

MTN Group Limited

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

Summary audited Group financial statements for the year ended 31 December 2021, dividend declaration and change in directors

MTN is a pan-African mobile operator with the strategic intent of **‘Leading digital solutions for Africa’s progress’**. We have 273 million customers in 19 markets and are inspired by our belief that everyone deserves the benefits of a modern connected life.

Highlights

- Group service revenue grew by 1.0% (18.3%*)
 - Group data revenue up by 16.0% (36.5%*)
 - Group fintech revenue up by 17.4% (30.9%*)
- EBITDA (before once-off items) grew by 5.3% (23.7%*)
- EBITDA margin (before once-off items) up 1.7 percentage points (pp) to 44.5% (up 2.2pp* to 44.5%*)
- Reported headline earnings per share (HEPS) at 987 cps, up 31.8%; non-operational impacts decreased HEPS by 123 cps
- Holding company (Holdco) net debt down to R30.1 billion (from R43.3 billion); leverage improved to 1.0x from 2.2x in December 2020
- Return on equity (ROE) improved by 2.6pp to 19.6%
- Capex of R39.4 billion (R32.7 billion under IAS 17, with capex intensity of 18.0%)
- Subscribers increased by 2.9 million to 272.4 million, impacted by new SIM registration regulations in Nigeria (excluding Nigeria, subscribers were up 11.0 million)
- Active Mobile Money (MoMo) customers increased by 22.6% year-on-year (YoY) to 56.8 million
- MoMo value of transactions up 56.8% YoY to US\$239.4 billion
- Final dividend declared of 300 cps (2020: 0 cps)

** Constant currency information after accounting for the impact of the pro forma adjustments as defined and included throughout this Stock Exchange News Service of the JSE Limited (SENS) announcement.*

Any forward-looking financial information disclosed in this results announcement, including the dividend guidance, is the directors’ responsibility and has not been reviewed or audited or otherwise reported on by our external joint auditors.

Certain information presented in these this announcement pro forma financial information and constant currency financial information. The responsibility for preparing and presenting the pro forma financial information and constant currency financial information and for the completeness and accuracy of the pro forma financial information and constant currency financial information is that of the directors of the Company. This is presented for illustrative purposes only. Because of its

nature, the pro forma financial information and constant currency financial information may not fairly present MTN's financial position, changes in equity, and results of operations or cash flows. The pro forma financial information and selected constant currency financial information contained in this announcement has been extracted from the Annual Financial Results for the year ended 31 December 2021 on which the Group's joint auditor has issued reporting accountant's reports thereon and their unmodified reporting accountants reports prepared in terms of ISAE 3420 are available for inspection at the Company's registered office on weekdays from 09:00 to 16:00.

The reporting accountant's report should be read in conjunction with the Annual financial results for the year ended 31 December 2021 for a fuller understanding.

The pro forma financial information presented in the annual financial results for the year ended 31 December 2021 has been prepared excluding the impact of hyperinflation, impairments of goodwill, property, plant and equipment, intangible assets and joint ventures, fair value gain on acquisition of subsidiary, impairment loss on remeasurement of non-current assets held for sale, loss on deconsolidation of subsidiary and profit on disposal of associates and subsidiaries, arbitration settlement, adjustment for the net forex (gains)/losses, net profit on disposal of PPE and intangibles and COVID-19 donations (collectively the "Pro forma adjustments") and constitutes pro forma financial information to the extent that it is not extracted from the segment disclosure included in the audited consolidated annual financial statements for the year ended 31 December 2021. This pro forma financial information has been presented to eliminate the impact of the pro forma adjustments from the annual financial results for the year ended 31 December 2021 to achieve a comparable year-on-year (YoY) analysis. The constant currency percentage changes only included the first 2 months of MTN Syria's results and the first 10 months of MTN Yemen's results in the Group and the respective country results of 2020.

The pro forma adjustments have been calculated in terms of the Group accounting policies disclosed in the consolidated financial statements for the year ended 31 December 2021.

Constant currency financial information has been presented to remove the impact of movement in currency rates on the Group's results and has been calculated by translating the prior financial reporting period's results at the current period's average rates ("prior year constant currency results"). The measurement has been performed for each of the Group's currencies, materially being that of the US dollar and Nigerian naira. The constant currency growth percentage has been calculated based on the prior year constant currency results compared to the current year results. In addition, in respect of MTN Irancell, MTN Sudan, MTN South Sudan and MTN Syria, the constant currency information has been prepared excluding the impact of hyperinflation. The economies of Sudan, South Sudan, Iran and Syria were assessed to be hyperinflationary for the period under review and hyperinflation accounting was applied. The constant currency percentage changes over the prior year have been adjusted for disposal activities during the current year.

The joint independent auditors' audit reports by PricewaterhouseCoopers Inc. and Ernst & Young Inc. do not report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the joint independent auditors' engagement they should obtain a copy of the unqualified joint independent auditors' audit reports on the summary group financial statements and the group annual financial statements together with the accompanying financial information from MTN's registered office, website and upon request.

The directors of MTN take full responsibility for the preparation of this provisional report and ensuring that the financial information has been correctly extracted from the underlying audited financial statements.

This short-form announcement is the responsibility of the directors and represents only a summary of the information contained in the full annual financial results. Consequently, it does not contain full or complete details. Any investment decisions made by investors and/or shareholders should be based on consideration of the full annual financial results as a whole and investors and/or shareholders are encouraged to review the full annual financial results as follows:

The full financial results are available on the company's website at:
<https://www.mtn.com/investors/financial-reporting/annual-results/>
and on SENS on the JSE's website at:
<https://senspdf.jse.co.za/documents/2022/JSE/ISSE/MTN/MTNFY21.pdf>

The full annual financial results are also available for inspection at our registered offices, at no charge, and at the offices of our sponsors from 09:00 to 16:00 weekdays.

Copies of the detailed announcement may be requested by emailing investor.relations@mtn.com or calling 083 912 2300.

The key audit matters (pursuant to IAS 701) can be viewed via the full joint independent auditors' audit report and the annual financial statements at www.mtn.com/investors/financialreporting/annual-results. Management proactively reported a breach of fiduciary responsibilities by a prescribed officer to the auditors on 13 December 2021, who entered into an agreement on behalf of a subsidiary of the Group outside of the requisite authority and internal processes and policies. The

reportable irregularity was reported to the Independent Regulatory Board of Auditors (IRBA) in line with reporting obligations of the joint auditors. The subsidiary and the Group Boards took specific remedial actions to address the breach and prevent losses. The joint auditors subsequently reported to the IRBA that the reportable irregularity is no longer continuing.

The Group's results and segmental report are presented in line with the Group's operational structure. The Group's underlying operations are clustered as follows: South Africa (SA), Nigeria, the Southern and East Africa (SEA) region, the West and Central Africa (WECA) region and the Middle East and North Africa (MENA) region and their respective underlying operations.

The SEA region includes Uganda, Zambia, Rwanda, South Sudan, Botswana (joint venture-equity accounted), eSwatini (joint venture-equity accounted) and Business Group. The WECA region includes Ghana, Cameroon, Côte d'Ivoire, Benin, Congo-Brazzaville, Liberia, Guinea Conakry and Guinea Bissau. The MENA region includes Iran (joint venture-equity accounted), Syria, Sudan, Yemen and Afghanistan.

In line with the Group's strategy announced in March 2021, MTN Ghana results have been reported under the WECA region effective 1 January 2021 (previously included in SEAGHA region). Prior year numbers have been restated for SEA and WECA accordingly.

Although Iran, Botswana and eSwatini form part of their respective regions geographically and operationally, they are excluded from their respective regional results because they are equity accounted for by the Group.

MTN Syria results have been disclosed up to February for 2021 and up to 31 December for 2020, as a result of loss of control effective February 2021, following MTN Syria being placed under judicial guardianship.

MTN Yemen results have been disclosed up to end of October for 2021 and up to 31 December for 2020, as a result of MTN's decision to exit the operation.

Constant currency information has been presented to include the first 2 months of MTN Syria results and the first 10 months of MTN Yemen results in the Group and respective country results for 2021 and 2020.

Group President and CEO Ralph Mupita comments:

"In 2021, we adapted to extraordinary circumstances brought about by the COVID-19 pandemic and started shaping the MTN of the future through the execution of our Ambition 2025 strategy. During the year, COVID-19 has impacted lives and livelihoods across our markets and, as MTN Group, we were honored to have played a humble role in supporting the Africa Union's efforts to bring much needed vaccines to our markets at a time where the continent was faced with challenging conditions on accessing vaccines equitably with other continents.

In a challenging macro-economic environment across our markets, we also experienced what we see as structurally higher demand for data services and accelerating transaction values in our fintech businesses. Supported by the leading brand in Africa, strong market share positions, well invested connectivity networks and platforms as well as staff that are committed to our vision, we delivered strong growth and returns in the year under review.

Supported by sustained commercial execution and capital allocation disciplines, we exceeded most of the Group's medium-term targets. During 2021, we deployed R32.7 billion of capex to sustain the growing demand for data services and position the Company well for a future driven by 4G and 5G technologies.

The Group reported solid growth in the year, with service revenue up by 18.3% and EBITDA increasing by 23.7%*. This also demonstrated the strong operating leverage delivered by the business as the EBITDA margin expanded by 2.2pp* to 44.5%*. The performance was driven in part by pleasing growth in our larger operating companies (Opcos) and the benefits of our expense efficiency programme. All of MTN South Africa's (MTN SA) business units achieved healthy growth, while both MTN Nigeria and MTN Ghana each delivered service revenue of more than 20%.*

Reported HEPS rose by 31.8% and were impacted by a number of non-operational and once-off items, which included accounting adjustments relating to our Middle East portfolio, arbitration settlement and material COVID-19 donations to the African Union (AU) for vaccines and the Coalition Against COVID-19 in Nigeria. Adjusting for these items, HEPS growth was strong at 26.6%. The improved earnings further boosted our adjusted ROE, which expanded by 2.6pp to 19.6%.

We paid cash taxes of approximately R11.0 billion, supporting the fiscal resources of the nation states that we operate in, growing at 30.3% YoY.

The Group's strong results were delivered despite the reduction in subscriber additions related to industry-wide regulations in Nigeria, including a ban on new SIM activations in H1. We closed the year with 272.4 million subscribers, up by 2.9 million. Excluding Nigeria, Group subscribers increased by 11.0 million. Encouragingly, subscriber additions in Nigeria returned to a positive trajectory in Q4 adding approximately 1 million customers – this establishes a solid basis for growth going forward. Active data subscribers increased by 11.1 million to 122.0 million.

In our platform businesses, we sustained momentum in the underlying value drivers. For MoMo, the number of monthly active users (MAU) rose by 22.6% YoY, adding 10.4 million MAU, to 56.8 million. Transaction value in our MoMo platform increased by 56.8% to US\$239.4 billion.

The work to structurally separate the fintech business is progressing well and now aimed for completion by the end of Q2 2022. We were pleased to have secured the approval in principle for a

Payment Services Banking licence in Nigeria in November 2021. The structural separation of the fibre business is also underway and is targeted to be completed in 2023.

We made substantial progress in deleveraging the balance sheet faster, with consolidated net debt-to-EBITDA improving to 0.4x (from 0.8x) and Holdco leverage improving to 1.0x (from 2.2x). This was boosted by cash of R18.4 billion upstreamed from our Opcos – including R7.8 billion from Nigeria – as well as R4.1 billion in net proceeds from our asset realisation programme (ARP) during the financial year.

We have materially advanced our ARP with the listing of IHS Towers on the New York Stock Exchange in October 2021, creating a liquidity platform and future opportunities to monetise the financial investment we have in this business. We also announced a passive tower infrastructure transaction for MTN SA, securing an Opco-friendly sale and lease back deal with anticipated net proceeds of approximately R5.2 billion. This is subject to certain conditions precedent, including regulatory approvals.

On the localisation front, we listed MTN Rwanda and MTN Uganda. We also successfully completed our Series 1 public offer of 575 million shares in MTN Nigeria with over 6.6 million Nigerians directly or indirectly becoming shareholders in MTN Nigeria. The Group expects net proceeds of R3.6 billion from the public offer. Our localisation work is one of the avenues through which we are creating shared value and promoting increased local ownership across our markets.

Our exit from the Middle East, in line with our pan-African strategy, is underway. In the year, the Group exited Syria and Yemen and we continue to explore options to exit Afghanistan.

I am pleased with the progress we have made with our Environmental, Social and Governance (ESG) priorities in the year. The inclusion of MTN Group in the FTSE/JSE Responsible Investment index post the year end reflected the work done to date, but more work lies ahead as we drive our shared value and sustainability agenda.

*We remain focused on executing on **Ambition 2025**, driving growth, deleveraging the Holdco balance sheet and unlocking value. We are seeing accelerated growth sustaining at structurally higher levels, underpinned by data and the prospects for our platforms such as fintech.*

To support this growth, we will invest in coverage, capacity and the resilience of our networks, as well as scaling of our platforms. Our Group capex guidance for 2022 is R34.4 billion on current currency assumptions. We expect capex intensity to decelerate over the medium-term as the business continues to grow, with Group capex intensity anticipated to reduce in the range of 18% to 15%.

To reflect this stronger growth outlook, we have enhanced elements of our medium-term guidance framework, raising our targets for Group service revenue growth rate and returns.

We previously guided that we anticipated paying a minimum ordinary dividend of 260cps for FY 21. The Board has declared a final ordinary dividend of 300cps for the year after considering our capital allocation priorities as well as the progress made in ARP execution and cash upstreaming from Opcos.

We also previously advised that the Board would communicate a revised medium-term dividend policy along with the announcement of FY 2021 results. We accordingly announce that the Board has resolved

to adopt a policy where, at the announcement of full year results, a minimum dividend guidance will be provided for the financial year ahead on an annual basis.

The new policy supports the enhanced capital allocation framework of the Group, where investment in our core connectivity businesses and platforms and faster deleveraging of the Holdco balance sheet are prioritised over the medium-term.

In driving faster deleveraging of the Holdco balance sheet, we will focus on completing the ARP and accelerate the reduction of dollar debt exposures.

In line with our policy, the Board anticipates paying a minimum ordinary final dividend of 330cps for FY 2022.

The declaration and payment of dividends remains at the discretion of the Board in consideration of: repatriation of cash from key markets, Holdco leverage, debt maturity profile and reducing dollar debt mix as well as Holdco liquidity management.

As MTN Group, we remain focused on our vision to provide leading digital solutions for Africa's progress and creating shared value for our stakeholders. Our enhanced medium-term guidance reflects the growth we see across our markets, as we do our part in driving the digital and financial inclusion across Africa"

Revenue

Group revenue increased by 17.6%* to R181.6 billion (2019: R179.4 billion).

EPS

Basic **earnings per share** (EPS) decreased by 19.3% to 763 cents (2020: 946 cents). 2021 EPS were impacted by impairment losses of 64 cents relating mainly to MTN Yemen and derecognition losses relating to MTN Syria of approximately 262 cents. There was some offset arising from fair value gains amounting to approximately 99 cents, mainly from BICS and aYo. EPS in December 2020 had included the benefit from gains amounting to approximately 341 cents on the disposal of the ATC Uganda and ATC Ghana tower associates announced in March 2020.

Dividend and medium-term dividend policy update

Final dividend of 300cps for FY 2021

MTN's board of directors (Board) had suspended dividend payments in 2020 and MTN guided in 2021 that the suspension would remain in place until March 2022. We also guided that the Group anticipates paying a minimum ordinary final dividend of 260cps for FY 2021.

We are, therefore, pleased to announce that the Board has declared a final ordinary dividend of 300 cps for FY 2021.

Annual dividend declaration policy

We also previously advised that the Board would communicate a revised medium-term dividend policy along with the announcement of FY 2021 results. We accordingly announce that the Board has resolved to adopt a policy where, at the announcement of full year results, a minimum dividend guidance will be provided for the financial year ahead on an annual basis.

The new policy supports the enhanced capital allocation framework of the Group, where investment in our core connectivity businesses and platforms and faster deleveraging of the Holdco balance sheet are prioritized over the medium-term.

Increased capital expenditure over the medium-term will drive higher service revenue growth, with Group capex intensity (under IAS 17) anticipated to reduce in the medium-term in the range of 18% to 15%, supporting operating cash flow growth.

In driving faster deleveraging of the Holdco balance sheet, we will focus on completing the ARP and accelerate the reduction of dollar debt exposures.

In line with our policy, the Board anticipates paying a minimum ordinary final dividend of 330cps for FY 2022.

The declaration and payment of dividends remains at the discretion of the Board in consideration of:

- Repatriation of cash from key markets
- Holdco leverage, debt maturity profile and reducing dollar debt mix
- Holdco liquidity management

Declaration of final ordinary dividend

Notice is hereby given that a gross final dividend of 300 cents per share for the period to 31 December 2021 has been declared and will be paid out of revenue reserves. The number of ordinary shares in issue at the date of this declaration is 1 884 269 758 (including 2 775 926 treasury shares held by MTN Holdings, the 1 434 152 shares held by the 2016 MTN ESOP trust and 76 835 378 shares held by MTN Zakhele Futhi).

The dividend will be subject to a maximum local dividend tax rate of 20% which will result in a net dividend of 240 cents per share to those shareholders who bear the maximum rate of dividend withholding tax of 60 cents per share. The net dividend per share for the respective categories of shareholders for the different dividend tax rates is as follows:

- | | |
|---------|------------------------|
| • 0% | 300.00 cents per share |
| • 5% | 285.00 cents per share |
| • 7.5% | 277.50 cents per share |
| • 10% | 270.00 cents per share |
| • 12.5% | 262.50 cents per share |
| • 15% | 255.00 cents per share |

These different dividend tax rates are a result of the application of tax rates in various double-taxation agreements as well as exemptions from dividend tax.

MTN's tax reference number is 9692/942/71/8. In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the salient dates relating to the payment of the dividend are as follows:

Declaration date	Wednesday, 09 March 2022
Last day to trade cum dividend on the JSE	Tuesday, 29 March 2022
First trading day ex dividend on the JSE	Wednesday, 30 March 2022
Record date	Friday, 01 April 2022
Payment date	Monday, 04 April 2022

No share certificates may be dematerialised or re-materialised between Wednesday, 30 March 2022 and Friday, 01 April 2022, both days inclusive. On Monday, 4 April 2022 the dividend will be transferred electronically to the bank accounts of certificated shareholders who make use of this facility. In respect of those who do not use this facility, cheques dated Monday, 4 April 2022 will be posted on or about this date. Shareholders who hold dematerialised shares will have their accounts held by the Central Securities Depository Participant or broker credited on Monday, 4 April 2022.

Changes to the board - Swazi Tshabalala retirement at the 2022 annual general meeting (AGM)

In compliance with paragraph 3.59 of the JSE Listings Requirements, the board of directors of the Company wishes to advise shareholders of the following Board change:

MTN announces that Swazi Tshabalala will not stand for re-election at the 2022 AGM and will step down as a director of the Company immediately after the AGM on 25 May 2022.

Swazi has indicated a wish to focus on her executive responsibilities because of the exponential changes in her role and responsibilities arising from her appointment as Senior Vice President at the African Development Bank.

Swazi has been a director of MTN since 2018 and has served on the Group Audit Committee, Group Remuneration and Human Resources Committee, and Directors Affairs and Governance Committee for the last four years.

Swazi has been a valuable member of the Board, and the Board would like to express its gratitude for her significant contribution to the Company and guidance to management. The MTN Board wish her great success in the new role.

For and on behalf of the board,

MH Jonas

RT Mupita

TBL Molefe

Group Chairman

Group President and CEO

Group CFO

08 March 2022
Fairland

Date of release 09 March 2022

Lead sponsor

Tamela Holdings Proprietary Limited

Joint sponsor

JP Morgan Equities (SA) Proprietary Limited