MTN Zakhele Futhi (RF) Limited
Annual Financial Statements
for the year ended 31 December 2024
and Notice to the Annual General Meeting

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MTN Zakhele Futhi (RF) Limited
(Registration number: 2016/268837/06)
Annual Financial Statements for the year ended 31 December 2024

The reports and statements set out below comprise the annual financial statements, annual report and notice to the annual general meeting presented to the shareholders:

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Prepared by	Reviewed by
Krishnee Moodley	**Jaynesh Padayachy CA(SA)**
Financial Officer: Central Finance	*Head of Finance: Central Finance*

Please visit https://wwww.mtnzakhelefuthi.co.za/investor-relations for the Zulu and Sotho version of this document from the end of April 2025.

Belinda Mapongwana (51)

Bachelor of Social Science (UCT), Bachelor of Laws (UCT), Master of Laws (International Business Law) (Vrije Universiteit, Amsterdam), Postgraduate Certificate in Compliance Management (UCT)

Independent Non-executive Director (Appointed: 22 June 2020; Appointed as Independent Non-executive Chairperson on 16 September 2020)

Member of the Audit, Risk & Compliance Committee (Appointed: 9 April 2021)

Belinda is an admitted attorney with over 19 years post-admission experience. She specialises in all aspects of mergers and acquisition transactions, corporate commercial law, commercial litigation, compliance, risk and governance. She spent some time in New York where she worked on several mergers and acquisitions, private equity and structured finance transactions. Belinda has experience in compliance and risk management having worked in investment banks in Johannesburg, New York, and London.

Belinda is the founder of Mapongwana Attorneys Inc. a 100% black woman-owned boutique law firm that offers specialist legal services in mergers and acquisitions, corporate commercial law and commercial litigation. Belinda is a non-executive director of TUHF Holdings Limited, TUHF Limited, TUHF Equity (Proprietary) Limited, TUHF21 NPC, TUHF Services (Proprietary) Limited, uMastandi (Proprietary) Limited and a Trustee of the SASOL Batho Trust. She is a member of the UCT Law Endowment Fund Advisory Board, a member of the Board of Governors of Hilton College and a Trustee of Khazimla Education Trust.

Sindisiwe N Mabaso-Koyana (55)

CA(SA), B Comm (Natal), Post Graduate Diploma in Accounting (Natal)

Non-executive Director (Appointed: 6 June 2017; Repositioned as Independent Non-executive Chairperson on 16 September 2020)

Sindi is currently the Managing Partner of AIH Capital and Chairperson of African Women Chartered Accountants (AWCA) Investment Holding Company. She is the co-founder member and former President of the African Women of Chartered Accountants. Her other board positions include that of a non-executive director for MTN Group Limited, Bidvest Limited and Sun International Limited.

Sindi is a Chartered Accountant by profession with experience in financial management, auditing and governance in both the public and private sector. She is a renowned leader and champion in growth and development of young women.

Edward Pitsi (41)

CA(SA), Masters in Finance (University of Pretoria), EMBA (INSEAD)

Independent Non-executive Director (Appointed: 22 June 2020)

Member of the Audit, Risk & Compliance Committee (Appointed: 16 September 2020)

Edward is currently CEO of Infinite Partners (Pty) Ltd and a non-executive director of Barron (Pty) Ltd, Crossfin Technology Holdings (Pty) Ltd, e4 Group Holdings (Pty) Ltd, Fibre Holdco (Pty) Ltd and Old Mutual Real Estate Holding Company (Pty) Ltd.

Through a sub-advisory agreement, Infinite Partners, manages Ethos Mid-Market Fund which holds 4.05% of the MTN Zakhele Futhi issued ordinary share capital. Prior to his 14-year private equity career, he worked in the Acquisition and Leveraged Finance team at Barclays Africa Group after completing his articles at Price Waterhouse Coopers. He has investment experience across various sectors

Grant Gelink (75)

CA(SA), BComm, BCompt (Hons)

Independent Non-executive Director (Appointed: 9 June 2017)

Chairman of the Audit, Risk & Compliance Committee (Appointed: 9 June 2017)

Grant is a non-executive director of FirstRand Insurance Holdings (Pty) Ltd, Allied Electronics Limited, Rain Group Holdings Proprietary Limited and Pralene Investments Proprietary Limited.

He was the chief executive of Deloitte & Touche from 2006 to 2012. His vast experience at Deloitte spans over 26 years and includes being Lead Client Service Partner across a number of different industries servicing clients such as Barloworld Limited, Imperial Holdings Limited, Murray & Roberts Limited, Nedbank Limited, Sappi Limited, South African Airways Limited and Transnet SOC Limited.

CHAIRPERSON'S REPORT

For the year ended 31 December 2024

Introduction

In 2016 MTN Group Limited (MTN Group) set up MTN Zakhele Futhi (RF) Limited (MTN Zakhele Futhi or the Company), a vehicle for qualifying black South Africans to invest in MTN Group, a leading emerging markets telecoms service provider.

MTN Zakhele Futhi has an approximate 4% shareholding in MTN Group. This investment is the Company's only material asset. The Company also administers the associated funding of this investment – being the preference shares subscribed for by third-party debt providers and a notional vendor finance facility obtained from MTN Group.

On 25 November 2019, MTN Zakhele Futhi listed on the Black Economic Empowerment Segment of the Johannesburg Stock Exchange marking the end of the "Minimum Investment Period". The listing provides shareholders with the ability to trade their shares between qualifying black people and black groups on the open market during the remaining Empowerment Period (which has been extended to 23 November 2027).

80.6% of the shareholders subscribed for fewer than 500 ordinary shares showing the true broad-based nature of the scheme.

Impact of Global Economic Environment

As MTN Zakhele Futhi's only material investment and asset consists of shares in MTN Group (MTN Group Shares), the Company is entirely dependent on the receipt of dividends from the MTN Group Shares. The suspension and revision of MTN Group's interim dividend policy has therefore had a significant impact on the ability of MTN Zakhele Futhi to continue as a going concern.

We would like to thank MTN Group and MTN Holdings Limited (MTN Holdings) for their ongoing commitment to and support of MTN Zakhele Futhi and its shareholders.

The MTN Zakhele Futhi board will continue with their efforts to protect the investment made by its shareholders.

Extension of the Scheme

During the year, the board of directors of MTN Zakhele Futhi engaged with MTN Group regarding the extension of the scheduled maturity date of the Scheme by three years from 23 November 2024 to 23 November 2027. This increased the overall term of the Scheme to 11 years (from its inception in 2016).

The proposed extension of the Scheme had merit for MTN Zakhele Futhi ordinary shareholders, rather than unwinding the Scheme on the previously scheduled maturity date.

During the extension period, the MTN Zakhele Futhi board of directors has the discretion to realise or lock in value by partially or fully unwinding the Scheme and/or by entering derivative transactions in respect of the MTN Group Shares held by MTN Zakhele Futhi, subject to applicable consents.

The shareholders voted during the Extraordinary General Meeting to approve the extension of the scheme on 21 October 2024.

MTN Zakhele Futhi will continue to receive dividends as declared by MTN Group and as communicated as per MTN Group's Stock exchange News Service announcement released on 17 March 2025. In their 2024 results announcement, MTN Group declared an ordinary dividend of 345c per share. The projected income that will be received approximates R265 million.

This will ensure MTN Zakhele Futhi has adequate resources to continue as a going concern for the foreseeable future.

Financial performance

The Company's financial performance is based entirely on the MTN Group share price and any dividend declared and received from MTN Group during the year.

At 31 December 2024, the Company recognised a profit after taxation of R188,4 million (2023: loss after taxation of R737,2 million). The profit is attributable to the small gain on the re-measurement of the derivative financial instrument and largely on the dividend received during the financial year.

The MTN Group share price decreased from R115,50 at 31 December 2023 to R91,99 at 31 December 2024. The decrease in the MTN Group share price since the prior financial year also resulted in a fair value loss of R1,201 million (2023: R603,2 million loss) being recognised in the statement of comprehensive income.

Shareholder support

Effective and efficient shareholder communication is essential to ensure that shareholders are kept up to date. The Company will continue to use SMS communication as its main means of communication. Notices of the Annual General Meeting (AGM) are being sent by email, SMS or post to all registered shareholders. To enable MTN Zakhele Futhi to effectively communicate with shareholders and maintain up to date records, shareholders are requested to notify the MTN Zakhele Futhi of all changes to their SMS contact details, postal address, status and banking details.

Shareholders, even those not wishing to trade their MTN Zakhele Futhi shares, are requested to register their share custodial and trading accounts and can elect to use either the facilitated stockbroker or an independent stockbroker. No shares may be bought or sold without a share trading account, so you are encouraged to do this well before the Scheme ends.

Please visit the MTN Zakhele Futhi website on www.mtnzakhelefuthi.co.za for details on how to register your share custodial and trading account, or how to submit your data changes.

Shareholders are encouraged to familiarise themselves with the information published from time to time on the MTN Zakhele Futhi website and we once again encourage all our shareholders to make sound investment decisions when electing to sell, hold or buy their MTN Zakhele Futhi shares in order to maximise the true value of their investment.

Prospects

Due to the nature and purpose of MTN Zakhele Futhi, its prospects are aligned with the prospects of the MTN Group. The MTN Zakhele Futhi board will continue with their efforts to provide support and value to its shareholders.

Annual General Meeting

Given the wider potential reach of a virtual AGM and lower costs thereof, the Company will once again hold its AGM through electronic means and shareholders will not be able to attend this meeting in person.

We would like to encourage shareholders to attend the annual general meeting to be held virtually. Further details of the time, date and venue are contained on pages 57 to 61 in the notice of AGM.

Appreciation

I would like to thank my fellow board members, all our stakeholders and partners for their commitment and support to ensure that MTN Zakhele Futhi is a valuable investment for its shareholders.

In particular, I would also like to thank MTN Group for the valuable support we received.

Belinda Mapongwana

Chairperson

9 April 2025

AUDIT, RISK AND COMPLIANCE COMMITTEE REPORT

For the year ended 31 December 2024

The MTN Zakhele Futhi audit, risk and compliance committee (Committee) presents its report in terms of section 94(7)(f) of the Companies Acts, No 71 of 2008, as amended (Companies Act) and as recommended by King IV in respect of the financial year ended 31 December 2024.

Mandate

The Committee is appointed by the shareholders of the Company for the primary purpose of assisting the Board in:

- ensuring the continued independence of the independent auditor;
- overseeing the external audit process;
- overseeing integrated reporting;
- applying the combined assurance model to ensure a coordinated approach to all assurance activities;
- reviewing, the expertise, resources and experience of the finance function;
- considering the appropriateness of the expertise and experience of the financial director or equivalent;
- overseeing the internal audit function;
- oversight of internal controls and financial reporting in compliance with all applicable legal requirements, corporate governance and accounting standards; and
- identifying and managing financial and other risks.

Consistent with these functions, the Committee should encourage continuous improvement of, and should foster adherence to, the company's policies, procedures, and practices at all levels. The Committee should also provide for open communication among the independent auditor, financial and senior management or service providers, the internal audit function, and the board.

Membership and meeting attendance

The Company constituted the Committee on 15 November 2016. Members of the Committee are formally nominated by the board and ratified by the shareholders at the next annual general meeting. Members of the Committee were all independent non-executive directors of the Company. The composition of the Committee and the attendance at meetings by its members are set out below:

Members	Attendance
Grant Gelink	**2/2**
Edward Pitsi	**1/2**
Belinda Mapongwana	**2/2**

Meeting attendance is for standard and *ad hoc* meetings during the year.

Biographical details of members at 31 December 2024 are set out on pages 2 to 3 of this annual report.

The external auditors attend all Committee meetings. The Committee meets at least twice a year.

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulation, 2011. Although Belinda Mapongwana also holds the position as Chairperson of the Board, the Committee believes that she meets the independence criteria as set out in the Companies Act and will be able to effectively discharge her duties. The effectiveness of the Committee as a whole and its individual members are assessed on an annual basis.

The Committee perform the duties laid upon it by section 94(7) of the Companies Act, by holding meetings with the key role-players on a regular basis and by the unrestricted access granted to the external auditors.

Independence of the external auditor

The Company's external auditor is SizweNtsalubaGobodo Grant Thornton Inc. The fee paid to the auditor for the year under review is disclosed in note 12 to the annual financial statements.

The Committee satisfied itself through enquiry that the external auditor is independent, as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the Companies Act that internal governance processes within the firm support and demonstrate the claim to independence.

The Committee agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

Expertise and experience of finance function

The Committee satisfied itself that the composition, experience and skills set in the finance function meets the Company's requirements.

The administration of the Company's statutory records and accounting is outsourced to Nedbank Limited, acting through its Share Scheme Administration Division.

The authority and responsibility for all management decisions lies with the board of directors.

Execution of functions of the Committee

The Committee is satisfied that, in respect of the financial year under review, it has discharged its duties and responsibilities in accordance with its terms of reference and in terms of the Companies Act.

The Committee performed the following activities during the year under review:

- reviewed the reports of the external auditors regarding their audit and where necessary requested appropriate responses from the service providers appointed by the board of directors;
- reviewed and approved the policy for non-audit services that may be provided by the external auditors. This policy sets out those services that may be provided by the external auditors and the required authorisation process;
- approved the non-audit related services, where applicable, performed by the external auditors during the year in accordance with the policy established and approved by the board;
- approved the fees and engagement terms of the external auditors for the 2024 audit;
- considered the independence and objectivity of the external auditors and ensured that the scope of additional services provided did not impair their independence;
- recommended the external auditors for reappointment; and
- reviewed legal matters that could have a significant impact on the organisation's annual financial statements.

After assessing the requirements set out in section 94(8)(a)-(c) of the Companies Act, the committee is satisfied with the independence and objectivity of the external auditors.

In addition, MTN Zakhele Futhi confirms that the Committee has executed its responsibilities in the assessment of the suitability of the reappointment of the external auditor as set out in paragraph 3.84(g)(iii) of the JSE Listings Requirements.

Following the review by the Committee of the annual financial statements of the Company for the year ended 31 December 2024 and based on the information provided to it, the Committee considers that, in all material respects, the Company complies with the provisions of the Companies Act, IFRS Accounting Standards and IFRS Interpretations Committee (IFRIC® Interpretations), the Listing Requirements of the JSE Limited relating to the BEE Segment and the transitional provisions thereof and that the accounting policies applied are appropriate and consistent. The Committee recommended the Company's annual financial statements for the year ended 31 December 2024 for approval by the board on 9 April 2025. The annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

MTN Zakhele Futhi confirms that the Committee has ensured that the Company has established appropriate financial reporting procedures and that those procedures are operating, to ensure that it has access to all the financial information of MTN Zakhele Futhi to allow the Company to effectively prepare and report on the financial statements of MTN Zakhele Futhi.

The Committee concurs with the board of directors that the adoption of the going concern assumption in preparation of the annual financial statements, is appropriate.

Grant Gelink
Chairperson: Audit, Risk & Compliance Committee

9 April 2025

DIRECTORS' RESPONSIBILITIES AND APPROVAL

For the year ended 31 December 2024

The board of directors are required in terms of the Companies Act, No 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. The annual financial statements fairly present the financial position, changes in equity, results of operations and cash flows of MTN Zakhele Futhi, in conformity with IFRS Accounting Standards and IFRS Interpretations Committee (IFRIC Interpretations) the Listing Requirements of the JSE Limited relating to the BEE Segment and transitional provisions thereof. The external auditor is engaged to express an independent opinion on the annual financial statements. The annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The board of directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees of Nedbank Limited, in its capacity as the administrator of the Company, are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board of directors are responsible for the Company's system of internal control and are of the opinion that the systems of internal control provide reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The going concern assumption has been adopted in preparing the Company's annual financial statements. The directors have reviewed the company's cash flow forecast for the 15-month period to 31 March 2025 and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor is responsible for independently auditing and reporting on the Company's annual financial statements. The annual financial statements have been examined by the Company's external auditor and their report is presented on pages 13 to 16.

The annual financial statements set out on pages 17 to 50, were approved by the board on 9 April 2025 and were signed on their behalf by:

Belinda Mapongwana
Chairperson: Board of Directors

9 April 2025

Grant Gelink
Chairperson: Audit, Risk & Compliance Committee

9 April 2025

COMPANY SECRETARY'S CERTIFICATION

For the year ended 31 December 2024

We certify that to the best of our knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission, all such returns and notices required of a public company in terms of section 88(2) (e) of the Companies Act, No 71 of 2008, as amended, in respect of the period ended 31 December 2024 and that such returns and notices are, to the best of our knowledge and belief, true, correct and up to date.

Nedbank Limited
Company Secretary

9 April 2025

DIRECTOR'S REPORT

For the year ended 31 December 2024

The board of directors have pleasure in presenting their report, for the year ended 31 December 2024.

MTN Zakhele Futhi is a special purpose company which only has non-executive directors and does not employ any employees. The Company has engaged various service providers with the necessary expertise and experience to provide all services required by MTN Zakhele Futhi to effectively carry out its functions and activities. The board of directors retain full authority and responsibility for all management decisions taken and carried out by its service providers.

The MTN Zakhele Futhi board recognises that, at the core of MTN Zakhele Futhi's corporate governance system, it is ultimately responsible and accountable for the performance and affairs of the Company. The board embraces the principles of good corporate governance as set out in the guidelines of the Code of Good Governance Principles for South Africa as laid out in the King Report on Corporate Governance. As required by the Listing Requirements of the JSE Limited relating to the BEE Segment and the transitional provisions thereof the MTN Zakhele Futhi board has implemented the recommendations of the King Code through the application of the King Code disclosure and application regime.

The principles relating to the appointment of a Chief Executive Officer and Chief Financial Officer to the board to achieve a balance of power have not been applied. The Company has engaged service providers with the necessary expertise and experience to provide all services required by the Company in this regard, with the ultimate responsibility residing with the board of directors. This has been the case for the full period under review.

There is a policy evidencing a clear balance of power and authority at board level to ensure that no director has unfettered powers of decision making.

MTN Zakhele Futhi is committed to business integrity, transparency and professionalism in all its activities to ensure that it acts ethically and responsibly to enhance the value of its business and benefit of all stakeholders.

The material risks applicable to MTN Zakhele Futhi are available in the Pre-Listing Statement issued on 11 November 2019. The Pre-Listing Statement is available on https://www.mtnzakhelefuthi.co.za/docs. Further disclosure in respect of this risk and the resulting impact on MTN Zakhele Futhi has been provided in Note 8, Note 20 and Note 24 of the annual financial statements.

1. INCORPORATION AND NATURE OF BUSINESS

MTN Zakhele Futhi was incorporated as a public company under the laws of the Republic of South Africa on 21 June 2016.

The Company is incorporated as the special purpose investment vehicle to effect MTN Group's Broad Based Black Economic Empowerment (BBBEE) transaction. The implementation of the scheme followed the approval of the necessary elements of the BBBEE transaction by the shareholders of MTN Group on 7 October 2016.

MTN Zakhele Futhi is engaged in acquiring and holding shares in MTN Group on behalf of the participating black public.

Due to the nature of the Company, MTN Zakhele Futhi has received a condonation from the Companies Tribunal of the Republic of South Africa from establishing a Social and Ethics Committee. This condonation is in place for a five-year period from 7 February 2024 which was the date on which the decision was granted.

During the financial year, MTN Zakhele Futhi was in compliance with the provisions of the Companies Act and applicable laws of the Republic of South Africa and was operating in conformity with its Memorandum of Incorporation.

2. **OPERATING AND FINANCIAL REVIEW**

The operating results and state of affairs of the Company are fully set out in the attached annual financial statements.

Net profit after tax of the Company for the year was R188,4 million (2023: R737,2 million net loss) after tax expenses of R1,7 million (2023: R66,6 million).

3. **SHARE CAPITAL**

The issued share capital consisted of 8 ordinary shares issued on incorporation at no par value. A total of 123 416 818 ordinary shares were issued subsequently on 23 and 24 November 2016 as part of the BBBEE transaction. The shares were issued at R20 per share on the date of issue.

The ordinary shares were listed on the JSE Limited on 25 November 2019.

4. **DIVIDENDS**

No ordinary dividends were declared or paid during the current or prior year.

5. **DIRECTORATE**

The Company has a unitary board comprising of four non-executive directors and is committed to ensuring that there is a clear balance of power and authority at the board of directors' level. This is evident in the Memorandum of Incorporation and the board charter where the powers of the board of directors have been clearly stipulated. The aim is to promote objectivity and reduce the possibility of conflicts of interest.

The board of directors of the Company in office for the period of this report are as follows:

Director	Appointment/Resignation
Sindisiwe Mabaso-Koyana	Appointed 6 June 2017
Grant Gelink	Appointed 9 June 2017
Belinda Mapongwana	Appointed 22 June 2020
Edward Pitsi	Appointed 22 June 2020

6. **AUDITORS**

SizweNtsalubaGobodo Grant Thornton Inc., will, subject to shareholder approval at the annual general meeting, continue in office in accordance with section 90 of the Companies Act.

7. **MTN ZAKHELE FUTHI DEBT COVENANTS**

The MTN Zakhele Futhi preference shares are subject to a trigger event if the one-day VWAP of the MTN Group Shares is R38 or less. The Company is subject to compliance with various debt covenants which are monitored on a monthly basis and adequately disclosed in note 8 of the annual financial statements.

During 2024, there were no continuing trigger events and MTN Zakhele Futhi is in compliance with its debt covenant requirements at year end.

8. **SECRETARY**

The board of directors has considered and satisfied itself on the competence, qualifications, and experience of the Company Secretary.

Nedbank Limited, acting through its Group Secretariat, was appointed on 15 February 2017 as Company Secretary.

The address of the Company Secretary is:

Postal and physical address:

135 Rivonia Road

Sandown

Johannesburg

2193

9. **MEETINGS HELD BY THE BOARD**

The board held four meetings during 2024 and the members attended the meetings as follows:

	Attended
Sindisiwe Mabaso-Koyana	**3/4**
Grant Gelink	**4/4**
Belinda Mapongwana	**3/4**
Edward Pitsi	**3/4**
Ad hoc **board meetings**	
Sindisiwe Mabaso-Koyana	**4/9**
Grant Gelink	**9/9**
Belinda Mapongwana	**9/9**
Edward Pitsi	**8/9**

10. **BORROWING POWERS**

Borrowing capacity is determined by the board of directors and is limited in terms of the Memorandum of Incorporation.

11. **EVENTS AFTER THE REPORTING DATE**

No other significant events have occurred between the reporting date and 9 April 2025 that require adjustment or disclosure.

During the 2024 results announcement, MTN Group declared an ordinary dividend of 345c per share. The projected income that will be received approximates R265 million. The directors would like to thank MTN Group for the valuable support that has been received.

12. **GOING CONCERN**

The directors have reviewed the Company's budget and cash flow forecast for the 12 months ahead. On the basis of this review, and in light of the current financial position of the Company and the dividend declared from MTN Group, the directors are satisfied that the Company has sufficient funds for the foreseeable future to continue as a going concern.

The annual financial statements set out on pages 20 to 55, which have been prepared on the going concern basis, were approved by the board on 9 April 2025 and were signed on its behalf by:

Belinda Mapongwana
Chairperson

9 April 2025

SNG Grant Thornton

SNG Grant Thornton
152 14th Road
Noordwyk
Midrand
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Independent Auditor's Report

To the shareholders of MTN Zakhele Futhi (RF) Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MTN Zakhele Futhi (RF) Limited ("the company") set out on pages 20 to 53, which comprise the statement of financial position as at 31 December 2024; and the statement of profit or loss and other comprehensive income; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of MTN Zakhele Futhi (RF) Limited as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The ISAs recognise that:

- Misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- Judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- Judgements about matters that are material to users of the financial statements consider users as group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgment. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Basis for opinion (continued)

Final Materiality (continued)

We determined materiality for the company to be R47.9 million, which is 1% of total assets. We have identified total assets as the most appropriate basis due to the nature of the company which is the basis against with the performance of the company is most commonly measured by the users and is generally accepted basis in companies evaluated by the users for capital growth as well as the performance of investments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition, we have determined the matters described below to be the key audit matters to be communicated in our report.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below:

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Matter one

Derivative financial instrument

Refer to notes 3, and 24 of the annual financial statements for detailed disclosure of the derivative financial instrument

The derivative financial instrument is classified as a financial instrument at fair value through profit or loss. The company obtained notional vendor finance ("NVF") to facilitate the purchase of the MTN Group Limited ("MTN Group") shares. MTN Group issued 25 721 165 NVF shares to the company at a total subscription price of R2 572 on 23 November 2016. MTN Group has a call option against the company in respect of the shares included in the NVF facility.

As at 31 December 2024, financial liabilities carried at fair value through profit or loss are classified as level 3 in the fair value hierarchy as prescribed by IFRS 13 Fair Value Measurement.

Financial instruments that are classified as level 2 or level 3 in the fair value hierarchy will have some element of estimation uncertainty inherent in their value, and the uncertainty is higher for level 3 financial instruments which, by their nature, are unobservable. These portfolios include certain derivative financial instruments.

In addition, the notional outstanding debt at a given point in time is dependent on the dividends generated by MTN Group during the life of the option.

The structure therefore represents a path dependent option which may increase the estimation uncertainty.

Due to the significant judgment applied by the company and the extensive audit work that had to be performed, the valuation of the derivative financial instrument was considered a key audit matter.</td><td>Our audit procedures, amongst others, included:

• We identified relevant controls over the valuation of financial instruments and evaluated the design and implementation of those controls.

• We assessed the models used by the company, the interest and dividends rates applied at year-end, and reperformed the valuation by agreeing valuation inputs to independently sourced data;

• We considered sensitivities to key factors including assessing the impact of change in the interests and dividends rates applied, the MTN Group share price and its volatility.

• We independently recalculated the expected fair values to evaluate if the company's estimates are within a reasonable range in comparison with our independent expectation;

• We also assessed the disclosures made relating to the valuation of the derivative financial instrument to ensure consistency with the requirements of the relevant accounting standards and with the methodologies applied by the company.</td></tr>
<tr><td colspan="2">Key observation – Derivative financial instrument
Based on the procedures performed over the derivative financial instrument, we did not identify any significant matters requiring further consideration in concluding on our procedures.</td></tr>
</table>

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters (continued)

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Matter two

Debt covenants

Refer to notes 8, and 24 of the annual financial statements for detailed disclosure of the debt covenants

The impact of the volatility of the MTN Group share price on debt covenants. A breach in covenants would result in the preference share debt becoming due and payable at the request of the preference shareholder.

Due to the significant pervasive impact of the debt covenants on the company and the extensive audit work that had to be performed, the audit of the debt covenants was considered a key audit matter.</td><td>Our audit procedures, amongst others, included:

• We assessed the loan agreements and correspondence issued by the preference share agents with the relevant counterparties for any breaches of the debt covenants.

• We also assessed the disclosures made relating to the debt covenants to ensure consistency with the requirements of the relevant accounting standards.</td></tr>
<tr><td colspan="2">Key observation – Debt covenant
Based on the procedures performed over the debt covenants, we did not identify any significant matters requiring further consideration in concluding on our procedures.</td></tr>
</table>

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "MTN Zakhele Futhi Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, the Audit, Risk and Compliance Committee Report and the Company Secretary's Certification, as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Inc. has been the auditor of MTN Zakhele Futhi (RF) Limited for 9 years.

SizweNtsalubaGobodo Grant Thornton Inc.
Registered Auditor

Per Nhlanhla Sigasa CA(SA)
Director
Registered Auditor

09 April 2025

SizweNtsalubaGobodo Grant Thornton Inc.
152 14th Road, Noordwyk, Midrand,1687

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	31 December 2024 R'000	31 December 2023 R'000
ASSETS			
Non-current assets			
Investment in equities	2	**4 701 996**	–
		4 701 996	–
Current assets			
Investment in equities	2	**–**	5 903 691
Cash and cash equivalents	5	**61 807**	68 879
Cash and cash equivalents – restricted funds	5	**3 662**	3 454
Other receivables	4	**31 097**	851
		96 566	5 976 875
Total assets		**4 798 562**	**5 976 875**
EQUITY AND LIABILITES			
Equity			
Share capital	6	**2 468 336**	2 468 336
Reserves	7	**(2 559 127)**	(1 384 972)
Accumulated profit		**1 701 048**	1 540 143
		1 610 257	**2 623 507**
LIABILITIES			
Non-current liabilities			
Borrowings	8	**603 005**	–
Derivative financial instrument	3	**2 562 342**	–
Deferred tax liability	9	**–**	–
		3 165 347	–
Current liabilities			
Borrowings	8	**16 620**	755 183
Derivative financial instrument	3	**–**	2 589 882
Current tax payable		**42**	54
Other liability	11	**2 587**	2 607
Trade and other payables	10	**3 709**	5 642
		22 958	**3 353 368**
Total liabilities		**3 188 305**	**3 353 368**
Total equity and liabilities		**4 798 562**	**5 976 875**

STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	Notes	**31 December 2024 R'000**	31 December 2023 R'000
Dividend income	25	**253 557**	253 557
Revenue		**253 557**	**253 557**
Reimbursement income	28	**30 677**	–
Other income		**30 677**	–
Directors' emoluments	19	**(1 332)**	(1 211)
Other operating expenses	12	**(61 764)**	(18 791)
Operating profit		**221 137**	**233 555**
Finance income	13	**6 474**	4 792
Finance costs incurred on financial liabilities measured at amortised cost	14	**(64 958)**	(51 139)
Gain/(Loss) on re-measurement of the derivative financial instrument	15	**27 540**	(991 029)
Profit/(Loss) before taxation		**190 193**	**(803 821)**
Income tax expense	16	**(1 748)**	66 633
Profit/(Loss) for the year		**188 445**	**(737 188)**
Basic and diluted profit/loss per share (cents)	26	**1.75**	**(2.06)**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	**31 December 2024 R'000**	31 December 2023 R'000
Profit/(Loss) for the year		**188 445**	*(737 188)*
Other comprehensive income:			
Items that may not be reclassified to profit or loss:		**(1 201 695)**	(603 148)
Loss on re-measurement of the investment in equities	7	**(1 201 695)**	(603 148)
Deferred tax on re-measurement of the investment in equities		**–**	–
Total comprehensive loss for the year		**(1 013 250)**	(1 340 336)

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Share capital R'000	Investment in equities reserve R'000	Other reserve* R'000	Total reserves R'000	Accu-mulated profit R'000	Total equity R'000
Balance at 1 January 2023	2 468 336	1 500 052	(1 290 847)	209 205	1 286 302	3 963 843
Loss for the year	–	–	–	–	(737 188)	(737 188)
Other comprehensive loss	–	(603 148)	–	(603 148)	–	(603 148)
Total before transfer reserves (loss)/income the year	2 468 336	896 904	(1 290 847)	(393 943)	549 114	2 623 507
Transfer between reserves**	–	–	(991 029)	(991 029)	991 029	–
Balance at 31 December 2023	2 468 336	896 904	(2 281 876)	(1 384 972)	1 540 143	2 623 507
Balance at 1 January 2024	**2 468 336**	**896 904**	**(2 281 876)**	**(1 384 972)**	**1 540 143**	**2 623 507**
Profit for the year	–	–	–	–	188 445	188 445
Other comprehensive loss	–	(1 201 695)	–	(1 201 695)	–	(1 201 695)
Total before transfer reserves (loss)/income for the year	**2 468 336**	**(304 791)**	**(2 281 876)**	**(2 586 667)**	**1 728 588**	**1 610 257**
Transfer between reserves**	**–**	**–**	**27 540**	**27 540**	**(27 540)**	**–**
Balance at 31 December 2024	**2 468 336**	**(304 791)**	**(2 254 335)**	**(2 259 126)**	**1 701 047**	**1 610 257**
Notes	6	7	6	7	8	

* *The other reserve account is used to record the losses and gains recognised on the re-measurement of the derivative financial instrument.*

** *The transfer between reserves arises in respect of the gain on re-measurement of the derivative financial instrument that was recorded in profit and loss. The amount transferred is net of the related deferred tax.*

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	**31 December 2024 R'000**	31 December 2023 R'000
Cash flows from operating activities			
Cash used in operations	17	**(65 021)**	(17 451)
Dividends received	25	**253 557**	253 557
Interest income received	13	**6 474**	4 792
Finance costs paid	8	**(64 716)**	(62 011)
Tax paid	18	**(1 760)**	(1 238)
Net cash from operating activities		**128 534**	177 649
Cash flows from financing activities			
Redemption of cumulative redeemable non-participating preference	8	**(135 800)**	(131 798)
Cash refunded to unsuccessful participants	11	**(20)**	(7)
Net cash from financing activities		**(135 820)**	(131 805)
Total cash movement for the year		**(7 266)**	45 844
Cash at the beginning of the year		**72 333**	26 489
Total cash at the end of the year	5	**65 067**	72 333

1. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 General information

MTN Zakhele Futhi is an investment company that was specifically formed to facilitate the implementation of a BBBEE transaction by MTN Group aimed at maintaining MTN Group's BBBEE status in support of South Africa's Broad Based Black Economic Empowerment Codes of Good Practice.

MTN Zakhele Futhi is a public company incorporated in the Republic of South Africa. The Company has registered its office at 135 Rivonia Road, Sandown, 2196, Johannesburg.

1.2 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards and IFRS Interpretations Committee (IFRIC® Interpretations) issued and effective at the time of preparing these annual financial statements, the Companies Act, as amended and the Listings Requirements of the JSE Limited relating to the BEE Segment and the transitional provisions thereof, and are consistent with those of the previous annual financial statements.

These annual financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the Company's functional currency.

Amounts are rounded to the nearest thousand.

The preparation of annual financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period based on management's best knowledge of current events and actions.

It also requires management to exercise their judgement in the process of applying the Company's accounting policies. Actual results may differ from these estimates. Refer to note 1.13 for the critical accounting estimates and judgements used in the preparation of the annual financial statements.

1.3 Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Classification and measurement

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial liabilities at amortised cost

Classification is determined by both the Company's business model for managing the financial instrument and the contractual characteristics of the financial instrument. Classification is re-assessed on an annual basis, except for derivatives and financial instruments designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

All income and expenses relating to financial instruments that are recognised in profit or loss are presented within finance costs, finance income or dividends received, except for the impairment losses which are disclosed separately on the face of the Statement of Profit or Loss.

Financial instruments are recognised initially at fair value, for instruments not at fair value through profit or loss, adjusted for any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below:

- **Financial assets at fair value through profit or loss**

  Financial assets at fair value through profit or loss are financial assets with a different business model other than "hold to collect" or "hold to collect and sell". Furthermore, irrespective of the business model, financial assets whose contractual cash flows are not solely payments of principal and interest (SPPI) are accounted for at FVTPL. Derivative financial instruments fall into this category unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

  Assets in this category are measured at fair value with gains and losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

  The Company has made the irrevocable election to account for the investment in MTN Group Shares, not classified as a derivative financial instrument, at fair value through other comprehensive income.

- **Financial assets at amortised cost**

  Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVTPL):

  - they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
  - the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

  They are included in current assets except for maturities greater than 12 months after the end of the reporting period which are classified as non-current. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The entity's financial assets measured at amortised cost comprise other receivables and cash and cash equivalents.

- **Financial assets at fair value through other comprehensive income**

  The Company has made the irrevocable election, in terms of IFRS 9 financial instruments, par.5.7.5 to account for the investment in MTN Group Shares, not classified as a derivative financial instrument, at fair value through other comprehensive income. This election has been made due to the nature of the asset and the business model applied in managing this financial instrument.

  Any gains and losses recognised in other comprehensive income will not be recycled upon derecognition of the asset.

- **Financial liabilities at amortised cost**

  Financial liabilities comprise trade and other payables, borrowings, the advance received from MTN Holdings and other non-current liabilities (excluding provisions).

  Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company has designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

  Borrowings and the advance received form MTN Holdings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

  Refer to note 1.7 below for the accounting policy applicable to the preference shares and advance received from MTN Holdings.

Derecognition and Modifications

Financial assets are derecognised when the contractual rights to receive cash flows from the financial asset have expired or when the financial asset and substantially all the risks and rewards of ownership are transferred.

Financial liabilities are derecognised when:

- the contractual rights or obligations specified in the contract expire or are extinguished, discharged, or cancelled;
- they are transferred and the derecognition criteria of IFRS 9 are met; or
- *the contractual terms of the instrument are substantially modified and the derecognition criteria of IFRS 9 are met.*

If the contractual cash flows of a financial liability measured at amortised cost are modified (renegotiated or rescheduled), the Company considers whether this is a substantial modification to the original terms. If the changes are considered to be a substantial modification, the Company derecognises the original financial liability and recognises a "new" liability at fair value, adjusted for transaction costs. Differences in the carrying amount are recognised in profit or loss as a gain or loss on derecognition. If the changes are considered to be an unsubstantial modification, the Company does not derecognise the original financial liability. In such instances a modification gain or loss is calculated as the difference between the present value of the "new" cash flows discounted at the "old" effective interest rate and the carrying value of the financial liability on the date of modification. The modification gain or loss is recognised in the profit or loss.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value has been determined for measurement and/or disclosure purposes based on the methods described below. When applicable, further information about the assumptions made in determining fair values is disclosed in the note specific to that asset or liability.

Transfers between fair value levels (level 1, level 2 and level 3) occur when a manner in which the fair value is determined has changed.

- **Investment in equities**

  Investments in equities are measured at fair value through other comprehensive income. The fair value of the investments in equities are determined by reference to their quoted closing bid price at the reporting date.

- **Other receivables**

  Other receivables are classified as financial assets measured at amortised cost. The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date, unless it is short-term in nature, in which case its amortised cost approximates fair value.

- **Derivative financial instrument**

  Derivative financial instruments are classified at fair value through profit or loss.

  A derivative is a financial instrument or other contract with all of the following characteristic*s:*

  - its value changes in response to a change in a specified interest rate, financial instrument price, commodity price, foreign exchange or other variable;
  - it requires no initial net investment or an initial investment that is smaller than would be for other types of contracts that would be expected to have a similar response to changes in market factors;
  - it is settled at a future date.

  Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and attributable transaction costs are expensed. Subsequently, derivative financial instruments are remeasured at their fair value and movements are recognised immediately in profit or loss.

  The fair value of the derivative financial instrument which relate to the existing option, is estimated using valuation techniques. A Monte Carlo methodology was adopted to value the option. The Monte Carlo simulation allows for the option model to consider the dependencies which exist between the company value, the dividends paid, the notional funding value and the remitted value. Refer to note 3 for the respective assumptions used in the valuation.

- **Non-derivative financial liabilities**

  Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date, unless it is short-term in nature, in which case its amortised cost approximates fair value.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

IFRS 9 requires the company to recognise a loss allowance for expected credit losses on:

- trade receivables; and
- debt investments measured subsequently at amortised cost or at FVOCI.

In particular, IFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit loss (ECL) if the credit risk on the financial instrument increased significantly since the initial recognition or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit - impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables in certain circumstances.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('stage 1');
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('stage 2'); and
- financial assets that have objective evidence of impairment at reporting date ('stage 3').

An ECL assessment has been performed for all qualifying financial assets in accordance with IFRS 9. No impairment loss has been identified through this assessment.

1.4 **Other receivables**

Other receivables consist of accrued interest on the call accounts and prepayments relating to administration expenses that were paid in advance or recoverable from MTN Group.

1.5 **Trade and other payables and other liability**

Trade and other payables and other liabilities are initially measured at fair value less transaction costs and are subsequently measured at amortised cost, using the effective interest method. These payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

1.6 **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held on call and investments in money market instruments, net of bank overdrafts, all of which are available for use by the Company. Bank overdrafts are included within current liabilities on the balance sheet unless the entity has a legally enforceable right to set off the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

Restricted funds are deposits held and are not available for use by the Company, as these are legally due to unidentified depositors.

1.7 **Borrowings (Preference shares)**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the statement of profit or loss as interest expense.

1.8 **Tax**

Current tax assets and liabilities

Current tax is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of the current period exceeds the amount due for this period, the excess is recognised as an asset.

Current tax liabilities (assets) are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual financial statements.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which, at the time of the transaction, affects neither accounting profit nor taxable profit/(tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax expense

The tax (credit)/expense for the period comprises current and deferred tax.

Current and deferred taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised:

- in other comprehensive income; or
- directly in equity.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.9 **Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities (note 1.7).

Incremental external costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds.

1.10 **Dividends payable**

Dividends payable are recognised as a reduction from equity in the period in which they are approved by the Company's shareholders.

1.11 **Income recognition**

Interest income

Interest income is recognised using the effective interest method. These assets are measured using a credit-adjusted effective interest rate (EIR), which incorporates initial expected credit losses (ECL) into the estimated cash flows when calculating the EIR. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Dividend income

Dividend income is recognised in profit or loss when the right to receive payment is established.

Reimbursement Income

Reimbursement income is recognised in profit or loss when the right to receive payment is established.

1.12 **Directors' emoluments**

Remuneration to directors in respect of the services rendered during the reporting period is expensed in that reporting period.

1.13 **Significant judgements and sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on several factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Income taxes

Where applicable tax legislation is subject to interpretation, the Company makes assessments, based on expert tax advice, of the relevant tax that is likely to be paid and provides accordingly. When the final outcome is determined and there is a difference, this is recognised in the period in which the final outcome is determined.

For purposes of the annual financial statements, the Company have assumed that the tax will be borne by the Company. Deferred tax has been calculated at capital gains tax rate as the increase in the investment in MTN Group Shares will only be realised on the sale thereof.

Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The derivative instrument is based on assumptions as set out in note 3, these judgements and estimates are subject to change.

The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

1.14 Expenses

All expenses have been accounted for on the accrual basis. The expenditure is classified in accordance with the nature of the expense.

Expenses for the Company include expenses of Jabisan 04 (RF) Proprietary Limited (Jabisan 04) and the BFC 2 Owner Trust.

Administration expenses of the Company and Jabisan 04 are limited to the amounts set out in clause 3.1 of Annexe A of the Company's Memorandum of Incorporation i.e. R15 million per annum prior to the commencement of the BEE Listing Period (as defined in the Company's Memorandum of Incorporation), with an escalation allowance each year of the higher of 10% per annum or year-on-year changes in the CPI, on written approval of the Preference Share Agent and MTN Group plus the Administration Contingency Amount, plus an amount not exceeding R5 million in aggregate over the term of the Transaction (as defined in the Company's Memorandum of Incorporation) in relation to the specific categories of costs and expenses set out in clause 3.1.2 of Annexe A of the Company's Memorandum of Incorporation.

Administration expenses include all service provider expenses payable by the Company per the Transaction Documents (as defined in the Company's Memorandum of Incorporation).

		31 December 2024 R'000	31 December 2023 R'000
2.	**INVESTMENT IN EQUITIES – CURRENT ASSET**		
	MTN Group Shares	–	5 903 691
	Reconciliation of the financial asset at fair value through other comprehensive income		
	Balance at the beginning of the year	–	6 506 839
	Loss on re-measurement of the investment in equities	–	(603 148)
	Balance at the end of the year	–	5 903 691
	Investment in equities – Non-current asset		
	MTN Group Shares	**4 701 996**	–
	Reconciliation of the financial asset at fair value through other comprehensive income		
	Balance at the beginning of the year	**5 903 691**	–
	Loss on re-measurement of the investment in equities	**(1 201 695)**	–
	Balance at the end of the year	**4 701 996**	–

The investment consists of 51 114 213 (2023: 51 114 213) MTN Group Shares. The total investment together with the derivative financial instrument (refer note 3) comprises approximately 4% of MTN Group's issued share capital.

The shares were acquired for cash at a price of R4 593 511 342 on 23 November 2016.

The fair value of the investment is based on a quoted market price of R91,99 (2023: R115,50) per share as listed on the JSE Limited at 31 December 2024. The total loss recorded in other comprehensive income for the current financial year is R1 201 695 148, with a loss in the previous financial year (2023: R603 147 713).

3. **DERIVATIVE FINANCIAL INSTRUMENT**

As part of the implementation of the MTN Group BBBEE scheme, MTN Zakhele Futhi obtained notional vendor finance (NVF) to facilitate the purchase of MTN Group Shares. MTN Group issued 25 721 165 NVF shares to MTN Zakhele Futhi at a total subscription price of R2 572 on 23 November 2016. MTN Group has a call option against MTN Zakhele Futhi in respect of the shares included in the NVF facility.

The notional outstanding debt at a given point in time is dependent on the dividends generated by MTN Group during the life of the option. The structure therefore represents a path dependent option. The Monte Carlo simulation was applied as the valuation technique, which is in line with standard market practice.

The value of the option at year end was a liability of R2 562 341 554 (2023: R2 589 882 488). The significant inputs into the model were the market share price of MTN Group Shares of R91,99 (2023: R115,50), volatility of 34,54% (2023: 30,87%), a dividend yield of 3,75% (2023: 2,81%) and an expected option life of eleven years from inception and an annual risk-free rate of 7,34% (2023: 8,06%).

In terms of the NVF agreement, the notional funding provided by MTN Group earns notional interest at 80% of Prime (NACM).

The notional vendor balance accrued R548 million (2023: R488 million) in interest for the year ended 31 December 2024. The notional vendor finance at year end was R6 169 million (2023: R5 620 million).

	31 December 2024 R'000	31 December 2023 R'000
3. DERIVATIVE FINANCIAL INSTRUMENT (CONTINUED)		
CURRENT LIABILITY		
Financial liability at fair value through profit and loss		
Balance at the beginning of the year	–	(1 598 853)
Fair value adjustments recorded in profit and loss	–	(991 029)
Fair value at end of the year	–	(2 589 882)
NON-CURRENT LIABILITY		
Financial liability at fair value through profit and loss		
Balance at the beginning of the year	**(2 589 882)**	–
Fair value adjustments recorded in profit and loss	**27 540**	–
Fair value at end of the year	**(2 562 342)**	–
4. **OTHER RECEIVABLES**		
Prepayments	**287**	275
Amount owing by MTN Group	**30 810**	174
	31 097	449

The carrying amount of the other receivables approximates fair value.

5. **CASH AND CASH EQUIVALENTS**		
Cash and cash equivalents consist of:		
Bank balances	**61 405**	68 879
Restricted funds	**3 662**	3 454
Accrued interest income – Cash and Cash equivalents	**402**	402
	65 469	72 735

Cash and cash equivalents are denominated in South African Rands.

The carrying amount of the cash and cash equivalents approximates fair value.

R3 661 789 (2023: R3 453 992) is held by the Company for unsuccessful applicants that need to be refunded due to the fact that bank deposit references did not allow their deposits to be matched to their application for MTN Zakhele Futhi shares. This resulted in shares not being allocated to these applicants during the initial offer period. Funds are being refunded as and when applicants present themselves. The Company is not obliged to pay interest to the applicants on the amounts refundable. These funds are not available to the Company for its own use and are therefore classified as restricted funds.

		31 December 2024 R'000	31 December 2023 R'000
6.	**SHARE CAPITAL**		
	Authorised share capital		
	300 000 000 ordinary shares of no par value		
	3 200 000 cumulative redeemable non-participating preference shares		
	Issued share capital		
	8 ordinary shares of no par value issued on incorporation	*	*
	123 416 818 ordinary shares of no par value (issued on 23 and 24 November 2016)	**2 468 336**	2 468 336
		2 468 336	2 468 336

* *Amount less than R1 000*

Issued cumulative redeemable non-participating preference shares are classified as borrowings (note 8).

The MTN Zakhele Futhi ordinary shares were subject to a minimum investment period of three years, from 24 November 2016 to 23 November 2019. Restricted trading of the MTN Zakhele Futhi ordinary shares is permissible between eligible individuals and groups, between the fourth to eleventh years (ending 23 November 2027).

7.	**RESERVES**		
	Reserves consist of:		
	Investment in equities reserve	(304 791)	896,904
	Other reserve	(2 254 336)	(2,281,876)
		(2 559 127)	**(1 384 972)**
	Investment in equities reserve		
	Balance at the beginning of the year	**896 904**	**1 500 052**
	Loss on the revaluation of the investment in equities financial asset	(1 201 695)	(603 148)
	Deferred tax on the revaluation of the investment in equities financial asset*	–	–
	Balance at the end of the year	**(304 791)**	**(896 904)**
	Other reserves		
	Balance at the beginning of the year	**(2 281 876)**	**(1 290 847)**
	Loss on revaluation of the derivative financial instrument**	27 540	(991 029)
	Balance at the end of the year	**(2 254 336)**	**(2 281 876)**

* *A deferred tax asset of R530 million (2023: R276 million) has not been recognised due to the uncertainty of future taxable income against which to utilise the deferred tax asset. Future taxable income is entirely dependent on a favourable MTN Group share price. Due to the unpredictability of the market the Company has adopted a policy of not raising a deferred tax asset to which there is no predictable deferred tax liability against which to utilise it.*

** *The transfer between reserves arises in respect of the gain on the remeasurement of the derivative financial instrument that is recorded in profit or loss. The amount transferred is net of deferred tax calculated at the Capital Gains Tax (CGT) rate.*

	31 December 2024 R'000	31 December 2023 R'000
8. BORROWINGS		
Borrowings consist of the unlisted cumulative redeemable non-participating preference shares.		
Long-term portion	603 005	–
Short-term portion	16 620	755 183
	619 625	**755 183**
Reconciliation of the cumulative redeemable non-participating preference shares		
Balance at the beginning of the year	755 183	897 853
Redemption of non-participating preference shares (redeemed at a par value of R1 000)	(135 800)	(131 798)
Interest paid on cumulative redeemable non-participating preference shares	(64 716)	(62 011)
Accrued interest at the effective interest rate	64 958	51 139
Balance at the end of the year	**619 625**	**755 183**

The above borrowings have been indirectly secured through the back-to-back preference shares issued by Jabisan 04.

MTN Zakhele Futhi issued cumulative redeemable non-participating MTN Zakhele Futhi preference shares (MTN Zakhele Futhi preference shares) to Jabisan 04 on 23 November 2016 at an issue price of R1 000 per MTN Zakhele Futhi preference share. The MTN Zakhele Futhi preference shares were redeemable after 5 years from the date of issue i.e. 23 November 2021. During December 2020 the scheduled redemption date was extended to 23 November 2022. In addition, during September 2021, agreements were concluded in relation to amendments to the terms of the MTN Zakhele Futhi preference shares and the refinancing of the Jabisan 04 preference share funding agreements and the holders of the cumulative redeemable preference shares agreed to extend the scheduled redemption date of the Jabisan 04 preference shares and the MTN Zakhele Futhi preference shares to 22 November 2024. During 2024, the scheme and related funding, including the scheduled redemption date of these preference shares were extended for three years to 23 November 2027.

The revised terms of the preference shares, including the MTN Zakhele Futhi preference shares include a favourable change to the dividend rate applicable to the preference shares, being a reduction of 2.5% from 75% to 72.5% of the prime lending rate quoted by FirstRand Bank Limited (acting through its Rand Merchant Bank division), expressed as a simple rate of interest (compounded on each scheduled preference dividend date).

The MTN Zakhele Futhi preference shares accrue dividends (in arrears), which are payable on 30 April and 30 September over the term of the MTN Zakhele Futhi preference shares, or such earlier or later date as may be agreed in writing by MTN Zakhele Futhi and the Preference Share Agent at least five business days prior to 30 April or 30 September of any year during the term of the MTN Zakhele Futhi preference shares. Subject to the relevant conditions, the accrued dividends may be rolled up to the agreed maximum amount (being an amount calculated on the date the relevant priority of payments set out in the Memorandum of Incorporation of MTN Zakhele Futhi, equal to no more than 105% of the issue price of the unredeemed MTN Zakhele Futhi preference shares plus all accrued and/or accumulated preference share dividends in relation to such shares).

MTN Zakhele Futhi is structured robustly and is supported by MTN Group in multiple ways. Over the life of the scheme (which was originally eight-years and has been extended to 11 years), the potential for unforeseen, but material and sudden, movements in market prices were provided for, and a mechanism was included in the Transaction Documents to enable MTN Group (or other permitted MTN Group company) to voluntarily take over the third-party funding in these circumstances, through the exercise of a call option to purchase the unredeemed preference shares.

8. **BORROWINGS** (CONTINUED)

The MTN Zakhele Futhi preference shares are subject to a trigger event if the one-day VWAP of the MTN Group Shares is R38 or less. This trigger event was revised during 2021, with the consent of the MTN Zakhele Futhi shareholders, the preference shareholders, the Company and MTN Group, from a one-day VWAP of R50 to a one-day VWAP of R38. The MTN Zakhele Futhi preference shares are also subject to the following debt covenants:

	Trigger Event		Volatility Protection	
MTN Group Net Debt to EBITDA	**Total Share Cover Ratio**	**Top-Up Required**	**Volatility Protection Share Cover Ratio**	**Top-Up Required**
< 2.00 times	**2.00 times**	**2.90 times**	**2.30 times**	**2.60 times**
> = 2.00 times	**2.20 times**	**3.20 times**	**2.60 times**	**2.90 times**

The Total Share Cover Ratio is, as at any date, the ratio A:B where:

- A is the number of MTN Group Shares reflected in the Subject Share Security Account multiplied by the Five Day VWAP of the MTN Group Shares; and
- B is (a) the aggregate MTN Zakhele Futhi Redemption Amount (excluding any MTN Zakhele Futhi Margin Dividend) of the MTN Zakhele Futhi unredeemed preference shares as at that date calculated on the basis that the MTN Zakhele Futhi unredeemed preference shares were to be redeemed on that date; less (b) the aggregate of all amounts standing to the credit of the Jabisan 04 Collection Account, MTN Zakhele Futhi Collection Account, the MTN Zakhele Futhi Security Account, Jabisan 04 Top up Loan Account and the MTN Zakhele Futhi Top up Loan Account on that date.

The Volatility Protection Share Cover Ratio is, at any date, the ratio of A:B where:

- A is the MTN Group Shares in the Subject Share Security Account multiplied by the one-day VWAP of the MTN Group Shares; and
- B is (a) the aggregate MTN Zakhele Futhi Redemption Amount (excluding any MTN Zakhele Futhi Margin Dividend) of the MTN Zakhele Futhi unredeemed preference shares as at that date calculated on the basis that the MTN Zakhele Futhi unredeemed preference shares were to be redeemed on that date; less (b) the aggregate of all amounts standing to the credit of the Jabisan 04 Collection Account, MTN Zakhele Futhi Collection Account, the MTN Zakhele Futhi Security Account, Jabisan 04 Top up Loan Account and the MTN Zakhele Futhi Top up Loan Account on that date.

If the above covenants are triggered the holders of the back-to-back preference shares issued by Jabisan 04 will, amongst other things, have the right to enforce the sale of sufficient MTN Group Shares to repay their outstanding debt.

There are no continuing trigger events and MTN Zakhele Futhi is in compliance with its debt covenant requirements at year end.

The following security and credit support are held as at 31 December 2024:

First Ranking Guarantee, given by MTN Zakhele Futhi in respect of the obligations of Jabisan 04 under the Jabisan 04 preference shares (cumulative redeemable non-participating preference shares) issued by Jabisan 04 to the Jabisan 04 Preference Shareholders on 23 November 2016.

MTN Zakhele Futhi Pledge and Cession given by MTN Zakhele Futhi in favour of the Jabisan 04 Preference Shareholders in terms of which MTN Zakhele Futhi pledges and cedes in security the Subject Shares (the MTN Group Shares held by MTN Zakhele Futhi from time to time) for its obligations under the First Ranking Guarantee.

MTN Zakhele Futhi Reversionary Pledge and Cession by MTN Zakhele Futhi in favour of MTN Group and MTN Holdings Limited and each Subordinated MTN Acceded Nominee (MTN Group Entities) in terms of which MTN Zakhele Futhi pledges and cedes in security its Primary Reversionary Rights to the Subject Shares (the MTN Group Shares held by MTN Zakhele Futhi from time to time) for its obligations in respect of certain Transaction Documents.

MTN Zakhele Futhi Account Cession by MTN Zakhele Futhi in favour of the Jabisan 04 Preference Shareholders in terms of which MTN Zakhele Futhi cedes in security the MTN Zakhele Futhi Account Rights (and any other assets designated as Collateral) for its obligations under the First Ranking Guarantee.

8. **BORROWINGS** (CONTINUED)

MTN Zakhele Futhi Reversionary Account Cession by MTN Zakhele Futhi in favour of the MTN Group Entities in terms of which MTN Zakhele Futhi cedes in security the MTN Zakhele Futhi Account Rights (and any other assets designated as Collateral) for its obligations in respect of certain Transaction Documents.

MTN Subordination and Undertaking Agreement entered into between the Jabisan 04 Preference Shareholders, Jabisan 04, MTN Zakhele Futhi, FirstRand Bank Limited, acting through its Rand Merchant Bank division (in its capacity as Preference Share Agent), MTN Group and MTN Holdings in terms of which the MTN Group Entities (i) subordinate their claims against MTN Zakhele Futhi in favour of Jabisan 04 and the holders of the Jabisan 04 preference shares and (ii) subordinate their claims against Jabisan 04 in favour of the Jabisan 04 Preference Shareholders; and MTN Holdings provides a limited recourse guarantee in favour of the Jabisan 04 Preference Shareholders.

The MTN Group Shares (being 76 835 378 ordinary shares) are held at FirstRand Bank Limited, acting through its Rand Merchant Bank Custody and Trustee Services division (in its capacity as Security Custodian).

	31 December 2024 R'000	31 December 2023 R'000
9. **DEFERRED TAX LIABILITY**		
Balance at the beginning of the year	–	67 926
Deferred tax asset limited to availability of deferred tax liability	–	(67 926)
Revaluation of available-for-sale financial asset recorded in OCI	–	–
Balance at end of the year		
Deferred Tax Net Balance	–	–
Deferred Tax on Available for sale Financial Asset	(23 433)	(282 999)
Deferred Tax on Derivative Financial Asset	553 466	559 415
	530 033	**276 416**

Net Deferred Tax Asset

Deferred tax on the revaluation of the investment in equities and the derivative financial instrument are raised at the CGT rate of 21.6%.

A deferred tax asset of R530 million (2023: R276m) has not been recognised due to the uncertainty of future taxable income against which to utilise the deferred tax asset. Future taxable income is entirely dependent on a favourable MTN Group Share price. Due to the unpredictability of the market the Company has adopted a policy of not raising a deferred tax asset to which there is no predictable deferred tax liability against which to utilise it.

		31 December 2024 R'000	31 December 2023 R'000
10.	**TRADE AND OTHER PAYABLES**		
	Administration costs	1 732	4 067
	Director's and secretarial fees	52	122
	Professional fees and other	1 925	1 453
	Balance at the end of the year	**3 709**	**5 642**
11.	**OTHER LIABILITY**		
	The other liability consists of amounts due and payable to unsuccessful applicants. Shares were not allocated to these applicants during the initial offer period due to incorrect references being used on their payments resulting in their deposits not being matched to their underlying application.		
	Balance at the end of the year	**2 587**	**2 607**
	The carrying amount of the other liability approximates fair value.		
	Opening	2 607	2 614
	Amounts/cash refunded to unsuccessful participants	(20)	(7)
	Closing	**2 587**	**2 607**
12.	**OTHER OPERATING EXPENSES**		
	Administration and preference agent fees	(18 946)	(11 142)
	Auditors' remuneration	(1 829)	(1 355)
	Securities transfer tax	(340)	(330)
	Legal and other professional fees	(38 716)	(4 575)
	Secretarial expenses	(164)	(107)
	Annual general meeting, including printing and postage	(1 430)	(952)
	Expenses paid on behalf of Jabisan 04 & BFC Ownership Trust	(340)	(330)
		(61 765)	**(18 791)**

In accordance with the underlying Transaction, Document, the Company pays all the expenses of Jabisan 04 and BFC 2 Owner Trust. The major expenses paid in respect of these include audit fees and securities transfer taxation paid on the redemption of preference shares by Jabisan 04.

		31 December 2024 R'000	31 December 2023 R'000
13.	**FINANCE INCOME**		
	Interest income is earned from investments in financial assets.		
	Interest income from bank and cash	6 474	4 792
		6 474	**4 792**
14.	**FINANCE COSTS INCURRED ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST**		
	Interest expense – borrowings (accrued dividends)	56 708	65 506
	Transaction costs capitalised	(8 250)	(14 367)
		64 958	**51 139**
15.	**GAIN/(LOSS) ON RE-MEASUREMENT OF THE DERIVATIVE FINANCIAL INSTRUMENT**		
	Fair value losses arise on financial instruments recognised at fair value through profit or loss.		
	Gain/(Loss) on revaluation of the derivative financial instrument	**27 540**	**(991 029)**
16.	**INCOME TAX EXPENSE**		
	Major components of the tax expense include:		
	Current taxation		
	Normal taxation	**(1 748)**	**(1 293)**
	Deferred taxation		
	Current year tax movement	**–**	**67 926**
		(1 748)	**66 633**
	Reconciliation of the tax credit		
	The income tax expenses for the year is reconciled to the effective rate of tax as follows:		
	Applicable rate	27.00%	27.00%
	Exempt dividends	(36.00%)	8.52%
	Expenses not deductible for tax*	18.18%	(2.39%)
	Difference between CGT and statutory tax on the revaluation of the derivative instrument	(0.78%)	(6.66%)
	Reimbursement income	(4.35%)	–
	Unrecognised deferred tax asset	(3.13%)	(18.19%)
	Effective tax rate	**0.92%**	**8.28%**

Deferred tax on the fair value adjustment of the derivative financial instrument is raised at the CGT rate (21.60%).

The corporate tax rate was 27% during 2024 and 2023.

* *Detailed expenses not deducted for tax purposes are not disclosed as all expenses are treated as non-deductible for tax purposes (IAS 12 Income Tax par 81c).*

		31 December 2024 R'000	31 December 2023 R'000
17.	**CASH USED IN OPERATIONS**		
	Profit/(Loss) before taxation	**190 193**	**(803 821)**
	Adjusted for:		
	Interest income	(6 474)	(4 792)
	Finance costs incurred on financial liabilities measured at amortised cost	64 958	51 139
	(Gain)/Loss on re-measurement of the derivative financial instrument	(27 540)	991 029
	Dividend income	(253 557)	(253 557)
	Changes in working capital:		
	(Increase)/Decrease in other receivables	(30 648)	(302)
	(Decrease)/Increase in trade and other payables	(1 933)	2 853
		(65 001)	**(17 451)**
18.	**TAX PAID**		
	Balance at the beginning of the year	(54)	1
	Current tax for the year recognised in profit or loss	(1 748)	(1 293)
	Balance at the end of the year	42	54
		(1 760)	**(1 238)**

19. RELATED PARTIES

Relationships

Preference shareholder:	Jabisan 04
Ordinary shareholder of preference shareholder:	BFC 2 Owner Trust
Provider of notional vendor finance:	MTN Group
Provider of advance:	MTN Holdings
Non-executive directors:	Sindisiwe Mabaso-Koyana
	Grant Gelink
	Belinda Mapongwana
	Edward Pitsi

19. **RELATED PARTIES** (CONTINUED)

	31 December 2024 R'000	31 December 2023 R'000
Related party balances:		
Preference share liability		
Jabisan 04	619 625	755 183
Ordinary share capital held by related party		
MTN Group	365 540	365 540
Related party transactions:		
Dividend received from related party		
MTN Group	253 557	253 557
Interest paid to related parties		
Jabisan 04	64 716	62 011
Other receivables		
MTN Group	30 810	174
Expenses paid on behalf of related parties		
Jabisan 04	340	330
Remuneration of the board of directors – board of directors fees*		
Sindisiwe Mabaso-Koyana	239	243
Grant Gelink	328	254
Edward Pitsi	277	265
Belinda Mapongwana	487	449
	1 331	1 211

** VAT (at a rate of 15%) is charged by the non-executive directors where applicable.*

The board of directors do not consider the key service providers to be "key management personnel" as defined in IAS 24, *Related Party Disclosure*.

These transactions above with the relevant providers and management are considered to be equivalent to those at an arm's leng th transaction.

Directors' interests in shares

As at 31 December 2024, the board of directors of the Company held the following number of direct or indirect beneficial interests in the issued ordinary shares of the Company:

	2024		**2023**	
	Direct	**Indirect**	**Direct**	**Indirect**
Sindisiwe Mabaso-Koyana	–	50 000	–	50 000
Grant Gelink	61 081	–	61 081	–
Belinda Mapongwana	–	–	–	–
Edward Pitsi	–	5 000 000	–	5 000 000
	61 081	**5 050 000**	**61 081**	**5 050 000**

The register of board of directors' and others interests in shares of the Company is available to shareholders on request.

There have been no changes in beneficial interests of the board of directors that occurred between the end of the reporting period and the date of this report.

20. **GOING CONCERN**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The board of directors have assessed the going concern assumption after consideration of the following:

- Should cash resources once again become strained, (including as a result of the dividend roll up mechanism in relation to the Company's preference shares not being available to the Company), the Company's directors would consider the possibility of either additional subordinated loans from MTN Group and/or MTN Holdings, or requesting consent from the holders of such preference shares for the postponement of payment of such preference share dividends. This would assist in providing MTN Zakhele Futhi with improved liquidity to meet its obligations.
- The Company's only asset is the 76 835 378 ordinary shares held in MTN Group. MTN Zakhele Futhi is entirely dependent on the dividends received from MTN Group and any appreciation in the MTN share price to generate income.
- As per the MTN Group Stock Exchange News Service announcement released on 17 March 2025, MTN Group has declared an ordinary dividend per share of 345 cents for 31 December 2024 year end. This will ensure that, subject to application of the preference share dividend roll up mechanism referred to above, MTN Zakhele Futhi has enough cash to meet its preference share obligations and operational requirements for the next 12 months.
- MTNZF announced a Scheme Extension which is effective as of 12 November 2024, as all conditions precedent to the extension were successfully executed. The scheduled maturity date of the Scheme is, by reason of the Scheme Extension, now 23 November 2027. This is subject to certain conditions attached to the scheme, whereby should the necessary conditions allow, the Board of Directors can unwind the scheme at a point in time.

Based on the above and the Company's forecasts and projections, taking account of reasonable possible changes in investment performance, the Company will be able to operate within the level of its current funding.

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

21. **EVENTS AFTER THE REPORTING PERIOD**

No other significant events have occurred between the reporting date and 09 April 2025 that require adjustment or disclosure.

22. **CONTINGENCIES, COMMITMENTS AND GUARANTEES**

There is no reimbursement to any third party for potential obligations of the Company that have not been accrued for at year end. The Company did not have any contingent liabilities at year end.

23. CATEGORIES OF FINANCIAL INSTRUMENTS

The financial instruments of the Company have been classified as follows:

	Financial assets		Financial liabilities		Total financial instruments	
31 December 2024	**Fair value through other comprehensive income R'000**	**Amortised cost R'000**	**Financial liabilities at fair value through profit or loss R'000**	**Financial liabilities at amortised cost R'000**	**Total carrying amount R'000**	**Fair value R'000**
Assets						
Investment in equities	4 701 996	–	–	–	4 701 996	4 701 996
Other receivables	–	31 499	–	–	31 499	31 499
Cash and cash equivalent	–	65 067	–	–	65 067	65 067
Liabilities						
Derivative financial instrument	–	–	(2 562 342)	–	(2 562 342)	(2 562 342)
Borrowings	–	–	–	(619 625)	(619 625)	(619 625)
Trade and other payables	–	–	–	(3 709)	(3 709)	(3 709)
Other liability	–	–	–	(2 587)	(2 587)	(2 587)

	Financial assets		Financial liabilities		Total financial instruments	
31 December 2023	**Fair value through other comprehensive income R'000**	**Amortised cost R'000**	**Financial assets at fair value through profit or loss R'000**	**Financial liabilities at amortised cost R'000**	**Total carrying amount R'000**	**Fair value R'000**
Assets						
Investment in equities	5 903 691	–	–	–	5 903 691	5 903 691
Other receivables	–	851	–	–	851	851
Cash and cash equivalent	–	72 333	–	–	72 333	72 333
Liabilities						
Derivative financial instrument	–	–	–	–	(2 589 882)	(2 589 882)
Borrowings	–	–	–	(755 183)	(755 183)	(755 183)
Trade and other payables	–	–	–	(5 642)	(5 642)	(5 642)
Other liability	–	–	–	(2 607)	(2 607)	(2 607)

24. **FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

a. **Financial risk management**

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (price risk and interest rate risk). This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these annual financial statements.

b. **Fair value estimation**

In terms of IFRS 13, *Fair Value Measurement*, financial instruments that are measured in the statement of financial position at fair value require disclosure of the fair value by level in terms of the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The Company's policy is to recognise transfers into and transfers out of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. During the year under review there have been no transfers between any of the levels.

The fair value of the investment in equity financial assets is based on the MTN Group Share price, as listed on the JSE Limited. The fair value of the derivative financial asset is based on a valuation model. The input to this model includes the MTN Group Share price, which is an observable input in the market. Other inputs include interest rates on borrowings and dividend rates on the preference share funding, which inputs are not observable in the market. The assumptions and model used are disclosed in note 3.

The table below presents the Company's assets and liabilities that are measured at fair value (where the fair value does not approximate the financial instruments carrying amount) and those measured at amortised cost whose fair value is disclosed.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 December 2024				
Recurring fair value measurement				
Investment in equities	**4 701 996**	**–**	**–**	**4 701 996**
Derivative financial instrument	**–**	**–**	**(2 562 342)**	**(2 562 342)**
Amortised cost measurement				
Borrowings	**–**	**(619 625)**	**–**	**(619 625)**
31 December 2023				
Recurring fair value measurement				
Investment in equities	5 903 691	–	–	5 903 691
Derivative financial instrument	–	–	(2 589 882)	(2 589 882)
Amortised cost measurement				
Borrowings	–	(755 183)	–	(755 183)

There were no transfers between level 1, 2 or 3 during the financial year.

24. **FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS** (CONTINUED)

c. **Derivative financial instrument**

Sensitivity analysis – impact of change in the MTN Group share price

The table below summarises the impact of increases/(decreases) of the MTN Group Share price on profit or loss and the impact on equity.

The analysis is based on the assumption that the MTN Group Share price increases/(decreases) by 10% with all other variables held constant.

		Impact on post-tax profit and equity	
		31 December 2024 R'000	**31 December 2023 R'000**
10%	increase	**29 628**	223 293
10%	decrease	**(79 984)**	(163 101)

Sensitivity analysis – impact of change in interest rate

The table below summarises the impact of increases/(decreases) in the interest rate on the financial instrument for profit or loss and the impact on equity.

The analysis is based on the assumption that the interest rate increased/decreased by 1% with all other variables held constant.

		Impact on post-tax profit and equity	
		31 December 2024 R'000	**31 December 2023 R'000**
1%	increase	**12 216**	8 220
1%	decrease	**(12 151)**	(8 220)

Sensitivity analysis – impact of change in volatility

The table below summarises the impact of increases/(decreases) in the volatility of the MTN Group Share price on profit or loss.

The analysis is based on the assumption that the volatility percentage applied in the valuation model increased/decreased by 5% with all other variables held constant.

		Impact on post-tax profit	
		31 December 2024 R'000	**31 December 2023 R'000**
5%	increase	**219 345**	86 386
5%	decrease	**(221 788)**	(71 833)

24. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

c. Derivative financial instrument (continued)

Sensitivity analysis – impact of dividend yield

The table below summarises the impact of increases/(decreases) in the dividend yield of the MTN Group Share price on profit or loss. The analysis is based on the assumption that the dividend yield applied in the valuation model increased/decreased by 1% with all other variables held constant.

		Impact on post-tax profit	
		31 December 2024 R'000	**31 December 2023 R'000**
1%	increase	**(24 970)**	(3 989)
1%	decrease	**25 842**	4 049

d. Financial assets

Price risk

The Company is exposed to equity securities price risk because investments held by the Company which are classified on the statement of financial position as financial assets at fair value through other comprehensive income The Company's exposure to equity securities price risk is limited to the MTN Group Share price.

The table below summarises the impact of increases/(decreases) of the MTN Group Share price. The analysis is based on the assumption that the MTN Group Share price had increased/(decreased) by 10% with all other variables held constant.

		Impact on other comprehensive income before tax	
		31 December 2024 R'000	**31 December 2023 R'000**
10%	increase	**470 199**	590 369
10%	decrease	**(470 199)**	(590 369)

e. Borrowings

Cash flow and fair value interest risk

The entity's interest rate risk arises from long-term borrowings by means of preference shares which are based on variable rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk, which is partially offset by cash held at variable rates.

The Company analyses its interest rate exposure periodically. Scenarios are generally simulated taking into consideration repricing of preference share funding in terms of the derivative model to further reduce exposure to interest rate changes and, in certain cases refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

24. **FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS** (CONTINUED)

e. **Borrowings (continued)**

Sensitivity analysis

The Company has used a sensitivity analysis technique that measures the estimated change to the statement of profit or loss and other comprehensive income of an instantaneous increase or decrease of 1% (100 basis points) in market interest rates, from the rate applicable at 31 December 2024, for each class of financial instrument, with all other variables remaining constant. This analysis is for illustrative purposes only, as in practice, markets rarely change in isolation.

Changes in the above market interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below.

The analysis has been performed on the basis of the change occurring at the start of the reporting period and assumes that all other variables remain constant.

		Upward change in interest rate R'000	Downward change in interest rate R'000
31 December 2024			
1%	movement	**18 439**	(6 768)
31 December 2023			
1%	movement	**8 853**	(9 870)

f. **Liquidity risk**

The Company's risk to liquidity is a result of the funds available to cover future commitments. The Company manages liquidity risk through an ongoing review of future commitments and credit facilities.

The Company ensures it has sufficient cash on demand (currently the company is maintaining a positive cash position) to meet expected operational expenses, including the servicing of financial obligations; and having regard to the limitation of the cash flow waterfall provided in the funding agreements.

The Company is primarily dependent on dividends from MTN Group to service its obligations and to a very small extent on interest received. The liquidity risks are considered high due to the Company being dependent on the receipt of a dividend from MTN to service its financial obligations.

The Company however remains confident that the available cash resources and borrowing facilities, will be sufficient to meet its funding requirements. Subject to the rights of the preference shareholders, cash may also be used to repay the NVF to MTN Group. Refer to Note 20 for further information impacting the Company's liquidity.

The cash and cash equivalents exclude the restricted funds of R3,6 million (2023: R3,5 million) due to unidentifiable applicants as this cash is not available to the Company for use.

Available liquid resources, subject to the securities described in note 8 are as follows:

	31 December 2024 R'000	31 December 2023 R'000
Cash at bank and on hand	**65 607**	68 879
Other receivables	**31 499**	851
	96 566	**69 730**

24. **FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS** (CONTINUED)

f. **Liquidity risk (continued)**

The table below analyses the Company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Payable in one year R'000	Payable more than one year but less than five years R'000	Payable more than five years R'000	Carrying Amount R'000
31 December 2024				
Borrowings	**16 620**	**603 005**		**619 625**
Derivative financial instrument		**2 562 342**		**2 562 342**
Other payables	**3 709**			**3 709**
Other liability	**2 587**			**2 587**
31 December 2023				
Borrowings	755 183			755 183
Derivative financial instrument	2 589 882			2 589 882
Other payables	5 642			5 642
Other liability	2 607			2 607

g. **Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of debt, which includes the preference share liabilities (excluding derivative financial liabilities) (disclosed in notes 8), cash and cash equivalents (disclosed in note 5), and equity as disclosed in the statement of financial position.

Income generated by the entity will first be utilised for the purpose of settling any obligations in respect of borrowings before dividends are declared.

The borrowings (preference shares) have debt covenants, the details of which have been included in note 8. The security and credit support disclosed in note 8 have a remaining contractual period up to the final discharge of the obligations under the funding documents, which is expected to be 23 November 2027 (or earlier, if applicable, pursuant to an early unwind of the scheme).

h. **Credit risk**

Credit risk, or the risk of financial loss to the Company rises due to counterparties not meeting their contractual obligations.

Credit risk is managed on an entity basis. Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and outstanding receivables. The Company deposits cash only with major banks with high-quality credit standings and limits exposure to any one counterparty. There are no material receivables and all financial assets are fully performing with no history of defaults.

The Company will continue to manage its credit risk relating to financial instruments by only transacting with credit-worthy counterparties.

The Company's maximum exposure to credit risk is represented by the carrying amount of the financial assets that are exposed to credit risk.

There are no financial assets held that are past due and not impaired.

Cash and cash equivalents

The cash and cash equivalents are held at FirstRand Bank. This financial institution is a highly rated entity in the South African environment and the credit quality of this institution has therefore been assessed as acceptable.

25. **DIVIDEND INCOME**

MTN Zakhele Futhi holds 51 114 213 MTN Group Shares as a fair value through other comprehensive income financial asset (note 2) and 25 721 165 MTN Group Shares through an NVF facility (note 3). The Company held 76 835 378 MTN Group Shares throughout the financial year.

The total dividend income received by MTN Zakhele Futhi from MTN Group during the financial period was R253 556 747 (2023: R253 556 747).

	31 December 2024 R'000	31 December 2023 R'000
26. **BASIC AND DILUTED LOSS PER SHARE**		
Number of ordinary shares in issue at year end ('000)	123 417	123 417
Weighted average number of shares ('000)	123 417	123 417
Profit/(Loss) for the year	188 445	(737 188)
Adjusted for:		
(Profit)/Loss on remeasurement of the derivative financial instrument	27 540	991 029
Profit/(Loss) attributable to shareholders	**215 985**	253 841
Basic and diluted profit/(loss) per share (cents)	1.75	(2.06)

There are no items included in the calculation of profit attributable to shareholders which are required to be excluded in terms of circular 1/2023, Headline Earnings, in the calculation of headline earnings per share.

27. **NET ASSET VALUE**

The Net Asset Value Per Share (NAVPS) is a metric used to assess the value of one share. The NAVPS is obtained by dividing the net asset value of the scheme by the number of outstanding shares. It must be noted this calculation is based on the International Financial Reporting Standards (IFRS) accounting.

Net Asset Value = (Total Assets – Total Liabilities)/Total number of Outstanding Shares

= (4 798 562 – 3 188 305)/123 416 818

= 1 610 257/123 416 818

= R13.04 per share (2023: R21.26 per share)

28. **REIMBURSEMENT INCOME**

As per the SENS announcement communicated on the 19th August 2024, MTN Group Limited agreed to bear the costs incurred by MTN Zakhele Futhi in relation to the extension of the scheme. These costs are included in the other operating expenses note, under the applicable category listed under note 12.

The total costs incurred for the extension of the scheme as at 31 December amounted to R30 677 136.

As these costs are recoverable by MTN Zakhele Futhi, the company has recognised the income to be received at year end, under the Other income line in the Statement of Profit or Loss as Reimbursement income, as the income does not arise in the course of an entity's ordinary activities and cannot be classified as revenue.

29. NEW STANDARDS AND INTERPRETATIONS

29.1 Standards and interpretations effective and adopted in the current year

In the current year, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations. The adoption of these standards did not have a material impact on the annual financial statements.

International Financial Reporting Standards and amendments effective for the first time for the 31 December 2024 year end		
Standard	**Details of the development**	**Effective date**
Lease liability in a sale and leaseback amendments to IFRS 16	The narrow-scope amendment requires a seller-lessee in a sale and leaseback transaction to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of a gain or loss relating to the right of use retained by the seller-lessee. The new requirement does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.	Annual periods beginning on or after 1 January 2024.
Amendments to IAS 7 and IFRS 7 (Supplier finance agreements)	The amendment supplements existing disclosure requirements by requiring a company to disclose specific information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the company's liabilities and cash flows and on the company's exposure to liquidity risk.	Annual periods beginning on or after 1 January 2024.
Non-current liabilities with covenants	The amendment clarifies that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current, with additional guidance to explain how an entity should disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months.	Annual periods beginning on or after 1 January 2024.

29.2 The following standards and interpretations have been issued but not yet effective:

International Financial Reporting Standards and amendments effective for the first time for the 31 December 2024 year end			
Standard	**Details of the development**	**Effective date**	**Applicable**
Amendments to IAS 21 – Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 January 2025	N/A
Contracts referencing nature-dependent electricity – amendments to IFRS 9 and IFRS 7	The amendment relates to the recognition of contracts referencing nature-dependent electricity. These are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions (for example, the weather). Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity.	1 January 2026	N/A

29. **NEW STANDARDS AND INTERPRETATIONS** (CONTINUED)

29.2 **The following standards and interpretations have been issued but not yet effective: (continued)**

International Financial Reporting Standards and amendments effective for the first time for the 31 December 2024 year end			
Standard	**Details of the development**	**Effective date**	**Applicable**
Annual improvements to IFRS Accounting Standards – Volume 11	Two narrow-scope amendments were made to IFRS 9: • Derecognition of lease liabilities: The amendment clarifies that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss arising from the difference between the carrying amount of the lease liability extinguished or transferred and any consideration paid in profit or loss. • Transaction price: Removal of an inconsistency between the requirements of IFRS 9 and the requirements in IFRS 15 Revenue from Contracts from Customers in relation to the initial measurement of trade receivables at their transaction price. The amendment clarifies that trade receivables must be measured at the amount determined by applying IFRS 15.	1 January 2026	N/A
Amendments to the classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7	The aim of amendments to IFRS 9 and IFRS 7 is to make the classification and measurement requirements of IFRS 9 more understandable and consistent, by: • Clarifying the classification of financial assets with environmental, social and corporate governance (ESG) and similar features; and • Clarifying the date on which a financial asset or financial liability is derecognised when a liability is settled through electronic payment systems. These amendments also introduce an accounting policy option to allow a company to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.	1 January 2026	N/A
1. IFRS 19 Subsidiaries without Public Accountability: Disclosures 2. IFRS 19 Subsidiaries without Public Accountability: Disclosures – Basis for Conclusions	The standard will permit entities to provide reduced disclosures. Reduced disclosures will reduce costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements. An entity may elect to apply this standard if: • it is a subsidiary; • it does not have public accountability; and • it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.	1 January 2027	N/A

29. **NEW STANDARDS AND INTERPRETATIONS** (CONTINUED)

29.2 **The following standards and interpretations have been issued but not yet effective: (continued)**

Standard	Details of the development	Effective date	Applicable
1. IFRS 18 Presentation and Disclosure in Financial Statements 2. IFRS 18 Presentation and Disclosure in Financial Statements – Basis for Conclusions 3. IFRS 18 Presentation and Ddisclosure in Financial Statements	The standard replaces IAS 1: Presentation of financial statements (IAS 1). Many of the IAS 1 requirements will remain. IFRS 18 aims to improve the following: • Comparability in the statement of profit or loss; • Enhanced transparency of management-defined performance measures; and • More useful grouping of information in the financial statement.	1 January 2027	Yes, IFRS 18 would have a material impact on the presentation of the AFS.

SHAREHOLDER INFORMATION

For the year ended 31 December 2024

Shareholders beneficially holding in excess of 5% of the issued ordinary share capital of the company at 31 December 2024 are as follows:

	31 December 2024		31 December 2023	
	Number of shares	% of issued share capital	Number of shares	% of issued share capital
MTN Group	18 278 626	14.81%	18 278 626	14.81%
Mion Securities (RF) Proprietary Limited	10 065 658	8.20%	10 065 658	8.20%

The Company's shareholder analysis at 31 December 2024 was as follows:

Ownership Range:

	Number of shareholders	Percentage of Shareholders (%)	Number of shares owned	Percentage of issued share capital (%)
1 – 100 shares	29 033	39%	2 851 567	2.00%
101 – 500 shares	31 741	42%	8 975 552	7.0%
501 – 1 000 shares	5 973	8%	4 994 475	4.00%
1 001 – 10 000 shares	7 414	10%	21 150 443	17.00%
10 001 – 50 000 shares	620	1%	12 282 148	10. 00%
More than 50 000 shares	139	0%	73 162 633	59.00%
	74 920	**100.00%**	**123 416 818**	**100.00%**
Type of shareholder:				
Individuals	74 881	99.95%	67 211 892	54.00%
Groups	39	0.05%	56 204 926	46.00%
	74 920	**100.00%**	**123 416 818**	100.00%
Public	74 917	99.96%	118 305 737	95.86%
Non-public				
MTN Zakhele Futhi Directors	3	0.004%	5 111 081	4.14%
	74 920	**100.00%**	**123 416 818**	**100.00%**