Scancom PLC (MTN Ghana)

Annual Report | **2022**

Y'ello!

what are we doing today ?

MTN

Contents

About this report

This annual report is Scancom PLC's (MTN Ghana) primary communication to all stakeholders and aims to enable them to make an informed assessment of our performance and prospects.

It endeavours to provide a balanced review of the material matters we face; our use of the capital as defined by the Securities Industry Act, 2016 (Act 929) and Companies Act, 2019 (Act 992); our key operational, financial, economic, social and environmental performance; how we are governed; our engagement with stakeholders; as well as our risks and opportunities. In short, it is our value-creation story.

Scope and boundary

Our material matters, as well as our strategy, form the anchor of the report and determine its content. It covers the period 1 January to 31 December 2022, and gives commentary, performance measures and prospects for MTN Ghana's operations. We provide supplementary information in associated reports and the full set of annual financial statements (AFS), at the Investors page on MTN Ghana's website mtn.com.gh/investors

Financial information

We apply International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and interpretations as issued by the IFRS Interpretations Committee. We comply with the annual filing requirements of the SEC Regulations 2003 (L.I 1728) and Securities Industry Act, 2016 (Act 929) as issued by the Securities and Exchange Commission (SEC). We also comply with the Ghana Stock Exchange (GSE) Rulebook and the requirements of the Companies Act, 2019 (Act 992).

Non-financial information

We use local and global standards and guidelines to compile non-financial information. These include the GSE Rulebook, the Companies Act, 2019 (Act 992), the Securities Industry Act, 2016 (Act 929), SEC Regulations 2003 (L.I 1728) and other guidelines issued by the National Communications Authority.

Approval by the Board

The report was prepared under the supervision of CEO, Selorm Adadevoh, and CFO, Antoinette Kwofie. The audit committee ensures the integrity of the report and has applied its collective mind to its preparation and presentation. The directors are responsible for the annual report as a whole, which they approved in May 2023.

Selorm Adadevoh
Chief Executive Officer

Antoinette Kwofie
Chief Finance Officer

Notice of annual general meeting

Notice is hereby given that the 5th Annual General Meeting of Shareholders of Scancom PLC ("MTN Ghana" or the "Company") shall be held virtually and streamed live from MTN House, Independence Avenue, Accra on Tuesday, 30th May 2023 at 11h00 GMT to transact the following business:

Ordinary Business

1. To receive and consider the Audited Financial Statements together with the reports of the Directors and Auditors thereon for the year ended 31st December 2022;
2. To declare a final dividend for the year ended 31st December 2022;
3. The resolution to appoint Mrs. Neo Phakama Dongwana as a director of the Company has been withdrawn;
4. To approve the payment of Directors' fees; and
5. To authorize the Directors to fix the remuneration of the Auditor for the financial year 2023.

Special Business

6. To approve by special resolution the amendment of the Company's Constitution to align with the Securities and Exchange Commission (SEC) Corporate Governance Code, 2020 ("SEC Code"), the Ghana Stock Exchange (GSE) Listing Rules ("GSE Rules") and any other applicable law.
7. To approve by special resolution the amendment of the Constitution of the Company to include the appointment of a person by the Board of Directors, as a director either to fill a vacancy on the Board, or as an addition to the Board subject to Paragraph 10(9) of the SEC Code and Rule 36 of the GSE rules.
8. To approve by special resolution for all Shareholders to have, in addition to cash, the option of a non-cash dividend payment (scrip dividend).

DATED THIS 9TH DAY OF MAY 2023

BY ORDER OF THE BOARD

SIGNED

PALA ASIEDU OFORI (MRS.)

(COMPANY SECRETARY)

1. Virtual Attendance

This Annual General Meeting (AGM) of Shareholders shall be held virtually and attendance shall be by online participation by accessing https://mtnghagm.com/

Alternatively, Shareholders who do not have smart phones may participate in the AGM by (i) dialing +233244300025; (ii) entering the access code 8000; and (iii) entering the conference pin number 056789.

2. Proxy / Proxy Forms

2.1 A Shareholder entitled to attend and vote at the AGM may appoint a proxy to attend virtually and vote on his/her behalf. Such a proxy need not be a Shareholder of the Company.

2.2 The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the AGM virtually. Where a Shareholder attends the meeting virtually, the proxy appointment shall be deemed to be revoked.

2.3 A copy of the Proxy Form may be downloaded from https://mtnghagm.com/ and may be completed, signed and sent via email only to info@csd.com.gh as soon as possible and in any event not less than 48 hours before the time appointed for the meeting.

3. Accessing and Voting at the AGM

3.1 Access to the meeting will be made available from 9am GMT, on Tuesday, 30th May 2023. Kindly note however that the AGM shall commence at 11am GMT. Access to the AGM is set out in note 1 above.

3.2 A unique token number will be sent to Shareholders by email and/or SMS from Monday 21st May 2023, to grant access to the AGM. Shareholders who do not receive this token may contact info@csd.com.gh or call +233(0)545823198, +233(0)545822865 or +233(0)545822920 before the date of the AGM, to be sent the unique token.

3.3 Shareholders who do not submit proxy forms to info@csd.com.gh prior to the meeting, may vote electronically during the AGM using their unique token number.

3.4 Shareholders participating in the AGM by dialing as set out in note 1 above, may dial USSD code *899*0# on all networks to cast their votes.

3.5 Shareholders joining online may vote using the USSD code as set out in 3.4 above or on the online portal, by clicking on "cast your vote" and following the instructions.

3.6 Further assistance on accessing the meeting and voting electronically can be found on https://mtnghagm.com/

4. 2022 Audited Financial Statements

Pursuant to Section 128(3) of the Companies Act 2019, Act 992, the Directors must present to Shareholders at the AGM, the Financial Statements, alongside report of the Directors, and report of the Auditor (EY) on the financial statements of the Company for the 2022 Financial Year.

Shareholders are required to receive and consider the Audited Financial Statements together with the reports of the Directors and Auditor thereon for the year ended 31st December 2022.

5. Ordinary Resolutions

5.1 **Ordinary Resolution 1 - Dividend Payouts**

Section 76 of the Companies Act provides for the approval by Shareholders of dividends recommended by the Board of Directors. At the 27th February 2023 Board Meeting, the Directors resolved and declared a final dividend of One Billion, Five Hundred and Twenty-Four Million, Eighteen Thousand, Eight Hundred and Twenty Ghana Cedis, Sixty-four Pesewas (GHS1,524,018,820.64) for the financial year 2022. Shareholders are by this resolution requested to approve the dividend recommended by the Directors.

Resolution 1: The Shareholders by ordinary resolution hereby approve the payment of a final dividend of One Billion, Five Hundred and Twenty-Four Million, Eighteen Thousand, Eight Hundred and Twenty Ghana Cedis, Sixty-four Pesewas (GHS1,524,018,820.64) for the Financial year 2022.

5.2 **Ordinary Resolution 2 – Authorization of the Board of Directors to fix the remuneration of the Auditors for the financial year 2023.**

Pursuant to Section 140 (1) (c) of Act 992, the remuneration payable to an Auditor of the Company shall be fixed at a meeting of Shareholders by ordinary resolution of the Company or in a manner that the Company by ordinary resolution may determine.

Resolution 2: The Shareholders by ordinary resolution hereby authorize the Board of Directors to fix the remuneration of the Auditors for the financial year 2023.

5.3 **Ordinary Resolution 3 - The resolution to appoint Mrs. Neo Phakama Dongwana as a director of the Company has been withdrawn.**

5.4 **Ordinary Resolution 4 - Approval of Directors' fees for the financial year 2023**

Pursuant to Section 185(1) of Act 992 and Paragraph 15(3) of the SEC Corporate Governance Code, the fees and any other remuneration payable to Non-Executive Directors shall be determined by an ordinary resolution of the Company. The amount of Six Million One Hundred and Thirty-Nine Thousand, Two Hundred and Eighty-Six Ghana cedis (GHS6,139,286.00) is proposed subject to overruns in the event of the appointment of additional Non-Executive Directors and ad-hoc Committee meetings that may be required in the course of the year.

Resolution 4: The Shareholders by ordinary resolution hereby approve the amount of Six Million one hundred and thirty-nine thousand, Two hundred and Eighty-Six Ghana cedis (GHS6,139,286.00) to be paid to Non-Executive Directors of Scancom PLC, subject to overruns in the event of the appointment of additional Non-Executive Directors and ad-hoc Committee meetings that may be required in the course of the year.

6. Special Resolutions

6.1 **Special Resolution 1 - Approval of Shareholders for the amendment of the Company's Constitution in accordance with the SEC Corporate Governance Code, 2020, the GSE Listing Rules and any other applicable law.**

Pursuant to section 30 of Act 992, a special resolution of Shareholders is required to amend the Constitution of the Company. Shareholders' approval is thus being sought to amend the Constitution of Scancom PLC, to enable the Company to align with the SEC Governance Code requirements, the GSE Listing Rules and any other applicable law.

Resolution 5: The Shareholders by special resolution hereby approve the amendment of the Company's Constitution to align with the SEC Corporate Governance Code, 2020, the GSE Listing Rules and any other applicable law, rule or regulation.

6.2 **Special Resolution 2 – Special resolution of Shareholders to amend the Constitution to include a provision for the Board of Directors to appoint a person as a director either to fill a vacancy on the Board, or as an addition to the Board, and any director so appointed shall hold office only until the next AGM of the Company.**

Currently, the Constitution of the Company permits directors to appoint directors to fill a vacancy only where the number of directors is reduced below the minimum number of directors. Any other vacancy on the Board must be filled by Shareholders in general meeting. The SEC Code (Paragraph 10(9) and GSE rules (Rule 36) provide that where provision is made in the Constitution of the Company for directors to appoint a person as a director either to fill a vacancy or as an addition to the Board, any director so appointed shall hold office only until the next AGM of the Company. Such a director shall then be eligible for re-election.

In line with the above, Shareholders' approval is required to amend the Constitution to make provision for the Board to appoint a person as a director either to fill a vacancy on the Board, or as an addition to the Board, subject to the limits approved by Shareholders, and any director so appointed shall hold office until the next AGM when he/she shall be eligible for re-election by Shareholders.

Resolution 6: The Shareholders by special resolution hereby approve the amendment of the Company's Constitution to include a provision for the Board to appoint a person as a director either to fill a vacancy on the Board, or as an addition to the Board, and any director so appointed shall hold office until the next AGM when he/she shall be eligible for re-election by Shareholders.

6.3 **Special Resolution 3 - Approval of non-cash dividend payment option (scrip dividend)**

Pursuant to sections 68 (1) (c) and 77(1) of the Companies Act, 2019 (Act 992), a special resolution of Shareholders is required to transfer a sum of money from reserves to stated capital and the Shareholders, on the recommendation of the directors, may by the same or a subsequent special resolution, resolve that unissued shares in the company be issued and credited as fully paid to the Shareholders who would have been entitled to receive dividend and in the same proportions so that the sum of money so transferred to stated capital shall be deemed to be paid, otherwise than in cash, on the shares. By virtue of this provision, the Shareholders can opt to receive their dividend in the form of shares instead of cash and this option is known as a scrip dividend.

The offer of scrip dividend instead of cash when made will be made subject to clear communication to all Shareholders, and payment of dividends shall be made in cash should Shareholders fail to select an option within clearly communicated timelines.

Resolution 7: The Shareholders hereby approve the transfer of funds from the reserves to stated capital, and further approve that unissued shares in Scancom PLC be issued to Shareholders who validly opt to receive their pro-rata share of dividends, in the form of shares issued at the market value of the shares on the day of declaration of the dividends.

For further information, please contact:

Tel: +233(0)545823198, +233(0)545822865 or +233(0)545822920

Proxy form

I/We____of____________________________being a Shareholder(s) of Scancom PLC. hereby appoint _____________________________________of _____________________________________or failing him/her the Chairman of the Meeting as my/our Proxy to vote for me/us and on my/our behalf at the Virtual Annual General Meeting of the Company to be held at 11am GMT on May 30 2023, or at any adjournment thereof.

OR

I____a director of____________________ ____Company Limited (the "Shareholder Company") for and on behalf of the Shareholder Company, which is a shareholder of Scancom PLC do hereby appoint

____of ____________________________ __________or failing him/her the Chairman of the Meeting as the Proxy of the Shareholder Company, to attend, speak and vote on its behalf as he/she may deem fit, at the Virtual Annual General Meeting to be held at 11h00 GMT on the May 30, 2023.

Please indicate with an X in the spaces below how you wish your votes to be cast.

Ordinary Business	**For**	**Against**
1. The Shareholders hereby approve by ordinary resolution the payment of a final dividend of One Billion, Five Hundred and Twenty-Four Million, Eighteen Thousand, Eight Hundred and Twenty Ghana Cedis, Sixty-four Pesewas (GHS1,524,018,820.64) for the Financial year 2022.		
2. The Shareholders by ordinary resolution hereby authorize the Board of Directors to fix the remuneration of the Auditors for the financial year 2023.		
3. The resolution to appoint Mrs. Neo Phakama Dongwana as a director of the Company has been withdrawn.		
4. The Shareholders by ordinary resolution hereby approve the amount of Six Million one hundred and thirty-nine thousand, Two hundred and Eighty-Six Ghana cedis (GHS6,139,286.00) to be paid to Directors of Scancom PLC, subject to overruns in the event of the appointment of additional Non-Executive Directors and ad-hoc Committee meetings that may be required in the course of the year.		

Please indicate with an X in the spaces below how you wish your votes to be cast.

Special Business	**For**	**Against**
5. The Shareholders by special resolution hereby approve the amendment of the Company's Constitution to align with the SEC Corporate Governance Code, 2020, the GSE Listing Rules and any other applicable law, rule or regulation.		
6. The Shareholders by special resolution hereby approve the amendment of the Company's Constitution to make provision for the Board to appoint a person as a director either to fill a vacancy on the Board, or as an addition to the Board, and any director so appointed shall hold office until the next AGM when he/she shall be eligible for re-election by Shareholders.		
7. The Shareholders hereby approve the transfer of funds from the reserves to stated capital, and further approve that unissued shares in Scancom PLC be issued to Shareholders who validly opt to receive their pro-rata share of dividends, in the form of shares issued at the market value of the shares on the day of declaration of the dividends.		

Dated this _____________day of May 2023

Name: ______________________________ Signature: _________________________

FIRST FOLD HERE

PLEASE
AFFIX
STAMP
HERE

The Company Secretary
Scancom PLC (MTN Ghana)
Head office
PO Box 281
Trade Fair, La Accra
Ghana

SECOND FOLD HERE

Final ordinary dividend

Notice is hereby given that a gross final dividend of GHS0.124 per share for the period to 31 December 2022 has been recommended by the Board and subject to approval by shareholders. In addition, we are exploring the option for shareholders to choose between cash or share dividends as an alternative and elective form of shareholder return to a cash only dividend, subject to shareholder and regulatory approvals. All dividends are subject to the deduction of the appropriate taxes. The number of ordinary shares in issue at the date of this declaration is 12,290,474,360.

Scancom PLC's tax reference number is **C0003632776**. In compliance with the requirements of GSE rules, the salient dates relating to the payment of the dividend are as follows:

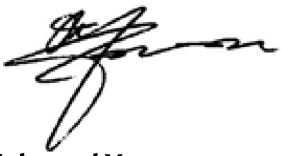
Ex-dividend date	**Wednesday, 17 May 2023**
Qualifying date	**Friday, 19 May 2023**
Dividend payment date	**Thursday, 22 June 2023**

All shareholders registered in the books of Scancom PLC at close of business on Friday, 19 May 2023 qualify for the final dividend.

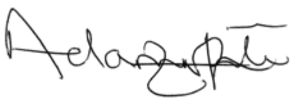
In view of the foregoing, the ex-dividend date has been set as Wednesday, 17 May 2023. Consequently, an investor purchasing MTNGH shares before this date will be entitled to the final dividend. However, an investor buying MTNGH shares on or after Wednesday, 17 May 2023 will not be entitled to the final dividend.

On Thursday, 22 June 2023 the dividend will be transferred electronically to the bank accounts or mobile money wallets of shareholders who make use of these facilities.

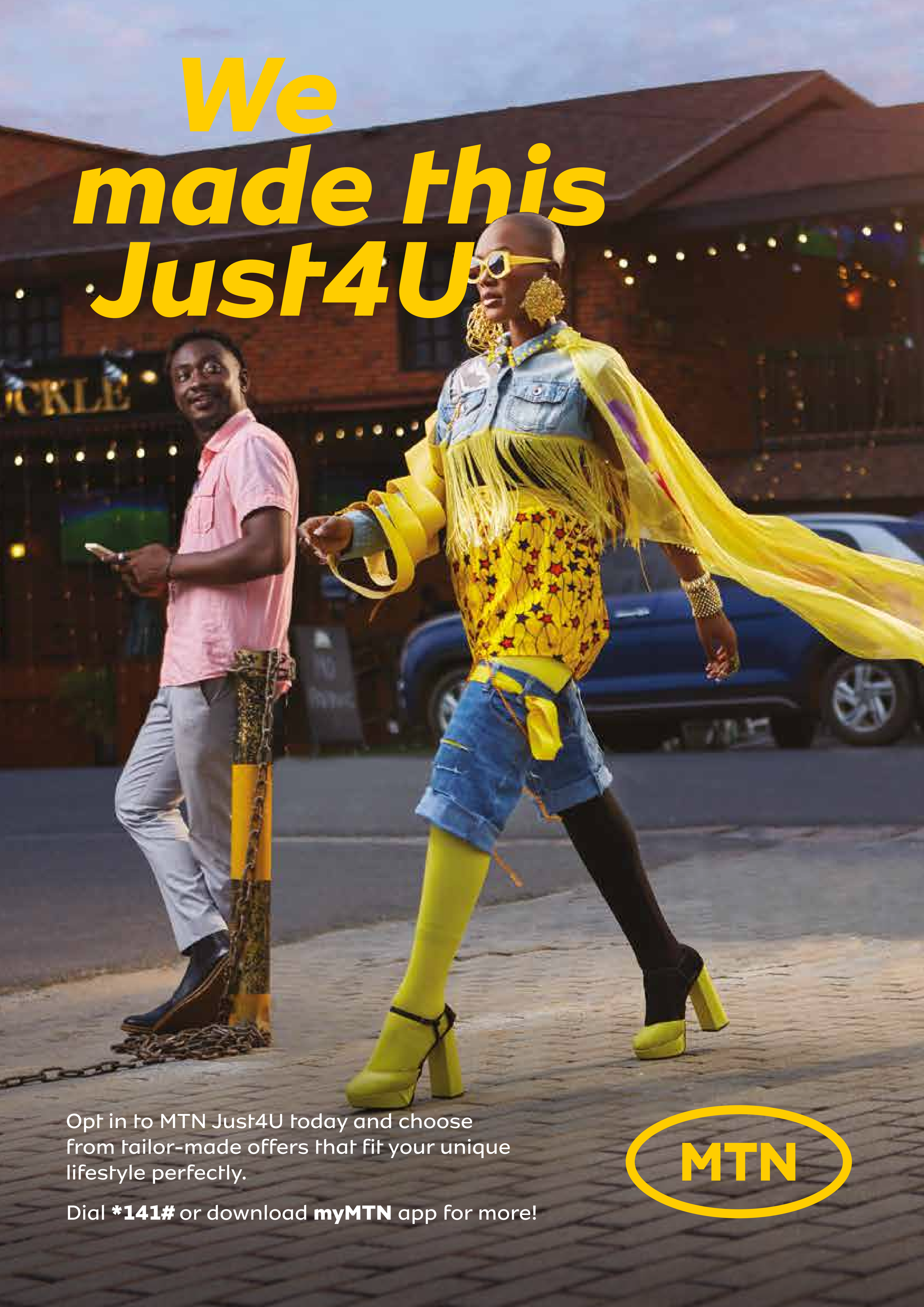
The final dividend was approved by the Board of Directors on 27 February 2023 and signed on its behalf by:



Ishmael Yamson
Chairman

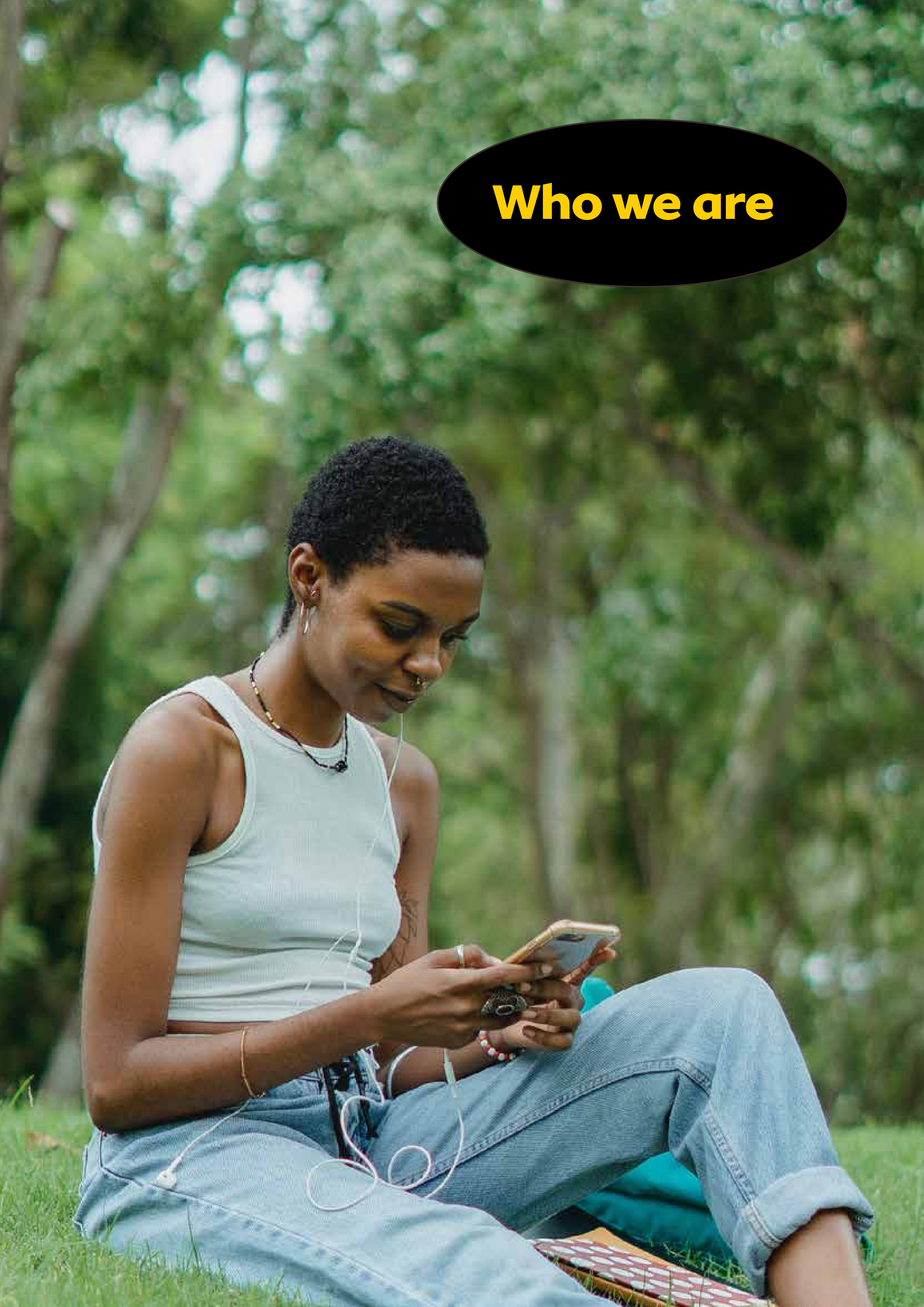


Selorm Adadevoh
Chief executive officer


We made this Just4U
Opt in to MTN Just4U today and choose from tailor-made offers that fit your unique lifestyle perfectly.
Dial *141# or download myMTN app for more!
MTN

what are we doing next?

Who we are



28.6 mill

lion *people nationwide are connected through* ***MTN Ghana***

MTN LEADS THE WAY
IN ESG INNOVATION

MTN Ghana's commitment to Environmental, Social and Governance (ESG) at the foundation of its business continues to take center stage as it makes progress towards achieving its Ambition 2025 strategy. MTN's revised strategy, Ambition 2025, is anchored on building the largest and most valuable platform business with a clear focus on Africa. A key enabler of Ambition 2025 is to continue to ensure that ESG is at the core of our business.

Ambition 2025 comes with a clear sustainability vision to create shared value for our stakeholders through responsible environmental, social and governance practices.

MTN Ghana's commitment to this vision of sustainability became apparent when MTN Ghana emerged as the winner of the ESG at the Core Award during the 2023 MTN Leadership Gathering Conference held in Johannesburg, South Africa.

The ESG at the Core Award is a testament to MTN Ghana's adoption of the Sustainability strategy and ESG KPI Index scoring methodology that focuses on MTN's material matters and strategic programmes.

Key initiatives that brought MTN Ghana's ESG adoption to the fore are;

- Ghana recorded 5.2% emission reduction against group target of 3.5%. Turning commitment into practical steps – ensuring that 20% of its BTS sites are solar powered resulting in a reduction of grid & fuel utilization. Innovating and piloting various solutions like smart sensors.

- Ghana achieved the highest rural coverage of all markets at 99.42% population coverage, ensuring even more rural and remote societies are connected.
- Ghana recorded one of the highest scores from stakeholders within the 2022 Reputation Index Survey with a score of 82 against Group-wide score of 79.6 largely attributable to record scores on responsiveness and relationship health.
- Ghana exceeded their women in the workforce target of 40.7% to achieve 41.2% which set them above the rest.
- Having set its mark within the MTN Group as an ESG champion, MTN Ghana remains focused on entrenching its position by implementing several group-led initiatives. These include, in particular, net zero targets which leverage on the latest technologies and service partners to enable business sustainability via greater energy efficiencies, low carbon emissions, risk reduction and cost control.

MTN Ghana will continue to prioritize renewable solutions, efficient emerging technologies, energy storage to realise our net zero and ESG targets, reduction in absolute emissions and extending rural broadband coverage. MTN will also prioritize improving female gender balance in workforce, improving the lives of women and girls through the various social initiatives and increasing awareness and capacity on Digital Human Rights among others.

MTN GHANA FESTIVALS SUPPORT

CONNECTING GHANAIANS THROUGH CULTURAL HERITAGE AND SOCIAL DEVELOPMENT

Festivals are an integral part of the social and cultural fabric of Ghanaian communities, societies, tribes and clans. Festivals and durbars are held throughout the year in various parts of the country to reunite people and for other reasons. They are colorful and lively events that bring people, families and communities together.

Festivals are a particularly important aspect of Ghana's cultural heritage, and they are revered and highly patronized. The festivals serve as avenues for displaying the rich cultural heritage of local communities and is also used to promote development. Over the years companies such as MTN Ghana also use it as an engagement tool.

The celebration of festivals now permeates every facet of the Ghanaian society such that it is difficult to perceive a Ghanaian community without one form of a festival or the other. In instances where communities or societies do not have a traditional festival, they always create an event that brings them together as one people with one culture and destiny.

In keeping with its goal of connecting people, MTN Ghana has, since its entry into the Ghanaian market, supported festivals as a way of connecting to the heritage of the people. MTN Ghana currently supports over 40 festivals across the country. Some of the major festivals supported by MTN Ghana over the past 16 years are Aboakyir Festival, Essikado - Sekondi Kundum, Oguaa Fetu Afahye, Homowo (Ga/Osu/La), and Asogli. Others include Akuapem Odwira, Hogbetsotso, Akyem Tafo Ohum, Ada Asafotufiami, Mepe Afonorto, Salafest, Lawra Kobine Dumba and Damba. Recently, MTN Ghana has been associated with the celebration of Bonwire and Agbamevor Kente Festivals and the Gonja Youth Jamboree. MTN Ghana also supports the Kwahu Easter festival and Salafest.

In addition to supporting these cultural and community festivals, MTN Ghana has created its own regional festivals to celebrate customers in the regions for their loyalty to the brand. These festivals are Ashanti fest, Savanna fest, Koforidua fest and Twincity fest.

CHAMPIONING DIGITAL SOLUTIONS
THROUGH AYOBA & MYMTN APP

Today, digital innovation and technological advancement have become the bedrock of global economic growth. However, in Africa, access to the internet and digital technology is still lagging. Continent wide digital transformation will therefore open up new pathways and drive immense social, economic and political opportunities across Africa.

To help expedite Africa's digital transformation agenda, MTN in 2021, launched it's 'Ambition 2025' strategy with the aim of providing leading digital solutions for Africa's progress. Anchored on building the largest and most valuable platform business with a clear focus on Africa, MTN has a goal to unlock economic growth through financial and digital solutions for consumers and businesses of all sizes.

One of the innovative platforms MTN has developed is Ayoba, Africa's super app that allows users to chat, call, access localized content and over 35 micro-apps, play games and listen to music. The all-in-one instant messaging super app was developed to bridge the digital divide and harness the growth of Africa's economy by making internet and digital services easily accessible and affordable. Ayoba is also committed to supporting small to medium sized enterprises (SMEs) and homegrown businesses across the continent.

Ayoba, which is available globally to both MTN and non-MTN customers, aims to entertain, educate and empower communities. Since its launch, Ayoba has reached millions of users across the African continent and is on course to reach 100 million active users by 2025. Accessible across 17 MTN markets, Ayoba seeks to enable customers to access the internet and digital services by providing curated and exciting content for Africa's diverse audience. In January 2023, Ayoba announced the achieving of 20 million monthly active users which represented 100% growth.

MTN intends to capture more than 10% of the gross merchandise value of the digital economy in its footprint via Ayoba. With MTN MoMo integrated with Ayoba in a few markets, including Ghana, Uganda, Cameroon, and Congo Brazzaville, Ayoba is also speeding not only digital inclusion but also financial inclusion.

Ayoba has played a vital role in accelerating the growth of SMEs across the continent and has made communication seamless and convenient. In 2021, Ayoba received the Best OTT Brand of the Year at the Marketing World Awards. In 2022, Ayoba App was recognized as the Top Innovative Technology and Telecom Product of the Year at the National Communications Awards. These accolades add to the countless honors MTN has received for its cutting-edge digital services and solutions over the years. With these achievements, and the significant role MTN continues to play, MTN is on track to reach its goal of 100 million MoMo users by 2025.

The Ayoba App can be downloaded on Play store and Apple store. Usage is free on MTN, and customers can send and receive messages instantly. Other services include voice messages, voice notes, voice and video calls with any of your contacts on the app. Ayoba is secure, and customers can use their existing address book to quickly and easily find and connect with their friends. With Ayoba, you can chat with everyone, send SMS text messages to anyone in your contact list, regardless of whether they have installed Ayoba or not.

myMTN app also provides MTN subscribers with a wide range of fantastic benefits to enhance customer experience and increase digital touchpoints.

In 2022, MTN reaffirmed its commitment to leading digital solutions for Africa's progress and providing its valued customers with the benefits of a modern connected life with the introduction of the eSIM which customers can request via the myMTN app. The introduction of eSIM cements MTN's commitment to offering more value-added solutions for its growing customer base.

Customers can download myMTN App on play store to purchase airtime, data bundles, manage MoMo and broadband accounts, check balance and much more. myMTN is everything a customer needs, all in one place.

Our vision, mission and values

Our Vision

To lead the delivery of a bold, new digital world to our customers

Our Belief

Everyone deserves the benefits of a modern connected life

Our Purpose

To enable the benefits of a modern connected life to everyone

Values that drive us

Lead with Care
'Can-do' with Intergrity
Collaborate with Agility
Serve with Respect
Act with Inclusion

Vital behaviours that shape our culture

Complete accountability
Get it done
Active collaboration
Complete candour

What we offer

MTN Ghana leads the data market with 13.5 million# subscribers as at December 2022.

The growth in data market share is largely attributable to effective market propositions, rich content and value-added services, video push and MTN's smart device drive, lifestyle-based propositions and packages as well as partnership models within the data ecosystem.

The various products and services offered by MTN Ghana to retail and corporate consumers include the following:

Enterprise/Wholesale

We connect people and communities through voice (postpaid and prepaid), messaging and data-access services; we enable people to make financial transactions using their mobile phones and bring them entertainment and online platforms, apps and online ventures through lifestyle, mobile financial services and e-commerce offerings. Products in this segment are voice services, fixed line, MTN Shortz, MTN Protect, MTN fibre broadband, data and internet solutions, MTN vehicle tracking, MTN Care 24/7, MTN radio, iStream TV, MTN Play, MTN Xtratime, Music Plus, MTN Video Plus, MTN online school.

Consumer

As a committed partner to small, medium and large private enterprises and the public sector, we drive agility and growth through connectivity, communication and collaboration solutions over world-class infrastructure. This includes unified communication (voice, messaging and video), cloud and hosting services, connectivity, managed mobility (the internet of things) and security. Products in this segment include MTN dedicated internet, MTN corporate postpaid packages, MTN asset tracking, MTN leased lines, MTN vehicle tracking, MTN smart cam, MTN eazifon, MTN SME plus, MTN directory services, MTN fibre broadband, MTN business caller tunez, MTN multi-caller services, MTN cloud services, MTN global (MPLS) vpn, MTN co-location hosting/ data centre services and MTN APN SIM.

MTN Mobile Money

MTN Ghana launched its Mobile Money service in July 2009 in partnership with nine banks, and was the first telco in Ghana to do so. By December 2022, we had 21 partner banks and about 12.7 million* active users on the MTN Mobile Money platform and over 265,520 active agents nationwide. Services offered on this platform include money transfer; airtime top up; bill payments; general payments; bulk payment payroll; school fees payment; savings and investment; international remittances; link to bank account; insurance and ATM cash-out.

Active data subscribers as per MTN Group definition are data subscribers who have used more than 5MB in a month.
* Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company.

MTN Group's Ambition 2025 strategy

Driven by a pioneering spirit, MTN has played a bold role in c

When we started our journey in 1994, our ambition was to brighten lives through the critical than ever. To support this, we are harnessing the power of MTN – our leadin platforms – through *Ambition 2025*: Leading digital solutions for Africa's progress. E enablers necessary to deliver on our purpose.

Ambitio

Belief statement

'Everyone deserves the benefits o

Strategic intent

'Leading digital solutions

2025 Strategic priorities

Build the largest and most valuable platforms

Drive industry-leading connectivity operations

Vital enablers

Leading customer experience

ESG at the core

Values

Lead with Care

'Can-do' with Integrity

accelerating Africa's development.

power of connectivity. Today, extending digital and financial inclusion are more g brand, broad presence and skills, connectivity infrastructure and technology arly in 2023, we introduced our refreshed values, integrating these with the vital

n 2025

f a modern connected life'

for Africa's progress'

Create shared value

Accelerate portfolio transformation

Best talent, culture and future skills

Technology platforms second to none

Value-based capital allocation

Collaborate with Agility

Serve with Respect

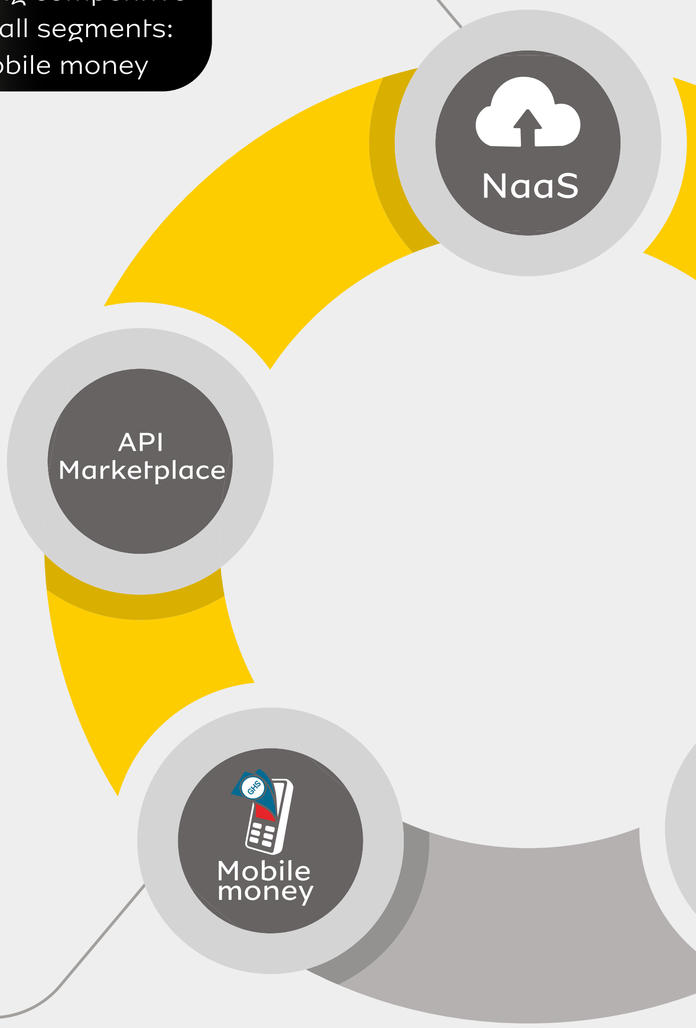
Act with Inclusion

Investment case - A compelling Ghanaian growth story

Ghana's growing appetite for digital services for entertainment, financial and commercial needs provides a massive opportunity for telcos like MTN to capture the data and financial services opportunity. We believe we are well placed to provide MTN owned digital services and facilitate access to third-party digital services.

Strong position in market

- #1 subscriber market share
- Leader with a strong competitive advantage across all segments: voice, data and mobile money



Well-positioned for the long-term

- Increased data investment: fixed and mobile
- Best Network with excellent customer experience
- Accelerated growth in advanced services : Payments, savings, loans and insurance

Enhanced risk and regulato

Disciplined capital allo

Enterprise

ayoba

Exciting demographic opportunity

- Fast growing youthful population
- Large opportunity in digital and financial services
- Partner in socioeconomic development of our economy

Attractive return profile

- Strong cash flow generation
- Consistent dividend payment
- Significant contribution to sustainability

ry framework

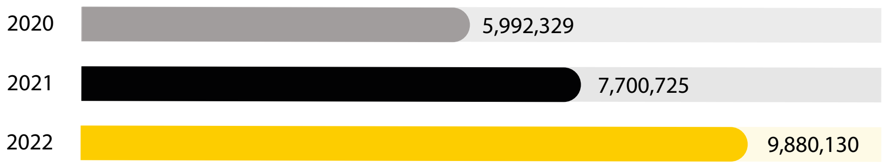
cation

what are we doing next?

Operational performance

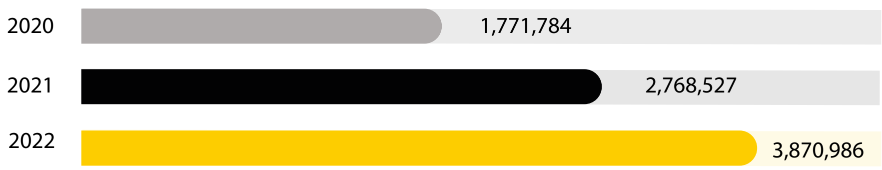
Salient features

Service Revenue (GHS '000s)

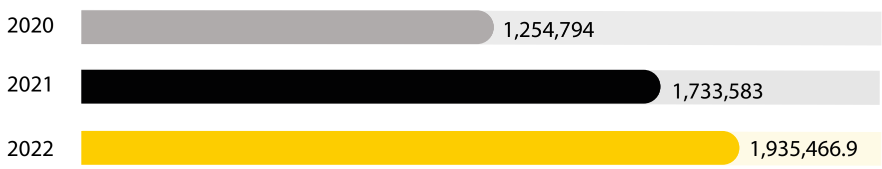


Voice Revenue (GHS '000s)

Data Revenue (GHS '000s)

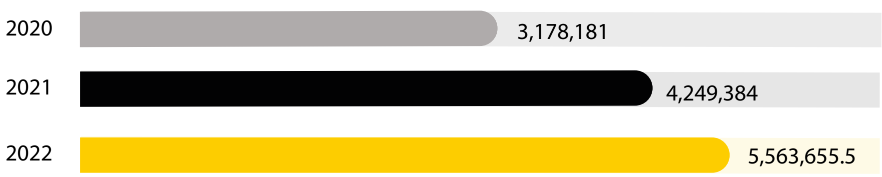


MoMo Revenue (GHS '000s)



Digital Revenue (GHS '000s)

EBITDA (GHS '000s)



+28.3%
Service Revenue Growth

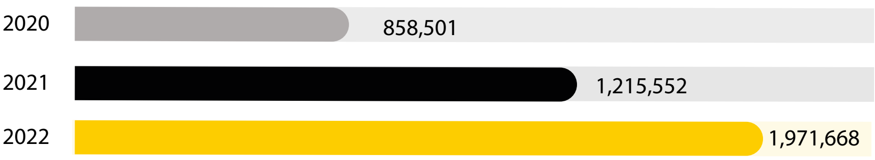
+24.5%
Voice Revenue Growth

+39.8%
Data Revenue Growth

Salient features

EBITDA Margin

Core Capex (GHS '000s)



Active Voice subs ('000s)

Active Data subs ('000s)

Active MoMo subs ('000s)

Active Digital subs ('000s)

+11.6%
MoMo Revenue Growth

+30.9%
EBITDA Growth

+1.1pp
EBITDA Margin

Chairman's statement

Distinguished shareholders, ladies, and gentlemen,

I wish to welcome all of you to the 5th Annual General Meeting of Scancom PLC (MTN Ghana). On behalf of the Board of Directors, it is my pleasure to give you an update on your Company's performance for the year 2022.

Ishmael Yamson
Board chairman

> MTN is committed to improving the lives of Ghanaians through appropriate and sustainable socioeconomic interventions. Over and above the investment in our network and IT systems, we spent GHS32.8 million to undertake health, education and economic empowerment projects in 2022 through the MTN Ghana Foundation.
>
> Ishmael Yamson

The business operating environment

Difficult domestic fiscal issues, aggravated by events in the global economy, impacted severely on the Ghanaian economy with dire consequences for our operating environment. With Ghana's debt burden exceeding sustainable levels, leading to the loss of access to the Euro-bond market, the economy was thrown into a downward spiral with the cedi depreciating sharply, inflation skyrocketing and interest rates rising steeply.

Just as the global economy was showing signs of recovering from the disruptions which followed the outbreak of the COVID-19 pandemic, Russia's invasion of Ukraine created further upsets and uncertainties in the global economy with widespread disruption to the global supply chain and other key drivers of the economies worldwide.

The combined effects of the above domestic and global developments impacted severely on Ghana's economy with GDP growth for the year falling to 3.2%, barely above the rate of population growth, from 5.4% in 2021. Headline inflation surged from 12.6% in December 2021 to peak at 54.1% in December 2022.

The Ghanaian Cedi suffered sharp depreciation against major international currencies, partly due to the strengthening of the US Dollar but also mainly weighed down by domestic macroeconomic imbalances, ending the year at 42.8% depreciation against the US Dollar.

As a result of the rapid exchange rate deterioration and strong inflationary pressures, the Bank of Ghana embarked on aggressive policy rate tightening, with a cumulative increase of 12.5pp in 2022 to close the year at 27.0%.

With the economy in distress, the Government applied to the International Monetary Fund for Balance of Payment support. Negotiations began earnestly with all creditors, including domestic bond holders, some of whom refused to participate in the Domestic Debt Exchange Programme. Considerable progress has been made and China and the Paris Club have now agreed to grant financing assurances to pave the way for Ghana to secure the $3bn IMF loan. Should all of Ghana's creditors sign on to this, and the chances are that they will, we should see immediate but gradual recovery of the economy.

Financial performance and dividends

MTN Ghana's performance for 2022 was strong with a total revenue growth of 28.4% Year-on-Year (YoY) underpinned by focused execution of the business strategy, resulting in growth in Voice, Data and MoMo revenues.

Given the prevailing tough macro-environment conditions, managing costs was key to protecting margins and ensuring growth in profit. The management team executed the expense efficiency program diligently, resulting in 30.9% YoY growth in EBITDA with a margin expansion of 1.1 percentage points to 56.1%, while Profit after tax grew by 42.7% YoY to GHS2.9 billion which reflected in a 42.3% YoY growth in earning per share.

The Board shall be recommending a final dividend of 12.4 pesewas on ordinary shares to be approved by shareholders and paid on 22 June 2023 if approved. This shall bring the total dividend for the 2022 financial year to 16.4 pesewas per share following the interim dividend of 4.0 pesewas per share paid on 22 September 2022. This represents 70.6% of profit after tax and a 42.6% YoY increase in dividend per share paid in 2022 over 2021.

Creating shared value – our commitment to social and economic development

MTN continued to commit to improving the lives of Ghanaians through appropriate and sustainable socioeconomic interventions. Over and above large investments in our network and IT systems, we spent GHS28.3 million to undertake health, education, and economic empowerment projects in 2022 through the MTN Ghana Foundation.

We made considerable progress in the construction of a 60-bed maternity and neonatal centre for the Keta Municipal Hospital and a STEM robotics lab for the Mamfe Girls' School. We also awarded 100 new scholarships, bringing the total number of students benefiting from the MTN scholarship program at various educational institutions to 446.

MTN Ghana remained a development partner to the government through our contribution to the fiscal and socio-economic development of the country. In 2022, the Company paid GHS3.7 billion in direct and indirect taxes and GHS301.7 million in fees, levies, and other payments to governmental agencies. Combined, this represented 40.1% of MTN's total revenue for the 2022 financial year.

Our corporate governance oversight

Ladies and gentlemen, the success of every company is anchored on strong corporate governance structures and framework, and in 2022 your Board fully exercised its duties and responsibilities with diligence and professionalism. I would like to assure you that your Board shall continue to provide effective oversight over the operations of your Company and discharge its duties and responsibilities with utmost care. In 2022, 23 board meetings were held, including, Special, Emergency and Board Committee meetings in pursuit of the Board's mandate.

During the year, there was no change in the Board's composition.

Ladies and gentlemen, continuous training and development remained paramount to your Board and in the year under review, the Board engaged in a combination of local and international instructor-led and online training courses and seminars, aimed at strengthening their skills and capacity to perform their duties and responsibilities effectively.

I want to assure our shareholders and stakeholders that our commitment to building a robust governance charter and framework remains top priority. The Board will continue to evaluate and improve on its performance and upgrade itself in line with the demands of the business,

The Board will ensure your company is compliant with all corporate governance directives issued by regulatory stakeholders and will continue to ensure that your company remains a responsible corporate body in a rapidly changing world. We will continue to prioritize the creation of value for our shareholders and all other stakeholders, supporting Ghana's development aspirations, and investing in the communities where we operate.

Economic outlook

The global economic outlook for 2023 remains uncertain due to persistent inflationary pressures, disruptions from the Russia-Ukraine conflict and geo-political tensions. Consequently, the IMF has predicted a low global economic growth of 2.9% for the year. These developments will continue to pose significant challenges to the Ghanaian economy, which will require major policy shifts and deep structural changes to return the economy to stability and on the path to growth.

Additionally, the policy environment in Ghana is expected to prioritize fiscal sustainability and price stability. In the short term the Bank of Ghana is expected to continue with its aggressive monetary policy stance, pursuing sharp interest rate hikes to rein in inflation, which is projected at 29.0% by December 2023, from 54.1% at the close of 2022. Consistent with the key elements of the IMF agreement at the staff level in December 2022, the Ghanaian Government has also secured legislative approval for new revenue measures. Together, these and other Programme measures will have a softening impact on the growth capacity of the economy, with GDP growth projected to decline to 1.3% from an earlier forecast of 2.9%, against 3.2% for 2022.

These developments will naturally create a difficult operating environment in 2023 for your company. However, your Board, the Executives and the employees of your Company will continue to pursue strategies and plans that will ensure a continued, sustainable and resilient performance which will deliver the promise of our Ambition 2025.

Conclusion

Before I bring my Statement to a close, I want to thank the members of staff and management for their hard work and commitment throughout a challenging period. I know the year ahead presents even greater challenges, but I can assure you that the Board will continue to support you every step of the way so we can together build an even more prosperous company for the benefit of all our stakeholders.

I would also like to thank all members of the Executive Committee for your outstanding strategy execution and risk management and the leadership you have provided for the business.

And to you my Board colleagues, I can only doff my hat to you, for your resilience and dedication to your duties and responsibilities to MTN Ghana, it was a demanding year, but you performed creditably to sustain the resilience and viability of the business.

I also want to thank all our Regulators – the National Communications Authority, the Securities and Exchange Commission, the Ghana Stock Exchange, the Bank of Ghana, and the entire government, particularly the Ministry of Communications and Digitalization, for their support through 2022.

I thank all our partners and customers for their loyalty and patronage. I pledge our commitment to provide you with improved services and better customer care experiences in the coming year.

Finally, I would like to thank all shareholders, and everyone seated here for your continuous show of support for MTN Ghana.

Thank you and God bless us all and our Homeland Ghana.

Ishmael E. Yamson

Chairman

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Dear Shareholders,

It gives me great pleasure to welcome you to Scancom PLC's fifth Annual General Meeting and to update you on your company's performance for the past year. I will also share the outlook for 2023 and for the medium-term.

Selorm Adadevoh
Chief executive officer

> MTN Ghana remained focused on executing its **Ambition 2025** strategy of driving commercial execution, maintaining cost discipline, and creating shared value for its stakeholders. Service revenue grew by 28.3% Year-on-Year (YoY) in 2022, supported by a well-executed subscriber management program alongside delivering on the national SIM re-registration exercise.
>
> Selorm Adadevoh

2022 in review

2022 was a challenging year characterized by rising inflation and sustained currency depreciation due to factors such as the depreciation of the cedi against the US dollar, as well as higher fuel and utility costs.

The government responded by taking a tight monetary policy stance, with policy rate increased by 12.5 percentage points (pp) in 2022 and ending the year at 27.0% (compared to 14.5% in December 2021). The government applied for a US$3.0 billion three-year extended credit facility from the International Monetary Fund (IMF), which has just been approved.

Operational review

Amidst these challenges, MTN Ghana remained focused on executing its **Ambition 2025** strategy of driving commercial execution, maintaining cost discipline, and creating shared value for its stakeholders. Service revenue grew by 28.3% Year-on-Year (YoY) in 2022, supported by a well-executed subscriber management program alongside delivering on the national SIM re-registration exercise. Service revenue growth was also supported by increased investment in the network and the diligent execution of commercial initiatives in voice, data and MoMo services.

We added 3.3 million subscribers to our base and as part of our commitment to invest over $1 Billion over 5 years (2021 to 2025), we spent GHS2.1 billion in total capex to support the modernization of infrastructure, improvement in IT systems and expansion of network capacity and coverage across the nation. To advance network experience and coverage, we rolled out 400 2G, 400 3G and 1,142 4G sites. We also modernized 820 existing 4G sites, increasing our 4G population coverage by 8.7pp YoY to 99.3%.

Voice revenue increased by 24.5% YoY to GHS3.3 billion underpinned by efforts to drive customer acquisition and customer value management, which helped us improve the experience of our customers through tailored offers. Growth was also supported by our lifecycle management initiatives during the period. The contribution of voice to total service revenue declined from 34.1% to 33.1%.

Data revenue increased by 39.8% YoY to GHS3.9 billion. This was supported by various commercial interventions which helped drive growth in active data users (+8.3% YoY) and consequently increased traffic (+46.6% YoY) from our home and mobile subscribers. Data revenue contribution to total service revenue increased from 36.0% to 39.2% YoY.

MoMo revenue suffered post the implementation of the e-levy in May 2022. We expanded the MoMo ecosystem by growing active MoMo merchants by 4.8% YoY and MoMo agents by 17.2% YoY. Active MoMo users increased by 15.0% YoY. We launched a MoMo Business app and continued to drive growth in MoMo advanced services offerings such as retail merchant payments, micro-loans, micro-insurance and international remittances. This supported a 11.6% YoY growth in MoMo revenue to GHS1.9 billion. Towards the end of 2022, we saw a positive trend on MoMo recovery. The contribution of Mobile Money revenue to total service revenue decreased from 22.5% to 19.6% YoY.

Digital revenue continued to be impacted by the deployment of initiatives to enhance customer experience and rationalise our digital product portfolio. While we are seeing the benefits of this from reduced customer agitation and frustration, revenue declined by 18.8% YoY to GHS144.0 million and active digital subscribers decreased by 15.9% YoY. As part of our digital portfolio revamp, we improved the music and gaming offerings with the launch of the Mdundo music service and refreshed ayoba with a new and exciting gaming section that includes Subway Surfer which is expected to boost customer usage and experience. The contribution of digital to total service revenue decreased from 2.3% to 1.5% YoY.

In terms of our operational costs, rising inflation led to an increase. However, we continued to explore opportunities to drive operational efficiency and apply spend discipline which helped to contain the increase in total costs (+25.3% YoY) to be lower than the average monthly inflation of 31.5% for the year. This supported growth in EBITDA by 30.9% YoY and a margin expansion of 1.1pp to 56.1%.

Finance costs increased by 6.9% YoY due to effective management of liabilities amid higher interest rates on debt facilities, and the impact of the depreciation of the Ghana cedi on US dollar denominated leases. Finance income increased by 161.3% YoY on gains from the investment of surplus cash in call and fixed-term deposits. The net result of this was a 26.5% YoY decline in our net finance cost and a 42.7% YoY increase in profit after tax.

Regulatory updates

Ladies and gentlemen, I will now update you on some regulatory developments.

Chief executive officer’s statement (continued)

National SIM re-registration

The National Communications Authority (NCA) through the telecom operators embarked on a nationwide re-registration of all SIM cards using the Ghana National ID card in October 2021.

MTN is committed to supporting this very important national initiative to register all existing and new subscribers using the Ghana National ID card, to help improve security and reduce fraud in the telecoms and mobile financial services industry. To this end, MTN is compliant with all directives from the National Communication Authority on the SIM re-registration exercise.

MTN Ghana will continue to deploy adequate resources and work with the regulator to accelerate SIM re-registration for all subscribers and achieve the purpose for which the exercise set to achieve.

Update on localisation of Scancom PLC and MobileMoney Limited

In the year, MTN maintained its focus on further localisation of Scancom PLC and MobileMoney Limited. During the period, we achieved an additional 6.8% localisation bringing the total localisation of Scancom PLC to 23.7% at the end of December 2022.

MTN Ghana is committed to completing the localisation of Scancom PLC and MobileMoney Limited within the agreed timeline with the regulators.

Looking ahead

The macroeconomic outlook for Ghana in 2023 remains challenging with debt sustainability challenges, currency volatility and the risk of further currency depreciation expected to persist. Coupled with the rising cost of fuel and utilities, this is expected to exacerbate general inflationary pressures and adversely affect consumer spending and business operations. The government projects macroeconomic environment improvements upon the approval of the US$3 billion facility from the IMF.

In this challenging context, we will maintain focus on executing our Ambition 2025 strategy to drive growth and unlock value for all stakeholders. We are confident in the medium to long-term prospects of Ghana’s economy and as such, commit to continue to invest efficiently in infrastructure and to improve the capacity and quality of connectivity and other related services for our customers.

As part of our commercial drive, MTN will drive adoption of the new innovative solutions that solve relevant problems for our cherished customers in MoMo, mobile connectivity, home and our enterprise segments.

Furthermore, we will deepen the ongoing work to improve our platforms, particularly on the myMTN and ayoba apps, as well as MoMo as part of our three-app strategy, to enhance customer choice, customer experience and to deliver on our commitment of excellence to our cherished customers.

The community remains core to everything we do and to this end, MTN will extend various sustainability projects and initiatives to improve the communities across the nation with a focus on building and growing digital skills among the youth, with a particular focus on females.

As we aim for operational excellence in 2023 as a core pillar for sustaining bottom-line growth for the business in the medium-term, we acknowledge the macroeconomic headwinds that continue to impact the business environment and our operations. After careful consideration of these factors and after evaluating our commercial strategy, we are reviewing MTN Ghana’s guidance of service revenue growth from mid to high teens to low-twenties in percentage terms.

We will continue with the expense efficiency programme and our prudent approach to managing costs to deliver on our commitment of margin protection.

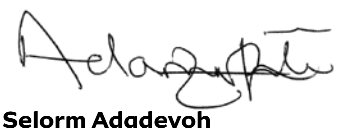
Conclusion

I will conclude by first thanking my dedicated management team and all members of the MTN Ghana team for rising up to the myriad of challenges and delivering a strong set of results. We are under no illusions about the challenges 2023 presents but with the commitment and resilience demonstrated thus far, we are confident that with the continued support of our Board and partners, that we will deliver on our targets for 2023.

I would also like to thank the Board for their support and strategic guidance throughout the year and I look forward to a fruitful 2023.

Lastly, I would like to thank our customers for their continued use of our services, the government and regulators for their efforts in creating an enabling business environment and to you, our shareholders, for your continued support and faith in Scancom PLC.

Thank you for your time and God bless us all.



Selorm Adadevoh
Chief executive officer

Doing for tomorrow, *today.*

Dear Shareholders, Ladies and Gentlemen,

Let me welcome you again to the fifth Annual General Meeting of Scancom PLC. I will talk you through some key financial highlights for 2022 and the financial outlook for 2023.

Antoinette Kwofie
Chief finance officer

> We undertook several initiatives under our expense efficiency programme and are on track to unlock more value in the medium to long term. As part of the initiatives, we embarked on an optimization exercise on our IT and network cost to make some savings and kicked off a detailed activity review to stop or defer non-critical expenditure.
>
> Antoinette Kwofie

The 2022 financial year in Ghana, was characterized by macro-economic challenges such as currency depreciation against major trading currencies and elevated inflation levels which resulted in incremental pressure on consumer spend and the operating costs of businesses. Inflation increased to a 22-year high of 54.1% in December 2022, exacerbated by a 42.8% depreciation of the Ghana Cedi as well as increased costs of fuel and utilities.

The Central Bank raised the policy rate by 1250 basis points during the year in a bid to address the high inflation. The increase in the policy rate reflected on domestic interest rates with the yields on treasury bills rising from an average of 14.1% at the end of 2021 to an average of 35.8% at the end of 2022.

Against the backdrop of macroeconomic challenges, we continued to invest in our business to drive growth while exploring cost efficiencies and applying spend discipline to reduce the impact of inflation on total cost.

I would like to commend the team for their support of the expense efficiency programs which helped us manage the impact of the macroeconomic challenges on the business and deliver a strong set of financial results for the year 2022.

Group revenue performance

	31 Dec 2022	31 Dec 2021	% change
	GHS 000	GHS 000	
Total revenue	**9,916,109**	7,723,259	**28.4%**
Service revenue	**9,880,130**	7,700,725	**28.3%**
Voice revenue	**3,269,857**	2,625,646	**24.5%**
Data revenue	**3,870,986**	2,768,527	**39.8%**
MoMo revenue	**1,935,467**	1,733,583	**11.6%**
Digital revenue	**144,155**	177,515	**-18.8%**
Non-service revenue	**659,666**	395,453	**66.8%**

MTN Ghana's total revenue increased by 28.4% year-on-year (YoY) to GHS9.9 billion. This was a result of sound execution of commercial strategies and investments made to expand the network and create an enabling platform for growth of data, voice and MoMo.

Expense efficiency and cost management

	31 Dec 2022	31 Dec 2021	% change
	GHS 000	GHS 000	
Cost of sales	**1,958,039**	1,652,785	**18.5%**
Opex	**2,395,189**	1,821,090	**31.5%**
Capex (IFRS 16)	**2,144,354**	1,484,910	**44.4%**
Capex intensity	**21.6%**	19.2%	**2.4 pp**
Capex (IAS 17)	**1,971,668**	1,262,555	**56.2%**
Capex intensity	**17.4%**	15.7%	**1.7 pp**

Ladies and Gentlemen, despite the high inflationary environment, we explored efficiencies and applied spend discipline which helped lower the impact of macroeconomic challenges on cost. Consequently, our cost of sales and operational costs grew by 18.5% and 31.5% respectively within the period.

During the period, we invested GHS2.1 billion in capex of which GHS1.7 billion was invested in property, plant and equipment (PPE), GHS246.7 million in software and other intangibles and GHS172.7 million recorded for right-of-use or IFRS 16 lease expense. Our strategic allocation of capex helped improve our network capacity and expand our infrastructure.

The growth in capex was 44.4% with a capex intensity of 21.6% and we remain committed to reducing core capex intensity over the medium to long term. To that end we have implemented a new framework, Value Based Capital Allocation, to ensure we invest in the future while protecting our current value.

We undertook several initiatives under our expense efficiency programme and are on track to unlock more value in the medium to long term. As part of the initiatives, we embarked on an optimization exercise on our IT and network cost to make some savings and kicked off a detailed activity review to stop or defer non-critical expenditure.

In the medium to long term, we will encourage the use of digital channels, continue to deploy more solar technology to our sites, consolidate our systems and IT solutions where feasible and decommission certain systems that offer limited value. Last but not least, we will, on an ongoing basis, benchmark ourselves against other local and international telcos to identify areas of improvement.

Income statement

	31 Dec 2022	31 Dec 2021	% change
	GHS 000	GHS 000	
Total revenue	**9,916,109**	7,723,259	**28.4%**
EBITDA	**5,563,656**	4,249,384	**30.9%**
EBITDA margin	**56.1%**	55.0%	**1.1 pp**
Finance income	**205,962**	78,812	**161.3%**
Finance cost	**474,418**	444,001	**6.9%**
Profit before tax	**4,096,520**	2,848,638	**43.8%**
Corporate tax	**1,240,719**	847,255	**46.4%**
Profit after tax	**2,855,801**	2,001,383	**42.7%**

The growth in revenue coupled with our cost management resulted in an EBITDA growth of 30.9% YoY, with a margin expansion of 1.1 percentage points to 56.1%. This was in line with our guidance of sustaining margin growth, and we look forward to protecting our margins in a high inflationary and currency depreciation environment.

Depreciation and amortization increased by 15.8% YoY to GHS1.2 billion during the period. Our finance costs increased by only 6.9% YoY, as a result of effective management of liabilities amid higher interest rates on debt facilities and the impact of the depreciation of the Ghana cedi on dollar denominated leases. Finance income increased by 161.3% YoY on gains from the investment of surplus cash in call and fixed-term deposits. Net finance cost consequently declined by 26.5% YoY and resulted in a profit before tax increase of 43.8% to GHS4.1 billion.

Income tax obligations for the period was GHS1.2 billion and represented a 46.4% growth over the tax obligations for the previous year. As a responsible corporate citizen, MTN Ghana paid GHS3.7 billion in direct and indirect taxes and GHS301.7 million in fees, levies and other payments to governmental agencies in 2022.

The net result of all these was a 42.7% YoY increase in profit after tax to GHS2.9 billion and a 42.3% YoY increase in earnings per share (EPS) to GHS0.232.

Balance sheet and cashflow

We maintained a healthy balance sheet during the period. Our compliance with all debt covenants agreed with our syndicated lending partners in both the 2017 5-year financing facilities and the 2020 5-year additional facility agreements remained intact with no breaches. In 2022, we completed the full repayment of the 2017 facilities supported by our consistent cashflows. The debt balance in our books at the end of 2022 was GHS375million from our 5-year additional facility secured in 2020.

Outlook

2023 will remain challenging with macro-economic uncertainty and headwinds because of inflationary pressures, currency devaluation risks, sovereign debt sustainability risks and volatility in fuel and utility prices. The World Bank and IMF in their latest forecast for Ghana, project an average inflation of 45.4% for 2023 with potential adverse impact on consumer spend and the cost of doing business. The World Bank further forecasts an exit inflation of 29.4% for Ghana for 2023.

The Government of Ghana continues its work to close the US$3billion three-year extended credit facility from the IMF, and this is expected to help improve the macroeconomic indicators.

Notwithstanding the challenges within the macroeconomic environment, MTN will continue to invest in our network, IT systems and infrastructure with a capex envelope of GHS2.5 billion, to boost customer experience and unlock value. We expect that our core capex intensity will reduce in the medium to long term as our investments bring in more revenue while advancing our service to new and existing customers.

We will continue to prioritize cost management and expand our expense efficiency initiatives to mitigate costs and protect margins. This will include fast tracking the deployment of digital channels, implementation of environmentally friendly and cost effective energy / power solutions, and the review of our systems to ensure we maintain systems with tangible value addition.

Considering the potential impact of these headwinds on business and financial operation, we are committing to a service revenue growth of low twenties (in percentage terms) and protecting our margins for 2023.

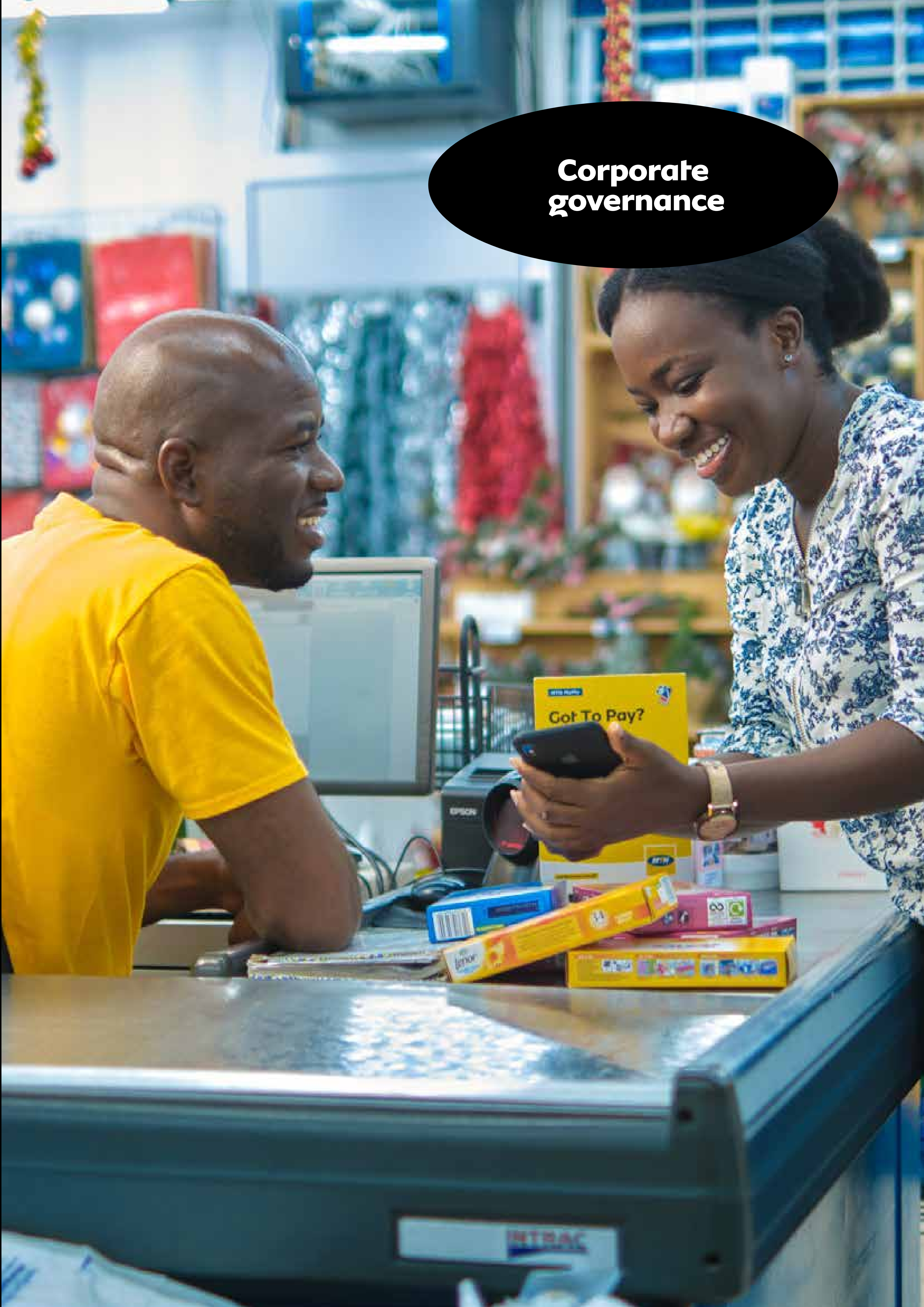
Thank you once again for joining us today. I wish you the very best and look forward to meeting you again next year. Please stay safe. God bless us all.

Antoinette Kwofie

Chief finance officer

what are we doing next?

Corporate governance



Our board of directors

Ishmael Yamson
(Born 1942)
Board chairman (NED)
Appointed: 27 April 2011
Ghanaian

B.Sc. Economics

Skills: Economic and finance
Strategy and governance
Corporate and government relations

Attendance: 5/5
Special attendance: 3/3

Selorm Adadevoh
(Born 1974)
Chief executive officer (ED)
Appointed: 8 June 2018
Ghanaian

B.Sc. Civil Engineering
MBA

Skills: Finance and civil engineering

Attendance: 5/5
Special attendance: 3/3

Antoinette Kwofie
(Born 1976)
Chief finance officer (ED)
Appointed: 30 May 2022
Ghanaian

B.Sc. Agricultural Economics, Chartered Accountant (GH), ACMA (UK), CGMA

Skills: Finance and Accounting

Attendance: 5/5
Special attendance: 3/3

Ebenezer Asante
(Born 1968)
Non-executive director
Appointed: 1 July 2016
Ghanaian

BA Econs and Stats
PGDip Management

Skills: Finance and management

Attendance: 5/5 3/4 2/3
Special attendance: 1/3 3/4 2/4 2/4

Kofi Dadzie
(Born 1977)
Independent non-executive director
Appointed: 1 March 2021
Ghanaian

B.Eng. Computer Engineering

Skills: Information technology & Governance

Attendance: 5/5 3/3
Special attendance: 3/3 4/4 2/2

Felix Addo
(Born 1955)
Independent non-executive director
Appointed: 1 March 2021
Ghanaian

B.Sc. Admistration
MA Accounting, CPA, CA, IP

Skills: Finance and Accounting

Attendance: 5/5 4/4
Special attendance: 3/3 3/4

Key
Commitee membership and attendance of meetings

Board
Special and AGM
Compensation, remunuration and human resource
Audit and risk
Adhoc nominating committee

Sugentharen Perumal
(Born 1979)
Non-executive director

Appointed: 1 June 2018
South African

BCom Accounting, (Hons) Accounting
Chartered Accountant (SA)

Skills: Economic and finance
Strategy and governance
Corporate and government relations

Attendance: 5/5 2/3
Special attendance: 3/3 3/4

Tsholofelo Molefe
(Born 1968)
Non-executive director

Appointed: 25 May 2021
South African

BA, Accounting and Finance
Chartered Accountant (SA)

Skills: Finance and accounting

Attendance: 5/5
Special attendance: 1/3

NanaAma Botchway
(Born 1969)
Independent non-executive director

Appointed: 1 March 2021
Ghanaian

BA International Affairs
MBA Finance and Accounting Juris Doctor
CIPD Fellow

Skills: Human resources
Attendance: 5/5 4/4
Special attendance: 3/3 4/4

Fatima Daniels
(Born 1960)
Non-executive director

Appointed: 15 April 2016
South African

BSc. Mathematical Statistics
Chartered Accountant (SA)

Skills: Finance and Accounting

Attendance: 5/5 4/4
Special attendance: 3/3 4/4

Rosie Ebe-Arthur
(Born 1961)
Independent non-executive director

Appointed: 1 March 2021
Ghanaian

B.Education
CIPD Fellow

Skills: Human resources
Attendance: 5/5 3/3
Special attendance: 3/3 4/4 2/2

Pala Asiedu Ofori
(Born 1970)
Board secretary

Ghanaian

Bachelor of Laws
Master of Laws

Skills: Legal Corporate governance

Key
Commitee membership and attendance of meetings

- Board
- Special and AGM
- Compensation, remunuration and human resource
- Audit and risk
- Adhoc nominating committee

Our management team

Selorm Adadevoh
Chief executive officer
B.Sc. Civil Engineering
MBA

Antoinette Kwofie
Chief finance officer
B.Sc. Agricultural Economics,
Chartered Accountant (GH),
ACMA (UK), CGMA

Amma Benneh Amponsah
Chief human resource officer
B.Sc. Admin
MBA

William Tetteh
Chief capital projects officer
B.Sc. Physics
MBA

Jemima Kotei Walsh
Chief customer relations officer
B.Sc. Admin
MA Human Resource Dev.

Thomas Motlepa
Chief technical officer
B.Sc. Electrical Engineering

Shaibu Haruna
CEO MobileMoney Ltd
B.Sc. Admin
MBA Finance

Winifred Setor Smith
Ag. Chief risk & compliance officer
Bsc. Computer Science,
CQRM, LI ISO 22301 & 27001

Bernard Acquah
Chief information officer
B.Sc. Computer Science
MBA

Noel Kojo-Ganson
Chief marketing officer
MBA Strategic Marketing
CIM (UK)

Daniel Asare
Ag. Chief enterprise business officer
BA Econs & Sociology
MSc Business & Ecomics
CIM (UK)

Samuel Addo
Chief sales and distribution officer
B.Sc. Biological Science
CIM (UK)

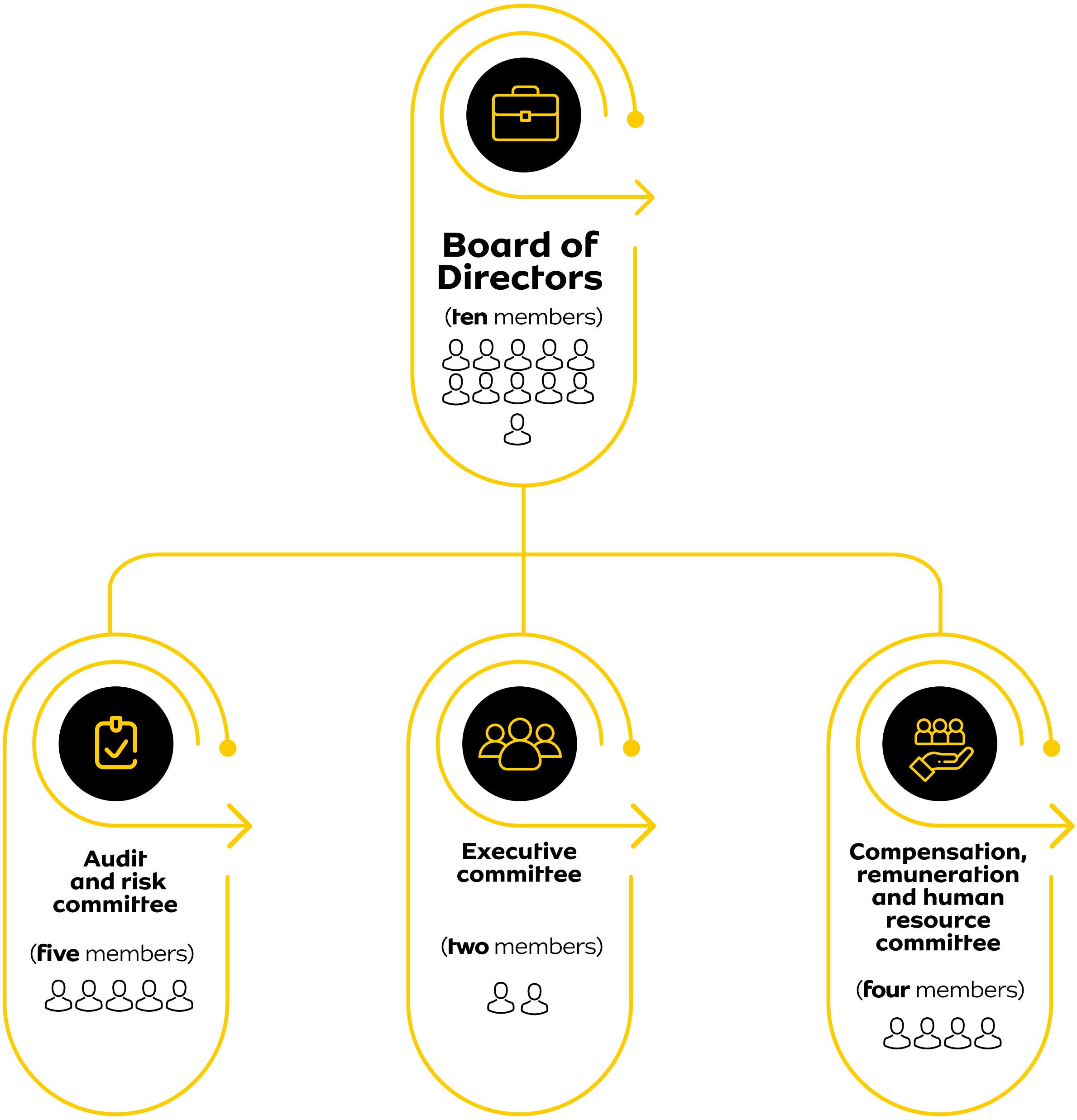
Nana Kofi Asare
Ag. Chief corporate services officer
BA Econs & Devt. studies
MA Int. Business Law

Micheal Gbewonyo
General manager: internal audit & forensics
B.Sc. Admin
ICAG-GHANA

Dario Bianchi
Chief digital officer
MSc Telecom engineering,
General Mgt. program (GMP)

Statement on corporate governance

The Scancom PLC (MTN Ghana) Board is responsible for governing the company as well as setting the strategic policies, appointing top management, monitoring progress towards the achievement of objectives and compliance with policies and approving all policies. The Board strives to create maximum shared value for its shareholders. The Scancom PLC (MTN Ghana) Board consists of eleven members, made up of an independent non-executive chairman, four independent non-executive directors, four non-executive directors and two executive directors.



These directors have wide experience and in-depth knowledge in management, industry and the financial and capital markets, which enable them to make informed decisions and valuable contributions to the company's progress.

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MTN

what are we doing next?

MTN

Financial statements and key reports

Report of the directors

Ishmael Yamson
Board chairman

The directors have the pleasure in submitting their report together with the audited consolidated and separate financial statements of Scancom PLC ("the Company") and its subsidiary, MobileMoney Limited (together "the Group") for the year ended 31 December 2022.

1. Statement of directors' responsibilities

The directors are responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act, 2019 (Act 992) and the Ghana Stock Exchange Act of 1971 (ACT 384), and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors have selected suitable accounting policies and applied them consistently, and also made judgements and estimates that are reasonable and prudent in the circumstances. In preparing the financial statements, the directors are responsible for assessing the Group'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 or to cease operations, or have no realistic alternative but to do so. Having reviewed the Group's budget, and cashflow forecast for the year to 31 December 2023, and in the light of the current financial position, the directors are satisfied that the Group has access to adequate resources to continue its operation for the foreseeable future. The directors are responsible for ensuring that the Group keeps proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Group. They are also responsible for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities. Those charged with governance are responsible for overseeing the Group's financial reporting processes.

2. Nature of business

The Group's principal activities are to:

- provide telecommunication services including voice, data, and enterprise solutions.
- provide mobile financial services in the financial services industry.
- develop strategic partnerships to provide advanced services in the mobile financial services industry; and
- provide consultancy and support services in the areas of mobile banking, payment services and fintech.

3. Summary of financial results

The financial results for the year ended 31 December 2022 are set out from page 70.

4. Holding company

Scancom PLC's ultimate holding company is MTN Group Limited, a company incorporated in the Republic of South Africa and listed on the Johannesburg Stock Exchange.

5. Dividend

During the year, the Board declared an interim dividend of GHS0.04 per share, which was paid on 22 September 2022. Based on the full year performance of the company, the Board has recommended a final dividend of GHS0.124 per share, bringing the total dividend for 2022 to GHS0.164 per share. This represents 70.6% of profit after tax in line with our policy, and a 42.6% increase in dividend per share when compared to the prior year. For the final dividend, we are exploring the option for shareholders to choose between cash or share dividends as an alternative and elective form of shareholder return to a cash only dividend, subject to shareholder and regulatory approvals.

6. Interest of directors and officers

During the year under review, no significant or material contract was entered into in which directors and officers of the Group had an interest and which significantly or materially affected the business of the Group. The directors and officers had no interest in any third party or entity responsible for managing any of the business activities of the Group.

7. Substantive interest in shares

According to the register of members as at 31 December 2022, no other shareholder apart from MTN Group Limited had more than 5% of the issued stated capital of the Company. The number of shares held by directors are shown below:

	31 Dec 2022	31 Dec 2021
I. Yamson*	667,300	667,300
E. Asante	8,000,100	8,000,100
S. Adadevoh	133,500	133,500
F. Addo	666,680	666,680
K. Dadzie**	12,000	12,000
A. Kwofie	100,000	

*Held in joint ownership in the name of Ishmael and Lucy Yamson (134,000) and a nominee holding account Octane SD ILY072018 (533,300).

**Held in the name of Afua Dadzie ITF Jayne Cristabel Dadzie (4,000), Joshua Caleb Dadzie (4,000) and Johannes Dadzie (4,000)

8. Remuneration of executive and non executive directors

The remuneration of executive directors is disclosed under transactions with related parties information in Note 2.32.1 and that of non executive directors is disclosed as directors' fee in Note 2.10.

9. Stated capital

There was no change in the authorised shares of Scancom PLC during the year under review. A total of 12.29 billion (2021:12.29 billion) ordinary shares of no par value have been issued as at December 31, 2022. Further details of the authorised and issued ordinary shares are disclosed in Note 2.25.

10. Subsidiary

MobileMoney Limited, is a wholly owned subsidiary of Scancom PLC, incorporated on 5 November 2015. The principal activities of the Company are to:

- Provide mobile financial services in the financial services industry.
- Develop strategic partnerships to provide advanced services in the mobile financial service industry; and
- Provide consultancy and support services in the area of mobile banking, payment services and fintech.

11. Property, plant and equipment

There were no changes in the nature of Property, Plant and Equipment or in the policy regarding their use during the financial year under review. In the opinion of the directors, the fair value of the Property, Plant and Equipment is not less than the value shown in the consolidated and separate financial statements.

12. Donations and charity

The Group performs its corporate social responsibility via the MTN Foundation. MTN's global policy is to set aside 1% of its profit after tax to fund the foundation's activities. The foundation has invested over GHS97.7 million to improve health care, education and living conditions for over 4 million people. This was achieved through the deployment of 157 projects across the entire country. In the area of education, the foundation has provided scholarships to over 1,600 needy and brilliant students in Ghana. During the year, an amount of GHS28.3 million (2021: GHS20.0 million) was charged to the Statement of Comprehensive Income.

13. Auditor's remuneration

Audit fee for the Group for the year ended 31 December 2022 was GHS6,224,000.

14. Capacity building of directors

In 2022, directors of Scancom PLC were engaged in a combination of local and international instructor led and online courses and seminars, aimed at strengthening their skills and abilities in the exercise of their duties as directors. Training covered areas including Spectrum 101, Ghana's macro economic outlook and Corporate governance. As part of the quarterly meetings of the Board, directors received updates in areas of the business such as marketing, technology covering network and information systems, and mobile financial services.

Approval of the consolidated and separate financial statements

The consolidated and separate financial statements of the Company and Group were approved by the board of directors on 27 February, 2023 and signed on their behalf by:

Ishmael Yamson
Chairman
27 February, 2023

Selorm Adadevoh
Chief Executive Officer
27 February, 2023

Audit and risk committee report

Fatima Daniels
Chairperson

1. Membership of the Audit and Risk Committee (ARC) of the Board

Name	Designation	Date appointed
Fatima Daniels	Chairperson	07 February 2016
Sugentharen Perumal	Member	01 June 2018
Ebenezer Asante	Member	14 August 2018
Felix Addo	Member	01 March 2021
NanaAma Botchway	Member	01 March 2021

The Chief Executive Officer, the Chief Financial Officer, the Chief Risk & Compliance Officer, General Manager: Internal Audit & Forensics and the External Auditor (Ernst & Young) attend ARC meetings. Other officers (executives and senior management) are also invited to attend meetings, as deemed appropriate.

2. Mandate

The ARC assists the Board of Directors in discharging its duties relating to the safeguarding of assets, operation of adequate risk management, governance, compliance and internal control systems and processes, and the preparation of financial statements and related financial reporting in compliance with all applicable legal requirements and accounting standards. These include internal financial controls and ensuring that assurance services and functions enable an effective control environment and that these support the integrity of information produced in compliance with applicable legal and regulatory requirements.

3. Summary of the Audit and Risk Committee Activities in 2022

The ARC focused on discharging its responsibility of exercising oversight over governance, risk and compliance activities as well as monitoring the effectiveness of internal controls (both financial and non financial) for both Scancom PLC and its subsidiary MobileMoney Limited. The ARC held quarterly meetings during the financial year under review on 18 February 2022, 22 April 2022, 22 July 2022, and 24 October 2022. At these meetings, the committee reviewed:

- The Group and Company's performance and financial results. Stock exchange news service (SENS) releases and made recommendations for board approval. Major risk exposures and changes to the Group and Company's risk profile.
- Adequacy of internal controls – significant financial or non financial control issues and misstatements (actual or potential), major fraud cases and fraud risk alerts.
- IT governance, information security, crisis management and business continuity Significant tax, regulatory and legal matters. Adequacy of Risk & Compliance Management and Internal Audit & Forensic Services plans. Audit plan of the external auditors, audit findings report and financial statements. Progress against implementation of audit recommendations (by internal & external auditors). External audit plans, remuneration and independence of the Group's auditor. Degree of compliance with laid down policies, laws and regulations, code of ethics and business practices of the Group.

Additionally special meetings were held on 22 February 2022, 28 March 2022, 27 and 29 July 2022 to discuss key issues arising from the quarterly meetings.

4. Review of Financial Performance for the year ended 31 December 2022

The committee at its meetings held on 20 February 2023 reviewed the financial statements for the year ended December 31, 2022 of both Scancom Limited and MobileMoney Limited as presented by management and recommended them to the Board for approval.

5. Risk & Compliance Management / Internal Audit & Forensic Services Functions

The ARC reviewed and approved the MTN Ghana Combined Assurance Plan for 2022 at its meeting on 18 February 2022 and was updated on the activities of Risk & Compliance and Internal Audit & Forensic Services Divisions including the status of audits and findings from internal audit reports.

6. External Audit

Ernst & Young, the external auditor, at the ARC meeting held on 22 July 2022 shared their audit plan which included objectives of the audit, audit approach, responsibilities of the directors and the auditor, audit scope and reporting timetable for the year ended 31 December 2022.

Ernst & Young, at the 18 February 2022 ARC meeting, presented the findings from their revenue assurance report, observations and matters arising from their audit of the financial statements for the year ended December 31, 2021 to the committee members.

Compensation, remuneration and human resources committee report

Sugentharen Perumal
Chairperson

1. Introduction

MTN Ghana works to deliver on the MTN Group-wide strategic intent of leading digital solutions for Africa's progress, with a key driver success being our 'Live Inspired' employee value proposition.

We continue to evolve our ways of working to complement our business and our Ambition 2025 strategy. This includes attracting new skills and adopting a more agile, decentralized, and empowering culture. Recognizing that employees value choice and flexibility, smart-working principles such as, 'Anywhere, Anytime' flexibility and virtual commute options continue to be offered to employees.

MTN Ghana is on a journey to be a digital operator and a key part of that journey requires our people to adopt a digital mindset. As a result, we have evolved employee development options and our performance management approach to ensure we carry each person along on this digital journey. This will ensure that our reward offerings, practices, and policies evolve, remain relevant and stay true to the business requirements.

2. Performance, reward, and culture

We continued our drive towards enabling a high performance and rewarding culture at work. Our engagements with employees through various platforms on culture and reward matters transformed many of our human capital metrics. We evolved our performance management approach to ensure that each MTNer is driven by purpose and is aligned with the companywide Ambition 2025. Throughout the year, we encouraged employees to strive for team collaboration and to be driven by a larger purpose and contribute to the organization's success in the long run. Here are a few highlights of our key human capital metrics:

Sustainable engagement	Digital enablement	Women in the workforce
94.0%	90.0%	41.2%
Maintained YoY & above global norms	YoY improvement by 1.0 pp	YoY Improvement 1.56 pp

3. Gender diversity

Our deliberate diversity and inclusion initiatives have been central to MTN Ghana's people agenda.

Highlights of our commitments in 2022 include:

- An improvement in gender representation year-on-year (YoY).
- A focus on gender pay parity as a measure to enhance diversity, equality, and inclusion.
- Deliberate gender representation in our strategic programmes: at least 50% women representation in curated upskilling programmes and specialized initiatives.
- We are also committed to improving the representation of differently abled communities.

Human resource, remuneration and nominating committee report (continued)

4. Mandate

The committee oversees the formulation of a fair and transparent organization wide remuneration philosophy, nominations, and human resources approach. It also ensures that MTN Ghana attracts and retains the best human capital for its business needs and maximizes the potential of its employees.

5. Focus areas

MTN Ghana's remuneration policies aim to ensure that the Company has the right reward levers to remain relevant are aligned with best practice and that benchmarks are conducted to support remuneration decision making. Our key focus is ensuring that MTN's remuneration strategies and policies are designed to attract, motivate and retain talent, senior management and directors committed to achieving the overall goals of the Company.

6. Key features of 2022

In 2022, the committee reviewed and approved the following key remuneration decisions and policy developments:

- 2022 remuneration mandate and salary reviews.
- MTN Ghana annual performance bonus payout.
- Annual share allocations under the employee share ownership plan (ESOP) and performance share plan (PSP) scheme.
- Anywhere anytime flexibility work policy.
- Increased focus on succession planning and development for key roles.
- Executive appointments.
- MobileMoney Ltd. separation, transition and change management.

7. Regulatory Compliance

MTN Ghana's people practices as reported to the committee aligns with the with the Ghana Labor Act and the Security and Exchange Commission's compliance requirements. We have been mindful of broader remuneration governance guidance and frameworks and will maintain compliance with relevant developments as and when they mature.

In closing I believe the committee has responded well to their mandate in the year and has executed its duties with great care. The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and that the objectives of the Compensation, Remuneration and Human Resources Committee have been met without material deviation. I thank you for your support and continued feedback.

Adhoc nominating committee report

Rosie Ebe-Arthur
Chairperson

Dear Stakeholders,

1. Introduction

On behalf of the Board of Scancom PLC (MTN Ghana), I am pleased to present the report of the Ad-hoc Nominating Committee of MTN Ghana.

MTN Ghana is committed to ensuring the appointment of committed and competent Directors to steer the affairs of the company towards the achievement of our Ambition 2025 strategy and beyond.

In line with the above and to ensure statutory compliance, the Human Resources, Renumeration and Nominating Committee (HRRNC) of the Board has been constituted to, among others, recommend Directors for appointment to the Board subject to subsequent approval by Shareholders. Prior to the HRRNC being operational, the Board approved the constitution of an Ad-hoc Nominating Committee (Committee) to oversee the approval of training needs of the Board, as well as to oversee the procedure relating to the interview and recommendation to the Board for the appointment of 2 directors, in alignment with the requirements of the Securities and Exchange Corporate Governance Code for Listed Companies.

2. Constitution of the ad-hoc nominating committee

At the April 26, 2022 MTN Ghana meeting of the Board of Directors, the Board authorized the constitution of an Ad-hoc Nominating Committee (the "Committee") to:

- Consider the Board Training Schedule 2022 – 2023 for recommendation to Board for approval;
- Interview and recommend Executive Director to the Board to recommend to Shareholders for Appointment; and
- Interview and recommend Independent Non-Executive Director to the Board to recommend to Shareholders for appointment.
- The Committee was chaired by Ms. Rosemond Ebe-Arthur, and other members were Mr. Kofi Dadzie and Mr. Sugentharen Perumal.

3. Directors training schedule 2022 – 2023

In alignment with Section 21 (5) and (6) of the SEC Corporate Governance Code for Listed Companies ("SEC Code") the Committee approved 16 training schedules for the benefit of MTN Ghana's directors and these were recommended to the Board by the Committee and were approved by the Board.

Trainings achieved in 2022 include the macro-economic conditions of Ghana / Impact of world events on the Ghanaian Economy; A full day Directors' Strategy Session; Spectrum Training; Training of the use of Diligent Boards; and Training on the Business Strategy - Agenda 2025 of the Company.

4. Recommendation of directors for appointment

4.1 Vacancy / Gender Balance Considerations

The Committee noted that pursuant to a resolution passed by Shareholders at the 2022 AGM, the cap for directors was increased from 12 to 13. The Committee noted the composition of the Board, which comprised ten (10) Directors (five Non-Executive Directors (NED), 4 Independent Non-Executive Directors (INEDs), and 1 Executive Director (ED)).

The mandate was firstly to recommend the appointment of the CFO as Executive Director. Secondly, the SEC Governance Code provides majority of the NEDs in a listed company must be Independent. The mandate was thus to increase INED representation on the Board of the Company by recommending to the Board an Independent Non-Executive Director, for recommendation to Shareholders for appointment.

The Committee in its considerations also noted the MTN Ghana Board Gender Policy, which was approved by the Board on February 25, 2022. The Policy provides among other things for a minimum of thirty percent (30%) female participation in the composition of the Board as well as at least one female member on each committee of the Board. The Committee noted that the appointment of Mrs. Antoinette Kwofie (CFO) as ED, would result in a 46% female representation of the Board.

4.2 Assessment Criteria

The Committee reviewed the qualifications, recommendations, and other information deemed relevant and interviewed the shortlisted candidates guided by the underlisted criteria:

Criteria	Antoinette Kwofie
Relevant business, skills, expertise and experience, including an understanding of fundamental financial statements	Qualified
Sufficient time to devote to meetings and consultation on Board matters	Qualified
Freedom from conflicts of interest that would interfere with performance as a director	Qualified
No record of conviction of a criminal offence involving or relating to: i. fraud or dishonesty; ii. the promotion, incorporation or management of a company; or iii. an undischarged bankrupt, unless that bankrupt has been granted leave to act as director by the Court by which that person was adjudged bankrupt.	Qualified
Qualifications/Capabilities	
The highest character and integrity and a reputation for working constructively with others;	Qualified
Will the skills, experience, expertise and personal qualities of the proposed candidate advance the Company's objectives and make the Board more effective?	Yes
Does the potential candidate present himself/herself as a person who does not dominate to the exclusion of other members of the Board?	Yes
The proposed Candidate an eligible person to hold the office of director under the Companies Act?	Yes
Criteria	**Antoinette Kwofie**
Does the proposed Candidate have the ability and desire to act as mentor and wise counsel where required, while at the same time having the standing to provide stretch and challenge to the Board?	Yes
Is the proposed Candidate able to devote the necessary time and commitment to the role? This will involve a consideration of matters such as other board or executive appointments	Yes
Does the proposed Candidate have any potential conflicts of interest which could impact on his/her ability to perform the duties of a Director?	No
Is the proposed Candidate (Non-Executive) independent in fact and in the perception of a reasonably informed outsider?	N/A
Would the appointment of the proposed candidate advance the objectives of ensuring diversity on the Board?	Yes

Background checks were conducted on the candidates and their employee records were also reviewed. No concerns were raised.

4.3 Presence on other Listed Boards

In line with Section 11(2) of the SEC Governance code for Listed companies which provides that no person shall hold more than 3 directorships in any listed company at any one time, the candidates during the interview confirmed that taking on a directorship in MTNGH, a listed company would not contravene section 11(2) of the SEC Code.

4.4 Independence of Proposed INED

The Committee in determining the independence of prospective Directors, was guided by Section 40 of the SEC Governance Code which details the criteria for the determination of independence. The Committee thus noted inter alia that the candidate was:

- Not associated with any majority or substantial shareholder of the company, either through business, family or personal relationships, political affiliation or in any other way;
- Had not been employed by the company in an executive capacity within the last three (3) years; affiliated to an advisor or consultant to the company or a member of the company's senior management or a significant customer or supplier of the company;
- Was free from any other relationship with the Company which could interfere with her capacity to act in an independent manner.
- The Committee ensured that the proposed Director was qualified as "Independent" under the Companies Act, 2019 and the SEC Compliance Governance Code, 2020.

5. Confirmation

In accordance with Act 992, the Committee received and noted that the candidates had submitted a written confirmation of their willingness to be considered as Directors as well as a written disclosure of any potential areas of conflict that could undermine their position or service as Directors for the consideration of the Committee.

No potential conflicts were noted.

6. Recommendation

Based on the foregoing, the Committee recommended to the Board of Scancom PLC (MTN Ghana) the appointment of Mrs. Antoinette Kwofie as an Executive Director of the Company for recommendation by the Board to Shareholders for appointment.

Mrs. Antoinette Kwofie was appointed a Director of Scancom PLC by Shareholders of MTN Ghana at the 2022 AGM.

Independent auditor’s report to the shareholders of Scancom PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Scancom PLC and its subsidiary (‘the group’) and company set out on pages 70 to 126, which comprise of the consolidated and separate Statement of Financial Position as at 31 December 2022, and the consolidated and separate Statement of Comprehensive Income, the consolidated and separate Statement of Changes in Equity and the consolidated and separate Statements of Cash Flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992).

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 Auditors’ Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors’ Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Expected Credit Loss (ECL) assessments As of 31 December 2022, the group held material balance on the Mobile Money Float balances (GHS11.6b) constituting 52% of the group's total assets. The Mobile Money Float balances represent cash deposits held with Partner Banks in respect of all outstanding balances on customer wallets at the year end As disclosed in note 2.23, the Group applies IFRS9 model in determining impairment on this Mobile Money Float asset. The allowance or provision recognized depends on the output of the partner banks risk assessment for the period, with forward looking assumptions regarding the choice of variables, inputs and their interdependencies. Partner banks whose counterpart risk profile indicated significant increase in credit risk were assessed for impairment. The Group exercises significant judgements regarding the inputs, assumptions, and techniques for estimating ECL on these Mobile Money Float balances.	We obtained an understanding of Mobile Money's accounting process for float balances as well as the impairment methodology. We evaluated management's assumption and judgments including the partner bank risk rating, other qualitative information and forward-looking information included in the ECL assessment. We tested the accuracy of management's calculations in the ECL model. We also reviewed the reasonableness of the impairment outcomes in line with our understanding of the macro-economic environment and the banking industry. We assessed the adequacy of the group's disclosure regarding impairment of float balances.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 133-page document titled "Scancom PLC (MTN Ghana) 2022 Annual Report", which includes the Report of Directors, the Audit Committee's report and other disclosures as required by the Companies Act, 2019 (Act 992). 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.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information 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 International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992), 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 and 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 and 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 auditors' 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 auditors' report. However, future events or conditions may cause the group and/or the 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.
- 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 auditors' 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.

Independent auditor's report to the shareholders of Scancom PLC (continued)

Report on Other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of account have been kept by the group and the company, so far as appears from our examination of those books;

iii. The consolidated and separate Statement of Financial Position and the consolidated and separate Statement of Comprehensive Income (Statement of Profit or Loss and Other Comprehensive Income) of the group and the company are in agreement with the underlying books of account;

iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the group and the company at the end of the financial year and of the profit or loss for the financial year then ended;

v. We are independent of the company pursuant to section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditors' report is Pamela Des Bordes (ICAG/P/1329).

Ernst & Young

Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra, Ghana
Date: 28/02/2023

Statement of comprehensive income

All amounts in thousands of Ghana Cedis

		Group		Company	
	Note	**2022**	**2021**	**2022**	**2021**
Revenue from contracts with customers	2.5.6	9,916,109	7,723,259	8,067,322	6,066,545
Other income	2.5.9	775	-	74,927	45,288
Direct network operating costs	2.6	(1,067,376)	(903,720)	(1,067,376)	(900,637)
Cost of handsets and other accessories		(66,775)	(145,645)	(66,775)	(145,645)
Interconnect and roaming costs	2.7	(415,581)	(308,815)	(415,581)	(308,815)
Employee benefits expenses	2.8	(413,399)	(265,988)	(398,610)	(253,525)
Selling, distribution and marketing expenses	2.9	(1,449,440)	(1,295,786)	(783,130)	(617,840)
Other operating expenses	2.10	(940,658)	(553,921)	(873,637)	(540,955)
Earnings Before Interest Tax Depreciation and Amortisation		**5,563,655**	**4,249,384**	**4,537,140**	**3,344,416**
Depreciation	2.15.3	(1,027,919)	(875,255)	(1,024,917)	(873,045)
Amortisation	2.16.3	(170,760)	(160,302)	(170,766)	(159,656)
Operating profit		**4,364,976**	**3,213,827**	**3,341,457**	**2,311,715**
Finance income	2.11.3	205,962	78,812	719,297	491,632
Finance costs	2.11.3	(474,418)	(444,001)	(478,730)	(444,468)
Profit before income tax		**4,096,520**	**2,848,638**	**3,582,023**	**2,358,879**
National fiscal stabilisation levy	2.13	(206,603)	(140,706)	(149,152)	(95,943)
Income tax expense	2.12.3	(1,034,116)	(706,549)	(746,743)	(482,678)
Profit after tax		**2,855,801**	**2,001,383**	**2,686,128**	**1,780,258**
Other comprehensive income:					
Interest on investments			5,966		
Other comprehensive income, net of tax		-	5,966	-	-
Total comprehensive income		**2,855,801**	**2,007,349**	**2,686,128**	**1,780,258**
Earnings per share information					
Diluted/Basic earnings per share (GHS)	2.14	0.232	0.163	0.219	0.145

The notes on pages 74 to 126 are an integral part of the consolidated and separate financial statements.

Statement of financial position

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

		Group		Company	
	Note	2022	2021	2022	2021
Assets					
Non Current Assets					
Property, plant and equipment	2.15.1	4,981,038	3,906,148	4,975,481	3,898,955
Right of use assets	2.15.5	1,196,562	1,342,204	1,196,562	1,342,204
Intangible assets	2.16.3	784,079	778,872	784,076	778,842
Investments in subsidiary	2.17.1	-	-	20,050	50
Investments	2.17.2	20,000	-	-	-
IRU assets	2.18.1	123,399	88,385	123,399	88,385
Deffered tax assets	2.12.6	10,084	-	-	-
Contract assets	2.19.2	1,633	2,273	1,633	2,273
Contract costs	2.19.3	24,968	39,744	24,968	39,744
		7,141,763	**6,157,626**	**7,126,169**	**6,150,453**
Current assets					
Inventories	2.20	13,749	29,310	13,749	29,310
Trade and other receivables	2.21.1	773,373	568,461	696,381	551,306
Other assets	2.22	149,247	27,431	147,871	27,431
Other financial assets	2.22	344,874	142,389	344,868	142,267
Income tax assets	2.12.5	149,920	526,969	103,801	437,847
National fiscal stabilisation levy	2.13	27,071	2,519	25,608	4,858
IRU assets	2.18.1	25,995	14,753	25,995	14,753
Mobile money floats	2.23	11,663,106	8,977,989	-	-
Investment in securities	2.24.1	188,571	82,540	-	-
Cash and cash equivalents	2.24	1,586,207	995,422	1,176,104	621,715
		14,922,113	**11,367,783**	**2,534,377**	**1,829,487**
Total assets		**22,063,875**	**17,525,409**	**9,660,544**	**7,979,940**
Equity					
Stated capital	2.25	1,097,504	1,097,504	1,097,504	1,097,504
Other reserves	2.36	215,482	82,540	26,910	
Retained earnings	2.35	4,396,714	3,183,254	3,943,030	2,773,211
		5,709,700	**4,363,298**	**5,067,444**	**3,870,715**
Non Current Liabilities					
Borrowings	2.26	222,318	369,774	222,318	369,774
Deferred tax	2.12.6	538,113	420,857	538,113	421,876
Lease liabilities	2.15.9	1,316,020	1,390,212	1,316,020	1,390,212
IRU liability	2.18.2	26,829	15,703	26,829	15,703
Share based payment liability	2.27.6	33,539	-	30,590	-
Provisions	2.27.4	10,657	14,442	10,657	13,238
		2,147,476	**2,210,988**	**2,144,527**	**2,210,803**
Current Liabilities					
Trade and other payables	2.28	1,766,990	1,229,416	1,712,092	1,159,162
Obligations to electronic money holders	2.23	11,663,106	8,977,989	-	-
Contract liabilities	2.19.1	217,090	191,558	217,090	191,558
Provisions	2.27.3	107,058	57,702	66,936	53,244
Lease liabilities	2.15.8	284,278	293,526	284,278	293,526
IRU liability	2.18.2	3,431	1,616	3,431	1,616
Borrowings	2.26	164,746	199,316	164,746	199,316
		14,206,699	10,951,123	2,448,573	1,898,422
Total Liabilities		**16,354,175**	**13,162,111**	**4,593,100**	**4,109,225**
Total Equity and Liabilities		**22,063,875**	**17,525,409**	**9,660,544**	**7,979,940**

The notes on pages 74 to 126 are an integral part of the consolidated and separate financial statements.

The consolidated and separate financial statements on pages 70 to 126, were approved by the Board of Directors on 27 February 2023 and were signed on their behalf by:

Ishmael Yamson
Chairman

Selorm Adadevoh
Chief executive officer

Statement of changes in equity

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Group	Stated capital	Other reserves	Retained earnings	Total Equity
Balance as at 1 January 2021	1,097,504	13,401	2,228,282	3,339,187
Profit for the year	-	-	2,001,383	2,001,383
Other comprehensive income	-	5,966		5,966
Total comprehensive income for the year	-	5,966	2,001,383	2,007,349
Transactions with equity holders of the Group				
Transfer between reserves	-	63,173	(63,173)	
Dividends (Note 2.29)	-	-	(983,238)	(983,238)
Total contributions by and distributions to owners of company recognised directly in equity	-	63,173	(1,046,411)	(983,238)
Balance as at 31 December 2021	1,097,504	82,540	3,183,254	4,363,298
Total comprehensive income				
Profit for the year	-	-	2,855,801	2,855,801
Total comprehensive income for the year	-	-	6,039,055	6,039,055
Transactions with equity holders of the Group				
Transfer between reserves	-	132,942	(106,032)	26,910
Dividends (Note 2.29)	-	-	(1,536,309)	(1,536,309)
Total contributions by and distributions to owners of company recognised directly in equity	-	132,942	(1,642,341)	(1,509,399)
Balance as at 31 December 2022	1,097,504	215,482	4,396,714	5,709,700

Company	Stated capital	Other reserves	Retained income	Total Equity
Balance as at 1 January 2021	1,097,504	-	1,976,191	3,073,695
Total comprehensive income				
Profit for the year	-	-	1,780,258	1,780,258
Total comprehensive income for the year	-	-	1,780,258	1,780,258
Transactions with equity holders of the Company				
Dividends	-	-	(983,238)	(983,238)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	(983,238)	(983,238)
Balance as at 31 December 2021	1,097,504	-	2,773,211	3,870,715
Total comprehensive income				
Profit for the year	-	-	2,686,128	2,686,128
Total comprehensive income for the year	-	-	5,459,339	6,556,843
Transactions with equity holders of the Company				
Transfer between reserves	-	26,910	20,000	46,910
Dividends	-	-	(1,536,309)	(1,536,309)
Total contributions by and distributions to owners of company recognised directly in equity	-	26,910	(1,516,309)	(1,489,399)
Balance as at 31 December 2022	1,097,504	26,910	3,943,030	5,067,444

The notes on pages 74 to 126 are an integral part of the consolidated and separate financial statements.

Statement of cash flows

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

		Group		Company	
	Note	2022	2021	2022	2021
Cash from operating activities					
Profit before tax		4,096,520	2,848,638	3,582,023	2,358,879
Adjustments for:					
Depreciation of property, plant and equipment	2.15.3	1,027,919	875,255	1,024,917	873,045
Amortisation of intangible assets	2.16.4	170,760	160,302	170,766	159,656
Amortisation of contract cost	2.19.3	39,847	31,586	39,847	31,586
Amortisation of IRU(Capacity leasing)	2.18.1	25,561	22,289	25,561	22,289
IRU deferred income charge/(release)	2.18.2	12,941	10,564	12,941	10,564
Profit from disposal of property palnt and equipment	2.15.11	(859)	(2,983)	(859)	(2,983)
(Recovery) / Impairment charge on trade receivable	2.21.1	(80,376)	(3,566)	(80,376)	(3,566)
Interest Income	2.11.3	(205,962)	(78,812)	(719,297)	(491,632)
Finance costs	2.11.3	474,418	444,001	478,730	444,468
		5,560,769	4,307,274	4,534,253	3,402,306
Changes in working capital:					
Inventories		(15,561)	(47,814)	(15,561)	(47,814)
Income tax assets		(696,161)	(97,883)	(581,993)	(117,749)
Contract assets		640	839	640	839
Other assets		121,816	21,504	121,816	20,758
Increase/decrease in other financial assets at amortised cost		(202,485)	(39,298)	(202,601)	(14,090)
Trade and other payables		1,216,095	77,881	1,104,575	96,316
Increase/decrease in contract liabilities		(12,825)	91,438	(12,825)	91,438
Increase/decrease in provisions		(49,356)	(12,551)	(23,657)	(15,611)
Increase in capitalised contract costs		(14,776)	(32,512)	(14,776)	(32,512)
Cash generated from operations		5,908,156	4,268,878	4,909,871	3,383,881
Interest received		156,170	78,812	99,171	51,632
Dividends received from subsidiary		-	-	600,000	440,000
Finance costs		(126,645)	(236,321)	(126,645)	(236,321)
Dividends	2.29	(1,536,309)	(983,238)	(1,536,309)	(983,238)
Taxes paid		(698,453)	(699,214)	(451,136)	(541,208)
National fiscal stabilisation levy		(231,404)	(138,108)	(160,909)	(95,943)
Net cash flows from operating activities		3,471,515	2,290,809	3,334,043	2,018,803
Cash flows from investing activities					
Purchase of property, plant and equipment	2.15.6	(1,724,994)	(1,215,552)	(1,723,255)	(1,211,994)
Proceeds from disposal of property, plant and equipment	2.15.11	-	4,354	-	4,354
Purchase of other intangible assets	2.16.5	(246,674)	(47,003)	(246,674)	(47,003)
Acquisition of additional IRU capacity	2.18.1	(69,892)	(8,020)	(69,892)	(8,020)
Purchase of securities	2.24.1	(84,187)	(63,173)		(14,090)
Investment in intergrity capital	2.17.2	(20,000)	-	-	-
Net cash flows used in investing activities		(2,145,747)	(1,329,394)	(2,039,821)	(1,276,753)
Cash flows from financing activities					
Proceeds from borrowings	2.26	-	165,000	-	165,000
Repayment of borrowings	2.26.1	(189,996)	(445,002)	(189,996)	(445,002)
Principal element of lease payments		(579,947)	(359,730)	(579,947)	(359,730)
Net cash flows from financing activities		(769,943)	(639,732)	(769,943)	(639,732)
Net (decrease)/increase in cash and cash equivalents		555,825	321,683	524,279	102,318
Cash and cash equivalents at 1 January		995,422	671,968	621,715	518,499
Effect of exchange rate fluctuations on cash and cash equivalents held		34,960	1,771	30,110	898
Cash and cash equivalents at 31 December	**2.24**	**1,586,207**	**995,422**	**1,176,104**	**621,715**

The notes on pages 74 to 126 are an integral part of the consolidated and separate financial statements.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

1. General information

Scancom PLC, (the "Company") was incorporated as a private limited liability company on 14 April 1994 and commenced operations on 9 September 1994. The Company's regulations were amended on 13 October 2016 to become a public company and its shares were listed on the Ghana Stock Exchange on 5 September 2018.

Its ultimate holding company is MTN Group Limited, a company incorporated in the Republic of South Africa and listed on the Johannesburg Stock Exchange. The registered address of the business is MTN House, Plot OER 6, Independence Avenue, West Ridge, Accra. The principal activities are the provision of telecommunication services including voice, data, and enterprise solutions, mobile financial services, the development of strategic partnerships to provide advanced services and the provision of consultancy and support services in the mobile banking, payment services and fintech space. The consolidated financial statements are for the Group consisting of the Company, Scancom PLC and its subsidiary, MobileMoney Limited.

2. Principal accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below and are consistent with those adopted in the prior year, unless otherwise stated.

2.1 Basis of preparation

The financial statements (financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 992), and the Ghana Stock Exchange Act of 1971 (Act 348) and in accordance with Ghana Stock Exchange Act of 1971 (Act 348). The financial statements have been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income.

2.1.1 Going Concern

The Group's current assets exceed its current liabilities by GHS715 million whilst the Company's current assets exceed its current liabilities by GHS86 million (2021: Group current assets exceeded its current liabilities by GHS 417 million and Company's liabilities exceeded its current assets by GHS69 million. The financial statements have therefore been prepared using the going concern basis.

Notes to the financial statements (continued)

2.2 Measurement principles

Assets and liabilities shown in the statement of financial position are measured as follows:

Item	**Measurement principle**		**Item**	**Measurement principle**
Assets			**Liabilities**	
Non current assets			*Non current liabilites*	
Property, plant and equipment	Historical cost, less accumulated depreciation and impairment losses.		**Borrowings**	Amortised cost
Right of use assets	Cost Initial measurement of lease liability. Any lease payment made at/ before commencement date		Deffered tax liabilities	Undiscounted amount measured at the tax rate that are expected to apply to the period when the liability is settled
Intangible assets	Historical cost, less accumulated amortisation and impairment losses		Lease liabilities	Present value of remaining lease payment discounted using the group's incremental borrowing rate at date of initial application

Investment in subsidairy	Cost less accumulated impairment losses		Provisions	Present value of settlement amount
Contract assests	Amortised cost		Others	Cost
Capitalised contract cost	Cost less accumulated amortisation		**Current liabilities**	
Other reserves	Amortised cost		Trade and other payables	Amortised cost
Current assets			Contract liabilities	Amortised cost
Inventories	Lower of cost and net realisable value		Unearned income	Cost
Trade receivables	Amortised cost		Provision	Present value of settlement amount
Other financial assets	Amortised cost		Taxation liabilities	Amount expected to be paid to the tax authorities using tax rates that have been enacted at the reporting date
Income tax assets	Amount expected to be recovered from the tax authorities using tax rates that has been enacted or substantively enacted on the reporting date		Borrowing	Amortised cost

2.3 Critical accounting estimates and judgement

The preparation of consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Management also needs to exercise judgement in applying the Group's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

2.3.1 Contract Liability

Recharge vouchers that have been purchased but not loaded and airtime loaded but not used are recorded as contract liabilities. Customers may not exercise all their rights, and this is often called breakage. The Group recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. The pattern of rights exercised is estimated by reference to recharge/usage patterns. Management estimates a breakage rate with which to gradually release unexercised rights or recognise credit into revenue. The business has not recognised breakage in the current period as Electronic Voucher Distribution (EVD) is now the sole channel for recharge voucher vendoring and therefore does not age since it is an electronic system.

2.3.2 Lease liabilities

(i) Extension and termination options
Extension and termination options are included on a number of leases across the group. These are used to maximise operational flexibility in managing the assets used in the group's operations. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Due to the technological nature of MTN operations, management has determined that a reasonably certain period of exercising an option to extend a lease term to be aligned to the business planning cycle of between 3 to 5 years.

(ii) Variable lease payment

Certain network sites have variable lease payments linked to CPI. To the extent that there are no floors in the contract, escalations based on these invoices were discarded by directors in determining the lease liability.

2.3.3 Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. This uses a lifetime expected loss allowance for all trade receivables. In applying the provision matrix, the Group estimates the ultimate write offs for a defined population of trade receivables. A loss ratio is calculated according to the aging profile of the trade receivables by applying the historic write offs to the payment profile of the population adjusted to reflect current and forward looking information on macroeconomic factors. The Group exercises significant judgements in the inputs, assumptions, and techniques for estimating ECL, default and credit impaired assets.

2.3.4 Income tax and deferred tax

There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters are different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets as well as liabilities in the period in which such determination is made.

2.3.5 Property, plant, and equipment

Property, plant and equipment are tangible assets which the group holds for its own use or for rental to others and which are expected to be used for more than one year. An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the group, and the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost. Cost includes all the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate. Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised. The useful lives of items of property, plant and equipment have been assessed as 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 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 year is recognised in profit or loss unless it is included in the carrying amount of another asset. The cost of property, plant and equipment is depreciated on a straight line basis over their estimated useful lives ranging from 3 to 20 years. Changes in the expected level of the usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

2.3.5 Property, plant, and equipment (continued)

Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

2.3.6 Intangible assets

Intangible assets
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.

Intangible assets are initially recognised at cost. Expenditure on research (or on the research phase of an internal project is recognised as an expense when it is incurred.
An intangible asset arising from development (or from the development phase of an internal project) is recognised when: it is technically feasible to complete the asset so that it will be available for use or sale there is an intention to complete and use or sell it there is an ability to use or sell it. it will generate probable future economic benefits. there are available technical, financial and other resources to complete the development and to use or sell the asset. The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life. The amortization period and the amortization method for intangible assets are reviewed every period end. Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result. the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

2.3.8 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract. 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 a consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Group as lessee

A lease liability and corresponding right of use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. The various lease and non lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand alone prices of the lease components and the aggregate

Group as lessee (continued)

stand alone price of the non lease components (where non lease components exist). However, as an exception to the preceding paragraph, the group has elected not to separate the non lease components for leases of land and buildings. Lease liability The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments, including in substance fixed payments, less any lease incentives.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the group under residual value guarantees.
- The exercise price of purchase options if the group is reasonably certain to exercise the option.
- Lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- Penalties for early termination of a lease if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the (short term) lease liability (or right of use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right of use asset) when:

- There has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- There has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- There has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- A lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset or is recognised in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Right of use assets

Right of use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

- The initial amount of the corresponding lease liability;
- Any lease payments made at or before the commencement date;
- Any initial direct costs incurred; any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and less any lease incentives received.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

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 determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives. 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.

2.3.9 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the group also:

- Tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- Tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss. An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated. The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.4 New and amended standards and interpretations

The following standards and amendments became effective for annual periods beginning on or after 1 January 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. However, the Group intends to apply those when they become effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk free interest rate (RFR). The amendments include the following practical expedients:

A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Standard/ Interpretation:	**Effective date: Years beginning on or after**	**Expected impact:**
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2023	Unlikely there will be a material impact
Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.	January 1, 2023	Unlikely there will be a material impact
Definition of accounting estimates: Amendments to IAS 8	January 1, 2023	Unlikely there will be a material impact
Classification of Liabilities as Current or Non Current Amendment to IAS 1	January 1, 2023	Unlikely there will be a material impact
IFRS 17 Insurance Contracts	January 1, 2023	Unlikely there will be a material impact

Covid 19 Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid 19 Related Rent Concessions amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid 19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid 19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid 19 related rent concession the same way it would account for the change under IFRS16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid 19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid 19 related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

2.5 Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of indirect taxes, estimated returns and trade discounts.

The Group derives revenue from the transfer of mobile handset, devices and accessories and the rendering of services at a point in time and over time in the following major product and services lines.

2.5.1 Network services

Network services revenue comprises revenue from airtime voice, data and SMS. Revenue is recognised over time commencing on the date of activation or subscription. Amounts received from prepaid voucher sales is deferred as a contract liability and recognised when services are utilised by the customer or on termination of the customer relationship.

2.5.2 Interconnect and roaming

Interconnect and roaming revenue is recognised on a usage basis, over time, unless it is not probable on the transaction date that the interconnect revenue will be received; in which case interconnect revenue is recognised only when the cash is received. It is measured at the transaction price agreed with the counterparties or by the regulator.

2.5.3 Digital and Fintech

Fintech revenue is driven by fee income received from subscribers, transactions by subscribers on money transfers, subscriber cash out, other fees charged to merchants. Fintech revenue is recognised when subscriber payment transactions are made and are based on transaction prices set out for those services at a point in time. Digital revenue is revenue earned on value added services and recognised over time. Digital revenue is recognised upon subscription based on tariff plans.

2.5.4 Mobile, devices and accessories

Revenue from the sale of mobile handset devices and accessories to third parties are recognised at a point in time, when risks and rewards of ownership are transferred to the buyer. It is measured at the transaction price agreed in the contract.

2.5.5 Other

Other revenue comprises revenue from fixed broad band, international and local leased lines providing connectivity, wireless broad band services, infrastructure sharing, infrastructure rentals and ICT services. Revenue is recognised over time commencing on the date of activation or subscription.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.5.6 Disaggregation of revenue from contracts with customers

Group Year ended 31 December 2022	**Network services**	**Interconnect and roaming**	**Digital and Fintech**	**Mobile, devices and accessories**	**Other**	**Total**
Revenue from contracts with customers	6,996,495	359,672	2,289,868	35,979	234,095	9,916,109
Timing of revenue recognition						
At a point in time	-	-	1,983,563	35,979	-	2,019,542
Over time	6,996,495	359,672	306,305	-	234,095	7,896,567
	6,996,495	**359,672**	**2,289,868**	**35,979**	**234,095**	**9,916,109**
	-	-	-	-	-	-

Year ended 31 December 2021	**Network services**	**Interconnect and roaming**	**Digital and Fintech**	**Mobile, devices and accessories**	**Other**	**Total**
Revenue from contracts with customers	5,171,069	270,414	2,073,326	22,534	185,916	7,723,259
Timing of revenue recognition						
At a point in time	-	-	1,656,715	22,534	-	1,679,249
Over time	5,171,069	270,414	416,611	-	185,916	6,044,010
	5,171,069	**270,414**	**2,073,326**	**22,534**	**185,916**	**7,723,259**

Company Year ended 31 December 2022	**Network services**	**Interconnect and roaming**	**Digital and Fintech**	**Mobile, devices and accessories**	**Other**	**Total**
Revenue from contracts with customers	6,996,495	359,672	354,401	35,979	320,775	8,067,322
Timing of revenue recognition						
At a point in time	-	-	354,401	35,979	-	390,380
Over time	6,996,495	359,672	-	-	320,775	7,676,942
	6,996,495	**359,672**	**354,401**	**35,979**	**320,775**	**8,067,322**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.5.6 Disaggregation of revenue from contracts with customers

Year ended 31 December 2021	**Network services**	**Interconnect and roaming**	**Digital and Fintech**	**Mobile, devices and accessories**	**Other**	**Total**
Revenue from contracts with customers	5,171,069	270,414	416,611	22,534	185,917	6,066,545
Timing of revenue recognition						
At a point in time	-	-	416,611	22,534	-	439,145
Over time	5,171,069	270,414	-	-	185,917	5,627,400
	5,171,069	**270,414**	**416,611**	**22,534**	**185,917**	**6,066,545**

Included in revenue from digital and fintech is interest income of GHS47.1 million (2021: GHS39.1 million) that is retained by the Group in respect of mobile money float interest.

2.5.7 Segment reporting

Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group. The Group has identified reportable segments that are used by the executive committee to make key operating decisions, allocate resources and assess performance. The reportable segments are largely grouped according to how data on the segments are managed and reported internally to the Group.

	Network services	**Interconnect and roaming**	**Digital and Fintech**	**Mobile, devices and accessories**	**Other**	**Total**
2022 Revenue	6,996,495	359,672	2,289,868	35,979	234,095	9,916,109
2021 Revenue	5,171,069	270,414	2,073,326	22,534	185,916	7,723,259
% YoY	35%	33%	10%	60%	26%	28%
2022 EBITDA margin						56.1%
2021 EBITDA margin						55.0%
2022 Capex spend						2,144,354
2021 Capex spend						1,484,910
% YoY						44%
2022 Profit after tax						2,855,801
2021 Profit after tax						2,001,383

The Group focuses on revenues from the various categories, EBITDA margin and Capex spend and runs the business as a single segment entity.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.5.8 Assets and liabilities related to contracts with customers

(i) Capitalisation of subscriber acquisition costs

The Group expects that incremental subscriber acquisition costs for obtaining and renewing contracts are recoverable. These costs include agent and dealer commissions on successful SIM activation costs, agent commissions for successful portings to the MTN network via the mobile number portability (MNP) platform, and fees to the operator of the MNP platform for successful portings. These have therefore been capitalised. The amortisation of the capitalised cost is based on subscriber churn rate.

(ii) Assets recognised from costs to fulfil a contract

The Group recognised assets in relation to costs to fulfil long term Wi Fi service contracts. The contract asset is amortised on a straight line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

	Balance as at 31 December 2022	Balance as at 31 December 2021
Capitalised costs relating to acquisition of customer contracts Note 2.19.3	24,968	39,744
Loss allowance	-	-
Capitalised contract cost	**24,968**	**39,744**
Costs incurred to fulfil a contract (contract assets) Note 2.19.2	1,633	2,273
Contract liabilities Note 2.19.1	-	-

2.5.9 Other income

	Group		Company	
	2022	2021	2022	2021
Other income	775	-	74,927	45,288

Other income for the Company for 2022 relates to consideration for the use of Related Party resources, services or obligations between the company and MobileMoney Limited in the normal course of business. The company undertook various transactions with its subsidiary, MobileMoney Limited during the year. These include the provision of adminstrative support service, office space and other services. The charges are reflected as Other Income for the company. In addition, an amount of GHS775,000 was received in respect of future talent and culture award from MTN Group

2.6 Direct network operating costs

	Group		Company	
	2022	2021	2022	2021
Transmission costs	357,773	348,206	357,879	347,356
Network maintenance costs	435,040	370,863	434,934	368,649
Leased lines costs	67,352	28,132	67,352	28,113
Spectrum and regulatory fees	207,211	156,519	207,211	156,519
	1,067,376	**903,720**	**1,067,376**	**900,637**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	Group		Company	
2.7 Interconnect and roaming costs	**2022**	**2021**	**2022**	**2021**
Interconnect costs	374,666	297,717	374,666	297,717
Roaming costs	40,915	11,098	40,915	11,098
	415,581	**308,815**	**415,581**	**308,815**

2.8 Employee benefits expenses	Group		Company	
	2022	**2021**	**2022**	**2021**
Salaries and other short term employee benefits	275,328	210,520	265,028	203,310
Share based payment	68,312	31,497	65,012	28,294
Training	8,176	4,242	7,982	4,251
Long service awards	4,821	(24,199)	4,821	(24,199)
Post employment benefit	10,888	10,491	10,888	10,174
Bonus provision	25,733	16,037	25,863	14,965
Pension Cost	20,141	17,400	19,016	16,730
	413,399	**265,988**	**398,610**	**253,525**

2.8.1 Short term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is recognised on an undiscounted basis as an expense in that reporting period. Provision is made for accumulated leave and for non vested short term benefits when there is no realistic alternative other than to settle the liability, and at least one of the following conditions is met:

there is a formal plan and the amounts to be paid are determined up to the financial year end; achievement of previously agreed bonus criteria has created a valid expectation by employees that they will receive a bonus and the amount can be determined.

2.8.2 Long term employee benefits

The Group has a compensation scheme for managers and executives based on both the appreciation of Scancom PLC's value according to set rules and movements in the MTN Group Limited share price. A provision is raised to represent the growth in value of all unexercised compensation at the end of each reporting date. Long service awards were instituted and implemented in December 2016. The qualification criteria were for permanent staff who have attained a minimum of five years of service to the Group. The Group's obligation in respect of long term employee benefits is the amount of future benefit that employees have earned in return for their services in the current and prior periods that benefit is discounted to determine its present value.

2.8.3 Defined contribution plan

The Group operates a defined contribution scheme. A defined contribution plan is one under which the Group pays a fixed percentage of employees' remuneration as contributions into a separate entity (a fund), and has no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense when they are due.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.8.4 Termination benefits

Termination benefits may be payable when an employee's employment is terminated before the normal retirement date due to death or retrenchment or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are charged against profit or loss when the Group is demonstrably committed to any such plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy and it is probable the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the statement of financial position date are discounted to their present value.

2.9 Selling, distribution and marketing expenses

	Group		Company	
	2022	**2021**	**2022**	**2021**
Expenses incurred in respect of Valued Added Services (VAS)	137,439	86,967	188,467	67,846
Dealer commissions	309,102	243,183	309,102	243,183
Mobile money commissions	792,956	798,000	-	-
Marketing and advertising expenses	209,943	167,636	285,561	306,811
	1,449,440	**1,295,786**	**783,130**	**617,840**

2.10 Other operating expenses

	Group 2022	Group 2021	Company 2022	Company 2021
General expenses	339,763	193,172	317,519	184,441
Management fees	392,653	250,905	392,653	250,905
Power, maintenance and security costs	33,596	21,713	33,596	21,709
Impairment of trade receivables	38,552	6,770	2,717	6,770
Travel and entertainment	23,308	13,203	22,247	12,040
MTN foundation expenses	28,257	20,038	20,383	17,803
Outsourced expenses non network	84,529	47,287	84,522	47,287
Secretarial fees		833		
	940,658	**553,921**	**873,637**	**540,955**
Included in general expenses are the following:				
Audit fees and expenses	6,224	5,330	5,991	5,330
Directors' fees and expenses	3,197	1,989	3,197	1,989
Advisory fees and expenses	14,496	-	14,496	-

Advisory fees and expenses relates to regulatory audits and tax advisory services during the year under review.

2.11 Foreign currency translation

2.11.1 Functional and Presentation Currency

Items included in the annual financial statements are measured using the currency that best reflects the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ghana Cedis, which is the functional and presentation currency of the Group.

2.11.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation, where items are revalued. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.11.3 Finance income and costs

Finance income comprises interest income on funds invested, dividend received from subsidiary and foreign currency gains that are recognised in the statement of comprehensive income. Interest income is recognised as it accrues in the statement of comprehensive income, using the effective interest method. Finance costs comprise interest expenses on borrowings, unwinding of the discount on provisions, foreign exchange losses and interest on obligations on lease liabilities. All borrowing costs are recognised in profit or loss using the effective interest method, unless the borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, in which case the directly attributable borrowing costs are capitalized.

	Group		**Company**	
	2022	**2021**	**2022**	**2021**
Interest income from banks	205,962	78,812	119,297	51,632
Dividend income			600,000	440,000
Finance income	**205,962**	**78,812**	**719,297**	**491,632**
Interest expense on lease liabilities	258,465	301,448	258,465	301,448
Interest expense on borrowings	113,172	52,760	113,172	53,758
Other finance cost	4,705	4,205	4,705	4,205
Realised foreign exchange losses/(gains)	(29,174)	6,132	(29,174)	5,601
Unrealised foreign exchange losses/(gains)	127,250	79,456	131,562	79,456
Net Finance costs	**474,418**	**444,001**	**478,730**	**444,468**

2.12 Income tax

2.12.1 Current income tax

Current income tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.12.2 Deferred income tax

Deferred income tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is measured at tax rates (and laws) that have been enacted or substantially enacted at the statement of financial position date and are expected to apply to temporary differences when they reverse or are settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, where there is an intention to settle these balances on a net basis.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.12.3 Analysis of income tax expense

	Group		Company	
	2022	**2021**	**2022**	**2021**
Current				
Local income tax current period	926,945	665,986	630,507	441,626
Deferred				
Originating and reversing temporary differences	107,171	40,563	116,236	41,052
Income tax expense	**1,034,116**	**706,549**	**746,743**	**482,678**

2.12.4 Tax rate reconciliation

The tax on the profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Profit before income tax	4,096,520	2,848,638	3,582,023	2,358,879
Tax at the applicable tax rate of 25% (2021: 25%)	1,024,130	712,160	895,506	589,720
Tax effect of adjustments on taxable income				
Exempt income Dividend	(150,000)	(110,000)	(150,000)	(110,000)
Permanent restriction of vehicles	199	20	167	-
Intercompany profit taxable	158,885	101,456	-	-
Audit liability accepted	-	2,829	-	2,829
Other Permanent differences	902	84	815	129
Income tax expense	**1,034,116**	**706,549**	**746,488**	**482,678**
Effective tax rate	**25.2**	**24.8**	**20.8**	**20.5**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.12 Income tax (continued)

2.12.5 Current income tax assets

Group

At 31 December 2022	**At 1 January**	**Charge for the year**	**Adjustments**	**Payments for the year**	**At 31 December**
Year of Assessment					
Upto 2021	(526,969)	-	-	-	(526,969)
2022	-	926,945	558,642	(1,108,538)	377,049
	(526,969)	**926,945**	**558,642**	**(1,108,538)**	**(149,920)**

	At 1 January	**Charge for the year**	**Adjustments**	**Payments for the year**	**At 31 December**
Year of Assessment					
Upto 2020	(496,741)	-	-	-	(496,741)
2021	-	665,986	273,631	(969,845)	(30,228)
	(496,741)	**665,986**	**273,631**	**(969,845)**	**(526,969)**

Company

At 31 December 2022	**At 1 January**	**Charge for the year**	**Adjustments**	**Payments for the year**	**At 31 December**
Year of Assessment					
Upto 2021	(437,847)	-	-	-	(437,847)
2022	-	630,507	457,200	(753,661)	334,046
	(437,847)	**630,507**	**457,200**	**(753,661)**	**(103,801)**

	At 1 January	**Charge for the year**	**Adjustments**	**Payments for the year**	**At 31 December**
Year of Assessment					
Upto 2020	(336,476)	-	-	-	(336,476)
2021	-	441,626	205,677	(542,997)	(101,371)
	(336,476)	**441,626**	**205,677**	**(542,997)**	**(437,847)**

Adjustment of GHS559 million for the Group (2021: GHS274 million)and GHS457 million for the Company (2021: GHS206 million) relates to tax prepayment used to set off VAT obligations which is permitted under the Revenue Administration Act, 2016 (Act 915).

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.12.6 Deferred tax

Deferred tax is accounted for in accordance with the accounting policy disclosed in note 2.12.2. Deferred tax assets are recognised for tax losses carried forward to the extent that the recognition of the related tax benefit through taxable future profits is probable. The deductible temporary differences have no expiry dates and are allowed as and when they crystallise. Deferred tax computation considered the impact of provision, and other provision such as share based payments, long services ward and expected credit loss.

Deferred tax liabilities are attributable to the following:

At 31 December 2022

	At start of year	Recognised in profit or loss	At 31 December
Group			
Deferred tax assets			
Temporary provision from other provision	-	9,065	9,065
Reclassification	-	-	1,019
	-	**9,065**	**10,084**
Deferred tax liabilities			
Property plant and equipment	463,916	111,140	575,056
Other	(43,060)	5,098	(37,962)
Reclassification	-	-	1,019
	420,856	**116,238**	**538,113**
Charge to profit and loss		**107,173**	

Company	**At 1 January**	**Recognised in profit or loss**	**At 31 Dec**
Deferred tax liabilities			
Property plant and equipment	463,823	111,140	574,963
Others	(41,947)	5,097	(36,850)
	421,876	**116,237**	**538,113**

31 December 2021

Group	**At 1 January**	**Recognised in profit or loss**	**At 31 Dec**
Deferred tax liabilities			
Property plant and equipment	407,445	56,472	463,917
Others	(27,151)	(15,909)	(43,060)
	380,294	**40,563**	**420,857**

Company	**At 1 January**	**Recognised in profit or loss**	**At 31 December**
Deferred tax liabilities			
Property plant and equipment	407,326	56,497	463,823
Others	(26,503)	(15,444)	(41,947)
	380,823	**41,053**	**421,876**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Deferred tax asset

Others includes provisions, share options, expected credit loss and long service award.

2.13 National Fiscal Stabilisation Levy

	Group		Company	
	2022	**2021**	**2022**	**2021**
At start of year	(2,519)	(5,117)	(4,858)	(6,647)
Charge for the year	206,603	140,706	149,152	95,943
Adjustments during the year	54,391	-	42,223	-
Payments during the year	(231,404)	(138,108)	(160,909)	(94,154)
At 31 December	**27,071**	**(2,519)**	**25,608**	**(4,858)**

The National Fiscal Stabilisation Levy is a levy of 5% on profit before income tax introduced in July 2013. Adjustment during the year relates to tax prepayments used to off set other tax obligations which is permited under the Revenue Administration Act, 2016 (Act 915)

2.14 Earnings per share

The Group present basic and diluted earnings per share (EPS) for outstanding ordinary shares. The Group calculates basic earnings per share by dividing profit or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period. On the other hand, dilutive EPS is calculated by adjusting profit or loss attributable to ordinary equity holders of the Group and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

	Group		Company	
	2022	**2021**	**2022**	**2021**
Profit attributable to shareholders	2,855,801	2,007,349	2,686,128	1,780,258
Weighted average number of shares at 31 December	12,290,474	12,290,474	12,290,474	12,290,474
Earnings per share	**0.232**	**0.163**	**0.219**	**0.145**

At the reporting date, the basic and diluted earnings per share were the same. There are no outstanding shares with potential dilutive

2.15 Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self constructed assets includes the cost of materials and direct for their intended use, and the present value of future decommissioning costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Property, plant and equipment under construction is measured at initial cost and depreciated from the date the asset is made available for use in the manner intended by management over its useful life. Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

2.15 Property, plant and equipment (continued)

The Group capitalises general and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. A qualifying asset is deemed to be an asset which takes more than 12 months to acquire, construct or produce. Other borrowing costs are expensed in profit or loss. Property, plant and equipment acquired in an exchange transaction is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received, nor the asset given up is reliably measurable. No asset exchange transactions where one or more items of property, plant and equipment are acquired in exchange for non monetary assets or a combination of monetary and non monetary assets occurred in the current period.

Depreciation of property, plant and equipment is calculated to write off the cost of the asset to its residual value, on the straight line basis, over its expected useful life as follows:

	2022	2021
Buildings – owned	15 years	15 years
Buildings – leased	Lease term	Lease term
Network infrastructure	3 - 20 years	3 - 20 years
Information systems	3 - 5 years	3 - 5 years
Furniture and equipment	5 years	5 years
Office equipment	5 years	5 years
Leasehold improvement	Lease term	Lease term
Vehicles	5 years	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, during each financial year. Land is held under leasehold terms. Assets held under leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the expected term of the relevant lease. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising on the disposal or retirement of an asset is determined as the difference between the proceeds from the disposal and the carrying amount of the asset and is included in operating profit.

Impairment of assets

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit").

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

The Group annually reviews the carrying amounts of its property, plant and equipment and intangible assets with finite useful lives in order to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.15.1 Reconciliation of property, plant and equipment (owned) Group

Cost	Land & buildings	Network equipment	Furniture and fixtures	Motor vehicles	Office equipment	Information systems	Fixed assets inventory	Leasehold improvements	Work in progress	Total
At 1 January 2021	164,984	5,154,808	94,720	84,041	7,346	518,819	176	134,260	98,463	6,257,617
Additions	15,331	970,746	1,868	21,673	567	137,324	-	760	-	1,148,269
Disposal	-	(1,433)	(3,176)	(4,862)	-	(281)	-	(1,004)	-	(10,756)
Reallocations	-	63,463	(1,219)	3,818	-	265	(176)		(63,289)	2,862
At 31 December 2021	**180,315**	**6,187,584**	**92,193**	**104,670**	**7,913**	**656,127**	**-**	**134,016**	**35,174**	**7,397,992**
Additions	17,344	1,452,398	3,200	26,913	10,421	163,388	-	908	50,423	1,724,995
Disposals	-	(3,806)	(306)	(10,939)	(236)	(73)	-	-	-	(15,360)
*Reallocations	-	51,097	837	-	-	1	-	-	(169)	51,766
31 December 2022	**197,660**	**7,687,272**	**95,928**	**120,643**	**18,098**	**819,443**	**-**	**134,923**	**85,428**	**9,159,394**
Accumulated Depreciation										
At 1 January 2021	(58,239)	(2,323,020)	(85,646)	(34,948)	(6,335)	(323,452)		(54,133)		(2,885,773)
Disposals	-	1,708		4,991	-	11	-	633	-	7,343
Reallocations	-	(755)	2,705	(288)	-	617	-	-	-	2,279
Depreciation Charge	(10,641)	(505,809)	(2,892)	(18,859)	(297)	(70,820)	-	(6,502)	-	(615,820)
Other movements	-	-	-	-	127		-	-	-	127
At 31 December 2021	**(68,880)**	**(2,827,876)**	**(85,833)**	**(49,104)**	**(6,505)**	**(393,644)**	**-**	**(60,002)**	**-**	**(3,491,844)**
Disposals	-	3,792	306	10,293	224	73	-	-	-	14,688
Reallocations	(465)	18,780	331	(379)	-	(199)	-	66	-	18,134
Depreciation charge	(11,290)	(591,917)	(2,269)	(22,900)	(382)	(84,276)	-	(6,430)	-	(719,464)
Other movements	-	124	-	-	-	-	-	2	-	126
At 31 December 2022	**(80,635)**	**(3,397,097)**	**(87,465)**	**(62,090)**	**(6,663)**	**(478,046)**	**-**	**(66,363)**	**-**	**(4,178,356)**
Carrying amounts										
Cost	180,315	6,187,584	92,193	104,670	7,913	656,127	-	134,016	35,174	7,397,992
Accumulated Depreciation	(68,880)	(2,827,876)	(85,833)	(49,104)	(6,505)	(393,644)	-	(60,002)	-	(3,491,844)
At 31 December 2021	**111,435**	**3,359,708**	**6,360**	**55,566**	**1,408**	**262,483**	**-**	**74,014**	**35,174**	**3,906,148**
Cost	197,660	7,687,272	95,928	120,643	18,098	819,443	-	134,923	85,428	9,159,395
Accumulated Depreciation	(80,635)	(3,397,097)	(87,465)	(62,090)	(6,663)	(478,046)	-	(66,363)	-	(4,178,359)
At 31 December 2022	**117,025**	**4,290,174**	**8,465**	**58,553**	**11,437**	**341,397**	**-**	**68,560**	**85,428**	**4,981,038**

*Relates to reallocation of software which form an integral part of network equipment reclassified to property plant and equipment.

Notes to the financial statements (continued)

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.15.2 Reconciliation of property, plant and equipment (owned) Company

Cost	**Land & buildings**	**Network equipment**	**Furniture and fix-tures**	**Motor vehicles**	**Office equip-ment**	**Informa-tion systems**	**Fixed assets inventory**	**Leasehold improve-ments**	**Work in progress**	**Total**
At 1 January 2021	164,984	5,154,806	94,715	75,323	7,311	518,690	176	134,260	98,461	6,248,726
Additions	15,331	970,747	1,868	25,492	602	137,323	-	760	-	1,152,123
Disposal	-	(1,435)	(3,176)	(4,863)	-	(14)	-	(1,004)	-	(10,492)
Reallocations	-	63,464	(1,335)	(3,953)	-	(266)	(176)	-	(63,289)	(5,555)
Other movements	-	-	123	(88)	(35)	-	-	-	-	-
At 31 December 2021	**180,315**	**6,187,582**	**92,195**	**91,911**	**7,878**	**655,733**	**-**	**134,016**	**35,172**	**7,384,802**
Additions	17,344	1,452,398	3,201	25,262	10,421	163,388	-	908	50,423	1,723,343
Disposals	-	(3,806)	(306)	(10,939)	(236)	(73)	-	-	-	(15,360)
Reallocations	-	51,097	714		35	1	-	-	(168)	51,679
31 December 2022	**197,660**	**7,687,272**	**95,804**	**106,234**	**18,098**	**819,047**	**-**	**134,923**	**85,428**	**9,144,465**
Accumulated depreci-ation										
At 1 January 2021	(58,239)	(2,323,020)	(85,644)	(31,608)	(6,333)	(323,374)	-	(54,132)	-	(2,882,351)
Disposals	-	1,710		4,613		11	-	633	-	6,967
Depreciation Charge	(10,640)	(467,218)	(2,856)	(16,731)	(297)	(70,775)	-	(6,502)	-	(575,019)
Other movements	-	(38,933)	2,706	90	127	566	-	-	-	(35,444)
At 31 December 2021	**(68,879)**	**(2,827,461)**	**(85,794)**	**(43,636)**	**(6,503)**	**(393,572)**	**-**	**(60,002)**	-	**(3,485,847)**
Disposals	-	3,792	306	10,293	224	73	-	-	-	14,688
Reallocations	(465)	18,489	410	134	-	-	-	68	-	18,636
Depreciation charge	(11,290)	(591,917)	(2,265)	(19,927)	(382)	(84,251)	-	(6,430)	-	(716,463)
At 31 December 2022	**(80,635)**	**(3,397,097)**	**(87,343)**	**(53,136)**	**(6,661)**	**(477,749)**	**-**	**(66,363)**	-	**(4,168,984)**
Carrying amounts										
Cost	180,315	6,187,582	92,195	91,911	7,878	655,733	-	134,016	35,172	7,384,802
Accum Depreciation	(68,879)	(2,827,461)	(85,794)	(43,636)	(6,503)	(393,572)	-	(60,002)	-	(3,485,847)
At 31 December 2021	**111,436**	**3,360,121**	**6,401**	**48,275**	**1,375**	**262,161**	-	**74,014**	**35,172**	**3,898,955**
Cost	197,660	7,687,272	95,804	106,234	18,098	819,047	-	134,923	85,428	9,144,465
Accum Depreciation	(80,635)	(3,397,097)	(87,343)	(53,136)	(6,661)	(477,749)	-	(66,364)		(4,168,984)
At 31 December 2022	**117,025**	**4,290,175**	**8,461**	**53,098**	**11,437**	**341,298**	**-**	**68,559**	**85,428**	**4,975,481**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.15.3 Reconciliation of property, plant and equipment (Owned and Leased) Group

Cost	Land & buildings	Network equipment	Furniture and fixtures	Motor vehicles	Office equipment	Information systems	Fixed assets inventory	Leasehold improvements	Work in progress	Total
At 1 January 2021	269,988	6,958,450	94,716	84,044	7,346	518,819	176	134,260	98,462	8,166,261
Additions	15,333	1,193,100	1,868	25,492	567	137,057	-	760	-	1,374,177
Disposal	-	(1,433)	(3,176)	(4,863)	-	(15)	-	(1,004)	-	(10,491)
Reallocations	-	63,464	(1,215)	-	-	266	(176)	-	(63,289)	(947)
Other movements	(2)	-	-	-	-	-	-	-	-	(2)
At 31 December 2021	**285,319**	**8,213,581**	**92,193**	**104,673**	**7,913**	**656,127**		**134,016**	**35,173**	**9,528,995**
Additions	29,862	1,612,566	3,201	26,913	10,421	163,388	-	908	50,423	1,897,680
Disposals	-	(3,806)	(306)	(10,943)	(236)	(73)	-	-	-	(15,364)
Reallocations	1,082	39,744	840		-	-	-	-	(168)	41,498
31 December 2022	**316,265**	**9,862,085**	**95,928**	**120,643**	**18,098**	**819,443**		**134,923**	**85,428**	**11,452,812**
Accumulated depreciation										
At 1 January 2021	(100,849)	(2,768,972)	(85,644)	(34,949)	(6,333)	(323,452)	-	(54,133)	-	(3,374,332)
Disposals	-	1,710		4,513	-	11	-	634	-	6,868
Reallocations	-	-	2,705	-	-	419	-		-	3,124
Depreciation charge	(28,797)	(747,080)	(2,892)	(18,859)	(297)	(70,820)	-	(6,502)	-	(875,255)
Other movements		(41,370)		190	127	192	(194)	(1)	-	(41,056)
At 31 December 2021	**(129,646)**	**(3,555,712)**	**(85,831)**	**(49,105)**	**(6,503)**	**(393,650)**	**(194)**	**(60,002)**		**(4,280,643)**
Disposals		3,792	306	10,293	224	73	-		-	14,688
Reallocations	(68)	18,707	330	(378)	-	(193)	194	68	-	18,660
Depreciation charge	(28,296)	(883,365)	(2,269)	(22,900)	(382)	(84,276)	-	(6,430)	-	(1,027,919)
At 31 December 2022	**(158,010)**	**(4,416,578)**	**(87,464)**	**(62,090)**	**(6,661)**	**(478,046)**		**(66,363)**		**(5,275,212)**
Carrying amounts										
Cost	285,319	8,213,581	92,193	104,673	7,913	656,127	-	134,016	35,173	9,528,995
Accumulated Depreciation	(129,646)	(3,555,712)	(85,831)	(49,105)	(6,503)	(393,650)	(194)	(60,002)	-	(4,280,643)
At 31 December 2021	**155,673**	**4,657,869**	**6,362**	**55,568**	**1,410**	**262,477**	**(194)**	**74,014**	**35,173**	**5,248,352**
Cost	316,265	9,862,085	95,928	120,643	18,098	819,443	-	134,923	85,428	11,452,812
Accumulated Depreciation	(158,010)	(4,416,578)	(87,464)	(62,090)	(6,661)	(478,046)	-	(66,363)	-	(5,275,212)
At 31 December 2022	**158,255**	**5,445,507**	**8,464**	**58,553**	**11,437**	**341,397**	**-**	**68,560**	**85,428**	**6,177,600**

Notes to the financial statements (continued)

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.15.4 Reconciliation of property, plant and equipment (Owned and Leased) Company

Cost	Land & buildings	Network equipment	Furniture and fixtures	Motor vehicles	Office equipment	Information systems	Fixed assets inventory	Leasehold improvements	Work in progress	Total
At 1 January 2021	269,989	6,958,450	94,592	75,189	7,347	518,689	176	134,260	98,462	8,157,154
Additions	15,332	1,193,100	1,868	25,492	567	137,324	-	758	-	1,374,440
Disposal	-	(1,434)	(3,176)	(4,863)	-	(15)	-	(1,003)	-	(10,491)
Reallocations	-	63,464	(1,212)	(3,819)	-	(266)	(176)	-	(63,289)	(5,298)
At 31 December 2021	285,321	8,213,580	92,072	91,999	7,914	655,732	-	134,015	35,173	9,515,806
Additions	29,862	1,612,566	3,201	25,174	10,421	163,388	-	908	50,423	1,895,943
Disposals	-	(3,806)	(306)	(10,939)	(236)	(73)	-	-		(15,360)
Reallocations	1,082	39,745	837		-	-	-	-	(168)	41,496
31 December 2022	316,265	9,862,085	95,804	106,234	18,098	819,047	-	134,923	85,428	11,437,883
Accumulated depreciation										
At 1 January 2021	(100,849)	(2,768,972)	(85,562)	(31,474)	(6,331)	(323,374)	-	(54,132)	-	(3,370,694)
Disposals	-	1,710	-	4,613	-	11	-	633	-	6,967
Reallocations	-	-	2,707		-	568	-	-	-	3,275
Depreciation charge	(28,797)	(747,080)	(2,856)	(16,731)	(299)	(70,775)	-	(6,502)	-	(873,045)
Other movements	-	(47,369)	-	90	127				-	(47,152)
At 31 December 2021	(129,646)	(3,561,711)	(85,711)	(43,502)	(6,503)	(393,569)	-	(60,001)	-	(4,280,649)
Disposals	-	3,792	306	10,293	224	73	-	-	-	14,688
Reallocations	(78)	24,706	327		-	-	-	68	-	25,023
Depreciation charge	(28,286)	(883,365)	(2,265)	(19,927)	(382)	(84,251)	-	(6,430)	-	(1,024,917)
At 31 December 2022	(158,010)	(4,416,578)	(87,343)	(53,136)	(6,661)	(477,749)	-	(66,363)	-	(5,265,840)
Carrying amounts										
Cost	285,321	8,213,580	92,072	91,999	7,914	655,732	-	134,015	35,173	9,515,806
Accumulated Depreciation	(129,646)	(3,561,711)	(85,711)	(43,502)	(6,503)	(393,569)	-	(60,001)		(4,280,649)
At 31 December 2021	155,675	4,651,869	6,361	48,497	1,411	262,163	-	74,014	35,173	5,241,159
Cost	316,265	9,862,085	95,804	106,234	18,098	819,047	-	134,923	85,428	11,437,883
Accumulated Depreciation	(158,010)	(4,416,578)	(87,343)	(53,136)	(6,661)	(477,749)	-	(66,363)		(5,265,840)
At 31 December 2022	**158,255**	**5,445,507**	**8,461**	**53,098**	**11,437**	**341,298**	**-**	**68,560**	**85,428**	**6,172,043**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.15.5 Reconcilation of property, plant and equipment (Leased) Group

	Land & buildings	Network equipment	Total
Cost			
At 1 January 2021	105,005	1,803,530	1,908,535
Additions		222,355	222,355
At 31 December 2021	105,005	2,025,885	2,130,890
Additions	13,600	148,916	162,516
At 31 December 2022	118,605	2,174,801	2,293,406
Accumulated Depreciation			
At 1 January 2021	(42,611)	(445,839)	(488,450)
Depreciation charge	(18,156)	(282,080)	(300,236)
At 31 December 2021	(60,767)	(727,919)	(788,686)
Depreciation charge	(16,609)	(291,448)	(308,057)
At 31 December 2022	(77,364)	(1,019,480)	(1,096,844)
Carrying amounts			
Cost	(42,611)	(445,839)	(488,450)
Accumulated depreciation	(60,767)	(727,919)	(788,686)
At 31 December 2021	(103,378)	(1,173,758)	(1,277,136)
Cost	118,605	2,174,801	2,293,406
Accumulated depreciation	(77,364)	(1,019,480)	(1,096,844)
At 31 December 2022	**41,241**	**1,155,321**	**1,196,562**

2.15.6 Cash used for the purchase of property, plant and equipment

	Group		Company	
	2022	2021	2022	2021
Additions for the year	1,897,680	1,484,910	1,895,941	1,437,907
Credit purchases	(172,686)	(272,916)	(172,686)	(222,355)
Total	**1,724,994**	**1,215,552**	**1,723,255**	**1,211,994**

2.15.7 Impairment

During the year, no property, plant and equipment was impaired.

2.15.8 Lease liabilities

The Group's leases include network infrastructure (tower space and land) and retail stores. Rental contracts are typically made for fixed periods varying between 2 to 15 years but may have renewal periods. At inception of a contract, the Group assesses whether a 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. The Group recognises right of use assets and lease liabilities at the lease commencement date for most leases. However, the Group has elected not to recognise right of use assets and lease liabilities for some leases of low value assets (e.g. office equipment) and for short term leases, i.e. leases that at commencement date have lease terms of 12 months or less. The Group defines low value leases as leases of assets for which the value of the underlying asset when it is new is GHS31,550 or less and is not considered fundamental to its network. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. The lease liability is initially measured at the present value of the following lease payments:

- Fixed payments (including in substance fixed payments), less any incentives receivable
- Variable lease payments that are based on an index or rate, measured using the index or rate as at the lease commencement date
- Amounts that are expected to be payable by the lessee under residual value guarantees The exercise price of a purchase option if the lessee is reasonably certain to exercise that option Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option
- Future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from variable lease payments, extension options and termination options, Leases not yet commenced to which the lessee is committed, and restrictions or covenants imposed by lessor.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments specific to the lease, such as. term, country, currency and security.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. Interest costs are charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. It is re measured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The 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
- Decommissioning costs

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.15.8 Lease liabilities (continued)

The right of use assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain re measurements of the lease liability. The right of use assets are depreciated over the shorter of the assets' useful lives and the lease terms on a straight line basis.

Renewal and termination options

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle of three to five years and history of terminating/not renewing leases. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

A number of leases entitle both the Group and the lessor to terminate the lease without a termination penalty. In determining whether the Group has an economic incentive to not exercise the termination option, the Group considers the broader economics of the contract and not only contractual termination payments.

Lease and non lease components A number of lease contracts include both lease and non lease components. The Group allocates the consideration in the contract to each lease and non lease component based on their relative stand alone selling prices. The stand alone selling prices of each component are based on available market prices. The Group has not elected the practical expedient to account for non lease components as part of its lease liabilities and right of use assets. Therefore, non lease components are accounted for as operating expenses and are recognised in profit or loss as they are incurred.

	Group		Company	
Measurement of lease liabilities	**2022**	**2021**	**2022**	**2021**
Current lease liabilities	**284,278**	293,526	**284,278**	293,526
Non current lease liabilities	**1,316,020**	1,390,212	**1,316,020**	1,390,212
Total	**1,600,298**	1,683,738	**1,600,298**	1,683,738

		Group		Company
	2022	**2021**	**2022**	**2021**
Measurement of right of use assets				
Right of use assets				
Cost				
Buildings	118,605	105,005	118,605	105,005
Network equipment	2,174,813	2,025,998	2,174,813	2,025,998
Total	**2,293,418**	**2,131,003**	**2,293,418**	**2,131,003**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Depreciation				
Buildings	(77,364)	(60,767)	(77,364)	(60,767)
Network equipment	(1,019,480)	(728,032)	(1,019,480)	(728,032)
Total	**(1,096,844)**	**(788,799)**	**(1,096,844)**	**(788,799)**
Carrying amounts	**1,196,574**	**1,342,204**	**1,196,574**	**1,342,204**

2.15.10 Encumbrances

Borrowings are secured by a floating charge on the Group's total assets less the float balance.

2.15.11 Profit on disposal of property, plant and equipment

Cost	15,360	10,491	15,360	10,491
Accumulated depreciation	(14,688)	(9,120)	(14,688)	(9,120)
Net book value	672	1,371	672	1,371
*Proceeds	(1,531)	(4,354)	(1,531)	(4,354)
Profit on disposal of property, plant and equipment	(859)	(2,983)	(859)	(2,983)

*The proceeds for 2022 are noncash but are credit notes received

2.16 Intangible assets

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits, are recognised as intangible assets when the following conditions are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it.
- There is an ability to use or sell the software product.
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the softwareproduct are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Expenditure that enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Other development expenditure that does not meet the criteria is accounted for as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives which does not exceed three years.

2.16.1 Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised in the statement of comprehensive income over their estimated useful lives (three to five years).

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.16.1 Computer software (continued)

Licenses are initially shown at historical cost. Licenses have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of licenses over their estimated useful lives. The useful lives and renewal periods of licenses are given below and are determined primarily with reference to the contractual or unexpired license period.

Type of License	Date granted/renewed	License Term	Useful Life
3G	23 January 2009	15 years	15 years
2G spectrum (900MHz and 1800MHz)	12 February 2019	15 years	15 years
International Gateway	10 August 2019	5 years	5 years
800MHz Spectrum (2x10MHz	21 June 2016	15 years	15 years
800MHz Spectrum (2x5MHz	10 January 2020	15 years	15 years
2600MHz spectrum	1 December 2018	15 years	15 years
Fixed Access License	23 March 2020	15 years	15 years
2x3 MHz on 900 & 2x7 1800MHz	2 December 2019	15 years	15 years
IRU	Various dates	15 years	15 years

2.16.3 Reconciliation of intangible assets

Group

Cost	**Network Licenses**	**Software**	**Work in Progress**	**Total**
At 1 January 2021	876,456	476,463	3,722	1,356,641
Additions	-	46,410	593	47,003
Reallocations	(73,778)	68,146	(4,716)	(10,348)
At 31 December 2021	**802,679**	**591,016**	**(402)**	**1,393,290**
Additions	106,623	139,969	82	246,674
*Reallocations	(5,512)	(46,254)	-	(51,766)
At 31 December 2022	**903,790**	**684,731**	**(320)**	**1,588,198**
Accumulated Depreciation				
At 1 January 2021	(213,887)	(284,106)	-	(497,993)
Realloactaions	47,283	(3,441)	-	43,842
Amortisation	(67,189)	(93,113)	-	(160,302)
Other changes, movements	-	29	-	29
At 31 December 2021	**(233,789)**	**(380,632)**	-	**(614,421)**
Realloactaions	(39,178)	20,270	-	(18,908)
Amortisation	60,909	109,852	-	170,760
At 31 December 2022	**(212,058)**	**(250,510)**	**-**	**(462,569)**
Carrying amounts				
Cost	802,679	591,016	(402)	1,393,293
Accumulated amortisation	(233,789)	(380,632)	-	(614,421)
At 31 December 2021	**568,890**	**210,384**	**(402)**	**778,872**
Cost	903,790	684,731	(320)	1,588,201
Accumulated amortisation	(333,880)	(470,242)	-	(804,122)
At 31 December 2022	**569,910**	**214,489**	**(320)**	**784,079**

**Relates to reallocation of software which form an integral part of network equipment reclassified to property plant and equipment.*

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.16.4 Reconciliation of intangible assets

Company

Cost	**Network Licenses**	**Software**	**Work in Progress**	**Total**
At 1 January 2021	876,457	475,806	3,722	1,355,985
Additions	-	46,410	593	47,003
Reallocations	(73,778)	68,146	(4,716)	(10,348)
At 31 December 2021	**802,679**	**590,362**	**(402)**	**1,392,639**
Additions	106,623	140,371	(320)	246,674
*Reallocations	(5,512)	(46,656)	402	(51,766)
At 31 December 2022	**903,788**	**684,077**	**(318)**	**1,587,547**
Accumulated Depreciation				
At 1 January 2021	(213,883)	(283,494)	-	(497,377)
Reallocations	5,835	(3,401)	-	2,434
Amortisation	(66,543)	(93,113)	-	(159,656)
At 31 December 2021	**(233,789)**	**(380,008)**	-	**(613,797)**
Reallocations	(39,178)	20,270	-	(18,908)
Amortisation	(60,911)	(109,854)	-	(170,766)
At 31 December 2022	**(333,879)**	**(469,593)**	-	**(803,471)**
Carrying amounts				
Cost	802,679	590,362	(402)	1,392,639
Accumulated amortisation	(233,789)	(380,008)	-	(613,797)
At 31 December 2021	**568,890**	**210,354**	**(402)**	**778,842**
Cost	903,788	684,077	(318)	1,587,547
Accumulated amortisation	(333,879)	(469,593)	-	(803,471)
At 31 December 2022	**569,909**	**214,484**	**(318)**	**784,076**

**Relates to reallocation of software which form an integral part of network equipment reclassified to property plant and equipment.*

2.16.5 Cash used for the purchase of intangible assets

	Group		**Company**	
	2022	2021	**2022**	2021
Additions for the year	**246,674**	47,003	**246,674**	47,003
Credit purchases				
Total	**246,674**	47,003	**246,674**	47,003

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.17 Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries are ensuring consistent with the policies adopted by the Group.

2.17.1 Investment in subsidiary

Investment in MobileMoney Limited is GHS20,050,000. MobileMoney Limited was incorporated on 5 November 2015 to operate mobile financial services in Ghana. Investment in Mobilemoney limited was increased by GHS20,000,000 in 2022 to meet the capitalisation requirements for Fintech business.

2.17.2 Investments

The integrity capital investment is a Regulatory request by the Bank of Ghana which was made into a designated account at the Bank of Ghana to partly fulfil the licensing requirements of Dedicated Electronic Money Issuer (DEMI). This invoives an amount of GHS20 million.

2.18 Indefeasible Right of Use (IRU)

2.18.1 IRU assets

The Group holds Indefeasible Right of Use (IRU) assets which are payments for international submarine capacity, with a useful life of fifteen years on average starting from 2012 and a local lease cable capacity for 15 years starting from December 2018.

	Group		Company	
	2022	**2021**	**2022**	**2021**
At start of year	103,138	96,821	103,138	96,821
Additions for the year	79,296	22,352	79,296	22,352
Amortistion	(25,561)	(22,289)	(25,561)	(22,289)
Exchange difference	(7,478)	6,254	(7,478)	6,254
Total	**149,395**	**103,138**	**149,395**	**103,138**
Non-current portion	123,399	88,385	123,399	88,385
Current portion	25,995	14,753	25,995	14,753
Balance as at 31 December	**149,394**	**103,138**	**149,392**	**103,138**
IRU payment: Statement of cashflow				
Total payment for IRU during the year	(69,892)	(8,020)	(69,892)	(8,020)

Total payment for IRU during the year amounted to GHS69 million (2021: GHS8 million).

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.18.2 IRU Liability

This relates to a sale of a 60-Gbps terrestrial capacity to MainOne during the year. This provides MainOne an indefeasible right of use of the said capacity for a period of 15 years. The proceeds from the sale have been deferred to be amortised over 15 years.

	Group		Company	
	2022	**2021**	**2022**	**2021**
At start of year	17,319	6,755	17,319	6,755
Charge/(release) to profit or loss	12,941	10,564	12,941	10,564
Total	**30,260**	**17,319**	**30,260**	**17,319**
Non-current	26,829	15,703	26,829	15,703
Current	3,431	1,616	3,431	1,616
Balance as at 31 December	**30,260**	**17,319**	**30,260**	**17,319**

2.19 Contract assets and liabilities

2.19.1 Contract liability

Contract liability (previously unearned revenue) represents subscriber balances of prepaid activated balances. The balance is affected by the early recognition of breakage. Previously, the Group only accounted for breakage on customer rights that will not be exercised when it became remote. When the Group expects to be entitled to breakage, it recognises the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. This has led to an increase in revenue and a reduction in contract liability. The business has not recognised breakage as Electronic Voucher Distribution (EVD) is now the sole channel for recharge voucher vendoring and therefore does not age since it's electronic. Included in contract liability, an amount of GHS10,067 relating to payment received for unused capacity purchased and operations and maintenance of 134 sites.

Movement in contract liability is shown below:

	2022	**2021**
At start of year	191,558	100,120
Sale of prepaid airtime	7,445,109	5,665,154
Prepaid revenue recognised	(7,422,218)	(5,573,716)
Loyalty deferred	2,641	-
Balance as at 31 December	**217,090**	**191,558**

2.19.2 Contract assets

Contract assets are the Group's right to consideration in exchange for goods or services that it has transferred to a customer. The Group's contract assets relate to initial infrastructural cost incurred in fulfilling customer contracts (specifically providing Wi-Fi services).

	Group and Company	
	2022	2021
Contract assets	1,633	2,273

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.19.3 Capitalised contract costs

The Group has determined that incremental subscriber acquisition costs for obtaining and renewing contracts are recoverable. These costs include agent's commission on post-paid contracts and SIM activation costs on prepaid contracts. The Group has therefore capitalised these costs as contract costs. Capitalised contract costs are amortised on a systematic basis over the average customer life of 3 years and included in selling, distribution and marketing expenses in profit or loss.

The impact of this change is a decrease in selling, distribution and marketing expenses and the recognition of a new asset, capitalised contract costs.

	Group		Company	
	2022	**2021**	**2022**	**2021**
At start of year	39,744	38,818	39,744	38,818
Additions	25,071	32,512	25,071	32,512
Amortistion	(39,847)	(31,586)	(39,847)	(31,586)
Balance as at 31 December	**24,968**	**39,744**	**24,968**	**39,744**

2.20 Inventories

Inventory mainly comprises handsets, devices, SIM cards and other accessories held for sale. Inventories are measured at the lower of cost and net realizable value. The cost of inventory is determined using the weighted average method. Cost comprises direct materials and where applicable, overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Inventory is reported net of allowances for impairment. The Group tests for impairment of inventories at each reporting date, and where items are assessed to be impaired, the carrying value of these is written down to net realisable values.

	Group		Company	
	2022	**2021**	**2022**	**2021**
Handsets, SIM cards and accessories at cost	80,011	114,825	80,011	114,825
Less provision for obsolescence	(66,262)	(85,515)	(66,262)	(85,515)
	13,749	29,310	13,749	29,310
Movement in provision for obsolescence				
At start of year	(85,515)	(12,225)	(85,515)	(12,225)
Reductions / (Additions) during year	19,253	(73,290)	19,253	(73,290)
Balance as at 31 December	**(66,262)**	**(85,515)**	**(66,262)**	**(85,515)**

2.21 Financial assets at amortised cost

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 60 days for interconnect debtors and 7 days for post-paid corporate and individual debtors. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Impairment on trade receivables is discussed in Note 2.34.3.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.21.1 Trade and other receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
Trade receivables	853,749	576,583	776,757	559,428
Less: allowance for impairment of trade receivables	(80,376)	(8,122)	(80,376)	(8,122)
	773,373	**568,461**	**696,381**	**551,306**

The Group holds cash collateral of GHS78.2 million (2021: GHS97.1 million) for trade and other receivables. The Group's exposure to credit and currency risk relating to trade and other receivables is disclosed in Note 2.34.3.

2.22 Other assets

	Group		Company	
	2022	**2021**	**2022**	**2021**
Prepayments**	149,247	27,431	147,871	27,431
Other financial assets at amortised cost				
Staff loans	10,536	8,429	10,536	8,429
Intercompany receivables	334,338	133,960	334,332	133,838
Total	**344,874**	**142,389**	**344,868**	**142,267**

** Prepayments represents payments made in advance for certain network and information technology maintenance services level agreements

2.23 Obligations to electronic money holders (Mobile money float)

The Company is an Electronic Money Issuer (EMI) that provides Mobile Money (MoMo) services. Mobile Money services involves the issuing of electronic money into MoMo wallet which is recorded on mobile phones for immediate and later use in return for cash. The service is rendered via MoMo agents and merchants who provide services to the Company's MoMo customers. MoMo agents are recruited by the MobileMoney Limited to facilitate customer activities including cash deposit and loading of electronic cash into wallets. The service is also performed through the Company's branches.

The wallet represents a "store" of MoMo, and at any moment all monetary value stored on a MoMo wallet is backed by an equivalent cash deposit held with partner banks in Ghana.

MobileMoney Limited's operation is regulated by the Bank of Ghana through its regulations and the Payment Systems and Services Act, 2019 Act (987).

Mobile money float and obligation to electronic money holders are presented in the statement of financial position at cost. Mobile money float includes all subscriber funds held with partner banks. Obligations to electronic money holders include all balances on electronic wallets of customers and represents an obligation of the electronic money issuer. Mobile money float balances as at 31 December are as follows:

	Group	
	2022	**2021**
Partner banks' own funds	6,016,473	4,710,720
Money held on EMI's own account	5,646,633	4,267,269
Total	**11,663,106**	**8,977,989**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

As at 31 December 2022, the number of partner banks, MobileMoney Limited operated with were 20 (2021: 20).

Impairments of mobile money float

MobileMoney Limited applies the IFRS9 model in determining impairment on the mobile money float. The allowance or provision recognized depends on the output of the partner banks risk assessment for the period, with forward looking assumptions regarding the choice of variables, inputs and their interdependencies. Partner banks whose counterpart risk profile indicate significant increase in credit risk where impaired.

Quantitative criteria

The Company designates risk scoring for partner banks on the basis of weighted partner bank financial data as follows.

Between 80% - 100% as low risk, Tier 1

Between 60% - 79% as low risk, Tier 2

Between 0% - 59% as high risk, Tier 3

Qualitative Criteria

MobileMoney Limited considers qualitative criteria such as whether a partner bank is publicly owned, state owned or privately owned in determining whether it may be unlikely to make available mobile money float when they are due.

The Expected Credit Loss (ECL) is measured on a 12-month basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is credit impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) defined as follows:

Probability of default: this is the likelihood that the partner bank will default.

Loss given default: the percentage that the company stands to loose when the partner bank defaults (LGD).

Exposure at default: the amount a partner bank carry at the time of default.

Based on the above elements, and the assigned probabilities, the expected credit loss is computed and recognised through profit or loss. At each reporting date, the company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the period.

2.24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, all of which are available for use by the Group.

	Group		Company	
	2022	**2021**	**2022**	**2021**
Cash and bank balances	1,586,207	995,422	1,176,104	621,715

2.24.1 Investment in securities

Investment in Securities represent a transfer from retained earnings at a minimum amount of 5% of MobileMoney Limted's annual net profit per internal policy. This is invested in risk free, highly liquid assets such as Treasury bills or Government notes or short-dated bonds up until such a time that the reserve fund amounts to GHS200 million. Interest earned on investment are also transferred into other reserves and are not available for distribution.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	2022	2021
Opening Balance	82,540	13,401
Investment in Treasury bills	84,187	63,173
Interest Accrued on investment	21,844	5,966
Total	**188,571**	**82,540**

2.25 Stated capital

	Group		Company	
	2022	2021	2022	2021
Authorised Ordinary shares of no-par value	100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000
Reconciliation of number of shares issued:				
Reported at	12,290,474,360	12,290,474,360	12,290,474,360	12,290,474,360
Reported at	12,290,474,360	12,290,474,360	12,290,474,360	12,290,474,360
Issued share				
Ordinary	1,097,504	1,097,504	1,097,504	1,097,504

2.26 Borrowings

Borrowings are initially recognised at fair value net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs and capitalised to the extent that it is probable that some or all of the facility will be drawn down. When the draw down is made, the transaction costs are amortised to profit or loss using the effective interest method. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

	Group		Company	
	2022	2021	2022	2021
Current liabilities	164,746	199,316	164,746	199,316
Non-current liabilities	222,318	369,774	222,318	369,774
	387,064	569,090	387,064	569,090
Carrying amount of borrowings are denominated as follows:				
Local currency	387,064	569,090	387,064	569,090

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.26.1 Summary of borrowing arrangements

31 December 2022

Additional Facility: Additional term loan of GHS450 million bearing interest at 38.988% per annum repayable starting on 24/12/2022 and expiring on 24/06/2025. The facility is secured on total assets less float.

Total Funding Available	**Group**		**Company**	
Movement in borrowings	**2022**	**2021**	**2022**	**2021**
At start of year	564,996	844,998	564,996	844,998
Proceeds from borrowings	-	165,000	-	165,000
Repayments on borrowings	(189,996)	(445,002)	(189,996)	(445,002)
At end of year	375,000	564,996	375,000	564,996
Movement in capitalised transaction costs:				
At start of year	(5,224)	(7,903)	(5,224)	(7,903)
Amortisation for the year	2,546	2,677	2,546	2,677
Interest accrued	14,740	9,319	14,740	9,319
Balance as at 31 December	**387,062**	**569,089**	**387,062**	**569,089**

Repayment

Repayment in 2022 were for term loan (Facility A) of GHS115 million and GHS75 million on additional facility.

2.27 Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.27.1 Bonus provision

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group performance with regard to a set of predetermined key performance measures. Bonuses are payable annually after the Group's annual results have been approved.

2.27.2 Decommissioning provision

Decommissioning provision relates to the estimated cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition. The Group provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including removal of items included in plant and equipment that are erected on leased land. The timing of the provision is expected to be at the expiry of 15 years of site commissioning.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.27.3 Provisions

	Group		Company	
Measurement of provisions	**2022**	**2021**	**2022**	**2021**
Non-current provisions	10,657	14,442	10,657	13,238
Current provisions	107,058	57,702	66,936	53,244
Total	**117,715**	**72,144**	**77,593**	**66,482**

Reconciliation of current provisions - Group - 2022

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	27,440	27,232	(26,760)	27,912
Provision for share-based payments	20,500	66,261	(48,040)	38,721
Other provisions	9,762	44,175	(13,512)	40,425
	57,702	**137,668**	**(88,312)**	**107,058**

Reconciliation of current provisions - Group - 2021

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	29,457	16,037	(18,054)	27,440
Provision for share-based payments	13,845	6,980	(325)	20,500
Other provisions	38,057	79,786	(108,081)	9,762
	81,359	**102,803**	**(126,460)**	**57,702**

Reconciliation of provisions - Company - 2022

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	27,440	27,037	(27,934)	26,543
Provision for share-based payments	20,500	17,954	(6,991)	15,764
Other provisions	5,304	28,479	(24,853)	24,629
	53,244	**73,470**	**(59,778)**	**66,936**

Reconciliation of provisions - Company - 2021

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	28,455	14,964	(15,979)	27,440
Provision for share-based payments	13,520	6,980	-	20,500
Other provisions	36,783	79,202	(110,681)	5,304
	78,758	**101,146**	**(126,660)**	**53,244**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.27.4 Other provisions (non-current)

The non-current portion of other provisions of GHS10.66 million (2021: GHS14.44 million) represents warranty provision in respect of sites sold under a sale and lease back arrangement. The Company recognized provisions in respect of a warranty for the sale and lease back arrangement based on estimates and the probability of whether an outflow of economic benefits will be required to settle the obligation. This provision will be released at final closure of site transfer under the Asset Purchase agreement.

2.27.5 Share based payments

The Group operates a Performance Share Plan (PSP) and a Notional Share Option (NSO). The PSP is a long-term incentive scheme offered under the MTN Group Performance Share Plan to qualifying participants. The NSO consists of a Group Aligned NSO (GAN) and a Locally Aligned NSO (LAN). The GAN mirrors the movement in value of the MTN Group share price. The LAN is reflective of the increase in value of a key performance indicator of the business such as EBITDA. Share-based payment schemes are cash and equity (local PSP and ESOP) settled in the accounting records of Scancom PLC.

NSO allocated prior to 1 January 2014 may only be exercised by the participants up to 20% after 2 years; up to 40% after 3 years: up to 70% after 4 years and up to 100% after 5 years of granting the NSO. NSO allocated effective 1 January 2014 may only be exercised 100% after 3 years from allocation. Each allocation of NSO granted prior to 2014 will remain in force for a period of 10 years from the date of offer. Each allocation of NSO granted after 2014 will remain in force for a period of 5 years from the date of offer. Any un-exercised NSOs remaining at the end of the stated periods will automatically elapse. The exercise price (GAN option) is the price at which a vested GAN NSO is exercised and will be the closing MTN Group Limited share price on the day following the date of exercising. Exercise price (LAN option) is the price at which a vested LAN NSO is exercised and will be the current or ruling value of such NSO on the date of exercising, as determined by the annual LAN NSO valuation exercise. The NSO price is the Price at which an NSO is offered to any qualifying participant.

During 2022, 38,442,698 shares were granted to qualifying employees for no consideration and subject to a service condition. The shares will vest in three tranches, i.e. a third will vest on the third, fourth and fifth anniversary of the grant date respectively.

These are Equity settled at the vesting date base on set criteria which includes non-market conditions such as cash generated from operations. Return on Equity (ROE), and Environmental, Social and Governance KPIs set at grant date. Also included are market conditions of total shareholder return which is based on the price of stock on the exchange on which Monte Carlo simulations applies. The summaries of options granted are:

	2022		2021	
LAN	Average price per option GHS	Number of options ('000)	Average price per option GHS	Number of options ('000)
At start of year	0.93	30,806	0.85	45,968
Granted	-	-	-	-
Exercised	2.04	(15,074)	1.42	(15,046)
Expired and forfeited	-	(280)	-	(116)
At 31 December 2022		**15,452**		**30,806**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

GAN	2022 Average price per option GHS	2022 Number of options ('000)	2021 Average price per option GHS	2021 Number of options ('000)
At start of year	14.81	735,620	26.46	940,570
Granted	-	-	-	-
Exercised	25.70	(156,225)	52.08	(190,238)
Expired and forfeited	-	(79,275)	-	(14,712)
At 31 December 2022		**500,120**		**735,620**

Share options outstanding at the end of the year have the following expiry dates and prices:

MTN Group and Company

LAN Grant date	Expiry date	NSO Price GHS	2022 Number of options 31 December 2022 ('000)	2021 Number of options 31 December 2021 ('000)
1 April 2016	31 March 2021	0.45	-	58
1 April 2017	31 March 2022	0.55	-	267
1 April 2018	31 March 2023	0.68	172	775
1 April 2019	31 March 2024	0.77	1,715	15,430
1 April 2020	31 March 2025	1.13	13,566	14,276
			15,453	**30,806**

MTN Group and Company

GAN Grant date	Expiry date	NSO Price GHS	2022 Number of options 31 December 2022 ('000)	2021 Number of options 31 December 2021 ('000)
1 April 2011	31 March 2021	31.40	-	-
1 April 2012	31 March 2022	25.76	-	4,260
1 April 2013	31 March 2023	24.45	9,980	14,620
1 April 2014	31 March 2019	-	-	-
1 April 2015	31 March 2020	-	-	-
1 April 2016	31 March 2021	44.62	-	66,430
1 April 2017	31 March 2022	39.14	-	14,460
1 April 2018	31 March 2023	44.27	850	12,060
1 April 2019	31 March 2024	32.15	42,950	169,250
1 April 2020	31 March 2025	15.16	446,340	454,540
			500,120	**735,620**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

MTN Group and Company Group PSP Grant date	Expiry date	NSO Price GHS	2022 Number of options 31 December 2022 ('000)	2021 Number of options 31 December 2021 ('000)
1 April 2018	31 March 2023	86.13	-	361,500
1 April 2019	31 March 2024	86.88	-	445,500
1 April 2022	31 March 2025	63.08	-	113,100
			-	**920,100**

MTN Group and Company Ghana PSP Grant date	Expiry date	NSO Price GHS	2022 Number of options 31 December 2022 ('000)	2021 Number of options 31 December 2021 ('000)
15 December 2020	14 December 2025	0.62	34,021,500	34,506,960
15 December 2021	14 December 2026	1.16	19,326,180	19,326,180
15 December 2022	11 December 2027	0.88	37,314,650	-
			90,662,330	**53,833,140**

MTN Group and Company Ghana ESOP Grant date	Expiry date	NSO Price GHS	2022 Number of options 31 December 2022 ('000)	2021 Number of options 31 December 2021 ('000)
15 December 2020	14 December 2025	0.61	16,717,232	17,186,338
1 December 2021	26 November 2026	1.26	222,620	222,620
22 June 2022		0.94	598,640	-
1 December 2022		0.87	529,408	-
		92,235	**18,067,900**	**17,408,958**

2.27.6 Share-based payment liability

These are equity-settled share-based payment transactions; they are share based payment transactions in which the entity receives goods or services as a consideration for its own equity instruments (including shares or share options).

2.28 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are accounted for as financial liabilities. Other payables are stated at their nominal values. Trade and other payable includes Mobile money customer deposit, which are payable on demand. Corresponding restricted cash has been recognised in cash and cash equivalents.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	Group		Company	
	2022	**2021**	**2022**	**2021**
Trade payables	308,382	291,552	434,123	259,940
Sundry payables	88,435	56,932	77,701	66,686
Accrued expenses	671,567	601,742	602,172	547,983
Intercompany payables	376,086	150,957	376,086	150,957
Other payables	322,520	128,233	222,010	133,596
Total	**1,766,990**	**1,229,416**	**1,712,092**	**1,159,162**

2.29 Dividends paid

Dividend distribution to shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Payment of dividends is subject to the deduction of withholding taxes at a final tax rate of 8% for resident and foreign shareholders.

	Group		Company	
	2022	**2021**	**2022**	**2021**
Dividend declared	1,536,309	983,238	1,536,309	983,238
Dividend paid	(1,536,309)	(983,238)	(1,536,309)	(983,238)
Balance as at 31 December 2022	**-**	**-**	**-**	**-**

2.30 Contingent liabilities

Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities also represent present obligations that arise from past events but are not recognised because an outflow of resources is not probable, or a reliable estimate cannot be made. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised.

The Group had certain legal cases pending before the courts as of December 31, 2022. In the opinion of the directors, after taking appropriate legal advice, the outcome of these legal cases will not give rise to a significant loss to the Group. There were contingent liabilities determined as of 31 December 2022 of an amount of GHS309 million is respect of a court case between Ghana Revenue Authority GRA and Scancom PLC (ITU).

There is an ongoing tax audit by the Ghana Revenue Authority (GRA) spanning 2014 to 2018 years of assessment. Discussions were ongoing by the time the financial statements were being finalised for issue and no reliable estimate could be made of any risk at this point in time. There is no possibiltiy of any reimbursement.

2.31 Capital commitments

	Group		Company	
	2022	**2021**	**2022**	**2021**
Capital commitments for the acquisition of property, plant and equipment:				
Property, plant and equipment contracted	308,382	252,338	434,123	252,338
Commercial commitments as at 31 December:				
100% commitment to purchase SIM and recharge cards (open purchase orders for 2021)	38,000	38,000	602,172	38,000

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.32 Related parties

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged.

For the purposes of defining related party transactions with key management, key management has been defined as directors and the Group's executive committee and includes close members of their families and entities controlled or jointly controlled by these individuals. The Group entered into various transactions with related parties during the year.

The Group is related to other entities in the MTN Group by virtue of common shareholding.

2.32.1 Transactions with related parties during the year are as follows:

	Group		Company	
Purchase from related parties:	**2022**	**2021**	**2022**	**2021**
MTN Group management services (PTY) Limited	3,633	1,592	3,633	1,592
MTN Dubai Limited (Management Fees and Others	401,917	254,115	401,917	254,115
MobileMoney Limited	-	-	219,625	158,409
Global Connect Solutions	270,638	131,975	270,638	131,975
Other Intercompany Purchases	1,295	-	1,295	-
Services to related parties:				
Mobile Telephone Network Cameroon Limited	283	424	283	424
MTN Group management services (PTY) Limited	29,904	14,524	29,904	14,524
MTN South Africa	170	228	170	228
MTN Nigeria Communications Limited	213	122	213	122
UUTET Kenya (PTY) Limited	-	1,995	-	1,995
MTN Cote d'Ivoire	2,080	1,888	2,080	1,888
Ayo Ghana	17,559	8,744	17,559	8,744
MobileMoney Limited	-	-	176,672	163,505
Global Connect Solutions	442,051	247,701	442,051	247,701
Other Intercompany Purchases	4,290	3,098	4,290	3,098
Dividend to related parties				
Dividend paid to Investcom Consortium Holding SA	1,536,309	839,710	1,536,309	839,710
Compensation to directors and other key management				
Short-term employee benefits	9,471	6,830	7,871	5,381
Post-employment benefits - Pension - Defined contribution plan	1,034	785	876	6,385
Share-based payment	7,500	966	6,385	-
	18,005	8,581	15,133	11,766

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.32.2 Year end balances arising from the above transactions are as follows:

	Group		Company	
Payables	**2022**	**2021**	**2022**	**2021**
MTN Group management services (PTY) Limited	(20,731)	(10,035)	(20,731)	(10,035)
MTN South Africa	(559)	(342)	(559)	(342)
MTN Dubai Limited	(206,531)	(72,971)	(206,531)	(72,971)
Ayo Ghana	(8,753)	(8,753)	(8,753)	(8,753)
MobileMoney Limited	-	-	(52,458)	(120,362)
GlobalConnect Solutions	(138,886)	(56,544)	(138,886)	(56,544)
Other Intercompany Payable	(625)	(352)	(625)	(352)
Receivables				
MTN Group management services (PTY) Limited	127,447	53,898	127,447	53,898
MTN South Africa	9,540	5,549	9,540	5,549
MTN Nigeria Communications Limited	428	211	428	211
GlobalConnect Solutions	170,336	53,202	170,336	53,202
UUTET Kenya (PTY) Limited	3,451	1,995	3,451	1,995
Ayo Ghana	1,793	3,423	1,793	3,423
Other intercompany receivable	19,467	15,560	19,467	15,560

The receivables from related parties arise mainly from professional and Interconnect services transactions rendered on behalf of other operations within MTN Group. These are due one month after the date of rendering of service. No provisions are held against receivables from related parties.

Trade payables to related parties arise mainly from professional and management fees, interconnect and transmission service transactions rendered on Scancom PLC's behalf by other operations within the MTN Group and are due one month after the date of purchase.

2.33 Financial instruments

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. There are no financial assets at fair value through profit or loss. Financial assets are recognised (derecognised) on the date the Group commits to purchase (sell) the instruments (trade date accounting).

Financial assets and liabilities are classified as current if expected to be realised or settled within 12 months; if not, they are classified as non-current.

2.33.1 Offsetting financial instruments

Offsetting of financial assets and liabilities is applied 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 net amount is reported in the statement of financial position.

No financial assets and liabilities were subjected to offsetting as at December 31, 2022.

2.33.2 Financial instrument classification

The Group classifies its financial instruments into the following categories:

- Financial assets at fair value through other comprehensive income
- Financial assets at amortised cost
- Financial liabilities at amortised cost.

The classification is dependent on the purpose for which the financial instruments were acquired. Management determines the classification of financial instruments at initial recognition.

2.33.3 Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met: the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

2.33.4 Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise debt securities where the contractual cashflow are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cashflow and selling financial assets.

On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to other gains/(losses) within profit or loss.

2.33.5 Subsequent measurement

The Group holds financial assets with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2.33.6 Financial liabilities

Financial liabilities comprise trade and other payables, bank overdrafts, borrowings and other non-current liabilities (excluding provisions). All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.33.7 De-recognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligations specified in the contracts are discharged, cancelled or expire.

2.33.8 Impairment

Impairment of trade receivables
The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of trade receivables over a period of 24 months before December 31, 2022 or 1 January 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (where data is available and is obtained without undue effort or cost) affecting the ability of the customers to settle the receivables.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.34 Financial risk management and fair values

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (foreign exchange and interest rate risk). This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

2.34.1 Risk profile

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out under policies approved by the board of directors of the MTN Group and Scancom PLC. The Boards identify, evaluate and manage financial risks and provide written principles for overall risk management, as well as for specific areas such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

2.34.2 Financial instruments by category

Categories of financial liabilities

Company - 2022	**Amortised cost**	**Total**
Trade and other payables	1,712,092	1,712,092
Borrowings	164,746	164,746
Finance lease obligations	1,600,298	1,600,298
	3,477,136	**3,477,136**
Company - 2021	**Amortised cost**	**Total**
Trade and other payables	1,025,591	1,025,591
Borrowing	569,090	569,090
Finance lease obligations	1,683,738	1,683,738
	3,278,419	**3,278,419**

Categories of financial assets

Group - 2022	**Amortised cost**	**Total**
Trade and receivables and other financial assets	1,118,247	1,118,247
Cash and cash equivalent	1,586,207	1,586,207
	2,704,454	**2,704,454**
Group - 2021	**Amortised cost**	**Total**
Trade and receivables and other financial assets	710,850	710,850
Cash and cash equivalent	995,422	995,422
	1,706,272	**1,706,272**
Company - 2022	**Amortised cost**	**Total**
Trade and receivables and other financial assets	1,041,249	1,041,249
Cash and cash equivalent	1,176,104	1,176,104
	2,217,353	**2,217,353**
Company - 2021	**Amortised cost**	**Total**
Trade and receivables and other financial assets	693,573	691,255
Cash and cash equivalent	621,715	621,715
	1,315,288	**1,312,970**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.34.3 Credit risk

Credit risk, or the risk of financial loss to the Group due to customers or counterparties not meeting their contractual obligations, is managed through the application of credit approvals, limits and monitoring procedures. The Group's maximum exposure to credit risk is represented by the carrying amounts of the financial assets that are exposed to credit risk. The Group considers its maximum exposure per class, without taking into account any collateral and financial guarantees, to be as follows:

Group	2022			2021		
	Gross carrying amount	Credit loss allowance	Credit loss Amortised allowance cost/fair value	Gross carrying amount	Credit loss allowance	Credit loss Amortised allowance cost/fair value
Operating lease asset	149,394	-	149,394	123,399	-	123,399
Trade and other receivables	773,373	-	773,373	568,461	-	568,461
Contract assets	1,633	-	1,633	2,273	-	2,273
Cash and cash equivalents	1,586,207	-	1,586,207	995,422	-	995,422
	2,510,607	**-**	**2,510,607**	**1,689,555**	**-**	**1,689,555**

Company	2022			2021		
	Gross carrying amount	Credit loss allowance	Credit loss Amortised allowance cost/fair value	Gross carrying amount	Credit loss allowance	Credit loss Amortised allowance cost/fair value
Operating lease asset	149,392	-	149,392	103,138	-	103,138
Trade and other receivables	696,381	-	696,381	551,306	-	551,306
Contract assets	1,633	-	1,633	2,273	-	2,273
Cash and cash equivalents	1,176,104	-	1,176,104	621,721	-	621,721
	2,023,510	**-**	**2,023,510**	**1,278,438**	**-**	**1,278,438**

	Group		Company	
	2022	**2021**	**2022**	**2021**
Mobile money float	11,663,106	8,977,989	-	-
Trade receivables and other assets	1,061,184	708,532	984,187	691,255
Contract assets	1,633	2,273	1,633	2,273
Cash and cash equivalents	1,586,207	995,422	1,176,104	621,715
	12,724,290	**10,684,216**	**2,161,924**	**1,315,243**

On the basis of the policy in Note 2.35.7, the loss allowance as at December 31, 2022 was determined as follows for trade receivables.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Group 31 December 2022	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairment provision)
Fully performing trade receivables	**578,685**		**463**	**571,738**
Interconnect receivables	16,271	0.10%	16	16,255
Contract receivables	12,386	0.10%	12	12,374
Other receivables	550,028	0.10%	435	543,109
Past due trade receivables	**281,550**		**79,914**	**201,633**
Interconnect receivables	**17,742**		**377**	**17,364**
0 to 3 months	7,439	1.03%	77	7,362
3 to 6 months	3,274	1.17%	38	3,236
6 to 9 months	7,029	3.73%	262	6,767
***Contract receivables**	**20,342**		**6,158**	**14,183**
0 to 3 months	6,826	1.58%	108	6,717
3 to 6 months	13,516	44.76%	6,050	7,466
****Other receivables**	**243,466**		**73,379**	**170,086**
0 to 3 months	34,651	1.33%	461	34,190
3 to 6 months	36,669	6.76%	2,479	34,190
6 to 9 months	172,146	40.92%	70,439	101,706
Total	**860,235**		**80,377**	**773,373**

*Contract receivables increased as a result of an increase in postpaid and ICT receivables.
**Other receivables increased due to dealer withholding tax recievables, receivable for retail customers as well as rent recievables for MTN owned facilties.

Group 31 December 2021	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairment provision)
Fully performing trade receivables	**410,635**		**410**	**410,225**
Interconnect receivables	15,201	0.10%	15	15,186
Contract receivables	25,959	0.10%	26	25,933
Other receivables	369,475	0.10%	369	369,106
Past due trade receivables	**165,948**		**7,712**	**158,236**
Interconnect receivables	**1,416**		**26**	**1,390**
0 to 3 months	1,055	1.71%	18	1,037
3 to 6 months	203	1.97%	4	199
6 to 9 months	158	2.53%	4	154
Contract receivables	**6,218**		**97**	**6,121**
0 to 3 months	4,630	1.38%	64	4,566
3 to 6 months	1,588	2.08%	33	1,555
Other receivables	**158,314**		**7,589**	**150,725**
0 to 3 months	68,912	0.70%	479	68,433
3 to 6 months	34,033	1.03%	351	33,682
6 to 9 months	55,369	12.21%	6,759	48,610
Total	**576,583**		**8,122**	**568,461**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Company **31 December 2022**	**Gross carrying amount**	**Loss rate**	**Lifetime expected losses**	**Carrying amount (net of impairment provision)**
Fully performing trade receivables	**408,003**		**461**	**407,542**
Interconnect receivables	16,271	0.10%	16	16,255
Contract receivables	12,386	0.10%	12	12,374
Other receivables	379,346	0.12%	433	378,913
Past due trade receivables	**368,752**		**79,915**	**288,836**
Interconnect receivables	**17,742**		**377**	**17,365**
0 to 3 months	7,439	1.04%	77	7,362
3 to 6 months	3,274	1.17%	38	3,236
6 to 9 months	7,029	3.73%	262	6,767
Contract receivables	**8,638**		**1,369**	**7,268**
0 to 3 months	6,825	1.58%	108	6,717
3 to 6 months	1,813	69.55%	1,261	551
Other receivables	**342,372**		**78,169**	**264,203**
0 to 3 months	34,651	1.33%	461	34,190
3 to 6 months	36,669	6.72%	2,464	34,205
6 to 9 months	271,052	27.76%	75,244	195,808
Total	**776,757**		**80,376**	**696,381**

Company **31 December 2021**	**Gross carrying amount**	**Loss rate**	**Lifetime expected losses**	**Carrying amount (net of impairment provision)**
Fully performing trade receivables	**410,636**		**410**	**410,226**
Interconnect receivables	15,201	0.10%	15	15,186
Contract receivables	25,959	0.10%	26	25,933
Other receivables	369,476	0.10%	369	369,107
Past due trade receivables	**148,792**		**7,712**	**141,080**
Interconnect receivables	**1,416**		**26**	**1,390**
0 to 3 months	1,055	1.71%	18	1,037
3 to 6 months	203	1.97%	4	199
6 to 9 months	158	2.53%	4	154
Contract receivables	**6,218**		**97**	**6,121**
0 to 3 months	4,630	1.38%	64	4,566
3 to 6 months	1,588	2.08%	33	1,555
Other receivables	**141,158**		**7,589**	**133,569**
0 to 3 months	68,912	0.70%	479	68,433
3 to 6 months	34,033	1.03%	351	33,682
6 to 9 months	38,213	17.69%	6,759	31,454
Total	**559,428**		**8,122**	**551,306**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.34 Financial risk management and fair values (continued)

Movement in impairment provision

	At start of year	Increases	Write off	Balance as at 31 December
2022 Provision for impairment of trade receivables	(8,122)	(72,254)		(80,376)
2021 Provision for impairment of trade receivables	(11,688)	(7,515)	11,081	(8,122)

The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate values of cash and cash equivalents are spread amongst approved financial institutions. The Group actively seeks to limit the amount of credit exposure to any one financial institution and credit exposure is controlled by counterparty limits that are reviewed and approved by the credit risk department. Given these credit ratings.

2.34.4 Determination of fair values

The Group considers that the carrying values of cash and cash equivalents, trade receivables, trade and other payables and their fair values due to their short term nature. The fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. The Group considers that the recognised assets and liabilities are at Level 3 in the fair value hierarchy (that is inputs for the assets and liabilities that are not based on observable market data.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.34 Financial risk management and fair values (continued)

2.34.5 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its obligations as they become due. The Group's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures it has sufficient cash on demand or access to facilities to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Group

31 December 2022	Carrying amounts	Payable within one month or on demand	More than 1 month but not exceeding 3 months	More than 3 month but not exceeding 1 year	More than 1 year but not exceeding 5 years
Trade payables	308,382	308,382			
Accruals and sundry payables	760,002	760,002			
Lease liabilities	1,600,298			395,090	1,426,832
Amount due to related parties	376,086	376,086			
Borrowings	164,746			164,746	62,603
	3,209,514	**1,444,470**		**559,836**	**1,489,435**

Group

31 December 2021	Carrying amounts	Payable within one month or on demand	More than 1 month but not exceeding 3 months	More than 3 month but not exceeding 1 year	More than 1 year but not exceeding 5 years
Trade payables	285,501	285,501			
Accruals and sundry payables	609,852	609,852			
Lease liabilities	1,683,738		102,444	418,013	1,958,356
Amount due to related parties	139,771	139,771			
Borrowings	569,090		110,742	92,569	420,646
	3,287,952	**1,035,124**	**213,186**	**510,582**	**2,379,002**

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

2.34 Financial risk management and fair values (continued)

2.34.5 Liquidity risk (continued)

Company

31 December 2022	**Carrying amounts**	**Payable within one month or on demand**	**More than 1 month but not exceeding 3 months**	**More than 3 month but not exceeding 1 year**	**More than 1 year but not exceeding 5 years**
Trade payables	434,123	(434,123)			
Accruals and sundry payables	671,567	679,872			
Lease liabilities	1,600,480			395,090	1,426,832
Amount due to related parties	376,086	376,086			
Borrowings	(164,746)			(164,746)	62,603
	2,917,510	**621,835**		**230,344**	**1,489,435**

Company

31 December 2021	**Carrying amounts**	**Payable within one month or on demand**	**More than 1 month but not exceeding 3 months**	**More than 3 month but not exceeding 1 year**	**More than 1 year but not exceeding 5 years**
Trade payables	285,501	285,501			
Accruals and sundry payables	609,852	609,852			
Lease liabilities	1,683,738		102,444	418,013	1,958,356
Amount due to related parties	142,089	142,089			
Borrowings	569,090		110,742	92,569	420,646
	3,290,270	**1,037,442**	**213,186**	**510,582**	**2,379,002**

Trade payables	285,501	285,501	-	-	-
Accruals and sundry payables	609,852	609,852			-
Lease liabilities	1,683,738	-	102,444	418,013	1,958,356
Amount due to related parties	142,089	142,089	-	-	-
Borrowings	569,090	-	110,742	92,569	420,646
	3,290,270	**1,037,442**	**213,186**	**510,582**	**2,379,002**

The amounts included in the maturity table for borrowings are the contractual undiscounted cash flows, including principal and interest payments.

2.34 Financial risk management and fair values (continued)

2.34.6 Market risk

Market risk is the risk that changes in market prices will affect the Group's income or the value of it's holding of financial instruments. The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. In the current year, there has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured as compared to previous years. Interest rate risk is the risk borne by an interest bearing asset or liability, due to variability of interest rates.

Financial assets and liabilities that are sensitive to interest rate risk are cash and cash equivalents and Borrowings. The interest rates applicable to these financial instruments are a combination of floating and fixed rates in line with those currently available in the market. The Group's interest rate risk arises from the re pricing of the Group's borrowings. Debt is managed on an optimal floating interest rate basis.

At 31 December 2022, the interest rate profile of the Group's interest bearing financial instruments was: 38.9%. The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss of an instantaneous increase or decrease of 10% (1000 basis points) in market interest rates, from the rate applicable at 31 December 2021, for Borrowings with all other variables remaining constant.

At 31 December 2022, if the interest rate for local currency denominated loans had increased /decreased by 10% (2021: 10%) with all other variables held constant, post tax profit for the year and equity would have been GHS38,706,000 (2021: GHS14,331,000).

Foreign exchange risk

31 December 2022, if the Ghana cedi had weakened/strengthened by 1000 basis point (10%) (2021: 10%) against the US Dollar and Euro with all other variables held constant, post tax profit for the year and equity would have been higher/lower at GHS2,526,000 and GHS604,000 for the Group and Company respectively (2021: GHS- and GHS3,684,000), mainly as a result of US Dollar, Euro denominated trade payables, trade receivables and cash and cash equivalents.

2.34.8 Price risk

The Group is not directly exposed to commodity price risk or material equity securities price risk.

2.34.9 Capital risk management

Capital includes borrowings, stated capital and equity attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's policy is to borrow using a mixture of long term and short term borrowings from local and international financial institutions. Total equity is the equity attributable to owners of the Company and Group.

The Group monitors capital on the basis of gearing ratio, calculated as net debt divided by total equity.

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

	Group		Company	
Gearing ratio at the reporting date was:	**2022**	**2021**	**2022**	**2021**
Borrowings	387,064	569,090	387,064	569,090
Cash and cash equivalents	(1,586,207)	(995,422)	(1,176,104)	(621,715)
Net debt	(1,199,143)	(426,332)	(789,040)	(52,625)
Equity	5,709,700	4,363,298	5,067,444	3,870,715
Gearing ratio	**(21.00)%**	**(9.77)%**	**(15.57)%**	**(1.36)%**

Loan covenant

Under the terms of the borrowing facilities, the Group is required to comply with the following financial covenants:

- The ratio of net debt to EBITDA must not be less than 2.5
- The ratio of net debt to equity must be within 30/70
- The ratio of interest coverage must be greater than 4.5
- The ratio of debt service coverage must be greater than 1.5

2.35 Retained earnings

	Group		Company	
	2022	**2021**	**2022**	**2021**
At start of year	3,183,254	2,228,282	2,773,211	1,976,191
Dividends declared	(1,536,309)	(983,238)	(1,536,309)	(983,238)
Net profit for the year	2,855,801	2,001,383	2,686,128	1,780,258
Transfer to reserves	(106,032)	(63,173)	20,000	
At 31 December	**4,396,714**	**3,183,254**	**3,943,030**	**2,773,211**

2.36 Other reserves

Other reserves represent a transfer from retained earnings at a minimum of 5% of MobileMoney Limited's annual net profit per internal policy. This is invested in risk free, highly liquid assets such as treasury bills or Government notes or short dated bonds up until such a time that the reserve fund amounts to GH¢200 million. Interest earned on investment are also transferred into other reserves and are not available for distribution.

	Group		Company	
	2022	**2021**	**2022**	**2021**
At start of year	82,540	13,401	-	-
Interest on investment	-	5,966	-	-
Transfer between reserves	132,942	63,173	26,910	-
Interest Accrued on investment	-	-	-	-
At 31 December	**215,482**	**82,540**	**26,910**	**-**

2.37 Subsequent events

The company performed a review of events subsequent to the balance sheet date through to the date the financial statements were issued and determined that there were no subsequent events requiring recognition or disclosure in the financial statements.

Five Year Financial Summary

(All amounts are in thousands of Ghana Cedis unless otherwise stated)

Statement of Profit or Loss and Other Comprehensive Income

	2022	2021	2020	2019	2018
Revenue	9,916,109	7,723,259	5,920,720	5,181,836	4,218,847
EBITDA	**5,563,655**	**4,249,384**	**3,178,181**	**2,630,433**	**1,587,629**
Depreciation and amortisation	(1,198,679)	(1,035,557)	(877,453)	(801,544)	(463,567)
Operating profit	4,364,976	3,213,827	2,300,728	1,828,889	1,124,062
Net finance costs	(268,456)	(365,189)	(328,005)	(385,515)	(44,868)
Profit before income tax	**4,096,520**	**2,848,638**	**1,972,723**	**1,443,374**	**1,079,194**
Taxes and levies	(1,240,719)	(847,255)	(577,828)	(435,416)	(34,518)
Profit for the year	**2,855,801**	**2,001,383**	**1,394,895**	**1,007,958**	**754,676**
Statement of Financial Position					
Property, plant and equipment	4,981,038	3,906,148	3,371,844	3,018,008	2,549,095
Right-of-use assetst	1,196,574	1,342,204	1,420,085	1,574,776	-
Intangible assetst	784,079	778,872	858,648	448,276	418,536
Other non-current assets	150,000	130,402	125,389	120,962	92,915
Other current assetst	1,672,800	1,394,372	1,210,510	932,314	-
Mobile money float	11,663,106	8,977,989	6,559,373	3,405,579	-
Cash and cash equivalents	1,586,207	995,422	671,968	458,735	406,525
Total assets	**22,063,875**	**17,525,409**	**9,958,650**	**4,216,880**	**3,448,389**
Obligations to electronic money holders	(11,663,106)	(8,977,989)	(6,559,373)	(3,405,579)	
Total liabilities net of e-money	9,515,630	(4,184,122)	(4,319,257)	(3,749,245)	(1,806,488)
	19,916,399	**4,363,298**	**3,339,187**	**2,803,826**	**2,410,392**
Stated capital	1,097,504	1,097,504	1,097,504	1,097,504	1,363
Reserves	215,482	82,540	13,401	-	-
Retained income	4,396,714	3,183,254	2,228,282	1,706,322	1,312,888
	5,534,651	**4,363,298**	**3,339,187**	**2,803,826**	**2,410,392**

what are we doing next?

MTN

Shareholder information

Shareholder information

Stock Exchange performance

MTNGH market-related metrics for the year ended 31 December 2022

Scancom PLC (MTNGH)	2022	2021
Closing Price (c)	**GH¢ 0.88 p**	GH¢ 1.11 p
Highest Price (c)	**GH¢ 1.11 p**	GH¢ 1.33 p
Lowest Price (c)	**GH¢ 0.75 p**	GH¢ 0.64 p
Total Number of shares traded	**1,271,806,936**	387,005,389
Number of shares in issue	**12,290,474,360**	12,290,474,360
Number of shares traded as a percentage of shares in issue (%)	**10.35**	3.15
One Year VWAP (c)	**GH¢ 0.94 p**	GH¢ 1.07 p
Market Cap (million)	**GH¢ 10,815.62**	GH¢ 13,642.43
Dividend yield (%)	**18.64**	10.36
Earnings yield (%)	**26.36**	14.67
P/E (X)	**3.79**	6.82
Ghana Stock Exchange Composite Index (close)	**2,443.91**	2,789.34
Ghana Stock Exchange Financial Index (close)	**2,052.59**	2,151.85

Source: Ghana Stock Exchange

Directors shareholding

The Directors named below held the following number of shares in Scancom PLC. as at 31 December 2022:

Ordinary Shares	2022	2021
Ishmael Yamson*	**667,300**	667,300
Ebenezer Twum Asante	**8,000,100**	8,000,100
Selorm Andreas Adadevoh	**133,500**	133,500
Felix Addo	**666,680**	666,680
Kofi Dadzie**	**12,000**	12,000
Antoinette Kwofie	**100,000**	-

* Held in joint ownership in the name of Ishmael and Lucy Yamson (134,000) and a nominee holding account Octane SD ILYO7 2018 (533,300).

** Held in the name of Afua Dadzie ITF Jayne Cristabel Dadzie (4,000), Joshua Caleb Dadzie (4,000) and Johannes Dadzie (4,000)

Number of shares in issue

Scancom PLC had only ordinary shareholders as at 31 December 2022 and distributed as follows:

Range of Shares	Number of Shareholders	Number of shares	Percentage %
1 – 1,000	**94,957**	**13,389,120**	**0.11**
1001 - 5,000	**7,929**	**17,613,467**	**0.14**
5001 - 10,000	**1,757**	**13,847,146**	**0.11**
10,001 - 999,999,999	**1,887**	**2,548,125,461**	**20.73**
1,000,000,000 – 11,000,000,000	**1**	**9,697,499,166**	**78.90**
TOTAL	**106,531**	**12,290,474,360**	**100.00**

Shareholder information

Details of 20 largest ordinary shareholders as at 31 December 2022

Details	Number of Shares held	Percentage (%) Holding
INVESTCOM CONSORTIUM HOLDINGS S.A.	9,697,499,166	78.90
JPMC FIRSTRAND BANK LTD GTI:73863	386,429,915	3.14
SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	198,745,480	1.62
SSB & TRUST AS CUST FOR KIMBERLITE FRONTIER, AFRICA MASTER FUND, L.P-RCKM	165,321,193	1.35
HUNTER BOFOUR LTD	122,904,743	1.00
AFCAP GHANA LTD, A.G	122,904,743	1.00
DADEK HOLDINGS LTD	122,904,743	1.00
YEOTECH COMPANY LTD	122,904,743	1.00
SCANVISION INVESTMENTS LIMITED COMPANY	122,904,743	1.00
STD NOMS/BNYMSANVLUX RE EASTSPRING INVESTMENTS SICAV-FIS	110,306,438	0.90
NORTHERN TRUST CO. AVFC 6314B	109,007,588	0.89
BNYMSANV RE BNYMSANVFFT RE ODD, O KIL AFR	71,334,735	0.58
PMSE DUB RE CORONATION FD MGERS IRE ON BEHALF OF THE AFR FRTR FUND	58,762,279	0.48
TRUST AC/BNYMSANV RE BNYMIL RE ALL AFR FD	52,896,397	0.43
STATE STREET LONDON C/O SSB AND TRUST CO. BOSTON RE RUSSELL INVESTMENT CO. PLC FUND-NAS5	43,710,250	0.36
PTY MOMENTUM SP REID SECURITIES LTD	40,200,132	0.33
BNYM RE VANDERBILT UNIVERSITY	38,456,859	0.31
SSB & TRUST AS CUST FOR CONRAD N HILTON, FOUNDATION-00FG	38,077,346	0.31
ENTERPRISE TIER 2 OCCUPATIONAL PENSION SCHEME	30,032,267	0.24
JPMC RE DUET AFRICA OPPORTUNITIES MASTER FUND, IC GTI:AEX26	28,000,000	0.23
OTHERS	607,170,600	4.94
	12,290,474,360	100.00

Shareholder information

Shareholders' diary

	Date
Final dividend recommendation	27 February 2023
Summary annual financial results published	28 February 2023
Annual financial statements posted	early May 2023
First quarter results published	27 April 2023
Annual general meeting	30 May 2023
Half year-end	30 June 2023
Interim dividend declaration	28 July 2023
Interim financial statements published	31 July 2023
Third quarter results published	31 October 2023
Financial year-end	31 December 2023
Final dividend declaration for 2023	end February 2024
2023 summary annual financial results	end February 2024

Please note that these dates are subject to change

Forward looking information

Opinions and forward-looking statements expressed in this report represent those of the company at the time. Undue reliance should not be placed on such statements and opinions because by nature, they are subjective to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward looking statements.

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Administration

Scancom PLC.
(Incorporated in Ghana)
Registration number PL000322016
ISIN: HEMTN051541
Share code: MTNGH
("MTN Ghana" or "MTNGH")

Board of Directors
Ishmael Yamson[2]
Ebenezer Asante[2]
Selorm Adadevoh[1]
Sugentharen Perumal[2]
Fatima Daniels[2]
Felix Addo[3]
NanaAma Botchway[3]
Kofi Nkisah Dadzie[3]
Rosemond Ebe-Arthur[3]
Antoinette Kwofie[1]
Tsholofelo Molefe[2]

[1] Executive
[2] Non-executive
[3] Independent non-executive director

Company secretary
Pala Asiedu-Ofori
MTN House
Independence Avenue
West Ridge, Accra

Registered office
MTN House
Independence Avenue
West Ridge, Accra

Depository and registrars
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4th Floor Cedi House
Accra, Ghana

Auditor
Ernst & Young Ghana
Chartered accountants
60 Rangoon Lane
Cantonments, Accra

Bankers
Access Bank (Ghana) Limited
ADB Bank Limited
Absa Bank Ghana Limited
Ecobank Ghana Limited
Fidelity Bank Limited
Stanbic Bank Ghana Limited
Standard Chartered Bank (Ghana) Limited
Zenith Bank (Ghana) Limited
GT Bank Ghana Limited
GCB Bank (Ghana) Limited

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Kuenyehia & Nutsukpui
Legal practitioners and notaries
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Labone, Accra

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Practitioners and notaries
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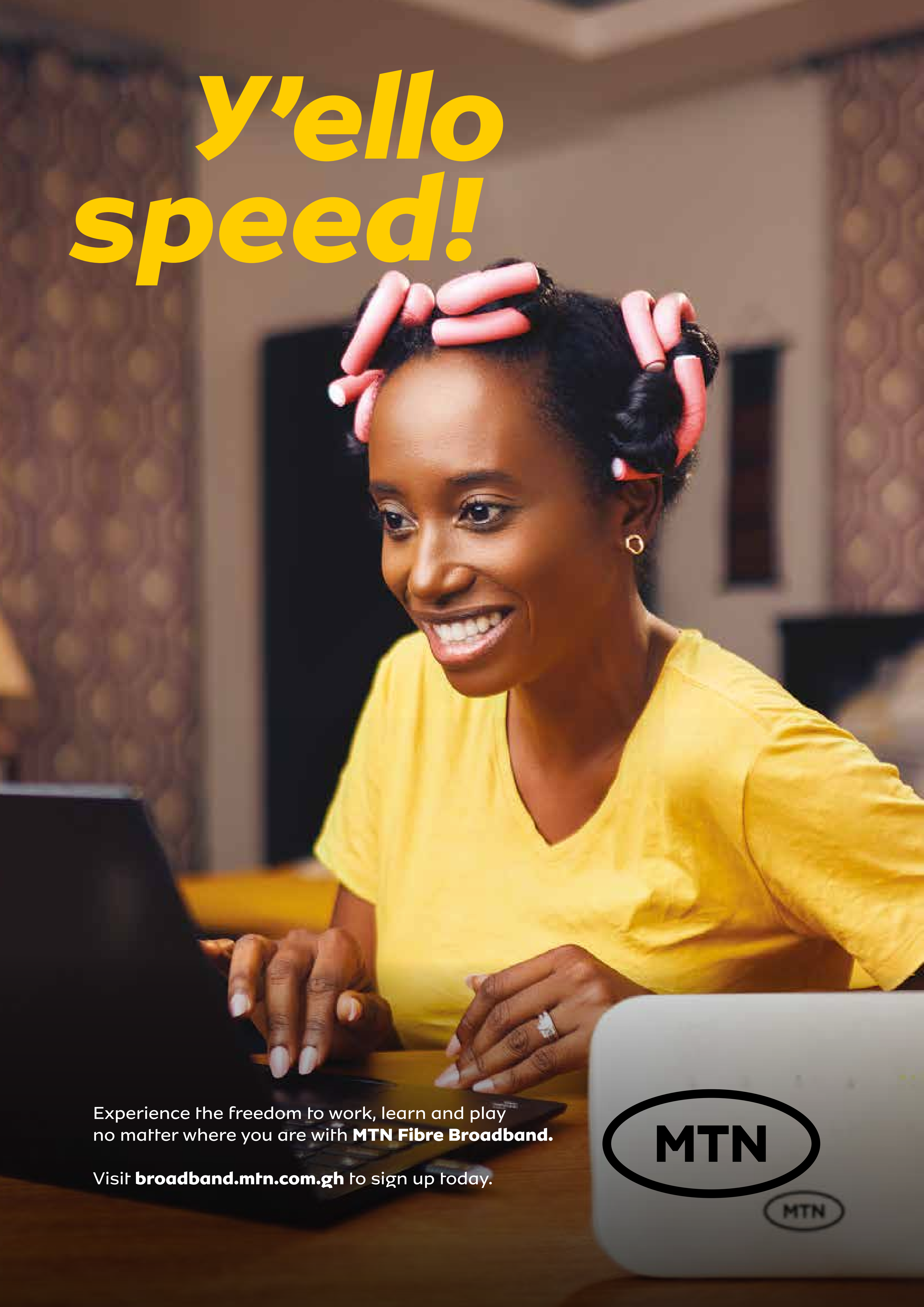
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