



Updated FAQ

Frequently asked questions (FAQs) regarding the unwind, NVF and way forward

1. What is the transaction about?

- The transaction is the unwind of the MTNZF BEE transaction
- The MTNZF scheme was implemented in 2016 for an initial 8 years to November 2024 and was extended for a period of (up to) 3 years to November 2027

2. Why is the scheme unwinding now?

- During the 3 year extension of the MTNZF scheme, the MTNZF Board could choose to partially or fully unwind the Scheme by selling or hedging the MTN shares held by MTNZF to realise value for MTNZF shareholders
- The MTN share price had increased significantly to a point where the MTNZF Board deemed it appropriate to fully unwind the MTNZF scheme and lock in value for MTNZF shareholders
- There has been ongoing MTNZF shareholder feedback, specifically around lack of cash flow since the inception of the MTNZF scheme in 2016

3. What quantitative factors did the MTNZF Board consider when making the decision to unwind the MTNZF scheme?

- The current MTN share price and historical performance
- MTNZF net asset value per share (NAVPS) calculation:
 - MTN share price
 - MTN historical and forecasted dividends
 - The outstanding preference share funding and associated funding rate
 - The outstanding notional vendor finance (NVF) and associated funding rate
 - Potential taxes and other costs
- Times Money Back (TMB)
- Internal Rate of Return (IRR)
- Analysts 12 month MTN target price

4. What qualitative factors did the MTNZF Board consider when making the decision to unwind the MTNZF scheme?

- MTN share price historic volatility and history of unexpected events from foreign jurisdictions and macro-economic factors
- Ongoing MTNZF shareholder feedback
- MTN results announcement
 - Released on 17 March 2025
- MTN Dividend Payment
 - Declared 345 cps on 17 March 2025
 - Paid on 14 April 2025
- Nigeria tariff adjustments
- Fintech demerger process and timing



5. How is the scheme unwinding?

- MTNZF:
 - Sold a portion of its MTN shares via an Accelerated Bookbuild Offering (ABO)
 - Settled the NVF via an MTN repurchase of the bulk of MTNZF's remaining MTN shares
 - Has used a portion of the net proceeds to settle its outstanding preference share funding and will use the remaining amount to pay or provide for any applicable taxes, cover Unwind costs and to make a distribution to the MTNZF ordinary shareholders

6. How much did MTNZF owe?

- MTNZF owed approximately R460 million to the third-party preference share funders and R6.4 billion to MTN in terms of the NVF

7. Who are the third party preference share funders?

- The third-party preference share funders are:
 - RMB;
 - ABSA, and
 - Momentum

8. How many MTN shares were sold in the bookbuild and at what price?

- 23.8 million MTN shares were sold at R128.00 per share, raising gross proceeds of approximately R3.0 billion

9. How was the NVF settlement price calculated?

- The NVF settlement price was calculated based on the 30 day VWAP as at (and including) Friday, 20 June 2025
- The NVF was settled by way of delivery of 50.6 million MTN shares to MTN in accordance with the NVF settlement calculation

10. How was the number of MTN NVF settlement shares calculated?

- The number was calculated in terms of the NVF agreements, and was based on the NVF balance as at Monday, 23 June 2025 divided by the 30 day VWAP of the MTN shares as at (and including) Friday, 20 June 2025

11. What other costs and expenses will be incurred?

- ECM broker fees and associated ABO fees and costs
- Advisory fees
- Taxes
- Distribution costs
- Administration fees
- Documentation fees
- Corporate action management fees
- Printing publishing and distribution costs



- Marketing and investor relations costs
- Shareholder management costs
- UnwindCo provision

12. What other options did MTNZF consider?

- MTNZF considered numerous options including:
 - Partial unwind of the scheme, which would have meant managing a smaller scheme with a similar fixed cost base, duplication of unwind costs, ongoing escalation on the NVF balance at 80% of the prime rate, resulting in a higher MTN share price in order to break even and the relatively low value of a first payment on partial unwind
 - Waiting until November 2027 to commence an unwind, which would have exposed MTNZF to continued market volatility of the MTN share price and consequential volatility of the MTNZF share price, ongoing escalation on NVF balance at 80% of the prime rate, resulting in the requirement for a higher MTN share price in order to break even and ongoing costs associated with the management of the scheme
 - Engagement with MTN relating to potential alternatives, including in relation to the NVF

13. When is the scheme unwinding?

- MTNZF has commenced the process of unwinding the scheme
- Further updates will be communicated in due course as and when more information becomes available
- Shareholders should monitor SENS announcements and ensure that their contact details are up to date in order to receive relevant communication in this regard

14. How much money will I receive?

- The Board has declared a distribution to MTNZF ordinary shareholders of a return of contributed tax capital of R20 per MTNZF ordinary share payable on 28 July 2025. This payment is subject to approval by the Financial Surveillance Department of the South African Reserve Bank (SARB), if required.
- Thereafter, the Board will determine the best method to finalise the unwind of the Scheme and return the residual cash (which is currently expected to be approximately between R0 and R2.50 per MTNZF ordinary share) to MTNZF ordinary shareholders, delist MTNZF from the JSE and finally wind up and/or deregister MTNZF
- Shareholders should monitor SENS announcements and ensure that their contact details are up to date in order to receive relevant communication in this regard

15. When/how will I receive my money?

- An initial distribution of R20 per MTNZF share will be made by way of return of contributed tax capital
- The format and quantum of any residual distribution will be determined by the MTNZF Board and communicated in due course
- Shareholders should ensure that their bank account details are up to date



16. Why/how is the MTNZF Unwind different to the MTN Zakhele unwind?

- The MTN Zakhele unwind offered shareholders the ability to elect to receive (i) cash, (ii) MTN shares, and/or (iii) MTNZF re-investment shares
- Under the MTNZF unwind, only the cash option will be available. This has been done in order to simplify the unwind options for shareholders
- To the extent that any MTNZF shareholder wishes to buy MTN shares, they can use the cash unwind proceeds received by them to buy MTN shares directly, on the stock exchange operated by the JSE Limited, through a broker appointed by such shareholder. MTNZF is not involved in any such direct purchases of MTN shares (or other use of the cash unwind proceeds received by MTNZF shareholders)
- A re-investment alternative is not available as there is no follow-on scheme proposed by MTN

17. What approvals are required?

- There are no further approvals required for the ABO, preference share settlement and NVF settlement, which have been completed.
- The distribution by way of return of contributed tax capital has the required Board approval and, if required, Exchange Control (Excon) approval will be obtained
- The mechanism for any residual distribution will be communicated in due course. Shareholders should monitor SENS announcements and ensure that their contact details are up to date in order to receive relevant communication in this regard

18. Will I be subject to any taxes on what I receive?

- MTNZF shareholders should consult their own advisors regarding their tax implications

19. Is MTNZF delisting and (if so) when?

- MTNZF is not delisting immediately but is anticipated to do so in due course
- Shareholders should monitor SENS announcements and ensure that their contact details are up to date in order to receive relevant communication in this regard

20. Will I still be able to trade my MTNZF shares?

- Yes, currently you are able to continue to trade in MTNZF shares.
- Apart from 2.4 million MTN shares to be sold in the market at an opportune time, MTNZF shares now reflect essentially only the cash left to be paid out after costs and taxes, so shareholders must trade with care.
- Shareholders should monitor SENS announcements and ensure that their contact details are up to date in order to receive relevant communication in this regard

21. What is the Net Asset Value of my MTNZF shares?

- The net asset value is equal to the expected residual cash after settlement divided by the number of MTNZF shares in issue