

MTN ZAKHELE FUTHI (RF) LIMITED - UPDATE ON THE MTNZF SCHEME



13 June 2025 7:05

Update on the MTNZF Scheme

MTN Zakhele Futhi (RF) Limited
(Incorporated in the Republic of South Africa)
(Date of incorporation: 21 June 2016)
(Registration number: 2016/268837/06)
(JSE Share code: MTNZF)
(ISIN: ZAE000279402)
(LEI: 378900429C4F73B1BE74)
("MTNZF")

UPDATE ON THE MTNZF SCHEME

MTNZF shareholders are referred to the announcement released on the Stock Exchange News Service ("SENS") of the JSE Limited on 12 June 2025 (the "Announcement") by MTNZF regarding the results of an accelerated bookbuild offering (the "Placement") of 23,768,040 MTN Group Limited ("MTN") ordinary shares (the "Placement Shares"), representing approximately 1.26% of MTN's total issued ordinary shares.

All capitalised terms used in this announcement and not otherwise defined herein, shall have the meanings given to them in the Announcement, unless the context clearly indicates otherwise.

The Placement raised gross proceeds of approximately R3 billion (that is, prior to costs and any applicable tax in respect of the Placement). MTNZF intends to use the net proceeds of the Placement to settle its outstanding preference share funding, pay or provide for any applicable taxes, cover Unwind costs (together, "Amounts Owed") and distribute the balance of proceeds to the MTNZF ordinary shareholders at the appropriate time.

Settlement of the Placement Shares is expected to occur on or about Wednesday, 18 June 2025 (i.e. on a T+3 basis) on the stock exchange operated by the JSE Limited ("JSE").

In addition, MTNZF has provided MTN with a notice setting out an offer of early settlement of the full NVF balance in terms of the relevant provisions of the MTN 2016 Tranche 1 Subscription and Call Option Agreement entered into between MTN and MTNZF on or about 21 August 2016, as amended ("NVF Call Option Early Exercise Offer").

The call option under the NVF Call Option Early Exercise Offer is exercisable on Monday, 23 June 2025 and is subject to the full settlement of the preference share funding and related obligations in accordance with the funding agreements (the "NVF Acceptance Condition"), which is currently anticipated to occur on Thursday, 19 June 2025. The NVF settlement will be based on the 30-day Volume Weighted Average Price of MTN ordinary shares up to and including Friday, 20 June 2025 ("VWAP"). MTN has authorised the settlement of the NVF and is accordingly (and subject to the NVF Acceptance Condition) expected to exercise (or be deemed to have exercised) the call option on Monday, 23 June 2025, with settlement expected to occur on Wednesday, 25 June 2025.

The board of MTNZF ("Board") will update shareholders in due course regarding the exercise of the call option under the NVF Call Option Early Exercise Offer.

Any MTN ordinary shares not sold in the Placement and not used to settle the NVF Call Option Early Exercise Offer (currently anticipated to be approximately 1.3 million MTN ordinary shares) ("Residual Shares") will be in the open market.

Following the Placement, and the use of the net proceeds thereof to settle the Amounts Owed, and based on certain assumptions, including, amongst others, the VWAP applicable to the exercise by MTN of the call option under the NVF Call Option Early Exercise Offer and the price at which the Residual Shares will be sold, the Net Asset Value ("NAV") of MTNZF is currently expected to be approximately between R2.468 billion and R2.653 billion, which translates to an NAV per MTNZF ordinary share of approximately between R20 and R21.50 (based on 123 416 818 MTNZF ordinary shares in issue).

The Board intends to declare a distribution to MTNZF ordinary shareholders of a return of contributed tax capital and/or a dividend of at least R15 per MTNZF ordinary share in the near term and will update shareholders regarding the distribution timetable in due course, which distribution remains subject to a Board resolution, solvency and liquidity assessment and, if required, exchange control approval of the South African Reserve Bank and MTN consent.

Thereafter, the Board will determine the best method to finalise the unwind of the Scheme and return the residual cash (which is currently expected to be approximately between R5 and R6.50 per MTNZF ordinary share) to MTNZF ordinary shareholders, delist MTNZF from the JSE and finally wind up and/or deregister MTNZF. Shareholders should be mindful of the ongoing Unwind process when dealing in MTNZF's ordinary shares as this process will result in MTNZF becoming a cash shell in the short term, which will fundamentally alter the basis of its valuation. MTNZF will update MTNZF shareholders as more information becomes available.

This SENS announcement is the responsibility of the Board. The financial information has not been reviewed or reported on by MTNZF's external auditors.

Sandton
13 June 2025

Financial Advisor and Sponsor to MTNZF:

Tamela Holdings Proprietary Limited

Legal Advisor to MTNZF:
Webber Wentzel Attorneys

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