

MOBILE TELECOMMUNICATIONS LIMITED

("MTC" or "the Company")

(Incorporated in the Republic of Namibia)

(Registration number: 94/458)

Share code: MOC

ISIN: NA000A3CR803

**UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM REPORTING PERIOD ENDED 31 MARCH 2024**

MOBILE TELECOMMUNICATIONS LIMITED

Registration number 94/458

Unaudited Condensed Consolidated Financial Statements For The Interim Reporting Period Ended 31 March 2024

Overview of performance

MTC continue to sustain resilient performance despite ongoing macroeconomic, geopolitical challenges and regulatory development.

Revenue increased by 5.91% to N\$1.57 billion for the period under review, due to increased demand for high-speed data connectivity & value-added managed services which contributed towards the market expansion of mobile and enterprise revenue. The Group observed an increase in roaming revenue, which is attributed to the recovery of the tourism industry post COVID and a general increase in economic activities in the country.

Financial Highlights:

1. Earnings before Interest, Tax, Depreciation, and amortisation (EBITDA) decreased by 4.9% to N\$700 million from N\$734 million in the same period last year, due to increases in direct and operating costs:
2. Following a Supreme Court ruling on section 23 of the Communications Amendment Act on 13 March 2024, MTC was found liable for levies to CRAN for the 2021, 2022, and 2023 financial years. This resulted in an additional N\$ 59,685,687 raised for arrear levies and a N\$75,391,724 increase in regulatory levies compared to the same period last year.

The sim registration Project increased temporary personnel cost, overtime and travel related cost because of the sim registration deadline in December 2023 and March 2024.

Total income growth stands at a high 5.89%, partially offsetting the CRAN license fees. MTC continues to remain committed to control cost despite high inflation, adverse foreign currency fluctuations, and the cost of implementing new technologies while driving business growth.

Net profit before tax was further impacted by increased depreciation & amortisation as a result of high capital investments in new technology and infrastructure maintenance. Interest earning increased due to higher market return on our investments.

Sim registration update

Following our recent update on 3 April 2024 regarding the suspension of unregistered subscribers, at 30 April 2024 MTC has effectively registered 203,348 customers from the initial 323,236 unregistered subscribers. Achieving a notable 94% registration rate from 83.3%, demonstrating effective compliance and outreach. Concurrently, the unregistered subscriber count stands at 119,888, reducing the potential revenue loss from N\$ 8.1 million to N\$ 2.4 million per month.

These figures reflect MTC's effective compliance and outreach, demonstrating continuous improvement in managing unregistered subscriptions.

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Outlook

MTC is set to continue its trajectory of growth and innovation, focusing on strategic advancements that enhance our service delivery and market presence. Our approach is geared towards maintaining resilience and adaptability in a rapidly evolving telecommunications environment.

Strategic Initiatives

Our key initiatives for the coming period include enhancing system efficiencies and customer contract management, with a focus on improving technological infrastructure to support our service offerings. These efforts are underpinned by targeted enhancements in our core systems and processes to better serve our customer base and streamline operations.

Enhancing the Customer Experience

MTC is dedicated to refining the customer journey through integrated and streamlined services. We are implementing targeted improvements across customer interaction points to ensure a seamless and enhanced user experience and customer satisfaction.

Fostering a Robust Digital Ecosystem

Our commitment to building a strong digital ecosystem continues, with strategic investments aimed at supporting the growth of digital services and solutions. This includes nurturing local talent and innovations that contribute to the broader digital economy, reinforcing our position as a leader in digital transformation.

Expanding Mobile Financial Services (MFS)

MTC is preparing to enhance its offerings with the upcoming launch of a new mobile financial service. This initiative is designed to broaden our service portfolio, catering to the evolving needs of our customers.

Fiber Expansion/ Development

MTC is enhancing its network infrastructure by extending fiber connections across key regions. This strategic development improves service delivery and aligns with the growth potential presented by upcoming energy projects in Namibia.

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The total active subscribers were:

Subscriber base - number of active subscribers

	Unaudited Six months ended 31 March 2024	Unaudited Six months ended 31 March 2023	Audited Year ended 30 Sept 2023
Pre-paid	1,984,246	2,189,598	1,992,126
Post-paid	172,328	164,504	167,416
Enterprise	11,563	8,176	9,584
	<u>2,168,137</u>	<u>2,362,278</u>	<u>2,169,126</u>

MTC Share price on the Namibian Stock Exchange (NSX)

Mobile Telecommunications Limited (MOC)

	31 March 2024
Price	7.70
Change %	0.00%
% 1 Year	0.09%
Market Cap (NAD millions)	5,775
Supplied by NSX	

Dividends Distributed

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.

	Unaudited Six months ended 31 March 2024	Unaudited Six months ended 31 March 2023	Audited Year ended 30 Sept 2023
Declared 42 cents per share on 05 December 2022, paid 03 February 2023	-	315,000	315,000
Declared 46.45 cents per share on 31 May 2023, paid 4 July 2023	-	-	348,375
Declared 38.80 cents per share on 04 December 2023, paid 02 February 2024	291,000	-	-
	<u>291,000</u>	<u>315,000</u>	<u>663,375</u>

Interim dividend

An interim dividend of N\$253,650,000, being 33.82 cents per ordinary share, was declared on 30 May 2024 for the 6 months ended 31 March 2024.

Dividend payment details:

- Last day to trade cum dividend: 13 June 2024
- First day to trade ex-dividend: 14 June 2024
- Record date: 21 June 2024
- Payment date: 05 July 2024

Directors in office at date of report:

T Mberirua
TNZ Muteka
W Schuckmann
RR Shipiki
T Gawaxab
LR Erastus
MJ Smit

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2024**

	Note (s)	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
Revenue		1,571,609	1,483,924	3,046,878
Other income		823	1,058	3,075
Total income		1,572,432	1,484,982	3,049,953
Changes in inventories of finished goods		(149,121)	(162,047)	(337,514)
Direct costs		(270,019)	(178,236)	(373,653)
Sales and marketing		(42,484)	(42,660)	(77,560)
General and administration		(136,285)	(127,063)	(259,477)
Personnel costs		(274,330)	(240,706)	(495,417)
Depreciation		(141,953)	(131,961)	(268,410)
Amortisation		(69,986)	(68,392)	(138,573)
Profit from operations	3	488,254	533,917	1,099,709
Investment income		47,103	33,859	70,659
Finance costs		(13,025)	(10,056)	(21,771)
Profit before taxation		522,332	557,720	1,148,597
Taxation		(160,012)	(170,678)	(354,422)
Profit for the year		362,320	387,042	794,175
Other comprehensive income		-	-	-
Total comprehensive income for the year		362,320	387,042	794,175
Profit attributable to:				
Ordinary shareholders		362,320	387,042	794,175
Total comprehensive income attributable to:				
Ordinary shareholders		362,320	387,042	794,175
EBITDA Margin		44.6%	49.5%	49.5%
EBITDA per share (cents)		93.36	97.90	200.89
Earnings per share				
Per share information				
Basic and diluted earnings per share (Cents)	4	48.31	51.61	105.89
Headline earnings per share (cents)	4	48.31	51.60	105.92

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note (s)	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
Assets				
Non-Current Assets				
Property plant and equipment	5	1,616,849	1,515,021	1,633,734
Right-of-use assets		235,288	182,322	225,342
Investment property		-	-	-
Intangible assets		793,424	744,648	781,439
Loans to employees		1,222	1,154	1,525
Contract assets		58,522	17,824	23,151
Long term deposit		3,142	15,969	50
		2,708,447	2,476,938	2,665,241
Current Assets				
Inventories		108,440	100,242	94,558
Loans to employees		2,611	1,336	2,723
Trade and other receivables		214,583	189,215	202,980
Contract assets		119,628	123,834	115,935
Current tax receivable		6,872	48,684	5,238
Cash and cash equivalents		75,307	76,633	146,004
Investment at Fair value		924,085	683,438	730,382
		1,451,526	1,223,382	1,297,819
Total Assets		4,159,973	3,700,320	3,963,060
Equity and Liabilities				
Equity				
Share capital		25,000	25,000	25,000
Retained income		2,720,006	2,589,867	2,648,625
		2,745,006	2,614,867	2,673,625
Liabilities				
Non-Current Liabilities				
Lease liabilities		219,312	184,872	208,682
Deferred tax		440,540	450,410	415,262
Provisions		42,897	37,530	39,387
		702,749	672,812	663,331
Current Liabilities				
Trade and other payables		543,712	245,567	470,799
Lease liabilities		36,186	22,239	30,068
Deferred income		132,322	144,835	125,238
Current tax payable		-	-	-
Provisions		-	-	-
		712,220	412,641	626,105
Total Liabilities		1,414,969	1,085,453	1,289,436
Total Equity and Liabilities		4,159,973	3,700,320	3,963,061

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

	Share capital N\$'000	Retained income N\$'000	Total equity N\$'000
Balance at 01 October 2022	25,000	2,517,825	2,542,825
Total comprehensive income for the period	-	387,042	387,042
Total distributions to owners of company recognised directly in equity	-	(315,000)	(315,000)
Balance at 31 March 2023	25,000	2,589,867	2,614,867
Total comprehensive income for the period	-	407,133	407,133
Total distributions to owners of company recognised directly in equity	-	(348,375)	(348,375)
Balance at 01 October 2023	25,000	2,648,625	2,673,625
Profit for the period	-	362,320	362,320
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	362,320	362,320
Dividends	-	(290,939)	(290,939)
Total distributions to owners of company recognised directly in equity	-	(290,939)	(290,939)
Balance at 31 March 2024	25,000	2,720,006	2,745,006

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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

	Note (s)	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
Cash flows from operating activities				
Cash receipts from customers		1,520,942	1,493,942	3,025,260
Cash paid to suppliers and employees		(803,356)	(920,911)	(1,487,828)
Cash generated from operations	6	<u>717,586</u>	<u>573,031</u>	<u>1,537,432</u>
Investment income		47,103	33,859	70,659
Finance costs		(13,025)	(10,056)	4
Tax paid		(136,691)	(130,188)	(305,140)
Net cash from operating activities		614,973	466,646	1,302,947
Cash flows from investing activities				
Purchase of property, plant and equipment		(103,715)	(66,145)	(327,730)
Proceeds on disposal of property, plant and equipment		50	58	458
Purchase of other intangible assets		(81,970)	(89,668)	(195,965)
Investment in money market funds		(627,704)	(481,880)	(1,008,827)
Withdrawal from money market funds		434,001	518,312	998,312
Construction deposit paid		(3,092)	(15,969)	19,460
Movement in loans to employees		415	998	(760)
Net cash from investing activities		(382,015)	(134,295)	(515,052)
Cash flows from financing activities				
Payment on lease liabilities - Capital		(14,431)	(28,757)	(67,085)
Payment on lease liabilities - Interest expense		-	-	-
Dividends paid		(290,939)	(315,000)	(663,375)
Net cash from financing activities		(305,370)	(343,757)	(730,460)
Total cash movement for the period		(72,412)	(11,406)	57,435
Cash at the beginning of the period		146,004	86,136	86,136
Net foreign exchange differences		1,715	1,905	2,433
Total cash at end of the period		75,307	76,633	146,004

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

The group prepares its unaudited condensed interim financial statements in accordance with:

- International Financial Reporting Standard, IAS 34 Interim Financial Reporting ;
- Framework concepts and the recognition and measurement requirements of International Financial Reporting
- Interpretations issued by the IFRS Interpretation Committee (IFRS-IC);
- Financial Reporting Pronouncements as issued by Financial Reporting Standards Council; and
- The Namibian Companies Act.

The unaudited condensed interim financial statements are presented in Namibia Dollars, which is the group's functional currency.

2 Accounting policies

The accounting policies and methods of computation applied in the preparation of the condensed interim financial statements are in terms of IFRS and are consistent with those applied for the year ended 30 September 2023. The condensed interim financial report is prepared in accordance with the going concern principle under the historical cost basis as modified by the fair value accounting of certain assets and liabilities where required or permitted by IFRS.

No new or amended IFRS became effective for the six months ended 31 March 2024 that impacted the group's reported earnings, financial position or reserves, or the accounting policies.

2.1 Segmental reporting

The group considers its ICT segment as its only operating segment. This is in a matter 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 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.

2.3 Critical judgements in applying accounting policies

The critical 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:

Revenue recognition

Revenue recognition under IFRS 15 necessitates the preparation and processing of very large amounts of data and the increased use of management judgements and estimates to produce financial information. Those judgements include the term of the contract, currently 12 - 36 months (2023: 12 - 36 months), average markup of handsets of 20% (2023: 20%) and application of an effective interest rate of 10% (2023: 10%).

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

2.4 Key sources of estimation uncertainty

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. There were no changes to the determination of the estimates during the interim reporting period.

2.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are recognised if any future economic benefits are expected and those benefits could be reliably measured. Intangible assets consist of software licences.

There were no changes in the amortisation rates used during the interim reporting period.

2.6 Property, plant and equipment

Depreciation is calculated so as to write off the cost of property, plant and equipment on a straight-line basis, over the estimated useful life of the asset to its residual value. Land is not depreciated. Capital work-in-progress is not depreciated as these assets are not yet available for use.

There were no changes in the depreciation rates used during the interim reporting period.

2.7 Right-of-use assets

Right-of-use assets are depreciated over their useful lives. There were no changes in the useful lives during the interim reporting period.

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	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
3 Profit from operations			
Total revenue	1,571,609	1,483,924	3,046,878
Contract	284,847	353,384	677,302
Usage charges	64,102	60,846	120,036
Monthly subscription fees	204,078	213,839	426,855
Contract handset revenue**	2,713	42,312	64,115
Other income	13,955	36,386	66,269
Prepaid	977,310	930,522	1,892,427
Starter packs	1,603	2,627	4,213
Usage charges	950,870	908,364	1,843,165
Other income	24,836	19,531	45,049
Roaming income	60,204	36,664	97,196
Contract	10,797	10,461	22,578
Visitors	49,406	26,203	74,618
Handset and accessories sales	138,066	75,654	168,720
Interconnect income	11,577	10,571	22,034
Bulk sms revenue	34,753	27,796	56,548
Site rental	10,050	9,513	19,132
Enterprise services	54,802	39,821	113,519

**The reduction in contract handset revenue is due to the discontinuation of the postpaid legacy plans on 2 October 2023.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
4 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.			
Basic earnings per share			
From continuing operations (cents per share)	48.31	51.61	105.89
Basic and diluted earnings per share of the group was based on:			
Earnings	362,320	387,042	794,175
Weighted average number of ordinary shares	750,000	750,000	750,000
Reconciliation of profit or loss for the period to basic earnings			
Profit or loss for the period attributable to ordinary shareholders	362,320	387,042	794,175
Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.			
Headline earnings and diluted headline earnings per share			
Headline earnings per share (cents)	48.31	51.60	105.92
Reconciliation between earnings (loss) and headline earnings (loss)			
Basic earnings	362,320	387,042	794,175
Adjusted for:			
Profit on disposal of plant and equipment (after tax)	(16)	(41)	237
	362,304	387,001	794,412
Dividends per share			
Interim (c)	-	-	42.00
Final ordinary (c)	42.00	42.00	46.45
	42.00	42.00	88.45
NAV per share (c)	3.66	3.49	3.56

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)**5 Property, plant and equipment**

	31 March 2024			30 September 2023		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Buildings	193,824	(48,348)	145,476	193,825	(43,650)	150,175
Computer equipment	83,217	(55,703)	27,514	96,152	(59,107)	37,045
Contract devices	37,310	(19,012)	18,298	39,122	(17,363)	21,759
Furniture and fittings	37,348	(22,032)	15,316	35,451	(19,873)	15,578
Leasehold improvements	6,709	(4,055)	2,654	6,729	(3,177)	3,552
Motor vehicles	49,961	(38,243)	11,718	49,961	(35,880)	14,081
Network equipment	2,529,074	(1,267,598)	1,261,476	2,398,294	(1,224,479)	1,173,815
Staff handsets	3,643	(1,611)	2,032	3,290	(1,587)	1,703
Capital work in progress	132,366	-	132,366	216,026	-	216,026
Total	3,073,452	(1,456,602)	1,616,850	3,038,850	(1,405,116)	1,633,734

Reconciliation of property, plant and equipment - 31 March 2024

	Opening Balance	Additions	Disposals	Transfers	Depreciation	Total
	30 Sept 2023					
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Buildings	150,175	-	-	-	(4,699)	145,476
Computer equipment	37,045	1,488	(14)	-	(11,005)	27,514
Contract devices	21,759	5,981	-	-	(9,442)	18,298
Furniture and fittings	15,578	2,690	-	-	(2,953)	15,316
Leasehold improvements	3,552	186	-	-	(1,085)	2,654
Motor vehicles	14,081	-	-	-	(2,364)	11,718
Network equipment	1,173,815	175,880	-	-	(88,218)	1,261,476
Staff handsets	1,703	1,151	(20)	-	(801)	2,032
Capital work in progress	216,026	184,712	-	(268,373)	-	132,365
	1,633,734	372,088	(33)	(268,373)	(120,567)	1,616,849

Reconciliation of property, plant and equipment - 30 September 2023

	Opening Balance	Additions	Disposals	Transfers	Depreciation	Total
	30 Sept 2022					
	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Buildings	159,679	178	-	-	(9,682)	150,175
Computer equipment	43,774	8,566	(41)	-	(15,254)	37,045
Contract devices	16,433	22,026	-	-	(16,700)	21,759
Furniture and fittings	16,400	5,408	(65)	-	(6,165)	15,578
Leasehold improvements	5,019	705	-	-	(2,172)	3,552
Motor vehicles	12,471	6,878	(89)	-	(5,179)	14,081
Network equipment	1,041,137	313,618	(565)	-	(180,375)	1,173,815
Staff handsets	1,516	1,933	(46)	-	(1,700)	1,703
Capital work in progress	247,608	216,026	-	(247,608)	-	216,026
	1,544,037	575,338	(806)	(247,608)	(237,227)	1,633,734

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	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
6 Cash generated from operations			
Profit before taxation	522,332	557,720	1,148,597
Adjustments for:			
Depreciation and amortisation	211,939	200,353	406,983
Net profit on disposal of property, plant and equipment	(16)	43	348
Loss/ (Profit) on realised foreign exchange	(1,715)	(1,905)	(2,433)
Investment income	(47,103)	(33,859)	(70,659)
Finance costs	13,025	10,056	21,771
Movements in provisions	3,510	-	12,515
Other non-cash movements	166	-	(3)
Changes in working capital:			
Inventories	(13,882)	18,571	24,255
Trade and other receivables	(11,603)	(8,362)	(20,110)
Contract assets	(39,064)	18,376	(1,508)
Trade and other payables	72,913	(184,407)	40,828
Deferred income	7,084	(3,555)	(23,152)
	717,586	573,031	1,537,432

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	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
7 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.			
Related party balances			
Balance receivable from fellow subsidiaries:			
Telecom Namibia	4,769	4,218	3,497
Nampost Courier	9,265	9,026	8,975
Balance payable to related parties:			
Nampost courier	(2,303)	(3,786)	(6,583)
Telecom Namibia	(2,352)	(2,352)	2,247
Powercom	-	(15)	(13)
Balance receivable from / (payable to) significant shareholders:			
Government Institutions Pension Fund	1,053	616	150
Subscriber balances owing from related parties:			
Ministry of Finance and Public Enterprises and entities controlled by the Ministry of I	-	163	475
Nampost Namibia Limited	151	49	79
Government Institutions Pension Fund	160	288	150
Related party transactions			
Rent and property related expenses paid to related parties:			
Namibia Post and Telecommunications Holdings	2,319	2,319	19,184
Lease line cost paid to fellow subsidiaries:			
Telecom Namibia Limited	7,419	8,152	15,998
Postage and courier charges paid to fellow subsidiaries:			
Nampost Namibia Limited	1,884	1,211	3,722
Telephone and fax paid to fellow subsidiaries:			
Telecom Namibia Limited	-	72	142
Prepaid/postpaid airtime sales to Nampost Namibia Limited:			
Sales	(110,829)	(146,010)	(264,775)
Dealer discount	15,319	20,837	37,027
Net sales	(95,510)	(125,173)	(227,748)

MOBILE TELECOMMUNICATIONS LIMITED

Registration number 94/458

Unaudited Condensed Consolidated Financial Statements For The Interim Reporting Period Ended 31 March 2024

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

	Unaudited Six months ended 31 Mar 2024 N\$'000	Unaudited Six months ended 31 Mar 2023 N\$'000	Audited Year ended 30 Sept 2023 N\$'000
7 Related parties (continued)			
Net site rentals paid to (received from) fellow subsidiaries:			
Telecom Namibia Limited	(10,000)	(9,513)	(19,184)
Powercom (Pty) Ltd	9,001	8,196	-
Net interconnect fees paid to (received from) fellow subsidiaries:			
Telecom Namibia Limited	(1,150)	(2,536)	(3,513)
Other transactions:			
West African Cable System (WACS) payment - Telecom Namibia Limited	2,243	2,472	12,746

8 Contingencies**License fees**

The directors note that on 13 March 2024, the Supreme Court overturned the High Court judgement regarding the constitutionality of the Communications Amendment Act, No. 9 of 2020, and the Regulations made in terms thereof. In terms of the Supreme Court Judgement, the group is liable to CRAN for regulatory levies for the 2022 and 2023 financials years. The group and CRAN are

Nampower dark fibre agreement

The directors note that the CRAN decision that terminated the Nampower dark fibre agreement is still under review in the High Court. Nampower, MTC and Telecom concluded an agreement in 2012, in terms of which MTC and Telecom lease dark fibre from Nampower. CRAN terminated the agreement based on the Infrastructure Sharing Regulations, 2016. If the CRAN decision is not set aside by the

9 Subsequent events

Dividend distributions:

On 30 May 2024, an ordinary dividend of N\$253,650,000, being 33.82 cents per ordinary share was declared, but has not yet been paid out to the shareholders at the date of these interim financial statements.

Dividend payment details:

- Last day to trade cum dividend: 13 June 2024
- First day to trade ex-dividend: 14 June 2024
- Record date: 21 June 2024
- Payment date: 05 July 2024