
	722	**865**

Reconciliation of write – down of finished goods

	Balance at beginning of year	Additions	Utilised	Balance at end of year
	R'm	R'm	R'm	R'm
2024				
Movement in write-down	**(367)**	**-**	**108**	**(260)**
2023				
Movement in write-down	(656)	-	289	(367)

16. Inventories (continued)

A net write-down on inventories of R108 million (2023: R 289 million) was recognised in the current year. The write-down on inventories did not have an impact on the statement of comprehensive income as a provision for stock obsolescence was recognised in prior financial years. The write-down of inventories to net realisable value mainly related to handsets.

17. 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 as at amortised cost in accordance with the accounting policy disclosed in Note 37. Prepayments and other receivables are measured at their nominal values.

	2024	2023
	R'm	R'm
Trade receivables	**9 925**	10 358
Less: allowance for impairment of trade receivables	**(269)**	(295)
Net trade receivables	**9 656**	10 063
Interconnect receivables	**449**	372
Less: allowance for impairment of interconnect receivables	**-**	(37)
Net interconnect receivables	**449**	335
Intercompany receivables	**1 347**	1 117
Less: allowance for impairment of intercompany receivables	-	(1)
Net intercompany receivables	**1 347**	1 116
Prepayment and other receivables	**1 368**	755
	12 820	**12 269**

An impairment loss of R1 100 million (2023: R946 million) was recognised on trade and other receivables in the current year, this amount is included in impairment of trade receivables and contract assets in the statement of comprehensive income.

18. Non-current assets held for sale

Non-current assets (or disposal groups) 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 highly probable.

The carrying amount of the remaining land leases that are presented as held for sale are:

	2024	2023
	R'm	R'm
Non-current assets held for sale		
Sales of tower infrastructure (Note 18.1)	**447**	780
Structural separation of Fintech operations (Note 18.2)	**-**	227
Total assets	**447**	**1 007**
Non-current liabilities held for sale		
Sales of tower infrastructure (Note 18.1)	**402**	(797)
Structural separation of Fintech operations (Note 18.2)	**-**	(83)
Total liabilities	**402**	**(880)**

18.1. Sale of tower infrastructure

On 16 November 2021, the Company entered into an agreement with IHS Holding Limited, a subsidiary of IHS Group (IHS), 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; and lease back space on the towers which it would sell. Additionally, IHS will provide electricity utility services at each site, as well as a direct current power backup service. The transaction became effective on 30 May 2022.

Nature of transaction

As the Company has transferred its land leases and tower infrastructure to IHS Group and is leasing tower spaces back on this infrastructure, this part of the transaction has been accounted for as a sale and leaseback in terms of IFRS 16 Leases. The Company has agreed to lease tower spaces for its own use for a 10-year period, with an option to renew for a further 10 years. In addition, the Company has leased additional tower spaces that it can only utilise in terms of an existing barter arrangement for a period of 30 years. Refer to Note 6.8 for judgements, estimates and assumptions applied.

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

18. Non-current assets held for sale (continued)

18.1. Sale of tower infrastructure (continued)

Pre-existing barter arrangement

Prior to the transaction, the Company had a barter arrangement with another mobile network operator, where they each co-located on each other's towers on a non-cash basis. As the tower spaces

that are exchanged are similar in nature, the Company had previously assessed that this barter arrangement lacks commercial substance and, therefore, is not required to be accounted for.

Subsequent to the transaction with IHS Group, the Company has retained the pre-existing barter arrangement with another mobile network operator. The Company received a reduced upfront purchase price for the tower infrastructure and thereby, in substance, prepaid for the lease of these barter spaces. Control of the barter spaces has transferred to IHS Group as the Company is not allowed to utilise the barter spaces for its own benefit or lease these spaces to any party other than the specified mobile network operator and the use of the tower spaces remains with IHS should the mobile network operator cancel the barter arrangement. The Company has therefore accounted for these barter spaces as part of the sale and leaseback arrangement. Refer to Note 6.9 for judgements, estimates and assumptions applied.

Measurement of transaction

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

The remaining land leases transferred to IHS Group will be derecognised as they are legally ceded to IHS Group and the related gain or loss on derecognition will be accounted for as part of the overall gain or loss on disposal group. There is a remaining 18% of the land leases that is still to be transferred to IHS Group. The delay in ceding over the leases is caused by events or circumstances beyond the Company's control and the Company remains committed to its plan sell the disposal group.

The Company recognised a R2 million gain (2023: R76 million gain) on the disposal of the disposal group, accounted for in other income. This transaction resulted in a tax income of R0.54 million (2023: R20 million), which was included in income tax expense in the Company income statement.

18. Non-current assets held for sale (continued)

18.1. Sale of tower infrastructure (continued)

Recognition of land leases held for sale	Right of use assets R'm	Lease liabilities R'm	Gain recognised in other income R'm
Balance at 1 January 2024	780	(797)	-
Derecognise			
Land leases ceded during the year	(342)	343	2
Recognise			
Land leases - Modifications during the year	9	(9)	-
Capital repayments during the year	-	60	-
Balance at 31 December 2024	**447**	**(402)**	**2**

No impairment loss was recognised on the disposal group held for sale as the fair value less costs to sell exceeded the carrying amount.

The carrying amount of the remaining land leases that are presented as held sale are:

	2024 R'm	2023 R'm
Right of use assets (Note 33)	447	780
Lease liabilities (Note 33)	**(402)**	(797)
	45	**(17)**

18.2. Structural separation of Fintech operations

The MTN Group announced as part of its 'Ambition 2025' strategy that it intended to structurally separate its Fintech operations to reveal value and to attract third party investment into its Fintech business. The Fintech operations include value-added services, MoMo, insurance, airtime lending, e-commerce etc.

On 22 November 2023, the Company's board of directors approved the sale of its Fintech operations to MTN SA Fintech (Pty) Ltd, a company established to manage the South African Fintech business and is 100% owned by the Company. The board approval was subject to various conditions precedent being fulfilled. On that date, the sale transaction became highly probable, and the Company classified the Fintech operations as a disposal group held for sale in terms IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

On 31 March 2024, all conditions of the transaction were fulfilled, and the sale was concluded. The company concluded the sale of the fintech operations to MTN SA Fintech (Pty) Ltd. The transaction transferred R600 million in assets and R291 million in liabilities resulting in investment in subsidiary of R309 million. Refer to Note 13.2.

18. Non-current assets held for sale (continued)

18.2. Structural separation of Fintech operations (continued)

The major classes of assets and liabilities classified as held for sale as at 31 December are as follows:

	2024	2023
	R'm	R'm
Assets		
Property,plant and equipment	-	27
Intangible assets	-	89
Trade and other receivables	-	46
Mobile money deposits	-	65
Assets directly associated with disposal group	-	227
Liabilities		
Trade and other payables	-	(18)
Mobile money payables	-	(65)
Liabilities directly associated wth disposal group	-	(83)
Net Assets directly associated with disposal group	-	144

19. Cash and cash equivalents

Cash and cash equivalents are accounted for as at amortised cost and bank overdrafts are accounted for as financial liabilities in accordance with the accounting policy disclosed in Note 37.

Cash and cash equivalents comprise cash on hand and deposits held on call all of which are available for use by the Company. Bank overdrafts are included within current liabilities on the statement of financial position, unless the Company has a 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 purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2024	2023
	R'm	R'm
Cash at bank and on hand	**108**	995
Bank overdraft	**(143)**	-
Net cash and cash equivalents	**(35)**	995

The expected credit loss on cash and cash equivalents is not considered material.

20. Current investments

Current investments consist of financial assets held at fair value through profit or loss, which are accounted for in accordance with the accounting policy. Refer to Note 37.

	2024	2023
	R'm	R'm
Financial assets held at fair value through profit or loss		
Balance at 1 January	**213**	235
Fair value adjustments recognised through profit or loss	**(154)**	(22)
Investment in MTN Group treasury shares at 31 December	**59**	**213**

The current investment relates to an investment in MTN Group Limited treasury shares, and its fair value is determined with reference to the MTN Group share price at 31 December.

21. 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.

	2024	2023
	R'm	R'm
Ordinary share capital		
Authorised share capital		
400 000 ordinary shares of R 0,01 each, fully paid (2023 :400 000 ordinary shares of R 0,01 each)	*	*
Issued and fully paid-up share capital		
10 000 ordinary shares of R 0,01 each, fully paid (2023 :10 000 ordinary shares of R 0,01 each)	*	*
Share premium		
Balance at end of the year	**121**	121
	121	121

* Represents an amount less than R1 million

22. Other reserves

	2024 R'm	2023 R'm
Balance at beginning of year	**5 694**	5 694
Common control reserve	5 633	5 633
Share based payment reserve	61	61
Movements during the year	**-**	-
Balance at end of year	**5 694**	5 694
Common control reserve	**5 633**	5 633
Share based payment reserve	**61**	61

22.1. Common control reserve

Effective 01 November 2013, the Company acquired the assets and liabilities of a fellow subsidiary. This acquisition was accounted for as a common control transaction.

The difference arising between the consideration paid and the aggregate book values of the assets and liabilities acquired at the date of the transaction has been recorded in other reserves.

22.2. Share-based payment reserve

The Company is a wholly owned subsidiary of Mobile Telephone Networks Holdings Proprietary Limited. The ultimate parent company is MTN Group Limited, incorporated in South Africa. MTN Group Limited operates a share option and a share appreciation rights scheme, and eligible employees within the MTN Group are able to participate in accordance with the rules of the respective schemes. The share option scheme is an equity settled scheme and the share appreciation rights scheme is cash settled at the Company level.

All options granted vest three years after the grant date. The strike price is determined as the closing market price for MTN Group Limited shares on the date that the option is issued. If the options remain unexercised after the period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest. The stochastic model was utilised by MTN Group Limited to estimate the fair value of options granted. Refer to Note 36 for more details on share-based payments.

23. Borrowings

Borrowings are accounted for as financial liabilities in accordance with the accounting policy disclosed in Note 37. 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 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 purposes and amortised over the period of the facility to which it relates.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

	2024 **R'm**	2023 R'm
Shareholders loans	**27 095**	27 202
Current borrowings intercompany	**9**	9
	27 104	27 211
The carrying amounts of the Company's borrowings are denominated in		
South African rand	**27 104**	27 211
	27 104	27 211
The company has the following undrawn facilities:		
Floating rate	**2 700**	2 950
Fixed rate	**6 154**	5 765
	8 854	8 715

23. Borrowings (continued)

Summary of borrowing arrangements

Unsecured

Related Party - Shareholder loans

Amounts are repayable to Mobile Telephone Networks Holdings Proprietary Limited, the immediate parent company. The shareholder loans payables comprise of 3 facilities:

Facility A - Fixed

A Fixed long-term unsecured loan of R11 346 million (2023: R11 652 million) bearing interest at 9.70% (2023: 9.70%) repayable on or before 31 July 2026 .

Facility B - Variable

A variable long-term unsecured loan of R15 800 million (2023: R15 550 million) bearing interest at JIBAR +210 basis points repayable on or before 31 July 2026 .

Facility C - Variable

A Variable revolving credit facility bearing interest at JIBAR + 245 basis points. No portion of the Facility C has been with drawn as at 31 December 2024.

Current borrowing intercompany

The Company has borrowings amounting to R9 million (2023: R9 million) from fellow subsidiary MTN Network Solutions Proprietary Limited. The loan is unsecured, interest free and is repayable on demand.

Refer to Note 35 for related party disclosure relating to borrowings.

24. Deferred tax

Deferred tax is accounted for in accordance with the accounting policy disclosed in Note 10.

	Opening Balance 1 January 2024	Recognised in profit or loss	Prior year	Deferred Tax Reclassifications	Closing Balance at 31 December 2024
Deferred tax liabilities					
Tax allowances in excess of depreciation	**2 001**	**(33)**	**236**	**-**	**2 204**
Working capital allowances	**(919)**	**517**		**-**	**(402)**
Deferred tax liabilities	**1 082**	**484**	**236**	**-**	**1 802**

	Opening Balance at 1 January 2023	Recognised in profit or loss	Prior year	Deferred Tax Reclassifications	Closing Balance at 31 December 2023
Deferred tax liabilities					
Tax allowances in excess of depreciation	2 268	(267)	-	-	2 001
Working capital allowances	(1 297)	549	(171)	-	(919)
Deferred tax liabilities	972	282	(171)	-	1 082

25. 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. 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.

Bonus provision
The bonus provision consists of a performance-based bonus, which is determined by reference to the overall company performance with regard to a set of predetermined key performance measures. Bonuses are payable annually after the Company annual results have been approved.

Uncertainties about the amount and timing of settlement – The bonus provision is dependent on the Company’s performance in relation to its targets.

Decommissioning provision
This provision relates to the estimated cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition. The Company 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 plant and equipment that are erected on leased land.

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

Uncertainties about the amount and timing of settlement – The timing of the decommissioning provision is not certain due to varying contract conditions with lessors which will determine when the site will be dismantled.

25. Provisions (continued)

Licence obligations
The licence obligation provision represents the estimated costs to be incurred in fulfilling the Universal Services Obligation (USO). The USO's are governed by the Electronic Communications Act. This is included in other provisions.

Uncertainties about the amount and timing of settlement – The amount of the provision is uncertain due to changes in the cost of providing the infrastructure as per the obligation.

Provision for litigation
The Company operates within multiple laws and regulations and due to the inherent nature of exposures, rulings issued and assessments. The Company has not recognised any amount relating to legal and regulatory provisions as at 31 December 2024.

Uncertainties about the amount and timing of settlement – The provision for litigation is dependent on the likelihood of pending claims being successful.

Long-service awards
The Company pays its qualifying employees a long-service benefit. The benefit is paid when employees reach predetermined years of service. The method of accounting and frequency of valuation are similar to those used for defined-benefit schemes. The actuarial valuation to determine the liability is performed annually by independent actuaries using the projected unit credit method.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Uncertainties about the amount and timing of settlement – The provision for long service awards is dependent on individual employee's remaining in the employment of the Company until the long service milestones are achieved.

Share-based payment transactions
The Company operates a number of share incentive schemes. For further details, refer to Note 36.

25. Provisions (continued)

Non-current provisions

	At beginning of the year	Reallocations	Additional provisions	Utilised/Reversed	At end of the year
	R'm	R'm	R'm	R'm	R'm
2024					
Provision for decommissioning	**123**	**-**	**2**	**(101)**	**24**
Provision for long service awards	**44**	**-**	**-**	**-**	**44**
	167	**-**	**2**	**(101)**	**68**
2023					
Provision for decommissioning	111	-	20	(8)	123
Provision for share appreciation rights	541	-	-	(541)	-
Provision for long service awards	82	-	-	(38)	44
	734	-	20	(587)	167

Current provisions	At beginning of the year	Reallocations	Additional provisions	Utilised	At end of the year
	R'm	R'm	R'm	R'm	R'm
2024					
Bonus provision	**344**	-	**490**	**(458)**	**376**
Provision for litigation	**22**	**-**	**-**	**-**	**22**
Provision for share appreciation rights	**646**	**-**	**324**	**(596)**	**373**
Provision for long service awards	**7**	**-**	**-**	**-**	**7**
Other provisions	**65**	**-**	**-**	**(31)**	**34**
	1 085	**-**	**813**	**(1 085)**	**812**
2023					
Bonus provision	406	-	351	(415)	342
Provision for litigation	25	-	-	(3)	22
Provision for share appreciation rights	978	-	215	(547)	646
Provision for long service awards	7	-	-	-	7
Other provisions	231	-	-	(165)	66
	1 647	-	566	(1 130)	1 083

Long-service awards

Movement in unfunded obligations:

	2024	2023
	R'm	R'm
Defined benefit obligation at 1 January	**51**	89
Movement recognised in the statement of comprehensive income	**-**	(38)
Defined benefit obligation at 31 December	**51**	51
Current	**7**	7
Non Current	**44**	44
Total long service provision	**51**	51

25. Provisions (continued)

The amounts recognised in the Statement of comprehensive income are as follows:

	2024	2023
	R'm	R'm
Interest cost	**6**	7
Current service cost	**5**	6
Past service cost	**-**	(1)
Current year actuarial gains	**(6)**	(17)
	5	(5)

The principal actual assumptions used for accounting purposes are:

	2024	2023
Discount Rate	**9.30%**	9.60%
Inflation rate	**3.80%**	4.80%
Salary increase rate	**4.80%**	5.30%
Tax table salary increase rate	**1.30%**	2.30%
Pre retirement mortality rate	**SA85-90 Light**	SA85-90 Light

The present value of long-service award obligations are as follows:
The present value of unfunded obligations amounted to R51 million (2023: R51 million) at 31 December 2024.

26. Other non-current liabilities

Lease liabilities are accounted for in accordance with the accounting policy disclosed in Note 33.

	2024	2023
	R'm	R'm
Liabilities under IRU arrangements	**11**	13
Income received in advance	**115**	118
Non-current share based payment liability	**25**	175
	151	306
Less: Current portion of liabilities under IRU arrangements	**(2)**	(2)
Less: Current portion of income receieved in advance	**(115)**	(118)
	34	186

27. Trade and other payables

Trade payables are accounted for as financial liabilities in accordance with the accounting policy disclosed in Note 37. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are measured at their nominal values.

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's directors.

	2024 R'm	2023 R'm
Trade payables	**5 891**	5 635
Interconnect payables	**266**	373
Sundry creditors	**444**	396
Financial guarantee liability [2]	**972**	1 309
Accrued expenses[1]	**5 593**	6 011
Trade payables from related parties	**3 678**	3 477
Dealer Commissions	**948**	1 085
Licence fee payables	**217**	206
Vat payable	**361**	138
	18 370	18 630

[1] Accrued expenses includes the capex accrual R2 107 million (2023: R2 109 million), audit fee accrual R8 million (2023: R9 million), leave pay accrual R123 million (203: R181 million), accrued payables of R2 791 (2023: R2 024million) and inventory accruals R 128 million (2023: R1 104 million).

[2]The Company together with other subsidiaries in the MTN Group guaranteed senior unsecured notes issued by MTN (Mauritius) Investments Limited on the Irish Stock Exchange amounting to USD 500 million (2023: USD 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 fellow subsidiary was recognised as a capital contribution.

The Company's financial liability relating to financial guarantee contracts amounts to R972 million (2023: R1 309 million) and R 454 million (2023: R607 million) was included in profit and loss for the year (Note 9), that relates to the amortisation on the financial guarantee. The remaining movements relates to foreign exchange gains and losses on the financial guarantee liability.

During the 2024 financial year, new financial guarantee contracts were entered into. These were in relation to the Company issuing financial guarantees over new bonds and facilities of Mobile Telephone Networks Holdings Limited. The day 1 fair value of this guarantee was recognised within equity and amounted to R 109 million (2023: R638 million).

27. Trade and other payables (continued)

	2024 R'm	2023 R'm
Balance at 1 January	**1 309**	1 231
New guarantees issued at day 1 fair value	**109**	638
Amortisation of gurantee fee	**(454)**	(607)
Exchange rate differences	**8**	47
Balance at 31 December	**972**	1 309

In addition to the above financial guarantees, the Company has also issued various financial guarantees over the bonds, revolving credit facilities, long-term loans and banking facilities of Mobile Telephone Networks Holdings Limited.

MTN Group's credit rating as determined by Standard & Poor (S&P) has been used to assess whether there has been a significant increase in credit risk. Following the downgrade in MTN Group's credit rating by S&P during 2021 (BB+ to BB-), it was determined that use of lifetime ECL for these debt instruments was appropriate as they were entered into prior to the downgrade. The S&P assessment remained unchanged for the 2024 financial year. Facilities entered into after the downgrade in the prior year were deemed to be in Stage 1 and a 12-month ECL was calculated.

We have assumed that the credit rating of the Company is one notch below the MTN Group Limited BB-, i.e. B+. The estimated B+ Telecommunications PD's are therefore applied. 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. PD's have been determined with reference to Refinitiv's Telecom credit default swap (CDS') spreads. CDS's are forward looking and considered reflective of markets view on future potential losses and therefore default probabilities.

The LGD was determined based on the S&P ratings report dated 27 October 2022 at 35% which was used in the current year. The original effective interest rate of the underlying borrowing is used as the discount rate.

An industry practice has developed, it has become clear that consideration should be given to which guarantor the borrower could reasonably be expected to seek recovery from and this was incorporated into the valuation.

27. Trade and other payables (continued)

27.1 Supplier Finance Arrangements

The company has established a supplier finance arrangement that is offered to some of the following key suppliers:

Huawei: Normal payment terms vary between 30, 60 and 90 days. We have an agreement with Huawei and Huawei Global Customer Financing (HGCF), where terms are extended to 180 days for all payments, the company bears the interest cost of the term that is above commercial contract terms.

ZTE: Normal payment terms are 120 days, the company negotiated agreed terms of 180 days only for the Resilience capex purchase orders, where the company pays for financing costs for terms above 120 days.

Samsung, Apple and various suppliers on the Citibank Supply Chain Financing have an agreement between 30, 60 and 90 days.

	2024	2023[1]
	R'm	R'm
Carrying amount of trade payables that are part of a suplier finance arrangement [1]	**3 472**	-
Of which suppliers have received payment	**448**	-

[1]The carrying amount of trade payables under the supplier finance arrangement was R3 714 million in 2023. The transition relief has been applied to the comparatives.

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

28. Cash generated from operations

For the year ended 31 December 2024

	2024 R'm	2023 R'm
Profit before tax	**3 646**	3 120
Adjusted for:		
Finance cost (Note 9)	**5 427**	5 224
Finance income (Note 9)	**(517)**	(796)
Dividend Income	**(358)**	(180)
Unrealised forex exchange loss	**113**	(46)
Depreciation of property, plant and equipment (Note 11)	**7 748**	6 968
Depreciation of right of use assets (Note 33)	**2 052**	1 740
Amortisation of intangible assets (Note 12)	**1 339**	1 868
Amortisation of right of use assets (Note 33)	**131**	122
Profit on disposal of leases	**(458)**	(31)
Profit on disposal of property, plant and equipment	**(372)**	
Loss on disposal of intangible assets	**338**	3
Net impairment - Trade and other receivables	**1 100**	946
Loss disposal of assets classified as held-for-sale	**(2)**	(76)
Writedown of inventories	**(108)**	(289)
Increase in bonus provision (Note25)	**490**	351
Increase in long service award provision (Note 25)	**-**	(38)
Impairment loss on on non current loans and receivables	**3**	240
Management fees paid	**(204)**	514
Management fees received	**(22)**	(24)
Share services expense received in advance	**79**	35
Share based expense	**326**	222
Amortisation of IRU prepayment	**118**	171
Contract cost capitalised	**(825)**	(721)
Amortisation of contract costs	**745**	681
	20 789	20 004
Changes in working capital	**(3 357)**	(2 402)
Decrease in inventories	**250**	518
Increase in contract assets	**(170)**	(263)
Increase in capitalised contract assets and capitalised contract costs	**(15)**	(274)
Increase in trade and other receivables	**(1 785)**	(3 732)
(Decrease)/increase in trade and other payables	**(1 637)**	1 086
Cash generated from operations	**17 432**	17 602

29. Income tax paid

	2024 R'm	2023 R'm
At beginning of the year	**(607)**	(1 759)
Amounts recognised in profit or loss	**(1 012)**	(880)
Deferred Tax charge	**753**	110
Other movements	**(19)**	(256)
Foreign taxes	**-**	(2)
At the end of the year	**(7)**	605
Total tax paid	**(892)**	(2 182)

30. Reconciliation of cash flows arising from financing activities related to borrowings

	2024 R'm	2023 R'm
Borrowings at the beginning of the year	**27 211**	24 833
Current	**9**	9
Non-current	**27 202**	24 824
Cash flows	**(139)**	2 345
Proceeds from borrowings raised	**8 139**	4 795
Repayment of borrowings	**(8 278)**	(2 450)
Other non cash movements - short term borrowings	**32**	33
Facility fee amortised	**32**	33
Borrowings at the end of the year	**27 104**	27 211
Current	**9**	9
Non-current	**27 095**	27 202

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

	2024	2023
	R'm	R'm
Lease liabilities at the beginning of the year	**21 425**	20 688
Current	**2 003**	1 164
Non Current	**19 422**	19 524
Cash flows	**(4 117)**	(3 011)
Repayment of lease liabilities - Capital portion	**(1 910)**	(1 018)
Repayment of lease liabilities - interest portion	**(2 207)**	(1 993)
Other movements	**7 104**	3 749
Additions	**858**	1 113
Interest incurred	**2 207**	1 993
Disposals	**(1 642)**	(710)
Modifications	**5 681**	1 353
Lease liabilities at the end of the year	**24 412**	21 425
Current	**2 282**	2 003
Non Current	**22 130**	19 422

32. Capital commitments

Commitments for the acquisition of property, plant and equipment and software:
Capital expenditure not yet incurred at the reporting date is as follows:

	2024	2023
	R'm	R'm
Capital expenditure not yet incurred at the reporting date is as follows:		
Contracted	**1 703**	4 104
- Property, plant and equipment	**1 588**	3 695
- Software	**115**	409
Authorised but not contracted	**4 730**	5 439
- Property, plant and equipment	**3 323**	3 587
- Software	**1 407**	1 852
Total commitments for property, plant and equipment and software	**6 433**	9 543

The Company's cash outflows relating to property, plant and equipment and intangible assets amounted to R7 669 million (2023: R8 308 million) and R1 975 million (2023: R4 108 million) respectively. It is expected that the Company will have sufficient liquid resources generated from operating activities to fund capex commitments. The Company has access to existing borrowing facilities if additional funding is required. Refer to Note 23.

33. Leases

The Company's leasing activities and significant accounting policies:

The Company's leases include network infrastructure (including tower space and land), retail stores, vehicles, and licences. Rental contracts are typically made for fixed periods varying based on the lease type as follows, subject to renewal periods as described below.

- Land and buildings – ranging from 3 years to 9 years and 11 months.
- Network infrastructure - ranging from 3 years to 9 years and 11 months.
- Motor vehicles - ranging from 3 years to 5 years.
- Licences – 15 years

At inception of a contract, the Company assesses whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises right-of-use assets and lease liabilities at the lease commencement date for most leases. However, the Company 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 Company defines low-value leases as leases of assets for which the value of the underlying asset when it is new is R100,000 or less and is not considered fundamental to its network. The Company 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 following lease payments:

- Fixed payments (including in-substance fixed payments), less any incentives receivable;
- Variable lease payments that are based on an index or rate, measured using the index or rate as at the lease commencement date;
- Amounts that are expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the company's incremental borrowing rate is used, being 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. Generally, the company uses its incremental borrowing rate as the discount rate.

33. Leases (continued)

The Company's leasing activities and significant accounting policies (continued):

The Company determines its incremental borrowing rate by obtaining interest rates from lenders and makes certain adjustments specific to the lease, e.g. term and security.
The company's activities expose it primarily to the financial risks of changes in interest rates (see note 37.7) and foreign currency exchange rates (see note 37.8). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. It is remeasured when there is a change in future lease payments 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; and
- 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.

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 Company 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 Company 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 company's business planning cycle of three to five years and history of

33. Leases (continued)

Renewal and termination options (continued)

terminating/not renewing leases. Refer to Note 6.8 for judgement applied in respect of the IHS leaseback transaction.

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 Company and the lessor to terminate the lease without a termination penalty. In determining whether the Company has an economic incentive to not exercise the termination option, the company considers the broader economics of the contract and not only contractual termination payments.

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 Company is not 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.

Barter arrangements

Where the Company enters into leases with other telecommunication providers, it determines whether the lease has commercial substance and recognises a right-of-use asset and lease liability. In circumstances whereby the Company enters into an exchange transaction for like for like spaces on towers i.e. barter arrangements with other telecommunication providers and there is no monetary exchange between the Company and the other telecommunication provider, it has been determined that these arrangements lack commercial substance and therefore no right-of-use asset or lease liability is recognised in respect of these arrangements.

Lease and non-lease components

A number of lease contracts include both lease and non-lease components. The Company 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 Company 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.

33. Leases (continued)

Active Sharing Agreement with ATC South Africa Wireless infrastructure Proprietary Limited

In 2023, the company entered into an active sharing agreement with ATC South Africa Wireless Infrastructure Proprietary Limited (ATC) to enable active sharing with Cell C. Under this agreement, the company incurs a premium for the active sharing arrangement with Cell C. To qualify for a reduced active sharing percentage, the company must meet specific performance targets as outlined in the agreement

As of 31 December 2024, the company successfully achieved these performance targets in accordance with the master lease agreement, resulting in a modification of the agreement's terms. This modification has led to a decrease in the right-of-use asset by R194 million and a reduction in lease liabilities by R652 million. Furthermore, the modification has resulted in a gain recognized in the income statement amounting to R458 million.

IHS Lease remeasurement

In 2021, the Company entered into an agreement with IHS Holding Limited, a subsidiary of IHS Group (IHS), 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; and lease back space on the towers which it would sell. As the Company has transferred its land leases and tower infrastructure to IHS Group and is leasing tower spaces back on this infrastructure, this part of the transaction has been accounted for as a sale and leaseback in terms of IFRS 16 Leases. The Company has agreed to lease tower spaces for its own use for a 10-year period, with an option to renew for a further 10 years.

In the prior year, the Company determined that it is increasingly less likely that the renewal option will be exercised after assessing the commercial viability of the existing contract. As a result, the lease liability and right of use asset were remeasured to exclude the renewal period. This resulted in a remeasurement of the right of use asset by R3 301 million and lease liabilities by R3 314 million. During the current financial year, the Company revised the IHS agreement, which now encompasses an additional rental, as well as an increase in the initial lease term by an additional 2 years. The impact of this revision resulted in the modification of the right of use asset by R4 659 million and a modification of the lease liabilities by R4 659 million.

33. Leases (continued)

Amounts recognised in the statement of financial position

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

	2024 R'm	2023 R'm
Network infrastructure	**18 053**	14 819
Land and buildings	**737**	571
Licences	**5**	1 249
Other	**1 187**	-
Total right of use asssets	**19 982**	16 639
Right of use assets presented as held for sale	**447**	780
Current	**2 283**	2 003
Non-current	**22 130**	19 422
Total lease liabilities	**24 412**	21 425
Lease liabilities classified as held for sale	**402**	797

Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2024 R'm	2023 R'm
Network infrastructure	**1 857**	1 542
Land and buildings	**193**	197
Other	**1**	1
Depreciation charge of right of use assets	**2 052**	1 740
Licences	**131**	122
Amortisation charge of right of use assets	**131**	122
Interest expense (included in finance costs - Note 9)	2 263	2 103
Expense relating to short-term leases (included in other operating expenses)	40	53

Amounts recognised in the statement of cash flows

The total cash outflow for leases in 2024 was R4 117 million (2023: R3 011 million). Refer to Note 32 for details.

33. Leases (continued)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

	Land and buildings	Network infrastructure	Other	Licences	Total
	R'm	R'm	R'm	R'm	R'm
Cost					
At 1 January 2023	1 419	17 937	27	1 828	21 211
Additions	57	1 057	-	-	1 114
Disposals	(158)	(1 073)	(21)	-	(1 252)
Modification/Remeasurement	42	1 152	-	-	1 194
At 31 December 2023	1 360	19 073	6	1 828	22 267
At 1 January 2024	**1 360**	**19 073**	**6**	**1 828**	**22 267**
Additions	**178**	**618**	**6**	**60**	**862**
Disposals	**(230)**	**(2 118)**	**-**	**-**	**(2 349)**
Modification/Remeasurement	**163**	**5 387**	**(5)**	**9**	**5 553**
At 31 December 2024	1 471	22 960	7	1 897	**26 334**
Accumulated Depreciation and Impairment losses					
At 1 January 2023	(716)	(3 141)	(26)	(457)	(4 340)
Depreciation	(197)	(1 542)	(1)	(122)	(1 862)
Disposals	124	429	21	-	574
Modification/Remeasurement	-	-	-	-	-
At 31 December 2023	(789)	(4 254)	(6)	(579)	(5 628)
At 1 January 2024	**(789)**	**(4 254)**	**(6)**	**(579)**	**(5 628)**
Disposals	**202**	**1 196**	**-**	**-**	**1 399**
Depreciation	**(193)**	**(1 857)**	**(1)**	**(131)**	**(2 182)**
Modification/Remeasurement	**47**	**8**	**5**	**-**	**60**
At 31 December 2024	**(733)**	**(4 907)**	**(2)**	**(710)**	**(6 351)**
At 1 January 2024	**571**	**14 819**	**-**	**1 249**	**16 639**
At 31 December 2024	**737**	**18 053**	**5**	**1 187**	**19 982**

34. Commercial commitments

At 31 December 2024, the Company had commercial commitments amounting to R71 million (2023: R139 million) relating to sports.

35. Related party transactions

Directors Emoluments

Related party transactions constitute the transfer of resources, services or obligations between the Company and a party related to the Company, 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 Company's executive committee and includes close members of their families and entities controlled or jointly controlled by these individuals.

Directors' emoluments and related party payments

2024	Salaries	Post employment benefits	Other benefits 1,2	Bonuses	Share Gains3	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Executive directors paid by company and within group						
CS Molapisi	9 630	1 027	819	9 802	10 280	31 558
D Molefe	5 779	285	477	2 717	6 273	15 531
Company						
SA Fakie			507			
MJ Bosman			1 020			
MJ Harper			3 166			
SA Zinn			945			
T Leoka			5			
N Khan			1 288			
J Boggenpoel			229			
N Medupe			206			
R Ramashia			1 120			
			8 487			
Non executive directors - Paid within the group						
PD Norman	7 218	925	488	8 090	11 847	28 568
RT Mupita	18 762	914	1 980	24 497	45 802	91 955
F Moolman	8 210	1 052	676	9 372	15 390	34 700
TBL Molefe	9 916	1 459	891	12 598	10 740	35 604
Bockum4,5	3 089	319	16 181	4 026	27 250	50 865
	47 195	**4 669**	**20 216**	**58 583**	**111 030**	**241 692**

1Other benefits include Medical Aid, Unemployment Insurance Fund (UIF) and compensation in lieu of employment agreement amendments in respect of revised notice.

2Non -executive directors – includes retainer, attendance fees for board and committee representations and meetings, as well as special board strategy sessions and ad-hoc work.

3Pre-tax gains on share-based payments.

4Resigned as Group Chief Operating Officer on 31 March 2024

5Included in other benefit is a restraint of trade payment.

35. Related party transactions (continued)

Directors Emoluments (continued)

2023	Salaries	Post-employment benefits	Other benefits[2,3]	Bonuses	Share Gains[4]	Total
	R 000'	R 000'	R 000'	R 000'	R 000'	R 000'
Executive directors Paid by Company and within Group						
CS Molapisi	8 191	850	1 077	6 468	8 385	24 971
D Molefe	5 421	526	257	2 344	-	8 548
	13 612	**1 376**	**1 334**	**8 812**	**8 385**	**33 519**
Non-executive directors - Paid by Company						
SA Fakie	-	-	792	-	-	792
MJ Bosman	-	-	813	-	-	813
MJ Harper	-	-	2 864	-	-	2 864
SA Zinn	-	-	760	-	-	760
T Leoka[1]	-	-	893	-	-	893
N Khan	-	-	701	-	-	701
R Ramashia	-	-	845	-	-	845
	-	-	**7 668**	-	-	**7 668**
Non-executive directors - Paid within the Group						
PD Norman	7 214	719	437	5 257	13 138	26 765
RT Mupita	17 627	846	1 286	13 981	29 075	62 815
F Moolman	7 942	818	618	6 255	14 271	29 904
TBL Molefe	9 238	1 341	781	7 150	-	18 510
J Schulte-Bockum	11 909	1 216	681	12 058	28 176	54 040
	53 930	**4 940**	**3 803**	**44 701**	**84 660**	**192 034**

The Company entered into various transactions with related parties during the year.

Equity compensation benefits for directors and company secretary share appreciation rights and share rights scheme.

35. Related party transactions (continued)

Equity compensation benefits for directors and company secretary share of share appreciation rights-to be updated

Offer date	Vesting date	Number outstanding at 1 January 2024	Awarded	Exercised	Forfeited	Number outstanding at 31 December 2024
R Mupita						
21/12/2020	21/12/2023	530 800	-	475 013	55 787	-
13/12/2021	12/12/2024	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**
PD Norman						
21/12/2020	21/12/2023	139 100	-	122 867	16 233	-
13/12/2021	12/12/2024	56 900	-	-	17 639	39 261
12/12/2022	12/12/2025	71 700	-	-	-	71 700
28/12/2023	28/12/2026	86 431	-	-	-	86 431
13/12/2024	13/12/2027	-	120 961	-	-	120 961
Total		**354 131**	**120 961**	**122 867**	**33 872**	**318 353**
CS Molapisi						
21/12/2020	21/12/2023	120 700	-	106 614	14 086	-
13/12/2021	12/12/2024	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**
D Molefe						
21/12/2020	21/12/2023	71 300	-	65054	6 246	-
13/12/2021	12/12/2024	28 500	-	-	8 835	19 665
12/12/2022	12/12/2025	42 100	-	-	-	42 100
28/12/2023	28/12/2026	51 174	-	-	-	51 174
13/12/2024	13/12/2027	-	73811	-	-	73 811
Total		**193 074**	**73 811**	**65 054**	**15 081**	**186 750**
J Schulte - Bockum						
21/12/2020	21/12/2023	315 800	-	282 609	33 191	-
13/12/2021	12/12/2024	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**
TBL Molefe						
01/04/2021	21/12/2023	126 100	-	111 384	14 716	-
13/12/2021	12/12/2024	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**
MMF Rantofi						
21/12/2020	21/12/2023	19 500	-	17 792	1 708	-
31/12/2021	12/12/2024	9 000	-	-	2 790	6 210
12/12/2022	12/12/2025	12 500	-	-	-	12 500
28/12/2023	28/12/2026	15 693	-	-	-	15 693
13/12/2024	13/12/2027	-	21 876	-	-	21 876
Total		**56 693**	**21 876**	**17 792**	**4 498**	**56 279**
F Moolman						
21/12/2020	21/12/2023	180 700	-	159 612	21 088	-
13/12/2021	12/12/2024	64 900	-	-	20 119	44 781
12/12/2022	12/12/2025	81 900	-	-	-	81 900
28/12/2023	28/12/2026	98 635	-	-	-	98 635
13/12/2024	13/12/2027	-	138 040	-	-	138 040
Total		**426 135**	**138 040**	**159 612**	**41 207**	**363 356**

35. Related party transactions (continued)

Direct and Indirect Directors' and prescribed officers' shareholding in MTN Group securities

Executive Directors	December 2024	December 2023	Beneficial
CS Molapisi	52 600	52 600	Direct
	52 600	52 600	

Non-Executive Directors	December 2024	December 2023	
RT Mupita [1]	1 117 651	863 519	Direct
RT Mupita	680	680	Indirect
PD Norman	115 041	115 041	Direct
J Schulte - Bockum	-	158 400	Direct
F Moolman	62 756	-	Direct
TBL Molefe	100 967	49 615	Direct
	1 397 095	1 187 255	

[1]Holds 402 268 (2023: 402 268) shares in an American depository

Direct and Indirect Directors' and prescribed officers' shareholding and dealings in ordinary shares

The following persons being directors of MTN were allocated the following number of MTN Zakhele Futhi share which has a shareholding in MTN Grup Limited shares:

Non-Executive Directors	December 2024	December 2023	Beneficial
RT Mupita	33 562	33 562	Indirect
	33 562	33 562	

35. Related party transactions (continued)

Facility A

Refer to Note 23 for additional Information

	2024 R'm	2023 R'm
Balance at the beginning of the year	**11 652**	7 991
Proceeds from borrowings raised	**3 200**	4 128
Repayment of borrowings	**(3 589)**	(500)
Other non cash movements	**32**	33
Balance at the end of the year	**11 295**	11 652

Facility B

Refer to Note 23 for additional Information

	2024 R'm	2023 R'm
Balance at the beginning of the year	**15 550**	16 833
Proceeds from borrowings raised	**4 939**	667
Repayment of borrowings	**(4 689)**	(1 950)
Balance at the end of the year	**15 800**	15 550

Facility C

The company has not withdrawn funds from facility C. Refer to Note 23 additional details

Loan from subsidiary – MTN Network Solutions Proprietary Limited

	2024 R'm	2023 R'm
Balance at the beginning of the year	**9**	9
Balance at the end of the year	**9**	9

Loan to subsidiary – Supersonic FTTX Proprietary Limited

Refer to Note 14 for additional Information	2024 R'm	2023 R'm
Balance at the beginning of the year	**332**	572
Loans reallocated during the year	**110**	-
Impairment loss recognised on loans receivable	**(3)**	(240)
Balance at the end of the year	**439**	332

35. Related party transactions (continued)

The following is a summary of transactions between the Company and parent, subsidiaries, fellow subsidiaries, holding company and associates within the MTN Group during the year and balances due at year end. The company has disclosed transactions with related parties within the group entities below.

	Name	Country
Ultimate holding company	MTN Group Limited	South Africa
Holding company	Mobile Telephone Networks Holdings Limited	South Africa
Subsidiaries	Supersonic FTTX Propriety Limited	South Africa
	Cell Place Propriety Limited	South Africa
	Mobile Fintech Propriety Limited	South Africa
	Attitudes Best Propriety Limited	South Africa
Related Parties	SA SME Fund	South Africa
	MTN Towerco Propriety Limited	South Africa
	MTN SA Foundation NPC	South Africa
	Number Portability Company Propriety Limited	South Africa
	MTN International Propriety Limited	South Africa
	MTN Group Fintech Propriety Limited	South Africa
	MTN International (Mauritius) Limited	Mauritius
	MTN Dubai Limited	Dubai

Transactions with related parties for the year ended 31 December

Sales

	2024 R'm	2023 R'm
MTN Eswatini Ltd	-	7
MTN Zambia Ltd	*	*
Spacetel Guinea - Bissau S.A	*	*
Lonestar Communications Corporation LLC	*	*
MTN Group Management Services (Pty) Ltd	**29**	28
MTN Business Solution (Botswana) Pty Ltd	**1**	9
Supersonic FTTX (Pty) Ltd	**134**	146
MTN Global Connect Solution Ltd	**180**	219
MTN Mobile Fintech (Pty) Ltd	**64**	-
	408	**410**

Management Fees Received

	2024 R'm	2023 R'm
MTN Mobile Fintech (Pty) Ltd	**28**	-
MTN Propco (Pty) Ltd	**1**	1
MTN Eswantini Ltd	**21**	22
MTN Business Solution Botswana (Pty)Ltd	*	1
	50	24

35. Related party transactions (continued)

Dividends Received

	2024 R'm	2023 R'm
MTN Service provider - Cell 00072	**358**	180
	358	180

Interest Paid

	2024 R'm	2023 R'm
Mobile Telephone Network Holdings Ltd	**2 928**	2 773
	2 928	2 773

*Represents amount less that R1 million

Purchases

	2024 R'm	2023 R'm
MTN Eswatini Ltd	*	1
MTN Zambia Ltd	-	1
Scancom PLC	-	*
MTN Business Kenya Ltd	-	*
MTN Business Solution (Botswana) Pty Ltd	*	3
MTN Global Connect Solutions Ltd	**572**	626
Aconcagua 11 Investments (Pty) Ltd	**33**	32
MTN Insurance Company (Pty) Ltd	**553**	311
Global Trading Company Ltd	**177**	198
Supersonic FTTX (Pty) Ltd	**1**	2
Mobile Fintech (Pty) Ltd	**8**	-
	1 344	**1 174**

Management fees paid

	2024 R'm	2023 R'm
MTN Propco (Pty) Ltd	**74**	65
MTN International (Mauritius) Ltd	**449**	449
	523	514

35. Related party transactions (continued)

Dividends paid

	2024 R'm	2023 R'm
Mobile Telephone Network Holdings Ltd	**1 000**	1 000
	1 000	1 000

Balances at 31 December

Payables

	2024 R'm	2023 R'm
MTN Propco (Pty) Ltd	**212**	180
Mobile Telephone Networks Cameroon Ltd	**6**	2
MTN Group Management Services (Pty) Ltd	**223**	630
MTN Group Ltd	**9**	9
Mobile Telephone Networks Holdings Ltd	**1 933**	1 577
MTN Nigeria Communications Plc	**16**	11
MTN Rwandacell S.A.R.L	**1**	1
MTN Eswatini Ltd	**23**	22
MTN Uganda Ltd	**8**	4
MTN Cote d'Ivoire	**29**	24
MTN Zambia Ltd	**22**	22
Mobile Botswana Ltd	**4**	4
MTN Dubai Ltd	**10**	21
Interserve Overseas Ltd	**56**	14
Scancom PLC	**17**	17
MTN Business Solution Ltd (Zambia)	**2**	2
MTN Business Solution Ltd (Botswana)	**-**	1
MTN International (Mauritius) Ltd	**347**	558
Global Trading Company	**122**	49
Supersonic FTTX (Pty) Ltd	**19**	6
MTN GlobalConnect Solutions Ltd	**620**	323
Mobile Fintech (Pty) Ltd	**9**	*
MTN Fintech Services Pty Ltd	**2**	-
Simfy Africa (Pty) Ltd	**1**	-
	3 693	3 477

*Represents amount less that R1 million

Balances in receivables and payables are similar to that agreed with third parties, normal terms are between 30 to 60 days.

35. Related party transactions (continued)

IRU arrangement

	2024 R'm	2023 R'm
MTN GlobalConnect Solutions Ltd [1]	**207**	242
	207	242

[1] Non-current portion of R129m (2023: R165m) and current portion of R77m (2023: R77m).

Receivables

	2024 R'm	2023 R'm
MTN Propco (Pty) Ltd	**17**	14
Mobile Telephones Network Cameroon Ltd	*	*
Cell Place (Pty) Ltd	**14**	14
Italk (Pty) Ltd	**4**	3
MTN Group Management Services (Pty) Ltd	**201**	458
MTN Nigeria Communications Plc	**18**	20
MTN Rwandacell Plc	*	*
MTN Eswatini Ltd	**40**	41
MTN Uganda Ltd	*	*
MTN Cote d'Ivoire	*	*
MTN Zambia Ltd	**8**	4
MTN Congo S.A	*	*
Mobile Botswana Ltd	**4**	4
MTN Afghanistan Ltd	**-**	4
Spacetel Benin SA	*	*
Spacetel Guinea Bissau SA	**-**	1
MTN Dubai Ltd	**2**	2
Lonestar Communications Corporations LLC	**1**	1
Scancom PLC	**1**	1
MTN Business Solutions (Pty) Ltd (South Africa)	**35**	35
MTN Business Solution Ltd (Zambia)	**2**	2
MTN Business Solution Ltd (Botswana)	**-**	3
MTN South Sudan	**10**	4
Supersonic FTTX (Pty) Ltd	**323**	396
MTN GlobalConnect Solutions Ltd	**288**	109
Mobile Fintech (Pty) Ltd	**384**	1
	1 351	1 117

* Represents an amount less than R1 million

35. Related party transactions (continued)

Balances in receivables and payables are similar to that agreed with third parties, normal terms are between 30 to 60 days.

36. Share based payments

The MTN Group performance share plan (PSP) and employee share ownership scheme (ESOP)

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

The PSP and the ESOP are the active schemes.

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

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

Equity-settled share-based payment

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

Cash-settled share-based payment

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 company is not directly exposed to commodity price risk or material equity securities price risk.

36. Share based payments (continued)

The expense recognised for employee services received during the year is shown in the following table:

	2024	2023
	R'm	R'm
Expense arising from cash-settled share-based payment transactions	**192**	221
Total expense arising from share-based payment transactions	**192**	221

36.1. 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 PSP is cash settled in the accounting records of the Company as the Company has the obligation to acquire shares to be issued to the employee. The share rights vest after three years from date of grant.

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

Total shareholder return (TSR)

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

Cumulative operating free cash flow (OFCF)

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

Black economic empowerment

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

36. Share based payments (continued)

36.1. MTN PSP (continued)

Compliance

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

Individual retention

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

Return on equity (ROE)

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

Environmental, Social and Governance (ESG)

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

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 condition for shares granted				
Total shareholder return (TSR)	25.0	25.0	25.0	22.5-25.0
Cumulative operating free cashflow (OFCF)	25.0	22.5-25.0	25.0	22.5-25.0
Return on equity (ROE)	25.0	22.5-25.0	25.0	22.5-25.0
Environmental, Social and Governance (ESG)	-	-	25.0	22.5-25.0
Compliance	-	0.0-5.0	-	0.0-5.0
Black Economic Empowerment (BEE)	-	0.0-5.0	-	0.0-5.0

36. Share based payments (continued)

36.1. MTN PSP (continued)

	Proportion of grant			
	2023 grant		**2024 grant**	
	Employee level 3-4	Employee level 5-6	**Employee level 3-4**	**Employee level 5-6**
Vesting condition for shares granted	%	%	**%**	**%**
Total shareholder return (TSR)	25.0	25.0	**25.0**	**25.0**
Cumulative operating free cashflow (OFCF)	25.0	25.0	**25.0**	**25.0**
Individual retention	25.0	25.0	**25.0**	**25.0**
Environmental, Social and Governance (ESG)	25.0	25.0	**25.0**	**25.0**
Compliance	-	-	-	-
Black Economic Empowerment (BEE)	-	-	-	-

A valuation has been prepared using a stochastic model to determine the fair value of the obligation under the performance share plan and the expense to be recognised during the year.

The range of inputs into the stochastic model for the rights outstanding at the end of the year was as follows:

	December **2024**	December 2023
Share price	**91.99**	113.79
Expected life	**3 Years**	3 Years
Risk-free rate	**8.26%**	8.37%
Expected volatility	**35.05%**	32.75%
Dividend yield	**3.76%**	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 PSP granted during the year was R for non-market conditions and R for the TSR condition.

36. Share based payments (continued)

36.1. MTN PSP (continued)

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

2024

Offer date	Number outstanding at 1 January 2024	Offered during 2024	Exercised/Forfeited [1] during 2024	Number outstanding at 31 December 2024
13/12/2021	**2 093 393**	**-**	**(2 093 393)**	**0**
12/12/2022	**3 387 419**	**-**	**(333 477)**	**3 053 942**
28/12/2023	**4 958 797**	**-**	**(626 564)**	**4 332 233**
13/12/2024	**-**	**6 565 134**		**6 565 134**

2023

Offer date	Number outstanding at 1 January 2023	Offered during 2023	Exercised/Forfeited [1] during 2023	Number outstanding at 31 December 2023
21/12/2020	4 963 858	-	(4 963 858)	0
13/12/2021	2 275 255	-	(181 862)	2 093 393
12/12/2022	3 773 800	-	(386 381)	3 387 419
28/12/2023	-	4 958 797		4 958 797

[1]Forfeitures occur either when an employee leaves the employ of the Group prior to the vesting or when the vesting conditions are not met.

37. 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), cash and cash equivalents, restricted cash, borrowings, other non-current liabilities (excluding provisions), bank overdrafts, derivatives and trade and other payables.

Recognition

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are classified as current if expected to be realised or settled within 12 months; if not, they are classified as non-current. The company classifies financial liabilities that arise from supplier finance arrangement within trade and other payables in the statement of financial position if they have a similar nature and function to trade payables. Cash flows related to liabilities arising from supplier finance arrangements that are classified in trade and other payables in the statement of financial position are included in operating activities in the statement of cash flows.

Classification

The Company classifies financial assets on initial recognition as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset.

The Company classifies its financial assets into the following categories:

Measurement category	Criteria
FVTPL	Debt investments that do not qualify for measurement at amortised cost or FVOCI; and Equity investments that are held for trading.
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 securities at FVOCI	The asset is not held for trading and the company 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 company's business model is to both collect the contractual cash flows and selling the financial asset.

37. Financial risk management and financial instruments (continued)

Classification (continued)

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

Financial liabilities are classified as measured at amortised cost.

Measurement on initial recognition

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

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.

No offsetting was applied in the current financial year.

Subsequent measurement: Financial assets

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

Measurement category	Criteria
Financial assets at 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.
Financial assets at 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.
Debt investments at FVOCI	These financial assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairments are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses are accumulated in OCI and reclassified to 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.

37. Financial risk management and financial instruments (continued)

Subsequent measurement: Financial liabilities

Financial liabilities comprise trade and other payables, borrowings and other non-current liabilities (excluding provisions).

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company 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.

Modifications 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.

Impairment of financial assets

Under IFRS 9 the Company calculates its allowance for credit losses as expected credit losses (ECL's) for financial assets measured at amortised cost, debt investments at FVOCI and contract assets (unbilled handsets component for contract). ECL's 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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECL's are discounted at the original effective interest rate (EIR) of the financial asset.

To calculate ECL's the Company segments receivables by customer type i.e. interconnect and roaming, Enterprise Business Unit (EBU), mobile (billed handset and network services component for contracts) etc. The Company applies the simplified approach to determine the ECL for contract receivables and contract assets. This results in calculating lifetime expected credit losses for contract receivables and contract assets. ECL's for the remaining trade receivables is calculated using a provision matrix.

37. Financial risk management and financial instruments (continued)

Risk management

Introduction

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (foreign exchange, interest rate risk and price risk). This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these annual financial statements.

Risk profile

The Company'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 Company. The Company uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain exposures, but as a matter of principle, the Company does not enter into derivative contracts for speculative purposes.

Risk management is carried out under policies approved by the board of directors of the MTN Group and the Company. The MTN Group and the Company identify, evaluate and manage financial risks and provide 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 excess liquidity. MTN 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 and Group audit and risk committee.

37. Financial risk management and financial instruments (continued)

37.1. Categories of financial instruments

	Assets			Liabilities				
	Amortised cost	Designated as at fair value through OCI	Designated as at fair value through profit or loss	Amortised cost	Fair value through profit and loss	Other	Total carrying amount	Fair value
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm
2024								
Non-current financial assets								
Loans and other non-current	439	-	-	-	-	-	439	439
Investments	-	75	-	-	-	-	75	75
	439	75	-	-	-	-	514	514
Current financial assets								
Trade and other receivables	12 421	-	-	-	-	-	12 421	12 421
Derivative asset	-	-	20	-	-	-	20	20
Current investments	-	-	59	-	-	-	59	59
Cash and cash equivalents	108	-	-	-	-	-	108	108
	12 529	-	79	-	-	-	12 608	12 608
Non-current financial liabilities								
Borrowings	-	-	-	27 095	-	-	27 095	27 095
Lease liabilities	-	-	-	22 130	-	-	22 130	22 130
	-	-	-	49 225	-	-	49 225	49 225
Current financial liabilities								
Trade and other payables	-	-	-	17 536	-	-	17 536	17 536
Lease liabilities	-	-	-	2 283	-	-	2 283	2 283
Borrowings	-	-	-	9	-	-	9	9
Bank overdratft	-	-	-	143	-	-	143	143
	-	-	-	19 970	-	-	19 970	19 970

	Assets			Liabilities				
	Amortised cost	Designated as at fair value thrpough OCI	Designated as at fair value through profit or loss	Amortised cost	Fair value through profit and loss	Other	Total carrying amount	Fair value
	'm	'm	'm	'm	'm	'm	'm	'm
2023								
Non-current financial assets								
Loans and other non-current	332	-	-	-	-	-	332	332
Investments	-	75	-	-	-	-	75	75
	332	75	-	-	-	-	407	407
Current financial assets								
Trade and other receivables	11 881	-	-	-	-	-	11 881	11 881
Derivative asset	-	-	7	-	-	-	7	7
Current investments	-	-	213	-	-	-	213	213
Cash and cash equivalents	995	-	-	-	-	-	995	995
	13 208	75	220	-	-	-	13 503	13 503
Non-current financial liabilities								
Borrowings	-	-	-	27 202	-	-	27 202	27 202
Other non current liabilities	-	-	-	19 422	-	-	19 422	19 422
	-	-	-	46 624	-	-	46 624	46 624
Current financial liabilities								
Trade and other payables	-	-		17 003	-	1 309	18 312	18 312
Lease liabilities	-	-		2 003	-	-	2 003	2 003
Borrowings	-	-		9	-	-	9	9
	-	-	-	19 015	-	1 309	20 324	20 324

The fair values of all financial instruments measured at amortised cost approximate their book values.

37. Financial risk management and financial instruments (continued)

37.2. Fair value estimation

The table below presents the Company's assets and liabilities that are measured at fair value. The different levels are 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 of liabilities that the entity can access at the measurement date;
- 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).

The following table presents the Company's assets and liabilities that are measured at fair value:

	Level 1 R'm	Level 2 R'm	Level 3 R'm	Total R'm
2024				
Financial assets				
Derivative assets	**-**	**20**	**-**	**20**
At fair value through OCI	**-**	**-**	**75**	**75**
Fair value through profit or loss	**59**	**-**	**-**	**59**
Total Assets	**59**	**20**	**75**	**154**
2023				
Financial assets				
Derivative assets	-	7	-	7
At fair value through OCI	-	-	75	75
Fair value through profit or loss	213	-	-	213
Total Assets	213	7	75	295

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

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

The SA SME Fund Limited unlisted equity investment – The SA SME Fund Limited is an unlisted company. The fair values of unlisted equity investments have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various

37. Financial risk management and financial instruments (continued)

37.2. Fair value estimation (continued)

estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these non-listed equity investments.

The investment has therefore been classified as level 3 on the fair value hierarchy. The investment is classified at FVOCI. The asset is not held for trading and the Company has irrevocably elected on initial recognition to recognise the asset at FVOCI. No dividend income was received relating to the investment in current or prior financial year.

Management have performed a fair value assessment for this unlisted equity investment as at 31 December 2024 and deem the fair value of R75 million to still represent the fair value of the investment. No fair value adjustment has been recognised in the current year.

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):

	Investments Rm
Balance at 1 January 2023	75
Fair value adjustments recognized	-
Balance at 31 December 2023	75
Balance at 1 January 2024	**75**
Fair value adjustments recognized	-
Balance at 31 December 2024	**75**

37.3. Credit risk

Credit risk, or the risk of financial loss to the Company due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures.

The Company's maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are exposed to credit risk, with the exception of financial guarantees granted by the Company for which the maximum exposure to credit risk is the maximum amount the Company would have to pay if the guarantees are called on.

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

37. Financial risk management and financial instruments (continued)

37.3. Credit risk (continued)

	2024	2023
	R'm	R'm
Current investments	**59**	213
Loans and other non-current receivables	**439**	332
Cash at bank and on hand; net of overdrafts	**(34)**	995
Contract assets	**5 799**	5 428
Derivative Asset	**20**	7
Trade and other receivables	**12 421**	11 881
	18 704	18 856

Current investments and cash and cash equivalents

The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate values of transactions concluded are spread amongst approved financial institutions. The Company actively seeks to limit the amount of credit exposure to any one financial institution and credit exposure is controlled by counterparty limits that are reviewed and approved by the credit risk department.

Cash balances and investments are held in financial institutions bearing interest at a rate that ranges from 3.0% to 8.0%.

Cash balances are held with financial institutions that have a credit rating of BA1 to BA3. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations. The expected credit loss on cash and cash equivalents is deemed immaterial.

Trade receivables and contract assets (unbilled handset component)

The Company 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 company performs credit risk assessments through credit bureaus.

The Company insures some of its trade receivables and the credit risk assessments are performed by the credit insurer prior to the granting of credit by the Company. In terms of this arrangement, R4.97 billion (2023: R6 billion) has been insured by Credit Guarantee Insurance Corporation and R755 million (2023: R780 million) has been insured with Guard Risk. The company's aggregate retention is limited to R70 million (2023: R75 million). The Company's maximum exposure after credit insurance is applied is R0.5 billion (2023: R0.6 billion).

37. Financial risk management and financial instruments (continued)

37.3. Credit risk (continued)

The recoverability of receivables is actively managed within acceptable limits and has been incorporated in the assessment of an appropriate revenue recognition policy and the ECL of trade receivables where applicable.

Ageing and impairment analysis

	2024 Gross R'm	**2024 Impairment R'm**	**2024 Net R'm**	2023 Gross R'm	2023 Impairment R'm	2023 Net R'm
Fully performing trade and other receivables	**6 958**	**-**	**6 958**	6 707	(92)	6 615
Interconnect receivables	**223**	**-**	**223**	201	(3)	198
Contract receivables	**969**	**-**	**970**	756	(23)	733
Retail receivables	**3 491**	**-**	**3 491**	4 319	(49)	4 270
EBU receivables	**586**	**-**	**586**	572	(3)	569
Sundry debtors	**968**	**-**	**968**	427	(14)	413
Other receivables	**720**	**-**	**720**	432	-	432
Past due trade and other receivables	5 785	(268)	5 516	5 567	(255)	5 312
Interconnect receivables	**225**	**-**	**225**	172	(34)	139
0 to 3 months	**28**	**-**	**28**	115	(7)	108
3 to 6 months	**198**	**-**	**198**	57	(27)	30
Contract receivables	**1 844**	**148**	**1 992**	1 482	(95)	1 387
0 to 3 months	**1 006**	**-**	**1 006**	897	(69)	828
3 to 6 months	**838**	**148**	**986**	585	(26)	559
Retail receivables	**555**	**-**	**555**	500	(30)	470
0 to 3 months	**97**	**-**	**97**	183	(5)	178
3 to 6 months	**458**	**-**	**458**	317	(25)	292
EBU receivables	**561**	**(296)**	**265**	238	(90)	147
0 to 3 months	**215**	**-**	**215**	85	(5)	80
3 to 6 months	**346**	**(296)**	**50**	153	(85)	68
Intercompany receivables	**1 347**	**1**	**1 347**	1 117	(1)	1 116
0 to 3 months	**1 347**	**1**	**1 347**	1 117	(1)	1 116
Other receivables	**1 253**	**(121)**	**1 132**	2 058	(5)	2 053
0 to 3 months	**601**	**(21)**	**581**	359	-	359
3 to 6 months	**651**	**(100)**	**551**	1 699	(5)	1 694
Total	**12 743**	**(268)**	**12 475**	12 274	(347)	11 927

37. Financial risk management and financial instruments (continued)

37.3. Credit risk (continued)

The recoverability of receivables is actively managed within acceptable limits and has been incorporated in the assessment of an appropriate revenue recognition policy and the ECL of trade receivables where applicable. The below table reconciles the ECL for current trade and other receivables and contract assets from the opening to closing balance.

	2024	2023	**2024**	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm	**R'm**	R'm
	Trade receivables	Trade receivables	**Interconnect receivables**	Interconnect receivables	**Other receiveables**	Other receivables
Reconciliation of allowance for credit losses						
At the beginning of the year	**(295)**	(391)	**(37)**	(77)	(14)	(72)
Additions	**(1 100)**	(946)	**-**	-	-	-
Reversals	**1 126**	**1 042**	**-**	**-**	**-**	**-**
Utilised	**-**	-	**37**	40	14	58
At the end of the year	(269)	(295)	(0)	(37)	-	(14)

	2024	2023	**2024**	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm	**R'm**	R'm
	Intercompany receivables	Intercompany receivables	**Contract assets - Non current**	Contract assets - Non current	**Loan receivable - Non current**	Loan receivable - Non current
Reconciliation of allowance for credit losses						
At the beginning of the year	(1)	(1)	(82)	(259)	(240)	-
Additions	-	-	-	-	(3)	(240)
Reversals	**-**	**-**	**-**	177	**-**	**-**
Utilised	1	-	82	-	-	-
At the end of the year	-	(1)	-	(82)	(243)	(240)

37.4 Expected credit losses

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

- Trade and other receivables;
- Contract assets relating to the unbilled handset component;
- Debt investments carried at amortised cost;
- Debt investments carried at FVOCI; and
- Cash and cash equivalents.

Provision Matrix – ECL's 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 historic/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

37. Financial risk management and financial instruments (continued)

37.4 Expected credit losses (continued)

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 to

determine the ECL for the portfolio of trade receivables at the reporting period to the extent that there is a strong correlation between the forward-looking information and the ECL.

The Company used historical sales data to determine the payment profile of the sales. Where the Company has information about actual historical write-offs, actual write-offs have been used to determine a historical loss ratio. Alternatively, management has used a proxy write off based on management's best estimate. The Company 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. Refer to Note 6.3 for judgements, estimates and assumptions applied.

Expected credit losses

The loss allowance as at 31 December 2024 for trade receivables to which the provision matrix is applied is determined as follows:

	2024 R'm Gross carrying amount	2024 R'm Impairment	2024 R'm Average ECL/Impairment ratio	2023 R'm Gross	2023 R'm Impairment	2023 R'm Average ECL/Impairment ratio
Interconnect receivables						
Fully performing	**223**	**-**	**0.00%**	201	(3)	1.49%
Up to 90 days past due	**28**	**-**	**0.00%**	115	(7)	6.09%
90 days and above past due	**198**	**-**	**0.00%**	57	(27)	47.37%
	448	-	**0.00%**	373	(37)	9.92%
Retail receivables						
Fully performing	**3 491**	**-**	**0.00%**	4 319	(49)	1.13%
Up to 90 days past due	**97**	**-**	**0.00%**	183	(5)	2.73%
90 days and above past due	**458**	**-**	**0.00%**	317	(25)	7.89%
	4 046	**-**	**0.00%**	4 819	(79)	1.64%
EBU receivables						
Fully performing	**586**	**-**	**0.00%**	572	(3)	0.52%
Up to 90 days past due	**215**	**-**	**0.00%**	85	(5)	5.88%
90 days and above past due	**346**	**(148)**	**42.77%**	153	(85)	55.56%
	1 147	**(148)**	**42.77%**	810	(93)	11.51%
Intercompany receivables - Current						
Up to 90 days past due	**1 347**	**1**	**0.07%**	1 117	(1)	0.09%
	1 347	**1**	**0.07%**	1 117	(1)	0.09%
Other receivables						
Fully performing	**720**	**-**	**0.00%**	432	-	0.00%
Up to 90 days past due	**601**	**(10)**	**1.66%**	359	-	0.00%
90 days and above past due	**651**	**(111)**	**17.05%**	1 699	(5)	0.29%
	1 973	**(121)**	**6.13%**	2 490	(5)	0.20%
Sundry debtors						
Fully performing	**988**	**-**	**0.00%**	427	(14)	3.35%
	988	-	**0.00%**	427	(14)	3.35%

37. Financial risk management and financial instruments (continued)

37.4 Expected credit losses (continued)

The credit insurance is taken into account in the determination of the ECL as a result no impairment has been allocated to Interconnect receivables, retail receivables and contract receivables.

The following inputs and assumptions have been applied in determining ECL using the provision matrix:

	2024
Period used to determine payment profile	360 days
Actual write off/Proxy write off	360 days

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) and the 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 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 (12 months and 36 months respectively). 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 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. Trade receivables are written off when there is no reasonable expectation of recovery. The company does not hold any collateral for trade receivables. Refer to aging and impairment analysis above for further details of the breakdown of the allowance for impairment.

The loss allowance as at 31 December 2024 for trade receivables to which the simplified parameter-based approach is applied is determined as follows:

	2024 R'm Gross carrying amount	**2024 R'm Impairment**	**2024 R'm Average ECL/Impairment**	2023 R'm Gross	2023 R'm Impairment	**2023 R'm Average ECL/Impairment**
Contract receivables						
Fully performing	915	**-**	**0.00%**	756	(23)	-3.04%
Up to 90 days past due	1 006	-	**0.00%**	897	(69)	-7.69%
90 days and above past due	838	(148)	**17.66%**	585	(26)	-4.44%
	2 758	**(148)**	**0.00%**	2 238	(118)	-5.87%

37. Financial risk management and financial instruments (continued)

37.5. Liquidity risk

Liquidity risk is the risk that an entity will be unable to meets its obligations as they become due. The Company'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 Company's reputation. The Company ensures it has sufficient cash on demand or access to facilities to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following liquid resources are available:

	2024	2023
	R'm	R'm
Trade and other receivables	**12 421**	11 881
Derivative asset	**20**	7
Current investments	**59**	213
Cash and cash equivalents, net of overdrafts	**(35)**	995
	12 465	13 096

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

2024	**Payable within 1 month or on demand R'm**	**More than 1 month but not exceeding 3 months R'm**	**More than 3 months but not exceeding 1 year R'm**	**More than one year but not exceeding two years R'm**	**More than two years but not exceeding five years R'm**	**More than 5 years R'm**
Borrowings	**93**	**186**	**837**	**1 117**	**28 914**	**-**
Lease liabilities	**618**	**623**	**7 064**	**11 816**	**17 670**	**-**
Trade and other payables	**17 536**	**-**	**-**			
Loan - Intercompany	**9**	-	-			
Bank overdrafts	**144**	**-**	**-**			
	18 399	**810**	**7 901**	**12 932**	**46 584**	**-**

2023	**Payable within 1 month or on demand R'm**	**More than 1 month but not exceeding 3 months R'm**	**More than 3 months but not exceeding 1 year R'm**	**More than one year but not exceeding two years R'm**	**More than two years but not exceeding five years R'm**	**More than 5 years R'm**
Borrowings	96	192	866	1 154	29 113	-
Lease liabilies	959	476	2 500	3 381	10 089	15 449
Financial guarantee liability	47 886	-	-	-	-	-
Trade and other payables	17 003	-	-	-	-	-
Non current liabilities held for sale	10	20	90	-	-	-
Loan - Intercompany	9	-	-	-	9	-
	65 963	688	3 456	4 535	39 202	15 499

37. Financial risk management and financial instruments (continued)

37.5. Liquidity risk (continued)

The most significant contractual cash outflows relate to the financial guarantee liability, which relates to the Company guaranteeing bonds, revolving credit facilities and general banking facilities of MTN Group Limited. The Company will be required to make an immediate payment to reimburse the lenders upon failure of MTN Group Limited to make payment when due. The MTN Group has access to sufficient undrawn facilities to reduce the likelihood of default to an acceptable level.

The Company has access to undrawn facilities with MTN Group Limited to call upon where the operating cash flows are not sufficient to settle its obligations. Historically, the Company's operating cash flows generated have been adequate to cover liabilities when they become due. In the current financial year, the Company paid a dividend of R1 billion to its holding Company, supporting the healthy liquidity position of the Company. The Company is working on working capital optimisation strategies to ensure working capital is fully optimised.

37.6. Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holding of financial instruments.

The Company's activities expose it primarily to the financial risks of changes in interest rates (see Note 37.7) and foreign currency exchange rates (see Note 37.8). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

37.7. Interest rate risk

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep between 40% and 60% of its borrowings at fixed rates of interest. In the current year there has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured as compared to previous years.

Interest rate risk is the risk borne by 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, current investments, trade and other receivables/payables, loans receivable/payable and bank overdrafts. 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.

37. Financial risk management and financial instruments (continued)

37.7. Interest rate risk (continued)

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

Debt is managed on an optimal fixed versus floating interest rate basis. Significant cash balances are also considered in the fixed versus floating interest rate exposure mix.

The Company makes use of various products including interest rate derivatives and other appropriate hedging tools as a way to manage risks; however, derivative instruments may only be used to hedge existing exposures.

Profile

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

	2024			2023		
	Fixed rate instruments R'm	Variable rate instruments R'm	No interest instruments R'm	Fixed rate instruments R'm	Variable rate instruments R'm	No interest instruments R'm
Non-current financial assets	-	-	514	-	-	407
Investments	-	-	75	-	-	75
Loans and other non current receivables	-	-	439	-	-	332
				-		
Current financial assets	-	108	12 499	-	995	12 101
Trade and other receivables	-	-	12 421	-	-	11 881
Trade and other receivables - derivative asset	-	-	20	-	-	7
Current investments	-	-	59	-	-	213
Cash and cash equivalents	-	108	-	-	995	-
	-	108	13 013	-	995	12 508
Non-current financial liabilities	11 346	37 930	(51)	11 735	34 972	(83)
Borrowings	11 346	15 800	(51)	11 735	15 550	(83)
Other non-current liabilities	-	22 130	-	-	19 422	-
Current financial liabilities	-	2 283	17 545	-	2 800	18 321
Trade and other payables	-	-	13 858	-	-	14 835
Non current assets held for sale	-	-	-	-	797	-
Lease liabilities	-	2 283	-	-	2 003	-
Intercompany payables	-	-	3 678	-	-	3 477
Borrowings	-	-	9	-	-	9
Bank overdraft	144	-	-	-	-	-
	11 346	40 212	17 494	11 735	37 773	18 238

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 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.

37. Financial risk management and financial instruments (continued)

Sensitivity analysis (continued)

The Company is mainly exposed to fluctuations in the following market interest rates: JIBAR, money market rates and prime rate. 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 recognised at their fair value.

A change in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as was used for 2024.

	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
	%	**R'm**	**R'm**	%	R'm	R'm
JIBAR	**2**	**(316)**	**316**	2	(312)	312
Prime	**2**	**(1)**	**1**	2	(424)	424

37.8. Currency risk

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

The Company is exposed to currency risk arising from various currency exposures. Refer to the table on the next page for the Company's exposure to foreign currency risk based on notional amounts. Currency risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Where possible the Company uses forward contracts to hedge its actual exposure to foreign currency. The Company manages foreign currency risk on major foreign purchases by placing foreign currency on deposit as security against letters of credit when each order is placed.

Items included in the annual financial statements of the Company are measured using the currency that best reflects the primary economic environment in which the Company operates (the functional currency).

The Company annual financial statements are presented in South African Rand, which is the functional and presentation currency of the Company.

37. Financial risk management and financial instruments (continued)

37.8. Currency risk (continued)

Included in the Company statement of financial position are the following amounts denominated in South African rand and other foreign currencies. The translated rand values of these balance have been shown below:

	2024	2023
	R'm	R'm
Assets		
Current assets	**503**	383
Botswana pula	**-**	1
Euro	**35**	171
US dollar	**468**	211
Current liabilities	**1 757**	2 278
Botswana pula	**2**	1
Euro	**575**	796
US dollar	**1 180**	1 481

Sensitivity analysis

The Company has used a sensitivity analysis technique that measures the estimated change to profit or loss and to OCI, of an instantaneous 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.

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. The analysis is performed on the same basis for 2023.

	2024			2023		
	(Decrease)/increase in profit before tax			(Decrease)/increase in profit before tax		
	Change in exchange rate	**Weakening in functional currency**	**Strenthening in functional currency**	Change in exchange rate	Weakening in functional currency	Strenthening in functional currency
	%	**R'm**	**R'm**	%	R'm	R'm
Botswana pula	**2**	**-**	**-**	2	-	-
Euro	**10**	**(54)**	**54**	10	(63)	63
US dollar	**10**	**(71)**	**71**	10	(127)	127

37. Financial risk management and financial instruments (continued)

37.9. Price risk

The Company is not directly exposed to commodity price risk or material equity securities price risk other than its current investments.

37.10. Capital risk management

Capital includes borrowings, share capital and equity attributable to the equity holders of the Company.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company also employs the use of supplier finance to manage its working capital.

Where funding is not available to the operation locally or in specific circumstances where it is more efficient to do so, funding is sourced centrally and on-lent by the MTN Group. The Company's policy is to borrow using a mixture of long term and short-term capital market issues and borrowing facilities from the local and international capital markets as well as multi-lateral organisations together with cash generated to meet anticipated funding requirements.

37.11. 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 ECL's 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.

The initial recognition of intra group guarantees is accounted for as a distribution in equity as the economic substance is more akin to a distribution as a result of the parent/subsidiary relationship between the guarantor and the debt holder.

37. Financial risk management and financial instruments (continued)

37.11. Financial guarantee contracts (continued)

The Company, along with certain of its fellow subsidiaries, has guaranteed the bonds, revolving credit facilities and general banking facilities to MTN Group Limited. The Company will make payments to reimburse the lenders upon failure of the guaranteed entity to make payment when due.

	Face Value		**Drawn down balance**	
	2024	2023	**2024**	2023
	R'm	R'm	**R'm**	R'm
Terms and drawn down balances of the guarantees at the end of the year are as follows:				
Bond guarantees				
Bonds and commercial paper	**35 000**	35 000	**20 050**	17 751
USD senior unsecured notes	**9 451**	10 905	**9 580**	11 029
Syndicated and other loan facilities				
USD revolving credit facility	**14 650**	14 159	**1 908**	-
ZAR long term loan	**31 750**	32 000	**23 252**	11 800

The Maximum exposure to credit risk in relation to the financial guarantee contracts issued amounts to R54 790 million (2023: R47 886 million). This is the drawn down balance of the borrowings to which the Company stands as a guarantor for. Refer to Note 27 for further details on the financial guarantees.

38. Events after reporting date

The Company has no events after reporting date.