



INTEGRATED

THE ROAD TO PROSPERITY

ANNUAL REPORT

2024

FOLLOW THE UNSTOPPABLE JOURNEY OF MTC OVER THE YEARS



# WELCOME TO MTC'S 2024 INTEGRATED ANNUAL REPORT

## We are MTC

We are Namibia's first and largest Communication Service Provider and a leading brand. Over 30 years, we have adapted our business to evolving technologies and trends to keep Namibians connected to the economy, their work, families and friends. Constantly moving ahead, we are transforming our business into a full digital services provider.

### WE CONNECT NAMIBIA AND NAMIBIANS

#### Our vision

To drive an inclusive Namibian digital economy

#### Our mission

To create sustainable value for all our stakeholders through innovative digital solutions and a high-performance culture

#### What we value

Integrity (trust, transparency), customer centricity, stakeholder inclusivity and innovation

We have over **2.224 million active subscribers** and **cover 98% of Namibians** with voice services and 86% with 4G LTE internet services through our extensive network.

In 2024, we were rated **Best Network Provider** at the **Best of Namibia Awards** and **Best Internet Service Provider** at the Namibia Media Holdings awards.

The award of the **5G trial licence** allowed MTC to showcase the **fully-fledged digital services the technology can provide** by ensuring high speed internet to individuals and businesses.

Our entry into **MTC Maris (mobile financial services)** is a milestone as we venture into Fintech and amplify our ongoing diversification. MTC Maris was granted an electronic money (e-money) issuer licence which will enable the pursuit of several viable spin-off opportunities.

## OUR MAJOR MILESTONES



**1994**

MTC was established in a joint venture (JV) with the Namibian government (51%) and foreign partners, Swedfund and Telenor (49%), as Namibia's first cellular provider.



**2006**

Upgraded network to 3G to achieve higher speeds for smart devices.

**2012**

Second operator in Africa to launch 4G, followed by 4G LTE throughout Namibia.

**2016**

First African operator to trial 4.5G. MTC started to invest in its future role as a digital services provider.



**2017**

NPTH acquired 100% of MTC. N\$1 billion o81Every1 campaign launched to bridge the digital divide.

**2018**

Ventured into the enterprise market with cloud and fibre services for businesses and consumers.

**2024**

Accelerated digital transformation with launch of Namibia's first 5G mobile network trial in collaboration with Huawei.

Windhoek General Administrators Proprietary Limited (WGA), a wholly owned subsidiary, trading as MTC Maris, launched mobile financial services on 4 October 2024 after obtaining an e-money issuer licence on 14 November 2023.



**2022**

Invested in network expansion and digital transformation to overcome saturation and disruption in the core market.

**2023**

First in Namibia to be certified in six ISO standards and the first in Africa to implement the 2022 version of ISO 27001.

**2021**

First Namibian state-owned entity to list on the Namibian Stock Exchange (NSX).

Major strategic capex projects launched to support digital transformation.



**2020**

Gained traction in the fixed-line services market and launched innovative new products for mobile telecom customers.

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This report forms part of our integrated reporting and is supplemented by our corporate social investment (CSI) impact report, King IV<sup>1</sup> summary, NENS<sup>2</sup> announcements and shareholder information, which are all available at <https://investors.mtc.com.na/>

## Navigating our 2024 integrated annual report

### How we prepared this report 04

MTC's integrated annual report outlines how we apply and leverage our unique resources to fulfil our vision "To drive an inclusive Namibian digital economy". We apply the principle of materiality when determining which information to include in the report. As we strengthen our commitment to integrated thinking and enhanced reporting, we are becoming more mindful and transparent about how we create, protect and minimise the erosion of value.

### This is MTC 06

We provide a brief overview of the qualities that differentiate our brand, the strategic objectives that drive our vision, and the KPIs we monitor to keep our strategy on track. We clarify how we mobilise our unique resources to create and sustain value. We also demonstrate how we align our values and strategy with our purpose of improving economic, social, and environmental outcomes for our stakeholders in Namibia and abroad.

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### Applying ethical and effective governance 15

Our Chairperson's Q&A and governance report feature upfront in the report to demonstrate our commitment to good governance as a listed company. In this section, we show how governance underpins fulfilling our fiduciary responsibilities. We also demonstrate how MTC balances its stakeholders' interests to fulfil its role as a leading corporate citizen in Namibia and the trade-offs we make to ensure optimal use of our capitals. Our online King IV summary is available at [www.mtc.com.na](http://www.mtc.com.na).

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We provide insight into our operating context, how we build trusting relationships with our stakeholders and the risks and opportunities that inform our material matters and strategy. Our material matters report identifies the key matters that have the potential to significantly impact our performance or ability to create sustainable value for our stakeholders over the longer term.

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This report section provides detailed information on our performance against our strategic objectives. We unpack our financial and operational performance and describe how we ensure that our employees are fit for purpose in an evolving industry and changing world of work. We also discuss how we mobilise our brand and our resources for good.

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### Annual financial statements 76

This section is MTC's consolidated and separate annual financial statements, including the unqualified auditor's report.

### Appendices 148

<sup>1</sup> King Report on Corporate Governance™ for South Africa, 2016. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.  
<sup>2</sup> NSX news service.

## Accuracy and completeness

Our integrated reporting process is based on an integrated strategic business plan. Several internal stakeholders prepared and reviewed the contents of the 2024 integrated annual report.

The report was reviewed by each member of MTC's Board, Executive Committee (Exco), Audit, Risk and Compliance Committee, and then approved by the Board.

## Board approval

The Board has taken responsibility for ensuring the integrity and completeness of this report. With the support of the Board committees, the Board assessed the report's contents and believes it fairly represents MTC's performance and prospects. The Board approved the 2024 integrated annual report on 5 December 2024.



**Theofelus Mberirua**  
Chairperson



**Werner Schuckmann**  
Chairperson of Audit,  
Risk and Compliance Committee



**Dr Licky Erastus**  
Managing Director (MD)



**Thinus Smit**  
Financial Director (FD)

# HOW WE PREPARED THIS REPORT

**Our integrated annual report demonstrates how we create and preserve value while minimising value erosion as a digital services provider, a public company, an employer and taxpayer, and a social investor.**

This integrated annual report reflects MTC's commitment to integrated thinking and enhanced reporting across our company. We are becoming more transparent about applying and leveraging our unique resources to create, protect and minimise value erosion.

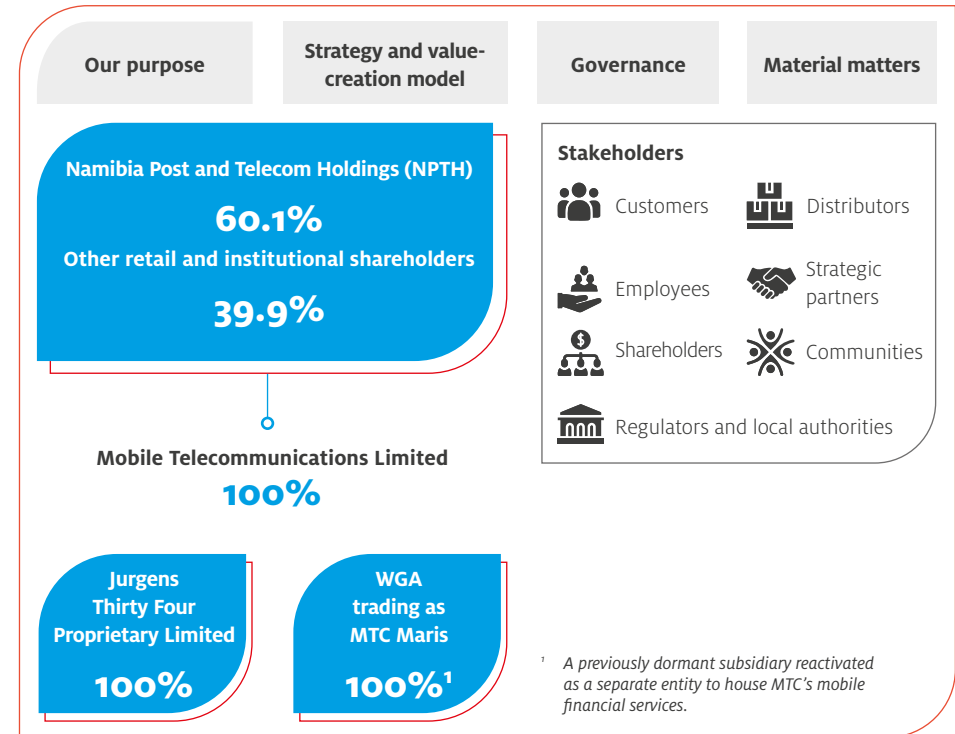
## HOW WE CONSIDER MATERIALITY AND MATERIAL MATTERS

MTC applies the principle of materiality when determining which information to include in the report. We report on the matters that have the most material positive or negative impacts on our capitals and our ability to grow sustainably. We identify our material matters by assessing MTC's external environment, significant stakeholder needs and concerns and key risks identified through risk management processes. Our material matters are aligned with MTC's strategic goals. Read more about our material matters on page 38.

## Reporting period and boundary

The report covers the year from 1 October 2023 to 30 September 2024. It includes relevant material developments between 1 October 2024 and the date of Board approval.

### MTC'S REPORTING BOUNDARY



## Forward-looking statements

This report contains certain forward-looking statements about MTC's anticipated performance, operations, and prospects. These are based on estimates and assumptions made by MTC. Although MTC believes that these are reasonable, they are subject to known and unknown risks and uncertainties that could adversely impact our business and financial performance. Undue reliance should not be placed on opinions, forecasts, or data. Forward-looking statements apply to the date on which they are made. MTC does not undertake any obligation to publicly update or revise any of its opinions or forward-looking statements, whether to reflect new data, future events, or circumstances.

## Reporting frameworks

The preparation of this report was informed by:

- Companies Act 28 of 2004, as amended (Companies Act)
- King IV
- The International Integrated Reporting Framework, 2021 (<IR> Framework)

## Navigation

The digital MTC integrated report can be navigated by clicking the navigation tabs at the top of each page.

MTC INTEGRATED ANNUAL REPORT

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## Our reporting suite

Our integrated annual report is supplemented by a suite of online publications and information tailored to meet the information requirements of our stakeholders. We encourage readers to explore the full reporting suite for comprehensive insights into our performance and value creation. The reports are all available at [www.mtc.com.na](http://www.mtc.com.na)



### Integrated annual report

Provides a succinct, balanced account of how we fulfil our vision 'To drive an inclusive Namibian digital economy'. The report allows stakeholders to assess how we create, protect and minimise value erosion.



### CSI impact report

Reports on our CSI approach, activities and social investments.



### Namibia National Internship Programme report

Provides a summary of the investments and social impact of the national programme MTC supports in collaboration with other donors.



### Fast read summaries

Summaries of the integrated annual report and CSI impact report provide readers with an accessible, easy-to-read summary of the full reports



### King IV summary

Provides a summary of our application of relevant King IV principles.



### AGM notice

Notifies shareholders of the date, time and place of the annual general meeting (AGM) and includes the agenda and items to be discussed and voted on at the AGM.



### Online investor site

Offers shareholders information on financial results, AGM notices, NENS announcements, share performance and dividend payments.

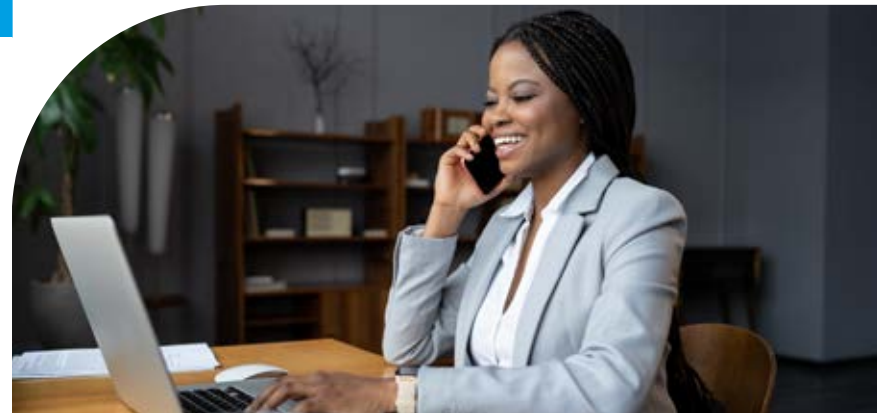


“ We humanise the MTC brand by enhancing the lives of Namibians. Our services are essential to consumers and businesses. We maintain our market share and loyal customer base by being a reliable, trustworthy and caring partner.”

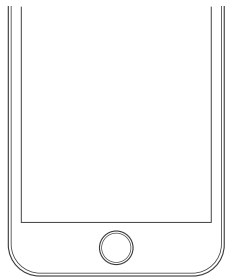
Licky Erastus, Managing Director



# THIS IS MTC



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# THE IMPORTANT FACTS

## Six strategic objectives support the achievement of our vision

MTC is Namibia's largest communication services provider and mobile telecoms operator, with approximately 2.224 million active subscribers. We provide voice and data services and solutions to postpaid and prepaid individual and business customers through our extensive telecommunication transmission and distribution networks.

Over the past three years, we have adapted our business model to match market and technology trends, maintaining the leadership of our traditional market and expanding into new growth markets while transitioning the company into a digital services provider.



### THE SIX STRATEGIC OBJECTIVES WE PRIORITISE

<p><b>Increase revenue</b> </p> <p>Revenue growth enables MTC to invest in its transmission infrastructure and digital capabilities. As the leader of a maturing market, one of MTC's key strategic goals is to maintain revenue growth in its mature core business and use that to fund accelerated growth in new revenue streams. This is a performance indicator.</p>	<p><b>Operational excellence</b> </p> <p>Operational efficiency increases the pace and effectiveness of service delivery and billing, generating a higher return on investment and improving service excellence and customer experience. We prioritise investment in operational excellence to remain responsive and relevant to our customers.</p>	<p><b>Cost optimisation</b> </p> <p>Our disciplined approach to reducing spending and costs while maximising business value without compromising quality, performance or customer satisfaction enhances our operational efficiency, agility and profitability. This strategic objective strengthens our resilience, particularly during economic downturns that limit revenue growth.</p>	<p><b>Research and innovation</b> </p> <p>Our commitment to innovation is not only a strategic priority; it is in our DNA and key to enhancing customer experience, improving operational efficiency and contributing to Namibia's socio-economic development.</p>	<p><b>Service excellence</b> </p> <p>Customers are our primary revenue source and customer growth supports revenue growth. Service excellence enhances customer experience and satisfaction, creating loyalty and enabling us to retain and acquire customers in competitive markets. This is a performance indicator.</p>	<p><b>Brand ambassadors</b> </p> <p>As the face of MTC, our employees are key to humanising the brand. When they feel engaged and committed to their work, they serve our customers to the best of their ability, creating loyalty that translates into service excellence and customer retention.</p>
Read more on page 35.	Read more on page 36.	Read more on page 35.	Read more on page 36.	Read more on page 35.	Read more on page 36.

# The top six KPIs' we monitor to keep our strategy on track

We set KPIs to track our performance against our strategy. They provide clear goalposts for our people and are linked to remuneration. In addition to these performance measures, each ambassador works towards achieving team and personal goals linked to the strategic objectives.

## 1. REVENUE GROWTH

**Why it is important** 

Existing revenue growth enables MTC to expand its existing transmission network, fund its digital transformation strategy and invest in new revenue opportunities to generate future growth. Key drivers of revenue growth are customer growth, especially prepaid customers, who account for 62% of revenue, and increased average revenue per user (ARPU).

### Commentary

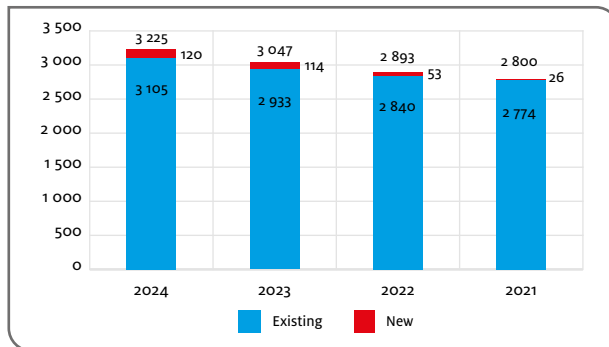
Existing revenue growth was driven by increased data usage, strong demand for new products and services and growth in roaming services. New revenue grew marginally from a high base established in the prior year but registered gains in fixed internet services, cloud services and digital services.

### What we measure

New and existing revenue

### How we performed (N\$ million)

**5.85% ↑**



## 2. EBITDA MARGIN

**Why it is important** 

Our earnings before interest, tax, depreciation and amortisation (EBITDA) margin shows our underlying operational performance, financial health and ability to generate cash. Compared to the telecommunications industry, our 50% EBITDA target is considered highly ambitious. This is a performance indicator.

### Commentary

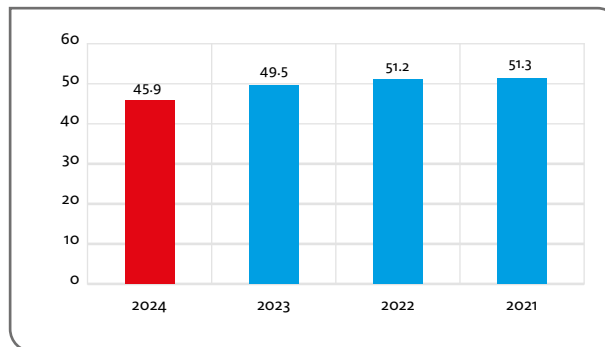
The 3.6% decrease year-on-year was mainly as a result of the CRAN settlement for years prior to the current financial year as well as the Annual licenses and other regulatory licenses/levies for the year under review. This amount to N\$96.3 million. As per the strategy MTC diversify and invest in MTC Maris and other for future sustainability. This can result in a lower but above the industry EBITDA. Currency devaluation increased the cost of imported equipment necessary to maintain our network services. Extraordinary costs related to regulatory matters won't be incurred in the next financial year.

### What we measure

EBITDA as a percentage of income

### How we performed (%)

**3.6% ↓**



## 3. SMARTPHONE AND DATA PENETRATION

**Why it is important** 

Smartphones increase 4G data usage, improve customer experience and maximise the investment return on our significant capital expenditure projects.

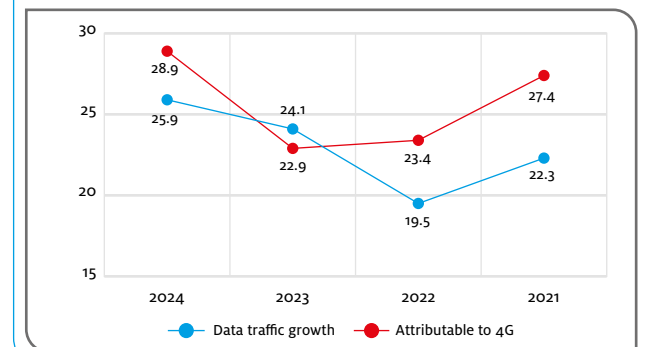
### Commentary

Targeted interventions increased our engagement with prepaid customers and boosted average data usage. This partially offsets the impacts of lower customer affordability and mandatory subscriber identity module (SIM) registration, increasing the average revenue per prepaid customer.

### What we measure

Growth in data traffic and growth attributable to 4G technology

### How we performed (%)



Legend for strategy icons (page 38)

<sup>1</sup> Key performance indicators.

Increase revenue 	Operational excellence 	Cost optimisation 	Research and innovation 	Service excellence 	Brand ambassadors 
--	--	---	---	--	---



#### 4. CUSTOMER SATISFACTION

**Why it is important** 

Customers are our primary revenue source and the reason for our existence. Customer satisfaction creates loyalty and enables us to retain and grow our customer base.

**Commentary**

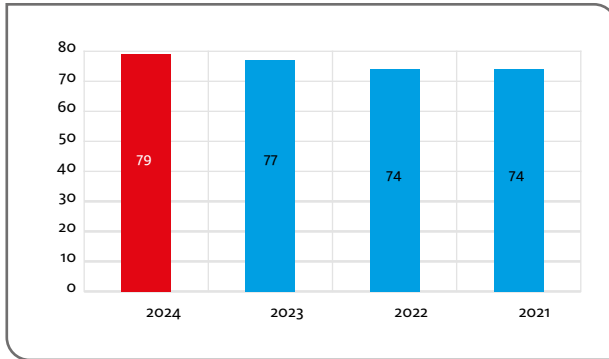
Our CVM score (which measures customer satisfaction, network quality, retail service, service quality, corporate image and price) has improved throughout the years as we maintain and improve customer centricity.

**What we measure**

Customer experience of our service (customer value management (CVM) survey)

**How we performed (%)**

2% ↑



#### 5. EMPLOYEE ENGAGEMENT

**Why it is important** 

When our employees feel committed to their work, excited about the future and willing to do more for an organisation they connect with, they serve our customers to the best of their ability and achieve strategic goals.

**Commentary**

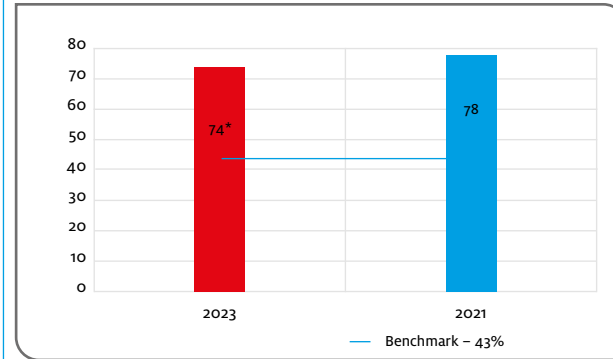
We implemented measures to build the culture and the capability required to deliver MTC's strategy and addressed gaps identified in a culture audit conducted in 2023. We enhanced the remuneration structure and employee value proposition to retain and motivate key talent.

**What we measure**

Percentage of employees who are engaged and fully engaged (Employee engagement survey)

**How we performed (%)**

4% ↓



\* No culture and engagement survey was conducted in 2024. The next survey is scheduled for 2025.

#### 6. SHAREHOLDER VALUE

**Why it is important** 

Value for our shareholders is created by increases in the share price (influenced by market forces) and dividend payments (within our control).

**Commentary**

MTC maintained its dividend policy, yielding N\$0.73 per share payout during 2024.

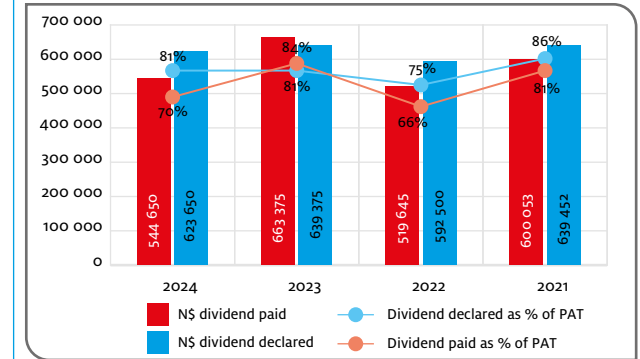
The share price increased by 5.7% during the reporting period. Lower turnover of shares demonstrated a growing appreciation among shareholders of the benefits of long-term equity investment.

**What we measure**

Our dividend policy is to pay minimum 70% of net profit after tax (NPAT) in dividends

**How we performed (%)**

0% →



Legend for strategy icons (page 38)

Increase revenue 
Operational excellence 
Cost optimisation 
Research and innovation 
Service excellence 
Brand ambassadors 

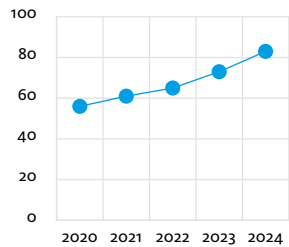
# Our business operations

WE OFFER A DIVERSE RANGE OF VOICE, DATA, DIGITAL, CONTENT, ENTERPRISE AND FINANCIAL SOLUTIONS TO 2.21 MILLION CUSTOMERS ACROSS FOUR MAIN CATEGORIES.

## Prepaid

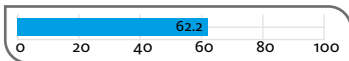
**2.034 million** subscribers generate an average revenue per user (ARPU) of **N\$83**

Prepaid ARPU (N\$)



- Aweh products
- Data bundles
- Pay as you go
- International calling
- Airtime transfers

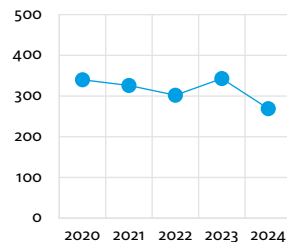
Percentage of revenue contribution to MTC



## Postpaid

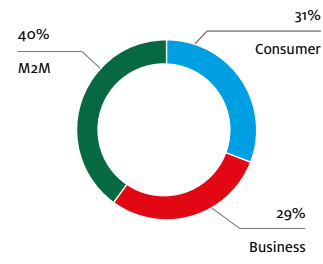
**176 k** subscribers generate an ARPU of **N\$274**  
**69%** business **31%** consumer

Postpaid ARPU (N\$)

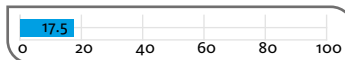


**106** service plans, including Netman, Mobiz and Smartshare

Active postpaid customers (%)



Percentage of revenue contribution to MTC



## Handsets and roaming



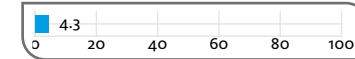
**350** agreements with roaming partners across

**152** countries

**51** of these networks allow for prepaid roaming

New eSIM for outbound roaming

Percentage of revenue contribution to MTC



Our **new revenue** services registered

**39.5%** growth in customers to **13 369** total EBU Business

and **5.3%** revenue growth driven by customer growth.

**120 000** subscribers used our value-added content services.

Digitally-enabled value-added services (VAS)

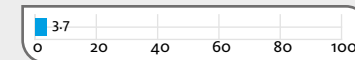
- Content via web, SMS and other messaging technologies
- Premium video content via smartphones and internet-enabled feature phones

**13 369** subscribers used our fixed services for businesses and homes

- Fibre-to-the-office and home
- Secure cloud and private branch exchange (PBX) hosted solutions

New subscribers and expansion of broadband offerings will form the core of our new business growth initiatives. MTC expect robust growth in fixed internet.

Percentage of revenue contribution to MTC



“ *Our innovative solutions and committed employees drive an inclusive digital economy in Namibia by offering affordable connectivity to our consumer, business and public sector customers.* ”

“ **Our products and services are powered and delivered by our extensive transmission and distribution networks**

<p><b>98%</b> network coverage</p> <p><b>1 032</b> network towers</p> <p><b>2 738 km</b> backbone fibre</p> <p>Data hub in Windhoek</p> <p>Network management and technical quality centre provides immediate response to customer complaints</p>	<p><b>36</b> Mobile Home retail and service centres</p> <p>Renovated Keetmanshoop shop and planning to open two more stores in 2025</p> <p><b>24-hour</b> customer contact centre with webchat and WhatsApp</p> <p>Digital channels: MTC website, MTC app, portable point of sales (PoS) devices</p> <p><b>6 super</b> dealers and 109 sub dealers, representing 7 000 outlets and PoS devices (airtime sellers and distributors), service remote customers</p> <p>Self-help options to avoid queues at Mobile Homes</p>
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Our track record demonstrates our position at the forefront of innovation as the first Namibian company to:

Establish a 24-hour contact centre in Namibia	Introduce an Enterprise Business Unit with a wide range of services: connectivity, cloud, IPBX, digital platform solutions	Launch commercial use of LTE-A and 4.5G LTE in Africa
Deploy self-help kiosks or vending machines for products and services	Deploy a payment gateway on the MyMTC app	Foster a collaborative innovation drive with tertiary institutions and entrepreneurs
Be certified in six ISO standards and the first in Africa to apply the 2022 version of ISO 27001		

“ **Innovation is part of our DNA. Our strategic partnerships with industry leaders, academic institutions, and start-up incubators help us keep up with technology and bring new concepts and services to Namibia.**

“ **We call our employees MTC ambassadors because they are the face of our brand and the touch point with our customers.**

MTC’s culture is founded on customer service. We recruit, develop, and retain employees committed to ensuring our customers have a good experience using our products or services. By retaining customers, we can keep growing and investing in new technology that keeps not only our customers but 98% of Namibians covered.








**Our view on ESG**

“ **We have made good progress in our journey to formalise and embed the management, measurement and reporting of our environmental and social impacts throughout MTC.**

<b>E</b>	<b>Environment</b> Namibia’s natural environment and abundance of resource-based industries sustain its economy and many Namibians. Our environment is threatened by water scarcity, land degradation and other impacts of climate change. As a carbon emitter and consumer of natural resources, we are committed to mitigating our environmental impact.
<b>S</b>	<b>Social</b> We have a social responsibility to our employees, customers, partners and the communities in which we operate. We want to be an employer of choice with employees who are proud of our brand. Our network and digital assets connect and enable Namibian businesses and consumers and our o81Every1 campaign bridges the digital divide between urban and rural communities.
<b>G</b>	<b>Governance</b> As a listed company, we know that good governance supports our ability to create and preserve stakeholder value. We have progressively improved our governance since 2019.

# The reasons to invest in MTC







We summarise our investment case below, and it should be read in conjunction with our strategy (page 32) and the rest of the integrated report as referenced.

<p><b>WE ARE AN ESTABLISHED MARKET LEADER</b></p>	<p>We service an estimated 82% mobile market share in Namibia's telecommunications market through our extensive transmission networks (2 738 km backbone fibre) and distribution channels</p> <ul style="list-style-type: none"> <li>• The wide market reach of our loyal 2.224 million customer base represents a significant competitive advantage</li> <li>• Our mature telecommunications business funds aggressive expansion in diversified revenue-generating business opportunities that will drive future growth, including the growing Enterprise Business Unit, digital solutions and mobile financial services</li> <li>• Smart partnerships with research institutions and expert service providers leverage innovation</li> <li>• Become a leader as Communication Service Provider versus the historical Mobile Telecommunication Provider</li> </ul>	<p><b>Strategic alignment:</b></p>  <p>Read more: Page 32 and 56</p>
<p><b>OUR STRONG CUSTOMER RELATIONSHIPS DRIVE BRAND VALUE AND REVENUE GROWTH</b></p>	<ul style="list-style-type: none"> <li>• Best Network Provider (2024 Best of Namibia Awards)</li> <li>• Best Internet Service Provider (2024 Namibia Media Holdings awards)</li> <li>• Harnessing the power of emerging technologies such as data analytics and machine learning to understand our customers and serve them better</li> <li>• Revenue compound average growth rate of 4.3% over the last five years</li> </ul>	<p><b>Strategic alignment:</b></p>  <p>Read more: Page 47 and 56</p>
<p><b>OUR MARKET SHARE AND CUSTOMER RELATIONSHIPS LEAD TO A SOLID FINANCIAL POSITION THAT ALLOWS FOR AN AGILE RESPONSE TO CUSTOMERS</b></p>	<ul style="list-style-type: none"> <li>• No gearing, cash generative, with stable earnings and cost discipline (Cash generation ratio 2024: 95.0%; 2023: 94.4%)</li> <li>• Strong dividend track record, with payments amounting to N\$545 million (70% declared of net profit after tax of net profit after tax) (2023: N\$663 million)</li> <li>• Annual capital expenditure maintains network performance and enables MTC to sustain growth by adapting to evolving technology and customer preferences (average capital expenditure as a percentage of revenue 20.3% over the last five years)</li> <li>• Reinvest in the network and latest technology to ensure a sustainable company</li> </ul>	<p><b>Strategic alignment:</b></p>  <p>Read more: Page 47</p>
<p><b>WE ARE COMMITTED TO ENABLING ALL NAMIBIANS TO ACCESS THE MAINSTREAM ECONOMY</b></p>	<ul style="list-style-type: none"> <li>• 98% population coverage enables more Namibians to connect and access digital financial and other services</li> <li>• o81Every1 provides digital enablement for Namibia's tourism and agriculture industries and network coverage to remote populations</li> <li>• Our 4G LTE coverage underpins data access to all Namibians, including critical sectors: education, healthcare, and industry sectors</li> <li>• We leverage digital channels to deliver critical services, such as food and cash vouchers, to people living in poverty</li> <li>• Our new MTC Maris (MFS) provide money management solutions to previously unbanked or underbanked communities</li> <li>• Significant ongoing investment in local sponsorships and CSI projects benefits all Namibians</li> </ul>	<p><b>Strategic alignment:</b></p>  <p>Read more: Page 66 and the CSI impact report</p>
<p><b>WE OPERATE UNDER THE GUIDANCE OF TRUSTED LEADERSHIP</b></p>	<ul style="list-style-type: none"> <li>• Respected, fully Namibian Board with telecommunications, IT, information and communication technology (ICT), HR, Finance and business expertise</li> <li>• Independent MTC Maris Board with financial services, retail banking, ICT and financial technology (fintech) expertise</li> <li>• Experienced executive team and 843 engaged brand ambassadors</li> </ul>	<p><b>Strategic alignment:</b></p>  <p>Read more: Page 15</p>

# BUILDING AN INCLUSIVE NAMIBIAN DIGITAL ECONOMY

**Our business model summary shows how we create value by implementing our strategy effectively and adapting to risks and opportunities in our operating environment. We mobilise our resources and relationships to drive our vision.**

## The resources and relationships we depend on

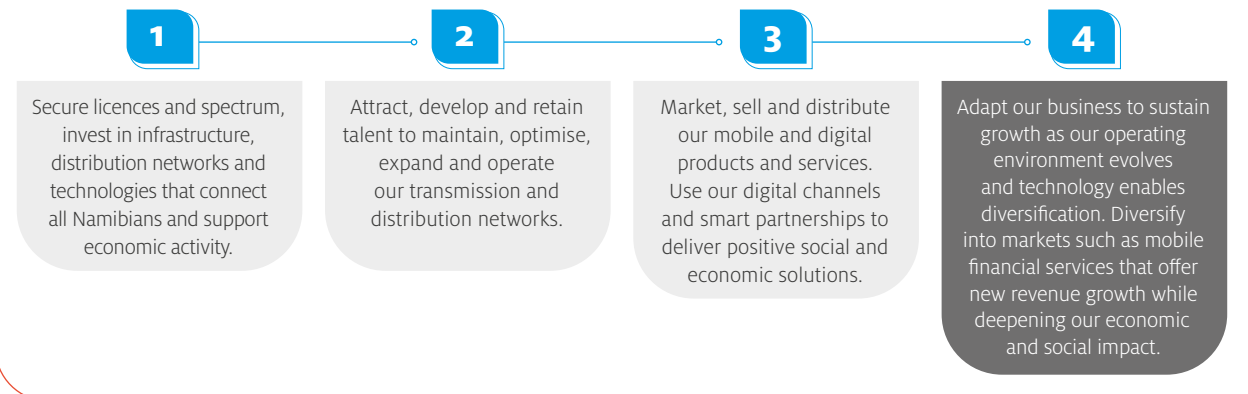
RESOURCES	RELATIONSHIPS
<p><b>Network infrastructure</b> </p> <p>Our extensive transmission (radio and fibre) and distribution networks keep our customers connected. By maintaining, expanding and optimising our networks for the benefit of all Namibians, we facilitate an inclusive digital economy.</p>	<p><b>Our people</b> </p> <p>Our 843 ambassadors operate our systems, create and maintain customer relationships, implement our strategy and maintain the company's market-leading brand and reputation.</p>
<p><b>Financial capital</b> </p> <p>We depend on a strong capital base and profitable growth to enable investment in our network infrastructure, systems and employees and to balance the expectations of other stakeholders.</p>	<p><b>Our brand</b> </p> <p>Our brand underpins customers' trust in our products and services, helping us retain their loyalty and win new customers.</p>
<p><b>Natural resources</b> </p> <p>Our business relies on electricity, fuel, water and solar energy to operate its networks. Our customers depend on electricity to operate their devices and our suppliers use electricity and fuel to manufacture and deliver handsets and project equipment.</p>	<p><b>Stakeholder relationships and strategic partnerships</b> </p> <p>Constructive relationships with our stakeholders enable us to conduct our business. Through our strategic partnerships, we leverage technology and innovation to remain competitive and adapt to change.</p>

Management applies its judgement in balancing stakeholder expectations and the resources MTC needs to adapt, innovate and sustain growth. We will rely on these dependencies to achieve our strategic objectives in 2025.

<p><b>Higher capital requirements:</b> Our strategy requires significant investment in new technology and the routine investments we make to expand and optimise our existing transmission network. We anticipate that this will increase our capital expenditure over the next two to four years. If we fail to invest in strategic projects, the quality and availability of our telecommunications services will progressively deteriorate.</p>	<p><b>Unreliable energy resources:</b> We depend on uninterrupted power supply to maintain service quality and availability. The risk of unreliable power supply in Namibia requires additional investment in alternative energy sources and backup systems to mitigate this risk without increasing MTC's environmental impact.</p>
<p><b>Fit for purpose human capital:</b> MTC's expansion into digital and mobile financial services depends on leadership expertise in ICT and fintech and an employee base that is adequately equipped for growth in new markets. Our investments to ensure our employee base is fit for purpose contribute to higher operational costs.</p>	<p><b>Increased regulatory pressure:</b> Several impactful regulatory rulings increased MTC's costs during 2024, and others are pending. The evolving regulatory environment's unpredictability and cost implications constrain our network investments and may impact customer service.</p>

Read more about our stakeholder engagement and how we monitor, manage and mitigate risks on pages 41, 43 and 45.

## How our business model drives an inclusive Namibian digital economy



## Significant resource dependencies

Changes in our operating environment, such as regulatory uncertainty, economic downturns, unreliable power supply or shortages of necessary skills, influence the availability or quality of our resources and relationships. On the other hand, some of our business outcomes have unintended social or environmental consequences.

## Who we create value for



### CONSUMER AND BUSINESS CUSTOMERS

- **N\$715.4 million** was invested in network and systems infrastructure to keep Namibians connected
- High-Tech Transfer Plaza Select (HTTPS) partnership to develop homegrown technology solutions continued
- Customer perception was rated 79% (Vision Africa CVM)

Read more on page 56



### EMPLOYEES

- **N\$561.7 million** was paid in salaries and benefits in 2024
- **N\$9.2 million** was paid in training and development, including bursaries and internships in 2024
- **83.3%** black representation in Exco, 33.3% black women
- **53%** female representation in the employee base
- A culture and engagement strategy was implemented

Read more on pages 53 and 68



### SHAREHOLDERS

- **N\$545 million** was paid in dividends in 2024
- The closing share price at year-end was 5.7% higher than in 2023 but 12.4% below the listing price
- MTC's revenue and profits grew, but not all strategic objectives were achieved
- **99.4%** Namibians share in our prosperity as shareholders<sup>1</sup>

Read more on page 48

<sup>1</sup> As of 30 September 2024



### COMMUNITIES

- **o81Every1 project bridges the digital divide** and stimulates **economic inclusion and development** for 98% of Namibians.
- 4G/LTE network coverage is provided for schools (**91.1%**) and **hospitals (93.2%)**.
- **N\$12.7 million** invested in projects that support education, health, vulnerable children, SME development and job creation, and the environment. We disclose our social investments in the annual CSI Impact and Namibia National Internship Programme reports.
- Our digital channel delivers **humanitarian services** to impoverished people in partnership with the United Nations (UN) World Food Programme and the Red Cross.

Read more on page 56



### GOVERNMENT AND REGULATOR

- **N\$288 million** Income tax paid.
- **N\$564 million** invested in capacity expansion
- **N\$96 million** paid in Communications Regulatory Authority of Namibia (CRAN) licence fees and universal service level (including a N\$58.4 million settlement and resolution of levies in arrears)

Read more on page 42



### SUPPLIERS

- **N\$1 663 million** paid in 2024
- **85%** of suppliers are Namibian local suppliers
- **N\$269 million** procured from BEE-accredited local suppliers

Read more on page 13



**We define inclusion as using our powerful networks and digital assets to enable businesses, consumers, and the economy. We connect remote rural communities to economic opportunity and deliver solutions for positive social impact.**





“ *When we build trust-based relationships with our stakeholders, we can achieve outcomes that serve our best interests and those of all stakeholders.* ”

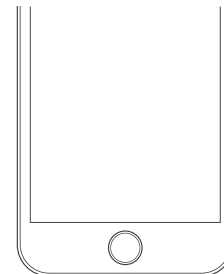
*Theofelus Mberirua, Chairperson*



# APPLYING ETHICAL AND EFFECTIVE GOVERNANCE



# 03



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A conversation with the Chairperson	16
Ensuring appropriate governance	19



# A CONVERSATION WITH THE CHAIRPERSON

Theofelus Mberirua discusses MTC's strategic transformation and how good governance and effective leadership support the company's future direction.

**Q** 2024 was another difficult year for Namibia and Namibians. What were MTC's main challenges and opportunities during the financial year?

**A** The Namibian economy contracted in 2023 and is expected to weaken further in 2024 and 2025. As the country grapples with high inflation, currency volatility, and global economic uncertainties linked to the worsening geopolitical conflicts, it has suffered the worst drought in decades. Higher food costs continue to erode consumers' disposable income, and weak economic growth exacerbates high levels of unemployment and indebtedness. The drought increases poverty and food insecurity, compounding the hardship experienced by the most vulnerable in our society.

Our business and the industry we operate in face the additional complexities of an unpredictable regulatory environment and market disruption associated with evolving technology and a maturing mobile telecommunications market.

Milestone events in 2024, such as introducing 5G technology to Namibia, MTC's entry into mobile financial services, and even the nationwide compulsory SIM registration process, accelerated our strategic transition from a mobile network provider to a fully-fledged digital services provider.

**Q** Is the Board satisfied that MTC's strategy is responding to major trends such as ever-evolving technology, growth in network demand as customer needs evolve, and increasing cyber risks?

**A** As Namibia's leading mobile network operator, MTC's growth opportunities in a competitive market became constrained. We responded by defending our core business and using it as a platform to launch aggressive expansion in new markets that will drive future growth. This means we continue investing in our network to meet the growing need for digital services as we implement new systems and emerging technologies to improve our operations' speed and cost efficiency. Cybercrime is a consequence of evolving digital technology and we take it very seriously by investing in robust security measures to safeguard our systems and data and protect our customers.

**“ The MTC Board focused on enhancing its composition, providing strategic guidance and improving stakeholder engagement. In 2025 we will increase our focus on MTC's workplace culture and remuneration, ensuring they attract, retain and engage our leaders and ambassadors.”**

**“ Against this background, MTC delivered a sound financial performance and forged ahead with its digital transformation strategy. We continued to invest in our network and delivered more innovative customer-centric products and solutions. By staying attuned to our customers, we maintained our market-leading position.”**

## The Board's 2024 timeline

September 2023

- Approved the Board work plan and the Board training plan for FY2024

October 2023

- Adopted a communication plan for Board stakeholder engagement

November 2023

- Participated in a leadership intervention workshop to strengthen the effectiveness of relationships between the Board and Exco



**Q Are you seeing the positive outcomes of MTC's strategy?**

**A** There are examples throughout this integrated annual report that show the positive outcomes of our strategy. By improving and expanding our network, we achieved an average network availability of 99.3% despite power outages and transmission challenges. Our investments in digital assets are helping us to respond more effectively to our customers. We are mobilising our network, digital assets and strategic partnerships to capitalise on new growth opportunities. Our revenue growth, profitability, and the dividends we pay our shareholders demonstrate that our strategy works.

The growth of our digital services business and the launch of our mobile financial services brand, MTC Maris, will accelerate our strategic transition and yield more benefits in the years ahead. However, it should be noted that our expansion into mobile financial services will increase our capital expenditure and costs in the initial two years before we start accruing the financial benefits as the new venture gains traction.

**Q What gives stakeholders the confidence that the Board has the capacity and capability to provide strategic direction to MTC as it adapts its business model in a challenging operating environment?**

**A** The functionality of the Board, particularly the Board committees, which are relatively new, has strengthened progressively. However, MTC's strategic direction made it necessary for the Board to add further weight to its skills in digital ICT and fintech disciplines. It was also necessary to appoint successors to Steve Galloway, who retired as an Independent Non-executive Director after the 2024 AGM on 8 March 2024, and Toini Muteka, who resigned as the Lead Independent Director with effect from 30 September 2024.

Following an independent Board assessment in 2023 that identified skills the Board requires, the newly constituted Nomination Committee recruited and presented three candidates with expertise and experience in digital ICT, human resources and business leadership for Non-executive Director roles.

**“ With effect from 22 July 2024, the Board appointed Trophimus Hiwilepo as an Independent Non-executive Director and Andrew Kanime and Fabiam George as Non-executive Directors. Their appointments will be ratified by shareholders at the AGM in February 2025.**

The compositions of our Board committees also changed because of these developments. Ruusa Shipiki was appointed Chairperson of the Sustainability, Ethics and Social Committee. Andrew Kanime was appointed Chairperson of the Human Resources and Remuneration Committee. Trophimus Hiwilepo was appointed a member of the Audit, Risk and Compliance Committee and the IT and Cybersecurity Committee. Fabiam George was appointed a member of the Sustainability, Ethics and Social Committee.

Given the regulatory requirement to establish an independent entity to govern MTC Maris, MTC nominated five candidates for non-executive and executive director roles. The Bank of Namibia approved the appointments on 8 December 2023 and the MTC Maris Board was constituted with Jerome Namaseb (Independent Non-executive Chairperson), Gustav Vermaas (Independent Non-executive Director), Kennedy Kandume (Independent Non-executive Director), Licky Erastus (Executive Director) and Monica Nehemia (Executive Director appointed on 14 December 2023). MTC Maris Board appointed Nguundja Patience Kanalelo as executive director effective 30 September 2024. The non-executive directors represent a wealth of expertise and experience in fintech and retail banking. The executive directors are MTC's Chief Technology and Information Officer and Chief Legal, Compliance and Risk Officer.

**Q Is the Board confident that MTC's leaders and employees**

**are adequately motivated and equipped to implement the strategy?**

**A** While our executive management and leadership teams are relatively stable, we operate in an extremely competitive environment for scarce skills, which makes talent retention a strategic imperative. The Board oversees two significant programmes supporting the attraction and retention of our leaders and ambassadors.

Assisted by the Human Resources and Remuneration Committee, the Board conducted an extensive independent review and benchmarking of MTC's remuneration policy and incentive schemes to ensure they are adequately competitive and structured to motivate and retain talent. We are considering the review outcomes and will present an amended remuneration policy and implementation plan to our shareholders at the AGM. We have engaged extensively with our main shareholders, who voted against our remuneration policy at two consecutive AGMs, and considered their recommendations in formulating the amendments.

Following an engagement survey and culture audit in 2023, the Board oversaw the launch of an extensive employee culture transformation programme to support strong organisational performance and foster an enabling and inclusive organisational culture. To ensure that the culture transformation is embedded throughout the organisation, we also implemented a conflict resolution intervention between the Board and executive management to address obstacles in the way of a positive culture that enhances leadership effectiveness.

**“ We are at an advanced stage of embedding a new organisational culture to support our future and ensure our ambassadors feel engaged and capacitated to implement our strategy.**

**The Board's 2024 timeline (continued)**

- |  |  |  |   |
|--|--|--|---|
| <p><b>December 2023</b></p> <ul style="list-style-type: none"> <li>Reviewed, assessed and approved the FY2023 annual financial statements and integrated annual report</li> <li>Approved the Nomination Committee's terms of reference</li> <li>Approved a tender to acquire a cloud-based online charging system</li> <li>Appointed the MTC Maris Board, following the Bank of Namibia's approval of the directors</li> <li>Approved the MTC Maris 2024 budget</li> </ul> | <p><b>January 2024</b></p> <ul style="list-style-type: none"> <li>Conducted Board training by external facilitator in ICT and cybersecurity</li> </ul> | <p><b>March 2024</b></p> <ul style="list-style-type: none"> <li>Conducted MTC's third AGM as a listed company</li> <li>Appointed Ruusa Shipiki as Chairperson of the Sustainability, Ethics and Social Committee following the retirement of Steve Galloway on 8 March</li> <li>Approved the appointment of an external advisor to assist the Nomination Committee with the Board appointment process</li> </ul> | <p><b>September 2024</b></p> <ul style="list-style-type: none"> <li>Inducted MTC Maris Board and participated in a workshop to discuss the mobile financial service business case and financial plan</li> </ul> |
|--|--|--|---|

**Q How has the Board's stakeholder engagement evolved since the listing in 2021?**

**A** Balancing the interests of all stakeholders is an important consideration for any Board, particularly when there are many, often conflicting, demands on capital deployment. Extensive engagements with our main shareholders on our remuneration policy and practices, the independence of our directors and the appointment of new directors have helped us to clarify our respective roles as directors and shareholders of a public company. Our relationships with our regulators are occasionally conflictual. We constantly balance the need to fulfil regulatory requirements or meet strategic objectives and financial targets against the expectations of other stakeholders. However, through engagement, we can deepen our understanding of the other's position and build mutually beneficial, impactful relationships.

**Q As a corporate leader in Namibia, how does MTC fulfil its role in fostering economic growth and inclusion?**

**A** As a digital enabler, we aim to help Namibians improve their lives and make their daily activities more efficient and cost-effective. We are investing in making our operations more efficient and effective to innovate new, cost-effective products and services. This is why most Namibians use our products and services.

Over the past five years, MTC invested approximately N\$1 billion in the o81Every1 campaign to connect 98.11% of Namibians and was a forerunner in deploying LTE to rural communities. In 2024, the government introduced a universal service fund that charges a 0.5% levy to operators, including MTC, to fund further deployment of LTE to bridge the digital divide.

Our strategic partnerships create significant opportunities for us to mobilise our network and digital assets to support the upliftment and inclusion of Namibians. These include the online distribution of social grants and humanitarian aid provided by global agencies to vulnerable communities. In partnership with the Bank of Namibia, we facilitate the sale of Government retail bonds through our digital channels. These offer low to medium-income Namibians a safe, accessible investment option while promoting a saving culture and financial literacy in a society burdened by high levels of personal debt.

**Q What are the Board's expectations for the 2025 financial year and what will the Board focus on?**

**A** We expect the economy to remain subdued, which will maintain pressure on the financial positions of businesses and consumers. We will continue to guide and oversee the implementation of MTC's strategy, focusing on MTC Maris and expanding our other digital services. The interventions to strengthen our organisational culture and ensure that our employee value proposition is effective will receive high level of attention.

Many green shoots give us reason to hope for the years ahead. Namibia's natural beauty is a valuable driver of our growing tourism industry, and its nascent oil, gas and green hydrogen energy prospects offer significant potential for the country to grow and prosper. Our relative political stability, well-established primary infrastructure and natural resources are attractive to foreign investors. The realisation of these positive forces will contribute to our growth ambitions.

**Thank you**

MTC's performance and the milestones it achieved in 2024 are the combined result of many people's hard work and commitment.

I want to thank our MD, Licky Erastus, the Exco, and all our ambassadors for implementing the strategy and representing MTC professionally and carefully.

On MTC's behalf, I thank our customers, strategic partners and suppliers for their loyalty and continued support. I also acknowledge our shareholders and the regulators for their faith in MTC.

On behalf of the Board, I take this opportunity to thank Steve Galloway for his invaluable contribution to MTC over the past eight years. Steve served on the Board, the Audit, Risk and Compliance Committee and the Nomination Committee, and chaired the Sustainability, Ethics and Social Committee. He was pivotal in our listing process as Chairperson of the Listings Committee. We wish Steve well in his future endeavours.

Finally, I thank my fellow Board members for their wise counsel and support and welcome our incoming Board members. I look forward to working together on our shared purpose in 2025.

**Theofelus Mberirua**  
Chairperson

**The Board's 2024 timeline (continued)**

- **May 2024**
  - Approved the unaudited interim financial results
  - Reviewed the MTC culture assessment presentation
- **June 2024**
  - Participated in a strategy workshop
  - Interrogated and approved MTC's 2025 business plan
- **July 2024**
  - Appointed three new Board members
- **August 2024**
  - Inducted the new Board members
- **September 2024**
  - Participated in a budget workshop
  - Approved the 2025 budget
  - Approved the revised delegation of authority and procurement policies

# ENSURING APPROPRIATE GOVERNANCE

MTC made further progress in strengthening its governance to support fulfilling its fiduciary responsibilities as an NSX listed company.

MTC is committed to the highest governance standards, business integrity, ethical conduct and professionalism. The company recognises that these principles underpin its ability to create and preserve value while preventing the erosion of value for material stakeholders.

MTC complies with the Companies Act and the listing requirements of the NSX. The NSX sanctioned the Board's formal adoption of King IV in 2021, and MTC continues to implement the code's principles of good governance progressively.

## What the Board prioritised in 2024

### 1. ENSURING EFFECTIVE LEADERSHIP

#### Board composition – strengthening skills

- The Board constituted a Nomination Committee and implemented a Board nomination, appointment and removal policy to formalise its process of appointing new directors.
- The Nomination Committee conducted a recruitment process and nominated three candidates with expertise and experience in digital ICT, business leadership and human resources for the roles of non-executive directors.
- The Board appointed Trophimus Hiwilepo as an Independent Non-executive Director and Andrew Kanime and Fabiam George as Non-executive Directors. The two Non-executive Directors are not deemed independent as they are nominees of major shareholders, NPTH and the Government Institutions Pension Fund (GIPF) respectively. The appointments will be ratified by shareholders at the AGM.
- The retirement of Steve Galloway, an Independent Non-executive Director in March 2024 and the resignation of Toini Muteka, the Lead Independent Director at year-end resulted in changes to the Board committees and the need to extend the Board recruitment process.

For more information on the Board and Board committee appointments, refer to pages 23 and 26.

### 2. PROVIDING STRATEGIC DIRECTION

#### Strategy implementation

- The Board reviewed MTC's strategy and confirmed its confidence in the strategy. The Board supported management actions to defend MTC's core mobile telecommunications business, which generates the revenue required to fund MTC's transition to a digital services provider and its entry into mobile financial services.

#### Governance of mobile financial services

- Following the establishment of MTC Maris as an independent subsidiary and the award of an e-money issuer licence by the Bank of Namibia, the Board approved the appointment of an independent MTC Maris Board.
- The MTC Maris Board comprises three Independent Non-executive Directors, one of whom is the Chairperson, and two Executive Directors, MTC's Chief Technology and Information Officer and its Chief Legal, Compliance and Risk Officer.
- The MTC Board, assisted by the Audit, Risk and Compliance Committee, oversaw monitoring of key risks impacting the MTC Maris project and mitigating these risks. The MTC Risk Department performed a preliminary operational risk assessment to identify potential risks to MTC's operational procedures.
- Further evaluation of the control effectiveness and additional risk assessment was performed after MTC Maris became operational to ensure adequate management of potential risks.

### 3. OVERSEEING IMPROVEMENTS IN THE EMPLOYEE VALUE PROPOSITION

#### Aligning our remuneration with the market and shareholder expectations

- The Board, assisted by the Human Resources and Remuneration Committee, engaged with shareholders who voted against the MTC remuneration policy and implementation report to understand their concerns.
- The Board commissioned a remuneration specialist to conduct an independent review and benchmarking assessment of MTC's remuneration policy and incentive schemes to ensure they are market-related and structured to motivate and retain talent.
- Shareholders' concerns were considered in the proposed amendments to the remuneration policy and implementation report. The amendments were submitted to the Board for approval and presentation to shareholders at the AGM.

#### Fostering engagement and a positive work culture

- The Board oversaw the implementation of a culture transformation programme to support high performance and strategic alignment, and foster an engaging and inclusive work culture.
- A conflict resolution intervention was conducted between the Board and executive management to address obstacles in the way of a positive culture that enhances leadership effectiveness.

### In 2025, the Board will focus on:

- Appointing two additional directors with skills in accounting and ESG, considering the Board's gender diversity goals. If necessary, the Board will consider co-opting independent external candidates to strengthen skills on its committees and contribute to Board succession planning.
- Appointing a new Lead Independent Director.
- Reviewing the Articles of Association to ensure balance and independence between MTC and its shareholders.
- Implementing amendments to the remuneration policy and incentive schemes.
- Conducting an independent review of the ethics and conflict of interest policies.
- Succession planning for the Managing Director, Financial Director and other executives.

# Board of directors

By setting the tone at the top, the Board members ensure that governance underpins the delivery of MTC's vision. Good governance outcomes enable MTC to achieve its strategy ethically and responsibly.

## NON-EXECUTIVE DIRECTORS

### Stephen Stuart Galloway (67)

**Independent Non-executive Director**

*BCom (Hons), BSc (Hons)*

- Extensive mining, public sector, banking and strategic experience
- Extensive governance and finance expertise and experience

**Appointed to the Board:** 2016

**Tenure:** 8 years (Retired: 8 March 2024)



### Taschiona Charoldine Gawaxab (44)

**Independent Non-executive Director**

*Business Management Diploma, Microsoft certified expert, Cisco certified network professional*

- Information Technology (IT) and business management experience and expertise

**Appointed to the Board:** 2019

**Tenure as director:** 5 years



### Theofelus Mberirua (62)

**Independent Non-executive Chairperson**

*MBA*

- Extensive telecommunications-related, accounting and financial services experience
- Business administration expertise

**Appointed to Board:** 2019

**Appointed Chairperson:** 2019

**Tenure as director:** 5 years



### Toini Nuusiku Zimina Muteka (43)

**Lead Independent Director**

*PG Degree (Business Administration), BTech HRM, MBA*

- Human Resources (HR) and business management experience and expertise

**Appointed to Board:** 2019

**Appointed Deputy Chairperson:** 2019

**Tenure as director:** 5 years

(Resigned: 30 September 2024)



## Board committees

**ARCC** Audit, Risk and Compliance Committee

**SESC** Sustainability, Ethics and Social Committee

**HRRC** Human Resources and Remuneration Committee

**NC** Nominations Committee

**IT&CC** IT and Cybersecurity Committee

## NON-EXECUTIVE DIRECTORS

### Trophimus Hiwilepo (59)

Independent Non-executive Director

BSc

- Extensive IT and ICT expertise
- Extensive banking, tourism, oil & gas and telecoms experience
- Governance and Board leadership experience

Appointed to Board: 2024

ARCC

IT&CC

### Fabiam George (49)

Non-executive Director

PhD: Management, Education, MBA

- Business administration expertise
- Organisational development, change management, project management experience

Appointed to Board: 2024

SESC

### Werner Schuckmann (58)

Independent Non-executive Director

CA (NAM), CA(SA)

- Extensive accounting and financial expertise
- Business management experience in banking, fishing, construction, aviation and industrial industries

Appointed to Board: 2019

Tenure as director: 5 years

ARCC

IT&CC

### Rosalia Dalulilua Ruusa Shipiki (54)

Non-executive Director

LLB

- Extensive legal and regulatory expertise
- Company secretarial and asset management experience

Appointed to the Board: 2019

Tenure as director: 5 years

ARCC

SESC

HRRC

## Board committees

ARCC

Audit, Risk and Compliance Committee

SESC

Sustainability, Ethics and Social Committee

HRRC

Human Resources and Remuneration Committee

NC

Nominations Committee

IT&CC

IT and Cybersecurity Committee

## NON-EXECUTIVE DIRECTORS

## EXECUTIVE DIRECTORS

### Andrew Kanime (49)

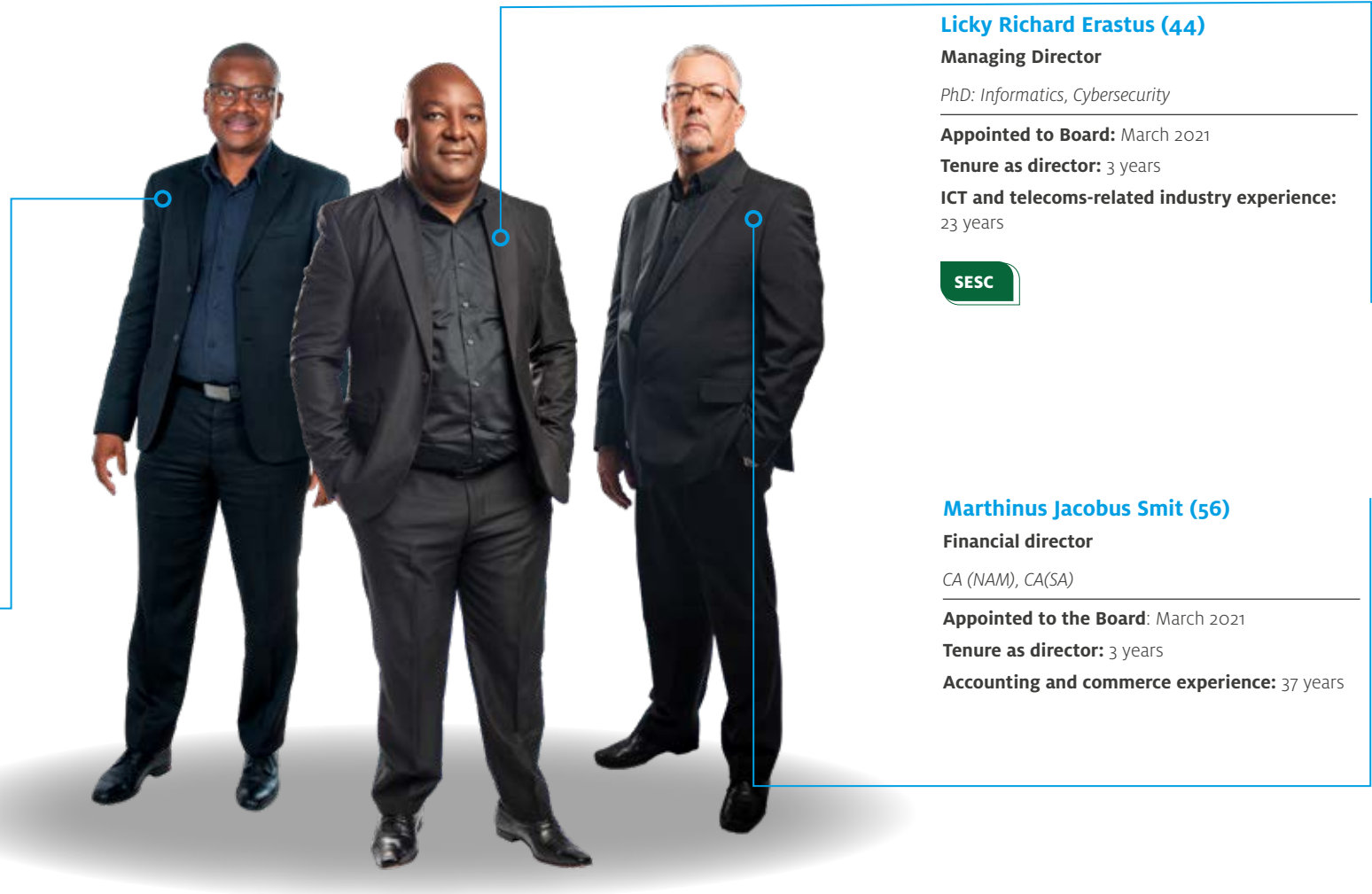
Non-executive Director

BAcc (Hons), MBA

- Extensive business leadership, human resources and accounting expertise
- National utility and financial services experience

Appointed to Board: 2024

HRRC



### Licky Richard Erastus (44)

Managing Director

PhD: Informatics, Cybersecurity

Appointed to Board: March 2021

Tenure as director: 3 years

ICT and telecoms-related industry experience: 23 years

SESC

### Marthinus Jacobus Smit (56)

Financial director

CA (NAM), CA(SA)

Appointed to the Board: March 2021

Tenure as director: 3 years

Accounting and commerce experience: 37 years

## Board committees

ARCC

Audit, Risk and Compliance Committee

SESC

Sustainability, Ethics and Social Committee

HRRC

Human Resources and Remuneration Committee

NC

Nominations Committee

IT&CC

IT and Cybersecurity Committee

# Board diversity as at 30 September 2024

## TENURE

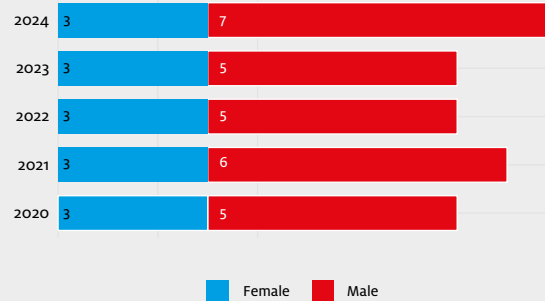
The average tenure of directors is five years as at 30 September 2024



### Policy

Board members are nominated by the Nomination Committee and appointed by the shareholders at the AGM. They are eligible for reappointment in line with the principles of the applicable governance codes.

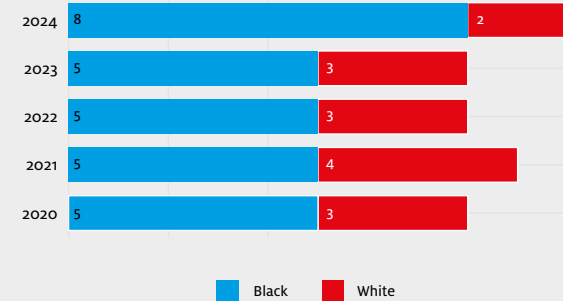
## GENDER



### Policy

The Board should ensure that it contains a mix of knowledge, skills, experience, personalities, and diversity appropriate to secure MTC's strategic direction and sound performance.

## RACE



## BOARD COMPOSITION

### Board composition (number)



### Policy

The Board is unitary and must comprise at least four directors, most of whom are Independent Non-executive Directors. An Independent Non-executive Chairperson leads the Board.

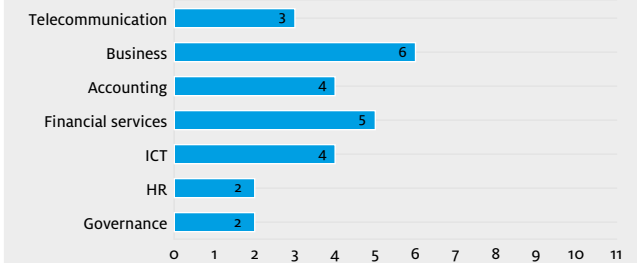
## AGE PROFILE

### Age profile of director (years)



## SKILLS

### Board skills (number)



## The Board's roles and responsibilities

MTC's Board is central to the company's governance system and is ultimately accountable and responsible for MTC's performance and activities. The Board is primarily responsible for:

- Determining MTC's values and giving the company strategic direction
- Identifying key risk areas and KPIs of MTC's business
- Monitoring the performance of MTC against agreed objectives
- Advising on significant financial matters
- Appointing directors
- Recruiting and reviewing the performance of Exco against defined objectives and applicable industry standards

The Board Charter envisages a clear balance of power and authority own the Board to ensure that no director has unfettered decision-making powers. A delegation of authority policy is in place to clarify roles and authority levels throughout MTC. The policy was reviewed and revised in 2023, incorporating authority levels for a new strategy programme management office that reports to Exco.

MTC has not been issued any sanctions, penalties or non-compliance from any regulatory body.

**Governance outcome:** The Board is satisfied that the delegation of authority policy contributes to role clarity and effectively exercising authority and responsibilities.

### BOARD CHARTER

The Board Charter is integral to each director's letter of appointment. The charter assigns roles and responsibilities to the Board and demarcates matters reserved for the Board's decision, sometimes on recommendations made by Board committees. The Board last reviewed the Board Charter in 2022 to ensure it is aligned with King IV and NSX requirements.

**Governance outcome:** The Board is satisfied that it fulfilled its responsibilities in accordance with the Board Charter for the 2024 financial year.

### BOARD INDUCTION AND TRAINING

Incoming directors undergo a formal induction process, guided by the Board Charter, to enhance their understanding of the company's business activities and their roles and responsibilities. Three new MTC directors were inducted in August and continue to be inducted as members of Board committees.

The Board implemented a Board training plan, including training provided by Huawei in digital ICT and cybersecurity.

### BOARD EFFECTIVENESS EVALUATION

MTC conducts a biennial assessment of the Board, the Chairperson, the Directors and the Committees. No Board assessment was conducted in 2024. The next evaluation will be in 2025.

The Board addressed the main outcomes of the 2023 Board assessment:

- Addressed the Board's skills gaps with new appointments
- Approved and implemented a Board training plan
- Implemented a Board work plan that has improved the Board's focus and enhanced its functioning
- Conducted a conflict resolution intervention to improve the effectiveness of the relationship between the Board and Exco.

## EMBEDDING ETHICAL CONDUCT

Board members, executives, employees, and suppliers must sign and comply with the company's Code of Conduct, accessible via the company intranet. This includes formal processes for the declaration of interests that may represent a conflict of interest.

MTC encourages employees to report unethical behaviour through the company's employee engagement forum, their manager, the Human Resources (HR) Department or anonymously through the 24-hour toll-free MTC hotline. The hotline is managed by an external consultant who provides services to enable anonymous reporting and management of unethical or dishonest behaviour incidents. Employees receive guidance from the consultant on the responsible use of the hotline. Unethical behaviour is addressed with disciplinary processes and procedures. There was 1 tip-off in 2024. The MTC hotline is also available to external stakeholders.

An external specialist will review MTC's ethics and conflict of interest policies in 2025.

### ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

The Board achieved 95% attendance during 2024. The Board met four times and participated in five additional informal meetings. This reflected the commitment of directors to understand, engage with and give informed leadership on the matters MTC addressed during the year.

Director	Board	Audit, Risk and Compliance Committee	Human Resources and Remuneration Committee	Nomination Committee	ICT and Cybersecurity Committee	Sustainability, Ethics and Social Committee
Independent Non-executive Directors						
TC Gawaxab	14			3	3 <sup>1</sup>	3
SS Galloway <sup>2</sup>	5	2		2		2 <sup>1</sup>
T Hiwilepo <sup>3</sup>	3	1			1	
T Mberirua	15 <sup>1</sup>		4	3	4	
TNZ Muteka	15		4 <sup>1</sup>	3		4
W Schuckmann	13	4 <sup>1</sup>			3	
Non-executive directors						
RR Shipiki	15	4	3			2 <sup>4</sup>
F George <sup>3</sup>	3					1
A Kanime <sup>3</sup>	2		1 <sup>4</sup>			
Executive directors						
LR Erastus	9					
MJ Smit	9					

<sup>1</sup> Chairperson of the Board or a Board Committee.

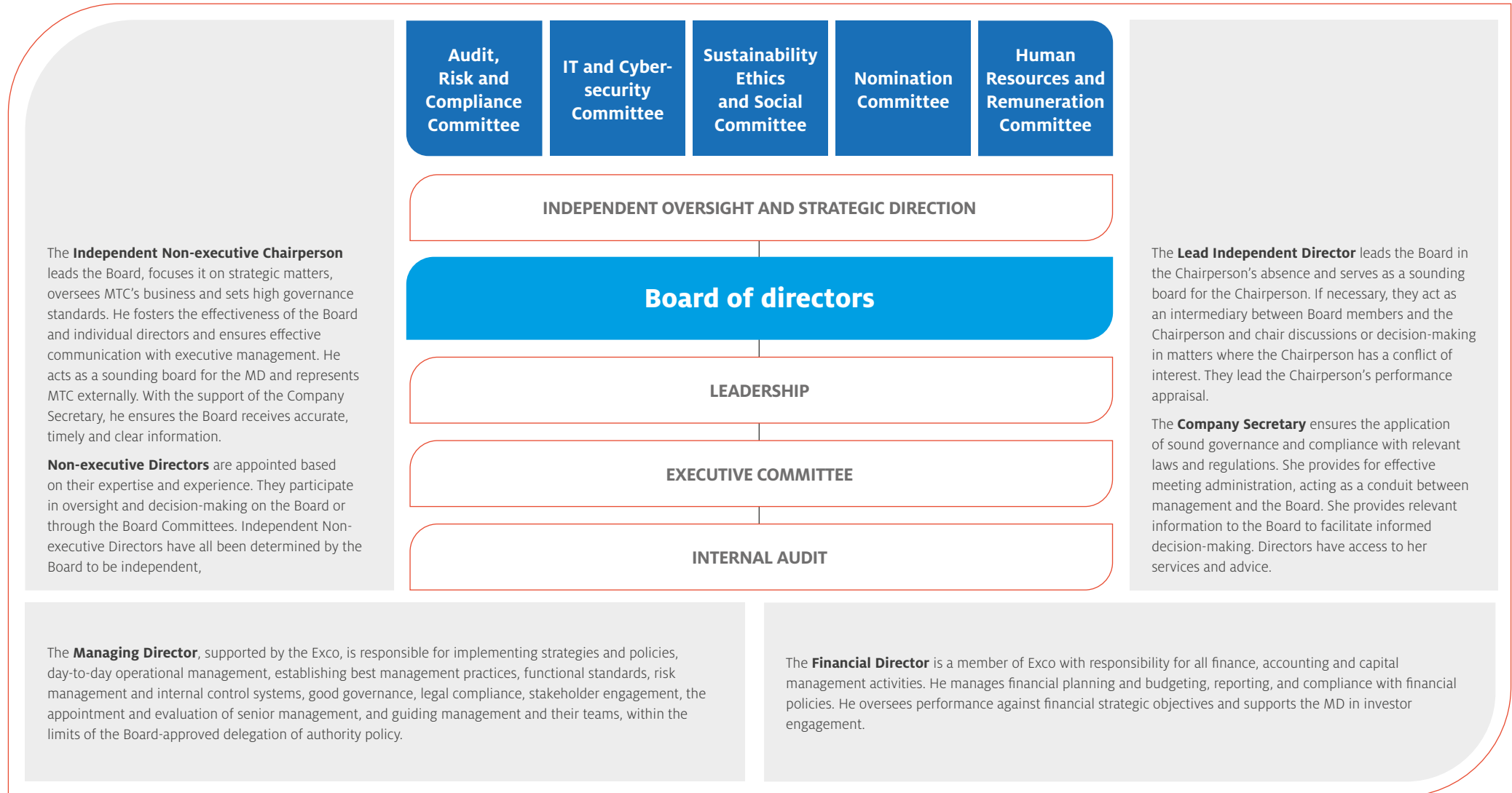
<sup>2</sup> Retired with effect from 8 March 2024.

<sup>3</sup> Appointed as Directors with effect from 22 July 2024.

<sup>4</sup> R Shipiki appointed Chairperson of Sustainability, Ethics and Social Committee with effect from 8 March 2024. A Kanime was appointed HR and Remuneration Committee Chairperson effective 1 October 2024.



## Governance structure and division of responsibilities



The **Independent Non-executive Chairperson** leads the Board, focuses it on strategic matters, oversees MTC’s business and sets high governance standards. He fosters the effectiveness of the Board and individual directors and ensures effective communication with executive management. He acts as a sounding board for the MD and represents MTC externally. With the support of the Company Secretary, he ensures the Board receives accurate, timely and clear information.

**Non-executive Directors** are appointed based on their expertise and experience. They participate in oversight and decision-making on the Board or through the Board Committees. Independent Non-executive Directors have all been determined by the Board to be independent,

The **Managing Director**, supported by the Exco, is responsible for implementing strategies and policies, day-to-day operational management, establishing best management practices, functional standards, risk management and internal control systems, good governance, legal compliance, stakeholder engagement, the appointment and evaluation of senior management, and guiding management and their teams, within the limits of the Board-approved delegation of authority policy.

The **Financial Director** is a member of Exco with responsibility for all finance, accounting and capital management activities. He manages financial planning and budgeting, reporting, and compliance with financial policies. He oversees performance against financial strategic objectives and supports the MD in investor engagement.

The **Lead Independent Director** leads the Board in the Chairperson’s absence and serves as a sounding board for the Chairperson. If necessary, they act as an intermediary between Board members and the Chairperson and chair discussions or decision-making in matters where the Chairperson has a conflict of interest. They lead the Chairperson’s performance appraisal.

The **Company Secretary** ensures the application of sound governance and compliance with relevant laws and regulations. She provides for effective meeting administration, acting as a conduit between management and the Board. She provides relevant information to the Board to facilitate informed decision-making. Directors have access to her services and advice.

**Governance outcome:** The Board is satisfied that Ndahambelela Haikali demonstrates the requisite knowledge and expertise to carry out her duties as Company Secretary.

## Board committee feedback

The Board delegates responsibility to its committees to meet specific governance oversight responsibilities. Each committee comprises at least three members, the majority of whom are Independent Non-executive Directors nominated by the Board. The committees' terms of reference were reviewed and amended in 2023.

**Governance outcome:** Each committee is satisfied that it fulfilled its responsibilities in accordance with its terms of reference for the financial year.

### AUDIT, RISK AND COMPLIANCE COMMITTEE

Assists the Board in discharging its duties related to the safeguarding of assets, the operation of adequate system control processes and the preparation of accurate, compliant financial reporting.



**Werner Schuckmann**  
(Chairperson)



**Ruusa Shipiki**



**Trophimus Hiwilepo**



**Stephen Galloway**  
(Retired 8 March 2024)

### Composition

Chaired by an Independent Non-executive Director. Comprised of three Independent Non-executive Directors.

### Permanent invitees

MD, FD, Chief Legal, Compliance and Risk Officer, Head of Internal Audit

### Summarised terms of reference

- Monitor integrity and operation of systems and control processes
- Review financial statements in compliance with legal and regulatory requirements and accounting standards
- Oversee appointment, functions, removal and remuneration of external and internal auditors
- Oversee internal audit, consider enterprise risk and oversee the appropriateness and effectiveness of other operational business risks, including ethics and independence, and compliance programmes
- Monitor the integrity of the integrated reporting system and internal controls, including financial and sustainability reporting
- Review statutory accounts and consider accounting matters that arise

### 2024 focus areas

- Oversight further refinement of the risk register
- Oversight continued alignment of risk management with the strategy and the combined assurance approach
- Oversight the identification, implementation and tracking of opportunities in line with MTC's revenue diversification strategy
- Oversight continued focus on reducing the number of open audit findings

**Governance outcome:** The committee is satisfied that MTC's control and compliance environment functioned effectively during 2024 and that the company is compliant in all material respects.

**Governing risk**

The Board, assisted by the Audit, Risk and Compliance Committee, routinely reviews risks and opportunities in MTC's external and internal environments and ensures that comprehensive, appropriate internal controls are in place to evaluate, manage and mitigate the impact of risks. This includes defining risk appetite and tolerance guidelines, ensuring that risks remain within those guidelines, and maintaining an appropriate balance between risk and reward.

During 2024, the committee oversaw the effective implementation of governance risk and compliance software (XGRC) to enhance risk identification, management and control measures by integrating all key assurance providers within MTC. Full optimisation of the system is in progress.

As MTC accelerated its transition to a digital services provider role, the committee increased its focus on cybercrime, cybersecurity and data protection.

In alignment with MTC's revenue diversification strategy, the committee oversaw identifying, implementing and tracking of opportunities. For more information on the risks we manage, refer to page 43.

Following MTC's certification in six ISO standards in 2023, MTC underwent its first ISO audits in 2024 and continued to strengthen its control environment by aligning its operations with the standards.

**Improving the effectiveness of governance and risk management through internal audit**

Internal audit is integral to MTC's governance structures and functions under policies established by the Exco and the Board. Internal audit is an independent, objective assurance and consulting activity tasked with instilling a systematic, disciplined approach within MTC to evaluate and improve the effectiveness of risk management, internal controls and governance processes.

Internal controls support our compliance management and reporting obligations, including a system that issues regulatory updates and reminders to the responsible employees. MTC has a combined assurance framework, including external auditors as a fourth level of assurance, and aligns combined assurance with the risk framework.

**Governance outcome:** MTC was not penalised, sanctioned or fined for non-compliance and no regulatory inspections were conducted in 2024.

Independent

3/3

Minimum meetings per year

4

Actual meetings per year

4

Meeting attendance

100%

**2025 focus areas**

- Improving the risk management culture and stakeholder engagement throughout the organisation
- Establishing and rolling out key risk indicators for effective monitoring of the risk environment
- Improving loss event monitoring to assist in identifying, tracking and analysing adverse events or incidents that result in financial or reputational losses
- Benchmarking the combined assurance approach against industry standards to identify improvement areas



## ICT AND CYBERSECURITY COMMITTEE

Assists the Board in discharging its duties that relate to oversight of the assurance and integrity of MTC's technical environment, projects and acquisitions; safeguarding of MTC's ICT assets; oversight of IT governance, financial reporting and IT strategy; and the implementation of systems and processes that support the delivery of the strategy.



**Taschiona Gawaxab**  
(Chairperson)



**Theofelus Mberirua**



**Werner Schuckman**



**Trophimus Hiwilepo**

### Composition

Chaired by an Independent Non-executive Director. Comprised of four Independent Non-executive Directors.

### Permanent invitees

MD, Chief Technology and Information Officer, Chief Legal, Compliance and Risk Officer, Internal Audit Officer

### Summarised terms of reference

- Monitor integrity and operation of systems and control processes
- Review financial statements in compliance with legal and regulatory requirements and accounting standards
- Oversee appointment, functions, removal and remuneration of external and internal auditors
- Oversee internal audit, consider enterprise risk and oversee the appropriateness and effectiveness of other operational business risks, including ethics and independence, and compliance programmes
- Monitor the integrity of the integrated reporting system and internal controls, including financial and sustainability reporting
- Review statutory accounts and consider accounting matters that arise

### 2024 focus areas

- Oversaw 5G planning. The planned deployment of 5G did not materialise as the spectrum earmarked for higher bandwidth capability was not made available by the regulator. However, MTC trialled 5G in March 2024 to showcase its capabilities and performance. 5G capabilities were offered through the 800MHz spectrum, however the data capacity experienced is not the unprecedented data experience of 5G technology.
- Enhanced cybersecurity governance in line with ISO 27001, including adaptation of all relevant policies and guidelines to the management standard. Oversaw investment in cybersecurity infrastructure, software and equipment with increased capabilities.
- Oversaw the establishment of power autonomy at critical sites to ensure maximum network uptime and improve customer experience.
- Oversaw investments to expand MTC's fibre backbone to enhance network redundancy and reduce reliance on third-party vendors.

Independent

**4/4**

Minimum meetings per year

**4**

Actual meetings per year

**4**

Meeting attendance

**88%**

### 2025 focus areas

- Maintaining the focus on business continuity management
- Overseeing the management of cybersecurity
- Overseeing the execution of the technology strategy such as the deployment of 5G to enhance enterprise products, services, and customer experience
- Continued investment in network optimisation and coverage

## NOMINATION COMMITTEE

Assists the Board in discharging its responsibilities for governance, Board and Board committee compositions, Board succession and continuity, Board effectiveness, Board and executive management remuneration and Executive Director succession.



**Theofelus Mberirua**  
(Chairperson)



**Taschiona Gawaxab**



**Toini Muteka**  
(Resigned 30 September 2024)

### Composition

Chaired by the Independent Non-executive Chairperson. Comprised of three Independent Non-executive Directors.

### Summarised terms of reference

- Oversee the selection and nomination of Non-executive Directors for Board appointments
- Ensure that Board effectiveness measures are implemented
- Develop and implement a Board training and development plan
- Appraise the performance of the Executive Directors and review the MD's Exco performance evaluations
- Determine targets for performance-related incentive schemes and present long-term incentive schemes to shareholders for approval

### Permanent invitees

N/A

### 2024 focus areas

- Constitution of the committee and approval of the terms of reference
- Recruiting, interviewing and nominating Non-executive Directors for the MTC Board

Independent

**3/3**

Minimum meetings per year

**4**

Actual meetings per year

**3**

Meeting attendance

**100%**

### 2025 focus areas

- Recruiting and nominating two additional Non-executive Directors to address skills gaps in Finance and ESG
- Considering gender diversity in the nomination of directors
- Overseeing succession planning for the Managing Director, Financial Director and other executives

## SUSTAINABILITY, ETHICS AND SOCIAL COMMITTEE

Assists the Board in overseeing its mandate for sustainability, ethical conduct and social investment.



**Taschiona Gawaxab**



**Ruusa Shipiki**  
(Chairperson)



**Licky Erastus**



**Stephen Galloway**  
(Retired March 2024)



**Fabiam George**



**Toini Muteka**  
(Resigned September 2024)

### Composition

Chaired by a Non-executive Director. Comprised of one Independent Non-executive Director, two Non-executive Directors and an Executive Director.

#### Summarised terms of reference

- Consistently oversee the significant impacts of MTC on the economy, the environment, society and the broader public interest, and ensure the negative impacts are mitigated effectively
- Oversee the ethics performance and culture of the company
- Be the sustainability, ethics and social conscience of MTC

### Permanent invitees

HR and Corporate Affairs Officer

#### 2024 focus areas

- Fully incorporating ESG into the committee's terms of reference and bedding down its expanded mandate
- Overseeing the process to formalise and embed an ESG framework throughout MTC's operations
- Overseeing measures to reduce MTC's environmental impact by monitoring energy and fuel usage, managing e-waste, conserving water and conducting environmental awareness and training
- Overseeing the focus on MTC's six CSI pillars and the projects in each pillar
- Leveraging partnerships with like-minded entities for greater impact

Independent

1/4

Minimum meetings per year

4

Actual meetings per year

3

Meeting attendance

95%

#### 2025 focus areas

- Overseeing the ESG governance and disclosure protocols, clarifying roles and responsibilities, and implementing the sustainability reporting strategy
- Overseeing the review of the ESG strategy and its integration into MTC's risk management process
- Ensuring that ESG risk monitoring continues to take place operationally through the ISO 14000:2015 environmental management system
- Maintaining oversight of the six CSI pillars
- Continuing to leverage partnerships for greater CSI impact

## Executive Committee members

as of 30 September 2024

### Octivius Kahiya (51)

#### Chief Commercial Officer

*MBA, BTech, Postgraduate Diplomas in Marketing and Digital Business, Chartered Marketer*

**Appointed to Exco:** 2024

20 years of Telecommunication industry experience

### Marthinus Jacobus Smit (56)

#### Financial Director

*CA(NAM), CA(SA)*

**Appointed to Exco:** April 2006

**Appointed FD:** March 2021

*Also, see page 22*

### Nguundja Patience Kanalelo (45)

#### Chief Legal, Compliance and Risk Officer

*LLB (Hons)*

**Appointed to Exco:** 2015

22 years of legal and ICT industry experience

### Tim Ekanjjo (45)

#### Chief Human Capital, Marketing and Corporate Affairs Officer

*MBL, BTech (Hons), National Diploma in Human Resource Management*

**Appointed to Exco:** October 2008

22 years of commerce and human capital experience

### Licky Richard Erastus (44)

#### Managing Director

*PhD Informatics, Cybersecurity*

**Appointed to Exco:** January 2018

**Appointed MD:** March 2021

*Also, see page 22*

### Monica Nehemia (49)

#### Chief Technical and Information Officer

*PhD Informatics, IT Governance Postgraduate Diploma in Business Administration*

**Appointed to Exco:** August 2020

24 years of telecommunication and ICT industry experience



Feedback from the Human Resources and Remuneration Committee is included in the remuneration report on page 71.



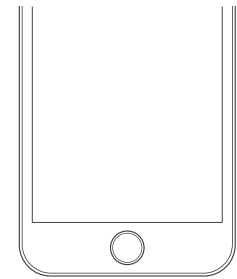
“ The award of an e-money issuer licence to our wholly owned subsidiary, WGA, trading as MTC Maris and the granting of a 5G licence represent significant milestones in our transition from a mobile network operator to a fully-fledged digital services provider.”

*Licky Erastus, Managing Director*

# OUR PERFORMANCE AGAINST STRATEGY



# 04



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Managing Director's strategic review	33





# MANAGING DIRECTOR'S STRATEGIC REVIEW

“ ***Our transition into a digital services provider would not be possible without the relationships our ambassadors forge with our customers and our strategic partners. When we engage meaningfully with our stakeholders, our prospects of success are greater.*** ”

## WHAT WE FOCUSED ON IN 2024

- Guarded our core mobile telecom business and customer base in a competitive market by investing in our network and data-based customer-centric products and services
- Accelerated our digital transformation by improving our existing systems and implementing new systems and emerging technologies
- Further diversified our revenue by expanding our digital services and launching MTC Maris, our mobile financial services subsidiary, on 4 October 2024
- Invested N\$9.2 million in employee attraction, retention and development to equip our ambassadors for MTC's future strategic direction
- Established and completed the process to comply with the compulsory SIM registration of all subscribers

## WHAT WE ARE LOOKING FORWARD TO IN 2025

- Expanding MTC Maris' mobile financial services
- Establishing a dedicated business unit and revenue line for digital services
- Further improving operational efficiency to support enhanced system stability, customer experience and regulatory compliance
- Strengthening financial performance with revenue assurance practices
- Leveraging our strategic partnerships to sustain innovation and growth
- Positively impacting society with responsible business practices, smart partnerships and impactful stakeholder relationships

## Performance overview

Our performance was driven by strategic investments in network infrastructure, data-enhanced product and service innovation, and a customer-centric focus. We delivered value to our stakeholders by responding nimbly to evolving customer needs and the sustained growth in demand for mobile and fixed broadband services.

Despite the challenges of the compulsory SIM registration process and the impacts of a severe drought and higher food inflation on our customers' affordability, we maintained our position as Namibia's mobile telecommunications market leader, with an estimated market share of 82%. We continue to cover 98% of Namibians across rural and urban communities, provide essential services to our customer base, and help tackle the socioeconomic challenges of high unemployment, poverty, and limited healthcare access.

“ ***We made significant advances in our digital transformation strategy and financial performance during 2024, attesting to our strong market standing and competitiveness.*** ”

Ever-increasing demand for high-speed data connectivity and positive responses to our new value-added products and services contributed to a 6% growth in revenue and a 14% growth in prepaid customer ARPU. Although well above the industry average, our EBITDA margin of 45.9% was slightly below our budgeted target of 46.9%. This was largely due to cost escalation, extraordinary once-off regulatory costs, and investment in technologies supporting revenue diversification and growth.

Our major capital investments, amounting to N\$715 million (2023: N\$588 million), were allocated to network and IT infrastructure upgrades and fibre deployment. These maintain network quality and availability and support our expansion into 5G, cloud computing and Internet of Things (IoT) services. MTC's financial position remains sound, with adequate capacity to fund our current growth ambitions and reward MTC shareholders. At year-end, we paid our shareholders dividends amounting to N\$545 million (70% of NPAT).

During 2024, we made good progress in our sustainability journey to formalise and embed sound ESG practices throughout our operations. Following the ESG materiality assessment and gap analysis conducted with Deloitte in 2023, we developed ESG metrics, targets and an actionable roadmap for sustainability plans and initiatives.

Read more on our performance in the Unpacking financial performance, Empowering employees and Insights into operational performance sections of this report.

## Digital transformation

**“ We made significant advances in positioning MTC as a digital enabler of the future, enhancing operational and service excellence and expanding into new growth markets.**

The granting of 20 MHz bandwidth in the 800 MHz spectrum band in October 2023, improves our service coverage and supports 4G/LTE expansion. 5G spectrum for enterprise products and services was not awarded as planned because it was not made available by CRAN. However, we successfully trialed 5G in March 2024 to showcase the capabilities and performance of the technology. MTC continues to engage the regulator for the 3500 MHz or 2600 MHz spectrum, which will enable MTC to deploy 5G services comprehensively.

## DIGITAL SERVICES AND SOLUTIONS

The digitalisation of our internal support functions and external services progressed further in 2024. We streamlined our Digital Service Department to strengthen customer experience and develop a standalone Digital Services and Solutions Business Unit with a separate revenue line. The new business unit collaborates with the commercial team to drive the end-to-end delivery of our digital products and services and manage MTC's smart partnerships.

Several new digital innovations are differentiating MTC in a competitive market and enhancing our operational and service excellence:

- Our customer value management and customer experience management solution, implemented by data engineers and data scientists, provides data-driven insights. These enhance customer engagement and retention by enabling effective customer segmentation and personalisation of products and services. Our automated alerts enable proactive responses to network challenges and customer support.
- We leveraged our digital assets to create an online platform for SIM registration, simplifying the compulsory registration process for our customers and achieving compliance ahead of schedule. Using MTC's Verifi biometrics to authenticate our customers' identity and achieve full KYC (know your customer) compliance, together with the development of digital signatures, creates a new platform for identity verification and fraud detection.
- We developed platforms and channels to support MTC Maris. These include an application programming interface (API) gateway to integrate MTC and its external partners, an MTC Maris website, a merchant platform and a super app to facilitate mobile financial transactions.
- We enable large-scale humanitarian aid distribution, industrial-grade connectivity, digital fraud, and smart city solutions through our smart partnerships and extensive market reach.
- Our automated business support system and the new cloud-based charging system launched in 2024 improve the efficiency of business support functions and allow us to deploy new products faster. Our business continuity programme (BCP) maintains critical services during power outages and other disruptions, including cybersecurity risks.

## MTC MARIS – A NEW WAY OF BANKING

MTC's subsidiary, MTC Maris, was awarded an e-money issuer licence by the Bank of Namibia on 14 November 2023, paving the way for the launch of our mobile financial services.

MTC Maris operates independently of MTC, with a separate board of directors, an employee complement and a unique corporate identity. It has a management contract with MTC and will be funded by MTC until it breaks even.

Over the past year, an MTC project team worked with Vodacom Financial Services, our go-to-market consultant, to launch MTC Maris as a fintech enterprise. We established the governance, compliance, operational processes, and systems necessary to offer mobile financial services. Extensive testing was conducted to ensure MTC Maris' functionality, security and operational readiness.

Key milestones in 2024 included deploying the MTC Maris platform, awarding an MTC Maris partner bank contract and onboarding commercial partners, including the leading Namibian supermarket group Woermann Brock. An internal change management plan was implemented to prepare employees for MTC's entry into the market.

**“ MTC Maris went live on 4 October 2024, offering a new way of banking to approximately 50% of Namibians who are unbanked or underbanked.**

MTC Maris' primary transactional financial products and services allow customers to use their mobile phones to send and receive money, make digital payments at points of sale, deposit and withdraw cash and purchase airtime, electricity and water. Customers can also pay bills such as MTC, DSTV and utilities. All MTC products are directly available on the Maris platform which includes voice bundles and data bundles.

More product offerings are being developed with strategic partners, including lending and Bank of Namibia retail bonds.

## Smart partnerships driving innovation

“ **Incubating ideas for new products and services based on new-generation technologies** ”

MTC’s extensive network and market reach are the driving forces behind approximately 30 mutually beneficial collaborations with strategic partners across the spectrum of the public sector, non-governmental agencies, academia, and the private sector.

Our HTTPS partnership with the Namibian University of Science and Technology nurtures young talent in start-up incubators. It is a key source of research and development that creates ground-breaking technology solutions for Namibia and our partners and customers.

The following services were introduced through the HTTPS partnership in 2024:

**MTC Maris web portal** | A new transactional fintech platform for MTC Maris agents and merchants.

**eSIM outbound** | Strengthening our international connectivity capabilities, making it easier for customers to stay connected across borders.

**Digital employee benefits platform** | A digital platform to improve the MTC employee value proposition and simplify HR benefits administration processes.

**Upskill hub** | Launched to enhance digital skills among Namibians, reinforcing MTC’s commitment to digital empowerment.

**Integrated digital assistance platform** | A digital voucher, social grants and emergency response system to support national drought response efforts, showcasing our dedication to impactful social initiatives.

In partnership with the UN World Food Programme, MTC distributes food vouchers to beneficiaries through its mobile financial services platform. We participate in distributing Namibian government social grants and are in discussions with other global agencies to distribute humanitarian funds.

We deliver dedicated internet access, LTE private networks and digital fraud solutions that enable us to support and grow with our large corporate customers in the mining, banking, tourism and renewable energy sectors.

## Performance against strategy

### MANAGEMENT ASSESSMENT OF PERFORMANCE AGAINST 2024 TARGETS

#### 1. INCREASE REVENUE

Robust revenue growth was supported by progress in implementing our digital services provider strategy and actions to defend our traditional telecommunications business.

New value-added products to attract and retain prepaid customers, and strong growth in tourism and business travel-related roaming services, boosted existing revenue.

We maintained our expansion into new revenue streams. Product innovation and strategic customer acquisition grew our fixed home and business broadband services and dedicated internet access for corporations. While we met our overall growth targets, growth rates in our postpaid and some enterprise service streams were below our expectations.

Total increased by **5.9%**  
to **N\$3.225 million**  
Target: **3% – 6%**  
Existing revenue grew by **5.9%**  
New revenue grew by **5.3%**

#### 2. COST OPTIMISATION

Further advances in business process automation and optimisation improved operational efficiency. Automated alerts and managed service arrangements with some suppliers enhanced incident and problem resolution speed and efficiency.

Cost escalation, combined with once-off extraordinary regulatory costs for the settlement of CRAN levy arrears and temporary employee costs to implement SIM registration, impacted our EBITDA margin. The margin was below our target but higher than the industry average for mobile network operators.

EBITDA margin decreased to **45.9%**  
Budgeted target: **46.9%**

#### 3. SERVICE EXCELLENCE

We leveraged our customer value management (CVM) system to analyse customer needs, product performance and customers’ experience with our products.

These actions, combined with insights gained from our customer satisfaction surveys and other feedback mechanisms, enabled us to modify our products and services, direct our marketing campaigns to microsegments, increase the speed of delivery and provide targeted support.

Internal customer satisfaction survey **90%**  
Target: **83%**  
Customer value management survey **79%**  
Target: **80%**

#### 4. OPERATIONAL EXCELLENCE

Our actions and strategic investments to enhance systems reliability and maintain compliance and financial stability contributed to operational efficiency and service excellence.

These actions were supported by the business continuity plan implemented by a cross-functional "SWAT" team. The team manages the resolution of service or network challenges and addresses gaps in incident management processes identified during the 2024 ISO audit.

We will invest in ongoing maintenance and upgrades of critical systems and retain scarce and critical technical skills. This will be achieved by implementing a Fit-for-Purpose programme in MTC's Technical Department to ensure business continuity and support our strategy.

We will actively ensure compliance with relevant laws and regulations, implement improvement plans to a level of 100% by 30 September 2025 and successfully maintain ISO certification.

Stakeholder satisfaction **80%**  
Target: **80%**

Operational risk mitigation **83%**  
Target: **80%**

Optimal workforce plan **93%**  
Target: **90%**

Internal process compliance reporting **80%**  
Target: **80%**

#### 5. RESEARCH AND INNOVATION

We maintained our focus on HTTPS research and development initiatives aimed at delivering thought leadership, fostering research talent and ICT incubation and technology transfer, and creating commercial-grade digital products and services.

We streamlined our data, value-added and digital transformation activities into one business unit that reports to the MD. The business unit uses data science and AI to provide data insights, leverage emerging technologies and elevate our digital skills base. It is based at the HTTPS and manages our strategic partnerships and the development of new solutions.

Through our research and innovation activities and partnerships, we can anticipate MTC's future network and customer requirements and strategic investments.

Strategic initiatives and project delivery (scope, time, quality, cost) **70%**  
Target: **70%**

Innovations developed **15**  
Target: **10**

Research and development partnerships **13**  
Target: **13**

#### 6. BRAND AMBASSADORS

MTC has commenced a long-term culture journey and roadmap with various interventions to address the outcomes of a culture audit conducted in 2023 and the bi-annual employee engagement survey.

The programme is designed to make the necessary adjustments to foster a positive workforce culture that supports MTC's strategy and equips ambassadors to build trust and customer loyalty.

**40%** engaged  
Target: **43%**

MTC engages with CRAN on several regulatory matters. These include spectrum allocation and auctioning, infrastructure sharing, 5G deployment and pricing, all with material financial and competitive implications.

Other material regulatory developments include proposed data protection laws and the introduction of a new Access to Information Act. MTC monitors these developments to ensure that its operations remain compliant.

MTC is also adapting to the new regulatory frameworks that govern mobile financial services by seconding its Senior Technical Regulatory Officer and Compliance Officer to its mobile financial services company. This is done to implement compliance measures and ensure all services align with the new regulatory environment to mitigate risks and avoid penalties.

For more information on regulatory risk, refer to page 40.

### Outlook

We will focus on protecting core revenue and preventing revenue leakage with our revenue assurance practices in 2025 while steadily growing new revenue streams. New growth will be driven by new mobile financial services, further expansion of our digital product portfolio, and migration of more customers to 4G or LTE services.

Consistent with industry experience in Africa, we expect MTC Maris to achieve breakeven by the third year due to the initial high start-up costs. Fixed cost escalations beyond our control will maintain pressure on the EBITDA margin in 2025, placing our ambitious 50% target out of reach (but well ahead of averages in similar markets) for the period ahead. We will not incur the extraordinary costs that impacted our 2024 performance.

We will continue to measure and improve customer satisfaction by enhancing and leveraging our digital assets. By investing in maintenance and upgrades of critical systems, retaining scarce and critical skills, and optimising costs through automation, we will further strengthen our operational resilience.

### Acknowledgement

I want to acknowledge and thank my Exco team, our ambassadors, customers, suppliers and strategic partners who all contributed to MTC's performance and the advancement of our strategy in 2024.

I look forward to further collaborations in 2025 as we grow our business and fulfil our mission to create sustainable value for all our stakeholders through innovative digital solutions and a high-performance culture.

**Dr Licky Erastus**  
Managing Director

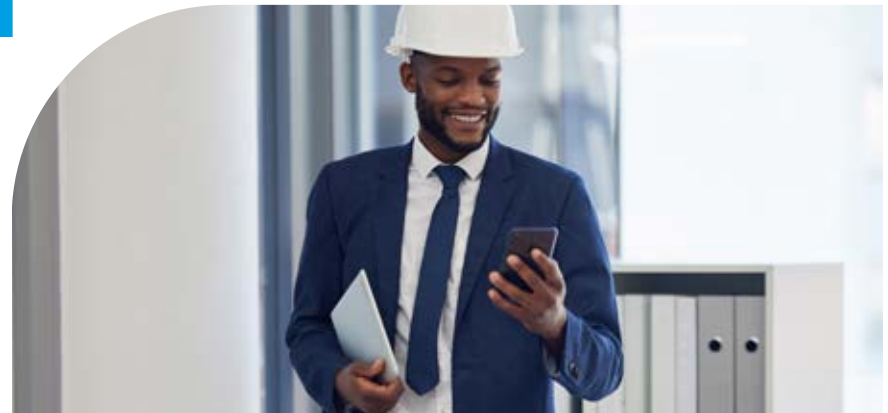
## Mitigating impactful regulation

MTC is heavily regulated and the telecommunications industry operates in a fast-changing and unpredictable regulatory environment. This is a primary material matter for MTC because it influences the company's operating environment and business model and exposes it to licence fees and other costs as dictated by regulations. Non-compliance with regulations poses a material financial risk.

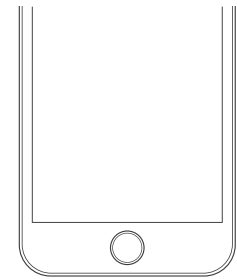


“ Our entry into mobile financial services was identified as a new material matter in 2024. The other five material matters remain the same as those identified in 2021, with updates to the description reflecting contextual changes. The material matters are aligned with MTC’s six fundamental strategic goals.

# MATERIAL MATTERS THAT IMPACT VALUE CREATION



# 05





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Our six material matters	38
Forces shaping our future	40
Building trust with our stakeholders	41
Managing our risks	43






# OUR SIX MATERIAL MATTERS

In determining its material matters, MTC considers and assesses its:

- External environment (page 40)
- Significant stakeholders and their needs and concerns (page 42)
- Key risks identified through risk management processes (page 45)

The key risks were approved by Exco and sanctioned by the Board in November 2024. The Board was guided by the material matters in assessing the material information included in this integrated annual report.

MATERIAL MATTER	WHY IT IS MATERIAL TO MTC	STRATEGIC ALIGNMENT
<b>Evolving regulatory environment</b>  ↑	<p>MTC operates in a highly regulated and unpredictable regulatory environment. Regulations and compliance requirements influence MTC's operating environment, determine how it operates and the prices it charges for certain services, and impose licence fees and other regulatory costs. MTC's listing on the NSX and its entry into mobile financial services have increased the company's regulatory compliance burden.</p> <p>These factors, combined with the uncertainty of constant regulatory change, limit MTC's revenue growth and profitability and impact its competitiveness, particularly in new markets such as internet, broadband (fixed-line) and mobile financial services, which are intended to compensate for lower demand for traditional mobile voice and SMS services.</p>	 <b>Stakeholders impacted:</b> Regulators Shareholders Customers

Legend strategy icons:		
<b>Increase revenue</b> 	<b>Operational excellence</b> 	<b>Cost optimisation</b> 
<b>Research and innovation</b> 	<b>Service excellence</b> 	<b>Brand ambassadors</b> 

## Legend:

High 

Medium 

Low 








Increased ↑





Decreased ↓



Unchanged ↔

Level of control that MTC has over the matter







Change in level of likelihood or impact since 2023

MATERIAL MATTER	WHY IT IS MATERIAL TO MTC	STRATEGIC ALIGNMENT
<b>Quality and availability of network</b>  ↔	<p>The constant evolution of technology is increasing customers' adoption of digital technology to connect, communicate, transact and do business. MTC's commitment to extend telecommunications access to all Namibians and respond to evolving customer needs requires constant investment to maintain network quality and availability. Failure to do so directly impacts MTC's ability to meet customer expectations of network availability and innovative new products and services. This may also impact MTC's compliance with network quality and performance regulatory requirements.</p> <p>MTC depends on the regulator for additional spectrum to accommodate network capacity expansion. It requires a supportive ICT policy environment and fair treatment relative to its competitors to achieve its revenue diversification and growth objectives.</p>	  <b>Stakeholders impacted:</b> Customers Employees
<b>Customer expectation</b>  ↑	<p>Advances in digital technology improve the speed and cost efficiency of telecommunications products and services. This drives customer demand for more data, constant network availability, and better value at lower costs. Customers also expect more convenient online service (which requires business process automation) and cyberattack protection.</p> <p>MTC leverages digital technology to enhance its understanding of customers' evolving needs and develops innovative new products and services at competitive price points. These actions require significant annual investments in infrastructure and system expansions and upgrades to achieve the improvements necessary to remain competitive.</p>	   <b>Stakeholders impacted:</b> Customers Employees







MATERIAL MATTER	WHY IT IS MATERIAL TO MTC	STRATEGIC ALIGNMENT
<b>Customer experience</b> 	<p>Customers are MTC's primary revenue source and are front and centre of the company's strategy. During sustained economic downturns, there is a general decline in customer affordability and increased demand for an empathic response that includes lower cost offerings or value-added products and services. Hybrid working habits and the rise of Generation Z (people born between 1997 and 2012) in workplaces have accelerated surges in data use and heightened the risk of network congestion.</p> <p>Without good customer service and experience, MTC risks losing customers who would be difficult to replace in a saturated mobile market. The company may also fail to attract customers in competitive new revenue growth markets if its service record does not meet their expectations.</p>	 <b>Stakeholders impacted:</b> Customers Employees
<b>Employee commitment</b> 	<p>MTC's employees implement the company's strategy. Customer-facing employees determine whether customer experience is positive or negative. As brand ambassadors, they reflect MTC's culture and protect its brand value.</p> <p>Employee experience is as important as customer experience in ensuring that talent and technical expertise are attracted and retained in a competitive employment market. All employees must be adequately engaged, committed and skilled to achieve MTC's future strategic objectives in a rapidly evolving digital market.</p>	 <b>Stakeholders impacted:</b> Customers Employees

MATERIAL MATTER	WHY IT IS MATERIAL TO MTC	STRATEGIC ALIGNMENT
<b>Mobile financial services New</b> 	<p>The entry of MTC Maris into the mobile financial services market is central to MTC's digital services provider strategy. It is expected to be a key driver of future revenue growth and profitability as a financial services provider. MTC is subject to additional regulatory authorities, such as the Bank of Namibia.</p> <p>Establishing a new business as a subsidiary of MTC with separate operating systems, governance, and resourcing requirements will increase MTC's investment costs. It will require further funding until the business breaks even.</p> <p>As a newcomer to the mobile financial services market, MTC Maris competes against incumbent service providers. It must distinguish itself in a competitive and rapidly evolving market to succeed and contribute positively to MTC's brand value.</p>	 <b>Stakeholders impacted:</b> Regulators Shareholders Customers Employees

**Legend strategy icons:**

<b>Increase revenue</b> 	<b>Operational excellence</b> 	<b>Cost optimisation</b> 
<b>Research and innovation</b> 	<b>Service excellence</b> 	<b>Brand ambassadors</b> 

**Legend:**

<b>High</b> 	<b>Medium</b> 	<b>Low</b> 	<b>Increased</b> 	<b>Decreased</b> 	<b>Unchanged</b> 
<i>Level of control that MTC has over the matter</i>			<i>Change in level of likelihood or impact since 2023</i>		

# FORCES SHAPING OUR FUTURE

MTC operates in ever-changing and competitive markets. By understanding the risks and opportunities that shape our business, we can respond more effectively to market needs.

## BUSINESS DRIVERS | HOW WE RESPOND

### Rising cost of living concerns

Namibia's economy grew by 4.2% in 2023 compared to 5.3% in 2022 and is expected to weaken further during 2024 due to high inflation, lower global demand for diamonds and contraction in the agricultural sector due to the severe drought across Namibia.

The rising cost of basic consumer goods, particularly food, and the impact of high interest rates on loan and mortgage repayments have increased pressure on consumers' disposable income, making them more cautious about their discretionary spending decisions.

We listen to our customers and employees and respond to their affordability concerns by:

- Introducing innovative, cost-effective new products offering customers more value and the flexibility to reduce their data costs
- Optimising costs and investments to avoid price increases
- Leveraging digital technology to understand our customers and meet their specific needs
- Providing a housing subsidy, discounted mortgage rates and spousal life insurance to provide financial relief for our employees

### Keeping pace with technology

The demand for mobile and fixed broadband continues to grow at double digits annually, driven by remote working, online education, social media and e-commerce trends.

Mobile network operators are transforming into digital service providers to remain relevant to customers in this fast-changing technology environment. Adopting emerging digital technologies increases investment in new operating systems and requires more robust security to guard against cyber threats. At the same time, digital transformation enables significant cost efficiencies and service enhancements.

We continue to accelerate the pace of our digital transformation by:

- Investing in 5G infrastructure to stay competitive and meet the evolving needs of consumers, businesses and communities
- Expanding our network coverage and improving service reliability to meet growing demand through 800 MHz spectrum acquired on auction
- Investing in new systems and technologies to improve the speed and cost-efficiency of operations and enhance customer service
- Forming strategic partnerships and leveraging our digital assets to develop innovative products and solutions
- Protecting customers against cybercrime

### Adapting to change

MTC's employees are experiencing significant change. The telecommunications industry is transforming in response to technological advances and market disruption. Our business culture has been influenced over the years by multiple changes in ownership, most recently by our listing on the NSX. As the key drivers of our digital services provider strategy, our ambassadors are expected to adapt to the demand for different skills and ways of working. Those who feel pressured by the pace of change may not feel engaged or strategically aligned. For others, change offers positive opportunities for self-improvement and career advancement.

As we align our employee base to our strategy, we are supporting our employees by:

- Implementing a culture and engagement strategy to embed MTC values and behaviours and strengthen engagement
- Implementing a competency assessment project to inform talent management and succession planning
- Increasing spending on training and development to bridge gaps in employee skills
- Improving the MTC Employee Wellness programme to be more proactive in raising awareness of health risks and assisting distressed employees
- Promoting a diversity, equity and inclusion programme to instil an inclusive culture

## BUSINESS DRIVERS | HOW WE RESPOND

### Distinguishing our brand in a competitive market

As a relative newcomer to the fixed-line and mobile financial services markets for businesses and consumers, MTC competes against incumbent service providers. The proposed entry of new players in the market, such as Starlink, may increase competition.

While challenging, competition, exacerbated by difficult economic conditions, drives innovation within MTC.

We differentiate MTC through:

- Superior customer service, innovative products and strategic partnerships
- Leveraging its extensive existing network and customer base
- Offering competitive pricing and quality products and service
- Rated Best Network Provider at the Best of Namibia Awards and Best Internet Service Provider at the Namibia Media Holdings awards in 2024

### Unpredictable regulatory environment

MTC is regulated by CRAN and the NSX. As a telecommunications provider, the cost of fees, levies and licencing impact MTC financially, while uncertainty associated with spectrum allocation, infrastructure sharing and pending legal or regulatory rulings poses a potential risk to MTC's competitive position.

Diversification is increasing MTC's regulatory complexity as its compliance universe extends to additional regulators, including the Bank of Namibia, which governs mobile financial services.

We manage and mitigate regulatory complexity by:

- Maintaining internal controls to ensure compliance with all relevant legislation
- Maintaining a constructive working relationship with regulators, including proactive engagement to ensure that proposed regulations do not negatively impact MTC business and revenue
- Participating in ICT policy or regulatory amendments
- Challenging regulatory decisions on reasonable grounds
- Conducting compliance awareness and training for employees



# BUILDING TRUST WITH STAKEHOLDERS

We engage with various stakeholders to understand what matters to them and ensure we respond to their needs. Our stakeholders' views are important to us and we believe that by engaging constructively with them, we can create lasting value together.

## Stakeholders

Customers Read more on page 42	Employees Read more on page 42	Shareholders Read more on page 42	Regulators and local authorities Read more on page 42
Our key stakeholders Read more on page 42	Distributors Read more on page 42	Strategic partners Read more on page 43	Communities Read more on page 43

## Feedback

We value feedback on our corporate reporting because it helps us to improve the transparency and quality of our reporting. Stakeholders can send their comments or queries to [investor@mtc.com.na](mailto:investor@mtc.com.na)

## Our stakeholder engagement plan

We identify key stakeholders and their needs and expectations	We devise an engagement process best suited to each grouping	Our operations engage with stakeholders and escalate some matters to Exco or the Board	We consider stakeholder views in our strategy development and implementation	Our engagement with each stakeholder group is assessed and assigned a rating
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## Our engagement channels

- 24-hour call centre
- Face-to-face meetings
- Employee performance meetings
- Integrated annual report
- AGM
- NENS announcements
- News releases
- MTC website
- MyMTC App
- MTC Interact
- MTC Care

## Our customers

Read more on page 57.



Quality of relationship based on CVM survey, SQA, queueing time relative to service level agreements (SLAs) and customer satisfaction survey

Rating:



## Why they matter

Customers buy our products and services and they are our primary revenue source. The evolving needs and expectations of our customers influence our strategy and decision-making.

## Material interests and expectations



- Network quality and availability
- Excellent service and experience
- Agile response to changing needs
- Value-for-money offerings

## Value added in 2024

- Increased network capacity to improve the quality and availability of services
- Leveraged digital technology to innovate cost-effective products that respond to the needs of micro-customer segments
- Introduced self-service SIM registration and replacement, ID verification and airtime purchases at Mobile Homes


## How we rate our stakeholder relationships

Excellent relationship	Good, needs more work	Cause for concern, close monitoring and engagement	Non-existent relationship
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<p><b>Our employees</b></p> <p>Read more on page 53.</p> 	<p><b>Quality of relationship based on Heart of ambassadors' engagement survey (conducted biennially – next survey in 2025)</b></p>	<p><b>Rating:</b></p> 
<p><b>Why they matter</b></p> <p>Employees are the face of our brand and they implement the strategy. They are competent, highly skilled, and driven, directly influencing MTC's customer service and experience.</p>	<p><b>Material interests and expectations</b></p> <ul style="list-style-type: none"> <li>• Good working conditions and job security</li> <li>• Market-related remuneration and benefits</li> <li>• Career progression</li> </ul>	



**Value added in 2024**

- Invested N\$9.2 million in training and development, including bursaries, study loans and deployment
- Invested in succession and talent management solutions for executive and middle management
- Launched a culture transformation programme to foster a positive workforce culture
- Enhanced MTC Employee Wellness programme

<p><b>Our shareholders</b></p> <p>Read more on page 48.</p> 	<p><b>Quality of relationship based on achievement of strategic objectives, dividends paid and share price</b></p>	<p><b>Rating:</b></p> 
<p><b>Why they matter</b></p> <p>By investing in MTC in return for a share of our business, shareholders provide capital to run and grow our business.</p>	<p><b>Material interests and expectations</b></p> <ul style="list-style-type: none"> <li>• Achieve strategic and financial targets</li> <li>• Generate a return on investment (through dividend payments and share price appreciation)</li> <li>• Be a responsible corporate citizen who pays taxes, creates jobs and supports Namibia's national development agenda</li> </ul>	



**Value added in 2024**

- Paid N\$545 million in dividends, equal to 70% of net profit after tax
- Grew revenue and profits and maintained a strong balance sheet but did not achieve all financial targets due to higher extraordinary costs and increased investment in future growth
- Actively engaged with our main shareholders to achieve positive mutual outcomes

<p><b>Our regulators and local authorities</b></p> <p>Read more on page 16.</p> 	<p><b>Quality of relationship based on compliance with licence conditions, NSX listing requirements, Companies Act and e-money issuer licence requirements</b></p>	<p><b>Rating:</b></p> 
<p><b>Why they matter</b></p> <p>CRAN prescribes MTC's operating licence and tariffs, levies fees and distributes spectrum for network expansion, and changes regulations at its discretion. The NSX regulates companies listed on the stock exchange. MTC requires approval from local authorities for infrastructure installation. The Bank of Namibia and NAMFISA regulate MTC's mobile financial services.</p>	<p><b>Material interests and expectations</b></p> <ul style="list-style-type: none"> <li>• Adhere to rules, regulations and licence conditions</li> <li>• Engage in ICT or governance policy or regulatory amendments</li> <li>• Generate a high proportion of CRAN's income</li> <li>• Be a responsible, value-adding corporate citizen</li> </ul>	



**Value added in 2024**

- Achieved full regulatory compliance with all regulations governing our business
- Achieved network availability of 99.3%, well above regulatory and internal targets
- Awarded an e-money issuer licence to operate mobile financial services
- Maintained constructive engagement with CRAN, the NSX and the Bank of Namibia
- Partnered with municipalities to automate municipal services

<p><b>Our distributors</b></p> <p>Read more on page 57.</p> 	<p><b>Quality of relationship based on SLAs.</b></p>	<p><b>Rating:</b></p> 
<p><b>Why they matter</b></p> <p>MTC's sales and distribution network reaches customers throughout Namibia and manages products that generate much of the company's revenue. MTC depends on distributors to protect its brand by delivering contracted services. Over-reliance on distributors may expose MTC to risk in the event of distributor failure.</p>	<p><b>Material interests and expectations</b></p> <ul style="list-style-type: none"> <li>• Fulfil contractual obligations</li> <li>• Maintain employment opportunities</li> <li>• Discounts offered to the channel amounted to N\$186 million in 2024</li> </ul>	



**Value added in 2024**

- Maintained employment opportunities through the distribution programme
- Enabled MTC customers to earn commission by reselling airtime on the E-Voucher platform
- Fulfilled our contractual obligations by ensuring that our products are available and accessible and paying market-related commissions

<p><b>Our strategic partners</b></p> <p>Read more on page 33.</p> 	<p><b>Quality of relationship based on research and development initiatives and number of innovations logged and executed</b></p>	<p><b>Rating:</b></p> 
<p><b>Why they matter</b></p> <p>MTC enters smart partnerships with many companies, organisations or institutions to identify and fast-track home-grown technology solutions to complex social, environmental and economic challenges.</p>	<p><b>Material interests and expectations</b></p> <ul style="list-style-type: none"> <li>• Collaboratively nurture talent and capability in social sciences, open source and standardisation, cybersecurity and forensics, network and customer experience, AI, data science, fintech, IoT and smart city solutions</li> <li>• Collaboratively fund research and develop solutions and innovation of common interest</li> </ul>	

**Value added in 2024**

- Increased pipeline of strategic partnerships to 50, with active partnerships in banking, insurance, healthcare, NGO, public and other sectors
- HTTPS is a catalyst for research and development, digital product development, start-up incubation and skills development for partners' mutual benefit
- Delivered N\$6.6 million in electronic food vouchers for marginalised communities

<p><b>Our communities</b></p> <p>Read more on page 66.</p> 	<p><b>Quality of relationship based on CSI target of 0.4% of gross revenue and percentage of procurement from Namibian-owned businesses</b></p>	<p><b>Rating:</b></p> 
<p><b>Why they matter</b></p> <p>MTC recognises its role as an integral part of Namibia's economic, social and environmental fabric. The company is committed to implementing an ESG strategy that aligns with its vision and Namibia's national development agenda.</p>	<p><b>Material interests and expectations</b></p> <ul style="list-style-type: none"> <li>• Be a responsible, value-creating corporate citizen</li> <li>• Invest in community development and upliftment through relevant, responsive socioeconomic development and CSI programmes</li> </ul>	

**Value added in 2024**

- Invested N\$12.7 million in projects that prioritise education, health, vulnerable children, poverty alleviation, job creation and our environment
- MTC Care ambassadors contributed time and resources towards outreach initiatives by volunteering or donating

# MANAGING OUR RISKS

**MTC's risk management is aligned with the company's strategic objectives and underpins its long-term sustainability.**

MTC's enterprise risk management (ERM) is aligned with the ISO 31000 risk management framework and guided by risk management principles, an integrated risk management framework and process. This structured approach enables a consistent, proactive approach to risk management and ensures that lessons learnt from successes and failures inform future performance.

## Risk governance structure and process

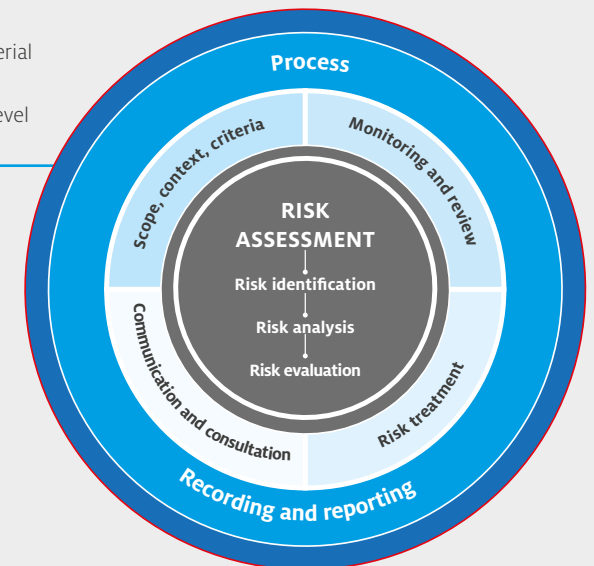
<p><b>Board, assisted by the Audit, Risk and Compliance Committee</b></p> <p>provides oversight of the effectiveness of the risk framework</p>	<p><b>Risk management team</b></p> <p>Implements and improves the risk framework</p> <p>Facilitates the identification and monitoring of risks within risk appetite and tolerance levels</p> <p>Promotes a risk culture</p>	<p><b>Executive management</b></p> <p>Directs resources and identifies controls to mitigate the most significant risks and opportunities</p> <p>Escalates key risks to the risk register</p>	<p><b>Compliance Committee</b></p> <p>Review risks and opportunities</p> <p>Ensures internal controls are in place to evaluate, manage and mitigate the impact of risks</p>
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**Combined assurance**

Internal audit provides assurance that material risks are identified and managed

The external audit provides an additional level of assurance

For more information on our governance of risk, go to page 27.



## Enhancing MTC's risk management

Over the past four years, MTC has progressively matured its risk management by integrating it throughout the organisation.

### 2024 FOCUS AREA

- Effective implementation of governance risk and compliance software (XGRC) to enhance risk identification, management and control measures by integrating all key assurance providers within MTC. Full optimisation of the system is in progress.
- Increased focus on cybercrime, cybersecurity and data protection as MTC transitions to the role of a digital services provider.
- Identification, implementation and tracking of opportunities.

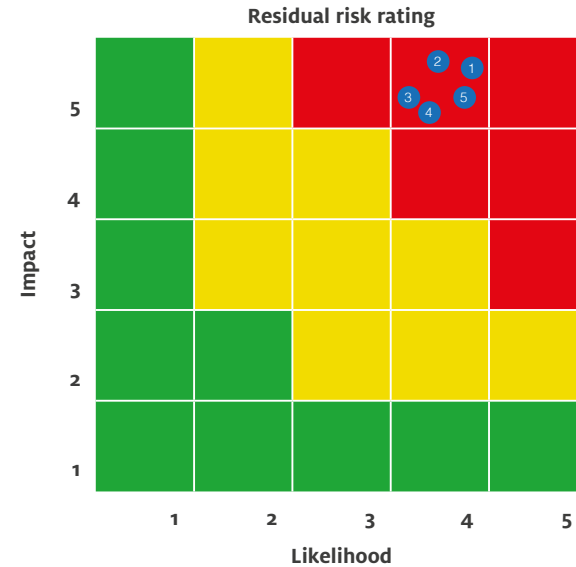
### MTC CONTINUES TO FOCUS ON

- Improving risk management culture and stakeholder engagement throughout the organisation
- Establishing and rolling out key risk indicators for effective monitoring of the risk environment
- Improving loss event monitoring to assist in identifying, tracking and analysing adverse events or incidents that result in financial or reputational losses
- Monitoring and engaging with the regulator on draft regulations

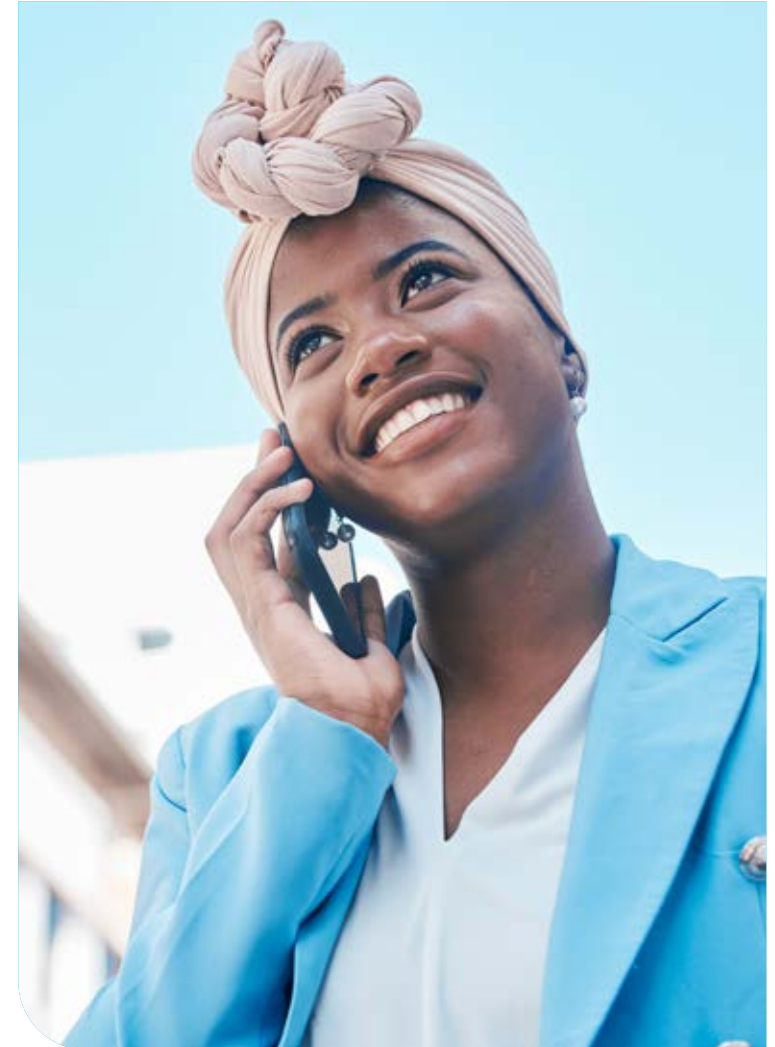
## IDENTIFYING, MONITORING AND REPORTING RISK

The Risk Department reviewed and reprioritised risks based on the risk and control environment and enhanced the categorisation of risks.

Exco identified MTC's top risks for 2024 during an annual review of the ERM strategic risks based on their potential impact and likelihood of occurrence, as well as MTC's control environment.



- 1 Technology failure
- 2 Cyber Information Security Risk
- 3 Workforce Culture
- 4 Growth in new markets
- 5 Customer Retention



# Our top 5 risks in 2024

MTC's main risks, controls and actions to manage or mitigate them are discussed in the following table.

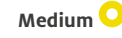
### Legend:



**Extreme**  
Risks addressed as a priority due to high exposure



**High**  
Risks that cause management concern and are actively managed and mitigated



**Medium**  
Risks that require attention but are not an immediate cause for concern



**Low**  
Emerging risks that are monitored but not actively managed



**Increased**  
Indicating change in the level of likelihood or impact since 2022

## RISK DESCRIPTION

### Technology failure



Major failure of critical networks or systems could significantly impact customers, revenue, and reputation. Dependence on key suppliers increases the risk of disruption to operations in the event of supplier failure or inability to deliver goods and services.

Robust and proactive risk management supports business continuity, innovation, regulatory compliance and stable operating environments for employees.

### Cyber and information security



Digital transformation increases vulnerability to company and customer data losses due to cyberattacks on systems, operations and data integrity.

Proactive risk management can prevent data breaches, support regulatory compliance and business continuity, and foster customer trust and a safe environment for innovation and digital transformation.

### Workforce culture



A positive workforce culture increases employee engagement and supports strategic alignment, ethical conduct and high performance.

Failure to embed and maintain a positive culture can harm employee morale, negatively affecting strategic alignment, customer service and company performance. During a period of digital transformation, this may impact employee resilience and adaptability and stifle willingness to take risks to innovate.

### Growth in new markets



Businesses expand into new markets to diversify revenue and generate new growth.

Expansion into new markets can be challenging for business operations. Increased complexity may require adaptation of existing processes, systems and operating models to meet regulatory and service requirements. Expansion into different markets may require investment in additional resources.

### Customer retention



Capacity constraints may occur because of congestion or unavailability of spectrum, which could impact network quality. This, in turn, may affect customer experience and loyalty.

Delays in implementing customer centric projects could further impact planned initiatives on pricing and value aimed at retaining customers.

## HOW WE MITIGATE THE RISK

- Conduct regular risk assessments and business impact analyses to identify and understand risks to critical systems
- Operationalise and maintain business continuity and crisis management plans aligned with ISO 20000 and ISO 22301 standards
- Provide business continuity training and awareness for employees
- Maintain backup and recovery strategies and processes for critical systems
- Include business continuity requirements in vendor contracts

- Implement access control, including biometrics and 'least privilege' principles
- Deploy firewalls to monitor traffic and prevent unauthorised access
- Provide security training and awareness for employees
- Implement security monitoring and incident response
- Include security requirements in vendor contracts
- Conduct regular audits and assessments to ensure compliance with relevant standards, including ISO 27001 and General Data Protection Regulations

- Conduct a culture audit and implement a culture and engagement strategy to address culture gaps
- Implement a Diversity, Equity and Inclusion programme to enhance employee inclusivity and a sense of belonging.
- Strengthen communications through an enhanced new intranet platform and other collaborations.
- Establish effective channels for communication and employee engagement, such as an internal "scrum" as a platform to enhance and improve information sharing.
- Ensure that performance management provides clear performance expectations and opportunities for skills development and career advancement

- Implement robust project management with key performance indicators to track progress and keep strategic projects on schedule and within budget
- Establish effective stakeholder engagement to ensure alignment and support from all internal and external stakeholders
- Implement a change management plan to prepare employees for change
- Ensure that governance underpins ethical conduct

- Maintain network capacity and service quality through capacity expansion
- Provide relevant, value-added customer solutions
- Manage customer centric projects to minimise delays
- Measure customer satisfaction and respond to concerns

Management continues to monitor and manage additional risks associated with adverse and uncertain regulatory pressures, competition and spectrum requirements for growth.

## ASSESSING THE RISK OF STRATEGIC PROJECTS

The Risk Department, the project management office and project owners facilitate risk assessments on strategic projects to identify potential risks to the timely and effective implementation of these projects. This is achieved by tracking, monitoring, and reporting quarterly on mitigation plans to Exco, the IT and Cybersecurity Committee and the Audit, Risk and Compliance Committee.

During 2024, MTC's plan to launch mobile financial services as a digital service remained in the project phase. The Risk Department continued to monitor key risks impacting the project and the mitigation of these risks. An operational risk assessment was performed to identify potential exposures that may impact the various operational procedures when MTC Maris became operational. Further evaluation of the control effectiveness and additional risk assessment will be performed to ensure adequate management of potential risks as procedures are operationalised.

## MONITORING EMERGING RISKS

MTC reviews emerging risks and opportunities that may impact the company. These are considered during strategic planning and are monitored.

No significant emerging risks were identified in 2024. MTC continued to monitor the following emerging risks reported in the FY2023 integrated annual report.

### Power dependency

The agreement with NamPower to utilise the power utility's 'dark fibre' network enabled the expansion of MTC's network coverage and reliability, particularly in remote areas. The exclusive nature of the agreement resulted in litigation following a decision by CRAN to set aside the agreement. In the interim, and to mitigate the risk, MTC continues to expand its fibre network in case the High Court confirms the CRAN decision.

### CRAN price study for data, voice and SMS

On 2 August 2024, CRAN published the proposed Regulations Prescribing Limits on Tariffs for Telecommunications Services. The draft regulations proposed a limit on tariffs for wholesale service prices and retail services. A mobile service provider who offers wholesale services must not charge a rate exceeding N\$6 per gigabyte of mobile data provided to a reseller. The draft regulations further proposed a limit on tariffs for mobile broadband services. A mobile service provider may not charge a rate exceeding N\$15 per gigabyte of mobile data provided to an end-consumer.

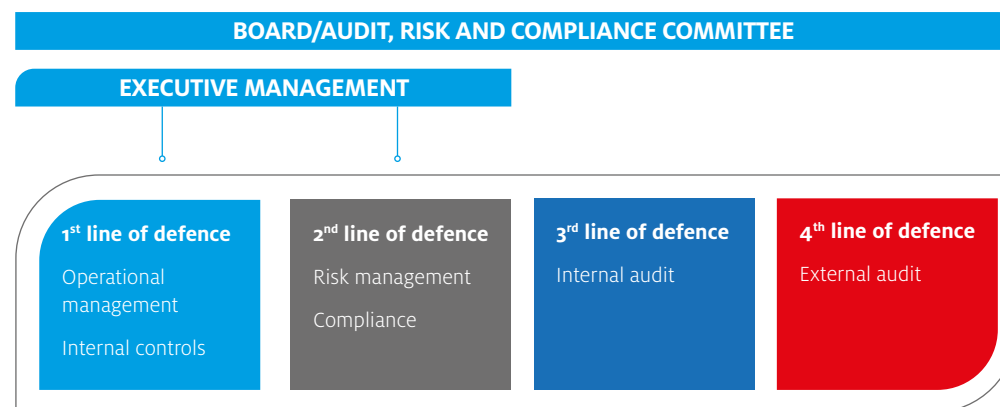
MTC submitted its comments on the proposed regulations, stating that there is no conclusion or determination that MTC's or other service providers' pricing of their services breaches competition rules. The purpose of the price study was merely to investigate "the affordability of mobile broadband prices in Namibia". Without such a finding, the proposed regulatory intervention fails to consider the Act's scope, object and scheme. After the financial year end CRAN price study for data, voice and SMS" emerging risk, the regulation was withdrawn by CRAN on the 5th of November 2024.

## Enhancing combined assurance

MTC applies a combined assurance framework and plan to:

- Identify and specify the sources of assurance over MTC's risks
- Provide the Audit, Risk and Compliance Committee and Exco with a framework of the assurance parties
- Link risk management activities with assurance activities
- Provide a basis for identifying any areas of potential assurance gap

The four lines of the defence model are used to bridge risk management and assurance functions.



## STRENGTHENING CONTROLS AND COMPLIANCE

**“ Following MTC's certification in six ISO standards in 2023, MTC underwent its first ISO audits in 2024 and continued to strengthen its control environment by aligning its operations with the standards.**

MTC focused on ensuring full compliance with the SIM registration requirements and settling any outstanding regulatory levies following the Supreme Court decision that found MTC liable for CRAN licence fees for the 2021, 2022 and 2023 financial years. These matters were critical to maintaining MTC's regulatory standing and avoiding potential penalties. In addition, MTC's compliance with all regulatory frameworks on its telecommunications licence was reviewed, particularly those related to numbering and tariffs.

There were no significant findings of non-compliance with environmental laws and regulatory requirements.

MTC improved its internal control environment and assurance processes with enhanced communication and collaboration. Assurance providers meet regularly to share insights, discuss findings and align activities. This assists in identifying and addressing areas of duplication. Awareness sessions were conducted amongst process and risk owners to enhance understanding of the combined assurance process.

During 2025, MTC will benchmark the combined assurance approach against industry standards to identify areas for improvement.



“MTC touches the lives of Namibians daily through its products and services. Our ambassadors go above and beyond to create a great customer experience. This is reflected in our financial performance.”

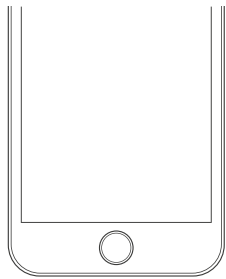
*Thinus Smit, Financial Director*



# OUR 2024 PERFORMANCE



# 06



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“MTC’s balance sheet remains healthy, with no gearing and sufficient cash to fund expansion and growth from internal reserves.

**Thinus Smit**  
Financial Director

# UNPACKING THE FINANCIAL PERFORMANCE

MTC remained resilient despite inflationary pressures and higher regulatory costs. The Group continued to invest in its network and customer centric digital transformation strategy during 2024.

## KEY INFLUENCES ON OUR FINANCIAL PERFORMANCE

Inflation and interest rates remained high for much of the year, contributing to ongoing cost escalation pressures for consumers and businesses.

Inflation moderated slowly from 6.0% in October 2023 to 3.4% in October 2024, and prime lending rates averaged 11% compared to 11.5% in the prior year.

The Namibian exchange rate weakened further to approximately N\$17.7 to the US Dollar (USD) due to the depreciation of the South African Rand to which the N\$ is pegged.

Higher costs associated with regulatory pressures adversely impacted MTC’s performance.

Income statement					
N\$'000	2024	2023	2022	2021	2020
Revenue	3 225 100	3 046 878	2 893 000	2 799 135	2 683 274
Other income	23 298	18 059	12 316	3 221	2 142
<b>Total income</b>	<b>3 248 398</b>	<b>3 049 953</b>	<b>2 905 316</b>	<b>2 802 356</b>	<b>2 685 416</b>
Expenses	(2 224 448)	(1 965 228)	(1 844 043)	(1 730 377)	(1 608 078)
<b>Profit from operations</b>	<b>1 023 950</b>	<b>1 099 709</b>	<b>1 061 273</b>	<b>1 071 979</b>	<b>1 077 338</b>
Investment income	94 558	70 659	85 535	42 039	63 560
Finance costs	(19 691)	(21 771)	(22 693)	(23 456)	(22 592)
<b>Profit before taxation</b>	<b>1 098 817</b>	<b>1 148 597</b>	<b>1 124 115</b>	<b>1 090 562</b>	<b>1 118 306</b>
Taxation	(325 936)	(354 422)	(331 076)	(347 227)	(345 907)
<b>Profit for the year</b>	<b>772 881</b>	<b>794 175</b>	<b>793 039</b>	<b>743 335</b>	<b>772 399</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>772 881</b>	<b>794 175</b>	<b>793 039</b>	<b>743 335</b>	<b>772 399</b>
<b>Earnings per share</b>					
Basic and diluted earnings per share (cents)	103.05	105.89	105.74	99.11	103
Headline earnings per share (cents)	103.05	105.92	105.81	99.11	103
<b>EBITDA margin (%)</b>	<b>45.9</b>	<b>49.5</b>	<b>51.2</b>	<b>51.3</b>	<b>52.0</b>
<b>Net profit after tax margin (%)</b>	<b>24.0</b>	<b>26.0</b>	<b>27.4</b>	<b>26.6</b>	<b>28.79</b>



## REVENUE GROWTH DRIVEN BY INCREASED DEMAND FOR PRODUCTS AND SERVICES

MTC grew revenue by 5.9% (2023: 5.3%), relative to the strategic target of 3% to 6%. The revenue growth was driven primarily by increased demand for high-speed data connectivity, new products and services and growth in roaming services.

MTC addressed the decline in prepaid subscriber numbers during compulsory SIM registration by attracting new subscribers with value-added products and service offerings. As a result, prepaid subscriber numbers trended upward during the second half of the year, contributing to 6% growth in existing revenue from the traditional mobile telecommunications market.

Prepaid revenue benefitted from ongoing growth in Aweh subscriptions. Prepaid ARPU increased by 14.5% due to higher usage by the active subscriber base.

Affordability pressures were evident in the reduction in revenue and ARPU from postpaid subscribers, due largely to price adjustments on new bundle offerings.

The recovery of tourism and an increase in business travel, combined with the introduction of eSIM for outward roaming, contributed to 41.3% growth in roaming services, lifting the revenue stream to the fourth highest contributor to total revenue.

Revenue from the new enterprise stream grew by 5.3% from the high base established in the prior year when MTC acquired major business customers. In contrast, strong growth in the broader fixed business segment was offset by lower usage. MTC continues to make inroads in its strategy to diversify into enterprise ICT markets, including IoT and fixed connectivity such as fibre, to achieve its strategic growth target of >150%. New revenue now accounts for approximately 3.7% of total revenue.

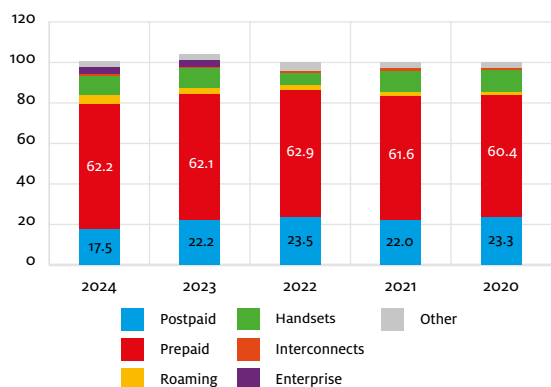
MTC's blended ARPU, including handsets, declined due to the lower contribution from the enterprise revenue stream and the mix of products.

“Our technology investments enable MTC to respond directly to customer needs, ensuring that our connections provide quality service at reasonable prices.”

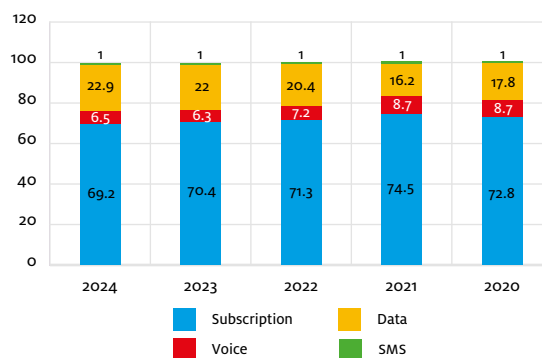
## 2025 REVENUE OUTLOOK

- Focus on protecting core revenue while steadily growing new revenue streams
- Prevent revenue leakage with improved revenue assurance
- Offer more digital services and solutions through smart partnerships or direct to customer
- Digital services will become a more structured contributor to new revenue in future
- MTC Maris is expected to deliver growth in new revenue from its first year of operation in FY2025
- Offer total services as a Communication Service Provider versus a Mobile Telecommunication Provider that increase revenue potential

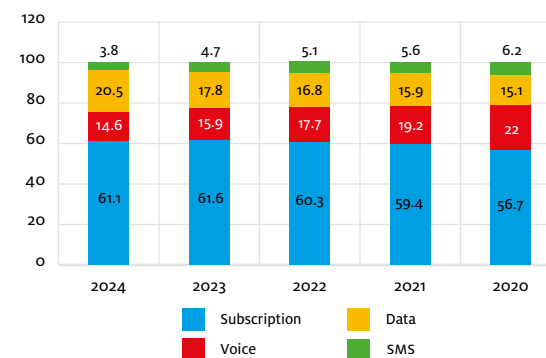
### Revenue classes (%)



### Revenue split postpaid (%)



### Revenue split prepaid (%)



## PROFITABLE GROWTH BACKED BY REVENUE GROWTH AND COST OPTIMISATION

Earnings before interest, tax, depreciation and amortisation decreased by 1.8% as revenue growth mitigated higher direct and operating costs.

Following a Supreme Court ruling, as reported in the interim results, MTC was found liable for CRAN licence fees for the 2021 (partially), 2022 and 2023 financial years. This resulted in a settlement of N\$58.4 million for levies in arrears (reported under contingent liabilities in FY2023) and an additional N\$37.9 million for levies due in FY2024. This impacted the EBITDA by N\$96.3 million and 3% on the margin.

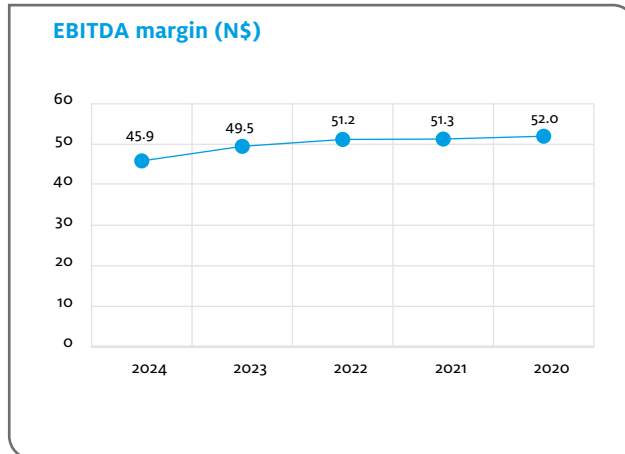
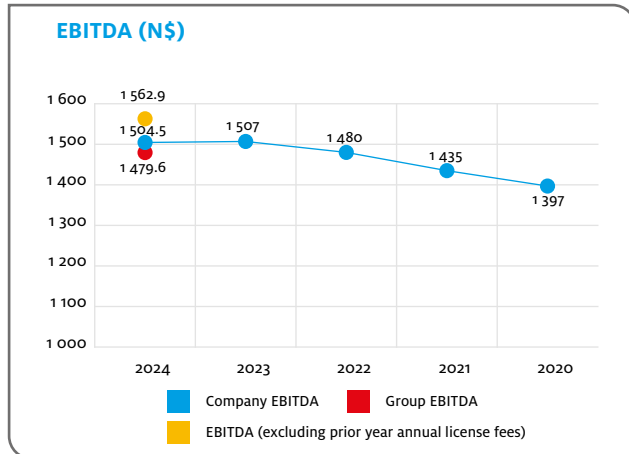
The 13.5% increase in operating expenses (2023: 8.3%). A 13.4% increase in total personnel costs, including temporary workers due to the extension of the SIM registration deadline to March 2024 and additional labour requirements to install certain enterprise products. MTC continues to contain costs within its control to mitigate high inflation, adverse foreign currency fluctuations, and the cost of implementing new technologies that support business growth.

MTC significantly contributes to Namibia's tax base as the country's largest telecoms provider. During 2024, MTC paid N\$288 million in company tax (2023: N\$305.1 million) at an effective tax rate of 29.04% (2023: 30.63%).

Net profit after tax decreased by 2.7% due to higher depreciation and amortisation associated with capital investments in new technology and infrastructure maintenance, as well as the decrease in EBITDA. Interest earnings increased due to higher market returns on our investments.

Cost escalation and the extraordinary regulatory costs maintained pressure on the EBITDA margin, resulting in a decline to 45.9%. We continue to monitor our EBITDA margin. The consolidated EBITDA included the MTC Maris operation. This investment in the fintech space is required to ensure future sustainability for the group – which is well above the telecommunications market. However, expecting to achieve the target during a period of cost inflation and investment in revenue diversification is unrealistic – hence, our margin exclusive of the regulatory backdated license payment is 48.3% which is 1.4% higher than our budgeted target of 46.9%.

**“ The automation and optimisation of MTC's internal processes will positively affect cost optimisation and customer service in 2025. ”**

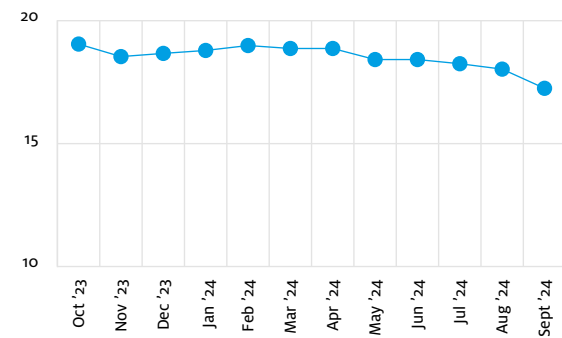


### Managing exchange rate risk

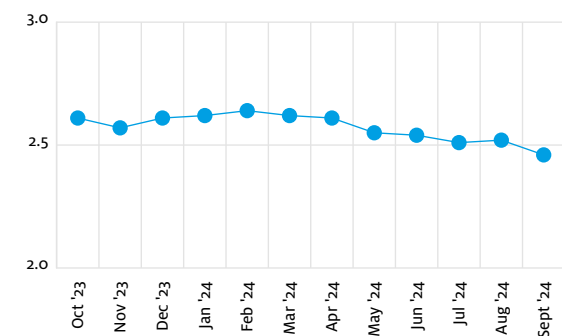
MTC's USD-based SLAs and imported network and technology-related infrastructure expose it to multi-currency risk, compounded by the pegging of the Namibian Dollar to the volatile South African Rand. During 2024, MTC's main currency exposures were to the USD, the Euro, and the Chinese Yuan (CNY).

MTC employs prudent financial risk management strategies, including currency hedging where appropriate, to mitigate the adverse effects of exchange rate fluctuations. Our finance team closely monitors and assesses these impacts to ensure they are well managed within our financial planning.

### Exchange rate volatility (USD:N\$)



### Exchange rate volatility (CNY:N\$)



### 2025 EBITDA OUTLOOK

- MTC expects to maintain EBITDA at the FY2024 level.
- While we anticipate further escalations, our FY2025 costs will exclude the extraordinary regulatory and temporary employee costs.
- Although MTC Maris will generate revenue, it is not expected to achieve breakeven during the initial two years of operation due to the high cost of implementing the solution. This is consistent with the experience of other mobile financial service operators in southern Africa.

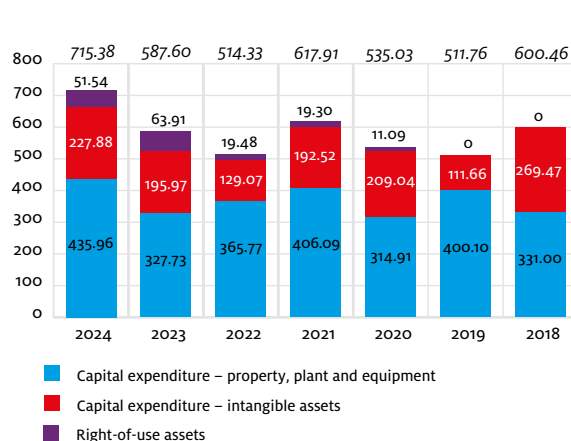
## MAINTAINING A SOUND FINANCIAL PLATFORM FOR INVESTMENT

MTC's balance sheet remains healthy, with no gearing and sufficient cash to fund expansion and growth from internal reserves. A current ratio of 1.7 provides flexibility should MTC need to raise funds for future growth.

During FY2024, MTC provided a start-up loan to fund MTC Maris operations. The loan will be repaid when MTC Maris becomes profitable.

MTC tracks and monitors working capital ratios and project delivery to enhance cash management and operational efficiency.

### Capital expenditure (N\$ million)



“ *Our capital investments maintain a reliable infrastructure backbone, improve our resilience and create capacity for future expansions – for the benefit of our customers and 98% of Namibians.* ”

### INVESTING IN THE FUTURE

MTC's total capital expenditure, including intangibles and right-of-use assets, increased to N\$715.4 million (2023: N\$587.6 million).

- 18.6% return on avg assets, relative to the strategic target of >25%
- 80% of strategic projects were capitalised
- Capex amounted to 22.2% of revenue (2023: 19.3%)

Intangible assets of N\$227.9 million (2023: N\$196.0 million) are included in the capital expenditure.

For more information on the capex projects, refer to page 58.

## Balance sheet

N\$'000	2024	2023	2022	2021	2020
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1 828 993	1 633 734	1 544 037	1 423 973	1 260 002
Right-of-use assets	195 099	225 342	190 907	202 991	214 593
Intangible assets	856 841	781 439	–	–	5 665
Investments in subsidiaries	–	–	724 047	735 536	628 830
Loans to employees	1 075	1 525	1 137	961	2 336
Contract assets	67 199	23 151	19 263	17 557	8 909
Deferred tax assets	549	683	–	–	–
Long-term deposits	465	50	19 510	–	1 594
<b>Total non-current assets</b>	<b>2 950 221</b>	<b>2 665 924</b>	<b>2 498 901</b>	<b>2 381 018</b>	<b>2 121 929</b>
<b>Current assets</b>					
Inventories	81 777	94 558	118 813	61 089	68 635
Loan to group company	–	–	–	–	–
Loans to employees	2 906	2 723	2 351	2 135	513
Trade and other receivables	205 581	202 980	182 870	151 824	167 546
Contract assets	128 003	115 935	118 315	118 285	126 571
Investments at fair value	822 962	730 382	719 867	631 732	–
Current tax assets	–	5 238	–	7 460	–
Cash and cash equivalents	165 808	146 004	86 136	75 840	777 581
<b>Total current assets</b>	<b>1 407 037</b>	<b>1 297 820</b>	<b>1 228 352</b>	<b>1 048 365</b>	<b>1 140 846</b>
<b>Total assets</b>	<b>4 357 258</b>	<b>3 963 744</b>	<b>3 727 253</b>	<b>3 429 383</b>	<b>3 262 775</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	25 000	25 000	25 000	25 000	25 000
Retained income	2 876 856	2 648 625	2 517 825	2 244 431	2 101 149
<b>Total equity</b>	<b>2 901 856</b>	<b>2 673 625</b>	<b>2 542 825</b>	<b>2 269 431</b>	<b>2 126 149</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease Liability	207 389	208 682	195 321	201 855	182 428
Deferred tax liabilities	381 438	415 945	337 624	309 290	296 708
Provisions	45 704	39 387	26 872	23 196	–
<b>Total non-current liabilities</b>	<b>634 531</b>	<b>664 014</b>	<b>559 817</b>	<b>534 341</b>	<b>479 136</b>
<b>Current liabilities</b>					
Trade and other payables	525 866	470 799	429 974	457 837	434 163
Lease liabilities	36 709	30 068	23 128	23 841	45 490
Deferred revenue	191 018	125 238	148 390	143 933	155 095
Current tax liabilities	67 278	–	23 119	–	17 923
Provisions	–	–	–	–	4 819
<b>Total current liabilities</b>	<b>820 871</b>	<b>626 105</b>	<b>624 611</b>	<b>625 611</b>	<b>657 490</b>
<b>Total liabilities</b>	<b>1 455 402</b>	<b>1 290 119</b>	<b>1 184 428</b>	<b>1 159 952</b>	<b>1 136 626</b>
<b>Total equity and liabilities</b>	<b>4 357 258</b>	<b>3 963 744</b>	<b>3 727 253</b>	<b>3 429 383</b>	<b>3 262 775</b>

## CASH & INVESTMENT POSITION

MTC's cash & investment holdings on 30 September 2024 increased by 12.8% due to delays in capex projects, growth in prepaid revenue and higher interest earnings.

MTC manages its reserves prudently by investing with Board-approved financial institutions in risk-averse instruments that protect capital.

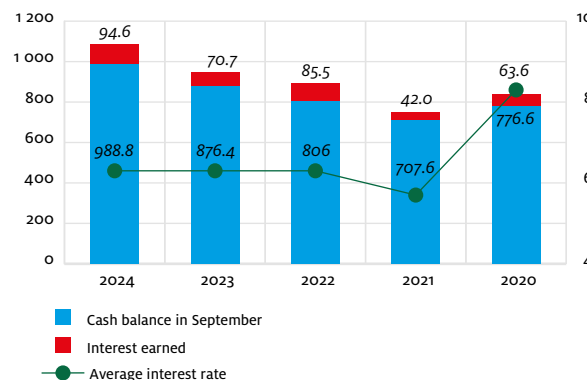
MTC's cash reserves and device financing earned interest income of N\$94.6 million (2023: N\$70.7 million) at an average interest rate of 10.1% (2023: 8.4%). The reserves are used for capital expenditure, dividend payouts and operational shortfalls.

### Managing bad debts

MTC relaxed its credit policy to achieve an acceptable credit risk without constraining the business.

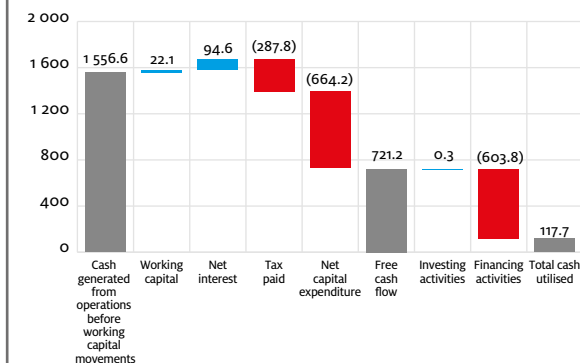
An improvement in the collections process contributed to the recovery of up to 55% of bad debts and a 14% reduction in net bad debt cost.

Cash & Investment balance and interest (N\$ million)



The graph below sets out our cash flow movements for the financial year.

Cash flow (N\$ million)



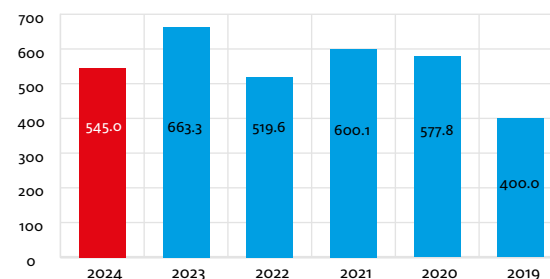
## MAXIMISING SHAREHOLDER RETURNS

Shareholder value is generated by management's strategic decisions and actions, which enable the payment of dividends. Value is also created by an increase in the share price over time.

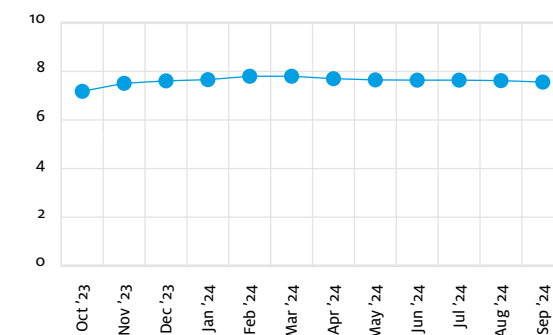
The Board's dividend policy considers an interim dividend up to a minimum of 70% of NPAT annually, subject to the outlook for earnings growth, operating and capital expenditure requirements and the company's borrowings.

During the 2024 financial year, the Board declared N\$623.5 million dividend, representing 81% of NPAT:

Dividends paid (N\$)



Share price (cents per share)



# EMPOWERING EMPLOYEES

MTC's 843 employees are the company's brand ambassadors, serving over two million customers, implementing its digital transformation strategy and maintaining its market-leading customer service reputation.

## Our human capital strategy

MTC is developing a high-performance culture to enable its business strategy. Our employee value proposition seeks to maintain MTC's preferred employer status by attracting, developing and retaining engaged, healthy and strategically aligned talent.

### HOW WE IMPLEMENT OUR STRATEGY

An engaged workforce aligned with MTC's business strategy

A competitive value proposition to attract, retain and develop talent

A high-performance organisational culture to enable the strategy

### WHAT WE FOCUSED ON IN 2024

- Achieved significant milestones in a culture transformation programme launched during the year to foster a positive workforce culture
- Invested in succession and talent management solutions for executive and middle management, including market benchmarking and a competency assessment
- Enhanced the MTC Employee Wellness programme and strengthened the Health, Safety and Environment Department
- Invested N\$8.3 million in training and development

### WHAT WE ARE LOOKING FORWARD TO IN 2025

- Deepen implementation of the culture transformation programme and embed new pledges
- Implement the Fit-for-Purpose programme in the Technical Department to support strategic alignment
- Address gaps identified in competency assessment
- Improve remuneration policy and implement a long-term incentive to underpin executive alignment with strategy and shareholders' expectations

## Developing an engaged, strategically aligned workforce

Recognising that a positive workforce culture increases employee engagement, strategic alignment and resilience to change, MTC conducted a culture audit in addition to its employee engagement survey in the prior financial year.

The audit aimed to gauge and overcome the obstacles to achieving a conducive working environment that stimulates employee engagement, performance, inclusivity, respect and growth. The audit identified issues that drive or inhibit engagement, including pervasive stress, excessive workloads, and communication gaps between management and employees.

A culture and transformation programme was implemented to address the audit outcomes and make the necessary adjustments to foster a positive workforce culture supporting MTC's future direction. The programme focuses on:

- Promoting core values and ethical standards by communicating and integrating them into MTC's policies and practices
- Establishing effective communication channels to promote open dialogue, transparency and collaboration among employees, providing regular updates about MTC's goals and objectives and inviting employee inputs on important business decisions
- Implementing employee engagement initiatives, including regular feedback sessions, employee surveys, and recognition programmes to promote a sense of belonging and commitment
- Focusing on employee training and development to advance employees' careers, enhance their skills and promote a culture of continuous learning and development, including technical training, leadership development and opportunities for professional advancement within the industry
- Providing performance management with clear performance expectations, feedback and opportunities for skills development and career advancement
- Offering work-life balance support through wellness and employee assistance programmes to help employees manage their work and personal responsibilities effectively

MTC did not conduct an employee engagement and culture survey in 2024 as we focused on implementing the culture and engagement programme. The next 'Hearts of Ambassadors' combined culture and engagement survey is scheduled for 2025.

**“As MTC transforms its business model, it focuses on ensuring its employee base is adequately skilled and equipped to implement the digital transformation strategy.”**

## 2024 CULTURE AND ENGAGEMENT HIGHLIGHTS

MTC achieved the following milestones in implementing the culture and transformation strategy:

**Culture and engagement interventions** | Launched the culture and engagement programme with engagement sessions, workshops and competitions to generate employee excitement. Introduced a monthly tracker to identify and address behaviours that obstruct progress.

Implemented KPIs to embed the behaviours that drive engagement.

**Communication channels** | Developed a range of communications platforms to support culture change and engagement:

- Increased leadership engagement with employees through the MD Connect platform
- Cross functional engagement through the Viva Engage platform and an internal communications 'scrum'
- Information sharing, including a gamification programme
- TV screens and campaigns to increase awareness of the programme
- A new interactive intranet with an internal mailing platform for strategic updates and sharing matters raised during scrums will be launched in 2025

**Employee wellbeing** | Enhanced the MTC Employee Wellness programme to be more proactive in raising awareness of mental and physical health risks and assisting distressed employees. Strengthened the health, safety and environment department with dedicated resources to ensure compliance and best practice. Established employee interest groups to discuss and promote the equity, diversity and inclusion programme featuring a #ISEEYOU campaign to instil an inclusive culture.

**Career advancement** | Implemented a competency assessment project to identify and close gaps in HR management to ensure business continuity through talent management and the strengthening of the succession pool. Increased spending on training and development.

## EMPLOYEE COMPOSITION

In recent years, MTC realigned its organisational design and employee complement to adapt its human capacity and capability to the digital transformation strategy.

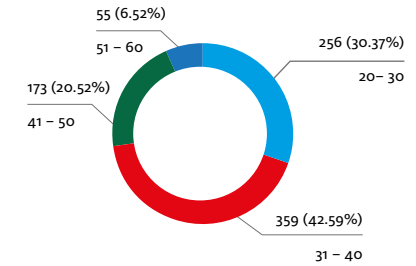
During 2024, the employee headcount decreased by 0.59% (2023: 11.58%) due to an increase in temporary employees to assist with SIM registration and additional skills required for new revenue generation. Employee turnover was 4.62% (2023: 3.18%).

		2020	2021	2022	2023	2024
Racially disadvantaged	Men	340	328	372	392	384
	Women	299	312	359	426	429
Racially advantaged	Men	13	13	13	14	15
	Women	13	12	12	12	10
Persons with disabilities	Men	1	1	1	1	1
	Women	1	2	2	2	2
Non-Namibians	Men	3	3	1	1	2
	Women	0	0	0	0	0
<b>Total</b>	Men	357	345	387	408	402
	Women	313	326	373	440	441

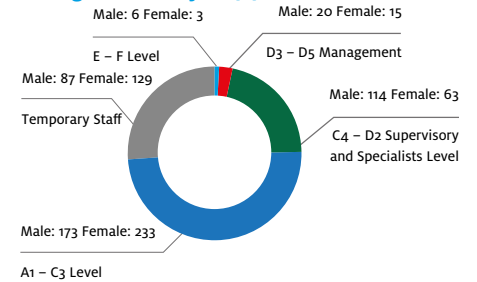
## Recruitment and resignation (number)



## MTC age analysis (%)



## MTC gender analysis (%)



## ETHICAL CONDUCT

MTC's ambassadors subscribe to a Code of Conduct. A 24-hour toll-free hotline managed by Deloitte enables employees to report unethical behaviour anonymously. Deloitte conducts ethics awareness training throughout MTC and familiarises employees with the whistleblowing system. The system is advertised to internal and external stakeholders, including contractors and other service providers.

0 incidents of unethical behaviour were reported during 2024 (2023: 0).

## A competitive value proposition

MTC provides fair and responsible remuneration to be competitive and internally equitable. A robust performance management system underpins this commitment and aligns recognition and reward with the business strategy. Each ambassador agrees to a set of KPIs against which they are assessed. These KPIs are derived from departmental objectives linked to MTC's strategic objectives.

MTC implemented a new housing subsidy in October 2023 for ambassadors in bands A to D2 who own houses for which they are repaying bonds. The subsidy increased from N\$3 000 monthly in 2023 to N\$4 500 in 2024 and will increase to N\$5 625 in 2025, provided it remains financially viable for MTC. The value of the subsidy provisioned for qualifying employees in 2024 was N\$13.1 million. In addition, MTC negotiates home loans at discounted interest rates to make homeownership more affordable to ambassadors.

MTC introduced spousal cover for ambassadors in the event of the death of their spouse. The cover pays one times the ambassador's annual total cost to the company to provide support during recovery and adjustment.

Temporary staff who worked for lengthy periods during 2024 were offered benefits such as N\$500 airtime and a N\$500 basic medical aid subsidy negotiated with MTC's medical aid provider during their employment with MTC.

More information on MTC's remuneration practices and performance is available on page 70.

## Investing in talent

*“We focus on interventions that advance careers, enhance skills and foster a culture of continuous learning and development.”*

### TALENT MANAGEMENT AND SUCCESSION PLANNING

MTC operates in the competitive telecom and fintech sectors where specialist skills are in demand. We lost four high-performing MTC ambassadors to competitors in 2024.

MTC increased its focus on talent management and succession planning to attract and retain young professionals and build an adequate succession pipeline to meet future human resource requirements.

The Fit-for-Future organisational and employee complement redesign was largely completed in 2024 and the focus shifted to:

- Implementing the outcomes of competency assessments to identify competency requirements and gaps and bridge the gaps with internal redeployment, new appointments or training

- Implementing a Fit-for-Purpose programme in MTC's Technical Department to adapt its structure to support the future direction of MTC as it transitions from a mobile network operator to a digital services provider
- Appointing a Chief Commercial Officer and bridging skills gaps in ICT and fintech by retaining external service providers with the requisite expertise to support expansion into new markets, such as mobile financial services

MTC's turbo boost leadership programme continued to narrow skills gaps between middle management and the executive team and ensure leadership continuity. Personal development interventions included a focus on professional management for 35 managers.

The Elevate mentorship platform ensures that young talent is recognised and provided with career advancement opportunities under the guidance of leadership. Mentors are identified and trained and employees can sign up for online mentorship.

### TRAINING AND DEVELOPMENT

MTC invested N\$8.3 million (2023: N\$6.4 million) in internal and external training and development interventions. Each ambassador has a development plan with identified gaps addressed through academies and programmes. Many of these are project-related, with costs absorbed by the projects. Ambassadors are encouraged to consider ways to future-proof their careers through this individual development process.

MTC offers ambassadors the following academies and programmes:

**Onboarding Academy** | The academy for customer relations ambassadors equips new ambassadors with company information and skills to succeed in new positions. Onboarding courses over three weeks include systems, products and services and soft skills training. 30 ambassadors participated in the onboarding process.

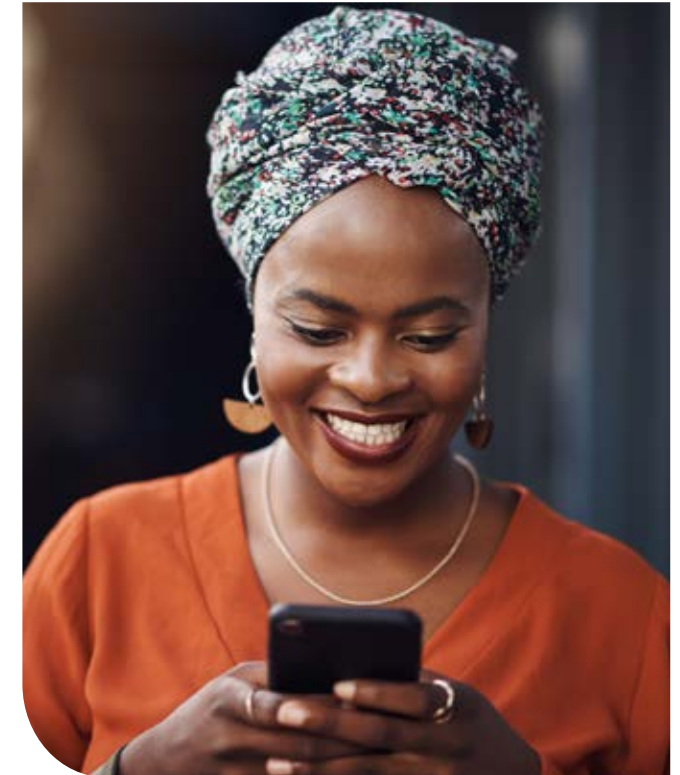
**Deployment programme** | The programme provides high performing ambassadors with the potential to deploy to a department where they can learn new skills and advance their knowledge in different processes in the company. 70 ambassadors were deployed in 2024.

**Talent Academy** | Geared for consistently good performers and successors with strong potential, the academy offers personal and leadership development interventions to fill learning gaps. 409 ambassadors identified through the performance management system participated in the programme in 2024. We cannot clearly identify training that was presented under talent academy, so we provide the number of ambassadors that went on external training and our internal bursary holders.

**Coaching Academy** | The academy provides leadership development for supervisors and middle managers. 83 ambassadors participated in 2024.

**Internship programme** | The programme offers students from local universities and MTC ambassadors the opportunity to complete their experiential learning over three months in a department relevant to their studies. Four interns, including three MTC bursary students, participated in the programme.

**Incubator programme** | Developed for high performing professional experts, the programme creates a learning and growth mindset by embedding desired behaviours and developing next generation skills. 70 employees participated in the programme in 2024.





## MTC Dreamers project

The MTC Dreamers project provides social investment funding to selected ambassadors biennially to realise their dreams, recognising that they are not just employees but individuals with different dreams and aspirations while working for MTC.



The funding forms part of the ambassadors' value proposition. The project selects and funds employees to kick-start an aspirational idea that will benefit Namibian society, whether pursuing a career in music or sport, starting a small business or supporting a community project.



In 2023, 30 recipients received total funding of N\$1.43 million for entrepreneurial or social impact initiatives in construction, food and catering, agriculture, car wash, transport, automotive and arts and crafts. Applications are considered against established criteria. Successful applicants are reviewed and their journey is documented by MTC.

The next round of funding will be disbursed in 2025.

### Study support

Employee bursaries, study loans, and deployment opportunities are offered to employees who wish to study further or gain exposure to their areas of study.

Interest-free study loans to a maximum of N\$15 000 are offered to ambassadors who wish to pursue short-term and long-term courses, certificates, undergraduate and postgraduate studies. In 2024, 44 employees received N\$467 480 (2023: N\$900 000).

### Internal bursary scheme

The internal bursary programme assists qualifying ambassadors with good performance track records to study further. This builds capacity and broadens the internal skills base. Bursaries were provided to 12 students at a total investment of N\$434 481 (2023: N\$678 916).

### External bursary scheme

MTC's external bursary scheme contributes to Namibia's national capacity building agenda and broadens MTC's recruitment base. Six bursary students were accepted for the 2025 cohort. Three students who completed their studies in 2024 participate in MTC's graduate trainee programme. A total amount of N\$790 000 was invested in this scheme (2023: N\$516 330).

MTC has a 100% success rate of absorbing students from its internal and external bursary schemes into the company. After one year, bursars become permanent ambassadors.

# INSIGHT INTO OPERATIONAL PERFORMANCE

## Technology and infrastructure

**MTC successfully expanded its existing network coverage to maintain the quality and availability of service as customer demand for data increased. Simultaneously, MTC invested in emerging technologies to improve its products and services' speed and cost-efficiency and support its digital transformation.**

### WHAT WE FOCUSED ON IN 2024

- Deployed fibre transmission that establishes the backbone of MTC's infrastructure to accommodate future capacity expansion and mitigate power dependency
- Initiated the replacement of outdated online charging systems with a new, cloud-ready charging system deployed with geo-redundancy
- Assessed and adapted the business continuity project to address persistent power failures that impact our services
- Maintained regulatory compliance by adhering to data governance frameworks, collaborating with regulators and partners and training ambassadors

### WHAT WE ARE LOOKING FORWARD TO IN 2025

- Extended the fibre footprint to support the enterprise and digitisation strategy
- Leveraging 5G capacity to improve customer service and experience
- Assessing the business continuity plan to maintain critical services during power or other major disruptions
- Implementing the Fit-for-Purpose programme to adapt the Technical Department's human resource structure to MTC's digital transformation strategy



## EXPANDING NETWORK CAPACITY

By growing and optimising its network, MTC achieved an average network availability of 99.3% in 2024, well above internal and regulatory KPIs, despite power outages and transmission challenges. Several key milestones were achieved as MTC's extensive mobile network continued providing quality digital access to 98% of Namibians nationwide. MTC focused on extending mobile broadband coverage and increasing capacity on existing 4G/LTE sites.

### POPULATION COVERAGE

Total coverage Voice: **98%**  
 Broadband Coverage (4G): **85.6%**  
 Schools: **91.1%**  
 Health facilities: **93.2%**

### NUMBER OF SITES

2G/3G – **1 032** sites plus **5** Mobile towers  
 4G – **794** sites  
 5G – Capable sites ready to use 5G – **28** sites

**+75%**  
 of MTC's network supports 4G/LTE technology and accounts for 83,66% of mobile data traffic

### 80 BASE STATIONS

Capacity upgrades on existing 4G/LTE sites throughout Namibia

### 122 SITES

4G/LTE capacity upgrades in 2100 MHz spectrum in line with CRAN requirements

### 2 738 KM

of fibre deployed to increase network capacity

### 5GMTC

conducted Namibia's first 5G trial

**“ To remain competitive and relevant to its customers, MTC adapts to increasing demand for digital services and the technologies that support the functioning of a digital services provider. We are building an end-to-end digital backbone to achieve this transition by integrating our core platforms into a single digital platform.**

## ADVANCING OUR DIGITAL TRANSFORMATION

During 2024, we made significant progress in improving existing systems and implementing new systems and emerging technologies. These initiatives are designed to enhance the speed, efficiency, and accessibility of our products and services, ensuring we meet the evolving needs of our customers:

**Enterprise data warehouse (EDW)** | Data management and data-informed analysis are improving our decisions to optimise our network and develop new products. We improved our data platforms to ensure that new data sources and automation tools are optimally used to generate insights for data-driven decision-making.

**Business support systems** | Our automated business support system (BSS) is improving service efficiency and increasing the speed at which we take new products to market. The BSS improves the functionality of business support services and reduces billing processing time. During 2024, we focused on replacing the outdated online charging systems (OCS) with a new, cloud-ready charging system deployed with geo-redundancy to enhance new product deployment. The new OCS solution will introduce a new technology stack, enabling MTC to rapidly create new products and services and allowing seamless integration into the core environment while adding features to enable efficient provision of new services.

**API gateway** | The transition to a more robust API management system has enabled MTC to streamline operations and improve the integration of internal and external systems, thus enhancing the delivery of products and services to customers, including new mobile financial services.

**Robotic process automation** | We introduced tools to automate key processes within MTC. This positions us to establish an automation centre of excellence through which various business units reduce manual work and achieve their desired operational efficiency objectives.

**eSIM** | eSIM capabilities were introduced to enable our outbound customers to access a more flexible digital SIM and data product offering.

**Digital signatures** | We implemented a digital signature service that allows for the secure and legally binding digital signing of documents, streamlining operations for MTC, businesses and individuals.

**Expanding digital platforms** | The revamp of our existing MTC TV, our video-on-demand platform, is scheduled for mid-2025. In addition, the MTC Maris fintech solution was launched on 4 October 2024, delivering a more comprehensive suite of digital services.

**E-Voucher** | New API and B2B functionalities were onboarded onto the E-Voucher platform, enabling rapid onboarding of new merchant services and increasing reseller opportunities.

## TARGETING OPTIMAL NETWORK PERFORMANCE FOR OUR CUSTOMERS

Despite our high average network availability, our customers do not always fully experience the quality of service we provide. MTC responds proactively to challenges that may influence customer experience.

Network failures frequently relate to our reliance on third-party service providers, such as electricity or fibre distributors. SLAs are in place to maintain consistent service. We mitigate the growing risk of unreliable power supply by deploying alternative power to critical sites and accelerating redundancy of critical systems to support business continuity.

Our fibre infrastructure and equipment provide backhaul capacity and redundancy to capacity expansion projects. This, in turn, reduces our dependence on dark fibre provided by the state power utility, particularly following CRAN's decision to set aside the dark fibre agreement with the power utility.

## Fibre Network

The total fibre network is:

We implemented about 100 km of urban area fibre in Windhoek, Swakopmund and Walvis Bay for the year ending September 2024. These enable MTC to have 5 340 Home passes.

Back Bone – MTC embarked on a project to have its own back bone fibre as per the risk posed from renting such services from third parties. The project has delivered about 1 414 km of fibre just for the year ending September 2024.

- Windhoek – Ariamsvlei Border
- Windhoek – Gobabis
- Otjiwarongo – Otavi – Grootfontein – Tsumeb
- Nkurenkuru – Eenhana

The growing incidence of theft and vandalism at our sites disrupts our services and impacts service delivery. We have established joint ventures with security partners to protect sites, and or replaced some of the site equipment with robust secured cabinets, implanted with security technologies.

Environment ESG – Efforts to contribute to emission has been in various ways:

### Power

- MTC have stopped the purchase of generators sites and invest in storage by using lithium batteries that are eco-friendly.
- The sites also uses lithium batteries as back-up.
- Some sites have super capacitors.

### Sites

- MTC has started converting sites to outdoor in order to remove air-conditioning. The move is to also reduce power consumption.
- Road restoration to address soil erosion and prevent it are all efforts that were done.
- Fuel usage is being curbed and the efforts to invest in storage is also to prevent the burning of fuel at sites.
- Oil spillage was addressed at three sites identified for the year ending September 2024 and constant monitoring is happening to prevent it.

Network congestion occurs because of growth in customer demand for more data and faster internet services. By reducing investment in 2G and 3G and discontinuing the 2G network, MTC can deploy more capital expenditure to newer technologies. More than 75% of our network now supports 4G/LTE technology.

80 – Existing base stations LTE capacity was expanded to improve customer experience and cater for growth.

132 sites – Spectrum refarming was done from UMTS 2100 to LTE 2100 to also add additional broadband capacity. 3G is not considered a broadband provider, hence the refarming was done to avail LTE at the sites that used the 2100 MHz spectrum for UMTS. MTC ensures that the voice that was carried by UMTS is also handled either by the 900 Mhz spectrum where UMTS and GSM is active.

Six – Rural sites constructions – MTC added some rural sites which came up with 2G & LTE in the Kunene region Otjiu, Orupembe, Otjitanda, Kamdesha, HunguaPs and Kleinmannase in order to fulfil CRAN obligations for spectrum avail.

In October 2023, MTC was granted a 5G licence to acquire 20 MHz bandwidth in the 800 MHz spectrum band. The spectrum is used to improve service coverage, support 4G/LTE expansion and facilitate the deployment of 5G to our network. 5G technology will enable MTC to fully implement its digital transformation strategy and offer digital services such as the IoT, smart city functionality, support for self-driving cars and equipment, and the use of AI.

### ENSURING BUSINESS CONTINUITY IN A COMPLEX OPERATING ENVIRONMENT

MTC has developed a business continuity plan (BCP) to maintain critical services during power or other major disruptions. The BCP entails a continuous assessment of MTC's network architecture to determine and address the levels of redundancy in its critical systems.

Cybersecurity is one of the biggest risks associated with digitalisation and poses an increasing threat to MTC's business systems and customer data. To combat this, MTC conducts annual testing and assessments to identify and address risks in MTC's IT environment. Adopting the ISO 27001 management standard in 2023 provided a robust environment for combating cybersecurity threats.

Following an independent information and cybersecurity assessment to establish strengths and gaps in its IT environment in 2023, MTC procured new external firewalls and anti-DDoS equipment and strengthened the internal security profile and employee awareness of cyber risks to ensure cybersecurity protection.

### Capital expenditure projects

Capital expenditure increased to N\$715.4 million (2023: N\$587.6 million) as the company executed major projects to support its vision and strategy. This included an additional Board-approved allocation of N\$200 million to drive fibre implementation to mitigate dependency risk for our backbone fibre infrastructure.

MTC treats capacity optimisation and digital transformation projects as strategic projects, given their critical role in service excellence and customer experience. This heightens the focus on risk management and ensures adequate controls are in place to support project implementation.

### Effective project management

MTC's capital expenditure is strictly governed to ensure that projects are strategically aligned and deliver anticipated returns on investment. Capital expenditure allocation decisions are based on:

- Revenue generation linked to customer centricity (customer demand and new product development)
- Maintenance of existing infrastructure (optimisation to secure revenue generation and customer experience)
- Risk mitigation (decisions guided by audit and risk findings on risks and risk mitigation)

Capex allocations are motivated by business cases and managed through regulatory and internal KPIs by a project management office (PMO). The PMO has a process to ensure that the technical functionalities of projects are implemented according to specifications and that projects achieve the objectives set out in the business case. The PMO reports monthly to the MD and quarterly to the Board.

**“ MTC’s strategic projects deliver the technologies that underpin MTC’s digital transformation and growth objectives while maintaining current network availability and quality. ”**

## THE CRITICAL INVESTMENTS THAT TRANSFORM OUR STRATEGY INTO REALITY

### Digital transformation

N\$801 million invested in cloud migration, new BSS and other digital transformation projects over five years to 2024.

Digital transformation projects were MTC's main strategic projects during 2024, including:

- **Customer value management and customer experience management:** A solution to enhance customer engagement, retention, and lifetime value. This tool centralises customer data, personalises customer journeys, and uses AI-driven insights for proactive support.
- **API marketplace:** An API gateway to facilitate integration between MTC and external partners. This involves the development of new APIs for value-added services, payments and digital identity verification.
- **Verifi (digital KYC solution):** A solution that provides seamless customer onboarding for financial institutions through biometric and digital identity verification.
- **VAS expansion:** Enhances MTC's value-added services portfolio to include more customer-oriented solutions and digital content offerings.
- **Network and IT infrastructure upgrade:** Investments in upgrading telecommunications infrastructure to support 5G, cloud computing, and IoT services.
- **Regulatory compliance:** Engagement with regulators to ensure compliance under the evolving legal framework.

MTC also made progress in implementing a **new, cloud-ready charging system**. Integration and testing activities were conducted and the new OCS is scheduled for completion early in 2025.

### Capacity optimisation

N\$420 million invested over five years to 2024.

MTC's capacity optimisation projects grow and optimise the existing network. During 2024, MTC invested in upgrades to increase mobile broadband and enhance capacity on existing 4G/LTE sites to improve customer experience:

- Deployed 4G/LTE to 178 more sites
- Upgraded capacity of existing 4G/LTE sites at 80 base stations

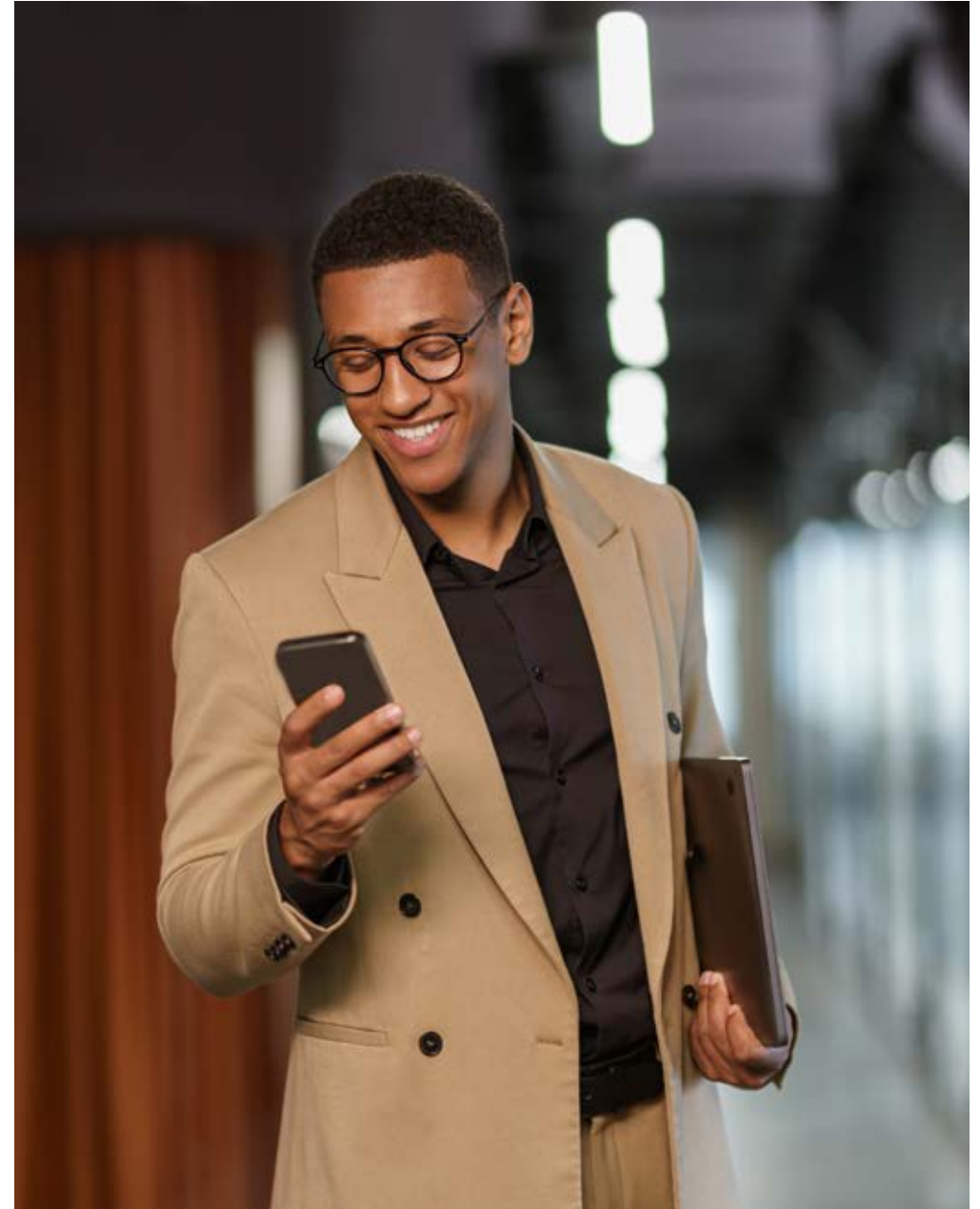
### Revenue diversification

N\$533 million invested in fibre deployment over five years to 2024.

MTC is diversifying its revenue and broadening customer services, offering enterprises and consumers fibre, secure cloud, hosted PBX and fixed broadband value-added services.

During 2024, MTC deployed 1 377 km of fibre, bringing the total fibre rolled out to 2 738 km. Fibre services were extended to Windhoek and coastal areas to support the demand for fixed internet services for businesses and homes.

Fibre deployment will continue in 2025, including expanding services to support the growing energy and tourism sectors.



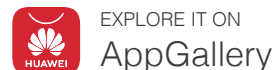
## Products and services

MTC offers its customers innovative products and services ranging from mobile and fixed connectivity, secure cloud and hosting to content and payments solutions.

### WHAT WE OFFER

	CORE PRODUCTS	INNOVATIVE NEW OFFERINGS		COMING UP		
CONSUMERS	Mobile and fixed connectivity 106 postpaid service plans, including Netman and Smartshare, and capped data packages Wireless and fibre under the flagship brand Spectra International calling Handsets, handset financing and insurance Outroamer eSIM Tourism SIM	Aweh Super Aweh Prime Aweh Gig Aweh Go Aweh Oka Aweh O'Yeah Multiple Aweh Aweh Auto Renewal Aweh Yo Data Aweh Yo Voice Aweh Ultra	Taamba Auto Complete Taamba Advance Taamba Advance, with data bundles Taamba Gifting Taamba Transfer Infinite, Supreme and Boost plans offer value-for-money packages based on personal usage preferences Spectra home fibre and internet MyMTC content services Verifi identity services solution MyMTC payment gateway Credit Life insurance on postpaid devices	MTC mobile financial services (Lending, Insurance, Retail bonds) New prepaid bundles New postpaid products MTC Loyalty Programme 5G services for enterprise and individual customers Cybersecurity		
	Mobile and fixed connectivity Wireless and fibre under the flagship brand Spectra Mobiz postpaid service plan Data reverse billing Multi-party conference calling	MTC secure cloud, PBX hosted and SIP trunk solutions Identity as a Service (IDaaS) Call Centre as a Service (CCaaS) SIM Swap Fraud Prevention	Cloud Services IPBX eCommerce platform MS Teams services			
<b>Our strategic partners</b>						
Namibian Electronic Sports Association		Airvantage Pulsar Electronic Solutions	Letshego Bank NamPost Old Mutual Momentum	Municipality of Swakopmund Municipality of Katima Mulilo Ministry of Gender Namdeb	NUST UN Work Food Programme Methealth Namibia Administrators	Cenored NORED Erongo Red

Connect with MTC on these apps



**“ I am thrilled to join MTC at a pivotal moment in its growth journey. With a proven history of success, MTC’s transformation to a digital solutions service provider opens exciting opportunities for growth in current business streams and new areas, laying the foundation for sustained future success. It’s an honour to contribute to this dynamic phase.”**

*Octivius Kahiya, Chief Commercial Officer*

### WHAT WE FOCUSED ON IN 2024

- Effectively implemented nationwide SIM registration process by leveraging digital assets to create a new identity verification platform
- Improved customer service and experience with new customer value management and customer experience management solutions, including advanced data analytics and process automation
- Retained customers and grew ARPU with cost-effective products and services that respond to the needs of micro-customer segments
- Grew new revenue streams through digital services

### WHAT WE ARE LOOKING FORWARD TO IN 2025

- Strengthening MTC’s existing flagship brands (Aweh integrated bundles, Spectra fixed broadband) and new products to maintain market leadership.
- Expanding the Enterprise Business Unit with services including fixed broadband, and cloud solutions: Unified Communications as a Service (UCaaS), Contact Centre as a Service (CCaaS).
- Laying the foundation for a transition beyond traditional telecom services to platform businesses, digital content, and innovative solutions for both consumer and business segments.
- Continuing to enhance operations through advanced analytics, automation, and skills development.

Several programmes were implemented to mitigate the challenges of SIM registration and drive customer value and relationships:

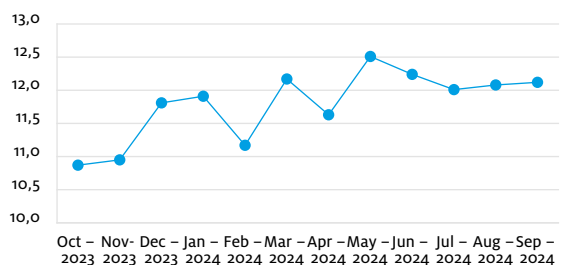
- By digitising the SIM registration processes, MTC achieved SIM registration compliance in a shorter time frame. The use of MTC’s Verifi biometrics to authenticate customers’ identity and achieve full KYC compliance creates a new platform for identity verification and fraud detection.
- The deployment of MTC’s new customer value management and customer experience management solution significantly enhanced our ability to gain insights into customer and network behaviour. By harnessing real-time data analytics, we are better positioned to offer personalised services that improve customer engagement and satisfaction.
- Segmentation of the current subscriber base using advanced analytics to identify potential customers enabled more targeted sales of new products.
- Implementing an effective customer acquisition programme through multiple channels and well-coordinated go-to-market programmes contributed to growth in existing and new revenue streams, such as fixed internet.

### IMPROVING CUSTOMER EXPERIENCE AND DRIVING DATA USAGE

Our targeted interventions increased customer engagement and boosted average mobile broadband usage per subscriber by 36% (from 2.9GB to 4.1GB per month).

The interventions led to customer retention and higher ARPU, and more than compensated for the negative impact of SIM registration. Revenue growth in the core prepaid mobile segment was driven by higher ARPU (up 14%). Planned programmes on fixed broadband and the Enterprise Business Unit segments led to revenue growth of 58%.

**Data traffic in PetaBytes\***



### RESPONDING TO GROWING DEMAND FOR MOBILE AND FIXED BROADBAND

With a strong foundation, we are positioned to sustainably meet this growing demand for broadband. In addition, the rise of Generation Z in the workforce influences how we adapt our strategies to meet the expectations of this digital-native generation.

MTC is also driving digital transformation across key industries, including mining, energy, banking, and agriculture, offering private LTE networks, IoT, automation, and data analytics to empower businesses.

### New product launches, service innovations and strategic partnerships

MTC modifies its product and service portfolio in response to changing market behaviour and needs:

- Expanded enterprise portfolio with managed services, cloud solutions, and telephony products, such as Cloud PBX and SIP trunk
- Expanded fixed internet services, with double-digit growth in Spectra home internet connections
- Introduced new digital content and services, such as eSIM outbound, Upskills hub, Taamba (auto complete) and launched cash voucher services in partnership with the World Food Programme
- Expanded airtime distribution through electronic voucher (E-Voucher) platforms
- New cost-effective Aweh and Infinity packages boosted bundle uptake and revenue
- Through our digital solutions partnership, HTTPS, we co-created solutions ranging from web and App development to smart solutions, such as digitised ID verification, and targeted solutions, such as a SIM swap fraud solution for the banking sector
- Other partnerships enable us to deliver industrial-grade connectivity solutions for the enterprise sector, such as dedicated internet access and LTE private networks

**“ The demand for mobile and fixed broadband continues to grow at double digits annually, and we anticipate this trend will persist for years.**

“MTC was rated the Best Network Provider at the Best of Namibia Awards hosted by Future Media and Best Internet Service Provider at the Namibia Media Holdings awards

## Customer service

MTC’s customer centric strategy places customers, customer service, and experience at the centre of everything we do. We manage and measure customer relationships through customer acquisition and retention, customer development and customer value addition.

Our CVM system uses software to analyse changing customer needs, the customer experience of our services and the performance of our products in the market. This means we can modify our products and services to suit customer needs, direct our marketing campaigns at specific customers or customer segments and increase the speed of service delivery. We can also more nimbly identify and resolve network challenges that impact customer experience.

Our customer-facing employees receive annual training in customer service and experience, resulting in more effective management of customer queries or complaints. Automated self-service kiosks as our Mobile Homes reduce queues by enabling customers to complete basic services such as SIM replacements and airtime purchases.

## CUSTOMER ACQUISITION AND RETENTION

New customer acquisition is a key business driver for MTC’s enterprise services, while retention is the primary focus in protecting its core business operations.

Service level agreements with our customer service centres are in place to support the achievement of targeted levels of service management.

## MTC target service level agreements

Service point	Service level target	2021	2022	2023	2024
Customer contact centre	– Answer 90% of all incoming calls within 20 seconds	96%	96%	94%	94%
	– Respond to, acknowledge and log 95% of all incoming written communications or complaints within 30 seconds	100%	100%	100%	100%
Mobile Homes	– Handle or serve a customer efficiently on an average of 10 to 15 minutes of service time	8 minutes	7 minutes	Not applicable*	Not applicable**
Service plan administration	– Perform renewals within 24 hours of receiving the customer approval and signature	100%	100%	100%	100%
	– Activate new contracts within 32 hours of receiving the customer approval and signature	100%	100%	100%	100%

\* Not applicable due to sim registrations causing long queues in retail stores

\*\* New QMS solution not yet deployed

## CUSTOMER DEVELOPMENT AND VALUE ADDITION

MTC cross-sells or up-sells services to grow the value of each retained customer. This maximises the return on investment into future-focused infrastructure that enables product innovations and improves customer experience.

During 2024, MTC leveraged its CVM system to:

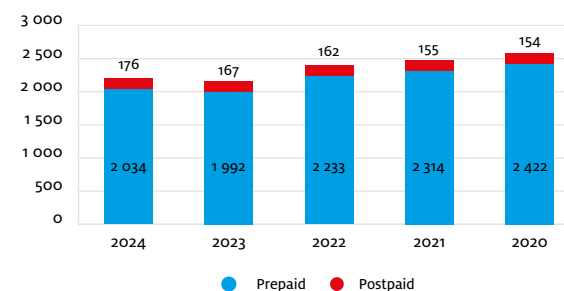
- Grow the ARPU of each retained customer based on granular data analytics that will drive usage in the micro-segments
- Grow new revenue streams by acquiring more users for both fixed and mobile broadband

MTC experienced an increased prepaid customer base, largely because of bundle uptake and CVM campaigns. Slight growth in the postpaid customer numbers did not result in revenue growth due to price adjustments on new bundle offerings and migration to more competitive offerings.

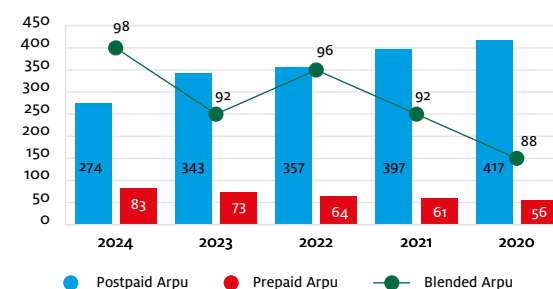
Improvements in tourism and business travel contributed to significant growth in roaming revenue. Growth in MTC’s value-added services and content subscriptions was muted, partially because of SIM registration disruptions. Product innovation and strategic customer acquisition drove significant traction in Cloud PBX and fixed home and business broadband services. However, overall growth in the enterprise segment was moderate.

MTC’s total blended ARPU grew at a compound five-year average of 7.1% (2023: 5.1%).

## Subscribers (000)



## ARPU (N\$)



## MEASURING CUSTOMER SATISFACTION

Several indices are used to measure and improve customer satisfaction and we monitor these indices routinely and take remedial action if service is sub-standard:

- **Customer value management survey:** Our main survey is conducted annually by an external consultant and assesses customer feedback
- **Customer satisfaction surveys:** A quarterly survey measures service at all MTC physical touchpoints
- **Service quality assessments:** A quarterly ghost caller assesses the soft skills and knowledge of customer service centre employees
- **Mystery shoppers:** Quarterly anonymous visitors to Mobile Homes measure service and employee performance
- **After-service feedback:** Customers can register satisfaction with service at customer contact centres and Mobile Homes by SMS
- **Queueing time relative to SLAs:** The efficiency of responses to customer requests at all touchpoints is measured

Performance at a glance	Survey	2023		2024
Surveys carried out by independent consultants reflect improvements in service excellence across most areas. However, customer satisfaction and mystery shopper scores dipped slightly due to long queues during the SIM registration process. To address this, MTC is enhancing its digital service channels.	Customer value management	77.00%	↑	79.00%
	Customer satisfaction	90.42%	↓	89.92%
	Service quality assessments	89.61%	↑	92.81%
	Key accounts	82.37%	↑	84.48%
	Mystery shoppers	86.00%	↓	83.00%
	Distribution	82.66%	↑	88.86%
	Outbound support	81.68%	↑	89.62%
	Outbound sales	82.29%	↑	84.44%

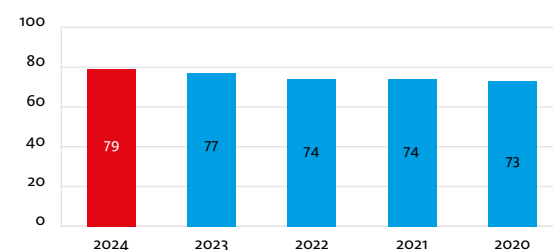
## Customer value management survey

MTC's 2024 customer value management survey conducted externally by Vision Africa rated our customers' perception of the value we offer at 79%. The year-on-year performance is largely attributable to MTC's focus on providing customers with more affordable, higher quality products, efficiency, and convenience due to the automation and optimisation of services.

## Customer satisfaction and customer service surveys

MTC's independent customer satisfaction and service quality surveys conducted quarterly by Service Quality Assessment showed the following results:

Customer value management survey (%)



## Customer management surveys (%)

	2020	2021	2022	2023	2024
Customer satisfaction – MTC customer contact centre	89.1	87.3	87.3	94.89	90.17
Customer satisfaction – Key account executives	83.9	88.9	90.5	87.43	86.60
Service quality – MTC customer contact centre	88.8	93.2	95.3	88.59	91.21

## Distribution

MTC's extensive nationwide sales and distribution network serves Namibians across widely dispersed urban and rural areas. A combination of fixed service outlets and a growing dealership network enables MTC to sell the right products to targeted market segments through appropriate sales channels.

Our distribution channels effectively responded to the demands of SIM registration compliance by using digital ID verification software coupled

with enabled terminals. In addition, we made significant changes by transitioning from physical to digital channels, such as introducing virtual vouchers and distributing products via apps, including partnerships with financial institutions. This shift enhanced customer convenience and optimised our distribution process, reducing costs and improving efficiency.

Introducing ID verification technology and portable terminals enabled real-time registration and verification, reducing distribution costs and creating new business streams in API-driven identity verification services.

## DISTRIBUTION NETWORK

### Dealerships

- 36 retail and service centre outlets nationwide
- Mobile Home customer experience solution
- Mobile retail outlet used as a pop-up store
- Data hub in Windhoek supports data-related services, set-up and products
- Fully equipped repair centre in Windhoek

### Digital transformation

- 6 large dealerships, representing 7 000 presence points, distribute to smaller outlets like fuel stations, chain stores, corner shops and street vendors
- Sell airtime and handsets and manage customer acquisition, data and device set-up and activation, contract renewal and SIM replacements
- Dispense E-Vouchers

### Other

- Access to MTC's online presence through its website and MyMTC app
- Portable PoS devices enabling multiple service delivery, SIM activation, new SIM registration, airtime sales and SIM swaps
- Agreements with commercial banks to give their customers access to MTC's services

## Marketing and sponsorships

### MARKETING STRATEGY

MTC's marketing strategy supports the business strategy by focusing on maintaining market share while diversifying into new business streams.

MTC's marketing strategy focuses on:

**Targeting** | Prioritising high-growth areas and customer segments with low data and voice usage.

**Product Innovation** | Tailoring offerings to meet evolving customer needs.

**Channels** | Expanding digital distribution channels for services such as SIM registration and airtime sales.

### MARKETING CAMPAIGNS

MTC's objective in 2024 was to increase customer engagement value and achieve measurable business outcomes by implementing a wide range of comprehensive, multi-channel marketing strategies. The primary aims were to enhance customer retention, increase market share and reaffirm MTC's status as the industry leader.



#### Revised Aweh Family bundles

The new Aweh Family bundles (Aweh yoData, Aweh yoVoice, and Aweh Ultra) were revised to continue offering value to prepaid consumers.

The revised bundles offer consumers more data, minutes and SMS's.

Marketing investment: N\$948 725.

Impact: 9.4% Aweh revenue growth.



#### Tourist Bundle

The Tourist data bundle was customised to meet the unique needs of tourists, ensuring that they experience seamless and hassle-free connectivity during their travels.

These specialised bundles enable tourists to stay connected affordably, securely, and conveniently.

Marketing investment: N\$96 544.

Impact: 17 275 new customer subscriptions within 10 months to year end.



#### Recharge, Top Up and Win

The Recharge, Top Up and Win competitions offered customers the opportunity to win vouchers or gift cards for essential items such as food, fodder or fuel.

Marketing investment: N\$586 428.

Impact: 8.6% recharge amount growth.





### Postpaid Boost Bundle Recurring option

The recurring option, introduced to the Boost Bundle, streamlines the purchasing process, improving consumer satisfaction and loyalty and offering customers cost-effective signing up for their monthly bundles.

Marketing investment: N\$393 383

Return on investment: N\$243 185 and 2 861 new subscriptions.

### Postpaid Infinite recurring option

Postpaid Infinite, the most popular plan, was updated by incorporating a recurring option. This provides uninterrupted connection, convenience and increased consumer satisfaction.

Marketing investment: N\$352 501.

Impact: 2 116 new subscriptions in the second half.



## SPONSORSHIPS

### Sponsorship assessment and community impact

MTC's sponsorship channels achieve significant community impact and return on investment. All sponsored beneficiaries elevate the MTC brand, firstly as a brand that cares, and secondly as the brand that invests in Namibian sports and creative talent.

The **MTC Nestor Sunshine Boxing Academy** brings boxing to communities by hosting development programmes aimed at taking young boys and girls off the streets. The stable established a boxing and academic scholarship programme for talented male and female youth.

With the MTC's sponsorship, the academy maintained its ranking as the number one boxing academy and national promoter. The academy enabled many Namibian boxers to secure top international bouts, win medals and achieve World Boxing Organisation (WBO) rankings, including Philipus Nghitumbwa (ranked 10<sup>th</sup>), John John Ndjolonimus (ranked 7<sup>th</sup>) and Jeremiah Lowkey Nakathila (ranked 15<sup>th</sup>). Academy boxer Phillipus 'Energy' Nghitumbwa was named as Boxer of the Year during the 2024 Boxing Awards. The academy was awarded the "Special Recognition Award" for its legacy of 25 years as Namibia's leading boxing academy.

The **MTC Salute Boxing Academy** has achieved similar successes with 80 professional and amateur boxers. Most of these boxers are unemployed and depend on MTC sponsorship for bouts and income. Although fairly new to the boxing industry, the MTC Salute Boxing Academy has secured top rankings and continental accolades for its boxers.

The **MTC Kilimanjaro Boxing Academy** focuses on boxing development, working mostly with amateur and young boxers who are absorbed into the MTC Nestor Sunshine Boxing Academy and the MTC Salute Boxing Academy when they become professional.

In March 2024, the MTC Kilimanjaro Boxing Academy partnered with the Ministry of Youth, Sport and National Service and was endorsed by the Namibia Sport Commission to facilitate national development and talent scouting at amateur training workshops. The workshops took place in the Zambezi, Oshana and Omusati regions with over 800 boxers between the ages of 11 and 21 participating. One participating boxer was selected for the National Olympic team that competed during the summer Olympics in Paris 2024.

The **MTC Netball Namibia Premiership** sponsorship resuscitated the league, elevating netball to elite level nationally and providing valuable support for young female Namibian athletes.

The league enables regional integration and the development of 36 umpires and 15 bench officials in line with African and international standards. Through the league, MTC's sponsorship continues to strengthen the national team, particularly the under 21 national training squad, and provides seasonal employment for 196 women and permanent positions for 10 women. In addition, the league creates an opportunity for vendors to generate income at netball games. To increase inclusivity, the league is played on a rotational home and away format in over nine towns. This takes the game to remote locations in Namibia.

The **MTC HopSol Youth Soccer League** is a youth football league that aims to develop and prepare local soccer talent for the international market, benefiting over 1 600 young people between the ages of nine and 18.

The league compensates for the demise of national schools' soccer tournaments and provides an opportunity for young players to demonstrate their skill and talent. This programme focuses on developing young soccer players in sport, academics and social/community development.

The MTC HopSol league is home to football development academies and scouting for senior elite teams. Currently, two players from the league are members of the Senior National Team, "Brave Warriors". Ten players were selected for the U/17 National Team that represented Namibia in Germany. The MTC HopSol league was awarded the Best Broadcasting show at the annual Namibia National Sport Awards for its weekly televised broadcast on national television. This elevates MTC as a brand that promotes youth development.

### Generating a return on investment

MTC measures the media value of its sponsorship activities by comparing media exposure to advertising value. An advertising value exposure methodology estimates the monetary worth of earned media coverage by comparing it to the cost of buying equivalent advertising space or time. Advertising value equivalency multiplies the size or duration of the media exposure by the respective advertising rates.

# OPERATING AS A RESPONSIBLE CORPORATE CITIZEN

As business leaders and economic enablers, we are responsible for advancing Namibia's economy, the telecommunications industry, and the society from which we generate value.

## Mobilising our brand and resources for good

### BRIDGING DIGITAL AND FINANCIAL DIVIDES

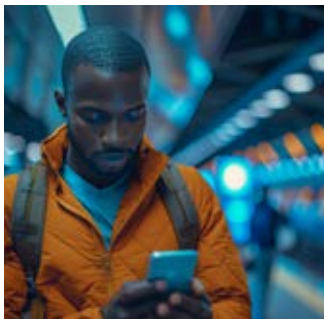
MTC's o81Every1 campaign has connected 98% of Namibians through its mobile telecom network and extended 4G capability to 86% of the population.



### MAKING A POSITIVE SOCIAL IMPACT

MTC invested N\$12.7 million in projects to support education, health and youth employment. Our investments also alleviate homelessness, poverty and the plight of vulnerable women and children.

We work with the UN World Food Programme to offer digital money tokens as an alternative to food parcels.



### PROTECTING THE ENVIRONMENT FOR FUTURE GENERATIONS

We invested N\$450 000 in environmental sustainability and awareness initiatives in partnership with the City of Windhoek.

## Prioritising ESG

MTC made further progress in its journey to formalise and embed sound ESG practices throughout its operations. Following the ESG materiality assessment and gap analysis conducted in partnership with Deloitte in 2023, we developed ESG metrics, targets and an actionable roadmap for sustainability plans and initiatives.

**Phase 1** | We conducted a peer benchmarking assessment, interviewed internal stakeholders and produced an ESG benchmarking assessment report.

**Phase 2** | We completed a reporting readiness assessment with guidance from King IV and the World Economic Forum (WEF). This resulted in recommendations for future reporting guidelines, ESG and climate change training for management and the Board, and the development of an IT system for reporting. An ESG strategy formulation team participated in a process to identify priority areas. The team conducted a sustainability strategy session with the Board's Sustainability, Ethics and Social Committee in April 2024 to shape a sustainability vision and develop a draft framework.

**Phase 3** | We are focusing on governance and disclosure protocols, clarifying roles and responsibilities, and implementing the sustainability reporting strategy. The strategy is under review and will be fully integrated into MTC's risk management process when it is finalised. ESG risk monitoring continues operationally through the ISO 14000:2015 environmental management system.

MTC invested N\$843 000 in its actions to develop a sustainability strategy and ESG roadmap.

## Creating economic, environmental and social value

In this section of the report, we summarise the economic, environmental and social impacts of MTC's business operations and the value they unlock for our stakeholders. Read more about our CSI approach, activities and social investments in our CSI impact report, available at [www.mtc.com.na](http://www.mtc.com.na)

## Driving an inclusive Namibian digital economy

MTC leverages its competitive advantages to enable Namibian businesses, organisations and consumers. With investments of more than N\$2 billion in its network and systems over the past five years, MTC keeps the majority of Namibians connected to the world and provides 4G/LTE network coverage for schools and hospitals.

The o81Every1 campaign bridges the digital divide between urban and rural communities, stimulating higher economic inclusion and development levels. Through the HTTPS innovation centre and other strategic partnerships, MTC stays at the cutting edge of technology advances, incubating start-up enterprises and developing solutions for the betterment of Namibian society.

## SUPPORTING LASTING CHANGE IN NAMIBIA

MTC's corporate social investment (CSI) initiatives tackle a range of social challenges in Namibia through:

- Support for youth employment to alleviate joblessness and poverty
- Fundraising events to address gender-based violence, homelessness and other complex social challenges
- Social investments in education, health, SME development and job creation, poverty alleviation, support for orphans and vulnerable children and environmental sustainability

## OUR RESPONSIBLE BUSINESS PRACTICES

MTC has implemented measures to reduce its environmental impact by monitoring energy and fuel usage, managing e-waste, conserving water and conducting environmental awareness and training.

### REDUCING CARBON FOOTPRINT

MTC's fleet of petrol and diesel vehicles, as well as its generator-operated sites, contribute to carbon emissions. We are calculating the total power consumption and emissions from all our sources so that we know how much carbon we emit and can establish realistic annual reduction targets.

A Scope 1 and Scope 2 carbon footprint assessment was carried out to quantify our GHG emissions for the previous financial year. The data obtained will enable us to set realistic annual reduction targets and track progress.

#### Actions to date

- Converted the head office, technical offices and 120 network sites to solar power in 2020 and focused on sourcing more energy from renewable sources
- Altered procurement practices to mitigate environmental impacts of all newly deployed technologies and swapping indoor base station equipment with energy-efficient outdoor units
- Replaced backup batteries with maintenance-free gel-type batteries and considered lithium-ion batteries for future use
- Exploring innovative ways to reduce power, including shutting down transceivers that transmit and receive signals during low traffic loads

### MAINTAINING SAFE RADIATION LEVELS

MTC obtains certificates for all MTC base stations to ensure they comply with the International Commission on Non-ionising Radiation Protection Standards (ICNIRP) guidelines for radiation.

#### Actions to date

- MTC subscribes to ICNIRP Guidelines on Limiting Exposure to Electromagnetic Fields to protect humans exposed to radiofrequency electromagnetic fields (RF) in 100 kHz to 300 GHz ranges. The guidelines cover many applications such as 5G technologies, Wi-Fi, Bluetooth, mobile phones and base stations. As a function of the frequency, limits are generally based on the potential of low-frequency electric and magnetic fields and RF radiation.
- Environmental studies are approved by the relevant legislative bodies.

### CONSERVING WATER

Water scarcity in Namibia has prompted conscious water consumption practices.

#### Actions to date

- MTC started to monitor water consumption as from Feb 2024.
- Target will be set by 31 January 2025.

### ENVIRONMENTALLY RESPONSIBLE EQUIPMENT: MAINTENANCE-FREE LEAD ACID BATTERIES

Following the decommissioning of the supercapacitor and lithium-ion batteries, MTC is tracking the environmental impact of maintenance-free lead acid batteries, which are more technologically advanced and have a lower environmental impact than lithium-ion batteries.

### REDUCING E-WASTE

E-waste generated by MTC is recycled through partnerships with Nami Green and other accredited scrap dealers.

#### Actions to date

- 52 100 kg (2023: 1 646 kg) of electronic waste was collected and recycled during 2024, preventing the release of 887 704 kg (2023: 2 365 kg) of carbon dioxide emissions
- Obsolete IT hardware is stored separately from other waste to avoid contamination

# OUR CORE FOCUS AREAS

Since 2022, we have invested in CSI initiatives that reflect our six key focus areas. These areas are unpacked in detail in our CSI impact report.



## Education

The quality of education impacts a country's economic trajectory. Ensuring that Namibia is on a path to economic prosperity starts with the education that children receive.

MTC has partnered with the Ministry of Education, Arts and Culture and the MVA Fund to build and restore dilapidated infrastructure in schools. We want to ensure that learners are taught in a safe and conducive environment to enhance their learning experience.



## Poverty alleviation

Many Namibians struggle to meet their basic daily needs, such as food and shelter. According to the World Food Programme, 18% of Namibia's population lives below the national poverty line.<sup>1</sup>

MTC supports the Development Workshop Namibia's (DWN) land delivery programme, which provides affordable plots in urban residential areas.

<sup>1</sup> <https://www.wfp.org/countries/namibia>



## SME development and job creation

SMEs are crucial players in Namibia's developing economy. Small businesses promote entrepreneurship and create employment opportunities. MTC and its partners equip small business owners with skills, tools, and funding to grow their businesses.



## Health

Thousands of patients receive life-changing eye surgeries at our public hospitals monthly. MTC supports the public health sector by providing the necessary equipment and resources for operating on patients with poor vision.



## Supporting orphaned and vulnerable children

MTC understands the importance of protecting and caring for children during the ECD stage. This foundational stage of their lives can have a lasting positive or negative impact.

We have teamed up with organisations that provide children with a safe environment that enables them to thrive. This includes Hope Village, which houses 75 orphaned and vulnerable children in Windhoek.



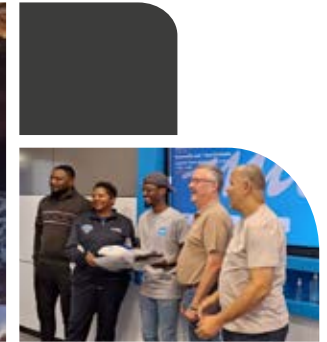
## Environment

Namibia faces environmental challenges such as frequent droughts, inconsistent rainfall, and high temperatures. These impact the country's crop production, food security, water resources, and biodiversity. MTC has partnered with the City of Windhoek to educate residents about recycling and improving solid waste management.

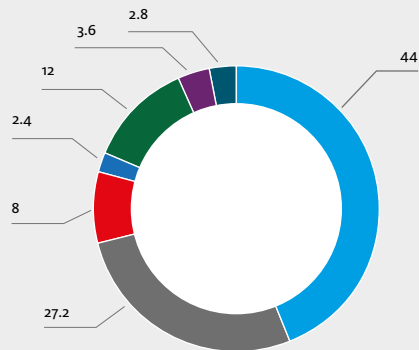
# CSI PROJECTS WE SUPPORTED IN 2024

We support sustainable projects that will have a lasting impact on Namibian communities. We collaborate with like-minded partners in the public and private sectors, and NGOs.

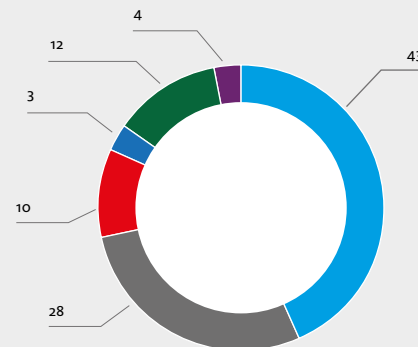
This year, we committed N\$12.7 million to support CSI initiatives across our core focus areas.



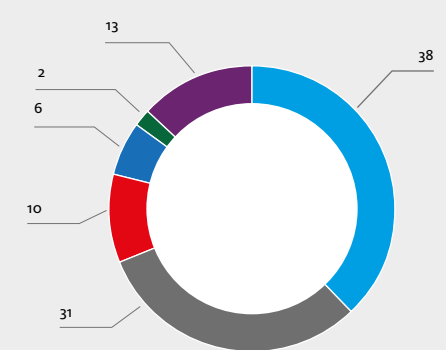
2024 CSI funding allocation (%)



2023 CSI funding allocation (%)

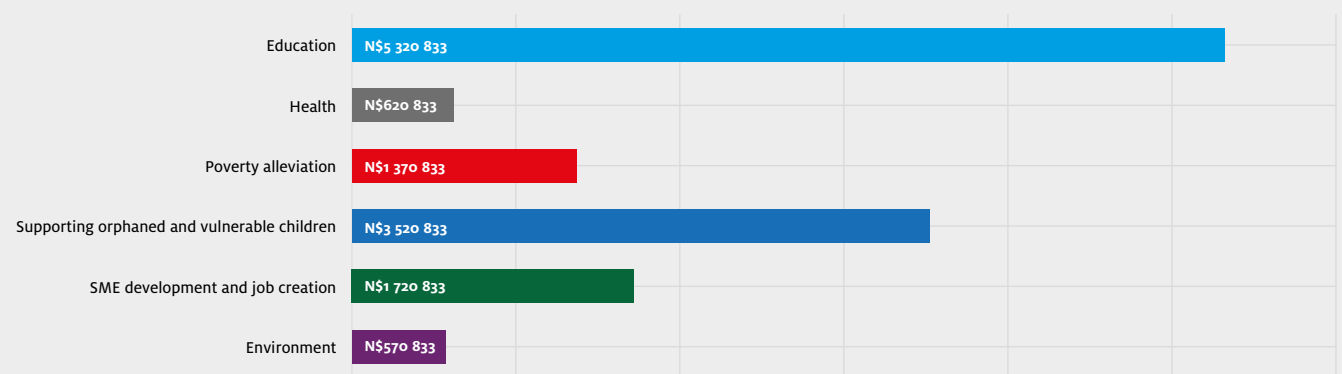


2022 CSI funding allocation (%)



- Education
- Supporting orphaned and vulnerable children
- Poverty alleviation
- Health
- SME development and job creation
- Environment
- Other

2023 CSI funding allocation (N\$)

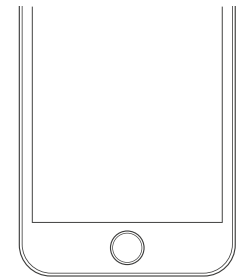


Read more in our CSI impact report.

“ MTC’s remuneration policy and practices were independently reviewed and benchmarked in 2024 to ensure they are market-based, fair and competitive.

# OUR APPROACH TO REMUNERATION

# 07



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Part 2: Remuneration policy	73
Part 3: Implementation of the remuneration policy	75

## The structure of our report

Our remuneration report is divided into the following three sections:  
 Part 1: An overview, page 72  
 Part 2: Remuneration policy, page 73  
 Part 3: Implementation of the remuneration policy, page 75



**Andrew Kanime**  
(Chairperson)



**Theofelus Mberirua**



**Toini Muteka**  
(Resigned 30 September 2024)



**Ruusa Shipiki**

## Report from the Human Resources and Remuneration Committee

**Shareholders' guide:** The overview describes the mandate and structure of the Human Resources and Remuneration Committee and sets out its key focus areas during 2024 and its plans for 2025.

### HUMAN RESOURCES AND REMUNERATION COMMITTEE

Assists the Board in discharging its duties related to fair and responsible human resources and remuneration practices.

#### Summarised terms of reference

##### Board-specific

- Ensure fair and responsible remuneration of Non-executive Directors and provide accurate and complete disclosure of director remuneration
- Determine and recommend the policy governing the fee and remuneration structure for the Board and Board committees and review directors' fees annually
- Assist in the performance evaluations of the Board, directors and members of Board committees and make recommendations to the Board
- Monitor implementation of the Board's Code of Conduct
- Oversee succession planning for the Board and its committees

##### Ambassadors and executive directors

- Determine and recommend the remuneration strategy, policy, framework and service conditions
- Approve and recommend the general principles of the award of remuneration adjustments and increases, bonuses and incentive awards, and the quantum and allocation methodology of the annual bonus pool
- Recruit and recommend the MD appointment, approve the appointment and dismissal of Exco members, as recommended by the MD and do MD performance appraisals
- Oversee succession planning for executive and senior management

#### 2024 focus areas

- Conducted an independent review and benchmarking of our remuneration policy and incentive schemes to ensure they are market-related
- Strengthened shareholder engagement on remuneration matters and achieved alignment on amendments to the remuneration policy, which were submitted to the Board for approval and will be submitted to shareholders for approval at the AGM
- Reviewed the employee value proposition to retain and attract the best talent that will enable the business to grow sustainably
- Ensured that MTC continues to invest in its existing skills base in support of the transition to a digital services provider
- Launched an employee culture transformation programme to foster a positive workforce culture

### Composition

Chaired by an Independent Non-executive Director. Comprised of three Independent Non-executive Directors, including the Board Chairperson.

### Permanent invitees

Managing director; HR Officer

Independent

3/3

Minimum meetings per year

4

Actual meetings per year

4

Meeting attendance

94%

#### 2025 focus areas

- Oversee implementation of the remuneration benchmarking and the redesign of the STI and LTI schemes
- Oversee implementation of the employee culture transformation
- Oversee implementation of the Fit-for-Purpose programme in MTC's Technical Department to adapt its structure to support the future direction of MTC as it transitions from a mobile network operator to a digital services provider
- Maintain commitment to shareholder engagement on remuneration matters to ensure alignment between leadership incentives and shareholder expectations



“ **MTC aligns its employee value proposition with its commitment to pay fair and responsible remuneration that attracts and retains talent.** ”

## Reflections from the committee’s outgoing Chairperson

On behalf of the Board, I am pleased to present MTC’s 2024 remuneration report. The report provides shareholders and other stakeholders with information on MTC’s remuneration policy and procedures and describes how the policy was implemented in 2024. The report also provides an overview of the work of the Human Resources and Remuneration Committee (the committee) in 2024 and the matters the committee will continue to pay attention to in 2025.

The committee had a busy and productive year, reflecting the significant strategic changes that MTC is undergoing. These changes occur within complex market dynamics that shape our operating environment and are considered in the committee’s decision-making. In particular, we considered:

- The impact of cost escalation on our ambassadors, partially mitigated by the government’s new tax relief for Namibians who earn less than N\$100 000
- The need to balance the financial pressures on employees against the impact of challenging economic conditions on MTC’s business
- Critical skills shortages and the need to ensure that MTC is competitive in attracting, motivating and retaining talent

With these factors in mind, the committee oversaw the implementation of measures to build the human capital capacity and culture required to implement MTC’s longer-term strategy. In addition, we implemented measures to ensure that MTC’s remuneration and reward structures support the strategy.

An independent review and benchmarking of MTC’s remuneration policy and practices was conducted to ensure they are market-based, effective in motivating and retaining talent, and aligned with shareholders’ expectations. This exercise resulted in proposed amendments to MTC’s short-term incentive (STI) and long-term incentive (LTI) schemes. These were submitted to the Board for approval.

Following an engagement survey and culture audit in 2023, MTC launched an employee culture transformation programme to support strong organisational performance and foster an enabling and inclusive organisational culture. In doing so, the committee seeks to ensure high-performing, engaged, and motivated ambassadors and a culture and operating environment that values diversity and inclusion, personal respect and safety, talent management, and professional development. Detailed information on implementing our HR strategy is available on page 69.

I thank my colleagues on the Board, particularly my fellow committee members, for their support in fulfilling the committee’s mandate. I acknowledge the commitment of Exco, management and our teams as they continue to focus on creating and preserving value for MTC’s stakeholders.

The Board will put the remuneration policy and the implementation report forward for non-binding advisory shareholder resolutions at the next AGM.

### Toini Muteka

*Chairperson of the HR and Remuneration Committee*

## Part 1: An overview

**Governance outcome - Statement of fairness and responsibility:** We review MTC’s remuneration and reward to ensure that our pay is fair, responsible and transparent. Our employees’ remuneration should be deemed impartial, objective and rational. We strive to ensure this is implemented consistently in the company.

### External advisors

MTC used the services of Khokhela Remuneration Advisors to provide remuneration benchmarking services. The committee considered and interrogated this advice and is satisfied that Khokhela is independent.

### Shareholder engagement

At the AGM on 8 March 2024, non-binding resolutions on the 2023 remuneration policy and implementation report were presented and voted on as follows:

	2023 (% for)	Shares in issue that voted (%)
Remuneration policy	2.91	93.44
Implementation of the remuneration policy	9.92	93.45

The advisory votes on the remuneration policy and implementation report were supported by less than 75% of shareholders present in person or represented by proxy at the AGM, and the remuneration policy and implementation report were therefore not approved by shareholders.

MTC communicated with the main shareholders to understand their concerns. In further engagements to discuss the proposed amendments to MTC’s remuneration policy, which considered shareholders’ concerns, MTC and its main shareholders were aligned on the amendments required to the remuneration policy.

The Board is committed to engaging with shareholders through the following process:

**1. Engage with shareholders before the AGM.**

**2. Issue a NENS announcement on the voting results.**

**3. Invite dissenting shareholders to participate in face-to-face engagements with Board members.**



## Part 2: Remuneration policy

**Shareholders' guide:** this section of the report sets out the remuneration policy, including the remuneration structure and the basis for determining bonus awards in the 2024 financial year.

The key objectives that drive our remuneration policy are:

- Alignment with and support of MTC's strategy
- Alignment with best practices in the Namibian market and the telecommunications industry
- Remuneration and reward are based on individual and company performance, with company performance assessed according to Net profit before tax.

### Remuneration structure

MTC's remuneration structure provides for guaranteed and variable remuneration components. The guaranteed component comprises the ambassadors' total cost to company (TCTC). The variable portion is an annual performance bonus linked to a performance management system. This policy focuses on all ambassadors' remuneration options.

MTC increased salaries by 5% in 2024 and an increase of 5% was awarded for 2025.

Bonuses are calculated according to:

#### 1. Company financial performance

Our business's performance, encompassing our ambassadors' collective performances, is based on actual profit before tax (PBT) measured against budgeted PBT.

#### 2. Individual performance

Our ambassadors set and agreed on KPIs that are aligned with business performance and measured against the effective and efficient achievement of these indicators.

#### 3. Customer and dealer value survey (CVM)

As a highly valued contributor to the success of our business, customer satisfaction is considered when determining bonus entitlements.

COMPONENT, OBJECTIVE AND LINK TO STRATEGY	POLICY	FUTURE CHANGES
<b>Total cost to company</b>		
<b>Base package</b> Market-related packages designed to attract and retain ambassadors align with the role's scope, nature, and skills requirements. Salary increases are based on market trends and MTC's financial performance. Reviewed annually in October.  MTC accumulates 13% of ambassadors' TCTC to retain ambassadors over five years of service. 70% and 30% of the accumulated value is paid to ambassadors after the fifth and seventh years of service, respectively, provided they achieve a minimum average performance score of 70% over the period.	To pay all ambassadors, including executive management, market-related remuneration for expected performance, and differentiating through the performance bonus.  Exco proposes all increases to the Human Resources and Remuneration Committee, which recommends them to the Board for approval.	No changes are proposed for 2025
<b>Benefits</b> Ambassadors receive a range of retention benefits, including: <ul style="list-style-type: none"> <li>• A 60% medical aid allowance</li> <li>• Personal insurance at company rates and ambassador financial support at affordable rates</li> <li>• Fuel and maintenance allowances</li> <li>• Monthly airtime and two-yearly cell phone or handset benefits</li> <li>• Training and development opportunities and employee bursaries</li> <li>• Long-service awards</li> <li>• Employee housing subsidy scheme for home-owning or home-acquiring ambassadors in the Paterson Grades A – D2</li> <li>• Severance pay eligibility for early (55+ years) and normal retirees</li> <li>• Airtime allowances and a basic short-term medical aid subsidy for temporary employees</li> </ul>	RFS Fund Administrators Proprietary Limited administers MTC's pension fund. All members contribute 7% or 14% of 60% of their monthly package. MTC's contribution is included in the TCTC.  Spousal covers pay one times the ambassador's annual TCTC and funeral benefits.  Ambassadors must be members of one of three company-nominated medical aids: Namibia Medical Care, Namibia Health Plan or Renaissance Health. Membership is compulsory. Premiums are based on the member's age and number of dependents. 60% of the premium is subsidised.  Group life cover for executive management is five times the annual salary and three times the annual salary for other ambassadors.	No changes are proposed for 2025

**COMPONENT, OBJECTIVE AND LINK TO STRATEGY**

**POLICY**

**FUTURE CHANGES**

**Performance bonus – short-term incentive**

Executive management and ambassadors receive an annual performance bonus to motivate and incentivise the achievement of financial and non-financial strategic targets.

Performance bonuses are based on a robust performance management system that aligns recognition and reward with the business strategy.

Each ambassador agrees to a set of KPIs against which they are assessed. These KPIs are derived from departmental objectives linked to MTC’s strategic objectives.

MTC pays performance bonuses annually in December, after the year-end, but offers ambassadors the option to defer one-third of the payment to the following June.

Performance bonuses are paid to permanent ambassadors considering three dimensions:

1. Individual performance indicators: *Employee’s individual performance against their KPIs*
2. Company economic performance indicator: *The business performance, which all employees collectively drive*
3. Customer service factor: *Demonstrating the importance of customer satisfaction*

The following formula is applied consistently across employee and executive grades:

$[(\text{Monthly salary} \times \text{customer service factor}) + (\text{Monthly salary} \times \text{performance appraisal factor} \times \text{company economic performance factor})] \times \text{period employed}$

The maximum potential bonus is 3.25 x monthly TCTC, with the exception of the MD’s bonus which is determined by a maximum multiplier of 6 due to the fact that the MD’s employment contract is a five-year fixed-term contract.

The STI and LTI policies are now under review.

**Severance arrangements**

As required by Namibian labour law, severance benefits are paid to eligible MTC employees in the event of a permanent separation initiated by MTC and occurring through no fault of the employee, or if the employee dies. Severance pay eligibility extends to early retirees (55+ years) and normal retirees. It does not apply in cases of poor performance or misconduct.

Severance pay is calculated based on at least one week of remuneration for each year of continuous service after 12 months of uninterrupted service. Financial provision is made for severance pay, based on actuarial calculations of the severance obligations to all current ambassadors, including the Exco.

The contracts of executive management were benchmarked during the year.

There are no malus and clawback provisions in MTC’s remuneration policy.

**Policy for determining Non-executive Directors fees**

MTC remunerates a fee per sitting as well as a retainer fee for the Board and each committee. Fees are determined by the Board following a market study and confirmed at the AGM.



## Part 3: Implementation of remuneration policy during 2024

**Shareholders' guide:** This section of the report explains the implementation of the remuneration policy by providing details of the remuneration paid to executive management and Non-executive Directors.

### Executive remuneration

MTC considered the consumer price index and performance against strategic targets in deciding to increase salaries by 5% for all permanent ambassadors, including executive management, effective from 1 October 2024. Performance bonuses were accrued as per policy

#### 2024

Executive directors N\$'000	2024			Subsistence and travel allowance	Total
	Salary	Allowances (medical, housing, etc.)	Bonuses		
LR Erastus	3 853	1 053	2 260	158	7 324
MJ Smit	2 530	367	640	123	3 660
Key management	13 156	3 957	4 265	983	22 361
<b>Total</b>	<b>19 539</b>	<b>5 377</b>	<b>7 165</b>	<b>1 264</b>	<b>33 345</b>

#### 2023

Executive directors N\$'000	2023			Subsistence and travel allowance	Total
	Salary	Allowances (medical, housing, etc.)	Bonuses		
LR Erastus	3 624	1 041	1 827	137	6 629
MJ Smit	2 397	357	774	116	3 644
Key management	14 515	4 173	3 605	806	23 099
<b>Total</b>	<b>20 536</b>	<b>5 571</b>	<b>6 206</b>	<b>1 059</b>	<b>33 372</b>

## Non-executive Directors fees

Non-executive Directors' fees did not increase in 2024.

	Directors emoluments paid/receivable for services as director from group N\$'000	Subsistence and travel allowance N\$'000	Total remuneration N\$'000
<b>2024</b>			
<b>Group</b>			
T Mberirua	498	151	649
W Schuckmann	324	34	357
RR Shipiki	353	59	412
T Gawaxab	364	84	449
A Kanime	39	36	75
T Hiwilepo	55	–	55
F George	47	59	107
J Namaseb	128	–	128
K Kandume	90	–	90
G Vermaas	84	–	84
TNZ Muteka	385	25	410
S Galloway	170	25	195
<b>Total directors emoluments</b>	<b>2 537</b>	<b>473</b>	<b>3 010</b>

	Directors emoluments paid/receivable for services as director from group N\$'000	Subsistence and travel allowance N\$'000	Total remuneration N\$'000
<b>2023</b>			
<b>Group and Company</b>			
T Mberirua	373	–	373
TNZ Muteka	306	30	336
W Schuckmann	316	–	316
RR Shipiki	294	–	294
T Gawaxab	302	40	342
S Galloway	307	–	307
<b>Total directors emoluments</b>	<b>1 898</b>	<b>70</b>	<b>1 968</b>

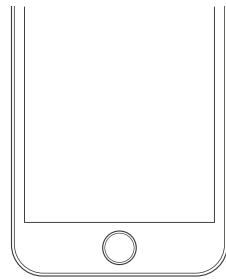


Early victories in connecting families turned distant voices into close conversations.

08

# ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024



1995

MTC was established in a joint venture with the Namibian government. Foreign investors held minority shares and contributed technology and industry knowledge.

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# GENERAL INFORMATION

<b>Country of Incorporation and Domicile</b>	Namibia
<b>Registration Number</b>	94/458
<b>Registration Date</b>	6 October 1994
<b>Nature of Business and Principal Activities</b>	Provision for cellular network and related services in Namibia
<b>Directors</b>	T Mberirua W Schuckmann RR Shipiki T Gawaxab A Kanime T Hiwilepo LR Erastus MJ Smit F George
<b>Registered Office</b>	Corner of Hamutenya Ndadi & Moses Tjitendero Street Olympia Windhoek Namibia
<b>Auditors</b>	PricewaterhouseCoopers, Registered Accountants and Auditors Chartered Accountants (Namibia)
<b>Company Secretary</b>	Ndahambelela Haikali
<b>Holding Company</b>	Namibia Post and Telecommunications Holdings Limited incorporated in Namibia
<b>Ultimate controlling party</b>	Ministry of Finance and Public Enterprises of the Republic of Namibia

# DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Namibian Companies Act 28 of 2004 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. These consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

The 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 directors set 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 group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate 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 basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the directors have no reason to believe that the group will not be a going concern in the foreseeable future. The consolidated and separate annual financial statements support the viability of the group.

The consolidated and separate annual financial statements have been audited by the independent auditing firm, PricewaterhouseCoopers, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the shareholder, the directors and committees of the directors. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's unqualified audit report is presented on pages 79 to 80.

The consolidated and separate annual financial statements set out on pages 81 to 145, which have been prepared on the going concern basis, were approved by the directors and were signed on 5 December 2024 on their behalf by:



**Theofelus Mberirua**  
Chairperson



**Werner Schuckmann**  
Chairperson of Audit, Risk and Compliance Committee

# INDEPENDENT AUDITOR'S REPORT

To the Members of Mobile Telecommunications Ltd

## Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Mobile Telecommunications Ltd (the Company) and its subsidiaries (together the Group) as at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of Namibia.

### WHAT WE HAVE AUDITED

Mobile Telecommunications Ltd's consolidated and separate financial statements set out on pages 83 to 147 comprise:

- the directors' report for the year ended 30 September 2024;
- the consolidated and separate statements of financial position as at 30 September 2024;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

## 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 consolidated and separate financial statements* section of our report.

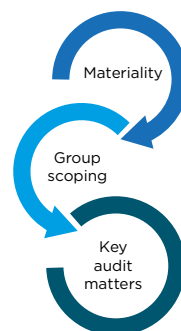
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INDEPENDENCE

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

## Our audit approach

### OVERVIEW



#### Overall Group materiality

- Overall group materiality: N\$ 54,940,850, which represents 5% of consolidated profit before tax.

#### Group audit scope

- Full scope audits were performed on all components based on either their financial significance to the Group or statutory audit requirements.

#### Key audit matters

- Revenue recognition process.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT (continued)

<b>Overall group materiality</b>	N\$ 54,940,850
<b>How we determined it</b>	5% of consolidated profit before tax.
<b>Rationale for the materiality benchmark applied</b>	We chose consolidated profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.

### HOW WE TAILORED OUR GROUP AUDIT SCOPE

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The consolidated financial statements are a consolidation of the Company and its two subsidiaries (each considered a "component") for purposes of our group audit scope. A full-scope audit was performed on the Company, which was considered to be financially significant to the group based on its contribution to the consolidated profit before tax. Full scope audits were performed on all other components due to statutory audit requirements.

All audit work was performed centrally by the group audit team. We obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements as a whole.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition process</b></p> <p>Refer to Note 3.1.1 to the financial statements for the applicable disclosures as it relates to this key audit matter.</p> <p>The Group and Company derives its revenue mainly from the provision of telecommunication services, device sales and rental revenue for the lease of sites to other operators. For the year ended 30 September 2024, the Group and Company recognised revenue amounting to N\$ 3 225 100 000.</p>	<p>Our audit addressed this key audit matter as follows:</p> <p>By engaging in discussions with management and relevant operational staff, we obtained a clear understanding of the Group's and Company's systems and processes used to account for its material revenue streams and the associated risks arising from these revenue streams.</p>

Key audit matter	How our audit addressed the key audit matter
<p>In applying the requirements of IFRS 15</p> <ul style="list-style-type: none"> <li>Revenue from contracts with customers ('IFRS 15'), the Group and Company prepares and processes large amounts of data to recognise revenue. For purposes of our audit, we considered the process for recognising revenue to be an inherent industry risk due the complexity of billing systems, accounting for new products and plans – including multiple element arrangements – and the combination of products sold and tariff structure changes during the year.</li> </ul> <p>We considered the revenue recognition process to be a matter of most significance to the current year audit due to:</p> <ul style="list-style-type: none"> <li>the financial information produced by the Group and Company being dependent on the processing of large amounts of data as well as the inherent industry risks identified and</li> <li>the nature and extent of auditor effort required which included the use of specialized skills.</li> </ul>	<p>With the assistance of our internal digital assurance specialists, we performed the following procedures over usage charges recognised:</p> <ul style="list-style-type: none"> <li>We performed test calls for voice, data, and SMSs. We compared the details of these events (e.g. duration of voice call, volume of data consumed, number of SMSs sent, caller and called parties for voice and SMS, expected event cost) to the system records to ensure completeness, accuracy and validity of event recording which also provided comfort over the switch to bill interfaces. We found no material exceptions;</li> <li>We performed voucher recharges testing by purchasing and loading vouchers and bundles. We inspected the system records to ensure that the purchased vouchers have been completely, accurately and validly allocated to the appropriate customer wallet and in so doing also obtained comfort over the interface between such systems responsible for managing vouchers and customer wallets. We found no material exceptions;</li> <li>In order to assess the completeness, accuracy and validity of tariffs or rates recorded on the system, we performed the following 2 tests: <ul style="list-style-type: none"> <li>(i) we selected a sample of rates from the system and agreed it to the rates per management's approved rate catalogue; and</li> <li>(ii) we selected a sample of rates from said catalogue and agreed these to the rates as recorded in the system.</li> </ul> </li> </ul>



Key audit matter	How our audit addressed the key audit matter
	<p>We found no material exceptions from the tests performed;</p> <ul style="list-style-type: none"> <li>We re-calculated a sample of voice, SMS and data events and compared this to the system records to ensure the events had been completely and accurately rated by the system. We noted no material exceptions;</li> <li>On a sample basis, we re-calculated the customer invoice by aggregating relevant event charges and compared this to the invoices to ensure completeness and accuracy of the invoice as it relates to event charging. We found no material exceptions; and</li> <li>On a sample basis, we reconciled voice, SMS and data event records (including roaming events) originating from the network and compared these to the event records generated by the charging platform in order to assess the accuracy and occurrence of revenue. We found no material exceptions.</li> </ul> <p>Additional testing was performed to obtain comfort over airtime sales, non-usage revenues for post-paid customers, recognition of earned and unearned revenues as well as reconciling sub-systems to the general ledger. These have been briefly summarised below:</p> <ul style="list-style-type: none"> <li>On a sample basis, we agreed airtime and device sales to underlying supporting documentation. We found no material exceptions;</li> <li>On a sample basis, we compared the non-usage charges appearing on post-paid customer invoices to the order management system to ensure such charges were complete, accurate and valid. We found no material exceptions;</li> <li>On a sample basis, we compared (i) relevant post-paid details from the contract to the order management system; and (ii) relevant post-paid customer details from the order management system to the contract. This was to ensure completeness, accuracy and validity of contract information as recorded on the system. We found no material exceptions;</li> </ul>

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> <li>We tested the reconciliation between the billing system and the financial accounting system to ensure that all revenue billed has been recognised. We found no material exceptions;</li> <li>We tested the integration from the Point of Sale (POS) system to the Voucher Management System and General Ledger (GL) by performing a reconciliation to ensure the POS file amounts are completely and accurately recognised in the GL. We found no material exceptions; and</li> <li>We reperformed management's calculation of unearned revenue and we reviewed the relevant journal adjustments to revenue to ensure the completeness and accuracy of revenue and deferred revenue recognition in the GL. No material differences were noted.</li> </ul> <p>We selected a sample of roaming transactions recognised and agreed these to the settlements during the year and performed subsequent receipts testing for settlements that were made after year end. We found no material exceptions</p> <p>For enterprise revenue, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>For a sample of transactions, we agreed to the underlying supporting documentation. No material exceptions were noted.</li> <li>For a sample of new fibre installations, we agreed transactions to the underlying supporting documentation. No material exceptions were noted</li> </ul>

### Other information

The directors are responsible for the other information. The other information comprises the information included in the documents titled "MTC Integrated Annual Report 2024" and "Mobile Telecommunications Limited Consolidated and Separate Annual Financial Statements for the year ended 30 September 2024". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

## INDEPENDENT AUDITOR'S REPORT (continued)

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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 consolidated and separate 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 Group's and 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 Group's and 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 consolidated and separate 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 Group and/or Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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.

*PricewaterhouseCoopers*

#### PricewaterhouseCoopers

Registered Accountants and Auditors

Chartered Accountants (Namibia)

Per: Gerrit Esterhuysen

Partner

Windhoek, Namibia

*Note: The examination of controls over the maintenance and integrity of the Mobile Telecommunications Ltd's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.*

# DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of the company and the group for the year ended 30 September 2024.

## 1. Nature of business

MTC conducts business as a registered telecommunications provider. The principal nature of the business is to invest in the telecommunications infrastructure of Namibia for provisioning of total communication solutions to the customer base. Although MTC is a Namibian company, it also provides international telecommunication solutions through direct liaison with providers of telecommunication services worldwide.

The nature of the business did not change during the year under review.

The group consists of MTC as well as the following entities controlled by the company:

- **Jurgens Thirty Four (Pty) Ltd** – Letting of property
- **Windhoek General Administrators (Pty) Ltd** – Mobile Financial Services
- **MTC Social Responsibility Trust** – Trust established to harness resources for establishing and maintaining infrastructure with the principal focus on the care, welfare and support for children or orphans who cannot rely on the support of their parents and are homeless. The trustees have previously decided to unwind the trust from 30 June 2009 onwards. Before this process was completed the process was halted pending a change in the mandate of the trust to focus on larger corporate social responsibility matters. As at 30 September 2024 the trust had no assets or liabilities to report (2023: Nil).

## 2. Review of financial results and activities

MTC grew revenue by 5.9% (2023: 5.3%), relative to the strategic target of 3% to 6%. The revenue growth was driven primarily by increased demand for high-speed data connectivity, new products and services and growth in roaming services.

Earnings before interest, tax, depreciation and amortisation decreased by 1.8% as revenue growth mitigated higher direct and operating costs. Following a Supreme Court ruling, as reported in the interim results, MTC was found liable for CRAN licence fees for the 2021, 2022 and 2023 financial years. This resulted in a settlement of N\$58.4 million for levies in arrears (reported under contingent liabilities in 2023) and an additional N\$37.9 million for levies due in FY2024. This impacted the EBITDA by N\$96.3 million and 3% on the margin.

The 13.5% increase in operating expenses (2023: 8.4%) included a 13.4% increase in employee costs for temporary workers due to the extension of the SIM registration deadline to March 2024 and additional labour requirements to install certain enterprise products. MTC continues to contain costs within its control to mitigate high inflation, adverse foreign currency fluctuations, and the cost of implementing new technologies that support business growth.

Net profit after tax decreased by 2.7% due to higher depreciation and amortisation associated with capital investments in new technology and infrastructure maintenance. Interest earnings increased due to higher market returns on our investments.

Cost escalation and the extraordinary regulatory costs maintained pressure on the EBITDA margin, resulting in a decline to 45.9%. We continue to monitor our EBITDA margin. The consolidated EBITDA included the MTC Maris operation. This investment in the fintech space is required to ensure future sustainability for the group – which is well above the telecommunications market.

The total active subscribers at year-end were:

	2024	2023
Pre-paid	2 033 992	1 992 126
Post-paid	176 300	167 416
Enterprise	13 369	9 584
	<u>2 223 661</u>	<u>2 169 126</u>

## 3. Authorised and issued share capital

No changes were approved or made to the authorised or issued share capital of the company during the year under review.

Details of the authorised, issued and unissued share capital at 30 September 2024 are set out in note 20 to the financial statements.

Shareholding	2024	2023
Namibia Post and Telecommunications Holdings Limited	60.13%	60.13%
Government Institutions Pension Fund	28.67%	28.67%
Other	11.20%	11.20%
	<u>100.00%</u>	<u>100.00%</u>

## 4. Dividend

The group's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

It is group's intention to pay dividends bi-annually at a minimum of 70% of net profit after tax, subject to the outlook for earnings growth, operating and capital expenditure requirements and acquisitions, together with the level of gearing.

	2024 N\$'000	2023 N\$'000
Declared 4 December 2023, paid 2 February 2024	291 000	–
Declared 30 May 2024, paid 5 July 2024	253 650	–
Declared 5 December 2022, paid 3 February 2023	–	315 000
Declared 31 May 2023 and paid 4 July 2023	–	348 375
	<u>544 650</u>	<u>663 375</u>

Dividend of N\$545 million (2023: N\$663 million) was paid to the shareholders.

## 5. Capital expenditure

For the year under review, capital expenditure approved was N\$893 million (2023: N\$638 million) which included capital expenditure carried forward from the previous financial year. The capital expenditure incurred was N\$715 million (2023: N\$588 million), which was funded out of internal cash generated from operations, with the main aim to ensure capacity in the existing network and extensive coverage within Namibia. The capital expenditure incurred was less than the approved expenditure due mainly to unforeseen delays in capital projects.

## 6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the group during the year under review.

## 7. Interest in subsidiaries

Details of material interests in subsidiary companies are presented in the group annual financial statements in note 15. The Group's consolidated financial statements are available for public use.

### DETAILS OF EACH PRINCIPAL SUBSIDIARY

Name	Country of Inc	Year end
Jurgens Thirty Four (Pty) Ltd	Namibia	30 September 2024
Windhoek General Administrators (Pty) Ltd	Namibia	30 September 2024

Name	Investment amount	Percentage held	Profit/loss after tax
Jurgens Thirty Four (Pty) Ltd	457 520	100%	Refer to note 15
Windhoek General Administrators (Pty) Ltd	100	100%	Refer to note 15

There was no change in amount of issued share capital held of any class during the financial year.

## 8. Holding company

The group's holding company is Namibia Post and Telecommunications Holdings Limited which held 60.13% of the group's equity at year end. Namibia Post and Telecommunications Holdings Limited is incorporated in Namibia.

## 9. Ultimate parent

The group's ultimate controlling party is the Ministry of Finance and Public Enterprises of the Republic of Namibia.

## 10. Directors

The directors of the company during the year and up to the date of this report are as follows:

	Office	Designation	Nationality
T Mberirua	Chairperson	Independent Non-executive	Namibian
W Schuckmann	Director	Independent Non-executive	Namibian
RR Shipiki	Director	Non-executive	Namibian
T Gawaxab	Director	Independent Non-executive	Namibian
A Kanime (appointed 22 July 2024)	Director	Non-executive	Namibian
T Hiwilepo (appointed 22 July 2024)	Director	Independent Non-executive	Namibian
LR Erastus	Managing Director	Executive	Namibian
MJ Smit	Financial Director	Executive	Namibian
F George (appointed 22 July 2024)	Director	Non-executive	Namibian
TNZ Muteka (resigned 30 September 2024)	Director	Non-executive Independent	Namibian
S Galloway (retired 08 March 2024)	Director	Non-executive Independent	Namibian

## 11. Events after reporting date

The Mobile Financial Services ("MTC Maris") was officially launched to the public on the 4th October 2024. This is considered a non-adjusting event as it doesn't not have an impact on the financial statements for the year ended 30 September 2024.

### DIVIDEND DISTRIBUTIONS

On 5 December 2024, an ordinary dividend of N\$370 million (49.27 cents per share) was declared, but has not yet been paid out to the shareholders at the date of these financial statements.

## 12. Going concern

The consolidated and separate 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.

## 13. Secretary

Details of the company secretary is as follows:

<b>Name and surname:</b>	Ndahambelela Haikali
<b>Secretary's business address:</b>	Corner of Hamutenya Ndadi & Mosé Tjitendero Street Olympia Windhoek Namibia

## 14. Independent Auditors

PricewaterhouseCoopers was appointed in accordance with section 278(2) of the Companies Act of 2004 at the AGM held on 8 March 2024.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 September 2024

	Group			Company	
	Notes	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Revenue	5	3 225 100	3 046 878	3 225 099	3 046 878
Other income		23 298	18 059	29 839	18 452
<b>Total income</b>		<b>3 248 398</b>	<b>3 064 937</b>	<b>3 254 938</b>	<b>3 065 330</b>
Cost of sales of finished goods		(313 817)	(337 154)	(313 817)	(337 154)
Direct costs		(505 013)	(373 653)	(495 282)	(370 503)
Sales and marketing		(84 436)	(77 560)	(82 376)	(77 245)
General and administration		(296 580)	(274 715)	(291 653)	(269 317)
Personnel costs		(561 776)	(495 417)	(560 142)	(495 101)
Depreciation		(303 198)	(268 410)	(303 789)	(268 696)
Amortisation		(152 477)	(138 573)	(152 477)	(138 573)
Impairment losses on financial and contract assets		(7 151)	254	(7 151)	254
<b>Profit from operating activities</b>	6	<b>1 023 950</b>	<b>1 099 709</b>	<b>1 048 251</b>	<b>1 108 995</b>
Finance income	7	94 558	70 659	94 535	70 612
Finance costs	8	(19 691)	(21 771)	(19 992)	(22 095)
<b>Profit before tax</b>		<b>1 098 817</b>	<b>1 148 597</b>	<b>1 122 794</b>	<b>1 157 512</b>
Income tax expense	9	(325 936)	(354 422)	(325 937)	(354 513)
<b>Profit for the year</b>		<b>772 881</b>	<b>794 175</b>	<b>796 857</b>	<b>802 999</b>
Owners of Parent		772 881	794 175	796 857	802 999
		772 881	794 175	796 857	802 999
<b>Other comprehensive income net of tax</b>					
<b>Total comprehensive income</b>		<b>772 881</b>	<b>794 175</b>	<b>796 857</b>	<b>802 999</b>
<b>Comprehensive income attributable to:</b>					
Comprehensive income, attributable to owners of parent		772 881	794 175	796 857	802 999
		772 881	794 175	796 857	802 999
<b>Earnings per share from continuing and discontinuing operations attributable to owners of the parent during the year</b>					
Basic earnings per share					
Basic earnings per share (cents)	10	103.05	105.89	-	-
Total basic earnings per share (cents)		103.05	105.89	-	-
Total diluted earnings per share (cents)		103.05	105.92	-	-

# STATEMENTS OF FINANCIAL POSITION

as at 30 September 2024

	Note(s)	Group		Company	
		2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	1 828 993	1 633 734	1 823 931	1 628 730
Right-of-use assets	12	195 099	225 342	198 666	229 275
Intangible assets	14	856 841	781 439	856 841	781 439
Investments in subsidiaries	15	–	–	458	458
Loans to employees	17	1 075	1 525	1 075	1 525
Contract assets	22	67 199	23 151	67 199	23 151
Deferred tax assets	21	549	683	–	–
Long-term deposits		465	50	465	50
<b>Total non-current assets</b>		<b>2 950 221</b>	<b>2 665 924</b>	<b>2 948 635</b>	<b>2 664 628</b>
<b>Current assets</b>					
Inventories	16	81 777	94 558	81 777	94 558
Loan to group company	15	–	–	36 122	9 308
Loans to employees	17	2 906	2 723	2 906	2 723
Trade and other receivables	18	205 581	202 980	205 581	202 980
Contract assets	22	128 003	115 935	128 003	115 935
Investments at fair value	28	822 962	730 382	822 962	730 382
Current tax assets	27	–	5 238	–	5 218
Cash and cash equivalents	19	165 808	146 004	163 991	144 454
<b>Total current assets</b>		<b>1 407 037</b>	<b>1 297 820</b>	<b>1 441 342</b>	<b>1 305 558</b>
<b>Total assets</b>		<b>4 357 258</b>	<b>3 963 744</b>	<b>4 389 977</b>	<b>3 970 186</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	20	25 000	25 000	25 000	25 000
Retained income		2 876 856	2 648 625	2 906 867	2 654 660
<b>Total equity</b>		<b>2 901 856</b>	<b>2 673 625</b>	<b>2 931 867</b>	<b>2 679 660</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease Liability	12	207 389	208 682	210 406	212 377
Deferred tax liabilities	21	381 438	415 945	381 438	415 945
Provisions	23	45 704	39 387	45 704	39 387
<b>Total non-current liabilities</b>		<b>634 531</b>	<b>664 014</b>	<b>637 548</b>	<b>667 709</b>
<b>Current liabilities</b>					
Trade and other payables	24	525 866	470 799	524 686	467 002
Lease Liability	12	36 709	30 068	37 560	30 577
Deferred revenue	25	191 018	125 238	191 018	125 238
Current tax liabilities	27	67 278	–	67 298	–
<b>Total current liabilities</b>		<b>820 871</b>	<b>626 105</b>	<b>820 562</b>	<b>622 817</b>
<b>Total liabilities</b>		<b>1 455 402</b>	<b>1 290 119</b>	<b>1 458 110</b>	<b>1 290 526</b>
<b>Total equity and liabilities</b>		<b>4 357 258</b>	<b>3 963 744</b>	<b>4 389 977</b>	<b>3 970 186</b>

# STATEMENTS OF CHANGES IN EQUITY

for the year ended 30 September 2024

	Group			Company		
	Issued capital N\$'000	Retained income N\$'000	Total N\$'000	Issued capital N\$'000	Retained income N\$'000	Total N\$'000
<b>Balance at 1 October 2022</b>	25 000	2 517 825	2 542 825	25 000	2 515 036	2 540 036
<b>Changes in equity</b>						
Profit for the year	-	794 175	794 175	-	802 999	802 999
Total comprehensive income for the year	-	794 175	794 175	-	802 999	802 999
Dividends	-	(663 375)	(663 375)	-	(663 375)	(663 375)
<b>Balance at 30 September 2023</b>	25 000	2 648 625	2 673 625	25 000	2 654 660	2 679 660
<b>Balance at 1 October 2023</b>	25 000	2 648 625	2 673 625	25 000	2 654 660	2 679 660
<b>Changes in equity</b>						
Profit for the year	-	772 881	772 881	-	796 857	796 857
Total comprehensive income for the year	-	772 881	772 881	-	796 857	796 857
Dividends	-	(544 650)	(544 650)	-	(544 650)	(544 650)
<b>Balance at 30 September 2024</b>	25 000	2 876 856	2 901 856	25 000	2 906 867	2 931 867
Notes	20			20		

# STATEMENTS OF CASH FLOWS

for the year ended 30 September 2024

	Group			Company	
	Notes	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Cash flows from operations</b>					
Cash receipts from customers		3 120 046	3 025 260	3 120 045	3 025 260
Cash paid to suppliers and employees		(1 541 404)	(1 487 828)	(1 520 427)	(1 482 105)
<b>Net cash flows from operations</b>	26	1 578 642	1 537 432	1 599 618	1 543 155
Interest paid		-	(4)	-	(4)
Interest received		94 558	70 659	94 535	70 612
Income taxes paid		(287 793)	(305 140)	(287 928)	(305 140)
<b>Net cash flows from operating activities</b>		1 385 407	1 302 947	1 406 225	1 308 623
<b>Cash flows used in investing activities</b>					
Loan advances paid to subsidiaries		-	-	(20 283)	(4 885)
Proceeds from sales of property, plant and equipment		118	458	118	458
Purchase of property, plant and equipment		(436 015)	(327 730)	(435 955)	(327 730)
Purchase of intangible assets		(227 879)	(195 965)	(227 878)	(195 965)
Investment in money market funds		(1 094 547)	(1 008 827)	(1 094 547)	(1 008 827)
Withdrawals from money market funds		1 001 966	998 312	1 001 965	998 312
Cash advances and loans made to employees		(3 462)	(3 887)	(3 462)	(3 887)
Repayments of cash advances and loans received from employees		3 729	3 127	3 729	3 127
Construction deposit paid		(415)	19 460	(415)	19 460
<b>Cash flows used in investing activities</b>		(756 505)	(515 052)	(776 728)	(519 937)
<b>Cash flows used in financing activities</b>					
Interest payments on lease liability		(19 691)	(21 771)	(19 992)	(22 095)
Payments on lease liabilities		(39 487)	(45 314)	(40 047)	(45 801)
Dividends paid		(544 650)	(663 375)	(544 650)	(663 375)
<b>Cash flows used in financing activities</b>		(603 828)	(730 460)	(604 689)	(731 271)
<b>Net increase in cash and cash equivalents before effect of exchange rate changes</b>		25 074	57 435	24 807	57 415
Effect of exchange rate changes on cash and cash equivalents		(5 270)	2 433	(5 270)	2 433
<b>Net increase in cash and cash equivalents</b>		19 804	59 868	19 537	59 848
Cash and cash equivalents at beginning of the year		146 004	86 136	144 454	84 606
<b>Cash and cash equivalents at end of the year</b>	19	165 808	146 004	163 991	144 454



# ACCOUNTING POLICIES

## 1. Material accounting policies

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

## 2. Basis of preparation and material accounting policy information

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS® Accounting Standards, International Financial Reporting Interpretations Committee (“IFRIC”) interpretations and the companies Act of Namibia, as was effective at the time of preparing the annual financial statements.

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 Namibia Dollars, which is the group and company’s functional presentation and presentation currency. References to “the group” includes the company, unless stated otherwise.

The accounting policies are consistent with the previous period.

### 2.1 SEGMENTAL REPORTING

The group considers its Information and Communication Technology “ICT” segment as its only operating segment. This is in a manner consistent with the internal reporting provided to the chief operating decision-maker, identified as the Executive Committee of the group. The chief operating decision-maker allocates resources to and assesses performance of the operating segment of the entity.

### 2.2 STATEMENT OF COMPLIANCE

The financial statements of the group have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of Namibia.

### 2.3 CONSOLIDATION

#### Basis of Consolidation

The consolidated annual financial statements incorporate the annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through the use of its power over the entity.

The results of subsidiaries are included in the consolidated annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

## 2.4 INTANGIBLE ASSETS

### Definition

An intangible asset is an identifiable non-monetary asset without physical substance. The asset is determined to be identifiable if it either is separable, or arises from contractual or other legal rights.

### Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

An assessment of the probability of expected future economic benefits that will flow to the entity as a result of the use of an asset is made by management before the asset is recognised. This includes using reasonable and supportive assumptions that represent a best estimate of the set of economic conditions that will exist over the useful life of the asset.

### Initial measurement

Intangible assets are initially measured at cost.

Separately acquired assets are initially measured at their purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use.

Acquisitions as part of a business combination are initially measured at fair value at acquisition date.

Acquisitions by way of a government grants are initially measured at fair value.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.4 INTANGIBLE ASSETS (continued)

#### Initial measurement (continued)

Internally generated goodwill is not recognised as an asset.

The cost of assets acquired through an exchange of assets is measured at fair value at acquisition date unless the exchange lacks commercial substance, or the fair value of neither the asset received nor the asset given up is reliably measurable. The acquired asset is immediately measured in this way even if the asset given up cannot immediately be derecognised. If the acquired asset is not measured at fair value, its cost is measured using the carrying amount of the asset given up.

Internally generated intangible assets are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met, bearing in mind the following additional criteria:

- During the research phase, no intangible asset is recognised. Expenditure on research is recognised as an expense when it is incurred.
- During the development phase, an intangible asset will be recognised only if the following can be demonstrated:
  - » it is technically feasible to complete the intangible asset so that it will be available for use or sale;
  - » there is an intention to complete the intangible asset and use or sell it;
  - » there is an ability to use or sell the intangible asset;
  - » it is possible to demonstrate how the asset will generate probable future economic benefits;
  - » there are available financial, technical and other resources to complete the development of the intangible asset as well as to use or sell the intangible asset;
  - » the expenditure attributable to the intangible asset during the development phase can be reliably measured.

Research or development expenditure related to an in-process research or development project acquired separately or in a business combination and recognised as an intangible asset and is incurred after the acquisition of that project is also accounted for in this way.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Expenditure on an intangible asset is recognised as an expense when it is incurred unless it is part of the cost of an intangible asset that meets the recognition criteria or if the item is acquired in a business combination and cannot be recognised as an intangible asset it is recognised as part of goodwill at the acquisition date. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

#### Subsequent measurement – Cost model

After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

#### Amortisation

An intangible asset is regarded by the entity as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Intangible assets with an indefinite useful life are not amortised, but is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired. The intangible asset's determination as having an indefinite useful life is also reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment. Reassessing the useful life of an intangible asset as finite rather than indefinite is an indicator that the asset may be impaired.

For other intangible assets amortisation is allocated on a systematic basis over its useful life. Where an intangible asset has a residual value, the depreciable amount is determined after deducting its residual value.

The residual values of intangibles assets are assumed zero unless:

- there is a commitment by a third party to purchase the asset at the end of its useful life; or
- there is an active market for the asset and:
  - » residual value can be determined by reference to that market; and
  - » it is probable that such a market will exist at the end of the asset's useful life.

Residual values as well as the useful lives of all assets are reviewed annually. Changes in residual values are treated as a change in estimate and treated in accordance with the relevant accounting policies.

The classification of useful lives and amortisation methods for the various classes of assets are as follows:

Asset class	Internally generated or other	Useful life classification	Useful life/ amortisation rate	Amortisation method
Computer software	other	finite	5.88 – 33.33%	Straight line
Network software	other	finite	5.88 – 35.29%	Straight line
Customer base	other	finite	5.88 – 50%	Straight line

#### Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset in which case the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

#### Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.5 PROPERTY, PLANT AND EQUIPMENT

#### Definition

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- are expected to be used during more than one period.

#### Recognition

Property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

#### Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

#### Subsequent measurement – Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

#### Subsequent expenditure

Subsequent expenditure incurred on items of property, plant and equipment is only capitalised to the extent that such expenditure enhances the value or previous capacity of those assets. Repairs and maintenance not deemed to enhance the economic benefit or service potential of items of property, plant and equipment are expensed as incurred.

Where the entity replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

#### Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end. Where there are significant changes in the expected pattern of economic consumption of the benefits embodied in the asset, the relevant changes will be made to the residual values and depreciation rates, and the change will be accounted for as a change in accounting estimate.

The measurement base, useful life or depreciation rate as well as the depreciation method for all major classes of assets are as follows:

Asset class	Measurement base	Useful life/ depreciation rate	Depreciation method
Land	cost model	0%	N/A
Buildings	cost model	5%	straight line
Leasehold improvements	cost model	33.33%	straight line
Motor vehicles	cost model	6.25 – 25%	straight line
Fixtures and fittings	cost model	5.26 – 21.43%	straight line
Computer equipment	cost model	16.44 – 33.33%	straight line
Contract devices	cost model	50%	straight line
Network equipment	cost model	4 – 50%	straight line
Staff handsets	cost model	50%	straight line

## 2. Basis of preparation and material accounting policy information (continued)

### 2.5 PROPERTY, PLANT AND EQUIPMENT (continued)

#### Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

#### Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

### 2.6 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

A financial liability is any liability that is:

- a contractual obligation to deliver cash or another financial asset to another entity to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity.
- a contract that will or may be settled in the entity's own equity instruments and is a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. Also, for these purposes the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments in accordance with paragraphs 16A and 16B, instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation and are classified as equity instruments in accordance with paragraphs 16C and 16D, or instruments that are contracts for the future receipt or delivery of the entity's own equity instruments.

As an exception, an instrument that meets the definition of a financial liability is classified as an equity instrument if it has all the features and meets the conditions in paragraphs 16A and 16B or paragraphs 16C and 16D of ISA32.

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

A financial liability at fair value through profit or loss is a financial liability that meets one of the following conditions:

- upon initial recognition it is designated by the entity as at fair value through profit or loss in accordance with paragraph 4.2.2 or 4.3.5
- it is designated either upon initial recognition or subsequently as at fair value through profit or loss in accordance with paragraph 6.7.1

Financial instruments recognised by the company include:

- Loans receivable
- Trade and other receivables
- Contract assets
- Cash and cash equivalents
- Inter-company loans receivable and payable
- Trade and other payables

## 2. Basis of preparation and material accounting policy information (continued)

### 2.6 FINANCIAL INSTRUMENTS (continued)

#### Classification and recognition

Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

#### Financial assets classification

The group classifies financial assets into the following categories:

- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

#### Financial liabilities classification

The group classifies financial liabilities into the following categories:

- Financial liabilities subsequently measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

#### Initial measurement

##### Financial assets

When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

##### Financial liabilities

Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

##### Financial assets

##### Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
  - » Interest income is included in finance income using the effective interest rate method.
  - » Any gain or loss on derecognition is recognised in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.
  - » Impairment losses are presented as a separate line item in the statement of profit or loss.
  - » The company's financial assets at amortised cost includes trade receivables, and loans to associates and directors included under other non-current financial assets.
- Fair value through OCI: assets held only for collection of principal and interest payments and for selling the financial assets
  - » Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
  - » When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses).
  - » Interest income from these financial assets is included in finance income using the effective interest rate method.
  - » Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
  - » The company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
  - » The company elected to classify irrevocably its non-listed equity investments under this category.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
  - » A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.
  - » The company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.6 FINANCIAL INSTRUMENTS (continued)

#### Subsequent measurement (continued)

##### Equity instruments

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
  - » There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
  - » Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
  - » Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
  - » Changes in the fair value are recognised in other gains/(losses) in the statement of profit or loss as applicable.

##### Financial liabilities

- Fair value through profit or loss: financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss
  - » Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
  - » Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
  - » Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
  - » Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.
- Amortised cost: Loans and borrowings
  - » After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
  - » Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
  - » Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
  - » The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
  - » This category generally applies to interest-bearing loans and borrowings.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

#### Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### Impairment of financial assets

A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.6 FINANCIAL INSTRUMENTS (continued)

#### Loan to subsidiaries

##### Classification

The loan to subsidiaries is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

##### Recognition and measurement

Loans to subsidiaries are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

##### Impairment

For financial assets carried at amortised cost, a loss allowance for the expected credit losses is recognised. The amount of expected credit losses is updated to reflect changes in credit risk.

For assessing whether the credit risk have increased, the group considers any change in the risk of default to occur. The group considers market factors as well as historic credit ratings during the assessment.

##### Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

#### Loans to employees

##### Classification

The loan to employee is classified as a financial asset at amortised cost, and is initially measured at fair value including transaction costs and subsequently measured at amortised cost using the effective interest method.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

##### Recognition and measurement

Loans to employees are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

##### Impairment

For financial assets carried at amortised cost, a loss allowance for the expected credit losses is recognised. The amount of expected credit losses is updated to reflect changes in credit risk.

For assessing whether the credit risk have increased, the group considers any change in the risk of default to occur. The group considers market factors as well as historic credit ratings during the assessment.

##### Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition

#### Trade and other receivables and contract assets

Trade receivables and contract assets are measured at amortised cost using the effective interest rate method less any expected credit losses. Interest income is recognised by applying the effective interest rate except for short-term receivables, when the recognition of interest would be immaterial.

##### Classification

Trade and other receivables and Contract assets, excluding, when applicable, Value Added Tax and prepayments, are classified as financial assets subsequently measured at amortised cost.

Trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Contract assets consists of amounts owed to us by customers but have not yet become due in terms of contracts with the customers.

##### Recognition and measurement

Trade receivables represent amounts owed by customers where the right to payment is conditional only on the passage of time. Trade receivables that are recovered in instalments from customers over an extended period are discounted at market rates and interest revenue is recognised over the expected repayment period. Other trade receivables do not carry any interest and are stated at their nominal value.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.6 FINANCIAL INSTRUMENTS (continued)

#### Trade and other receivables and contract assets (continued)

##### Trade and other receivables denominated in foreign currencies

When trade and other receivables are denominated in a foreign currency, the carrying amount of the receivables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

##### Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables and contract assets, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

Under IFRS 9, the group calculates its allowance for credit losses as expected credit losses (ECLs) for financial assets measured at amortised cost and contract assets. The amount of expected credit losses is updated to reflect changes in credit risk. As mandated by IFRS 9 the group makes use of a provision matrix to determine of expected credit losses on trade and other receivables, loans receivable, contract assets and lease receivables.

The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, excluding the time value of money as there are no significant financing components in the groups trade receivables.

The carrying value of all trade receivables and contract assets recorded at amortised cost is reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual balances are written off when management deems them not to be collectible due to increased credit risk.

For assessing whether the credit risk have increased, the group considers any change in the risk of default to occur. The group considers market factors as well as historic credit ratings during the assessment.

##### Significant increase in credit risk

In assessing whether the credit risk on a receivable or group of receivables has increased significantly since initial recognition, the group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition. The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparts operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise. By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

##### Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is either a breach of financial covenants by the counterpart, or if internal or external information indicates that the counterpart is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the group considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Subsequent to initial measurement Trade and other payables (excluding liabilities created by statutory requirements, revenue charged in advance, deferred revenue and reduced subscriptions) are not interest bearing and are subsequently stated at their nominal values.

##### Write off policy

The group writes off a receivable when, after the receivable has been overdue for more than 90 days and no payment arrangement could be negotiated. Receivables written off are still subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

##### Investments at fair value

Other financial assets are recognised initially at the fair value, including transaction costs except where the asset will subsequently be measured at fair value.

Other financial assets that are equity investments are subsequently measured at fair value through profit or loss. Other investments are subsequently measured at cost less impairment.

Other financial assets that are debt instruments are subsequently measured at amortised cost. Interest income is recognised on the basis of the effective interest method and is included in finance income.

Investments at fair value are money market funds held with Standard Bank, Bank Windhoek Corporate Fund, FNB Namibia Unit trust and Old Mutual-Nedbank Nam Corporate Fund that can be converted into cash within a notice period of 48 hours

##### Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.



## 2. Basis of preparation and material accounting policy information (continued)

### 2.6 FINANCIAL INSTRUMENTS (continued)

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Interest income, calculated on the effective interest method, is included in profit or loss in finance income received.

#### Trade and other payables

##### Classification

Trade and other payables, excluding Value Added Tax and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest rate method results in the recognition of interest expense, then it is included in profit or loss in finance costs paid.

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk.

##### Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Namibia Dollar equivalent using the spot rate at the end of each reporting period. Any resulting foreign exchange gains or losses are recognised in profit or loss.

##### Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

### 2.7 PREPAYMENTS

Prepayments consist of various payments that have been made in advance for goods and services to be received in future. Prepayments are measured at amortised cost, and are derecognised when the goods and services to which the prepayment relate have been received.

### 2.8 INVENTORIES

#### Definition

Inventories are assets:

- held for sale in the ordinary course of business;
- in the process of production for such sale; or
- in the form of materials or supplies to be consumed in the production process or in the rendering of services.

#### Recognition

Inventories are recognised as an asset when

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

#### Measurement

Inventories are measured at the lower of cost and net realisable value using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Current replacement cost is the cost the entity incurs to acquire the asset on the reporting date.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### Recognition as an expense

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised, and the inventory is derecognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and the write-down or reversal is recognised against the expense as indicated above.

A provision is maintained for obsolete or damaged inventory. The level of the provision for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at financial year-end. Movements in this provision are included in the expense recognised as indicated above.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.9 TAX

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:

- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. The amount already paid in respect of current and prior periods which exceeds the amount due for those periods, is recognised as an asset.

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

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

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred tax assets and liabilities

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 goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and 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, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.10 GROUP AS LESSEE

#### Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

#### Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case. All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

#### Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease or not exercising of options to terminate the lease is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

#### Recognition

At inception date, a right-of-use asset and a lease liability is recognised.

#### Measurement

##### Right-of-use assets

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Subsequently, right-of-use assets are measured using the cost model.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are presented in the following table:

	Average useful lives	Depreciation method
Mobile home leases (retail sites)	1.5 – 9 years	Straight-line
Tower site leases (land)	3 – 20 years	Straight-line
Office leases (office spaces)	3 – 15 years	Straight-line
Spectrum licences	10 years	Straight-line

The useful lives of the right of use assets remained consistent with prior year.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The group tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.10 GROUP AS LESSEE (continued)

#### Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the relevant group entity's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

#### Reassessment of the lease liability

Where there are changes in the lease payments, the amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset. Where the carrying amount of the right of use asset is reduced to zero, and there is a further reduction in the measurement of the lease liability, the remaining amount of the remeasurement is recognised in profit or loss.

The remeasurement is performed by discounting the revised lease payments using a revised discount rate where there is a change in the lease term or where there is a change in the assessment of exercising an option contained in the contract. The discount rate is revised to the interest rate implicit in the remainder of the lease term if it can be readily determined, or at the relevant group entity's incremental borrowing rate at the date of the reassessment.

The remeasurement is performed by discounting the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee, or if there is a change in the future lease payments resulting from a change in an index or a rate used to determine those payments. This remeasurement will use an unchanged discount rate unless the change in lease payments resulted from a change in a floating interest rate.

#### Lease modifications

A lease modification is treated as a separate lease if both: the modification increases the scope of the lease by adding the right to use one or more underlying assets, and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Where the lease modification is not accounted for as a separate lease, at the effective date of the lease modification the following changes are made:

- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the relevant group entity's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

Where the lease modification is not accounted for as a separate lease, the remeasurement of the lease liability is accounted for by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss.
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

### 2.11 GROUP AS LESSOR

#### Definition

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

#### Identification of a lease

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease component as well as a non-lease components, the consideration is allocated between the components in accordance with the requirements of revenue from contracts with customers.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.11 GROUP AS LESSOR (continued)

#### Lease term

The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised by the lessee, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised by the lessee.

The assessment of the reasonable certainty of the exercising of options to extend the lease by the lessee, or not exercising of options to terminate the lease by the lessee, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the group's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

#### Classification

Leases are classified as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

#### Finance leases

At the commencement date, assets held under a finance lease are recognised in its statement of financial position and presented as a receivable at an amount equal to the net investment in the lease.

#### Initial measurement

The net investment in the lease is measured using the interest rate implicit in the lease. In the case of a sublease, if the interest rate implicit in the sublease cannot be readily determined, the discount rate used for the head lease (adjusted for any initial direct costs associated with the sublease) is used to measure the net investment in the sublease. Initial direct costs are included in the initial measurement of the net investment in the lease and reduce the amount of income recognised over the lease term.

At the commencement date, the lease payments included in the measurement of the net investment in the lease comprise the following payments for the right to use the underlying asset during the lease term that are not received at the commencement date:

- fixed payments, less any lease incentives payable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided by the lessee, a party related to the lessee or a third party that is financially capable of discharging the obligations under the guarantee;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

At the commencement date, the following is recognised for each of its finance leases:

- revenue being the fair value of the underlying asset, or, if lower, the present value of the lease payments accruing, discounted using a market rate of interest;
- the cost of sale being the cost, or carrying amount if different, of the underlying asset less the present value of the unguaranteed residual value; and
- selling profit or loss (being the difference between revenue and the cost of sale) in accordance with its policy for outright sales to which IFRS 15 applies. A manufacturer or dealer lessor shall recognise selling profit or loss on a finance lease at the commencement date, regardless of whether the lessor transfers the underlying asset as described in IFRS 15.

#### Subsequent measurement

Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the net investment in the lease.

#### Derecognition and impairment

The derecognition and impairment criteria applicable to financial instruments is applied to finance lease assets.

#### Lease modifications

Modifications to a finance lease are accounted for as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to pattern the circumstances of the particular contract.

Modifications to a finance lease that are not accounted for as a separate lease are accounted for as follows:

- if the lease would have been classified as an operating lease had the modification been in effect at the inception date, account for the lease modification as a new lease from the effective date of the modification; and measure the carrying amount of the underlying asset as the net investment in the lease immediately before the effective date of the lease modification.
- otherwise, apply the requirements of IFRS 9.

#### Operating leases

Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis. Another systematic basis is applied if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

Costs, including depreciation, incurred in earning the lease income is recognised as an expense.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and those costs are recognised as an expense over the lease term on the same basis as the lease income.

Depreciation and impairment is calculated and recognised on the underlying asset in accordance with the relevant policy for the class of underlying asset.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.11 GROUP AS LESSOR (continued)

#### Operating leases (continued)

##### Lease modifications

Modifications to an operating lease are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

### 2.12 PROVISIONS AND CONTINGENCIES

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A provision is recognised when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received when the obligation is settled. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement will not exceed the amount of the provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

The present obligation under an onerous contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when:

- there is a detailed formal plan for the restructuring identifying at least the business or part of a business concerned, the principal locations affected, the location, function, and approximate number of employees who will be compensated for terminating their services, the expenditures that will be undertaken and when the plan will be implemented; and
- there has been raised a valid expectation in those affected that the restructuring will be carried out by starting to implement that plan or announcing its main features to those affected by it.

After initial recognition and until the liability is settled, cancelled or expires, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised as a provision, and the amount initially recognised less cumulative amortisation.

Contingent assets and liabilities are not recognised, but details are disclosed in the notes to the consolidated and separate financial statements.

### 2.13 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is income arising in the course of an entity's ordinary activities.

The group derives its revenue primarily from:

- The provision of telecommunication services which is inclusive of roaming, interconnect bulk SMS and fixed line series. Revenue from services provided is recognised over the course of the agreed contract period.
- Device sales to end customers. Revenue from device sales at the point in time when the sale is made.
- Rental revenue for the lease of sites from MTC to other operators.

A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.13 REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

#### Measurement of the main categories of revenue

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for transferring the promised goods or services to the customer.

The group recognises as an asset the incremental costs of obtaining a contract with a customer if the group expects to recover those costs.

When either party to a contract has performed, the group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the group's performance and the customer's payment. The group presents any unconditional rights to consideration separately as a receivable.

#### Provision of telecommunication services

The group provides telecommunication services, encompassing network services, covering data, voice and SMS. It's also inclusive of roaming and interconnect services which are delivered through the MTC network.

Revenue from these services is recognised as they are delivered, based on the proportion of network/digital service units provided during the reporting period relative to the total expected units. Customers benefit from these services as they are simultaneously provided and consumed.

A deferred revenue liability is recorded for amounts received in advance until the services are provided or the likelihood of their use becomes minimal.

#### Sale of devices

Revenue is recognised when customers gain control of the devices, which occurs when possession is transferred. The transaction price for mobile devices is the stand alone selling price of each obligation deliverable in the contract is determined according to the prices that the group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a stand-alone basis. For devices sold separately, payment is made in full at the time of sale. For bundled packages, payment is typically made in equal monthly instalments over the contract period. Contract assets are recorded when customers take possession of devices in postpaid contracts.

#### Installation and activation fees

Revenue from activation and installation fees are recognised over the contract period when the customer is connected to the network and the performance obligation is met. The fees are non-refundable.

#### Significant financing component

Postpaid contracts, including handsets, are reviewed to determine if they involve a significant financing component. Using the practical expedient in IFRS 15, the group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### Trade receivables

A receivable represents the group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the group performs under the contract.

### 2.14 EMPLOYEE BENEFITS

#### Short-term employee benefits

Compensation paid to employees for the rendering of services are recognised at the undiscounted amount paid or expected to be paid in the accounting period in which the services were rendered.

#### Leave pay

The group recognises a liability for employees' rights to annual leave in respect of past service. The amount recognised by the group is based on the current salary of employees and the contractual terms between employees and the group. The expense is included in personnel costs.

#### Bonuses

The group recognises a liability and an expense for management and staff bonuses when it is probable that the economic benefits will be paid, and the amount can be reliably measured. The expense is included in personnel costs.

## 2. Basis of preparation and material accounting policy information (continued)

### 2.14 EMPLOYEE BENEFITS (continued)

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

#### Termination benefits

A liability for termination benefit is recognised at the earlier of when the offer can no longer be withdrawn and when the related restructuring costs are recognised.

### 2.15 RELATED PARTIES

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
  - » has control or joint control of the reporting entity;
  - » has significant influence over the reporting entity; or
  - » is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
  - » The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - » One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - » Both entities are joint ventures of the same third party;
  - » One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - » The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
  - » The entity is controlled or jointly controlled by a person identified as a related party;
  - » A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
  - » The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

## 3. Critical accounting estimates and judgements

The preparation of annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. These judgements, estimates and assumptions are based on historical, forward looking and comparative information and that which is considered reasonable based on the facts and circumstances of the applicable line item. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes to accounting estimates are recognised in the period in which the estimates are revised and applied prospectively.

### 3.1 KEY JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES

The key 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 financial statements, are outlined as follows:

#### 3.1.1 Revenue recognition

Revenue recognition under IFRS 15 necessitates the preparation and processing of large amounts of data and the increased use of management judgements to make estimates to produce financial information.

Those judgements include identification of performance obligations, timing for when each performance obligation is fulfilled, the term of the contract, currently 12 to 36 months (2023: 12 to 36 months), average markup on handsets of 20% (2023: 20%) and application of an effective interest rate of 10% (2023: 10%).

#### 3.1.2 Determination of standalone selling price

Where the group does not sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price the group maximises the use of external inputs. Methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the group or using a cost-plus reasonable margin approach, this method is primarily used with the sale of equipment. Where it is not possible to reliably estimate standalone prices due to lack of observable standalone sales or highly variable pricing, the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract. The standalone price determined for obligations materially impacts the allocation of revenue between performance obligations and impacts the timing of revenue recognition where performance obligations include both those fulfilled over time and those at a point in time. However, this is not considered to be a significant risk of material adjustment to the carrying value of contract related assets or liabilities in the 12 months after the reporting date, if these estimates were to be revised.

#### 3.1.3 Incremental borrowing rate for leases

Recognition of leases under IFRS 16 has required management to use various assumptions and estimates in determination of specifically the expected lease term and the expected discount rate to be applied to various leases.

The group applies the prime interest rate at the inception of the lease as a proxy for the incremental borrowing cost and discount rate used.



### 3. Critical accounting estimates and judgements (continued)

#### 3.1 KEY JUDGEMENTS IN APPLYING THE ENTITY'S ACCOUNTING POLICIES (continued)

##### 3.1.4 Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's historical information, existing market conditions as well as forward looking information at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

##### 3.1.5 Useful lives of property, plant and equipment

Management assesses the appropriateness of the useful lives and residual values of property, plant and equipment at the end of each reporting period and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. When there is a change in the estimated useful life of an asset, the revision is applied prospectively when determining the depreciable amount.

##### 3.1.6 Impairment of trade receivables

The group assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The loss allowance for trade receivables is calculated using the expected credit loss matrix per portfolio, as required by IFRS 9. The only exception is for individually significant trade receivables which are assessed separately and credit losses separately recognised. The matrix is based on historical credit losses, adjusted for national and industry specific economic conditions and forward-looking information present at the reporting date.

##### 3.1.7 Intangible assets

Intangible assets are amortised over their finite useful lives. The carrying amount of intangible assets is reviewed annually and adjusted for impairment if there is any indication that it may be impaired.

### 4. New Standards and Interpretations

#### STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date:	Expected impact:
• Amendment to IAS 12: International tax reform.	01 January 2023	The impact is not material.
• Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12.	01 January 2023	The impact is not material.
• Definition of accounting estimates: Amendments to IAS 8.	01 January 2023	The impact is not material.
• IFRS 17 Insurance Contract	01 January 2023	The impact is not material.

#### STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 October 2024 or later periods:

	Effective date:	Expected impact:
• Amendments to IAS 7 and IFRS 7 Supplier finance.	01 January 2024	Unlikely there will be a material impact
• IFRS 16 Lease liability in a sale and leaseback.	01 January 2024	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12.	01 January 2024	Unlikely there will be a material impact
• IFRS 9 and IFR7 Classification and measurement of financial Instruments.	01 January 2026	Unlikely there will be a material impact
• IFRS 18 presentation and disclosure in financial statements.	01 January 2027	Unlikely there will be a material impact
• IFRS 19 Subsidiary with public accountability disclosures.	01 January 2025	Unlikely there will be a material impact
• IAS 21 – Lack of exchangeability.	01 January 2025	Unlikely there will be a material impact

# NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

## 5. Revenue

### 5.1 REVENUE COMPRISE OF:

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Contract</b>	564 747	677 302	564 747	677 302
Usage Charges	126 682	120 036	126 682	120 036
Monthly subscription fees	410 030	426 855	410 030	426 855
Contract handset revenue	4 991	64 115	4 991	64 115
Other income	23 044	66 296	23 044	66 296
<b>Prepaid</b>	2 006 273	1 892 427	2 006 272	1 892 427
Starter packs	3 850	4 213	3 850	4 213
Usage charges	1 948 582	1 843 165	1 948 581	1 843 165
Other income	53 841	45 049	53 841	45 049
<b>Roaming Income</b>	137 337	97 196	137 337	97 196
Contract	20 565	22 578	20 565	22 578
Visitors	116 772	74 618	116 772	74 618
Handset and accessories sales	283 913	168 720	283 913	168 720
Interconnect income	24 262	22 034	24 262	22 034
Bulk SMS revenue	68 715	56 548	68 715	56 548
Site Rental	20 321	19 132	20 321	19 132
Enterprise services	119 532	113 519	119 532	113 519
	3 225 100	3 046 878	3 225 099	3 046 878
<b>Income from subsidiaries</b>				
Management Fees	-	-	6 541	393

### 5.2 REVENUE IS EARNED FROM:

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Revenue satisfied point-in-time – Sale of goods	303 567	292 332	303 567	292 332
Revenue satisfied overtime – Rendering of services	2 901 212	2 735 414	2 901 211	2 735 414
Revenue satisfied overtime – Site Rental	20 321	19 132	20 321	19 132
Total revenue	3 225 100	3 046 878	3 225 099	3 046 878

## 5. Revenue (continued)

### 5.3 REGULATORY REVENUE

In terms of the Communications Act 8 of 2009, MTC as a licensee in terms of the aforementioned act, is required to submit to CRAN audited financial statements or a separate audited statement which indicates the licensee's turnover, the methodology used to determine and extract the turnover as MTC provides other services and products which are not regulated under the act. The split of the revenue as audited is disclosed below.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Total revenue	3 225 100	3 046 878	3 225 099	3 046 878
<b>Less non-regulated revenue</b>	<b>(352 044)</b>	<b>(356 794)</b>	<b>(352 044)</b>	<b>(356 794)</b>
Reminder fee Income	(3 274)	(3 055)	(3 274)	(3 055)
Excess & Buyout Fees	(10 813)	(55 284)	(10 813)	(55 284)
Enterprise Services	(2 884)	(32 226)	(2 884)	(32 226)
Airtime Advance Service Fee	(46 169)	(33 394)	(46 169)	(33 394)
Postpaid Contract Handset	(4 991)	(64 115)	(4 991)	(64 115)
Handset and Accessories Sales	(283 913)	(168 720)	(283 913)	(168 720)
<b>Total Regulated Revenue</b>	<b>2 873 056</b>	<b>2 690 084</b>	<b>2 873 055</b>	<b>2 690 084</b>

### 5.4 REVENUE RECOGNISED IN RELATION TO CONTRACT LIABILITIES

#### Revenue recognised that was included in the deferred revenue balance at the beginning of the period

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Deferred revenue recognised in current year	125 238	148 390	125 238	148 390

Airtime has a 12-month lifecycle, the prior year carried-forward deferred revenue was fully utilised in the current financial period.

## 6. Profit from operating activities

### PROFIT FROM OPERATING ACTIVITIES INCLUDES THE FOLLOWING SEPARATELY DISCLOSABLE ITEMS

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Auditors Remuneration – external auditors</b>	4 385	3 699	3 678	3 471
Fees for statutory audit	4 422	3 490	3 678	3 262
Fees for other services	–	209	–	209
<b>General and administration</b>				
Bad debts written off	39 179	35 276	39 179	35 276
Research and development	5 314	4 198	5 314	4 198
Consultation and professional fees	32 054	28 992	28 179	24 122
Repairs and maintenance	48 337	38 072	48 337	38 072
Licences	25 526	20 156	25 526	20 156
Administrative services	16 278	18 259	16 268	17 959
Commission	52 191	61 364	52 191	61 364
Audit fees	4 385	3 490	3 678	3 262
Municipal charges	23 220	19 293	23 220	19 293
Loss/(profit) on sales of property, plant & equipment	41	348	41	348
Postage	4 534	3 212	4 534	3 212
Office expenses	14 071	10 654	14 071	10 654
Fuel	10 100	10 541	10 100	10 541
Director remuneration	3 010	1 968	2 708	1 968
Travel & Accommodation	18 340	18 892	18 307	18 892
	296 580	274 715	291 653	269 317

In terms of IAS 1, an entity shall classify expenses and income by function shall disclose additional information on the nature of expenses and income. To improve disclosures in the current financial year, the net impairment losses on financial and contract assets from General and Administration expense and is currently disclosed as a separate line item on the face of the consolidated and separate statement of comprehensive income in line with IAS 1.

Bad debts recovered were reclassified from General and Administration expense, and is currently disclosed as part of other income on the face of the consolidated and separate statement of comprehensive income.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Depreciation and amortisation</b>				
Depreciation on property, plant and equipment	240 596	237 227	240 595	236 944
Amortisation – Intangible assets	152 477	138 573	152 477	138 573
Depreciation on right of use assets	62 602	31 183	63 194	31 752
	455 675	406 983	456 266	407 269
<b>Operating lease charges</b>				
Premises				
• Fellow subsidiary – Powercom (Pty) Ltd	227	–	227	–
• Shareholder – NPTH Limited	170	141	170	141
• Fellow subsidiary – Telecom Limited	419	–	419	–
• External parties	14 651	251	14 651	251
• Radio sites and other	–	740	–	740
	15 467	1 132	15 467	1 132

<sup>(i)</sup> The amounts included relate only to low value leases or leases with a lease term of 12 months or less.

## 6. Profit from operating activities (continued)

### PROFIT FROM OPERATING ACTIVITIES INCLUDES THE FOLLOWING SEPARATELY DISCLOSABLE ITEMS (continued)

The determination of the split between low value and short term leases is not disclosed since this is considered to be impracticable, however the definition of “low value leases” have been detailed in the Accounting Policies.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Personnel costs</b>				
• Salaries and wages	471 834	416 385	470 299	416 069
• Pension Fund contributions	24 112	21 870	24 112	21 870
• medical aid contributions	39 305	32 946	39 305	32 946
• Staff training	8 270	6 380	8 270	6 380
• Other staff cost	18 255	17 836	18 156	17 836
	<u>561 776</u>	<u>495 417</u>	<u>560 142</u>	<u>495 101</u>
Number of employees at year end	843	848	843	848
<b>Cost of sales of finished goods:</b>				
Cost of sales services	12 851	29 924	12 851	29 924
Device cost of sales	266 061	273 846	266 061	273 846
Other cost of sales	23 894	22 852	23 894	22 852
Prepaid cost of sales	11 011	10 532	11 011	10 532
	<u>313 817</u>	<u>337 154</u>	<u>313 817</u>	<u>337 154</u>
<b>Direct costs</b>				
Rentals	126 465	106 672	126 465	106 672
Interconnect	31 187	29 350	31 187	29 350
Licence fee	96 267	7 647	96 267	7 647
Network repairs and maintenance	224 282	201 545	214 551	198 395
Roaming costs	26 812	28 439	26 812	28 439
	<u>505 013</u>	<u>373 653</u>	<u>495 282</u>	<u>370 503</u>
<b>Sales and marketing</b>				
Marketing	53 342	50 456	51 282	50 141
Sponsorship and CSI	31 094	27 104	31 094	27 104
	<u>84 436</u>	<u>77 560</u>	<u>82 376</u>	<u>77 245</u>
<b>Earnings before interest, taxation, depreciation and amortisation (EBITDA)</b>				
Profit from operations	1 023 950	1 099 709	1 048 251	1 108 995
Depreciation	303 198	268 410	303 789	268 696
Amortisation	152 477	138 573	152 477	138 573
	<u>1 479 625</u>	<u>1 506 692</u>	<u>1 504 517</u>	<u>1 516 264</u>

The directors consider EBITDA as an important operational performance measure, as it mirrors the ability to generate cash flows from operations.

## 7. Finance income

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Contract assets	14 666	8 081	14 666	8 081
Bank and other cash	4 924	62 578	4 901	62 531
Investments at fair value	74 968	–	74 968	–
<b>Total finance income</b>	<b>94 558</b>	<b>70 659</b>	<b>94 535</b>	<b>70 612</b>

## 8. Finance costs

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Trade and other payables	–	4	–	4
Lease obligations	19 691	21 767	19 992	22 091
<b>Total finance costs</b>	<b>19 691</b>	<b>21 771</b>	<b>19 992</b>	<b>22 095</b>

## 9. Income tax expense

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Income tax recognised in profit or loss:</b>				
<b>Current tax</b>				
Current year	360 468	276 784	360 468	276 784
<b>Deferred tax</b>				
Originating and reversing temporary differences	(34 530)	77 638	(34 531)	77 729
<b>Total income tax expense</b>	<b>325 938</b>	<b>354 422</b>	<b>325 937</b>	<b>354 513</b>
<b>The income tax for the year can be reconciled to accounting profit as follows: (Percentage reconciliation )</b>				
Profit before tax from operations	1 098 817	1 148 597	1 122 794	1 157 512
Income tax calculated at 32.0%	32.00%	32.00%	32.00%	32.00%
<b>Tax effect of</b>				
Capital portion of depreciation buildings	0.18%	0.17%	0.18%	0.17%
Deemed dividends (FNB, SBN Unit trust & Bank, Capricorn)	(2.14%)	(1.54%)	(2.14%)	(1.54%)
Rate change adjustment	(1.00%)	0.00%	(1.00%)	0.00%
<b>Effective tax rate</b>	<b>29.04%</b>	<b>30.63%</b>	<b>29.04%</b>	<b>30.63%</b>

## 10. Earnings per share

### BASIC EARNINGS PER SHARE

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Basic earnings per share				
From continuing operations (c per share)	103.05	105.89		
<b>The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:</b>				
Profit for the year attributable to owners of the company for continuing operations	772 881	794 175	-	-
Weighted average number of ordinary shares used in the calculation of basic earnings per share	750 000	750 000	-	-

### DILUTED EARNINGS PER SHARE

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Headline earnings per share (c)</b>	103.05	105.92		
<b>The earnings used in the calculation of diluted earnings per share are as follows:</b>				
Earnings used in the calculation of basic earnings per share for continuing operations	772 881	794 175	-	-
Adjusted for Loss/(profit) on disposal of Property and equipment	28	237		
<b>Earnings used in the calculation of diluted earnings per share for continuing operations</b>	<b>772 909</b>	<b>794 412</b>	<b>-</b>	<b>-</b>
<b>Dividend per share</b>				
Interim(c)	38.80	42.00	38.80	42.00
Final (c)	33.82	46.45	33.82	46.45
	72.62	88.45	72.62	88.45

On 5 December 2024, an ordinary dividend of N\$370 million (49.27 cents per share) was declared, but has not yet been paid out to the shareholders at the date of these financial statements.

## 11. Property, plant and equipment

### 11.1 BALANCES FOR THE YEAR – GROUP

	Balance at 30 September 2024			Balance at 30 September 2023		
	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000
Buildings	194 000	(53 020)	140 980	193 825	(43 650)	150 175
Computer equipment	96 261	(65 280)	30 981	96 152	(59 107)	37 045
Contract devices	33 528	(17 615)	15 913	39 122	(17 363)	21 759
Furniture and fittings	38 874	(19 774)	19 100	35 451	(19 873)	15 578
Leasehold improvements	7 161	(5 099)	2 062	6 729	(3 177)	3 552
Motor vehicles	66 405	(40 841)	25 564	49 961	(35 880)	14 081
Network equipment	2 739 428	(1 317 848)	1 421 580	2 398 294	(1 224 479)	1 173 815
Staff Handsets	4 016	(1 895)	2 121	3 290	(1 587)	1 703
Capital work in progress	170 692	–	170 692	216 026	–	216 026
	3 350 365	(1 521 372)	1 828 993	3 038 850	(1 405 116)	1 633 734

### 11.2 MOVEMENTS FOR THE YEAR – GROUP

	Carrying amount at 1 October 2023 N\$'000	Additions N\$'000	Depreciation N\$'000	Disposals N\$'000	Transfers N\$'000	Carrying amount at 30 September 2024 N\$'000
<b>Movements for year ended 30 September 2024</b>						
Buildings	150 175	205	(9 400)	–	–	140 980
Computer equipment	37 045	10 661	(20 911)	(13)	4 199	30 981
Contract devices	21 759	13 149	(18 995)	–	–	15 913
Furniture and fittings	15 578	7 497	(6 035)	–	2 060	19 100
Leasehold improvements	3 552	638	(2 128)	–	–	2 062
Motor vehicles	14 081	16 794	(5 276)	(35)	–	25 564
Network equipment	1 173 815	214 090	(176 025)	(67)	209 767	1 421 580
Staff handsets	1 703	2 289	(1 826)	(45)	–	2 121
Capital work in progress	216 026	170 692	–	–	(216 026)	170 692
	1 633 734	436 015	(240 596)	(160)	–	1 828 993



## 11. Property, plant and equipment (continued)

### 11.2 MOVEMENTS FOR THE YEAR – GROUP (continued)

Movements for year ended 30 September 2023	Carrying amount at 1 October 2022 N\$'000	Additions N\$'000	Depreciation N\$'000	Disposals N\$'000	Transfers N\$'000	Carrying amount at 30 September 2023 N\$'000
Buildings	159 679	178	(9 682)	–		150 715
Leasehold improvements	5 019	705	(2 172)	–		3 552
Motor vehicles	12 471	6 878	(5 179)	(89)		14 081
Furniture and fittings	16 400	5 408	(6 165)	(65)		15 578
Contract devices	16 433	22 026	(16 700)	–		21 759
Computer equipment	43 774	8 566	(15 253)	(41)		37 045
Capital work in progress	247 608	216 026	–	–	(247 608)	216 026
Staff handsets	1 516	1 933	(1 700)	(46)		1 703
Network equipment	1 041 137	66 010	(180 375)	(565)	247 608	1 173 815
	1 544 037	327 730	(237 227)	(806)	–	1 633 734

### 11.3 BALANCES FOR THE YEAR – COMPANY

	Balance at 30 September 2024			Balance at 30 September 2023		
	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000
Buildings	188 335	(52 359)	135 976	188 160	(42 989)	145 171
Computer equipment	96 261	(65 280)	30 981	96 152	(59 107)	37 045
Contract devices	33 528	(17 615)	15 913	39 122	(17 363)	21 759
Furniture and fittings	38 820	(19 733)	19 087	35 410	(19 832)	15 578
Leasehold improvements	7 161	(5 099)	2 062	6 729	(3 177)	3 552
Motor vehicles	66 405	(40 841)	25 564	49 961	(35 880)	14 081
Network equipment	2 739 428	(1 317 848)	1 421 580	2 398 294	(1 224 479)	1 173 815
Staff handsets	3 969	(1 893)	2 076	3 290	(1 587)	1 703
Capital work in progress	170 692	–	170 692	216 026	–	216 026
	3 344 599	(1 520 668)	1 823 931	3 033 144	(1 404 414)	1 628 730

## 11. Property, plant and equipment (continued)

### 11.4 MOVEMENTS FOR THE YEAR – COMPANY

	Carrying amount at 1 October 2023 N\$'000	Additions N\$'000	Depreciation N\$'000	Disposals N\$'000	Transfers N\$'000	Carrying amount at 30 September 2024 N\$'000
<b>Movements for year ended 30 September 2024</b>						
Buildings	145 171	205	(9 400)	–	–	135 976
Computer equipment	37 045	10 661	(20 911)	(13)	4 199	30 981
Contract devices	21 759	13 149	(18 995)	–	–	15 913
Furniture and fittings	15 578	7 484	(6 035)	–	2 060	19 087
Leasehold improvements	3 552	638	(2 127)	–	–	2 062
Motor vehicles	14 081	16 794	(5 276)	(35)	–	25 564
Network equipment	1 173 815	214 090	(176 025)	(67)	209 767	1 421 580
Staff Handsets	1 703	2 242	(1 826)	(43)	–	2 076
Capital work in progress	216 026	170 692	–	–	(216 026)	170 692
	1 628 730	435 955	(240 595)	(159)	–	1 823 931
<b>Movements for year ended 30 September 2023</b>						
Buildings	154 392	178	(9 399)	–	–	145 171
Leasehold improvements	5 019	705	(2 172)	–	–	3 552
Motor vehicles	12 471	6 878	(5 179)	(89)	–	14 081
Fixtures and fittings	16 400	5 408	(6 165)	(65)	–	15 578
Contract devices	16 433	22 026	(16 700)	–	–	21 760
Computer equipment	43 774	8 566	(15 254)	(41)	–	37 045
Capital work in progress	247 608	216 026	–	–	(247 608)	216 026
Staff handsets	1 516	1 933	(1 700)	(46)	–	1 703
Network equipment	1 041 137	66 010	(180 375)	(565)	247 608	1 173 815
	1 538 750	327 730	(236 944)	(806)	–	1 628 730

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company and its respective subsidiaries.

Additions were financed from cash resources.

Included in additions of different property, plant and equipment classes for 2024 there is an amount of N\$144.44 million (2023: N\$42.30 million) which relates to assets not yet taken into use at year end. The expectation is that these assets are taken into use within 3-4 months after year end.

No impairment indicators were identified.

## 12. Leases (group as lessee)

### 12.1 AMOUNTS RECOGNISED IN THE STATEMENTS OF FINANCIAL POSITION

The group leases several properties for the use as office, retail spaces and sites for towers. The terms of the leases differ based on the different agreements with landlords of different properties, as well as the strategy and long-term intention of the Group to continue the use of the different properties.

The average remaining lease term is 7.5 years (2023: 7.5 years).

Details pertaining to leasing arrangements, where the group is lessee are presented below.

	Used within the Group 2024			Used within the Group 2023		
	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000
Mobile home leases	38 108	(19 752)	18 355	30 111	(6 258)	23 853
Tower site leases	261 809	(117 009)	144 800	245 650	(82 394)	163 256
Office leases	17 608	(11 964)	5 644	19 813	(10 361)	9 452
Spectrum licence leases	30 460	(4 160)	26 300	30 459	(1 678)	28 781
	347 984	152 885	195 099	326 033	(100 691)	225 342

	Used within the Company 2024			Used within the Company 2023		
	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000
Mobile home leases	43 577	(21 655)	21 921	35 357	(7 570)	27 787
Tower site leases	261 809	(117 009)	144 800	245 650	(82 394)	163 255
Office leases	17 608	(11 963)	5 645	19 813	(10 361)	9 452
Spectrum licence leases	30 460	(4 160)	26 300	30 459	(1 678)	28 781
	353 454	(154 787)	198 666	331 279	(102 003)	229 275

	Opening balance N\$'000	Additions N\$'000	Terminations and re-estimations N\$'000	Depreciation N\$'000	Carrying amount at 30 September 2024 N\$'000
<b>Reconciliation of right-of-use assets – Group – 2024</b>					
Mobile home leases	23 853	11 928	(13)	(17 413)	18 355
Tower site leases	163 256	39 290	(16 994)	(40 751)	144 800
Office leases	9 452	326	(2 177)	(1 957)	5 644
Spectrum licence leases	28 781	–	–	(2 481)	26 300
	225 342	51 544	(19 185)	(62 602)	195 099

## 12. Leases (group as lessee) (continued)

### 12.1 AMOUNTS RECOGNISED IN THE STATEMENTS OF FINANCIAL POSITION (continued)

	Opening balance N\$'000	Additions N\$'000	Terminations and re-estimations N\$'000	Depreciation N\$'000	Carrying amount at 30 September 2023 N\$'000
<b>Reconciliation of right-of-use assets – Group – 2023</b>					
Mobile home leases	13 514	15 258	165	(5 084)	23 853
Tower site leases	160 316	23 453	1 086	(21 599)	163 256
Office leases	12 064	370	473	(3 455)	9 452
Spectrum licence leases	5 013	24 813	–	(1 045)	28 781
	190 907	63 894	1 724	(31 183)	225 342

	Opening balance N\$'000	Additions N\$'000	Terminations and re-estimations N\$'000	Depreciation N\$'000	Carrying amount at 30 September 2024 N\$'000
<b>Reconciliation of right-of-use assets – Company – 2024</b>					
Mobile home leases	27 787	11 928	212	(18 005)	21 922
Tower site leases	163 256	39 290	(16 995)	(40 751)	144 801
Office leases	9 451	326	(2 175)	(1 957)	5 644
Spectrum licence leases	28 781	–	–	(2 481)	26 300
	229 275	51 544	(18 958)	(63 194)	198 666

	Opening balance N\$'000	Additions N\$'000	Terminations and re-estimations N\$'000	Depreciation N\$'000	Carrying amount at 30 September 2023 N\$'000
<b>Reconciliation of right-of-use assets – Company – 2023</b>					
Mobile home leases	17 868	15 258	314	(5 653)	27 787
Tower site leases	160 316	23 453	1 086	(21 599)	163 256
Office leases	12 064	370	472	(3 455)	9 451
Spectrum licence leases	5 013	24 813	–	(1 045)	28 781
	195 261	63 894	1 872	(31 752)	229 275

## 12. Leases (group as lessee) (continued)

### 12.2 LEASES (GROUP AS LESSEE) COMPRISE

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Opening balance	(238 750)	(218 449)	(242 954)	(222 992)
Additions	(51 544)	(63 895)	(51 544)	(63 895)
Lease modifications	6 709	(1 724)	6 485	(1 872)
Interest expense	(19 691)	(21 767)	(19 992)	(22 091)
Lease payments	59 178	67 085	60 039	67 896
<b>Closing Balance</b>	<b>(244 098)</b>	<b>(238 750)</b>	<b>(247 966)</b>	<b>(242 954)</b>
<b>The maturity analysis of lease liabilities is as follows</b>				
Within one year	64 773	52 633	65 698	53 468
Two to five years	177 160	157 394	180 159	160 545
More than five years	187 056	169 505	187 878	170 880
	428 989	379 532	433 735	384 893
Less finance charge component	(184 891)	(140 812)	(185 769)	(141 939)
	244 098	238 720	247 966	242 954
Lease obligation	244 098	238 750	247 966	242 954
Non-current liabilities	207 389	208 682	210 406	212 377
Current liabilities	36 709	30 068	37 560	30 577
	244 098	238 750	247 966	242 954

### 12.3 AMOUNTS RECOGNISED IN THE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Depreciation	62 602	31 183	63 194	31 752
Interest expense	19 691	21 767	19 992	22 091
	82 293	52 950	83 186	53 843

### 12.4 AMOUNTS RECOGNISED IN THE STATEMENTS OF CASH FLOWS

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Lease payments	59 178	67 085	60 039	67 896
Interest expense	(19 691)	(21 767)	(19 992)	(22 091)

#### Exposure to liquidity risk

Refer to note 30 Financial instruments and risk management for the details of liquidity risk exposure and management.

### 13. Change in accounting estimate

In the current year the residual values and estimated useful lives of all categories of property, plant and equipment as well as intangible assets were reassessed in accordance with IAS 16 Property, plant and equipment and IAS 38 Intangible assets. This resulted in a change in the estimated remaining useful life of property plant and equipment and intangible assets.

The financial impact of the change in the estimated remaining useful lives was an decrease of the current year depreciation charges and an increase of the current year amortisation charges, resulting in a net decrease in current year profit before taxation of N\$ 9.7 million (2023: N\$4.01 million).

The net decrease in the current year charges for depreciation and amortisation due to the change in the estimated useful lives will result in effectively increasing the charges in future periods and therefore effectively decreasing profit before taxation for those future periods.

### 14. Intangible assets

#### 14.1 BALANCES FOR THE YEAR – GROUP AND COMPANY

	Balance at 30 September 2024			Balance at 30 September 2023		
	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000	At cost N\$'000	Accumulated depreciation N\$'000	Carrying amount N\$'000
Licences	499 929	(226 026)	273 903	491 305	(164 558)	326 747
Computer Software	70 545	(59 423)	11 122	63 834	(54 880)	8 954
Capital work in progress	38 801	–	38 801	802 878	(376 847)	426 031
Network Software	975 594	(442 579)	533 015	19 707	–	19 707
<b>Total</b>	<b>1 584 869</b>	<b>(728 028)</b>	<b>856 841</b>	<b>1 377 724</b>	<b>(596 285)</b>	<b>781 439</b>

#### 14.2 MOVEMENTS FOR THE YEAR – GROUP AND COMPANY

Movements for the year ended 30 September 2024	Carrying value as at 1 October 2023 N\$'000	Additions N\$'000	Amortisation N\$'000	Transfer N\$'000	Carrying value as at 30 September 2024 N\$'000
	Computer Software	8 954	6 833	(4 665)	–
Licences	326 747	26 442	(81 335)	2 049	273 903
Network software	426 031	155 803	(66 477)	17 658	533 015
Capital work in progress	19 707	38 801	–	(19 707)	38 801
	<b>781 439</b>	<b>227 879</b>	<b>(152 477)</b>	<b>–</b>	<b>856 841</b>

Movements for the year ended 30 September 2023	Carrying value as at 1 October 2022 N\$'000	Additions N\$'000	Amortisation N\$'000	Transfer N\$'000	Carrying value as at 30 September 2023 N\$'000
	Computer Software	13 676	2 178	(6 900)	–
Licences	288 155	112 220	(73 628)	–	326 747
Network Software	411 221	61 860	(58 045)	10 995	426 031
Capital work in progress	10 995	19 707	–	(10 995)	19 707
	<b>724 047</b>	<b>195 965</b>	<b>(138 573)</b>	<b>–</b>	<b>781 439</b>

## 14. Intangible assets (continued)

### 14.3 OTHER INFORMATION

Included in additions of different intangible asset classes for 2024 there is an amount of N\$ 111.01 million (2023: N\$ 63.60 million) which related to intangible assets not taken into use at year end, The expectation is that these intangible assets are taken into use within 3-4 months after year end.

## 15. Investment in subsidiaries

### 15.1 THE AMOUNTS INCLUDED ON THE STATEMENTS OF FINANCIAL POSITION COMPRISE THE FOLLOWING

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Jurgens Thirty Four (Pty) Ltd	-	-	458	458
Windhoek General Administrators (Pty) Ltd	-	-	-	-
<b>Investments in subsidiaries, joint ventures and associates</b>	-	-	458	458

### 15.2 LOAN TO GROUP COMPANY COMPRISES THE FOLLOWING BALANCES

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Loan to subsidiary Jurgens Thirty Four (Pty) Ltd	-	-	2 523	2 813
Loan to subsidiary Windhoek General Administrators (Pty) Ltd	-	-	33 599	6 495
	-	-	36 122	9 308
The Intercompany loans have no fixed terms of repayment and do not bear interest.				
<b>Profit/(loss) attributable to Mobile Telecommunication Limited</b>				
Jurgens Thirty Four (Pty) Ltd	-	-	(48)	877
Windhoek General Administrators (Pty) Ltd	-	-	(24 155)	(8 721)
	-	-	(24 203)	(7 844)

## 16. Inventories

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Inventories comprise:</b>				
Network consumables	3 560	10 131	3 560	10 131
Prepaid	27 723	24 593	27 723	24 593
Handsets and accessories	50 494	59 834	50 494	59 834
	81 777	94 558	81 777	94 558

The amount of write-down of inventories recognised as an expense is N\$12.8 million (2023: N\$19.90 million).

## 17. Loans to employees

### LOANS TO EMPLOYEES

Loan scheme available to all permanently employed staff, with the aim to provide funds to employees who have an immediate need as the result of an emergency. The maximum loan amount is limited to N\$60 000 per employee, with the total loan value limited to N\$4.5 million per annum (2023: N\$4.50 million). The loans are interest free, repayable in equal instalments over 24 months. Loans are secured by the employees' pension fund value equal to the loan amount.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
At the beginning of the year	4 248	3 488	4 248	3 488
Advances	3 462	3 887	3 462	3 887
Repayments	(3 729)	(3 127)	(3 729)	(3 127)
<b>At the end of the year</b>	<b>3 981</b>	<b>4 248</b>	<b>3 981</b>	<b>4 248</b>
Split between non-current and current portions				
Non-current assets	1 075	1 525	1 075	1 525
Current assets	2 906	2 723	2 906	2 723
	3 981	4 248	3 981	4 248

### EXPOSURE TO CREDIT RISK

The maximum exposure to credit risk is the carrying amount of the loans as presented above.

At 30 September 2024, no loans were in default and due to security provided by employees, the group assesses that the Expected Credit Loss (ECL) as trivial and have therefore not raised any Expected Credit Loss (ECL). The group continues to assess this position on a regular basis.

### FAIR VALUE OF LOANS TO EMPLOYEES

The fair value of loans to employees approximates their carrying amounts.



## 18. Trade and other receivables

### 18.1 TRADE AND OTHER RECEIVABLES COMPRISE

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Trade receivables	183 722	187 462	183 722	187 462
Expected credit loss allowance	(28 788)	(21 036)	(28 788)	(21 036)
Trade receivables – net	154 934	166 426	154 934	166 426
Prepaid expenses	23 188	34 224	23 188	34 224
Other receivables	27 459	2 330	27 459	2 330
<b>Total trade and other receivables</b>	<b>205 581</b>	<b>202 980</b>	<b>205 581</b>	<b>202 980</b>

### 18.2 ITEMS INCLUDED IN TRADE AND OTHER RECEIVABLES NOT CLASSIFIED AS FINANCIAL INSTRUMENTS

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Prepaid expenses	23 188	34 224	23 188	34 224
Total trade and other receivables excluding non- financial assets included in trade and other receivables	182 393	168 756	182 393	168 756

#### Exposure to credit risk

Trade receivables and contract assets (note 22) inherently expose the group and company to credit risk.

In order to mitigate the risk of financial loss from defaults, the group has established credit policies and customer approval procedures in place when entering into an agreement with a customer. Customer onboarding is governed by a holistic risk assessment process taking into account factors such as the payment history and reputation of the applicant. It is the group's policy that all customers who request to trade on credit terms are subject to credit verification procedures. Sufficient collateral or guarantees are also obtained when appropriate. Customer credit limits are in place and are reviewed and approved through credit management procedures. The exposure to credit risk and the creditworthiness of customers, is continuously monitored.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Trade receivables and contract assets (note 22) arise from both wholesale and retail sales. The customer base for retail trade is large and widespread across economic segments, as a result there is no indication of a significant concentration credit risk from these trade receivables. The wholesale trade whilst widespread, has a higher concentration risk across segments. The credit risk for wholesale customers is mitigated through strict and quarterly reviewed credit limitations which are backed by collateral valued commensurate to the credit exposure. Moreover the majority of wholesale sales are executed on a cash basis.

## 18. Trade and other receivables (continued)

### 18.2 ITEMS INCLUDED IN TRADE AND OTHER RECEIVABLES NOT CLASSIFIED AS FINANCIAL INSTRUMENTS (continued)

#### Exposure to credit risk (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery such as in the case of liquidation or sequestration of the debtor. Trade receivables which have been written off are handed over to an external debt collector and registered with a credit bureau for default.

The group measures the loss allowance for trade receivables by applying the simplified approach as the contracts do not contain significant financing components, as outlined in IFRS 9 for all exposures other than contract assets for products with devices only. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

### 18.3 THE EXPECTED CREDIT LOSS ALLOWANCE IS DETERMINED AS FOLLOWS

	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
<b>Group and Company</b>				
Expected credit loss rate:				
<b>Customers to the Mobile Network</b>				
Less than 30 days past due: 3.08% (2023: 0.00%)	40 197	1 236	69 787	–
31-60 days past due: 9.79% (2023: 10.76%)	22 670	2 219	15 516	1 669
61-90 days past due: 24.14% (2023: 15.92%)	9 053	2 185	4 502	717
More than 90 days past due: 30.00% (2023: 79.20%)	25 524	7 657	10 610	8 297
	<b>97 444</b>	<b>13 297</b>	<b>100 415</b>	<b>10 683</b>
<b>Fixed and cloud services</b>				
Less than 30 days past due: 10.26% (2023: 0.00%)	2 355	242	11 518	–
31-60 days past due: 6.17% (2023: 10.76%)	2 700	166	468	50
61-90 days past due: 13.69% (2023: 15.92%)	1 080	148	453	72
More than 90 days past due: 13.83% (2023: 78.00%)	11 527	1 594	1 978	1 543
	<b>17 662</b>	<b>2 150</b>	<b>14 417</b>	<b>1 665</b>

## 18. Trade and other receivables (continued)

### 18.3 THE EXPECTED CREDIT LOSS ALLOWANCE IS DETERMINED AS FOLLOWS (continued)

Group and Company	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
<b>Roaming debtors</b>				
Less than 30 days past due: 0.00% (2023: 0.00%)	7 835	–	12 226	–
31-60 days past due: 0.00% (2023: 2.00%)	7 811	–	1 133	23
61-90 days past due: 1.65% (2023: 5.00%)	1 569	26	89	4
More than 90 days past due: 35.06% (2023: 62.83%)	6 561	2 300	4 743	3 052
	<b>23 776</b>	<b>2 326</b>	<b>18 191</b>	<b>3 079</b>
<b>Dealers debtors</b>				
Less than 30 days past due: 0.15% (2023: 2.00%)	13 393	20	273	273
31-60 days past due: 100.00% (2023: 0.00%)	34	34	3 389	–
61-90 days past due: 0.00% (2023: 5.00%)	63	–	219	–
More than 90 days past due: 66.54% (2023: 86.14%)	2 506	1 668	1 762	1 433
	<b>15 996</b>	<b>1 722</b>	<b>5 643</b>	<b>1 706</b>
<b>Other debtors</b>				
Less than 30 days past due: 22.95% (2023: 0.00%)	9 978	2 290	15 241	–
31-60 days past due: 5.63% (2023: 8.00%)	6 181	348	1 833	147
61-90 days past due: 60.00% (2023: 11.00%)	205	123	463	51
More than 90 days past due: 51.59% (2023: 81.59%)	12 662	6 532	4 515	3 705
	<b>29 026</b>	<b>9 293</b>	<b>22 052</b>	<b>3 903</b>
<b>Airtime advance &amp; Other debtor balance(incl. staff advances)</b>				
Less than 30 days past due: 0.00% (2023: 0.00%)	27 459	–	13 487	–
	<b>27 459</b>	<b>–</b>	<b>13 487</b>	<b>–</b>
<b>Total</b>	<b>211 363</b>	<b>28 788</b>	<b>174 205</b>	<b>21 036</b>

The exposure to default balance excludes unallocated payments.

#### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses):

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Opening balance	(21 036)	(21 224)	(21 036)	(21 224)
Provision raised on trade receivables	(7 752)	(25 908)	(7 752)	(25 908)
Provision reversed on settled trade receivables	–	26 096	–	26 096
Closing balance	<b>(28 788)</b>	<b>(21 036)</b>	<b>(28 788)</b>	<b>(21 036)</b>

Trade receivables are generally on 30-60 day terms.

## 18. Trade and other receivables (continued)

### 18.3 THE EXPECTED CREDIT LOSS ALLOWANCE IS DETERMINED AS FOLLOWS (continued)

#### Exposure to currency risk

The net carrying amounts, in Namibia Dollar, of trade and other receivables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Namibia Dollar Amount</b>				
Namibia Dollar	158 796	150 567	158 796	150 567
US Dollar	13 842	13 169	13 842	13 169
Euro	9 754	5 020	9 754	5 020
	<b>182 393</b>	<b>168 756</b>	<b>182 393</b>	<b>168 756</b>
<b>Foreign currency amount</b>				
US Dollar	802	696	802	696
Euro	507	251	507	251
<b>Namibia Dollar per unit of foreign currency</b>				
US dollar	17.27	18.91	17.27	18.91
Euro	19.24	20.02	19.24	20.02

#### Foreign analysis currency sensitivity

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to with regards to trade and other receivables. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated trade and other receivables and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company	2024		2023	
	Increase	Decrease	Increase	Decrease
<b>Increase or decrease in rate</b>				
<b>Impact on profit or loss</b>				
US Dollar 10% (2023: 10%)	1 384	(1 384)	1 317	(1 317)
Euro 10% (2023: 10%)	975	(975)	502	(502)
	<b>2 359</b>	<b>(2 359)</b>	<b>1 819</b>	<b>(1 819)</b>

#### Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts.

## 19. Cash and cash equivalents

### 19.1 CASH AND CASH EQUIVALENTS INCLUDED IN CURRENT ASSETS

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Cash</b>				
Balances with banks	165 712	119 456	163 915	117 906
<b>Cash equivalents</b>				
Short term deposits	96	26 548	76	26 548
	165 808	146 004	163 991	144 454

Cash at bank earns interest at floating rates based on daily bank deposit rates. Cash and cash equivalents comprises cash held by the group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximate their fair value.

Credit risk for cash and cash equivalents is mitigated by banking with reputable financial institutions.

#### Exposure to currency risk

The group is exposed to currency risk related to certain bank accounts which are denominated in a foreign currency.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Namibia Dollar Amount</b>				
Namibia Dollar	141 253	131 980	139 436	130 431
US Dollar	21 766	5 539	21 766	5 538
Euro	2 789	8 485	2 789	8 485
	165 808	146 004	163 991	144 454
The net carrying amount, in foreign currency of the above exposure was as follows				
<b>Foreign currency amount</b>				
US Dollar	1 260	293	1 260	293
Euro	145	424	145	424
<b>Namibia Dollar per unit of foreign currency</b>				
US Dollar	17.27	18.91	17.27	18.91
Euro	19.24	20.02	19.24	20.02

## 19. Cash and cash equivalents (continued)

### 19.1 CASH AND CASH EQUIVALENTS INCLUDED IN CURRENT ASSETS (continued)

#### Foreign currency sensitivity analysis

The following analysis presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to with regards to cash and cash equivalents. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated cash and cash equivalents and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company	2024		2023	
	Increase	Decrease	Increase	Decrease
<b>Increase or decrease in rate</b>				
<b>Impact on profit or loss</b>				
US Dollar 10% (2023: 10%)	2 177	(2 177)	554	(554)
Euro 10% (2023: 10%)	279	(279)	849	(849)
	<u>2 455</u>	<u>(2 455)</u>	<u>1 403</u>	<u>(1 403)</u>

### 19.2 UNDRAWN OVERDRAFT FACILITIES

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
First National Bank of Namibia (EFT)	1 000	1 000	1 000	1 000
Debit and Credit Run facility: FNB	800	800	800	800
Total undrawn facilities at year end	<u>1 800</u>	<u>1 800</u>	<u>1 800</u>	<u>1 800</u>
<b>Forward Exchange Contract</b>				
First National Bank of Namibia (FEC)	20 000	20 000	20 000	20 000
Standard Bank of Namibia (FEC)	138 660	40 000	138 660	40 000
Total undrawn facilities at year end	<u>158 660</u>	<u>60 000</u>	<u>158 660</u>	<u>60 000</u>

## 20. Issued capital

### AUTHORISED AND ISSUED SHARE CAPITAL

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Authorised</b>				
750 000 000 Ordinary shares of N\$0.033 each	25 000	25 000	25 000	25 000
<b>Issued and paid</b>				
750 000 000 Ordinary shares of N\$0.033 each	25 000	25 000	25 000	25 000

## 21. Deferred tax

In terms of IAS 12, an entity shall offset current tax assets and current tax liabilities if it has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. To improve the disclosures in the current financial year consolidated financial statement deferred tax asset arising from the subsidiaries was disclosed separate from the deferred tax liability.

### 21.1 THE ANALYSIS OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES IS AS FOLLOWS

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Deferred tax assets:				
– Deferred tax asset to be recovered more than 12 months	549	683	–	–
	549	683	–	–
Deferred tax liabilities:				
– Deferred tax liability to be recovered after more than 12 months	(381 438)	(415 945)	(381 438)	(415 945)
	(381 438)	(415 945)	(381 438)	(415 945)
<b>Net deferred tax liabilities</b>	<b>(380 889)</b>	<b>(415 262)</b>	<b>(381 438)</b>	<b>(415 945)</b>
<b>Deferred tax balance comprise of</b>				
Deferred income tax asset				
Income received in advance	68 353	44 764	68 353	44 764
Expected credit losses allowance	8 275	1 911	8 275	1 911
Unrealised forex gain	1 269	–	1 269	–
Employee accruals	22 649	20 543	22 649	20 543
IFRS 16 Leases	15 283	4 377	15 283	4 377
<b>Deferred tax balance from temporary difference other than tax losses</b>	<b>115 829</b>	<b>71 595</b>	<b>115 829</b>	<b>71 595</b>
Tax losses avail for set-off against future tax	549	683	–	–
<b>Total deferred taxation asset</b>	<b>116 378</b>	<b>72 278</b>	<b>115 829</b>	<b>71 595</b>

## 21. Deferred tax (continued)

### 21.1 THE ANALYSIS OF DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES IS AS FOLLOWS (continued)

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Deferred Income tax liability</b>				
Capital allowances	(484 123)	(451 287)	(484 122)	(451 582)
Inventories	(1 288)	(3 241)	(1 288)	(3 241)
Prepayments	(5 991)	(9 740)	(5 992)	(9 740)
Unrealised foreign exchange loss	–	(2 311)	–	(2 311)
IFRS 15 Contracts with Customers	(5 865)	(20 666)	(5 865)	(20 666)
<b>Total deferred taxation liability</b>	<b>(497 267)</b>	<b>(487 245)</b>	<b>(497 267)</b>	<b>(487 540)</b>
Deferred taxation liability	(497 267)	(487 245)	(497 267)	(487 540)
Deferred taxation asset	116 378	72 278	115 829	71 595
<b>Total net deferred taxation (liability)/asset</b>	<b>(380 889)</b>	<b>(414 967)</b>	<b>(381 438)</b>	<b>(415 945)</b>

### 21.2 DEFERRED TAX ASSETS WHERE UTILISATION IS DEPENDENT ON FUTURE TAXABLE PROFITS

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Amount of the deferred tax asset raised where utilisation is dependent on future taxable profits	549	683	–	–



## 22. Contract assets

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Contract assets	202 005	146 485	202 005	146 485
Expect credit loss allowance	(6 803)	(7 399)	(6 803)	(7 399)
	195 202	139 086	195 202	139 086
<b>Summary of contract assets</b>				
Products with bundled devices and services	16 969	60 392	16 969	60 392
Products with devices only	178 233	78 694	178 233	78 694
	195 202	139 086	195 202	139 086
<b>Reconciliation of contract assets</b>				
Opening balance	139 086	137 578	139 086	137 578
Net renewals and activations during the year	272 763	450 573	272 763	450 573
Subscription and terminations for the year	(209 844)	(449 469)	(209 844)	(449 469)
Expected credit loss allowance	(6 803)	404	(6 803)	404
	195 202	139 086	195 202	139 086
<b>Reconciliation of loss allowances</b>				
<b>The following table shows the movement in the loss allowance (lifetime expected credit losses):</b>				
Opening balance	(7 399)	(7 466)	(7 399)	(7 466)
Provision raised on trade receivables	-	-	-	-
Provision reversed on settled trade receivables	596	67	596	67
Closing balance	(6 803)	(7 399)	(6 803)	(7 399)
<b>Spilt between non-current and current</b>				
Non-current assets	67 199	23 151	67 199	23 151
Current assets	128 003	115 935	128 003	115 935
	195 202	139 086	195 202	139 086

## 22. Contract assets (continued)

### EXPOSURE TO CREDIT RISK

Contract assets inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

Group and Company	2024		2023	
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
<b>Contract customers under IFRS 15</b>				
No past due (Stage 1): 3.08% (2023: 4.91%)	221 236	6 803	193 007	7 399

Included in contract asset are postpaid entitlement that do not impact our exposure to default hence these account balance are excluded from the matrix.

## 23. Provisions

### PROVISIONS FOR EMPLOYEE BENEFITS

	Post-retirement benefit N\$'000	Severance-pay provision N\$'000	Total N\$'000
<b>Balance at 1 October 2023 – Group and Company</b>	4 483	34 904	39 387
Service Cost	334	2 434	2 768
Benefits Payments	(54)	(254)	(308)
Past service cost	16	172	188
Interest cost	700	4 846	5 546
Actuarial loss/(gains)	(33)	(1 844)	(1 877)
Total changes	963	5 354	6 317
<b>Balance at 30 September 2024</b>	<b>5 446</b>	<b>40 258</b>	<b>45 704</b>
<b>Balance at 1 October 2022 – Group and Company</b>	4 110	22 762	26 872
Service Cost	1 068	11 238	12 306
Benefits Payments	(37)	(1 460)	(1 497)
Interest cost	606	2 945	3 551
Actuarial loss/(gains)	(1 264)	(581)	(1 845)
Total changes	373	12 142	12 515
<b>Balance at 30 September 2023</b>	<b>4 483</b>	<b>34 904</b>	<b>39 387</b>

An actuarial valuation of the severance pay liability was done for 30 September 2024.

The liability raised relates to severance pay in case of retirement on or after the retirement age of 60 or death of employees.

## 23. Provisions (continued)

### PROVISIONS FOR EMPLOYEE BENEFITS (continued)

The main assumptions used by the actuaries are as follow:

- Key financial assumptions are the rate of discount and the salary inflation rate
- It is the relationship between these two financial assumptions that is critically important, not the absolute value of either assumptions;
- Assumptions are made with a medium to long-term outlook in mind;
- Rate of discount of 10.8% per annum (2023: 13.6%)
- Salary inflation rate of 6.4% per annum (2023: 9%). In addition, we assume a promotional salary scale applies
- The key demographic assumptions are mortality, withdrawal, retirement and the promotional salary scale
- Actuarial valuations are performed annually.

An actuarial valuation of the post-retirement benefit scheme liability was done for 30 September 2024. The main assumptions used are as follows:

- Monthly airtime subsidy of N\$500 per retiree;
- The benefit is payable over the life of the retiree;
- There is no qualifying service terms and it does not apply to any dependants of the retiree (only the retiree).

## 24. Trade and other payables

### 24.1 TRADE AND OTHER PAYABLES COMPRISE

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Trade payables	195 120	141 472	190 679	137 210
Deposits received	(129)	–	–	–
Accrued leave pay	27 357	24 811	27 357	24 811
Accrued expenses	96 938	45 928	96 808	45 824
Accrual for projects	82 408	134 289	82 408	134 289
Accrual for dealer discounts	12 762	19 059	12 762	19 059
Employee bonus accruals	79 649	72 417	79 649	72 417
Other payables	1 200	5 711	1 177	5 711
Value added tax	30 561	27 112	33 846	27 681
<b>Total trade and other payables</b>	<b>525 865</b>	<b>470 799</b>	<b>524 686</b>	<b>467 002</b>

## 24. Trade and other payables (continued)

### 24.2 ITEMS INCLUDED IN TRADE AND OTHER PAYABLES NOT CLASSIFIED AS FINANCIAL LIABILITIES

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Employee bonus accrual and value added tax</b>	110 210	99 529	113 495	100 098
Total trade and other payables excluding non-financial liabilities included in trade and other payables	415 655	371 270	411 191	366 904

Payables are non-interest bearing and are normally settled on 30-day terms.

#### Retention bonus scheme

The company accumulates 13% of a staff member's average cost to company package over five years of service and pays 70% and 30% of the accumulated value out to that employee after the fifth and seventh year of service respectively, provided the employee reached a performance score of 70% or higher in each of the five years. As this expense is dependent upon an uncertain future occurrence, the accrual made reflects only an estimate.

The retention bonus cycle repeats itself from year six and are included as part of employee bonuses above.

#### The reconciliation between the opening balance and closing balance of the retention bonus included in accruals is as follows:

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Opening balance at the beginning of the year	5 331	7 935	5 331	7 935
Paid during the year	(5 331)	(7 935)	(5 331)	(7 935)
Accrued for current year	5 466	5 331	5 466	5 331
	5 466	5 331	5 466	5 331
<b>Current liabilities</b>	5 466	5 331	5 466	5 331

## 24. Trade and other payables (continued)

### 24.2 ITEMS INCLUDED IN TRADE AND OTHER PAYABLES NOT CLASSIFIED AS FINANCIAL LIABILITIES (continued)

#### Exposure to currency risk

The group is exposed to currency risk related to trade payables because certain transactions are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The currencies in which the group deals primarily are US Dollars, Euros and CNY.

The net carrying amounts, in Namibia Dollar, of trade and other payables, excluding non-financial instruments, are denominated in the following currencies. The amounts have been presented in Namibia Dollar by converting the foreign currency amount at the closing rate at the reporting date.

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Namibia Dollar Amount</b>				
Namibia Dollar	385 467	312 650	381 002	308 284
US Dollar	3 617	77	3 617	77
Euro	1 076	4 131	1 076	4 131
CNY	25 496	54 412	25 496	54 412
	415 656	371 270	411 191	366 904
<b>Foreign currency amount</b>				
US Dollar	205	4	205	4
Euro	61	206	61	206
CNY	10 899	20 932	10 899	20 932
<b>Namibia Dollar per unit of foreign currency</b>				
US dollar	17.269	18.910	17.269	18.910
Euro	19.243	20.020	19.243	20.020
CNY	2.461	2.599	2.461	2.599

#### Foreign currency sensitivity analysis

The following information presents the sensitivity of the group to an increase or decrease in the respective currencies it is exposed to with regards to trade and other payables. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated trade and other payables and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group and Company	2024		2023	
	Increase	Decrease	Increase	Decrease
<b>Increase or decrease in rate</b>				
<b>Impact on profit or loss</b>				
US Dollar 10% (2023: 10%)	(355)	355	(7)	7
Euro 10% (2023: 10%)	(117)	117	(413)	413
CNY 10% (2023: 10%)	(2 682)	2 682	(5 441)	5 441
	(3 154)	3 154	(5 861)	5 861

#### Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

## 25. Deferred Revenue

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Summary of Deferred Revenue				
Unused vouchers	150 665	96 804	150 665	96 804
Unused airtime: Postpaid and Prepaid	39 653	28 434	39 653	28 434
Internship programme	700	–	700	–
	191 018	125 238	191 018	125 238
Opening balance	125 238	148 390	125 238	148 390
Revenue recognised on delivery of goods/services previously paid for	2 045 299	(2 089 690)	2 045 299	(2 089 690)
Payments received in advance of delivery of performance obligations	2 111 079	2 066 538	2 111 079	2 066 538
	191 018	125 238	191 018	125 238

The unused airtime arises from the advance payments received from customers (Customer-wallets). The liability is recognised as revenue as the customers utilise the airtime.

Unused vouchers represent voucher sold to dealers for on-sale to customers. The liability is recognised as revenue as the customer utilises the airtime.

These are payments received from corporates who participate in the MTC Internship programme. The liability is recognised as an expense when interns are on boarded and services are rendered.

## 26. Cash flows from operating activities

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Profit for the year</b>	1 098 817	1 148 597	1 122 794	1 157 512
<b>Adjustments for:</b>				
Finance income	(94 558)	(70 659)	(94 535)	(70 612)
Finance costs	19 691	21 771	19 992	22 095
Depreciation and amortisation expense	455 675	406 983	456 266	407 269
Movement in ECL provision	46 337	–	46 337	–
Other non-cashflow movement	–	(3)	–	10
Gains and losses on foreign exchange realised in profit or loss	5 270	(2 433)	5 270	(2 433)
Gains and losses on disposal of non-current assets	41	348	41	348
Stock write-off	12 824	–	12 824	–
Non-cash movements in Right of use assets	19 186	–	18 959	–
Non-cash movements in lease liability	(6 708)	–	(6 484)	–
Non-cash intercompany rentals			862	
Non-cash management fees			(6 541)	
<b>Change in operating assets and liabilities:</b>				
Adjustments for decrease in inventories	(43)	24 255	(43)	24 255
Adjustments for increase in trade accounts receivable	(48 938)	(20 110)	(48 938)	(20 110)
Adjustments for increase in trade accounts payable	55 067	40 828	56 832	36 966
Adjustments for decrease contract assets	(56 116)	(1 508)	(56 116)	(1 508)
Adjustments for increase/(decrease) in deferred income	65 780	(23 152)	65 780	(23 152)
Adjustments for provisions	6 317	12 515	6 317	12 515
<b>Net cash flows from operations</b>	<b>1 578 642</b>	<b>1 537 432</b>	<b>1 599 618</b>	<b>1 543 155</b>

## 27. Current tax assets and liabilities

CURRENT TAX ASSETS AND LIABILITIES COMPRISE THE FOLLOWING BALANCES:

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Net current tax asset from all items being set off	-	5 238	-	5 218
<b>Total current tax asset per the statements of financial position</b>	-	5 238	-	5 218
Net current tax liability from all items being set off	(67 278)	-	(67 298)	-
<b>Total current tax liability per the statements of financial position</b>	(67 278)	-	(67 298)	-

## 28. Investments at fair value

INVESTMENTS AT FAIR VALUE INCORPORATES THE FOLLOWING BALANCES:

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Unit trusts	822 962	730 382	822 962	730 382

## 29. Comparative figures

Certain comparative figures have been reclassified to improve the disclosure of the financial statements.

The reclassification has no effect on profit or loss or other comprehensive income or on the opening retained earnings of the earliest prior period presented. Therefore the opening balances are not restated in this regard.

Details of the reclassifications are disclosed in note 6 and note 21.

The effects of the reclassification are as follows:

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Consolidated and Separate Statements of Financial Position</b>				
Increase in deferred tax assets	-	683	-	-
Increase in deferred tax liability	-	(683)	-	-
<b>Profit or Loss</b>				
Increase in General and administration	-	254	-	254
Increase net impairment loss financial assets	-	(254)	-	(254)
Increase in general and administration	-	14 992	-	14 992
Increase in other income	-	(14 992)	-	(14 992)

### 30. Financial risk management

This note explains the group's and company's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

#### OVERVIEW

The group is exposed mainly to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity risk; and
- Market risk (currency risk)

The group's principal financial liabilities, comprise of trade payables. The group has no interest bearing borrowings. The group has various financial assets such as trade receivables and cash and cash equivalents, which arise directly from its operations.

There has been no significant change during the financial year, or since the end of the financial year, to the types of financial risks faced by the group, the approach to measurement of these financial risks or the objectives, policies and processes for managing these financial risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

#### 30.1 CREDIT RISK

Credit risk is the risk of financial loss to the group and company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The group trades only with recognised, creditworthy third parties. It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Refer to note 18 & 22 for the maximum exposure to credit risk within the group.

With respect to credit risk arising from the other financial assets of the company, which comprise cash and cash equivalents and short term deposits with well known reputable Namibian banks, the company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these balances. Refer to note 18 for the maximum exposure of the group.

There has been no significant change during the financial year, or since the end of the financial year, to the group's exposure to credit risk, the approach to the measurement or the objectives, policies and processes for managing this risk.

#### 30.2 MARKET RISK

Foreign currency risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The group incurs currency risk as a result of the following transactions which are denominated in a currency other than Namibia Dollar or South African Rand: purchases of equipment and consulting fees. The currencies which primarily give rise to currency risk are the US Dollar (USD); Euro (EU), Chinese Yuan (CNY) and British Pound (GBP). At 30 September 2024, the group has not hedged any (2023: none) of its foreign currency creditors for which firm commitments existed at the reporting date.

Details of foreign currency risk exposure are contained in the relevant notes throughout these financial statements.

For Trade and other receivables, refer to note 18 & 22.

For Cash and cash equivalents, refer to note 19.

For Trade and other payables, refer to note 24.

#### 30.3 LIQUIDITY RISK

These risks may occur if the sources of funding, including operating cash flows, credit lines and cash flows obtained from financing operations, do not match with the group's financing needs, such as operating and financing outflows, investments, shareholder remuneration and debt repayments.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the group held deposits at call of N\$823 million (2023 – N\$730 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

##### 30.3.1 Financing arrangements

The group has access to undrawn borrowing facilities refer to Note 19.2 for the detailed disclosure.



## 30. Financial risk management (continued)

### 30.3 LIQUIDITY RISK (continued)

#### 30.3.2 Maturities of financial liabilities

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. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

	Between 6 months and 1 year N\$'000	Between 1 and 2 years N\$'000	Between 2 and 5 years N\$'000	Over 5 years N\$'000	Total contractual cash flows N\$'000	Carrying amount N\$'000
<b>Contractual maturities of financial liabilities</b>						
<b>Year ended 30 September 2024 – Group</b>						
<b>Non-derivatives</b>						
Trade and other payables excluding non-financial liabilities (Note 24)	415 656	–	–	–	415 656	415 656
Leases (group as lessee) (Note 12)	64 848	56 752	120 004	187 311	428 915	244 098
<b>Total non-derivatives</b>	<b>480 504</b>	<b>56 752</b>	<b>120 004</b>	<b>187 311</b>	<b>844 751</b>	<b>659 754</b>
<b>Contractual maturities of financial liabilities</b>						
<b>Year ended 30 September 2023 – Group</b>						
<b>Non-derivatives</b>						
Trade and other payables excluding non-financial liabilities (Note 24)	371 270	–	–	–	371 270	371 270
Leases (group as lessee) (Note 12)	52 663	48 533	108 861	169 505	379 562	238 750
<b>Total non-derivatives</b>	<b>423 933</b>	<b>48 533</b>	<b>108 861</b>	<b>169 505</b>	<b>750 832</b>	<b>610 020</b>
<b>Year ended 30 September 2024 – Company</b>						
<b>Non-derivatives</b>						
Trade and other payables excluding non-financial liabilities (Note 24)	411 191	–	–	–	411 191	411 191
Leases (group as lessee) (Note 12)	65 698	57 603	122 556	187 878	433 736	247 966
<b>Total non-derivatives</b>	<b>476 889</b>	<b>57 603</b>	<b>122 556</b>	<b>187 878</b>	<b>844 927</b>	<b>659 157</b>
<b>Year ended 30 September 2023 – Company</b>						
<b>Non-derivatives</b>						
Trade and other payables excluding non-financial liabilities (Note 24)	366 904	–	–	–	366 904	366 904
Leases (group as lessee) (Note 12)	53 468	49 337	111 208	170 880	384 893	242 954
<b>Total non-derivatives</b>	<b>420 372</b>	<b>49 337</b>	<b>111 208</b>	<b>170 880</b>	<b>751 797</b>	<b>609 858</b>

## 31. Capital management

The primary objective of the company's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximise shareholder value.

The capital structure of the group consists of debt, cash and cash equivalents and equity.

The group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the group may issue new shares or obtain additional funding from its shareholders.

No changes were made in the objectives, policies and processes during the years ended 30 September 2024 and 30 September 2023.

The group is not subject to externally imposed capital requirements.

The capital structure and gearing ratio of the group at the reporting date was as follows:

### BALANCES OF MANAGED CAPITAL

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
Lease liabilities	244 098	238 750	247 966	242 954
Trade and other payables	525 866	470 799	524 686	467 002
Provisions	45 704	39 387	45 704	39 387
<b>Total borrowings</b>	<b>815 668</b>	<b>748 936</b>	<b>818 356</b>	<b>749 343</b>
Cash and cash equivalents	165 808	146 004	163 991	144 454
Investments at fair value	822 962	730 382	822 962	730 382
<b>Net borrowings</b>	<b>173 102</b>	<b>127 450</b>	<b>168 597</b>	<b>125 493</b>
<b>Equity</b>	<b>2 901 856</b>	<b>2 673 625</b>	<b>2 931 867</b>	<b>2 679 660</b>
<b>Gearing ratio</b>	<b>6%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>

## 32. Capital commitments

### COMMITMENTS IN RESPECT OF CAPITAL EXPENDITURE:

	Balance unspent at beginning of year N\$'000	Current year receipts N\$'000	Conditions met – transferred to revenue N\$'000	Conditions still to be met – remain liabilities N\$'000
<b>Approved and contracted for</b>				
Network expansions	59 312	33 071	59 312	33 071
Retail stock	113 711	55 018	113 711	55 018
Other-property, plant and equipment	43 404	27 788	43 404	27 788
	<b>216 427</b>	<b>115 877</b>	<b>216 427</b>	<b>115 877</b>
<b>Approved but not yet contracted for</b>				
Network expansions	269 406	187 144	269 406	187 144
Retail stock	189 789	253 833	189 789	253 833
Other-property, plant and equipment	334 137	445 196	334 137	445 196
	<b>793 332</b>	<b>886 173</b>	<b>793 332</b>	<b>886 173</b>

The Board approved an additional N\$200 million in the 2023 subsequent to financial statements publication date, to drive fibre implementation to mitigate dependency risk for our backbone fibre infrastructure.

### 32. Capital commitments (continued)

#### OPERATING LEASES – AS LESSEE (EXPENSE)

Future minimum rentals payable under short-term or low value operating leases are as follows as of 30 September

Group and Company	2024		2023	
	Premises Radio sites N\$'000	Total N\$'000	Premises Radio sites N\$'000	Total N\$'000
Within one year	186	186	133	133
After one year, but not more than five years	706	706	501	501
More than five years	8 051	8 051	1 639	1 639
	<b>8 943</b>	<b>8 943</b>	<b>2 273</b>	<b>2 273</b>

### 33. Retirement Benefit Information

The company operates a defined contribution scheme, the MTC Pension Fund (registration number 25/7/7/390), providing benefits based on the contributions of an employee and is administered by RFS Fund Administrators (Proprietary) Ltd. This fund is registered under and governed by the Namibian Pension Funds Act, 1956 as amended. The fund will be valued every two years. The members of the fund can elect to contribute 7% or the maximum of 14%, which will be matched by the employer by the % elected of the members' pensionable salaries. All contributions of the company are charged to profit and loss in the statement of comprehensive income as incurred. Employer contributions for the year are disclosed in note 6. The fair value of the fund's investments as at the funds' year end at 31 March 2024 were N\$470.71 million (2023: N\$408.92 million).

In addition to the pension fund, the company also operates a group life scheme covering employees in cases of death and/or permanent disability.

The group does not currently bear and is in no way contractually liable for the cost of funding post-retirement medical aid benefits. The contribution to the Medical Aid Fund should an employee choose to continue membership of the scheme on retirement, is payable by the retiree.

### 34. Contingent liabilities and contingent assets

#### NAMPOWER DARK FIBRE AGREEMENTS

The directors note that there is currently ongoing litigation surrounding this matter.

NamPower, MTC and Telecom concluded a dark fibre Tripartite agreement in 2012. MTC submitted an adjudication of dispute request to CRAN on the basis of exclusivity and non-competitive behaviour. CRAN has declared certain sections of the Tripartite agreement void and unenforceable, rendering the agreement unenforceable. MTC is now forced to renegotiate with NamPower at significantly increased rates.

MTC is considering the options available, which include a review of the CRAN decision. Should the CRAN decision stand, MTC would be liable for increased rates to continue leasing the dark fibre. The value of this expected increase in rates is not yet determinable.

## 35. Financial Instruments

### 35.1 CARRYING AMOUNT OF FINANCIAL ASSETS BY CATEGORY

	At fair value through profit or loss N\$'000	At amortised cost N\$'000	Total N\$'000
<b>Year ended 30 September 2024 – Group</b>			
Investments at fair value (Note 28)	822 962	–	822 962
Contract Asset (Note 22)	–	195 202	195 202
Loans to employees (Note 17)	–	3 981	3 981
Trade and other receivables excluding non-financial assets (Note 18)	–	182 393	182 393
Cash and cash equivalents (Note 19)	–	165 808	165 808
	<u>822 962</u>	<u>547 384</u>	<u>1 370 346</u>
Total interest income on assets not measured at fair value through profit or loss	–	19 590	19 590
<b>Year ended 30 September 2023 – Group</b>			
Investments at fair value (Note 28)	730 382	–	730 382
Contract Asset (Note 22)	–	139 086	139 086
Loans to employees (Note 17)	–	4 248	4 248
Trade and other receivables excluding non-financial assets (Note 18)	–	168 756	168 756
Cash and cash equivalents (Note 19)	–	146 004	146 004
	<u>730 382</u>	<u>458 094</u>	<u>1 188 476</u>
Total interest income on assets not measured at fair value through profit or loss	–	14 636	14 636
<b>Year ended 30 September 2024 – Company</b>			
Contract asset (Note 22)	–	195 202	195 202
Investments at fair value (Note 28)	822 962	–	822 962
Investment in subsidiary (Note 15)	–	458	458
Loan to subsidiaries (Note 15)	–	36 122	36 122
Loans to employees (Note 17)	–	3 981	3 981
Trade and other receivables excluding non-financial assets (Note 18)	–	182 393	182 393
Cash and cash equivalents (Note 19)	–	163 991	163 991
	<u>822 962</u>	<u>582 147</u>	<u>1 405 109</u>
Total interest income on assets not measured at fair value through profit or loss	–	19 567	19 567

## 35. Financial Instruments (continued)

### 35.1 CARRYING AMOUNT OF FINANCIAL ASSETS BY CATEGORY (continued)

	At fair value through profit or loss N\$'000	At amortised cost N\$'000	Total N\$'000
<b>Year ended 30 September 2023 – Company</b>			
Contract asset (Note 22)	–	139 086	139 086
Investments at fair value (Note 28)	730 382		730 382
Investment in subsidiaries (Note 15)	–	458	458
Loan to subsidiaries (Note 15)	–	9 308	9 308
Loans to employees (Note 17)	–	4 248	4 248
Trade and other receivables excluding non-financial assets (Note 18)	–	168 756	168 756
Cash and cash equivalents (Note 19)	–	144 454	144 454
	<u>730 382</u>	<u>466 310</u>	<u>1 196 692</u>
Total interest income on assets not measured at fair value through profit or loss	–	14 589	14 589

### 35.2 CATEGORIES FOR FINANCIAL LIABILITIES

	Note(s)	Amortised cost	Leases	Total
<b>Group 2024</b>				
Trade and other payables	24	415 656	–	415 656
Finance lease obligations	12	–	244 098	244 098
		<u>415 656</u>	<u>244 098</u>	<u>659 754</u>
<b>Group 2023</b>				
Trade and other payables	24	371 270		371 270
Finance lease obligations	12		238 750	238 750
		<u>371 270</u>	<u>238 750</u>	<u>610 020</u>
<b>Company 2024</b>				
Trade and other payables	24	411 191	–	411 191
Finance lease obligations	12	–	247 966	247 966
		<u>411 191</u>	<u>247 966</u>	<u>659 157</u>
<b>Company 2023</b>				
Trade and other Payables	24	366 904		366 904
Finance Lease obligations	12		242 954	242 954
		<u>366 904</u>	<u>242 954</u>	<u>609 858</u>

## 35. Financial Instruments (continued)

### 35.3 FAIR VALUE HIERARCHY

The fair values of all financial instruments are substantially the same as the carrying values reflected in the statements of financial positions, for both the group and the company.

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

#### Levels of fair value measurements

Level 2

#### Recurring fair value measurements

	Level 2 N\$'000
<b>Year ended 30 September 2024 – Group</b>	
Investments at fair value (Note 28)	822 962
<b>Year ended 30 September 2023 – Group</b>	
Investments at fair value (Note 28)	730 382
<b>Year ended 30 September 2024 – Company</b>	
Investments at fair value (Note 28)	822 962
<b>Year ended 30 September 2023 – Company</b>	
Investments at fair value (Note 28)	730 382

#### Valuation techniques

Investments in money markets are fair valued according to the number of units held in the applicable fund multiplied by the unit rate as quoted by the fund, based on the underlying assets of the fund. The fair value of these units are based on the fair value of the underlying investments.

Trade and other receivables are valued at amortised cost using the effective interest rate method, which substantially equals their fair value.

Cash and cash equivalents are valued at amortised cost using the effective interest rate method, which substantially equals their fair value.

Trade and other payables are valued at amortised cost using the effective interest rate method, which substantially equals their fair value.

## 36. Related parties

Related party relationships exist between the company and its subsidiaries, fellow subsidiaries, shareholders and key management. All transactions with related parties occurred under terms no less favourable than those arranged with third parties.

### SUBSIDIARIES

Net profit relating to subsidiaries and investments in subsidiaries are disclosed in note 15. No interest is charged on loans to subsidiaries.

### KEY MANAGEMENT

The key management personnel of the company comprise the executive committee and the general managers.

### SHAREHOLDERS

The controlling shareholder of the company is noted in the directors' report. The only significant transactions related to the shareholder is rentals paid to the shareholder and dividends.

### FELLOW SUBSIDIARIES

The group has an interconnect agreement with a fellow subsidiary regarding call traffic between the two companies and rent fibre optic lines for its operations from a fellow subsidiary.

Additional transactions include courier, telephone and fax services, sale of prepaid products and maintenance of the West African Cable System (WACS) cable.

## ULTIMATE CONTROLLING PARTY

The group is required to disclose, in terms of IAS 24 – Related Parties, the ultimate controlling party and any transactions with such ultimate controlling party and any other entities which are also controlled by the same ultimate controlling party, but which is not a subsidiary or fellow subsidiary of the group.

Directly following the listing of the company on the Namibian Stock Exchange (NSX), the ultimate controlling entity for the company is the Ministry of Finance of the Republic of Namibia.

Transactions with the Ministry of Finance and any other state-owned enterprises controlled by the Ministry of Finance involve standard communication service agreements, concluded on commercial terms on the same grounds as they are concluded with any other customer. For this reason as well as due to the insignificance of the individual values, these transactions are grouped together for disclosure purposes.

## 36.1 RELATIONSHIPS

Ultimate holding company	Ministry of Finance and Public Enterprises of the Republic of Namibia
Holding Company	Namibia Post and Telecommunications Holdings Limited
Subsidiaries	Refer to note 15
Members of key management	LR Erastus MJ Smit PN Kanalelo T Ekandjo O Kahiya M Nehemia L Tjitandi C Mouton E Katangolo NS Haikali

## 36. Related parties (continued)

### 36.2 COMPENSATION PAID TO KEY MANAGEMENT PERSONNEL

	Salary N\$'000	Allowance (medical, housing etc) N\$'000	Bonuses N\$'000	Subsistence and travel allowances N\$'000	Total Remuneration N\$'000
<b>Group and Company 2024</b>					
Managing Director	3 853	1 053	2 260	158	7 324
Financial Director	2 530	367	640	123	3 660
Key management	13 156	3 957	4 265	983	22 361
	19 539	5 377	7 165	1 264	33 345
<b>Group and Company 2023</b>					
Managing Director	3 624	1 041	1 827	137	6 629
Financial Director	2 397	357	774	116	3 644
Key management	14 515	4 173	3 605	806	23 099
	20 536	5 571	6 206	1 059	33 372

### 36.3 DIRECTORS EMOLUMENTS

	Directors emoluments paid/receivable for services as director from group N\$'000	Subsistence and travel allowances N\$'000	Total remuneration N\$'000
<b>2024</b>			
<b>Group</b>			
T Mberirua	498	151	649
W Schuckmann	324	34	357
RR Shipiki	353	59	412
T Gawaxab	364	84	449
A Kanime	39	36	75
T Hiwilepo	55	–	55
F George	47	59	107
J Namaseb	128	–	128
K Kandume	90	–	90
G Vermaas	84	–	84
TNZ Muteka	385	25	410
S Galloway	170	25	195
<b>Total directors emoluments</b>	<b>2 537</b>	<b>473</b>	<b>3 010</b>



## 36. Related parties (continued)

### 36.3 DIRECTORS EMOLUMENTS (continued)

	Directors emoluments paid/receivable for services as director from group N\$'000	Subsistence and travel allowance N\$'000	Total remuneration N\$'000
<b>2024</b>			
<b>Company</b>			
T Mberirua	498	151	649
W Schuckmann	324	34	357
RR Shipiki	353	59	412
T Gawaxab	364	84	449
A Kanime	39	36	75
T Hiwilepo	55	–	55
F George	47	59	107
TNZ Muteka	385	25	410
S Galloway	170	25	195
<b>Total directors emoluments</b>	<b>2 235</b>	<b>473</b>	<b>2 708</b>

	Directors emoluments paid/receivable for services as director from group N\$'000	Subsistence and travel allowance N\$'000	Total remuneration N\$'000
<b>2023</b>			
<b>Group and Company</b>			
TNZ Muteka	306	30	336
T Mberirua	373	–	373
W Schuckmann	316	–	316
RR Shipiki	294	–	294
T Gawaxab	302	40	342
S Galloway	307	–	307
<b>Total directors emoluments</b>	<b>1 898</b>	<b>70</b>	<b>1 968</b>

### 37. Individually significant related party transactions with government related parties

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Related party balances</b>				
<b>Loan accounts – Owning (to) by related parties:</b>				
Jurgens Thirty Four (Pty) Ltd	–	–	2 523	2 813
Windhoek General Administrators (Pty) Ltd	–	–	33 526	6 496
<b>Balance receivable from fellow subsidiaries:</b>				
Telecom Namibia Limited	2 990	3 497	2 990	3 497
NamPost Namibia Limited	9 068	8 975	9 068	8 975
Government Institutions Pension Fund	317	–	317	–
<b>Balance payable to fellow subsidiaries:</b>				
NamPost Limited	(5 626)	(6 583)	(5 626)	(6 583)
Telecom Namibia Limited	(37)	2 247	(37)	2 247
Powercom (Pty) Ltd	(103)	(13)	(103)	(13)
<b>Balance receivable from (payable to) significant shareholders:</b>				
Government Institutions Pension Fund	317	150	317	150
<b>Subscriber balances owing from related parties:</b>				
Ministry of Finance and Public Enterprises and entities controlled by the Ministry of Finance	42	475	42	475
Namibia Post and Telecommunications Holdings Limited	–	–	–	–
NamPost Limited	160	79	160	79
Government Institutions Pension Fund	160	150	160	150
Telecom Namibia	81	–	81	–
<b>Related party transactions'</b>				
<b>Rent and property related expenses paid to related parties:</b>				
Namibia Post and Telecommunications Holdings Limited	4 638	19 184	4 638	19 184
Jurgens Thirty Four (Pty) Ltd	–	–	862	811
<b>Lease lines cost paid to fellow subsidiaries:</b>				
Telecom Namibia Limited	14 936	15 998	14 936	15 998
<b>Postage and courier charges paid to fellow subsidiaries:</b>				
NamPost Limited	4 463	3 722	4 463	3 722
<b>Telephone and fax paid to fellow subsidiaries:</b>				
Telecom Namibia Limited	184	142	184	142
<b>Prepaid/Postpaid airtime sales to NamPost Namibia Limited:</b>				
Sales	196 344	264 775	196 344	264 775
Dealer discount	(27 140)	(37 027)	(27 140)	(37 027)
Net sales	169 204	227 748	169 204	227 748

### 37. Individually significant related party transactions with government related parties (continued)

	Group		Company	
	2024 N\$'000	2023 N\$'000	2024 N\$'000	2023 N\$'000
<b>Net site rentals paid to (received from) fellow subsidiaries:</b>				
Telecom Namibia Limited	(20 321)	(19 184)	(20 321)	(19 184)
Powercom (Pty) Ltd	18 084	–	18 084	–
<b>Net interconnect fees (received from) paid to fellow subsidiaries:</b>				
Telecom Namibia Limited	(2 963)	(3 513)	(2 963)	(3 513)
<b>Other transactions:</b>				
West African Cable System (WACS) Payment – Telecom Limited	5 752	12 746	5 752	12 746
<b>Contract Revenue received from related parties:</b>				
Ministry of Finance and Public Enterprises and entities controlled by the Ministry of Finance	(839)	(5 942)	(839)	(5 942)
Namibia Post and Telecommunications Holdings Limited	(72)	(52)	(72)	(52)
NamPost Namibia Limited	(1 048)	(812)	(1 048)	(812)
Government Institutions Pension Fund	(1 943)	(1 767)	(1 943)	(1 767)
Telecom Namibia	(176)	–	(176)	–

### 38. Events after the reporting date

#### Dividend distributions:

On 5 December 2024, an ordinary dividend of N\$370 million (49.27 cents per share) was declared, but has not yet been paid out to the shareholders at the date of these financial statements.

### 39. Approval of annual financial statements

These annual financial statements have been approved by the Board of Directors on 5 December 2024.

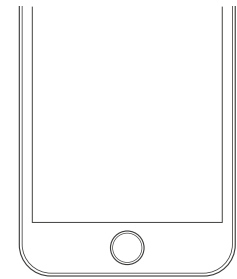
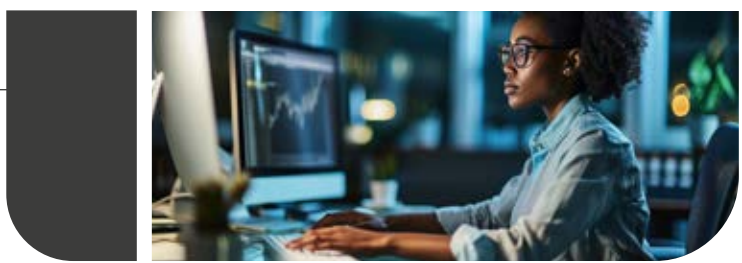
“ MTC’s remuneration policy and practices were independently reviewed and benchmarked in 2024 to ensure they are market-based, fair and competitive.



# APPENDICES



# 09



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# ABBREVIATIONS

<b>API</b>	Application programming interface
<b>BCP</b>	Business continuity programme
<b>CRAN</b>	Communications Regulatory Authority of Namibia
<b>CVM</b>	Customer value management
<b>e-money</b>	Electronic money
<b>Fintech</b>	Financial technology
<b>GIPF</b>	Government Institutions Pension Fund
<b>HTPS</b>	High-tech product solutions
<b>HTTSPS</b>	High-tech Transfer Plaza Select
<b>ICT</b>	Information and communication technology
<b>IoT</b>	Internet of Things
<b>KPIs</b>	Key performance indicators
<b>KYC</b>	Know your customer
<b>NENS</b>	Namibian Stock Exchange News Service
<b>NPTH</b>	Namibia Post and Telecom Holdings
<b>NSX</b>	Namibian Stock Exchange
<b>SIM</b>	Subscriber identity module
<b>UN</b>	United Nations
<b>VAS</b>	Value-added services

# CORPORATE INFORMATION

## Company secretary and registered address

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## Sponsor

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## Transfer secretaries

*Transfer Secretaries Proprietary Limited*

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