

MTN Group Limited
(Incorporated in the Republic of South Africa)
Registration number 1994/009584/06
Share code: MTN
ISIN: ZAE000042164
("MTN Group")

SUMMARY OF MTN GHANA UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020

Shareholders of MTN Group are advised that Scancom PLC (MTN Ghana), has today announced its unaudited results for the quarter ended 31 March 2020 on the Ghana Stock Exchange (GSE) as follows:

Salient features

- Subscribers (QoQ)
 - Subscribers increased by 6.2% to 23.9 million (+4.5% to 20.7 million*).
 - Data subscribers increased by 5.4% to 21.2 million (active data subscribers up by 6.1% to 8.6 million#).
 - Registered Mobile Money (MoMo) subscribers increased by 6.9% to 15.5 million (active MoMo subscribers up by 2.1% to 9.3 million*).
- Service revenue up by 20.4% to GH¢1,427 million.
- EBITDA up by 34.5% to GH¢768 million.
- EBITDA margin up by 5.5 percentage points (pp) to 53.4%.
- Capex for the period was GH¢605.2 million[^] (GH¢597.2 million under IAS 17).
- Outlook: Market conditions are expected to be more challenging for the remainder of the financial year as the extent and economic impact of the Covid-19 pandemic are uncertain. As such, we are leaning toward a more measured outlook in the near-term.

** Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company. Out of bracket numbers conform to the respective regulator subscriber definition.*

Active data subscribers as per MTN Group definition are data subscribers who have used more than 5MB in a month.

[^] Capex under IFRS 16 is made up of core capex spend of GH¢215.1m, intangibles of GH¢382.1m and right of use (RoU) assets of GH¢8.0m for the period.

MTN Ghana delivered a strong performance for the period, despite macro-economic challenges arising in Ghana in the last month of the quarter from the global outbreak of the COVID-19 pandemic. Service revenue increased by 20.4%, underpinned by double-digit growth in voice, data and Mobile Money revenue.

Voice growth was resilient (up 16.6%), driven by an increase in the number of active subscribers* (+4.5%) as well as various customer value management (CVM) initiatives, which helped to manage churn and support usage. The contribution of voice to total service revenue decreased from 47.1% to 45.6%, as other lines of revenue continued to grow faster than the traditional business in line with our revenue diversification strategy.

The double-digit increase in data revenue (up 19.4%) was attributable to growth in active data users# (+6.1%) and growth in the number of smartphones on the network (+2.1%). Data revenue's contribution to service revenue decreased marginally from 26.7% to 26.5%.

Mobile Money revenue grew strongly (up 30.4%) and benefited from an increase in the number of active subscribers* (+2.1%), higher transactional activity of person-to-person (P2P) and growth in more advanced services such as retail merchant payments and international remittances. Mobile Money revenue's contribution to service revenue increased from 17.9% to 19.4%.

Earnings before interest, tax, depreciation and amortisation (EBITDA) grew by 34.5% with an EBITDA margin expansion of 5.5 percentage points (pp) to 53.4%. This margin improvement was a result of our cost efficiency initiatives underpinned by continued distribution efficiencies.

Our strong growth in revenue coupled with our cash management initiatives resulted in a strong growth (+62.1%) in profit after tax and improved our cash generation from our operation by 12.5%.

We invested GH¢215.1 million in core capex^ as we continued to improve our network.

In line with existing banking covenants, there was no breach to any of the financial covenants and we continue to maintain a strong balance sheet.

In Q1 2020, a series of restrictions on people's movements and business operations were implemented through executive directives by the President of the Republic of Ghana to mitigate the impact of the COVID-19 pandemic. This resulted in some disruptions in demand and supply chains and consequently led to dampening of the levels of economic activity in the country. The impact of the pandemic on the global economy, coupled with the sharp fall in oil prices, is likely to significantly slowdown GDP growth in Ghana.

The government – through the Bank of Ghana (BoG) – announced certain regulatory measures to help with the fight against the pandemic. These include the zero-rating of all Mobile Money peer-to-peer (P2P) transfers up to GH¢100 daily for a period of 90 days and simplified registration for merchant and person-to-person (P2P) wallets and purchases from e-commerce and other platforms. The government also increased the daily transaction limits and balances for the various wallet types to promote customer safety through non-cash transactions. The BoG also extended the deadline to meet the minimum capital requirements for Payment Service Providers and Electronic Money Issuers, from the original date of 30 June 2020 to 31 December 2020.

In support of government's efforts in the fight against COVID-19, MTN Ghana – through the MTN Ghana Foundation – donated GH¢5 million for the procurement of medical supplies. These include personal protective equipment (PPE) and other essentials to support frontline medical staff. We also increased our focus on four key areas: our people, our customers, our network and our efficiency.

For our people, the immediate priority is their health and safety. Our work-from-home programme enables our staff to work remotely while ensuring the continuity in our operations. Our daily health monitor survey allows us to ascertain the wellbeing of our staff and their families. We have also launched a Ghana Staff Care Emergency Fund in support of MTN Ghana's extended workforce who

may be affected by the pandemic. We have also positioned alcohol-based hand sanitizers across our offices, branches and experience centres for use by customers and employees to augment the deployment and use of temperature guns, PPEs and the practising of social distancing.

For our customers, we have ramped up our digital channels as a service alternative, to ensure that they are able to continue purchasing airtime and accessing our products and services seamlessly. Through zero-rating, MTN Ghana has also offered free access to over 100 educational online sites to support students' and teachers' remote learning and research activities during this period. So far, this supports more than 250,000 customers, consuming over 3.5TB of free data per day for educational purposes. MTN Ghana has also provided GH¢10,000 worth of free data to all university students on our MTN Bright Scholarship scheme.

MTN Ghana is collaborating with the National Information Technology Authority (NITA) to offer free access to Government of Ghana's Smart Workplace Portal to enable government workers work from home. In addition, MTN Ghana has already offered free access through the zero-rating of several government websites that are providing health and other COVID-19 related information such as the Ghana Health Service website and others. MTN has also provisioned short codes to facilitate information flow on COVID-19 for the Ministry of Information to be used for social media services. To augment efforts in spreading information, MTN Ghana is also assisting with the circulation of safety tips received from the Ghana Health Service and promotion of the national emergency hotline to our customers.

MTN Ghana has also brought to bear its leadership in the technology space by supporting the infection monitoring and contact tracing team in line with the requisite legal procedures. To support this further, MTN Ghana has initiated the provision of 800 sim cards with 8TB of data to National Security and 10 Turbonet devices with 2.25TB of data to the National COVID-19 Response Team for use by contact tracers.

During the period leading to the imposition and lifting of the lockdown, MTN Ghana experienced increased traffic on its network as students, government agencies, businesses and individuals adopted social distancing measures such as working from home, increased use of eLearning platforms and more social media engagements. We have put in place measures to ensure that our network remains resilient and supports round-the-clock connectivity during this period and beyond.

We had started the year with a strong Q1 performance and optimism about the financial year 2020. However, given the uncertainty associated with the likely duration and related economic impact of the COVID-19 pandemic calls for a more measured outlook in the near-term. The potential areas of impact and focus include employee safety; supply chain delays and availability; management of credit and liquidity; currency risk; counterparty risk; and the potential revenue impact from reduced consumer spend.

Voice and Mobile Money revenue have experienced an immediate impact from the current macro disruptions and Government interventions to manage the COVID-19 situation, based on early trends. The decline in voice traffic and Mobile Money transactional activity is largely due to a slowdown in economic activity and a reduction in consumer discretionary spend.

Although we have witnessed growth in data revenue, due to shifts in behaviour to work-from-home and school-from-home schemes, this does not fully offset the slowdown in voice and Mobile Money revenue.

While we continue to monitor and analyse the current situation and explore various scenarios in a bid to mitigate its impact on our business, we remain cautious of the uncertainties and heightened risks associated with the COVID-19 impact and acknowledge that the remainder of the financial year will be shaped by the impact of these developments on the Ghanaian economy and consequently, on our business.

In line with our transition journey from a traditional mobile telecommunications operator to an emerging digital operator, MTN Ghana has declared 2020 as the 'Year of the customer: the digital experience' with a focus on digitalisation as a tool to enhance customer experience as well as create value for our shareholders.

Notice is hereby given that a gross interim dividend of **GH¢ 0.03** per share for the period to 31 March 2020 has been declared. This is subject to deduction of appropriate taxes. The number of ordinary shares in issue at the date of this declaration is 12,290,474,360.

Scancom PLC's tax reference number is **C0003632776**. In compliance with the requirements of GSE rules, the salient dates relating to the payment of the dividend are as follows:

Ex-Dividend Date	Wednesday, 13 May 2020
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Qualifying Date	Friday, 15 May 2020
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Dividend Payment Date	Friday, 29 May 2020
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All shareholders registered in the books of Scancom PLC at close of business on Friday, 15 May 2020 qualify for the interim dividend.

In view of the foregoing, the ex-dividend date has been set as Wednesday, 13 May 2020. Consequently, an investor purchasing MTNGH shares before this date will be entitled to the interim dividend. However, an investor buying MTNGH shares on or after Wednesday, 13 May 2020 will not be entitled to the interim dividend.

On Friday, 29 May 2020 the dividend will be transferred electronically to the bank accounts or mobile money wallets of shareholders who make use of these facilities.

This announcement is only a summary of the information in the full announcement and does not contain full or complete details. Please visit <https://mtn.com.gh/financial-reports/> for the unaudited results for the three months ended 31 March 2020.

For and on behalf of the MTN Group board

Group Secretary

Fairland

29 April 2020

Lead Sponsor

Tamela Holdings Proprietary Limited

Joint Sponsor

J.P. Morgan Equities South Africa Proprietary Limited