

MTN Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 1994/009584/06)

(Share code MTN)

(ISIN: ZAE000042164)

(MTN or the Group or MTN Group)

MTN Group trading statement for the six months ended 30 June 2024 | Conclusion of tower lease renegotiations in Nigeria | Sale of MTN Guinea-Bissau

MTN is currently in the process of finalising its results for the six months ended 30 June 2024 (H1 24).

The Group anticipates reporting a resilient underlying performance, with pleasing momentum in some key markets. MTN Ghana (available at: <https://mtn.com.gh/investors/financial-results/>) and MTN Uganda (available at: <https://www.mtn.co.ug/investors/financial-reports/>) reported strong H1 24 performance, while we expect reporting results for MTN South Africa that demonstrate encouraging progress in key areas of the business. The fintech platform sustained robust trends in its revenue growth and ecosystem expansion. We have also been encouraged by the progress in cash upstreaming from the markets, including Nigeria, which supported the 30 June 2024 holding company leverage remaining largely stable relative to 31 March 2024.

The Group's H1 24 financial result was, however, negatively affected by macro factors including: (i) the further devaluation in the naira against the US dollar impacting MTN Nigeria's financials, although the business posted a strong underlying operational performance in its H1 24 release (available at: https://www.mtn.ng/investors/financial-reporting/?report_cat=quarterly-results); (ii) the translation impact on reporting currency (rands) arising from the devaluation of most local currencies, particularly the naira in our portfolio against the rand, as well as (iii) operational challenges in Sudan due to the ongoing conflict in the country.

In the above context, paragraph 3.4 (b) (i) of the JSE Limited Listings Requirements (JSE Listings Requirements) requires 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.

In line with JSE Listings Requirements, the comparative figures for the six months ended 30 June 2023 (H1 23) in this announcement have not been restated and are therefore based on previously reported results notwithstanding the disclosures contained in the Group's Stock Exchange News Service (SENS) results announcement, dated 25 March 2024, regarding the audited financial statements for the year ended 31 December 2023 (FY 23 SENS).

The FY 23 SENS included detail on restatements to the results for the corresponding H1 23 arising from restatements and revision of unrealised foreign exchange losses in MTN Nigeria results. The combined effects of these on H1 23 would have been to reduce earnings per share (EPS) by 282 cents to 229 cents, and headline earnings per share (HEPS) by 282 cents to 260 cents.

The naira devaluation drove higher operating and net finance costs for MTN Nigeria, which are expected to impact the Group H1 24 financial performance. The naira devaluation impacts on MTN Nigeria's operating expenses is estimated to reduce the Group H1 24 results by 90 cents (2023: 4

cents). The foreign exchange losses in MTN Nigeria’s financial results are estimated to reduce Group H1 24 results by a further 389 cents (2023: 123 cents).

In terms of the foreign currency translations affecting reporting currency results, this includes impacts from certain subsidiaries, which are estimated to reduce H1 24 results by approximately 310 cents; attributable to MTN Nigeria (283 cents), MTN Ghana (15 cents) and MTN South Sudan (12 cents).

The H1 24 financial result was further impacted by losses amounting to -16 cents (2023: 19 cents profit) from MTN Sudan, where business operations were severely impacted by the ongoing conflict.

As previously communicated to MTN shareholders (Shareholders), the Group continues to progress initiatives to mitigate the negative effects of the macro environment on the business.

Accordingly, Shareholders are advised that MTN expects to report:

- A decrease in EPS of between -185% and -175% (or -945 cents and -894 cents). Considering the reported EPS for H1 23 of 511 cents, this translates to a range of -434 cents to -383 cents for H1 24.
- A decrease in HEPS of between -150% and -140% (or -813 cents to -759 cents). Considering the reported HEPS of 542 cents for H1 23, this translates to a range of -271 cents to -217 cents for H1 24.

The difference between H1 24 EPS and H1 24 HEPS is due to the following factors:

- Impairment losses that mainly relate to goodwill, property, plant and equipment -203 cents (2023: -13 cents);
- An impairment loss on remeasurement of disposal groups of -8 cents (2023: -21 cents);
- A gain on disposal of subsidiary of 56 cents (2023: nil);
- A net gain on the disposal of SA towers of nil (2023: 2 cents); and
- The net profit on disposal of property, plant and equipment and intangible assets of 2 cents (2023: 1 cent).

The anticipated changes in EPS and HEPS for H1 24, are illustrated in the table below:

	H1 23 (R'cents)	H1 24 expected range (R'cents)	Expected (decrease) (%)	Expected (decrease) (R'cents)
EPS	511	(434) – (383)	(185) – (175)%	(945) – (894)
HEPS	542	(271) – (217)	(150) – (140)%	(813) – (759)

H1 24 HEPS was negatively impacted by some non-operational items of approximately -629 cents (2023: -207 cents). These include:

- Hyperinflation adjustments of -57 cents (2023: -38 cents);
- Foreign exchange losses of -519 cents (2023: -169 cents), which includes naira depreciation impact of -389 cents (2023: -123 cents);
- Deferred tax charge/asset reversal of -28 cents (2023: nil); and
- Other non-operational items of -25 cents (2023: nil).

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 H1 24 financial results are expected to be announced on SENS on or about Monday, 19 August 2024.

MTN Nigeria concludes renegotiation of tower lease agreements in Nigeria with IHS and ATC

Shareholders are advised that MTN Nigeria has successfully renegotiated with IHS (Nigeria) Limited, INT Towers Limited, and IHS Towers NG Limited (together, IHS) to amend the binding commercial terms of the existing infrastructure sharing and master lease agreements.

The terms of the amendments are effective from 1 April 2024 and the existing contracts have been extended to 31 December 2032. Prior to the renegotiation, the site leases expired variously between December 2024 and December 2029, with the majority expiring in 2029.

The revised terms meaningfully reduce the US dollar-indexed component of the leases linked to a discounted US consumer price index (CPI), making the leases majority naira-linked, as well as set a cap for the naira CPI escalator component. They also remove technology-based pricing, allowing payments for new upgrades based on tower space and power.

The renegotiated agreements incorporate an energy cost component indexed to the cost of providing diesel power; however, the terms also provide for some discounts and incentives over the life of the contracts. The renegotiated terms aim to mitigate macro risks affecting MTN Nigeria as well as support margin recovery and resolution of its negative equity position.

In addition, MTN Nigeria, ATC Nigeria Wireless Infrastructure Solutions Limited (ATC) and IHS (the Parties) have reached a mutual agreement regarding the approximately 2 500 sites that were awarded to ATC from the IHS portfolio, per our announcement on 7 September 2023. Following trilateral discussions commenced in Q2 2024, the parties have agreed to a revised allocation of sites in terms of which ATC will provide tower services for up to approximately 2 100 sites, while IHS will manage up to approximately 1 400 sites. This includes 1 000 new MTN sites to be rolled out over the next few years, to be allocated between the two tower operators.

As MTN Nigeria is a major subsidiary of MTN, Shareholders are advised that its full announcement can be viewed at: <https://www.mtn.ng/investors/announcements/>

MTN Group concludes sale of MTN Guinea-Bissau

Shareholders are further advised that MTN has concluded the sale of small West African subsidiary Spacetel Guinea-Bissau S.A. (MTN Guinea-Bissau) following the receipt of all regulatory approvals. The disposal to Telecel Group Mobile Limited is in line with the Group's strategic priority to accelerate portfolio transformation. MTN has taken steps to ensure a seamless transfer of ownership, which the Group believes is in the best interests of MTN Guinea-Bissau, its stakeholders and the sector in Guinea-Bissau at large.

7 August 2024

Fairland

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Tamela Holdings Proprietary Limited

Joint sponsor

J.P. Morgan Equities (SA) Proprietary Limited