

Mobile Telephone Networks Proprietary Limited
(Registration number: 1993/001436/07)

Company Financial Statements

For the year ended 31 December 2025

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 2025

Contents	Page
Company information	3
Statement of directors' responsibility	4-5
Certificate by the company secretary	6
Audit committee report	7-10
Directors' report	11-12
Independent auditor's report	13-15
Statement of comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Statement of cash flows	19
Notes to the financial statements	20-84

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	31 October 2025
	FJ Moolman (Chief Executive Officer) ₃	01 April 2021	
	YZ Cuba (Deputy Chief Executive Officer)	01 November 2025	
	D Molefe (Chief Financial Officer)	01 November 2020	
	JA Boggenpoel	30 August 2024	
	MJ Bosman	01 July 2016	30 August 2025
	M Fleming	01 February 2025	
	N Khan	11 February 2021	
	TBL Molefe	01 October 2021	
	N Ketwa (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	
	SN Mabaso-Koyana	01 January 2026	
	<i>1 Zimbabwean</i>		
	<i>2 German</i>		
	<i>3 FJ Moolman was a non-executive director of the Company from 1 April 2021 until his appointment as Chief Executive Officer on 01 November 2025</i>		
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 Deutsche Bank First National Bank Investec Bank Limited Nedbank Limited Nedgroup Investments Proprietary Limited Rand Merchant Bank Standard Bank Limited of South Africa Stanlib Asset Management Limited Ninety One Fund Managers SA (RF) Proprietary Limited		
Legal Representative	: Kgotong Nameng Tumagole Incorporated Mashiane Moodley & Monama Incorporated Mkhabela Huntley Attorneys Incorporated SB Wotshela Incorporated Webber Wentzel Attorneys Werksmans Attorneys		
Issue Date	: 31 March 2026		

Mobile Telephone Networks Proprietary Limited

Statement of directors' responsibility

For the year ended 31 December 2025

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 and in accordance with the requirements of the Companies Act of South Africa. The annual financial statements of the Company presented on pages 1-84 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 Company’s internal audit function, which operates unimpeded by operational management, and has unrestricted access to the Company’s Audit Committee, assesses and, when necessary, recommends improvements in the system of internal control and accounting practices, based on audit plans that take cognisance of the relative degrees of risk of each function or aspect of the business. The Company’s internal audit function operates within the Company’s combined assurance framework.

The directors have reviewed the Company budgets and cash flow forecasts for the year to 31 March 2027. In light of this review, the current financial position and existing borrowing facilities, the going concern basis has been adopted in preparing the Company Annual Financial Statements. The directors have no reason to believe that the Company will not be a going concern in the year ahead. These financial statements support the viability of the Company.

Mobile Telephone Networks Proprietary Limited

Statement of directors' responsibility (continued)

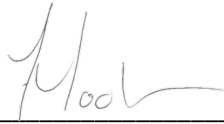
For the year ended 31 December 2025

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

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 1-84 were approved by the board of directors on 18 February 2026 and are signed on its behalf by:



FJ Moolman
Chief Executive Officer
31 March 2026



D Molefe
Chief Financial Officer
31 March 2026

Mobile Telephone Networks Proprietary Limited

Certificate by the company secretary

For the year ended 31 December 2025

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 2025, 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
31 March 2026

Mobile Telephone Networks Proprietary Limited

Audit Committee Report

For the year ended 31 December 2025

Report in terms of the Companies Act

This report is provided by the Company's Audit Committee (the committee) for the 2025 financial year, in accordance with section 94 of the Companies Act, King IV, and other relevant regulatory requirements. It outlines how the committee has fulfilled its statutory responsibilities under the Companies Act, as well as additional tasks assigned by the Board for the financial year ending 31 December 2025.

Composition and governance

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

The committee met four times during the year, in compliance with its terms of reference. Directors' fees are included in directors' emoluments and related parties Note 35.

The composition of the committee and the attendance at the meetings

Members	18 February 2025	16 May 2025	23 July 2025	18 November 2025
M Bosman	✓	✓	✓	✗
M Fleming	✓	✓	✓	✓
N Khan	✓	✓	✓	✓
N Ketwa (Medupe)	✓	✓	✓	✓
TBL Molefe [#]	✓	✓	✓	✓
FJ Moolman [#]	✓	✓	✓	*

✓ *Attended the meetings*

✗ *Retired 30 August 2025*

* *Resigned as an Audit Committee member on 31 October 2025. Appointed as Chief Executive Officer of the Company on 1 November 2025*

Non-independent

The committee chairperson maintains regular communication with the Company's senior management team to discuss pertinent matters throughout the year. Both internal and external auditors have direct access to the committee, including the opportunity for closed sessions without management present, on any issue they deem relevant to the committee's responsibilities. Additionally, the committee terms of reference, provides for separate meetings between the internal auditors, external auditor, senior management and committee members.

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

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

Mobile Telephone Networks Proprietary Limited

Audit Committee Report

For the year ended 31 December 2025

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

The Company's external auditor for the year ended 2025 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 2025, 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.
- Received assurance that proper and adequate accounting records were maintained, and that systems of internal control were adequate to prevent and/or detect fraud and safeguard assets.

Mobile Telephone Networks Proprietary Limited

Audit Committee Report

For the year ended 31 December 2025

Execution of the functions of the audit committee (continued)

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.
- 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 ("IAF")

- 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 IAF 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.

Mobile Telephone Networks Proprietary Limited

Audit Committee Report

For the year ended 31 December 2025

Execution of the functions of the audit committee (continued)

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:

- 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 2025, and based on the information provided to it, considers that the Company complies with the requirements of the Companies Act of South Africa and IFRS Accounting Standards.



N Khan

Audit Committee Chairperson

31 March 2026

Mobile Telephone Networks Proprietary Limited

Directors' Report

For the year ended 31 December 2025

The Board of Directors is pleased to present its report for the year ended 31 December 2025.

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

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.

Compliance with financial reporting standards

The Company's Annual Financial Statements were prepared in accordance with IFRS Accounting Standards as issued by the IASB and Interpretations as issued by the IFRIC and comply with the SAICA Financial Reporting Guides as issued by the APC and the requirements of the Companies Act.

Financial results

The Company recorded a profit after tax for the year ended 31 December 2025 of R2 013 million (2024: R2 633 million). Full details of the financial results of the Company are set out in these Annual Financial Statements and accompanying notes for the year ended 31 December 2025.

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.

Mobile Telephone Networks Proprietary Limited

Directors' Report

For the year ended 31 December 2025

Going concern

The directors have reviewed the Company's budget and cash flow forecast for the period to 31 March 2027. 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.

Internal financial controls

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

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 reporting date

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

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 84, which comprise the statement of financial position as at 31 December 2025, 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 a summary of significant accounting policies.

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 2025, 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 84-page document titled "Mobile Telephone Networks Proprietary Limited Annual Financial Statements for the year ended 31 December 2025", which includes the Statement of directors' responsibility, Certificate by the company secretary, Audit committee report and Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

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:

AOCF752220F049D...
Ernst & Young Inc.
Director - Ofentse Moralo
Registered Auditor
Chartered Accountant (SA)

31 March 2026

102 Rivonia Road
Sandton
2194

Mobile Telephone Networks Proprietary Limited

Statement of comprehensive income

For the year ended 31 December 2025

		2025	2024
	Note	R'm	R'm
Revenue	7	51 042	52 576
Other income		36	650
Direct network and technology operating costs		(6 881)	(6 586)
Costs of handsets and other accessories		(7 379)	(9 674)
Interconnect and roaming costs		(2 219)	(2 392)
Employee benefits	8	(4 313)	(3 623)
Selling, distribution and marketing expenses		(7 184)	(6 614)
Government and regulatory costs		(301)	(291)
Impairment and write-down of trade receivables and contract assets	7, 17	(1 468)	(1 100)
Other operating expenses	8	(3 242)	(3 008)
Depreciation of property, plant and equipment	11	(6 595)	(7 748)
Depreciation of right-of-use asset	33	(2 289)	(2 052)
Amortisation of intangible assets	12	(1 855)	(1 339)
Amortisation of right-of-use assets	33	(146)	(131)
Finance income	9	412	517
Finance costs	9	(5 510)	(5 427)
Foreign exchange gains and losses		108	(113)
Profit before tax		2 215	3 645
Income tax expense	10	(202)	(1 012)
Profit after tax		2 013	2 633
Other comprehensive income for the year		-	-
Total comprehensive income after tax for the year		2 013	2 633

Mobile Telephone Networks Proprietary Limited

Statement of financial position

For the year ended 31 December 2025

		2025	2024
	Note	R'm	R'm
ASSETS			
Non-current assets		68 433	71 454
Property, plant and equipment	11	31 173	33 784
Right-of-use asset	33	18 514	19 982
Intangible assets	12	11 485	10 694
Goodwill	12	2 553	2 553
Investments in associates and subsidiaries	13	542	542
Loans and other non-current receivables	14	1 065	569
Contract assets - non-current	7	2 052	2 429
Capitalised contract costs	7	974	826
Other non-current investments	15	75	75
Current assets		19 093	17 163
Inventories	16	656	722
Current portion of loan and other receivables	14	76	77
Trade and other receivables	17	14 190	12 820
Contract assets - current	7	3 076	3 370
Taxation asset	29	279	7
Current investments	20	80	59
Cash and cash equivalents	19	736	108
Non-current assets held for sale		294	447
Total assets		87 820	89 064
EQUITY			
Ordinary share capital and share premium	21	121	121
Retained earnings		9 173	8 176
Other reserves	22	5 694	5 694
Total equity attributable to equity holders of the company		14 988	13 991
Total equity		14 988	13 991
LIABILITIES			
Non-current liabilities		50 105	51 129
Borrowings	23	26 861	27 095
Deferred tax liabilities	24	1 882	1 802
Provisions	25	78	68
Other non-current liabilities	26	58	34
Lease liabilities	33	21 226	22 130
Current liabilities		22 492	23 542
Trade and other payables	27	17 285	18 370
Contract liabilities	7	1 438	1 808
Other current liabilities	26	115	117
Lease liabilities	33	2 194	2 283
Provisions	25	1 461	812
Borrowings	23	-	9
Bank overdraft and short-term borrowings	19	-	143
Liabilities directly associated with non-current assets held for sale		234	402
Total liabilities		72 831	75 073
Total equity and liabilities		87 820	89 064

Mobile Telephone Networks Proprietary Limited

Statement of changes in equity

For the year ended 31 December 2025

	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 2024	*	121	6 652	5 694	12 467	12 467
Dividends paid	-		(1 000)	-	(1 000)	(1 000)
Capital Contribution - financial guarantee liability	-		(109)	-	(109)	(109)
Total comprehensive income	-		2 633	-	2 633	2 633
Balance at 1 January 2025	*	121	8 176	5 694	13 991	13 991
Dividends paid	-	-	(1 000)	-	(1 000)	(1 000)
Capital Contribution - financial guarantee liability	-	-	(16)	-	(16)	(16)
Total comprehensive income	-	-	2 013	-	2 013	2 013
Balance at 31 December 2025	*	121	9 173	5 694	14 988	14 988
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 2025

		2025	2024
	Note	R'm	R'm
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES			
Cash generated from Operations	28	18 119	17 432
Interest paid		(5 502)	(5 149)
Interest received		68	62
Dividend received		-	358
Income tax paid	29	(393)	(892)
Net cash generated from operating activities		12 292	11 811
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(6 570)	(7 669)
Acquisition of intangible assets		(1 756)	(1 975)
Proceeds from sale of property, plant and equipment and intangible assets		*	23
Intercompany loan advance	14	(135)	(110)
Net cash utilised in investing activities		(8 461)	(9 731)
CASH FLOWS GENERATED USED IN FINANCING ACTIVITIES			
Proceeds from borrowings raised	30	1 800	8 139
Repayment of borrowings	30	(2 075)	(8 278)
Dividends Paid		(1 000)	(1 000)
Repayment of lease liabilities - Capital portion		(1 748)	(1 910)
Repayment of liabilities of a disposal group classified as held for sale		(37)	(61)
Net cash used in financing activities		(3 060)	(3 110)
Net increase/ (decrease) in cash and cash equivalents		771	(1 030)
Cash and cash equivalents at beginning of the year		(35)	995
Exchange gains on cash and cash equivalents		*	*
Cash and cash equivalents at end of the year	19	736	(35)

* Represents amount less than 1 million

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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, under Company Information. 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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 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.

Transaction 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 2025. The new accounting pronouncements did not have a material impact on the Company's results.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

5. New accounting pronouncements (continue)

Amendments to IAS 21 - 'Lack of exchangeability'

On 15 August 2023, the IASB issued amendments to IAS 21 to specify how an entity assesses whether a currency is exchangeable and how it determines a spot exchange rate when exchangeability is lacking. The amendments also introduce disclosure requirements to enable users to understand how a lack of exchangeability affects an entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025 and, on application, comparative information is not restated. The Company has adopted the amendments for the year ended 31 December 2025 and they did not have a material impact on the Company's financial statements.

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
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
Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures provide additional guidance on the SPPI assessment, contractual cash flow characteristics and derecognition requirements. The amendments also introduce enhanced disclosure requirements relating to financial instruments. No significant changes to the Company's classification and measurement of financial instruments are anticipated.

Improvements to International Financial Reporting Standards – Volume 11

The IASB's annual improvements (Volume 11) include minor, non-substantive amendments to various IFRS Standards. These amendments clarify existing guidance, correct unintended consequences, and simplify certain application requirements. The Company does not expect the improvements to have a material impact on its financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

These amendments address the accounting for electricity contracts whose pricing is affected by nature-dependent variables (such as sunlight, wind or hydrology). The amendments clarify when such contracts qualify for the "own use" exemption and when they should be accounted for as derivatives, with associated disclosure requirements under IFRS 7. These amendments are not expected to have any impact on the Company's financial statements.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

5. New accounting pronouncements (continued)

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 Company's 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

6.3 Impairment of trade receivables and contract assets

The Company determines impairment of trade receivables based on forward-looking macroeconomic information which is incorporated into the expected credit loss (ECL) calculations through a scenario-based approach. Four distinct economic scenarios (base case, best, and two downside scenarios i.e., worst and extreme cases) are developed, each incorporating forecasts of selected economic indicators. Probability weights are assigned to each scenario based on management's assessment of their likelihood. Management exercises judgement in assessing the impact of adverse indicators and events on the recoverability of trade receivables using the indicators disclosed in Note 37.

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 468 million (2024: R1 100 million) was incurred on trade receivables. Refer to Note 17 for the movement in allowances.

For mobile and contract receivables, scenario-specific probabilities of default (PD) and loss given default(LGD) are calculated and probability-weighted to determine the expected credit loss provision. For non-mobile trade receivables under the simplified approach, the baseline coverage ratios derived from historical loss experience are adjusted under each economic scenario to reflect forecast economic conditions. The final coverage ratios applied represent the probability-weighted average across all scenarios.

This methodology ensures provisions reflect both historical experience and reasonable and supportable forward-looking information regarding economic conditions that may affect customers' ability to settle their outstanding balances.

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:

	2025	2024
Buildings - owned	5 - 25 years	5 - 25 years
Network infrastructure	2 - 25 years	2 - 25 years
Information systems equipment	1 - 15 years	1 - 15 years
Furniture and fittings	3 - 15 years	3 - 15 years
Leasehold improvements	3 - 20 years	3 - 20 years
Office equipment	3 -13 years	3 -13 years
Motor vehicles	3 - 13 years	3 - 13 years

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

6.4 Property, plant and equipment (continued)

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 R1 563 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 Licenses

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 R7 million 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.

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

	2025	2024
Network Licenses		
Software	15 - 20 years	15 - 20 years
Customer Relationships	1 - 20 years	1 - 20 years
Brand	4 - 6 years	4 - 6 years
	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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

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 plus 2 years, with an option to renew for a further 10 years.

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.

6.9 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

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 are, therefore viewed as a single performance obligation represented by capacity on the MTN network.

Digital and fintech services include value-added services, rich media services, 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 devices sold separately; customers pay in full at the point of sale.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

7. Revenue (continued)

7.2 Mobile devices

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.

7.4 Disaggregation of revenue from contracts with customers

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

	2025 R'm	2024 R'm
Network services	33 334	32 360
Mobile devices	7 060	9 421
Interconnect and roaming	4 807	4 854
Digital and fintech	2 825	3 060
Other revenue ¹	2 325	2 137
Revenue from contracts with customers	50 351	51 832
Interest revenue	691	744
Total revenue	51 042	52 576

¹Other revenue in the current financial year includes Internet Service Provider (ISP) revenue R1 663 million (2024: R1 478 million), BTS rental recoveries R229 million (2024: R345 million) and Internet of Things (IOT) revenue R333 million (2024: R230 million).

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

7. Revenue (continued)

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 impairment losses or reversals related to contract assets are presented in operating expenses.

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:

	2025	2024
	R'm	R'm
Contract assets relating to devices		
Non-current		
Gross	2 117	2 429
Loss allowance	(65)	-
Net	2 052	2 429
Current		
Gross	3 174	3 370
Loss allowance	(98)	-
Net	3 076	3 370
Total contract assets	5 128	5 799
Capitalised contract assets	974	826
Total capitalised contract assets	974	826
Contract liabilities	1 438	1 808
Total current contract liabilities	1 438	1 808

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

7. Revenue (continued)

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

7.5.1 Significant changes in contract assets and liabilities

The contract asset balance decreased compared to the prior year mainly due to the sale of contract balances to ABSA, RMB as well as an agreement with Ryzon, where Ryzon was principal on certain transactions relating to devices. The contract asset balance relates to normal handset revenue that will be paid over the contract period which is R5 128 million (2024: R5 799 million). Capitalised commission cost related to the acquisition of customers, i.e. capitalised contract cost R974 million (2024: R826 million).

The contract liability balance decreased to R1 438 million (2024: R1 808 million) compared to the prior year mainly due to a decrease in the data and voice effective rates.

Refer to Note 37.3 and Note 17 for ECL disclosure relating to contract assets.

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.

	2025 R'm	2024 R'm
Revenue recognised that was included in the contract liability balance at the beginning of the period	<u>1 659</u>	<u>1 813</u>
	<u>1 659</u>	<u>1 813</u>
Unsatisfied performance obligations		
	2025 R'm	2024 R'm
Aggregate amount of the transaction price allocated to unsatisfied performance obligations	<u>1 438</u>	<u>1 808</u>
	<u>1 438</u>	<u>1 808</u>

Management expects that 95% (2024: 95%) of the transaction price allocated to the unsatisfied contracts as at 31 December 2025 will be recognised as revenue during the next reporting period. The remaining 5% (2024: 5%) will be recognised in the 2027 financial year.

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

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

8. Operating expenses (continued)

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.

	2025 R'm	2024 R'm
Staff Costs	(4 313)	(3 623)
Salaries and wages	(2 884)	(2 635)
Post-employment benefits	(1)	(128)
Share options granted to directors and employees	(907)	(196)
Training	(58)	(85)
Other ¹	(89)	(89)
Bonus provision	(374)	(490)
Other	(3 242)	(3 008)
Auditors' remuneration - Audit fees	(28)	(25)
Auditors' remuneration - Fees for other services	 1	(1)
Profit/(loss) on disposal of leases	200	458
Profit/(loss) on disposal of property, plant and equipment and intangible asset	(71)	34
Impairment on loans and other non receivables	(67)	(3)
Professional and Consulting fees	(413)	(425)
Management fees	(553)	(523)
Insurance premiums	(304)	(698)
Bank charges	(136)	(173)
Outsourcing costs	(262)	(289)
Procurement commission costs	(172)	(178)
Office building maintenance	(114)	(94)
Power costs	(53)	(61)
Security costs	(33)	(49)
MTN Foundation contributions	(54)	(54)
Courier costs	(208)	(221)
Network and Management services	(562)	(597)
Other expenses ²	(413)	(108)

¹Other staff costs include welfare costs, medical insurance contributions and leave pay

²Other expenses cannot be disaggregated further as they consist of various other items.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

	2025	2024
	R'm	R'm
Interest from banks	62	62
Interest income on loans and receivables	9	1
Fair value adjustments	21	-
Amortisation of guarantee fee (Note 27)	320	454
Finance income	412	517
Interest expense on financial liabilities measured at amortised cost	(3 050)	(3 004)
Interest expense on lease liabilities	(2 351)	(2 207)
Interest expense on liabilities held for sale	(28)	(57)
Loss on derecognition of contract assets	(81)	(159)
Finance costs	(5 510)	(5 427)

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

	2025 R'm	2024 R'm
Normal Tax	(118)	(259)
Current year	(118)	(264)
Adjustments in respect of the prior year	-	5
Withholding Tax	(4)	*
Deferred Tax (Note 24)	(80)	(753)
Current year	(205)	(517)
Adjustments in respect of the prior year ₁	125	(236)
	(202)	(1 012)

* Represents an amount less than R1 million

₁ The deferred tax prior year adjustment relates mainly to the difference between the fixed asset register and the tax asset register with reference to assets under construction/WIP. These items were brought into use in the current year and they qualified for wear and tear allowances. The adjustment had no impact on the prior year normal income tax charge as the items have not yet been depreciated in prior years.

The introduction of Pillar Two regulation does not have any material impact on the Company's current tax expense, therefore the Company has not disclosed deferred tax assets or liabilities relating to Pillar Two regulations

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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% (2024: 27%) for current tax and 27% (2024: 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 2025.

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

	2025	2025	2024	2024
	R'm	%	R'm	%
Profit before tax	2 214		3 646	
Statutory tax	598	27.0%	984	27.0%
Adjusted for:				
Exempt income	-	0.0%	(96)	-2.6%
Normal tax - Adjustments in respect of prior year	26	1.2%	(5)	-0.1%
Deferred tax - Adjustments in respect of prior year	(125)	-5.6%	236	6.5%
Withholding taxes	4	0.2%	*	0.0%
Permanent differences	(301)	-13.6%	(107)	-2.9%
Guarantee fee amortisation	(91)	-4.1%	(120)	-3.3%
MTN shares investment revaluation	(6)	-0.3%	*	0.0%
Fixed asset depreciation	(213)	-9.6%	5	0.1%
S24J interest & finance interest	24	1.1%	*	0.0%
Other (Profit on sale, IRU, Research & Development)	(19)	-0.9%	6	0.2%
Donations limited by S18A	4	0.2%	2	0.1%
Effective tax rate	202	9.1%	1 012	27.8%

* Represents an amount less than R1 million

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

11. Property, plant and equipment (continued)

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.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

11. Property, plant and equipment (continued)

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	Computer Equipment, furniture and office equipment	Vehicles	Work in progress	Total
	R'm	R'm	R'm	R'm	R'm	R'm	R'm
Cost							
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
At 1 January 2025	6 386	1 174	80 958	2 229	43	446	91 236
Additions	26	-	4 253	320	-	356	4 955
Disposals	(72)	(121)	(6 390)	(200)	(3)	-	(6 786)
Reallocations	93	(2)	(644)	73	-	(414)	(894)
Other movements ₁	-	-	132	-	-	(132)	-
At 31 December 2025	6 433	1 050	78 308	2 422	40	256	88 510
Accumulated Depreciation and Impairment losses							
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)
At 1 January 2025	(2 848)	(1 109)	(51 951)	(1 507)	(39)	-	(57 452)
Disposals	72	121	6 334	190	2	-	6 718
Depreciation	(1 079)	36	(5 229)	(319)	(3)	-	(6 595)
Reallocations	70	(59)	(37)	16	-	-	(9)
Other movements ₁	-	-	-	-	-	-	-
At 31 December 2025	(3 785)	(1 011)	(50 883)	(1 620)	(40)	-	(57 338)
Carrying amounts							
At 1 January 2025	3 538	65	29 007	722	4	446	33 783
At 31 December 2025	2 648	39	27 425	802	2	256	31 173
Cost of assets with zero net book value still in use	1 119	385	8 977	134	3	-	10 618

₁Other movements included in the property, plant and equipment note relate to transfers from Work in Progress to Network Equipment

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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:

	2025 R'm	2024 R'm
Project 1 - EBU and MNS cloud connect	159	226
Project 2 - NWG Facilities, Mechanical and Electricity	27	75
Project 3 - National Long Distance	23	22
Project 4 - Radio roll out	27	112
Project 5 - Core Modernisation and upgrade	20	11
Project 6- Various other projects	156	-
	412	446

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.

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.

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

- Network licenses
- 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

12. Intangible assets (continued)

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

	Goodwill	Network licenses	Brands ₁	Customer relationships ₁	Software	Work in progress	Total
	R'm	R'm	R'm	R'm	R'm	R'm	R'm
Cost							
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
At 1 January 2025	2 553	5 480	78	1 212	13 957	14	23 294
Additions	-	-	-	-	1 601	154	1 756
Disposals	-	-	-	-	(1 594)	-	(1 594)
Reallocations	-	-	-	-	907	(13)	894
At 31 December 2025	2 553	5 480	78	1 212	14 872	156	24 351
Accumulated Amortization and Impairment losses							
At 1 January 2024	-	(613)	(78)	(1 212)	(10 194)	-	(12 097)
Amortization	-	(263)	-	-	(1 076)	-	(1 339)
Disposals	-	-	-	-	5	-	5
Reallocations	-	-	-	-	3 596	-	3 596
Other movements ₂	-	-	-	-	(212)	-	(212)
At 31 December 2024	-	(876)	(78)	(1 212)	(7 881)	-	(10 048)
At 1 January 2025	-	(876)	(78)	(1 212)	(7 881)	-	(10 048)
Disposals	-	-	-	-	1 581	-	1 581
Amortization	-	(263)	-	-	(1 595)	-	(1 857)
Reallocations	-	-	-	-	10	-	10
At 31 December 2025	-	(1 139)	(78)	(1 212)	(7 885)	-	(10 314)
Carrying amounts							
At 1 January 2025	2 553	4 604	-	-	6 076	14	13 247
At 31 December 2025	2 553	4 342	-	-	6 987	156	14 038
Cost of assets with zero net book value still in use	-	41	-	-	278	-	319

¹The 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.

²Other 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 acquisition and the related assumptions applied for purposes of impairment testing are presented below.

	2025			2024		
	Growth rate %	Discount rate %	R'm	Growth rate %	Discount rate %	R'm
Arising from a common control transaction	*	9.47	2 553	*	11.53	2 553

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

12. Intangible assets (continued)

12.1 Goodwill (continued)

Goodwill arose in prior years when the holding company acquired MTN Business Solutions Proprietary Limited and MTN Service Provider Proprietary Limited. The related assets, liabilities, and goodwill were subsequently transferred to the Company as part of a common-control transaction. The goodwill amount presented in these financial statements, therefore, represents goodwill originally recognised by the holding company upon its acquisition of the acquired entities. This goodwill was transferred to the Company as part of the net assets of the businesses under common control and is carried at the predecessor value. In line with predecessor accounting requirements, any difference between the carrying amount of the net assets transferred (including goodwill) and the consideration paid was recognised directly in equity as a common-control reserve (see note 22.1). 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 (2024: 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.

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 3.05% to 4.84% (2024: 1.48% to 1.78%); 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 1.14% to 4.19% (2024: 1.48% to 4.35%).

12.2 Network licenses

Type of License	Granted/ Renewed	License Term	Renewable Term	License Fee Currency	Initial License Fee	Annual License Fee	Further fees/ obligations, where applicable
900 MHz	29/01/2003	1 year	Renewable annually	ZAR	Not Applicable	14 683 500	None
1800 MHz	29/10/2004	1 year	Renewable annually	ZAR	Not Applicable	14 096 160	Note 1
2100 MHz	02/02/2005	1 year	Renewable annually	ZAR	Not Applicable	17 620 200	Note 1
15GHz	21/10/2005	1 year	Renewable annually	ZAR	Not Applicable	11 210 670	None
26GHz Sub 17	21/10/2005	1 year	Renewable annually	ZAR	Not Applicable	5 481 840	None
26GHz Sub 18	21/10/2005	1 year	Renewable annually	ZAR	Not Applicable	5 481 840	None
10.5GHz	07/02/2006	1 year	Renewable annually	ZAR	Not Applicable	10 963 680	None
38GHz	07/02/2006	1 year	Renewable annually	ZAR	Not Applicable	5 481 840	None
Eband 60-90 GHz	13/12/2007	1 year	Renewable annually	ZAR	Not Applicable	322 224	None
ECS License	15/01/2009	20 years	Renewable on application	ZAR	-	Not Applicable	None
ECNS License	15/01/2009	20 years	Renewable on application	ZAR	100 000 000	Not Applicable	None
11GHz	23/03/2009	1 year	Renewable annually	ZAR	Not Applicable	7 467 106	None
13GHz	06/04/2009	1 year	Renewable annually	ZAR	Not Applicable	2 317 993	None
7GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	6 857 240	None
8GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	11 354 676	None
18GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	2 410 007	None
23GHz	14/06/2010	1 year	Renewable annually	ZAR	Not Applicable	960 578	None
28GHz	12/04/2012	1 year	Renewable annually	ZAR	Not Applicable	21 927 360	None
6GHz	30/08/2015	1 year	Renewable annually	ZAR	Not Applicable	55 267 856	None
Spectrum 800MHz 2 * 10 MHz Spectrum 2600MHz 1 * 40 MHz Spectrum 3500MHz 1 * 40 MHz	17/03/2022	20 years	Renewable on application	ZAR	5 151 382 000	46 008 300	None
Fixed Satellite Earth Station	08/08/2022	1 year	Renewable annually	ZAR	Not Applicable	81 558	None

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

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

13. Investment in subsidiaries and associates

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.

Associate	Principal activity	Country of Incorporation	2025	2024	2025	2024
			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%	20%	*	*

*Represents an amount less than 1 million

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

	2025	2024
	R'm	R'm
Revenue	194	28
Share of profit after tax	5	3
Total Assets	598	56
Total Liabilities	55	3
	852	90

13.2 Investment 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.

Subsidiaries and joint ventures in which the company has a direct or indirect interest	Principal Activity	Place of Incorporation	2025	2024	2025	2024
			% Interest in issued ordinary share capital		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%	*	*
Digifibre 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%	100.00%	309	309
					542	542

* 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

13. Investment in subsidiaries and associates (continued)

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.

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.

	2025	2024
	R'm	R'm
Loan to Supersonic FTTX Proprietary Limited	574	439
Supersonic FTTX Proprietary Limited - Non Current receivable	404	-
Total IRU assets (Note 14.2)	<u>1 141</u>	<u>207</u>
Non current portion	1 065	569
Current portion	<u>76</u>	<u>77</u>
	<u>1 141</u>	<u>646</u>

In the current year, trade receivables from Supersonic was reclassified from current to non-current due revised settlement terms which are expected to be settled beyond twelve months after the reporting date.

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.

	2025	2024
	R'm	R'm
Loan to Supersonic FTTX Proprietary Limited - Gross	885	683
Less: Expected credit loss (ECL) ₁	<u>(311)</u>	<u>(244)</u>
	<u>574</u>	<u>439</u>

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 role in ensuring that growth is achieved in the home broadband market. Management are confident of increasing operational cash flows.

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

	2025	2024	2025	2024
	Facility available		Balance drawn down	
	R'm	R'm	R'm	R'm
Facility B: Repayment Date - 31 December 2023	98	98	98	98
Facility C: Repayment Date - 31 December 2024	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	184
Facility F: Repayment Date - 31 December 2028	75	75	75	75
Facility G: Repayment Date - 31 December 2029	15	15	12	12
Loan to Purchase WAN	215	-	202	-
	<u>901</u>	<u>686</u>	<u>885</u>	<u>683</u>

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

14.2 Indefeasible right of use (IRU) arrangements

The total IRU asset at 31 December 2025 amounted to R164 million (2024: R206 million), of which R88 million (2024: R129 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.

	2025 R'm	2024 R'm
Financial assets at fair value through other comprehensive income		
Unlisted equity investments - The SA SME Fund Limited	75	75
	<u>75</u>	<u>75</u>

Management have performed a fair value assessment for this unlisted equity investment as at 31 December 2025 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.

	2025 R'm	2024 R'm
Finished goods (handsets, SIM cards and accessories) - at cost	902	982
Less: write-down to net realisable value	<u>(246)</u>	<u>(260)</u>
	<u>656</u>	<u>722</u>

Reconciliation of write-down of finished goods

	Balance at beginning of year R'm	Additions R'm	Utilised R'm	Balance at end of year R'm
2024				
Movement in write-down	(367)	-	108	(260)
2025				
Movement in write-down	<u>(260)</u>	-	<u>14</u>	<u>(246)</u>

A net write-down on inventories of R14 million (2024: R108 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

17. Trade and other receivables (continued)

	2025 R'm	2024 R'm
Trade receivables	12 413	9 925
Less: allowance for impairment of trade receivables	(467)	(269)
Net trade receivables	11 946	9 656
Interconnect receivables	212	449
Less: allowance for impairment of interconnect receivables	(3)	-
Net interconnect receivables	209	449
Intercompany receivables	1 443	1 347
Less: allowance for impairment of intercompany receivables	(2)	-
Net intercompany receivables	1 441	1 347
Prepayment and other receivables	593	1 368
	14 190	12 820

An impairment loss of R1 468 million (2024: R1 100 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. Refer to Note 37.3 for the reconciliation

Set out below is the movement in the allowance for credit losses of trade receivable and contract assets:

	2025 R'm	2024 R'm
Balance at 1 January	269	494
Additions	1 468	1 100
Provisions utilised	(1 449)	(1 392)
Bad Debt recoveries	347	67
Balance at 31 December	635	269

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:

	2025 R'm	2024 R'm
Non-current assets held for sale		
Sales of tower infrastructure (Note 18.1)	294	447
Total assets	294	447
Non-current liabilities held for sale		
Sales of tower infrastructure (Note 18.1)	234	402
Total liabilities	234	402

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

18.1 Sale of tower infrastructure (continued)

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 plus 2 years, 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.

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 11% 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 R23 million loss (2024: R2 million gain) on the disposal of the disposal group, accounted for in other income. This transaction resulted in a tax loss of R6.21 million (2024: R0.54 million tax income), which was included in income tax expense in the Company income statement.

	Right of use assets R'm	Lease liabilities R'm	Gain/(Loss) recognised in other income R'm
Recognition of land leases held for sale			
Balance at 1 January 2025	447	(402)	-
Derecognise			
Land leases ceded during the year	(157)	134	(23)
Recognise			
Land leases - Modifications during the year	4	(4)	-
Capital repayments during the year	-	38	-
Balance at 31 December 2025	294	(234)	(23)

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

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

18.1 Sale of tower infrastructure (continued)

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

	2025	2024
	R'm	R'm
Right of use assets (Note 33)	294	447
Lease liabilities (Note 33)	(234)	(402)
	<u>60</u>	<u>45</u>

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:

	2025	2024
	R'm	R'm
Cash at bank and on hand	736	108
Bank overdraft	-	(143)
Net cash and cash equivalents	<u>736</u>	<u>(35)</u>

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.

	2025	2024
	R'm	R'm
Financial assets held at fair value through profit or loss		
Balance at 1 January	59	213
Fair value adjustments recognised through profit or loss	21	(154)
Investments in MTN Group treasury shares at 31 December	<u>80</u>	<u>59</u>

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.

	2025	2024
	R'm	R'm
Ordinary share capital		
Authorised share capital	*	*
400 000 ordinary shares of R0,01 each, fully paid (2024: 400 000 ordinary shares of R 0,01 each)	*	*
Issued and fully paid-up share capital		
10 000 ordinary shares of R0,01 each, fully paid (2024: 10 000 ordinary shares of R 0,01 each)	*	*
Share premium		
Balance at end of year	<u>121</u>	<u>121</u>
	<u>121</u>	<u>121</u>

* Represents an amount less than R1 million

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

22. Other reserves

	2025	2024
	R'm	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

Transactions in which the Company obtains control of businesses that are under common control of the MTN Group are outside the scope of IFRS 3 Business Combinations. Such transactions are accounted for in accordance with the Group's policy on common-control transactions.

The Company applies the predecessor accounting method in accounting for common-control transactions. Under this method:

- The identifiable assets and liabilities of the acquired business are recognised at their existing carrying amounts in the consolidated financial statements of the transferring entity at the date of transfer;
- No fair value remeasurement is performed;
- No new goodwill is recognised by the Company. Any goodwill previously recognised by the transferring entity forms part of the carrying amount of the net assets transferred to the Company; and
- The difference between the consideration paid (if any) and the predecessor carrying amount of the net assets acquired is recognised directly in equity as a 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.

In line with predecessor accounting requirements, any difference between the carrying amount of the net assets transferred (including goodwill transferred) and the consideration paid was recognised directly in equity as a common-control reserve.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

23. Borrowings (continued)

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.

	2025 R'm	2024 R'm
Shareholders loans	26 861	27 095
Current borrowings intercompany	-	9
	<u>26 861</u>	<u>27 104</u>
The carrying amounts of the Company's borrowings are denominated in	26 861	
South African rand		27 104
	<u>26 861</u>	<u>27 104</u>
The company has the following undrawn facilities:		
Floating rate	1 000	2 700
Fixed rate	8 120	6 154
	<u>9 120</u>	<u>8 854</u>

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 payable comprise of 3 facilities:

Name of Facility	Type	Interest rate	December 2025 R'm	December 2024 R'm	Repayment Date
	Fixed/Variable	%			
Facility A	Fixed	9.70%	9 361	11 295	31 July 2031
Facility B	Variable	JIBAR +2.10% ₁	17 500	15 800	31 July 2031
Facility C	Variable	JIBAR +2.45% ₁	-	-	
			<u>26 861</u>	<u>27 095</u>	

The South African Reserve Bank has confirmed the cessation of the Johannesburg Interbank Average Rate (JIBAR) on 31 December 2026, and the market-wide transition to the South African Rand Overnight Index Average (ZARONIA). All new loans, renegotiated facilities will transition to ZARONIA. Existing loans will remain under JIBAR until they are contractually amended. This change will have no impact in the current year financial statements. Refer to Note 37.7

Current borrowings intercompany

The Company has borrowings amounting to R0 million (2024: 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 related to borrowings.

24. Deferred Tax

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

	Opening Balance 1 January 2025	Recognised in profit or loss	Prior Year	Closing Balance at 31 December 2025
Deferred tax liabilities				
Tax allowances in excess of depreciation	2 204	160	124	2 488
Working capital allowances	(402)	(204)	-	(606)
Deferred tax liabilities	<u>1 802</u>	<u>(44)</u>	124	<u>1 882</u>
	Opening Balance 1 January 2024	Recognised in profit or loss	Prior Year	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	<u>1 082</u>	<u>484</u>	236	<u>1 802</u>

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

License obligations

The licence obligation provision represents the estimated costs to be incurred in fulfilling the Universal Services Obligation (USO). The USOs 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 2025.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

25. Provisions (continued)

Share-based payment transactions

The Company operates a number of share incentive schemes. For further details, refer to Note 36.

Non-current provisions

	At beginning of the year	Additional provisions	Utilised/ Reversed	At end of year
	R'm	R'm	R'm	R'm
2025				
Provisioning for decommissioning	24	10	-	34
Provisioning for long service awards	44	11	(11)	44
	68	21	(11)	78
2024				
Provisioning for decommissioning	123	2	(101)	24
Provisioning for long service awards	44	-	-	44
	167	2	(101)	68

Current provisions

	At beginning of the year	Additional provisions	Utilised/ Reversed	At end of year
	R'm	R'm	R'm	R'm
2025				
Bonus provision	376	374	(440)	310
Provision for litigation	22	-	(5)	17
Provision for share appreciation rights	374	881	(168)	1 087
Provision for long service awards	7	-	-	7
Other provisions	34	6	-	40
	812	1 262	(613)	1 461
2024				
Bonus provision	344	490	(458)	376
Provision for litigation	22	-	-	22
Provision for share appreciation rights	646	324	(596)	374
Provision for long service awards	7	-	-	7
Other provisions	65	-	(31)	34
	1 085	813	1 085	812

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

25. Provisions (continued)

Long-service awards

Movement in unfunded obligations

	2025 R'm	2024 R'm
Defined benefit obligation at 1 January	52	51
Movement recognised in the statement of comprehensive income	-	-
Defined benefit obligation at 31 December	<u>52</u>	<u>51</u>
Current	7	7
Non-Current	44	44
Total long service provision	<u><u>51</u></u>	<u><u>51</u></u>

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

	2025 R'm	2024 R'm
Interest cost	5	6
Current service cost	5	5
Current year actuarial gains	(3)	(6)
	<u>7</u>	<u>5</u>

The principal actual assumptions used for accounting purposes are:

	2025	2024
Discount rate	7.90%	9.30%
Inflation rate	3.00%	3.80%
Salary increase rate	4.00%	4.80%
Tax table salary increase rate	0.50%	1.30%
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 R52 million (2024: R51 million) at 31 December 2025.

26. Other non-current liabilities

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

	2025 R'm	2024 R'm
Liabilities under IRU arrangements	9	11
Income received advance	113	115
Non-current share-based payment liability	51	25
	<u>173</u>	<u>151</u>
Less: Current portion of liabilities under IRU arrangements	(2)	(2)
Less: Current portion of income received in advance	(113)	(115)
	<u><u>58</u></u>	<u><u>34</u></u>

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

	2025	2024
	R'm	R'm
Trade payables	6 836	5 891
Interconnect payables	475	266
Sundry creditors	680	444
Financial guarantee liability ₂	651	972
Accrued expenses ₁	3 607	5 593
Trade payables from related parties	3 290	3 678
Dealer Commissions	1 220	948
License fee payables	228	217
VAT payable	298	361
	<u>17 285</u>	<u>18 370</u>

₁ Accrued expenses includes the capex accrual R688 million (2024: R2 107 million), audit fee accrual R9 million (2024: R8 million), leave pay accrual R113 million (2024: R123 million), accrued payables of R2 739 million (2024: R2 791 million) and inventory accruals R58 million (2024: R128 million).

₂The 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 (2024: USD 500 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 R651 million (2024: R972 million) and R320 million (2024: R454 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 2025 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 R14 million (2024: R109 million).

	2025	2024
	R'm	R'm
Balance at 1 January	972	1 309
New guarantees issued at day 1 fair value	15	109
Amortisation of guarantee	(320)	(454)
Exchange rate differences	(16)	8
Balance at 31 December	<u>651</u>	<u>972</u>

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

27. Trade and other payables (continued)

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 2025 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 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.

27.1 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.

	2025	2024
	R'm	R'm
Carrying amount of trade payables that are part of a supplier finance arrangement ¹	3 873	3 472
Of which suppliers have received payment	128	448

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

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

28. Cash generated from operations

For the year ended 31 December 2025	2025 R'm	2024 R'm
Profit before tax	2 215	3 646
Adjusted for:		
Finance cost (Note 9)	5 510	5 427
Finance income (Note 9)	(412)	(517)
Dividend Income	-	(358)
Unrealised forex exchange (gain)/loss	(108)	113
Depreciation of property, plant and equipment (Note 11)	6 595	7 748
Depreciation of right of use assets (Note 33)	2 289	2 052
Amortisation of intangible assets (Note 12)	1 855	1 339
Amortisation of right of use assets (Note 33)	146	131
Loss on disposal of leases	(200)	(458)
Profit/(loss) on disposal of property, plant and equipment	72	(372)
Profit/(loss) on disposal intangible assets	(1)	338
Net impairment - Trade and other receivables	1 468	1 100
Loss disposal of assets classified as held-for-sale	21	(2)
Write down of inventories	(14)	(108)
Increase in bonus provision (Note 25)	374	490
Impairment loss on on non-current loans and receivables	67	3
Management fees paid	(62)	(204)
Management fees received	(42)	(22)
Share services expense received in advance	(14)	79
Share based expense	881	326
Amortisation of IRU prepayment	(78)	118
Contract cost capitalised	(966)	(825)
Amortisation of contract costs	825	745
	20 421	20 789
Changes in working capital	(2 302)	(3 357)
Decrease in inventories	46	250
Decrease/(Increase) in contract assets	377	(170)
Increase in capitalised contract assets and contract costs	(7)	(15)
Increase in trade and other receivables	(2 870)	(1 785)
(Decrease)/increase in trade and other payables	152	(1 637)
Cash generated from operations	18 119	17 432

29. Income tax paid

For the year ended 31 December 2025	2025 R'm	2024 R'm
At beginning of the year	7	(607)
Amounts recognised in profit or loss	(202)	(1 012)
Deferred tax charge	80	753
Other movements	-	(19)
At the end of the year	(279)	(7)
Total tax paid	(393)	(892)

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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

	2025 R'm	2024 R'm
Borrowings at the beginning of the year	27 104	27 211
Current	9	9
Non-current	27 095	27 202
Cash flows	(275)	(139)
Proceeds from borrowings raised	1 800	8 139
Repayment of borrowings	(2 075)	(8 278)
Other non-cash movements - short-term borrowings	32	32
Facility fee amortised	32	32
Borrowings at the end of the year	26 861	27 104
Current	-	9
Non-current	26 861	27 095

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

	2025 R'm	2024 R'm
Lease liabilities at the beginning of the year	24 412	21 425
Current	2 282	2 003
Non-current	22 130	19 422
Cash flows	(4 099)	(4 117)
Repayment of lease liabilities - Capital portion	(1 748)	(1 910)
Repayment of lease liabilities - Interest portion	(2 351)	(2 207)
Other non cash movements - short term borrowings	3 107	7 104
Additions	672	858
Interest incurred	2 351	2 207
Disposals	(755)	(1 642)
Modifications/Remeasurement	839	5 681
Lease liabilities at the end of the year	23 420	24 412
Current	2 194	2 282
Non-current	21 226	22 130

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:

	2025 R'm	2024 R'm
Capital expenditure not yet incurred at the reporting date is as follows:		
Contracted	1 001	1 703
- Property, plant and equipment	709	1 588
- Software	292	115
Authorised	5 754	4 730
- Property, plant and equipment	4 548	3 323
- Software	1 206	1 407
Total commitments for property, plant and equipment and software	6 755	6 433

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

32. Capital commitments (continued)

The Company's cash outflows relating to property, plant and equipment and intangible assets amounted to R6 570 million (2024: R7 669 million) and R1 756 million (2024: R1 975 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
- Licenses - 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.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

33. Leases (continued)

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

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.

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 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 2025, 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

In 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 recognised in the income statement amounting to R458 million. There has been no similar significant modifications in the current year.

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 2024, 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. Other than annual CPI escalations, there have been no significant modifications in the current year.

Amounts recognised in the statement of financial position

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

	2025 R'm	2024 R'm
Network infrastructure	16 855	18 053
Land and buildings	585	737
Licenses	3	5
Other	1 071	1 187
Total right of use assets	18 514	19 982
Right of use assets presented as held for sale	294	447
Current	2 194	2 283
Non-current	21 226	22 130
Total lease liabilities	23 420	24 412
Lease liabilities classified as held for sale	234	402

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

33. Leases (continued)

Amounts recognised in the income statement

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

	2025 R'm	2024 R'm
Network infrastructure	2 098	1 857
Land and buildings	188	193
Other	3	1
Depreciation charge of right of use assets	2 289	2 052
Licenses	146	131
Amortisation charge of right of use assets	146	131
Interest expense (included in finance costs - Note 9)	2 531	2 263
Expense relating to short-term leases (included in other operating expenses)	22	40

Amounts recognised in the statement of cash flows

The total cash outflow for leases in 2025 was R4 098 million (2024: R4 117 million). Refer to Note 31 for details.

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	Licenses	Total
	R'm	R'm	R'm	R'm	R'm
Cost					
At 1 January 2024	1 360	19 073	6	1 828	22 267
Additions	178	618	6	60	862
Disposal	(230)	(2 118)	-	-	(2 349)
Modification/Remeasurement	163	5 387	(5)	9	5 553
As at 31 December 2024	1 471	22 960	7	1 897	26 334
At 1 January 2025	1 471	22 960	7	1 897	26 334
Additions	25	621	1	31	678
Disposal	(368)	(803)	-	-	(1 171)
Modification/Remeasurement	148	783	-	(1)	930
As at 31 December 2025	1 276	23 561	8	1 927	26 772
Accumulated Depreciation and Impairment losses					
At 1 January 2024	(789)	(4 254)	(6)	(579)	(5 628)
Depreciation	(193)	(1 857)	(1)	(131)	(2 182)
Disposal	202	1 196	-	-	1 398
Modification/Remeasurement	47	8	5	-	60
As at 31 December 2024	(733)	(4 907)	(2)	(710)	(6 351)
At 1 January 2025	(733)	(4 907)	(2)	(710)	(6 351)
Depreciation	(188)	(2 098)	(3)	(146)	(2 435)
Disposal	237	324	-	-	561
Modification/Remeasurement	(7)	(25)	-	-	(32)
As at 31 December 2025	(691)	(6 706)	(5)	(856)	(8 257)
At 1 January 2025	737	18 053	5	1 187	19 982
As at 31 December 2025	585	16 855	3	1 071	18 514

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

34. Commercial commitments

At 31 December 2025 the Company had commercial commitments amounting to R73 million (2024: R71 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

2025	Salaries	Post employment benefits	Other benefits _{1,2}	Bonuses	Share Gains ₃	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Executive directors paid by company and within group						
FJ Moolman	1 593	260	77	1 981	-	3 911
YZ Cuba	947	153	28	-	-	1 128
CS Molapisi	7 873	1 269	713	11 250	5 055	26 160
D Molefe	6 338	260	2 546	2 717	2 450	14 311
	<u>16 751</u>	<u>1 942</u>	<u>3 364</u>	<u>15 948</u>	<u>7 505</u>	<u>45 510</u>
Company						
SA Fakie			-			-
MJ Bosman			720			720
MJ Harper			3 818			3 818
SA Zinn			979			979
N Khan			1 421			1 421
J Boggenpoel			891			891
N Medupe			788			788
J Schulte-Bockum			696			696
R Ramashia			1 169			1 169
M Flemming			818			818
	<u>-</u>	<u>-</u>	<u>11 300</u>	<u>-</u>	<u>-</u>	<u>11 300</u>
Non-executive directors - Paid within group						
PD Norman	7 528	965	535	8 090	4 892	22 010
RT Mupita	19 023	894	1 488	29 537	18 434	69 376
TBL Molefe	10 348	1 559	830	17 112	8 760	38 609
	<u>36 899</u>	<u>3 418</u>	<u>2 853</u>	<u>54 739</u>	<u>32 086</u>	<u>129 995</u>

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Directors Emoluments (continued)

2024	Salaries	Post employment benefits	Other benefits ^{1,2}	Bonuses	Share Gains ³	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<u>Executive directors paid by company and within group</u>						
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
	15 409	1 312	1 296	12 519	16 553	47 089
Company						
SA Fokie			507			507
MJ Bosman			1 020			1 020
MJ Harper			3 166			3 166
SA Zinn			945			945
T Leoka ⁶			5			5
N Khan			1 288			1 288
J Boggenpoel			229			229
N Medupe			206			206
R Ramashia			1 120			1 120
	-	-	8 486	-	-	8 486
<u>Non-executive directors - Paid within group</u>						
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
J Schulte-Bockum ^{4,5}	3 089	319	16 181	4 026	27 250	50 865
	47 195	4 669	20 216	58 583	111 029	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.

⁶Resigned 23 January 2024

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Directors Emoluments (continued)

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.

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 2025	Awarded	Exercised	Forfeited	Number outstanding at 31 December 2025
R Mupita						
13/12/2021	12/12/2024	147 949	-	147 949	-	-
12/12/2022	12/12/2025	275 800	-	-	36 571	239 229
28/12/2023	28/12/2026	321 077	-	-	-	321 077
13/12/2024	13/12/2027	462 398	-	-	-	462 398
Total		1 207 224	-	147 949	36 571	1 022 704
PD Norman						
13/12/2021	12/12/2024	39 261	-	39 261	-	-
12/12/2022	12/12/2025	71 700	-	-	10 561	61 139
28/12/2023	28/12/2026	86 431	-	-	-	86 431
13/12/2024	13/12/2027	120 961	-	-	-	120 961
Total		318 353	-	39 261	10 561	268 531
CS Molapisi						
13/12/2021	12/12/2024	40 572	-	40 572	-	-
12/12/2022	12/12/2025	120 000	-	-	17 676	102 324
28/12/2023	28/12/2026	144 529	-	-	-	144 529
13/12/2024	13/12/2027	224 176	-	-	-	224 176
Total		529 277	-	40 572	17 676	471 029
FJ Moolman						
13/12/2021	12/12/2024	44 781	-	44 781	-	-
12/12/2022	12/12/2025	81 900	-	-	12 064	69 836
28/12/2023	28/12/2026	98 635	-	-	-	98 635
13/12/2024	13/12/2027	138 040	-	-	-	138 040
Total		363 356	-	44 781	12 064	306 511
YZ Cuba						
13/12/2021	12/12/2024	-	-	-	-	-
12/12/2022	12/12/2025	79 900	-	-	11 769	68 131
28/12/2023	28/12/2026	107 777	-	-	-	107 777
13/12/2024	13/12/2027	150 834	-	-	-	150 834
		338 511	-	-	11 769	326 742

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Directors Emoluments (continued)

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

Offer date	Vesting date	Number outstanding at 1 January 2025	Awarded	Exercised	Forfeited	Number outstanding at 31 December 2025
D Molefe						
13/12/2021	12/12/2024	19 665	-	19 665	-	-
12/12/2022	12/12/2025	42 100	-	-	6 201	35 899
28/12/2023	28/12/2026	51 174	-	-	-	51 174
13/12/2024	13/12/2027	73 811	-	-	-	73 811
Total		186 750	-	19 665	6 201	160 884
TBL Molefe						
13/12/2021	12/12/2024	70 311	-	70 311	-	-
12/12/2022	12/12/2025	128 600	-	-	18 943	109 657
28/12/2023	28/12/2026	171 738	-	-	-	171 738
13/12/2024	13/12/2027	240 347	-	-	-	240 347
Total		610 996	-	70 311	18 943	521 742
MMF Rantofi						
13/12/2021	12/12/2024	6 210	-	6 210	-	-
12/12/2022	12/12/2025	12 500	-	-	1 841	10 659
28/12/2023	28/12/2026	15 693	-	-	-	15 693
13/12/2024	13/12/2027	21 876	-	-	-	21 876
Total		56 279	-	6 210	1 841	48 228

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

Executive Directors	December 2025	December 2024	Beneficial Interest
FJ Moolman	62 756	62 756	Direct
YZ Cuba	N/A	737	Direct
CS Molapisi	N/A	52 600	Direct
	62 756	116 093	
Non-Executive Directors	December 2025	December 2024	Beneficial Interest
RT Mupita ¹	1 117 651	1 117 651	Direct
RT Mupita	680	680	Indirect
PD Norman	115 041	115 041	Direct
TBL Molefe	100 967	100 967	Direct
	1 334 339	1 334 339	

¹ Holds 402 268 (2024: 402 268) shares in an American depository

Direct and Indirect Directors', company secretary and prescribed officers not listed above have no share appreciation rights, MTN Group securities and/or shareholding and dealings in ordinary shares.

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

Non-Executive Directors	December 2025	December 2024	Beneficial Interest
RT Mupita	33 562	33 562	Indirect
	33 562	33 562	

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Facility A	2025	2024
<i>Refer to Note 23 for additional information</i>	R'm	R'm
Balance at the beginning of the year	11 295	11 652
Proceeds from borrowings raised	100	3 200
Repayment of borrowings	(2 066)	(3 589)
Other non cash movements	32	32
Balance at the end of the year	<u>9 361</u>	<u>11 295</u>

Facility B	2025	2024
<i>Refer to Note 23 for additional information</i>	R'm	R'm
Balance at the beginning of the year	15 800	15 550
Proceeds from borrowings raised	1 700	4 939
Repayment of borrowings	-	(4 689)
Balance at the end of the year	<u>17 500</u>	<u>15 800</u>

Facility C

The Company has not withdrawn funds from Facility C. Refer to Note 23 for additional details.

Loan from subsidiary – MTN Network Solutions Proprietary Limited	2025	2024
	R'm	R'm
Balance at the beginning of the year	9	9
Repayment of borrowings	(9)	-
Balance at the end of the year	<u>-</u>	<u>9</u>

Loan to subsidiary – Supersonic FTTX Proprietary Limited	2025	2024
	R'm	R'm
Balance at the beginning of the year	439	332
Loans reallocated during the year	202	110
Impairment loss recognised on loans receivables	(67)	(3)
Balance at the end of the year	<u>574</u>	<u>439</u>

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. For a complete list of all related parties refer to MTN Group Limited Annual Financial Statements.

	Name	Country	
Ultimate Holding Company	MTN Group Limited	South Africa	
	Holding Company	Mobile Telephone Networks Holdings Limited	South Africa
		Supersonic FTTX Proprietary Limited	South Africa
	Subsidiaries	Cell Place Proprietary Limited	South Africa
		Digifibre Proprietary Limited	South Africa
		Mobile Fintech Proprietary Limited	South Africa
		Attitudes Best Proprietary Limited	South Africa
		MTN SA Towerco Proprietary Limited	South Africa
		SA SME Fund	South Africa
		MTN SA Foundation NPC	South Africa
Number Portability Company Proprietary Limited		South Africa	
MTN International Proprietary Limited	South Africa		
Related Parties	MTN Group Fintech Proprietary Limited	South Africa	
	MTN International (Mauritius) Limited	Mauritius	
	MTN Dubai Limited	Dubai	
	MTN Service Provider Proprietary Limited	South Africa	
	MTN Congo SA	Congo	
	Scancom PLC	Ghana	
	iTalk Cellular Proprietary Limited	South Africa	
	MTN GlobalConnect Solutions Limited	Dubai	
	MTN South Sudan Company Limited	South Sudan	
	Mobile Botswana Limited	Botswana	
MTN Zambia Limited	Zambia		

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Related Parties (continued)	Name	Country
	Global Trading Company Limited	Dubai
	Simfy Africa Proprietary Limited	South Africa
	MTN Uganda Limited	Uganda
	MTN Business Solutions Proprietary Limited	South Africa
	MTN Group Management Services Proprietary	South Africa
	MTN Rwandacell PLC	Rwanda
	MTN Propco Proprietary Limited	South Africa
	MTN Eswatini Limited	Eswatini
	MTN Nigeria Communications PLC	Nigeria
	MTN Cameroon Limited	Cameroon
	Lonestar Communications Corporation LLC	Liberia
	MTN Côte d'Ivoire SA	Côte d'Ivoire SA
	Spacotel Benin SA	Benin
	Interserve Overseas Limited	Dubai
	GlobalConnect Kenya Solutions Limited	Kenya
	MTN Fintech Services Pty Limited	South Africa
	MTN Insurance Company Proprietary Limited	South Africa
	M-Tel Insurance Company	South Africa
	MTN Business Solutions Limited (Zambia)	Zambia
	MTN Network Solutions Proprietary Limited	South Africa
	MTN Business Solution (Botswana) Proprietary Limited	Botswana
	Spacotel Guinea Bissau SA	Guinea Bissau

Transactions with related parties for the year ended 31 December

Sales	2025	2024
	R'm	R'm
MTN Zambia Limited	*	*
Lonestar Communications Corporation LLC	*	*
MTN Group Management Services Proprietary Limited	-	29
MTN Business Solution (Botswana) Proprietary Limited	-	1
Supersonic FTTX Proprietary Limited	140	134
MTN Global Connect Solution Limited	196	180
MTN Mobile Fintech Proprietary Limited	83	63
	419	408

*Represents amount less than R1 million

Management Fees Received	2025	2024
	R'm	R'm
Mobile Fintech Proprietary Limited	21	28
MTN Propco Proprietary Limited	1	1
MTN Eswatini Limited	20	21
MTN Business Solution (Botswana) Proprietary Limited	-	*
	42	50

*Represents amount less than R1 million

Dividends Received	2025	2024
	R'm	R'm
MTN Service Provider - Cell 0072	-	358
	-	358

Interest Paid	2025	2024
	R'm	R'm
Mobile Telephone Network Holdings Limited	2 774	2 928
	2 774	2 928

Purchases	2025	2024
	R'm	R'm
MTN Global Connect Solution Limited	490	572
Aconcagua 11 Investments Proprietary Limited	34	33
MTN Insurance Company Proprietary Limited	194	553
Global Trading Company Limited	172	177
Supersonic FTTX Proprietary Limited	*	1
Mobile Fintech Proprietary Limited	26	8
	916	1 344

*Represents amount less than R1 million

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Transactions with related parties for the year ended 31 December (continued)

Management Fees Paid	2025	2024
	R'm	R'm
MTN Propco Proprietary Limited	90	74
MTN International Mauritius Limited	463	449
	553	523

Derivatives liabilities	2025	2024
	R'm	R'm
Mobile Telephone Networks Holdings Proprietary Limited	57	-

Derivative asset

Mobile Telephone Networks Holdings Proprietary Limited	-	20
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Transactions with related parties for the year ended 31 December (continued)

Dividends Paid	2025	2024
	R'm	R'm
Mobile Telephone Networks Holdings Proprietary Limited	1 000	1 000
	1 000	1 000

Balances at 31 December

Payables	2025	2024
	R'm	R'm
MTN Propco Proprietary Limited	227	212
MTN Cameroon Limited	11	6
MTN Group Management Services Proprietary Limited	212	223
MTN Group Limited	9	9
MTN Holdings Limited	1 905	1 933
MTN Nigeria Communications PLC	21	16
MTN Rwandacell S.A.R.L.	1	1
MTN Eswatini Limited	23	23
MTN Uganda Limited	8	8
MTN Cote d'Ivoire	35	29
MTN Zambia Limited	20	22
Mobile Botswana Limited	4	4
MTN Dubai Limited	10	10
Interverse Overseas Limited	134	56
Scancom PLC	15	17
MTN Business Solution Limited (Zambia)	2	2
Progressive Tech Holdings	*	-
MTN International (Mauritius) Limited	265	347
Global Trading Company	121	122
Supersonic FTX Proprietary Limited	-	19
MTN Global Connect Solutions Limited	246	620
MTN Mobile Fintech Proprietary Limited	19	9
MTN Fintech Services Proprietary Limited	4	2
Telecom Sourcing Services FZ-LLC	*	-
Simfy Africa Proprietary Limited	1	1
	3 293	3 693

*Represents amount less than R1 million

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

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

35. Related party transactions (continued)

Balances at 31 December (continued)

IRU asset	2025	2024
	R'm	R'm
Mobile Telephone Networks Global Connect Solutions Ltd ₁	<u>164</u>	<u>207</u>
	<u>164</u>	<u>207</u>

₁ Non-current portion of R88 million (2024: R129 million) and current portion of R76 million (2024: R77 million).

IRU liability	2025	2024
	R'm	R'm
Mobile Telephone Networks Global Connect Solutions Ltd ₁	<u>9</u>	<u>11</u>
	<u>9</u>	<u>11</u>

₁ Non-current portion of R7 million (2024: R9 million) and current portion of R2 million (2024: R2 million).

Receivables	2025	2024
	R'm	R'm
MTN Propco Proprietary Limited	18	17
MTN Cameroon Limited	5	*
Cell Place Proprietary Limited	14	14
Italk Proprietary Limited	4	4
MTN Group Management Services Proprietary Limited	234	201
MTN Nigeria Communications PLC	25	18
MTN Rwandacell PLC	*	*
MTN Eswatini Limited	22	40
MTN Uganda Limited	8	*
MTN Cote d'Ivoire	*	*
MTN Zambia Limited	8	8
MTN Congo S.A.	*	*
Mobile Botswana Limited	4	4
MTN Group Fintech - Holding Company	9	-
Spacotel Benin SA	*	*
Simfy Africa Proprietary Limited	*	-
MTN Dubai Limited	38	2
Lonestar Communications Corporations LLC	1	1
Scancom PLC	1	1
MTN Business Solution Proprietary Limited (South Africa)	10	35
MTN Business Solution Limited (Zambia)	2	2
MTN Business Solution Limited (Botswana)	-	-
MTN South Sudan	10	10
Supersonic FTX Proprietary Limited ₁	404	323
MTN Global Connect Solutions Limited	30	288
MTN Mobile Fintech Proprietary Limited	<u>1 001</u>	<u>384</u>
	<u>1 848</u>	<u>1 351</u>

*Represents amount less than R1 million

₁Supersonic was reclassified from current to non-current due revised settlement terms which are expected to be settled beyond twelve months after the reporting date.

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

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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 payments

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

Cash-settled share-based payments

The fair value of the amount payable to employees in respect of cash-settled share-based payments is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured to fair value at each reporting date and at settlement date. Any changes in the liability are recognised in profit or loss. The company is not directly exposed to commodity price risk or material equity securities price risk.

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

	2025	2024
	R'm	R'm
Expense arising from cash-settled share-based payment transactions	<u>881</u>	<u>192</u>
Total expense arising from share-based payment transactions	<u>881</u>	<u>192</u>

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

36. Share based payments (continued)

36.1 MTN PSP (continued)

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 in common currency. The TSR condition is applicable for all awards.

Cumulative operating free cash flow (OFCF)

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

Black economic empowerment

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

Compliance

The vesting conditions with regards to compliance to the Department of Trade, Industry and Competition (DTIC) and Independent Communications Authority of South Africa (ICASA) are based on reasonable efforts made to ensure compliance with the relevant targets and codes. The compliance conditions 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			
	2022 Grant		2023	
	Employee level	Employee level	Employee level	Employee level
	3 - 4	5 - 6	3 - 4	5 - 6
	%	%	%	%
Vesting conditions for shares granted				
Total shareholder return (TSR)	25.0	22.5 - 25.0	25.0	25.0
Cumulative operating free cashflow (OFCF)	25.0	22.5 - 25.0	25.0	25.0
Return on equity (ROE)	25.0	22.5 - 25.0	25.0	25.0
Environmental, Social and Governance (ESG)	25.0	22.5 - 25.0	25.0	25.0
Compliance	-	0.0 - 5.0	-	-
Black Economic Empowerment (BEE)	-	0.0 - 5.0	-	-

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

36. Share based payments (continued)

36.1 MTN PSP (continued)

	2024 Grant		2025 Grant	
	Employee level	Employee level	Employee level	Employee level
	3 - 4	5 - 6	3 - 4	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
Return on equity (ROE)	25.0	25.0	25.0	25.0
Environmental, Social and Governance (ESG) Compliance	25.0	25.0	25.0	25.0
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:

	2025	2024
Share price	169.50	91.99
Expected life	3 Years	3 Years
Risk-free rate	6.99%	8.26%
Expected volatility	34.13%	35.05%
Dividend yield	2.58%	3.76%

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.

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

2025

Offer date	Number outstanding at 1 January	Offered during the year	Exercised/Forfeited ₁ during the year	Number outstanding at 31 December
12/12/2022	3 053 942	-	(3 053 942)	-
12/08/2023	4 332 233	-	(514 625)	3 817 608
13/12/2024	6 565 134	-	(911 032)	5 654 102

2024

Offer date	Number outstanding at 1 January	Offered during the year	Exercised/Forfeited ₁ during the year	Number outstanding at 31 December
13/12/2021	2 093 393	-	(2 093 393)	-
12/12/2022	3 387 419	-	(333 477)	3 053 942
12/08/2023	4 958 797	-	(626 564)	4 332 233
13/12/2024	-	6 565 134	-	6 565 134

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

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

37. Financial risk management and financial instruments (continued)

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 arrangements 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
Fair Value Through Profit and Loss (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 Fair Value through Other Comprehensive Income (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 Fair Value through Other Comprehensive Income (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.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

Subsequent measurement: Financial assets

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

Measurement Category	Criteria
Financial Assets at Fair Value Through Profit and Loss (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.
Equity Investments at Fair Value through Other Comprehensive Income (FVOCI)	These financial assets are subsequently measured at fair value. Dividends are recognised in profit or loss when the right to receive payment is established. Other net gains and losses are recognised in OCI and never reclassified to profit or loss.
Debt Investments at Fair Value through Other Comprehensive Income (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.

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

37.1 Categories of financial instruments

	Assets			Liabilities			Total carrying amount	Fair Value
	Amortised cost	Designated at fair value through OCI	Designated at fair value through profit or loss	Amortised cost	Fair value through profit and loss	Other		
	R'm	R'm	R'm	R'm	R'm	R'm		
2025								
<i>Non-current financial assets</i>								
Loans and other non-current	574	-	-	-	-	-	574	574
Investments	-	75	-	-	-	-	75	75
	574	75	-	-	-	-	649	649
<i>Current financial assets</i>								
Trade and other receivables	14 190	-	-	-	-	-	14 190	14 190
Current investments	-	-	80	-	-	-	80	80
Cash and cash equivalents	736	-	-	-	-	-	736	736
	14 926	-	80	-	-	-	15 006	15 006
<i>Non-current financial liabilities</i>								
Borrowings	-	-	-	26 861	-	-	26 861	26 861
Lease liabilities	-	-	-	21 226	-	-	21 226	21 226
	-	-	-	48 087	-	-	48 087	48 087
<i>Current financial liabilities</i>								
Trade and other payables	-	-	-	16 816	-	-	16 816	16 816
Lease liabilities	-	-	-	2 194	-	-	2 194	2 194
Derivative Liabilities	-	-	-	-	57	-	-	-
	-	-	-	19 010	57	-	19 010	19 010

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.1 Categories of financial instruments (continued)

	Assets			Liabilities			Total carrying amount	Fair Value
	Amortised cost	Designated at fair value through OCI	Designated at fair value through profit or loss	Amortised cost	Fair value through profit and loss	Other		
	R'm	R'm	R'm	R'm	R'm	R'm	R'm	R'm
2024								
<i>Non-current financial assets</i>								
Loans and other non-current Investments	439	-	-	-	-	-	439	439
	-	75	-	-	-	-	75	75
	439	75	-	-	-	-	514	514
<i>Current financial assets</i>								
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
<i>Non-current financial liabilities</i>								
Borrowings	-	-	-	27 095	-	-	27 095	27 095
Lease liabilities	-	-	-	22 130	-	-	22 130	22 130
	-	-	-	49 225	-	-	49 225	49 225
<i>Current financial liabilities</i>								
Trade and other payables	-	-	-	17 536	-	-	17 536	17 536
Lease liabilities	-	-	-	2 283	-	-	2 283	2 283
Borrowings	-	-	-	9	-	-	9	9
Bank overdraft	-	-	-	143	-	-	143	143
	-	-	-	19 970	-	-	19 970	19 970

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

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	Level 2	Level 3	Total
	R'm	R'm	R'm	R'm
2025				
Financial assets				
Derivative assets	-	-	-	-
At fair value through OCI	-	-	75	75
Fair value through profit or loss	80	-	-	80
Total Assets	80	-	75	155
Financial liabilities				
Derivative liabilities	-	(57)	-	(57)
Total Liabilities	-	(57)	-	(57)
2024				
Financial assets				
Derivative Liabilities	-	20	-	20
At fair value through OCI	-	-	75	75
Fair value through profit or loss	59	-	-	59
Total Assets	59	20	75	154

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.2 Fair value estimation (continued)

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 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 2025 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 R'm
Balance at 1 January 2024	75
Fair value adjustments recognised	-
Balance at 31 December 2024	<u>75</u>
Balance at 1 January 2025	75
Fair value adjustments recognised	-
Balance at 31 December 2025	<u>75</u>

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:

	2025 R'm	2024 R'm
Current investments	80	59
Loans and other non-current receivables	574	439
Cash at bank and on hand; net of overdrafts	736	(34)
Contract assets	5 128	5 799
Derivative asset	-	20
Trade and other receivables	14 190	12 421
	<u>20 708</u>	<u>18 704</u>

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.3 Credit Risk (continued)

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, R5.07 billion (2024: R4.97 billion) has been insured by Credit Guarantee Insurance Corporation and R537 million (2024: R755 million) has been insured with Guard Risk. The company's aggregate retention is limited to R55 million (2024: R70 million). The Company's maximum exposure after credit insurance is applied is R0.5 billion (2024: R0.5 billion).

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

	2025 Gross R'm	2025 Impairment R'm	2025 Net R'm	2024 Gross R'm	2024 Impairment R'm	2024 Net R'm
Fully performing trade and other receivables	7 267	(33)	7 234	6 958	-	6 958
Interconnect receivables	187	(1)	186	223	-	223
Contract receivables	1 196	(1)	1 195	969	-	969
Retails receivables	4 227	(26)	4 201	3 491	-	3 491
EBU receivables	573	-	573	586	-	586
Sundry debtors	116	-	116	968	-	968
Other receivables	968	(5)	963	720	-	720
Past due trade and other receivables	7 321	(440)	6 881	5 785	(268)	5 517
Interconnect receivables	24	(2)	22	225	-	225
0 to 3 months	30	-	30	28	-	28
3 months and above past due	(6)	(2)	(8)	198	-	198
Contract receivables	2 719	(273)	2 446	1 844	148	1 992
0 to 3 months	902	(15)	887	1 006	-	1 006
3 months and above past due	1 817	(258)	1 559	838	148	986
Retail receivables	418	(105)	313	555	-	555
0 to 3 months	72	-	72	97	-	97
3 months and above past due	346	(105)	241	458	-	458
EBU receivables	848	(10)	838	561	(296)	265
0 to 3 months	409	(1)	408	215	-	215
3 months and above past due	439	(9)	430	346	(296)	50
Intercompany receivables	1 847	(2)	1 845	1 347	1	1 348
0 to 3 months	1 847	(2)	1 845	1 347	1	1 348
Other receivables	1 465	(48)	1 417	1 253	(121)	1 132
0 to 3 months	494	(13)	481	601	(21)	580
3 months and above past due	971	(35)	936	651	(100)	551
Total	14 588	(473)	14 115	12 743	(268)	12 475

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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 table below reconciles the ECL for current trade and other receivables and contract assets from the opening to closing balance.

	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm
	Trade receivables	Trade receivables	Interconnect receivables	Interconnect receivables	Other receivables	Other receivables	Intercompany receivables	Intercompany receivables
Reconciliation of allowance for credit losses								
At the beginning of the year	(269)	(295)	-	(37)	-	(14)	-	(1)
Additions	(1 300)	(1 100)	(3)	-	-	-	(2)	-
Reversals	1 102	1 126	-	-	-	-	-	-
Utilised	-	-	-	37	-	14	-	1
At the end of the year	(467)	(269)	(3)	-	-	-	(2)	-

	2025 R'm	2024 R'm	2025 R'm	2024 R'm	2025 R'm	2024 R'm
	Contract assets - Non current	Contract assets - Non current	Contract assets - Current	Contract assets - Current	Loan receivable - Non current	Loan receivable - Non current
Reconciliation of allowance for credit losses						
At the beginning of the year	-	(82)	-	(65)	(243)	(240)
Additions	(65)	-	(98)	-	(67)	(3)
Reversals	-	-	-	-	-	-
Utilised	-	82	-	65	-	-
At the end of the year	(65)	-	(98)	-	(310)	(243)

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 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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.4 Expected credit losses (continued)

Expected credit losses

The loss allowance as at 31 December 2025 for trade receivables to which the provision matrix is applied is determined as follows:

	2025	2025	2025	2024	2024	2024
	Gross carrying amount	Impairment	Average ECL/ Impairment ratio	Gross	Impairment	Average ECL/ Impairment ratio
Interconnect receivables						
Fully performing	187	(1)	-0.53%	223	-	0.00%
Up to 90 days past due	30	-	0.00%	28	-	0.00%
90 days and above past due	(6)	(2)	33.33%	198	-	0.00%
	<u>211</u>	<u>(3)</u>	<u>-1.42%</u>	<u>449</u>	<u>-</u>	<u>0.00%</u>
Retail receivables						
Fully performing	4 227	(26)	-0.62%	3 491	-	0.00%
Up to 90 days past due	72	-	0.00%	97	-	0.00%
90 days and above past due	346	(105)	-30.35%	458	-	0.00%
	<u>4 645</u>	<u>(131)</u>	<u>-2.82%</u>	<u>4 046</u>	<u>-</u>	<u>0.00%</u>
EBU receivables						
Fully performing	573	-	0.00%	586	-	0.00%
Up to 90 days past due	409	(1)	-0.24%	215	-	0.00%
90 days and above past due	439	(9)	-2.05%	346	(148)	-42.77%
	<u>1 421</u>	<u>(10)</u>	<u>-0.70%</u>	<u>1 147</u>	<u>(148)</u>	<u>-12.90%</u>
Intercompany receivables - current						
Up to 90 days past due	1 847	(2)	-0.11%	1 347	1	0.07%
	<u>1 847</u>	<u>(2)</u>	<u>-0.11%</u>	<u>1 347</u>	<u>1</u>	<u>0.07%</u>
Other receivables						
Fully performing	968	(5)	-0.52%	720	-	0.00%
Up to 90 days past due	494	(13)	-2.63%	601	(10)	-1.66%
90 days and above past due	971	(35)	-3.60%	651	(111)	-17.05%
	<u>2 433</u>	<u>(53)</u>	<u>-2.18%</u>	<u>1 973</u>	<u>(121)</u>	<u>-6.13%</u>
Sundry debtors						
Fully performing	116	-	0.00%	988	-	0.00%
	<u>116</u>	<u>-</u>	<u>0.00%</u>	<u>988</u>	<u>-</u>	<u>0.00%</u>

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

	2025
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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.4 Expected credit losses (continued)

The loss allowance as at 31 December 2025 for trade receivables to which the simplified parameter-based approach is applied is determined as follows:

	2025	2025	2025	2024	2024	2024
	Gross carrying amount	Impairment	Average ECL/ Impairment ratio	Gross	Impairment	Average ECL/ Impairment ratio
Contract receivables						
Fully performing	1 196	(1)	-0.08%	915	-	0.00%
Up to 90 days past due	902	(15)	-1.66%	1 006	-	0.00%
90 days and above past due	1 817	(258)	-14.20%	838	(148)	-17.66%
	3 915	(274)	-7.00%	2 758	(148)	0.00%

37.5 Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet 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:

	2025	2024
	R'm	R'm
Trade and other receivables	14 190	12 421
Derivative asset	-	20
Current investments	80	59
Cash and cash equivalents, net of overdrafts	736	(35)
	15 006	12 465

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

2025	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years
	R'm	R'm	R'm	R'm	R'm	R'm
Borrowings	77	155	696	928	28 348	-
Lease liabilities	876	647	2 876	4 138	12 046	14 510
Trade and other payables	16 816	-	-	-	-	-
	17 769	802	3 572	5 066	40 394	14 510

2024	Payable within one month or on demand	More than one month but not exceeding three months	More than three months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding five years	More than five years
	R'm	R'm	R'm	R'm	R'm	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	-

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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.

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.

	2025			2024		
	Fixed rate instruments	Variable rate instruments	No interest instruments	Fixed rate instruments	Variable rate instruments	No interest instruments
	R'm	R'm	R'm	R'm	R'm	R'm
Non-current financial assets	-	-	649	-	-	514
Investments	-	-	75	-	-	75
Loans and other non-current receivables	-	-	574	-	-	439
Current financial assets	-	736	14 270	-	108	12 500
Trade and other receivables	-	-	14 190	-	-	12 421
Trade and other receivables - derivative asset	-	-	-	-	-	20
Current investments	-	-	80	-	-	59
Cash and cash equivalents	-	736	-	-	108	-
	-	736	14 919	-	108	13 014
Non-current financial liabilities	9 631	38 726	-	11 346	37 930	(51)
Borrowings	9 631	17 500	-	11 346	15 800	(51)
Lease liabilities	-	21 226	-	-	22 130	-
Current financial liabilities	-	2 194	16 816	144	2 283	17 545
Trade and other payables	-	-	13 526	-	-	13 858
Non-current assets held for sale	-	-	-	-	-	-
Lease liabilities	-	2 194	-	-	2 283	-
Intercompany payables	-	-	3 290	-	-	3 678
Borrowings	-	-	-	-	-	9
Bank overdraft	-	-	-	144	-	-
	9 631	40 920	16 816	11 490	40 213	17 494

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.7 Interest rate risk (continued)

Interest rate benchmark reform

South Africa is undertaking interest rate benchmark reform in which the Johannesburg Interbank Average Rate (JIBAR) is expected to transition to the South African Rand Overnight Index Average (ZARONIA), a transaction based overnight benchmark published by the South African Reserve Bank.

The Company has financial liabilities with contractual cash flows that reference JIBAR, including shareholder loan facilities.

Nature and extent of risk arising from the benchmark reform

The reform gives rise to risks including (i) uncertainty over the timing and basis of contractual cash flows during the transition period, (ii) potential changes to interest expense due to the replacement benchmark and associated spread adjustments, and (iii) operational risk in implementing changes to systems, processes and controls used to calculate and record interest.

Progress in completion

The company's existing borrowings will continue to reference JIBAR until amended or renegotiated. The company has not yet applied any fall back mechanisms, as a result interest expense, carrying amounts, for the current period remain unchanged.

Financial Instruments yet to transition

	2025 R'm	2024 R'm
Borrowings with shareholders	17 500	15 800

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.

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 2025.

	2025			2024		
	(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	(350)	350	2	(316)	316
Prime	2	(641)	641	2	(1)	1

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

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:

	2025 R'm	2024 R'm
Assets		
Current assets	119	503
Euro	6	35
US Dollar	113	468
Liabilities		
Current Liabilities	1 137	1 757
Botswana Pula	4	2
Euro	649	575
US Dollar	484	1 180

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 2024.

	2025			2024		
	(Decrease)/Increase in profit before tax			(Decrease)/Increase in profit before tax		
	Change in exchange rate	Weakening in functional currency	Strengthening in functional currency	Change in exchange rate	Weakening in functional currency	Strengthening in functional currency
	%	R'm	R'm	%	R'm	R'm
Botswana Pula	2	-	-	2	-	-
Euro	10	(64)	64	10	(54)	54
US Dollar	10	(37)	37	10	(71)	71

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.

Mobile Telephone Networks Proprietary Limited

Notes to the annual financial statements

For the year ended 31 December 2025

37. Financial risk management and financial instruments (continued)

37.11 Financial guaranteed 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.

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		Drawdown Balance	
	2025	2024	2025	2024
	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	21 795	20 050
USD senior unsecured notes	8 281	9 451	12 835	9 580
Syndicated and other loan facilities				
USD revolving credit facility	12 835	14 650	-	1 908
ZAR long term loan	32 750	31 750	23 105	23 252

The Maximum exposure to credit risk in relation to the financial guarantee contracts issued amounts to R52 926 million (2024: R54 790 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.