

**MTN Zakhele Futhi (RF) Limited**

**Interim Financial Results**

**for the six-months ended 30 June 2025**

# Index

The reports and statements set out below comprise the interim report presented to the shareholders.

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## **Preparer**

Tumelo Matia

Finance Officer: Central Finance Nedbank Limited

## **Supervised by**

Jaynesh Padayachy CA (SA)

Head of Finance: Central Finance - Nedbank Limited

These results were made available on 17 September 2025

# Results Overview

## *Performance for the six months ended 30 June 2025*

### Financial performance

MTN Zakhele Futhi (RF) Limited's ("MTN Zakhele Futhi" or MTN ZF or "the Company") financial performance is based entirely on the MTN Group Limited ("MTN") share price, any dividend declared and received from MTN during the year, funding obligations and the costs of running the Company.

At 30 June 2025, the Company recognised a profit after taxation of R2 759 million (30 June 2024: R239 million loss). The profit in the period under review is largely attributable to the dividend received and the de-recognition of the derivative financial instrument.

MTN's share price at 30 June 2025 was R140.84, representing a R55.90 increase in the share price since 30 June 2024. However, it should also be noted that the share price increased by R48.85 from 31 December 2024.

### Repayment of MTN Zakhele Futhi's debt

The Company received R265 million (30 June 2024: R253 million) in dividend income from MTN. This income was used, firstly, to pay the Company's permitted operational costs and tax, with the remainder of the dividend income being used to pay dividends owing to the preference shareholders and to reduce the capital portion of the debt owing to the preference shareholders.

Approximately R165 million (30 June 2024: R135 million) of the dividend income was applied towards the voluntary early redemption of the preference shares during the 6-month period ended 30 June 2025.

### MTNZF Unwind

On 11 June 2025, the MTN Zakhele Futhi board determined that it was an opportune time to fully unwind the scheme and settle all outstanding funding obligations. As a result, and having received the relevant funder consent including MTN, MTNZF sold 23,768,040 MTN ordinary shares held by MTNZF in an accelerated bookbuild offering (the "Placement Shares"). MTNZF received circa. R3bn from the sale and settled the accrued preference share dividends and the outstanding preference share capital balance and in its entirety on 19 June 2025.

In addition, MTNZF had provided MTN with a notice setting out an offer of early settlement of the full Notional Vendor Finance ("NVF") balance in terms of the relevant provisions of the "MTN 2016 Tranche 1 Subscription and Call Option Agreement" entered between MTN and MTNZF on or about 21 August 2016, as amended ("NVF Call Option Early Exercise Offer"). The call option under the NVF Call Option Early Exercise Offer was exercised by MTN on 23 June 2025. The resultant NVF settlement was based on the outstanding balance as at 22 June 2025 and the 30-day Volume Weighted Average Price ("VWAP") of MTN ordinary shares up to and including 20 June 2025. This resulted in 50,590,890 MTN ordinary shares being repurchased by MTN at R0.0001 per MTN ordinary share, with settlement occurring on, 25 June 2025.

MTN Zakhele Futhi as of 30 June 2025 still had 2 476 448 MTN shares, which have subsequently been disposed of post the reporting period. The cash received from the sale of such shares is R390 957 601.

### Review

The interim financial results for the six-months ended 30 June 2025 have been reviewed by SNG Grant Thornton Inc., the independent auditor of MTN Zakhele Futhi in line with the guidance provided in the International Standard of Review Engagements (ISRE) 2410, Review Financial Statements of Interim Financial Information Performed by the Independent Auditor of the Entity and they have expressed an unmodified review opinion.

The directors have concluded that material uncertainty exists around the application of the going concern assumption for the Company over the next 12-month period. The material uncertainty arises due to the company will be winding down and deregistering.

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**INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS****To the shareholders of MTN Zakhele Futhi (RF) Limited**

We have reviewed the condensed interim financial statements of MTN Zakhele Futhi (RF) Limited (the company) set out on pages 5 to 17, which comprise the condensed statement of financial position as at 30 June 2025, and the condensed statement of profit or loss, the condensed statement of comprehensive income, the condensed statement of changes in equity, and the condensed statement of cash flows for the period then ended, and selected explanatory notes to the condensed interim financial statements.

**Directors' responsibility for the condensed interim financial statements**

The directors are responsible for the preparation and presentation of these condensed interim financial statements in accordance with the International Financial Reporting Standard Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board, IAS 34 *Interim Financial Reporting*, the South African Institute of Chartered Accounts (SAICA) Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council 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 condensed interim financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express a conclusion on these condensed interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed interim financial statements.

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS  
TO THE SHAREHOLDERS OF MTN ZAKHELE FUTHI (RF) LIMITED  
for the six months ended 30 June 2025

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of MTN Zakhele Futhi (RF) Limited for the six months ended 30 June 2025 are not prepared, in all material respects, in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

**Material uncertainty relating to going concern**

We draw attention to note 10 in the condensed interim financial statements, which indicates management's intention to wind down the scheme. As stated in note 10, these events or conditions, along with other matters as set forth in note 10, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



**SizweNtsalubaGobodo Grant Thornton Inc.**

**Nhlanhla Sigasa CA (SA)**

Director

Registered Auditor

17 September 2025

152 14<sup>th</sup> Rd, Noordwyk, Midrand, 1687

# Condensed Statement of Financial Position

as at 30 June 2025

	Notes	30 June 2025 Reviewed R'000	30 June 2024 Reviewed R'000	31 December 2024 Audited R'000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Investment in equities	6	-	-	4 701 996
		-	-	<b>4 701 996</b>
<b>Current Assets</b>				
Investment in equities	6	348 783	4 341 641	-
Cash and cash equivalents	18	2 706 578	105 631	61 807
Cash and cash equivalents – restricted funds		3 754	3 565	3 662
Other receivables	17	7 172	1 021	31 097
		<b>3 066 287</b>	<b>4 451 858</b>	<b>96 566</b>
<b>Total Assets</b>		<b>3 066 287</b>	<b>4 451 858</b>	<b>4 798 562</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital		2 468 336	2 468 336	2 468 336
Reserves		(3 586 873)	(3 399 285)	(2 559 127)
Accumulated profit		4 177 639	1 753 352	1 701 048
		<b>3 059 102</b>	<b>822 403</b>	<b>1 610 257</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Borrowings	8	-	-	603 005
Derivative financial instrument	7	-	-	2 562 342
Deferred tax		-	-	-
		-	-	<b>3 165 347</b>
<b>Current Liabilities</b>				
Borrowings	8	-	577 049	16 620
Derivative financial instrument		-	3 042 145	-
Other liability		2 572	2 605	2 587
Trade and other payables		1 894	7 631	3 709
Current tax payable		2 718	25	42
		<b>7 184</b>	<b>3 629 455</b>	<b>22 958</b>
<b>Total Liabilities</b>		<b>7 184</b>	<b>3 629 455</b>	<b>3 188 305</b>
<b>Total Equity and Liabilities</b>		<b>3 066 287</b>	<b>4 451 858</b>	<b>4 798 562</b>

# Condensed Statement of Profit or Loss

for the 6 months ended 30 June 2025

		6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
	Notes			
Dividend income	5	265 082	253 557	253 557
Reimbursement income		112	-	30 677
Directors emoluments		(540)	(671)	(1 332)
Other operating expenses	16	(18 232)	(19 694)	(61 764)
<b>Operating profit</b>		<b>246 422</b>	<b>233 192</b>	<b>221 137</b>
Finance income		10 161	3 287	6 474
Finance costs incurred on financial liabilities measured at amortised cost		(56 462)	(22 382)	(64 958)
Gain on de-recognition of the derivative financial instrument	7	2 562 342	-	-
(Loss)/Gain on re-measurement of the derivative financial instrument	7	-	(452 263)	27 540
<b>Profit/(Loss) before taxation</b>		<b>2 762 465</b>	<b>(238 166)</b>	<b>190 193</b>
Income tax		(2 718)	(888)	(1 748)
<b>Profit/(Loss) for the period</b>		<b>2 759 747</b>	<b>(239 054)</b>	<b>188 445</b>
<b>Basic and diluted earnings/(loss) per share (cents)</b>	13	<b>22,36</b>	<b>1,73</b>	<b>1,30</b>

# Condensed Statement of Comprehensive Income

for the 6 months ended 30 June 2025

	6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
<b>Profit/(Loss) for the period</b>	<b>2 759 747</b>	<b>(239 054)</b>	<b>188 445</b>
<b>Other comprehensive loss - items that will subsequently be reclassified to profit or loss:</b>	<b>(1 310 902)</b>	<b>(1 562 050)</b>	<b>(1 201 695)</b>
Loss on re-measurement of the investment in equities	(1 310 902)	(1 562 050)	(1 201 695)
Deferred tax on loss on re-measurement of the financial asset	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>1 448 845</b>	<b>(1 801 104)</b>	<b>(1 013 250)</b>

# Condensed Statement of Changes in Equity

for the 6 months ended 30 June 2025

	6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
<b>Share Capital</b>	<b>2 468 336</b>	<b>2 468 336</b>	<b>2 468 336</b>
Balance at the beginning of the period	2 468 336	2 468 336	2 468 336
<b>Investment in equities reserve</b>	<b>(1 615 693)</b>	<b>(665 146)</b>	<b>(304 791)</b>
Balance at the beginning of the period	(304 791)	896 904	896 904
Other comprehensive (loss) for the period	(1 310 902)	(1 562 050)	(1 201 695)
<b>Other reserve</b>	<b>(1 971 180)</b>	<b>(2 734 139)</b>	<b>(2 254 335)</b>
Balance at the beginning of the period	(2 254 335)	(2 281 876)	(2 281 876)
Transfer between reserves *	283 155	(452 263)	27 540
<b>Total reserves</b>	<b>(3 586 873)</b>	<b>(3 399 285)</b>	<b>(2 259 126)</b>
<b>Accumulated profit</b>	<b>4 177 639</b>	<b>1 753 352</b>	<b>1 701 047</b>
Balance at the beginning of the period	1 701 047	1 540 143	1 540 143
Profit/(Loss) for the period	2 759 747	(239 054)	188 445
Transfer between reserves *	(283 155)	452 263	(27 540)
<b>Total equity at the end of the period</b>	<b>3 059 102</b>	<b>822 403</b>	<b>1 610 257</b>

\* The transfer between reserves arises in respect of the gain/(loss) 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, where applicable.

This transfer of the net gain/(loss) from retained earnings to the non-distributable reserve is affected as the gain/(loss) is currently not distributable.



# Condensed Statement of Cash Flows

for the 6 months ended 30 June 2025

		6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
<b>Cash flows from operating activities</b>				
Cash used in operations		3 857	(18 545)	(65 021)
Dividend received	5	265 082	253 557	253 557
Interest income received		10 161	3 287	6 474
Finance costs paid	8	(56 275)	(64 716)	(64 716)
Tax paid		(42)	(917)	(1 760)
<b>Net cash from operating activities</b>		<b>222 783</b>	<b>172 666</b>	<b>128 534</b>
<b>Cash flows from financing activities</b>				
Redemption of cumulative redeemable non-participating preference shares	8	(619 812)	(135 800)	(135 800)
Cash refunded to unsuccessful participants		(15)	(2)	(20)
<b>Net cash from financing activities</b>		<b>(619 827)</b>	<b>(135 802)</b>	<b>(135 820)</b>
<b>Cash flows from investing activities</b>				
Sale of investment in equities	6	3 042 309	-	-
<b>Net cash from investing activities</b>		<b>3 042 309</b>	<b>-</b>	<b>-</b>
<b>Total cash at the beginning of the period</b>		<b>65 067</b>	<b>72 333</b>	<b>72 333</b>
<b>Total cash movement for the period</b>		<b>2 645 265</b>	<b>36 864</b>	<b>(7 266)</b>
<b>Total cash at the end of the period</b>		<b>2 710 332</b>	<b>109 196</b>	<b>65 067</b>

# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

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## 1. General information

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's 2016 Broad Based Black Economic Empowerment ("BBBEE") transaction.

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## 2. Basis of preparation

The condensed financial information has been prepared in accordance with and containing information required by International Financial Reporting Standards ("IFRS® Accounting standards"), the presentation and disclosure requirements of IAS 34: Interim Financial Reporting, and the interpretation of these standards as adopted by the Independent Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act, 71 of 2008 as amended and the Listings Requirements of the JSE Limited ("JSE") relating to Asset Backed Securities/ BEE Segment.

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## 3. Material Accounting policies

The accounting policies adopted are in terms of IFRS Accounting Standards and consistent with and as described in the previous annual financial statements. During the period under review, the Company adopted all the IFRS Accounting Standards and interpretations that were effective and deemed applicable to the Company. The accounting policies are consistent with those of the prior financial period.

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## 4. Contingent liabilities and commitments

There is no reimbursement to any third party for potential obligations of the Company that have not been accrued for at the end of the period.

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## 5. Dividend income

During the period, MTN Zakhele Futhi received dividends from its investment in MTN shares.

The total dividend income received by MTN Zakhele Futhi from MTN during the financial period was R265 082 054 (30 June 2024: R253 556 747).

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## 6. Investment in equities

The investment consists of 2 476 448 (30 June 2024: 51 114 213) MTN shares. The total investment, including the derivative financial instrument (refer to note 7), comprises a total of 2 476 448 (30 June 2024: 76 835 378) MTN shares, representing approximately 0.14% (30 June 2024: 4%) of the MTN issued share capital.

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

During the year MTN Zakhele Futhi sold 23 768 040 MTN shares for R3 042 309 120 and settled the outstanding NVF balance by MTN repurchasing 50 590 890 MTN ordinary shares at R0.0001 per MTN ordinary share. This resulted in the number of MTN shares held by MTN Zakhele Futhi reducing to 2 476 448 as at 30 June 2025.

The fair value of the investment is based on a quoted market price of R140.84 (30 June 2024: R84.94) per share as listed on the JSE as at 30 June 2025. The total loss recorded in other comprehensive income for the current financial period is R1 310 902 299 (30 June 2024: 1 562 050 349 loss).

The investment has been reclassified from a non-current asset to current asset in accordance with IAS1.41 as the investment will be disposed off in the next 12 months.

# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

	6 months ended 30 June 2025 Reviewed  R'000	6 months ended 30 June 2024 Reviewed  R'000	Year ended 31 December 2024 Audited  R'000
Balance at the beginning of the period	4 701 996	5 903 691	5 903 691
Sale of investment in equities	(3 042 309)	-	-
Gain/(Loss) on re-measurement of investment in equities	(1 310 902)	(1 562 050)	(1 201 695)
<b>Balance at the end of the period</b>	<b>348 785</b>	<b>4 341 641</b>	<b>4 701 996</b>
<b>Non-Current Asset</b>	<b>-</b>	<b>-</b>	<b>4 701 996</b>
<b>Current Asset</b>	<b>348 785</b>	<b>4 341 641</b>	<b>-</b>

## 7 Derivative financial instrument

As part of the implementation of the MTN BBBEE scheme, MTN Zakhele Futhi obtained Notional Vendor Finance ("NVF") to facilitate the purchase of MTN shares. MTN issued 25 721 165 NVF shares to MTN Zakhele Futhi at a total subscription price of R2 572 on 23 November 2016. MTN 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 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 the standard market practice.

The valuation of the option at 30 June 2025 is Nil. (30 June 2024: R3 042 145 299 liability). MTN exercised its call option regarding the NVF facility on 23 June 2025 with settlement occurring on 25 June 2025. MTN repurchased 50,590,890 ordinary shares at R0.0001 per MTN ordinary share to fully redeem the NVF.

There was no valuation performed for 30 June 2025, as there is no call option as at the reporting date.

The significant inputs into the model at the valuation date were as follows:

- the market price of MTN shares of R140.84 (30 June 2024: R84.94);
- the NVF balance of approximately RNil (30 June 2024: R5 889 million);
- volatility (30 June 2024: 40.9%);
- a dividend yield of (30 June 2024: 0%);
- an expected option life of 8 years from inception (30 June 2024: 8 years); and
- an annual risk-free rate of (30 June 2024: 8.18%).

# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

	6 months ended 30 June 2025 Reviewed	6 months ended 30 June 2024 Reviewed	Year ended 31 December 2024 Audited
	R'000	R'000	R'000
Balance at the beginning of the period	(2 562 342)	(2 589 882)	(2 589 882)
De-recognition of the derivative financial instrument	2 562 342	-	-
Fair value adjustments recorded in profit or loss	-	(452 263)	27 540
<b>Fair value at the end of the period</b>	<b>-</b>	<b>(3 042 145)</b>	<b>(2 562 342)</b>

## 8. Borrowings (Preference Share Liability)

The below borrowings have been indirectly secured through the back-to-back preference shares issued by Jabisan 04 (RF) Proprietary Limited ("**Jabisan 04**"). MTN Zakhele Futhi issued cumulative redeemable non-participating preference shares, on 23 November 2016, at an issue price of R1 000 per preference share to Jabisan 04. The preference shares were redeemable after 5 (five) years from the issue date i.e. 23 November 2021. During December 2020 the scheduled redemption date was extended to 22 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, i.e. 8 (eight) years from the issue date. The revised terms of the preference shares, including the MTN Zakhele Futhi preference shares included 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 preference shares accrue preference share dividends at a Dividend Rate of 72.5% of the South African prime rate expressed as a simple rate of interest (compounded on each scheduled preference dividend date). The preference share dividends accrued (in arrears) are payable annually on 30 April and 30 September over the term of the preference shares, or such earlier date as may be agreed in writing by MTN Zakhele Futhi and the Preference Share Agent at least 5 (five) business days prior to 30 September of any year during the term of the preference shares. Subject to the relevant conditions, the accrued dividends on the preference shares 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).

The term of the preference shares was further extended to 23 November 2027 as a result of the extension of the MTN Zakhele Futhi scheme, as authorised by the shareholders of MTN Zakhele Futhi at a general meeting of shareholders held on 14 October 2024.

On 11 June 2025, the MTN Zakhele Futhi board determined that it was an opportune time to fully unwind the scheme and settle all outstanding funding obligations. As a result, and having received the relevant funder consent including MTN, MTNZF sold 23,768,040 MTN ordinary shares held by MTNZF in an accelerated bookbuild offering (the "Placement Shares"). The MTN Zakhele preference shares and the Jabisan 04 preference shares were redeemed in full on 19 June 2025 and all accrued dividends on such preference shares were paid immediately prior to such redemptions.

# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

	6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
<b>Balance at the beginning of the period</b>	<b>619 625</b>	<b>755 183</b>	<b>755 183</b>
Redemption of non-participating preference shares at a par value of R1 000	(619 812)	(135 800)	(135 800)
Dividends paid on cumulative redeemable non-participating preference shares	(56 275)	(64 716)	(64 716)
Accrued dividends at the effective dividend rate	56 462	22 382	64 958
<b>Balance at the end of the period</b>	<b>-</b>	<b>577 049</b>	<b>619 625</b>
Current liability	-	<b>577 049</b>	<b>603 005</b>
Non-current liability	-	-	<b>16 620</b>

## 9. Related parties

### Relationships:

Preference shareholder:	Jabisan 04 (RF) Proprietary Limited
Ordinary shareholder of preference shareholder:	BFC2 Owner Trust
Provider of notional vendor finance:	MTN Group Limited
Non-executive directors:	Sindisiwe Mabaso-Koyana Grant Gelink Belinda Mapongwana Edward Pitsi

	6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
<b>Related party balances:</b>			
<b>Preference share liability</b>			
Jabisan 04 (RF) Proprietary Limited	-	628 636	619 625
<b>Ordinary share capital held by related party</b>			
MTN Group Limited	365 540	365 540	365 540
<b>Related party transactions:</b>			
<b>Dividends received from related parties</b>			
MTN Group Limited	265 082	253 557	253 557
<b>Dividends paid to related parties</b>			

# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

Jabisan 04 (RF) Proprietary Limited	56 275	64 716	64 716
<b>Mobile Telephone Network Holdings Limited</b>			-
Other receivables			30 810
<b>Expenses paid on behalf of related parties</b>	<b>2 087</b>	<b>340</b>	<b>340</b>
Jabisan 04 (RF) Proprietary Limited	2 087	340	340
<b>Remuneration of the board of directors – Directors’ fees *</b>	<b>540</b>	<b>671</b>	<b>1 331</b>
Sindisiwe Mabaso- Koyana	100	133	239
Grant Gelink	106	153	328
Belinda Mapongwana	199	244	277
Edward Pitsi	135	141	487

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

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

## 10. Going concern

The interim 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 scheme is currently being wound up, with all outstanding long-term debt having been settled.

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

- Per the Stock Exchange News Service of the JSE limited (“SENS”) announcement released to market on 11 June 2025, the MTN Zakhele Futhi board determined that it was an opportune time to fully unwind the scheme and settle its outstanding funding obligations. MTN Zakhele Futhi settled the accrued preference share dividends and outstanding preference share capital balance in its entirety on 19 June 2025 from the proceeds of the sale of MTN ordinary shares. The call option under the NVF Call Option Early Exercise Offer was exercised by MTN on 23 June 2025. The resultant NVF settlement was based on the outstanding NVF balance as of 22 June 2025 and the 30-day VWAP of MTN ordinary shares up to and including 20 June 2025. This resulted in 50 590 890 MTN ordinary shares being repurchased by MTN at R0.0001 per MTN ordinary share, with settlement occurring on 25 June 2025. All the outstanding debt has been settled.
- The Company is intended to be delisted from the Johannesburg Stock Exchange (“JSE”) and will settle all short-term liabilities. The Company currently has significant cash reserves and can comfortably meet all its operational expenses and wind-up costs to be incurred in the next 12 months.

Based on the above, the directors have concluded that a material uncertainty exists around the application of the going concern assumption for the Company over the next 12-month period as the company will be winding down and deregistering.

# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

## 11. 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 measurements by level in terms of the following fair value measurement 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for assets or liabilities that are not based on observable market data (i.e. unobservable inputs).

The fair value of the investment in equity financial asset is based on the MTN share price, as listed on the JSE. The fair value of the derivative financial asset is based on a valuation model. The input to this model includes the MTN share price, which is an observable input in the market. Other inputs include interest rates on the borrowings, which inputs are not observable in the market.

The table below presents the Company's assets and liabilities that are measured at fair value.

## 11. Fair value estimation (continued)

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
<b>30 June 2025</b>				
<b>Recurring fair value measurement</b>				
Investment in equities	348 783	-	-	348 783
Derivative financial instrument	-	-	-	-
<b>Amortised cost measurement</b>				
Borrowings*	-	-	-	-
Other payables	-	(2 572)	-	(2 572)
Other liability	-	-	-	-
Other receivables	-	13 350	-	13 350
Cash and cash equivalents	-	2 710 332	-	2 710 332
<b>30 June 2024</b>				
<b>Recurring fair value measurement</b>				
Investment in equities	4 341 641	-	-	4 341 641
Derivative financial instrument	-	-	(3 042 145)	(3 042 145)
<b>Amortised cost measurement</b>				
Borrowings*	-	(628 446)	-	(628 446)
Other payables	-	(2 605)	-	(2 605)
Other liability	-	-	-	-
Other receivables	-	1 021	-	1 021
Cash and cash equivalents	-	109 196	-	109 196

\*The carrying amount of the borrowings approximates its fair value.

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

# Notes to the Condensed Financial Statements *continued*

*for the 6 months ended 30 June 2025*

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## **12. Events after the reporting date**

The MTN Zakhele Futhi board of directors have declared a full return of capital to shareholders of MTN Zakhele Futhi. This amounted to R20 per share declared on 4 July 2025, (the total amount declared of R2 468 336 520) with payment date of 28 July 2025.

MTN Zakhele Futhi as of 30 June 2025 still had 2 476 448 MTN shares, which have subsequently been disposed of post the reporting period. The cash received from the sale of such shares is R390 957 601.

There is also a second dividend distribution planned for later in the year subject to all operational and unwind expenses being provided for or settled.

The directors are not aware of any other matter or circumstance arising after the reporting date to the date of signing of this report that would require adjustment or disclosure.

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## **14. 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 MTN Zakhele Futhi shares in issue.

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

= (3 066 287 - 7 184)/123 416 826

= 3 059 102 /123 416 826

= R24.79 per share (June 2024: R6.66 per share)



# Notes to the Condensed Financial Statements *continued*

for the 6 months ended 30 June 2025

## 13. Basic and diluted (loss) earnings per share

	6 months ended 30 June 2025 Reviewed R'000	6 months ended 30 June 2024 Reviewed R'000	Year ended 31 December 2024 Audited R'000
Number of ordinary shares in issue at year end ('000)	123 417	123 417	123 417
Weighted average number of shares ('000)	123 417	123 417	123 417
Profit/(Loss) for the year	2 759 747	(239 054)	188 445
Adjusted for:			
- Loss/(gain) on remeasurement of the derivative financial instrument	-	452 263	(27 540)
<b>Profit attributable to shareholders</b>	<b>2 759 747</b>	<b>213 209</b>	<b>160 905</b>
Basic and diluted profit per share (cents)	<b>2 236</b>	<b>173</b>	<b>130</b>

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.

# Notes to the Condensed Financial Statements *continued*

*for the 6 months ended 30 June 2025*

## **15. Deferred Tax Asset/Liability**

A deferred tax asset of R283 million (2024: R711 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 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.

## **16. Other Operating Expenses**

The other operating expenses have decreased by 7% year on year; R18.2 million (June 2024 R19.6 million). This decrease is attributable to the fact that the scheme will be winding down.

## **17. Other Receivables**

Other receivables have decreased by 76% in comparison to Dec 2024; R7.1 million (Dec 2024 R31.1 million). This decrease is attributable to the fact that the scheme was extended for a further three years, and all the costs incurred for this extension was re-imbursed by MTN Group Limited.

## **18. Cash and cash equivalents**

Cash and cash equivalents have increased by 4308% in comparison to Dec 2024; R2.7 billion (Dec 2024 R61.1 million). This increase is attributable to the fact that the scheme has sold majority of the MTN shares and it is planned to use the cash to return capital to shareholders.

# Administration

## Company information

(Incorporated in the Republic of South Africa)

(Registration number: 2016/268837/06)

JSE share code: MTNZF

ISIN: ZAE000279402

LEI: 378900429C4F73B1BE74

## Postal address

PO Box 1144

Johannesburg, 2000

## Registered address

135 Rivonia Road

Sandown, 2196

Johannesburg

## Board of directors

BL Mapongwana (independent non-executive chairperson)

SN Mabaso-Koyana (non-executive director)

GG Gelink (independent non-executive director)

ET Pitsi (independent non-executive director)

## Office of the transfer secretaries

Nedbank Limited, acting through its Share Scheme

Administration business unit

(Registration number 1951/000009/06)

135 Rivonia Road

Sandton, 2196

Tel: +27 83 900 6863

E-mail: ssa-zakhelefuthi@Nedbank.co.za

## JSE Sponsor

Tamela Holdings Proprietary Limited

First Floor, Golden Oak House

Ballyoaks Office Park, 35 Ballyclare Drive

Bryanston, 2021

## Company secretary

Nedbank Limited, acting through its Group Secretariat

135 Rivonia Road

Sandown

Johannesburg, 2196

## Auditors

SNG Grant Thornton Inc.

152 14th Road

Noordwyk, Midrand, 1687

PO Box 2939, Saxonwold, 2132

## Attorneys

Webber Wentzel

90 Rivonia Road, Sandton, Johannesburg, 2196

PO Box 61771, Marshalltown, 2107

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