



REFLECTING SMART RESULTS

THE ROAD
TO
PROSPERITY

A SUMMARY OF OUR INTEGRATED ANNUAL REPORT

2024

FOLLOW THE
UNSTOPPABLE
JOURNEY OF MTC
OVER THE YEARS



WELCOME TO OUR SUMMARY **INTEGRATED ANNUAL REPORT**

for the financial year ended 30 September 2024

About this summary

This summary report provides a brief overview of the financial year from 1 October 2023 to 30 September 2024.

The summary provides our stakeholders with a quick reference to the year under review. However, it does not replace our detailed integrated annual report, which was approved by the Board on 5 December 2024.

OUR REPORTING SUITE

This, and our full integrated annual report, form part of our reporting suite of publications and information tailored to meet the information requirements of our stakeholders.

The reports are all available at <https://investors.mtc.com.na/>

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WHO IS 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 NAMBIANS

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 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*

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 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.

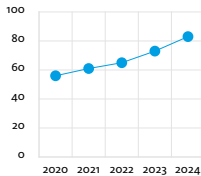
WHAT DO WE DO?

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

Prepaid

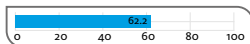
2.034 million subscribers generate an average revenue per user (ARPU) of **N\$83**

Prepaid ARPU (N\$)



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

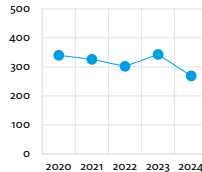
Percentage of revenue contribution to MTC



Postpaid

176 k subscribers generate an ARPU of **N\$274**

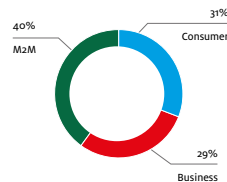
Postpaid ARPU (N\$)



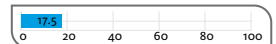
69% business
31% consumer

106 service plans, including Netman, Mobiz and Smartshare

Active postpaid customers (%)



Percentage of revenue contribution to MTC



Handsets and roaming



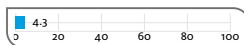
350 agreements with roaming partners across

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)

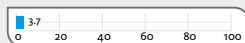
- Content via web, SMS and other messaging technologies
- Premium video content via smartphones and internet-enabled feature phones

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

98% network coverage

1 032 network towers

2 738 km backbone fibre

Data hub in Windhoek

Network management and technical quality centre provides immediate response to customer complaints

36 Mobile Home retail and service centres

Renovated Keetmanshoop shop and planning to open two more stores in 2025

24-hour customer contact centre with webchat and WhatsApp

Digital channels: MTC website, MTC app, portable point of sales (PoS) devices

6 super dealers and 109 sub dealers, representing 7 000 outlets and PoS devices (airtime sellers and distributors), service remote customers

Self-help options to avoid queues at Mobile Homes

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.* ”



Environment

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.



Social

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 o8iEvery1 campaign bridges the digital divide between urban and rural communities.



Governance

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.

WHY INVEST IN MTC?

WE ARE AN ESTABLISHED MARKET LEADER

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

- The wide market reach of our loyal 2.224 million customer base represents a significant competitive advantage
- 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
- Smart partnerships with research institutions and expert service providers leverage innovation
- Become a leader as Communication Service Provider versus the historical Mobile Telecommunication Provider

OUR STRONG CUSTOMER RELATIONSHIPS DRIVE BRAND VALUE AND REVENUE GROWTH

- Best Network Provider (2024 Best of Namibia Awards)
- Best Internet Service Provider (2024 Namibia Media Holdings awards)
- Harnessing the power of emerging technologies such as data analytics and machine learning to understand our customers and serve them better
- Revenue compound average growth rate of 4.3% over the last five years

OUR MARKET SHARE AND CUSTOMER RELATIONSHIPS LEAD TO A SOLID FINANCIAL POSITION THAT ALLOWS FOR AN AGILE RESPONSE TO CUSTOMERS

- No gearing, cash generative, with stable earnings and cost discipline (Cash generation ratio 2024: 95.0%; 2023: 94.4%)
- 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)
- 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)
- Reinvest in the network and latest technology to ensure a sustainable company

WE ARE COMMITTED TO ENABLING ALL NAMIBIANS TO ACCESS THE MAINSTREAM ECONOMY

- 98% population coverage enables more Namibians to connect and access digital financial and other services
- o8iEvery1 provides digital enablement for Namibia's tourism and agriculture industries and network coverage to remote populations
- Our 4G LTE coverage underpins data access to all Namibians, including critical sectors: education, healthcare, and industry sectors
- We leverage digital channels to deliver critical services, such as food and cash vouchers, to people living in poverty
- Our new MTC Maris (MFS) provide money management solutions to previously unbanked or underbanked communities
- Significant ongoing investment in local sponsorships and CSI projects benefits all Namibians

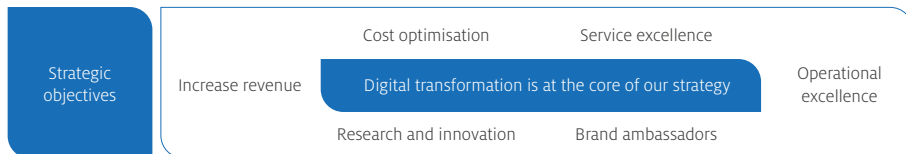
WE OPERATE UNDER THE GUIDANCE OF TRUSTED LEADERSHIP

- Respected, fully Namibian Board with telecommunications, IT, information and communication technology (ICT), HR, Finance and business expertise
- Independent MTC Maris Board with financial services, retail banking, ICT and financial technology (fintech) expertise
- Experienced executive team and 843 engaged brand ambassadors

WHAT IS MTC'S STRATEGY?

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.

Six strategic objectives support the achievement of our vision



Our values and our mission underpin our strategy.

“ *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

THE SIX STRATEGIC OBJECTIVES WE PRIORITISE

Increase revenue

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.

Operational excellence

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.

Cost optimisation

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.

Research and innovation

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.

Service excellence

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.

Brand ambassadors

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.

WHAT VALUE DOES MTC CREATE?



CONSUMER AND BUSINESS CUSTOMERS

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



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



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 shareholders¹

¹ As of 30 September 2024



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



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.



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)



SUPPLIERS

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



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.

Mobilising our brand and resources for good



BRIDGING DIGITAL AND FINANCIAL DIVIDES

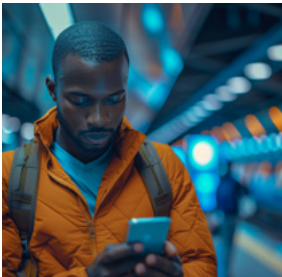
MTC's o81Every1 campaign has connected 98% of Namibians through its mobile telecom network and extended 4G capability to 86% of the population.



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.

HOW DID MTC PERFORM IN 2024?

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.

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 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.*

Dr Licky Erastus
Managing Director



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

Thinus Smit
Financial Director

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

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.

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

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.

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%**

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.

WHAT IS MTC'S GOVERNANCE STRUCTURE?

The Board's roles and responsibilities

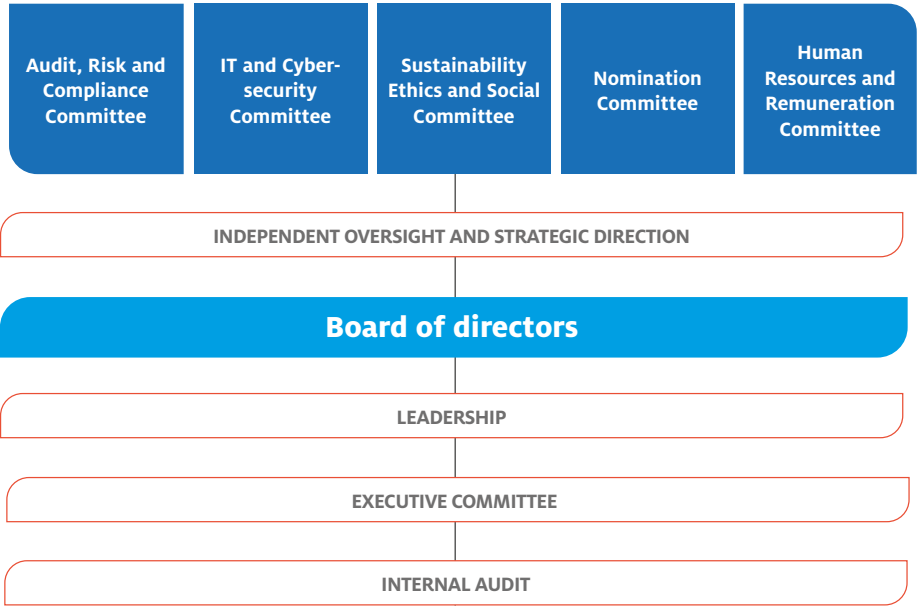
MTC's Board is central to the company's governance system and is ultimately accountable and responsible for MTC's performance and activities. The Board is primarily responsible for:

- 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 with 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.





WHAT WERE THE BOARD'S PRIORITIES?



“ *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.*”

Theofelus Mberirua
Chairperson

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.

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.

WHO IS ON THE BOARD OF DIRECTORS?

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)

ARCC

SESC

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

SESC

NC

IT&CC

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

HRRC

NC

IT&CC

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)

SESC

HRRC

NC



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 Hwilepo (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

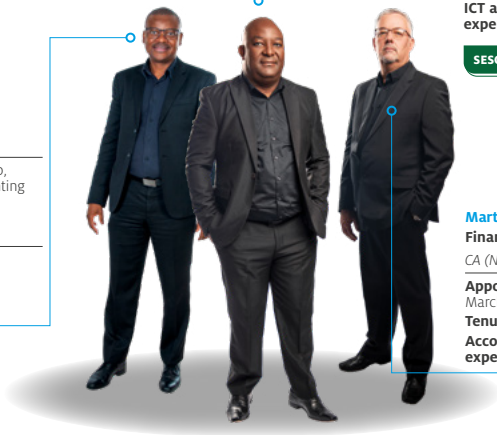
Marthinus Jacobus Smit (56) Financial director

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

WHO IS THE EXECUTIVE TEAM?

Executive Committee members

as of 30 September 2024

Octavius 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

Nguondja Patience Kanalelo (45)

Chief Legal, Compliance and Risk Officer

LLB (Hons)

Appointed to Exco: 2015
22 years of legal and ICT industry experience

Tim Ekdandjo (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

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



WHAT IS THE 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.

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

“ *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.* ”

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

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.





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