

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

NOTICE OF TAX ASSESSMENT ISSUED TO MTN GHANA

MTN shareholders are advised that the Ghana Revenue Authority (GRA), issued Scancom PLC (MTN Ghana or the Company) with a notice of assessment of tax liability (the Assessment). In this regard the GRA also issued a temporary withdrawal of the notice of the Assessment on 13 January 2023, providing a 21-day timeline to allow for further engagement.

The Assessment was for an amount of approximately GHS8.2 billion (approximately US\$773 million at current exchange rates), including penalties and interest charges. In this regard, the base component of the Assessment (that is, excluding penalties and interest), on MTN Ghana's analysis, infers that MTN Ghana under declared its revenue by approximately 30% over the audit period.

The GRA audited MTN Ghana for the period 2014-2018 and used a third-party consultant as well as a new methodology based on call data records (CDR), recharges, and other data. MTN Ghana strongly disputes the accuracy and basis of the Assessment, including the methodology used in conducting the audit.

MTN Ghana believes that the taxes due have been paid during the period under assessment and has resolved to defend MTN Ghana's position on the Assessment.

Background

The GRA commenced an audit of MTN Ghana in 2019 with the objective to give assurance on the reliability and completeness of revenues declared by MTN Ghana for the purpose of tax computation for the period 2014-2018. The GRA had not issued MTN Ghana with any prior guidelines and standards relating to the new CDR sequence-based methodology used for the audit.

An initial tax assessment based on this new audit methodology was issued in May 2021 but was officially withdrawn by the GRA after consultations and discussions between MTN Ghana, MTN Group, the Ministry of Finance of the Republic of Ghana and the GRA. Following the withdrawal of the initial assessment, the parties agreed to an independent review by a global professional services firm. MTN Ghana has fully cooperated in this independent review, which was commissioned by the GRA in September 2021.

The independent review found that it was unable to support the conclusions reached by the GRA's third-party consultants as the basis for the Assessment.

Conclusion

MTN Group and MTN Ghana will continue to engage with the relevant authorities on this matter and MTN remains resolute that MTN Ghana is a tax compliant corporate citizen. MTN Group would like to further

assure its shareholders and other stakeholders that MTN Ghana is a responsible business with an absolute commitment to transparency, good corporate governance, and compliance.

MTN Ghana, one of the largest private sector taxpayers in Ghana, has been recognized on numerous occasions for its support of the GRA's revenue mobilization efforts. The GRA has also satisfactorily concluded multiple tax assessments on MTN Ghana over many years, and presented MTN Ghana with various taxpayer awards in recognition of its contribution to the fiscal development of the country.

MTN will continue to update shareholders, as appropriate, on any material developments on this matter.

Investor call

MTN Group and MTN Ghana will provide further information at an investor conference call to be held on Monday, 16 January 2023 at 15.00 (CAT).

Fairland

13 January 2023

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