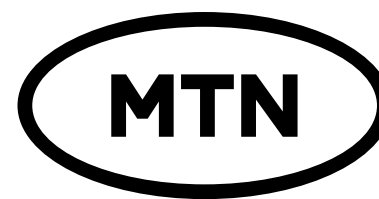


MTN Group Limited

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



MTN Zakhele Futhi (RF) Limited

(Incorporated in the Republic of South Africa)
(Registration number: 2016/268837/06)
Share code: MTNZF
ISIN: ZAE000279402
LEI: 378900429C4F73B1BE74
("MTNZF")

SHORT-FORM JOINT ANNOUNCEMENT IN RESPECT OF THE PROPOSED EXTENSION OF THE 2016 MTN BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("BEE") SCHEME OPERATED THROUGH MTNZF ("SCHEME") AND APPROVAL OF FUTURE SPECIFIC REPURCHASES BY MTN OF MTN SHARES FROM MTNZF ON AN UNWIND OF THE EXTENDED SCHEME

HIGHLIGHTS

- The proposed extension of the scheduled maturity date of the Scheme by three years from 23 November 2024 to 23 November 2027 increases the overall term of the Scheme to 11 years (from its inception in 2016).
- The proposed extension of the Scheme has merit for MTNZF ordinary shareholders, rather than unwinding the Scheme on the presently scheduled maturity date.
- During the extension period, the MTNZF board of directors has the discretion to realise or lock in value by partially or fully unwinding the Scheme and/or by entering into derivative transactions in respect of the MTN shares held by MTNZF, subject to applicable consents.
- MTN may assist in expediting any unwind of the Scheme during the extension period through a specific repurchase(s) of the MTN shares held by MTNZF, approval for which will be sought from MTN shareholders at this time as part of the approvals for the proposed extension of the Scheme.
- In addition to its own costs, MTN will bear the approved costs incurred by MTNZF in relation to the extension of the Scheme.

Unless otherwise defined or required by the context, all capitalised terms used in this short-form announcement shall bear the same meanings assigned to those terms in the full announcement published on SENS on Monday, 19 August 2024 (the "Full Announcement").

1. INTRODUCTION

- 1.1** In November 2016, MTN implemented a BEE transaction in line with its commitment to driving transformation and contributing to the development of South Africa for the future benefit of all South Africans. This gave rise to MTNZF, a ring-fenced SPV, that enabled qualifying black investors to invest in and hold shares in MTN through MTNZF.
- 1.2** The Scheme was funded by a combination of (i) vendor facilitation, Notional Vendor Funding ("NVF") and a transaction discount (all provided by MTN); (ii) equity funding from qualifying black investors who subscribed for ordinary shares in MTNZF; and (iii) third-party finance raised through the issue of preference shares in MTNZF to Jabisaan 04 (RF) Proprietary Limited (an SPV set up to facilitate the third-party preference share funding to MTNZF) ("BFC2") and the back-to-back issue of preference shares in BFC2 to a consortium of participating institutions ("BFC2 Pref Holders").
- 1.3** MTNZF applied these proceeds to subscribe for new MTN Shares, in aggregate comprising c. 4% of MTN's issued share capital, at an effective 20% discount to MTN's share price as at the Scheme's implementation date in November 2016. The agreed transaction price per MTN Share was R128.50, with an effective entry price of R102.80 per MTN Share after application of the c. 20% discount.
- 1.4** The Scheme was structured to last for a period of eight years, commencing on 23 November 2016 and maturing on 23 November 2024 ("Scheduled Maturity Date"). On the Scheduled Maturity Date, MTNZF will, amongst other things, and unless agreed otherwise with BFC2, the BFC2 Pref Holders and MTN, be required to settle in full: (i) the preference share funding provided by BFC2; and (ii) the NVF (together, the "Funding Obligations").
- 1.5** Considering the following:
- 1.5.1** the impact of the significant devaluation of the Naira over the last 14 months on reported earnings and valuation of the MTN group;
- 1.5.2** the MTN Share price (as at close of business on 14 August 2024, being the last practicable date prior to the finalisation of this announcement) is R84.97 per MTN Share;
- 1.5.3** the MTN Shares are MTNZF's only material asset and the underlying asset that informs the value of the MTNZF Shares; and
- 1.5.4** the Scheme is projected to owe approximately R620 million to the preference share funders and R6.1 billion to MTN (being the NVF plus accrued notional interest thereon) as at the present Scheduled Maturity Date, which will only be capable of full settlement should the MTN Share price reach approximately R88.00 per MTN Share,

the MTNZF Board and the MTN Board believe it is merited for MTNZF ordinary shareholders, to extend the Scheduled Maturity Date and have engaged BFC2 and the BFC2 Pref Holders and proposed that the term of the Scheme (i.e., the Scheduled Maturity Date) be extended for a further period of three years, from 23 November 2024 to 23 November 2027 ("Proposed Scheme Extension"), together with related extensions to the scheduled repayment dates of the NVF and preference share funding, MTNZF's continued listing on the BEE segment of the exchange operated by the JSE Limited ("JSE"), and related amendments to certain transaction agreements and documents. The MTN Board is fully supportive of the extension.

- 1.6** MTN, MTNZF and MTN Holdings have accordingly entered into an agreement ("Extension and Amendment Agreement"), which sets out the terms and conditions of the Proposed Scheme Extension, proposed amendments to certain Relevant Transaction Documents and matters ancillary thereto.

2. RATIONALE FOR THE PROPOSED SCHEME EXTENSION

Transformation is integral to the ethos of MTN and MTN believes that broad-based BEE participation is important to the future success of the MTN group. The Proposed Scheme Extension gives effect to the terms and spirit of the BEE codes and relevant industry transformation charters and their requirements for the broad-based empowerment of the MTN group's South African businesses.

3. CONDITIONS PRECEDENT TO THE PROPOSED SCHEME EXTENSION

In terms of the Extension and Amendment Agreement, the implementation of the Proposed Scheme Extension is subject to the fulfilment (or deemed fulfilment) or waiver (where required, with the prior consent of BFC2 and the BFC2 Pref Holders) of various conditions precedent on or before 12 November 2024 or such later date(s) as MTN and MTNZF may agree in writing from time to time.

4. ABILITY TO UNWIND THE SCHEME DURING THE SCHEME EXTENSION PERIOD AND UNWIND REPURCHASES

- 4.1** The MTNZF Board has a discretion to realise or lock in value during the proposed three-year Scheme Extension Period by either partially or fully unwinding the Scheme and/or settling its Funding Obligations (together, "Unwind") and/or by entering into derivative transactions in respect of the MTN Shares held by MTNZF. While the Funding Obligations remain outstanding, MTNZF will require the consent of the relevant funders, including MTN, to implement an Unwind or any derivative transaction.
- 4.2** An Unwind which is implemented by MTN repurchasing all or some of the remaining MTN Shares held by MTNZF (i.e., excluding the MTN Shares repurchased pursuant to an exercise of the NVF Call Option) ("Unwind Repurchases") may be advantageous to MTNZF and MTN, *inter alia*, as it could expedite the implementation of the Unwind and is non-dilutive to MTN Shareholders.
- 4.3** MTN Shareholders' approval will therefore be sought, together with the approvals for the Proposed Scheme Extension, to authorise the MTN Board to implement an Unwind Repurchase, should it be advantageous to do so at the time.
- 4.3.1** The authority sought from MTN Shareholders will be for such Unwind Repurchases to be implemented at a price per MTN Share equal to or less than the five-trading-day volume weighted average price immediately preceding the calculation date, being the date of signature of the agreement for the repurchase of MTN Shares, or a later date as specified in that agreement.
- 4.3.2** Unwind Repurchases will be limited to 76,835,378 MTN Shares, less any MTN Shares repurchased under the NVF Repurchases, and are subject to the relevant provisions of the Companies Act and the Listings Requirements.
- 4.3.3** The Unwind Repurchases will be for cash only, funded exclusively from MTN's existing cash resources, and will have the following effect on MTN's financial information:
- 4.3.3.1** a reduction of MTN's cash resources and shareholders' equity by the value of the consideration paid in respect of the Unwind Repurchases;
- 4.3.3.2** a reduction in post-tax interest income that would have been earned on the cash paid in respect of the Unwind Repurchases; and
- 4.3.3.3** a decrease in the number of MTN Shares in issue by up to a maximum of 76,835,378 MTN Shares.

5. MTNZF CIRCULAR AND NOTICE OF MTNZF EGM

- 5.1** A circular containing full details of the Proposed Scheme Extension, required amendments to the Relevant Transaction Documents and incorporating a notice to convene the extraordinary general meeting of the MTNZF Shareholders ("MTNZF EGM") to consider and, if deemed fit, pass the necessary resolutions to implement the Proposed Scheme Extension and amendments to the Relevant Transaction Documents ("MTNZF Circular") will be posted to MTNZF Shareholders, in due course, subject to the approval of the JSE.
- 5.2** The MTNZF EGM is currently anticipated to be held on or about Monday, 21 October 2024. The salient dates and times relating to the MTNZF EGM will be included in the MTNZF Circular and announced to MTNZF Shareholders on the Stock Exchange News Service of the JSE ("SENS") when the MTNZF Circular is published.

6. MTN CIRCULAR AND NOTICE OF MTN EGM

- 6.1** A circular containing full details of the Proposed Scheme Extension, required amendments to the Relevant Transaction Documents and Unwind Repurchases and incorporating a notice to convene the extraordinary general meeting of the MTN Shareholders ("MTN EGM") to consider and, if deemed fit, pass the necessary resolutions to implement the Proposed Scheme Extension, amendments to the Relevant Transaction Documents and Unwind Repurchases ("MTN Circular") will be posted to MTN Shareholders, in due course, subject to the approval of the JSE.
- 6.2** The MTN EGM is currently anticipated to be held on or about Monday, 14 October 2024. The salient dates and times relating to the MTN EGM will be included in the MTN Circular and announced to MTN Shareholders on SENS when the MTN Circular is published.

7. SHORT-FORM ANNOUNCEMENT

- 7.1** Shareholders are advised that this short-form announcement is the responsibility of the MTN Board and the MTNZF Board and represents a summary of the information contained in the Full Announcement, and therefore, does not contain full or complete details of the Proposed Scheme Extension. Shareholders and prospective investors are encouraged to consider the Full Announcement published on SENS and MTN's website at https://irhosted.profiledata.co.za/mtn-group/2019_feeds/SensPopUp.aspx?id=489273 and MTNZF's website at https://irhosted.profiledata.co.za/mtn_zakhele/2019_feeds/SensPopUp.aspx?id=489264 on 19 August 2024 before making any investment decisions, or taking any action, in relation to the Proposed Scheme Extension.
- 7.2** The Full Announcement is also available for inspection to investors and shareholders at no charge, during normal business hours from Tuesday, 20 August 2024 up until the later of the date of the MTN EGM and the MTNZF EGM, which date is currently contemplated to occur on or about Monday, 21 October 2024:
- 7.2.1** in the case of MTN: at the registered offices of (i) MTN, 216 14th Avenue, Fairland, Roodepoort, 2195, South Africa; (ii) MTN's transaction and lead sponsor (Tamela Holdings Proprietary Limited), First Floor, Golden Oak House, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2021, South Africa; and (iii) MTN's joint sponsor (J.P. Morgan Equities South Africa Proprietary Limited), 1 Fricker Road, Cnr Hurlingham Road, Illovo, 2196, South Africa; and
- 7.2.2** in the case of MTNZF: at the registered offices of (i) MTNZF, 135 Rivonia Road, Sandton, 2196, South Africa; and (ii) MTNZF's sponsor (Tamela Holdings Proprietary Limited), First Floor, Golden Oak House, Ballyoaks Office Park, 35 Ballyclare Drive, Bryanston, 2021, South Africa.

Sandton
Tuesday, 20 August 2024

Legal and tax advisor
to MTNZF

WEBBER WENTZEL
in alliance with > Linklaters

Legal and tax advisor
to MTN

WEBBER WENTZEL
in alliance with > Linklaters

Financial advisor and sponsor
to MTNZF

tamela

Financial advisor
to MTN

RMB

Transaction and lead sponsor
to MTN

tamela

Joint sponsor
to MTN

J.P.Morgan