

MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

(MTN or the Group)

## Trading statement for the year ended 31 December 2020

MTN is currently in the process of finalising its results for the year ended 31 December 2020 and provides this trading statement in accordance with paragraph 3.4 (b) (i) of the JSE Limited Listings Requirements (JSE Listings Requirements). The JSE Listings Requirements specify that issuers must publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from the financial results for the previous corresponding period.

Accordingly, shareholders are advised that MTN expects to report:

- An increase in earnings per share (EPS) of between 75% and 95% (or 380 cents to 481 cents). Considering the EPS of 506 cents for the corresponding financial year ended 31 December 2019, this translates into a range of 886 cents to 987 cents for the financial year ended 31 December 2020.
- EPS includes impairment losses totalling approximately 155 cents that relate mainly to MTN Syria, MTN Yemen, MTN Guinea Bissau, MTN Liberia and BICS. EPS also includes the benefit from gains amounting to approximately 341 cents on the disposal of the ATC Uganda and ATC Ghana tower joint ventures as announced in March 2020.
- Headline earnings per share (HEPS) growth is expected to be between 50% and 70% (or 234 cents to 328 cents). Considering the HEPS of 468 cents for the corresponding financial year ended 31 December 2019, this translates into a range of 702 cents to 796 cents for the financial year ended 31 December 2020.
- HEPS were negatively impacted by non-operational items for the year ended 31 December 2020 totalling approximately 118 cents per share (2019: 111 cents), most of which related to foreign exchange losses.

The anticipated changes in EPS and HEPS for the year ended 31 December 2020, are illustrated in the table below:

	31 December 2019 (R'cents)	31 December 2020 expected range (R'cents)	Expected increase (%)	Expected increase (R'cents)
EPS	506	886 - 987	75% - 95%	380 - 481
HEPS	468	702 - 796	50% - 70%	234 - 328

Shareholders are reminded that the Group implemented a voluntary accounting policy change relating to the treatment of foreign currency translation reserves (FCTR). IAS 21 requires that, on the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation recognised in equity on the balance sheet over time, shall be reclassified from equity to

profit or loss as a reclassification adjustment when the gain or loss on disposal is recognised. In this regard, the Group has changed its accounting policy on the calculation of this reclassification of FCTR from the step-by-step method to the direct method, which provides a more reliable and relevant view of the gain or loss realised in the context of the Group's functional currency.

This change in accounting policy impacted the FCTR gain reclassified to profit in the current period on the disposal of the Group's investments in the ATC Uganda and ATC Ghana tower joint ventures. The impact of the change in policy on EPS is an increase of approximately 47 cents (2019: 7 cents, resulting in a restatement of the 2019 EPS). The change in accounting policy had no impact on HEPS in the current or prior comparative period.

The financial information on which this trading statement is based has not been reviewed and reported on by the external auditors of MTN. The Group's financial results are expected to be announced on the Stock Exchange News Service of the JSE Limited (SENS) on or about Wednesday, 10 March 2021.

Fairland  
5 February 2021

Lead sponsor

J.P. Morgan Equities South Africa Proprietary Limited

Joint sponsor

Tamela Holdings Proprietary Limited