

## 2.2 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.

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
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## 2.3 Revenue from contracts with customers

### Disaggregation of revenue:

	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
Contract**	284 847	353 384	677 302
Prepaid	977 310	930 522	1 892 427
Roaming income	60 204	36 664	97 196
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
<b>Total revenue</b>	<b>1 571 609</b>	<b>1 483 925</b>	<b>3 046 878</b>

The directors are aware of the requirements of IAS 34:16 (l) relating to the disaggregation of revenue and consider the detail presented above as sufficient to enable users to understand how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

\*\* The reduction in contract handset revenue is due to the discontinuation of the postpaid legacy plans on 02 October 2023.

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
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## 2.4 Property, plant and equipment

	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
Net book value at the beginning of the year	1 633 734	1 544 037	1 544 037
Additions	372 088	66 145	575 338
Disposals	(33)	(101)	(806)
Transfer	(268 373)	-	(247 608)
Transfer from construction deposit	-	19 510	-
Transfer from investment property	-	-	-
Depreciation	(120 567)	(114 570)	(237 227)
<b>Net book value at the end of the year</b>	<b>1 616 849</b>	<b>1 515 021</b>	<b>1 633 734</b>

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
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## 2.5 Basic earnings per share

	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
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

	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
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

	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
Headline earnings per share (cents)	48.31	51.60	105.92

### Reconciliation between earnings (loss) and headline earnings (loss)

	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
Basic earnings	362 320	387 042	794 175

### Adjusted for:

	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
Profit on disposal of plant and equipment (after tax)	(16)	(41)	237
	<b>362 304</b>	<b>387 001</b>	<b>794 412</b>

## 2.6 Contingencies

### Licence 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 financial years. The Group and CRAN are negotiating the amount due in levies.

### Nampower dark fibre agreement

The directors note CRAN's 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 High Court, MTC will be charged increased rates for leasing dark fibre from Nampower. The value of this expected increase in rates is not determinable at this stage.

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
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## 2.7 Related parties

### Significant related party transactions

	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
Net sales to Nampost	95 510	125 173	227 748

The Group also entered into various contracts with its holding company and fellow subsidiaries in the ordinary course of business. These arrangements relate mainly to interconnect fees, leased line rental, site rentals, rental of premises and postage. None of these transactions are individually significant.

## 2.8 Events after the reporting period

### Dividend distributions:

On 30 May 2024, an ordinary dividend of N\$253.6 million 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

## 3. DIRECTORS' COMMENTARY

### 3.1 Performance Summary

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:

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\$59.7 million raised for arrear levies and a N\$75.4 million 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.

### 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.

### Fibre Expansion/Development

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

## AUDITED RESULTS – AUDITORS' OPINION

The auditors, PricewaterhouseCoopers, have issued their unmodified opinion on the Group's financial statements for the year ended 30 September 2023 on 07 December 2023. The audit was conducted in accordance with the International Standards on Auditing. These summarised consolidated financial statements are themselves not audited but have been derived from and are consistent in all material respects with the audited consolidated financial statements. A copy of PricewaterhouseCoopers' report on the consolidated financial statements, including key audit matters, is available for inspection at the Groups' registered office. The auditors' report on the consolidated financial statements does not necessarily cover all the information in this announcement. Any reference to future financial performance included in this announcement has not been audited, reviewed or reported on by the Group's auditors.

By order of the Board  
T Mberirua – Chairman of the Board

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Ms. Ndahambelela Haikali

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T Mberirua (Chairman)\*,  
T N Z Muteka (Lead Independent Director),  
W Schuckmann\*, R R Shipiki, T Gawaxab\*, L R Erastus^,  
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### SPONSORS



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