

MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

(MTN or Group or the Company)

## Trading statement for the six-month period ended 30 June 2021

MTN is currently in the process of finalising its results for the six-month period ended 30 June 2021 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:

- A decrease in earnings per share (EPS) of between 75% and 85% (or 506 cents to 573 cents). Considering the EPS of 674 cents for the corresponding six-month period ended 30 June 2020, this translates into a range of 101 cents to 169 cents for the six-month period ended 30 June 2021.
- EPS includes impairment losses totalling approximately 75 cents (2020: 99 cents) that relate mainly to MTN Yemen, largely non-cash losses from the deconsolidation of subsidiary MTN Syria of approximately 262 cents (2020: 0 cents) and a gain on the fair value uplift on consolidation of the Group's equity accounted investment in aYo of 96 cents (2020: 341 cents gain from disposal of ATC Uganda and ATC Ghana tower joint ventures).
- A decrease in headline earnings per share (HEPS) of between 5% and 15% (or 22 cents to 65 cents). Considering the HEPS of 430 cents for the corresponding six-month period ended 30 June 2020, this translates into a range of 366 cents to 409 cents for the six-month period ended 30 June 2021.
- HEPS were negatively impacted by a number of non-operational and once-off items totalling approximately 118 cents per share (2020: positive impact on HEPS of 46 cents) for the six-month period ended 30 June 2021. These include items (93 cents) largely relating to foreign exchange losses, and noteworthy donations related to COVID-19 support for the Africa Centre for Disease Control and Prevention (CDC) and the Coalition Against COVID (CACOVID) task force in Nigeria (25 cents).

The anticipated changes in EPS and HEPS for the six-month period ended 30 June 2021 compared to 30 June 2020, are illustrated in the table below:

	30 June 2020 (R'cents)	31 June 2021 expected range (R'cents)	Expected decrease (%)	Expected decrease (R'cents)
EPS	674	101 - 169	75% - 85%	506 - 573
HEPS	430	366 - 409	5% - 15%	22 - 65

### **Update on cash upstreaming**

MTN has made meaningful progress in strengthening its financial position, maintaining a healthy liquidity position and faster de-leveraging of the holding company (Holdco) balance sheet. This has been supported by upstreaming of approximately R9.3 billion in cash from its operating companies (Opcos), including R4.0 billion from MTN Nigeria, in the six months to 30 June 2021. Post the period end, MTN has received a further R0.7 billion in cash from Nigeria to date.

### **Update on MTN Afghanistan anti-terrorism complaint**

On 5 February 2021, the Group and two of its subsidiaries, MTN Dubai and MTN Afghanistan (collectively: MTN Defendants), filed a reply in support of its September 2020 request that the United States (US) court dismiss MTN Defendants from a civil case filed against it in 2019, which had asserted claims for civil monetary relief under the US Anti-Terrorism Act. MTN Defendants had requested that the court dismiss the complaint for two independent reasons: firstly, the court lacks jurisdiction over MTN Defendants, which does not operate in the US, and secondly, the complaint does not allege any conduct by MTN Defendants that violated the Anti-Terrorism Act.

MTN is pleased to report that on Friday evening, 30 July 2021, the magistrate judge to whom the case had been referred made a recommendation to the district judge presiding over the case to grant the motion to dismiss for all defendants in the case, including as submitted by MTN Defendants. The magistrate judge further concluded that the court did not have jurisdiction over MTN Defendants. Under the US court's procedures, the plaintiffs are permitted to file objections to the report with the district judge, and MTN Defendants will have an opportunity to respond.

MTN is in the process of studying the full report with its legal counsel, however, the Company is pleased with this positive development supporting MTN's strong defence and arguments with regards to its motion to dismiss. MTN conducts its business in a responsible and compliant manner in all its territories and will continue to defend its position where necessary.

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 on or about Thursday, 12 August 2021.

Fairland

2 August 2021

Lead sponsor

JP Morgan Equities South Africa Proprietary Limited

Joint sponsor

Tamela Holdings Proprietary Limited