



# **Scancom PLC (MTN Ghana)**

**Performance for the six-month period ended 30 June 2023**



Scancom PLC (MTN Ghana)  
 (Incorporated in Ghana)  
 Registration number: PL000322016  
 ISIN: GHEMTN051541  
 Share code: MTNGH  
 (MTN Ghana or Scancom PLC)

## Salient features (YoY)

- Subscribers
  - Mobile subscribers decreased by 1.6% to 27.3 million\* (impacted by SIM re-registration).
  - Active data subscribers increased by 7.6% to 14.1 million#.
  - Active Mobile Money (MoMo) users increased by 21.5% to 14.2 million\*.
- Service revenue grew by 32.3% to GHS6.2 billion.
- Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 29.4% to GHS3.5 billion.
- EBITDA margin decreased by 1.3 percentage points (pp) to 56.1%.
- Total capex spend of GHS2.2 billion^ (IAS 17 capex: GHS1.5 billion).
- Paid GHS2.7 billion in direct and indirect taxes.
- Outlook: MTN Ghana will continue to invest to develop platforms and improve its network and services to unlock value for stakeholders in line with our Ambition 2025 strategy. We will continue to explore efficiency measures, preserve liquidity and strengthen the balance sheet against a background of macroeconomic uncertainties. However, based on the effective execution of our business strategy, MTN Ghana has revised its medium-term guidance upwards from low-twenties to high-twenties (in percentage terms) growth in service revenue.

## Snapshot of key financial items (YoY change)

	30 June 2023 GHS 000	30 June 2022 GHS 000	Change
<b>Total revenue</b>	<b>6,177,928</b>	4,666,539	<b>32.4%</b>
<b>Service revenue</b>	<b>6,156,412</b>	4,652,767	<b>32.3%</b>
<b>EBITDA</b>	<b>3,467,021</b>	2,679,643	<b>29.4%</b>
<b>EBITDA margin</b>	<b>56.1%</b>	57.4%	<b>-1.3pp</b>
<b>Profit before tax</b>	<b>2,443,221</b>	1,938,490	<b>26.0%</b>
<b>Profit after tax</b>	<b>1,711,083</b>	1,337,586	<b>27.9%</b>
<b>Total capex</b>	<b>2,231,479</b>	1,130,623	<b>97.4%</b>
<b>Core capex (IAS 17)</b>	<b>1,527,267</b>	990,665	<b>54.2%</b>

*Due to ongoing discussions on the potential change in regulatory subscriber definitions, subscriber data in this report will be limited to the MTN Group definition until the regulatory definitions are finalized.*

*\* Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company. The impact of the disconnection of 5.4 million SIMs related to SIM re-registration will fully reflect 90-days post the disconnection date of 31 May 2023.*

*# Active data subscribers as per MTN Group definition are data subscribers who have used more than 5MB in a month.*

*^ Total capex is made up of PPE of GHS989 million, intangibles of GHS538 million (Network license, Software, etc) and right of use (Rout) assets of GHS704 million for the period.*

## **MTN Ghana CEO, Selorm Adadevoh, comments:**

### *Ghana macroeconomic context*

The macroeconomic environment remained challenging in the first half of the year. Inflation declined from the December 2022 peak of 54.1%, averaging 46.2% in the period (H1 2022: 21.7%). Encouragingly, there was some relative stabilization in the Ghana cedi against the US\$ in H1 2023, helped by lower international crude oil prices.

The relatively slower decline in the currency was supported by the progress made with the Domestic Debt Exchange Programme (DDEP) and the International Monetary Fund's (IMF) balance of payment support to Ghana, of which US\$600 million was received by the Ghana Government in May 2023.

MTN Ghana continued to pursue its Ambition 2025 strategy with a dedicated focus on revenue growth and cost efficiencies to unlock value for stakeholders.

### *Creating shared value – our commitment to social and economic development*

MTN Ghana remains committed to improving the lives of Ghanaians through appropriate and sustainable socioeconomic interventions, thus 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 expect these projects to be completed in H2 2023 and handed over to the appropriate authorities.

MTN Ghana is a tax compliant corporate citizen and contributes significantly to Ghana's fiscal and socioeconomic development through taxes. In H1 2023, MTN Ghana contributed GHS2.7 billion in direct and indirect taxes, as well as GHS228 million in fees, levies and other payments to Governmental agencies.

### *National roaming update – strategic partnerships to support industry sustainability*

MTN Ghana's national roaming partnership with AirtelTigo, now AT, and Vodafone Ghana is a key milestone in facilitating universal access and accelerating digitalization in line with the country's ambitions of becoming a digital economy. We are pleased with the progress made with partner telcos in achieving National Roaming following the successful pilots. The next step which is a much longer-term partnership will mean that subscribers of both companies can roam in selected areas across the country on MTN Ghana's network.

We are grateful to the Government, the regulator and all stakeholders for their continued support.

## **Operational and financial review**

MTN Ghana executed on its commercial plans for the half-year and delivered growth in voice, data and MoMo, supporting a 32.3% YoY growth in service revenue. This performance was underpinned by the expansion in our network capacity and coverage, improvements in IT systems and service delivery which support usage from the 27.3 million\* subscribers across the country.

Enhancements to the network and IT systems were made possible through an investment of GHS2.2 billion in capex<sup>^</sup>. We grew our 4G coverage to 99.3% of the population, and rolled out 156 2G, 159 3G and 156 4G sites in H1 2023. Capex<sup>^</sup> growth of 97.4% YoY was driven by acquisition of spectrum licences, accelerated infrastructure deployment as well as an increase in IFRS16 lease costs which was driven by inflation-induced escalations on tower lease agreements. Core capex excluding spectrum licences and RoU was GHS1.1 billion with a corresponding intensity of 24.7% for the period.

**Voice** revenue increased by 13.9% YoY to GHS1.8 billion, supported by customer value management initiatives which drove usage. The number of subscribers declined due to disconnections related to SIM registration directives. Voice revenue contribution to service revenue declined from 33.8% to 29.1% in line with our revenue diversification strategy.

\* Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company. The impact of the disconnection of 5.4 million SIMs related to SIM re-registration will fully reflect 90-days post the disconnection date of 31 May 2023.

<sup>^</sup> Total capex is made up of PPE of GHS989 million, intangibles of GHS538 million (Network license, Software, etc) and right of use (RouT) assets of GHS704 million for the period.

**Data** revenue grew by 41.0% YoY to GHS2.6 billion, underpinned by an increase in the number of active users (+7.6% YoY), a 31.8% YoY growth in MB per active user per month and the consequent increase in data traffic (+41.9% YoY). First quarter price revisions helped preserve data revenue growth, in the face of elevated inflation and an increase in value added tax from 12.5% to 15.0%. The contribution of data revenue to service revenue increased, in line with our strategy, from 39.0% to 41.5% YoY.

**MoMo** revenue increased by 48.8% YoY to GHS1.3 billion. This was supported by growth in cash-out revenue (+75.3% YoY) and advanced services revenue (+58.8% YoY). Peer-to-peer (P2P) revenue declined by 4.8% YoY. The contribution of MoMo revenue to service revenue increased from 19.3% to 21.7% YoY.

**Digital** revenue declined by 22.1% YoY to GHS63.6 million as we continued to execute on our portfolio rationalization initiatives. We expect this process, which is aimed at ensuring that customers get more value and enhanced digital services, to be completed during 2023. We expect this to drive a return to positive growth in digital revenues in 2024. Active subscribers increased by 11.6% YoY boosted by a 45.7% YoY growth in ayoba subscribers for the period. We will continue to improve our music and gaming offerings to boost customer usage and experience. The contribution of digital to service revenue decreased from 1.8% to 1.0% YoY.

**EBITDA** increased by 29.4% YoY to GHS3.5 billion, with EBITDA margin being 1.3pp lower at 56.1%. Total costs for the period grew by 36.5% YoY mainly due to inflation, which remained elevated in H1 2023. Managing costs remains a priority and we continued to pursue our expense efficiency programme to mitigate the impact of the macroeconomic dynamics on the business.

Increased depreciation charges remained a feature due to investments in property, plant and equipment as well as inflationary increases on tower lease fees, which impacted the value of RoU assets being depreciated. Finance income grew by 53.1% YoY to GHS129 million from gains on investments in fixed short-term securities, whereas finance costs increased by 46.8% YoY to GHS364 million driven by high interest rates and growth in interest expense from leases (IFRS 16). This resulted in net finance costs increasing by 43.6% YoY to GHS236 million for H1 2023.

Profit after tax for H1 2023 grew by 27.9% to GHS1.7 billion.

## Regulatory updates

### *National SIM re-registration update*

MTN Ghana in compliance with the directive received from the National Communications Authority (NCA), blocked 5.4 million SIMs that were not registered with the Ghana Card as at the 31 May 2023 deadline.

Following that, customers with active SIMs that had not been registered with the Ghana card were blocked from all transactions on MTN Ghana's network from 1 June 2023.

Further on, 0.4 million SIMs have been re-registered since the deadline bringing the total number of outstanding disconnected SIMs to 4.9 million at the end of the period. Consequently, our subscriber base decreased by 1.6% YoY to 27.3 million\* as a result of the disconnection exercise. The full impact of the disconnection exercise on our subscriber base will reflect 90-days post the disconnection date with an expected decline in reported subscribers in H2 2023.

The disconnection exercise exempted merchants, agents and persons who showed proof that they are facing challenges with Ghana card acquisition or SIM registration. Subsequently, the Minister for Communications and Digitalization announced in Parliament on 8 June 2023, that all merchant and agent SIMs not registered with the Ghana card had an extension till 30 June 2023 to register, to avoid being permanently blocked. MTN Ghana has engaged the regulator for further directions on the implementation of the Minister's directive pertaining to merchants, agents and persons who showed proof that they are facing challenges with Ghana card acquisition or SIM registration.

MTN Ghana is committed to the national SIM re-registration exercise and will continue to deploy resources and work with the regulator to ensure SIM re-registration for all subscribers.

\* Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company. The impact of the disconnection of 5.4 million SIMs related to SIM re-registration will fully reflect 90-days post the disconnection date of 31 May 2023.

## *Update on localisation of Scancom PLC and MobileMoney Limited*

In Q1 2023, MTN Ghana achieved 25.0% localisation of Scancom PLC. Subsequent to that, a number of shareholders, including MTN Group, opted for Scrip dividends totalling 945.7 million shares and this resulted in a reduction of the Q1 2023 reported localisation position, from 25.0% to 23.2% as at H1 2023.

Increasing local ownership of Scancom PLC and MobileMoney Limited remains a priority for MTN Ghana and MTN Group. We will continue to work with the relevant regulators and stakeholders to achieve the localisation targets.

## **Outlook**

High inflation continues to impact our macroeconomic and trading environment, a situation we expect will continue through H2 2023. Upward inflationary pressures in H2 2023 will be amplified by ongoing geopolitical developments, utility tariff increases and IMF reforms such as subsidy removals. These factors are expected to push up inflation in Ghana's economy.

In this context, MTN Ghana will continue to leverage its expense efficiency initiatives and explore cost-mitigation efforts to minimize the adverse impact of the macroeconomic challenges on the business. We will execute on commercial initiatives for the year and continue to invest to develop platforms and improve our network and services in line with our **Ambition 2025** objectives.

We will sustain the progress on new and existing social projects through the MTN Ghana Foundation as part of our efforts to support Government's developmental agenda and improve the lives of Ghanaians.

Going into H2 2023, we do take cognisance of the possible dampening effect on Ghana's economy from upward inflationary pressures, risks from Ghana's debt sustainability and currency volatility. However, based on the effective execution of our business strategy, MTN Ghana has revised its medium-term guidance upwards from low-twenties to high-twenties (in percentage terms) growth in service revenue.

## Declaration of interim ordinary dividend

Notice is hereby given that a gross interim dividend of GHS0.05 per share for the period ended 30 June 2023 has been declared (2022 interim: GHS0.04 per share). This is subject to the deduction of the appropriate taxes. The number of ordinary shares in issue at the date of this declaration is 13,236,175,050.

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

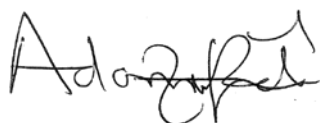
<b>Ex-dividend date</b>	<b>Wednesday, 16 August 2023</b>
<b>Qualifying date</b>	<b>Friday, 18 August 2023</b>
<b>Dividend payment date</b>	<b>Friday, 8 September 2023</b>

All shareholders registered in the books of Scancom PLC at close of business on Friday, 18 August 2023 qualify for the interim dividend.

In view of the foregoing, the ex-dividend date has been set as Wednesday, 16 August 2023. Consequently, an investor purchasing MTNGH shares before this date will be entitled to the interim dividend. However, an investor buying MTNGH shares on or after Wednesday, 16 August 2023 will not be entitled to the interim dividend.

On Friday, 8 September 2023 the dividend will be transferred electronically to the bank accounts or mobile money wallets of shareholders who make use of these facilities.

The interim dividend was approved by the Board of Directors on 28 July 2023 and signed on its behalf by:



**Selorm Adadevoh**  
Chief executive officer



**Antoinette Kwofie**  
Chief finance officer

## REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF SCANCOM PLC

### *Introduction*

We have reviewed the accompanying condensed consolidated and separate statement of financial position of Scancom PLC and its subsidiary ("the Group") as at 30 June 2023 and the related condensed and separate interim consolidated statements of comprehensive income, changes in equity and consolidated and separate cash flows for the six-month period then ended, and a condensed significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed consolidated and separate interim financial information in accordance with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34 Interim Financial Reporting). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

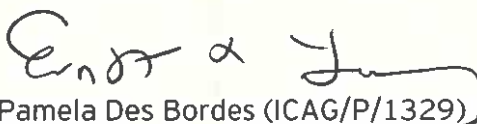
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated and separate interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards applicable to the interim financial reporting (IAS 34 Interim Financial Reporting).

The Engagement Partner on the review engagement resulting in this independent auditor's conclusion is Pamela Des Bordes (ICAP/P/1329).



Pamela Des Bordes (ICAG/P/1329)  
Ernst & Young (ICAG/F/2023/126)  
Chartered Accountants  
Accra, Ghana

Date: 31.07.2023

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Summary statements of comprehensive income

	Group	Company	Group	Company
	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2023	For the six-month period ended 30 June 2022	For the six-month period ended 30 June 2022
	GHS 000	GHS 000	GHS 000	GHS 000
<b>Revenue from contracts with customers</b>	<b>6,177,928</b>	<b>4,896,824</b>	4,666,539	3,811,327
Other revenue	1,412	84,545	775	31,879
Direct network operating costs	<b>(633,696)</b>	<b>(633,694)</b>	(422,430)	(422,430)
Government and regulatory costs	<b>(119,477)</b>	<b>(119,477)</b>	(99,119)	(99,119)
Cost of handsets and other accessories	<b>(11,892)</b>	<b>(11,892)</b>	(52,640)	(52,640)
Interconnect and roaming costs	<b>(244,688)</b>	<b>(244,688)</b>	(179,940)	(179,940)
Employee benefits expense	<b>(240,810)</b>	<b>(231,175)</b>	(173,630)	(159,990)
Selling, distribution and marketing expenses	<b>(974,767)</b>	<b>(496,756)</b>	(647,438)	(379,622)
Other operating expenses	<b>(486,988)</b>	<b>(461,118)</b>	(412,474)	(395,573)
<b>Earnings Before Interest, Tax</b>				
<b>Depreciation and Amortization</b>	<b>3,467,022</b>	<b>2,782,569</b>	2,679,643	2,153,893
Depreciation	<b>(658,705)</b>	<b>(657,306)</b>	(498,645)	(497,235)
Amortization	<b>(129,335)</b>	<b>(129,335)</b>	(78,279)	(78,329)
<b>Operating profit</b>	<b>2,678,982</b>	<b>1,995,928</b>	2,102,719	1,578,329
Finance income	<b>128,574</b>	<b>407,082</b>	83,996	347,854
Finance costs	<b>(364,335)</b>	<b>(364,182)</b>	(248,224)	(247,543)
<b>Profit before income tax</b>	<b>2,443,221</b>	<b>2,038,828</b>	1,938,490	1,678,640
Income tax expense	<b>(609,977)</b>	<b>(423,706)</b>	(502,253)	(352,431)
Growth and sustainability levy	<b>(122,161)</b>	<b>(84,941)</b>	(98,651)	(98,651)
<b>Profit after income tax</b>	<b>1,711,083</b>	<b>1,530,181</b>	1,337,586	1,257,277
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>1,711,083</b>	<b>1,530,181</b>	1,337,586	1,257,277
Attributable to:				
Equity holders of the company	<b>1,711,083</b>	<b>1,530,181</b>	1,337,586	1,257,277
<b>Re stated/New Basic</b>				
<b>Earnings per share</b>	<b>GHS0.129</b>	<b>GHS0.125</b>	GHS 0.101	GHS 0.095

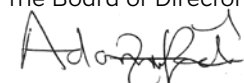


## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Summary statements of financial position

	Group	Company	Group	Company
	As at 30 June 2023	As at 30 June 2023	As at 31 December 2022	As at 31 December 2022
	GHS 000	GHS 000	GHS 000	GHS 000
<b>Non-current assets</b>	<b>8,578,768</b>	<b>8,564,627</b>	7,141,763	7,126,169
Property, plant and equipment	5,558,602	5,554,444	4,981,038	4,975,481
Right-of-Use assets	1,667,431	1,667,431	1,196,562	1,196,562
Intangible assets	1,179,058	1,179,055	784,079	784,076
Investment in subsidiary	-	20,050	-	20,050
Investments	20,000	-	20,000	-
IRU assets	117,478	117,478	123,399	123,399
Deferred tax assets	10,030	-	10,084	-
Contract asset	-	-	1,633	1,633
Capitalized contract cost	26,169	26,169	24,968	24,968
<b>Current assets</b>	<b>16,242,371</b>	<b>2,745,584</b>	14,922,112	2,534,377
Inventories	33,860	33,859	13,749	13,749
Trade and other receivables	615,650	1,049,520	922,619	844,252
Other financial assets at amortized cost	814,452	535,321	344,874	344,868
Income tax assets	43,197	-	149,920	103,801
Growth and sustainability levy	13,756	-	27,071	25,608
IRU assets	24,156	24,156	25,995	25,995
Investments in securities	249,387	-	188,571	-
Mobile Money float	12,816,046	-	11,663,106	-
Cash and cash equivalents	1,631,867	1,102,728	1,586,207	1,176,104
<b>Total assets</b>	<b>24,821,139</b>	<b>11,310,211</b>	22,063,875	9,660,544
<b>Total equity</b>	<b>7,021,125</b>	<b>6,197,953</b>	5,709,700	5,067,444
Stated capital	2,222,888	2,222,888	1,097,504	1,097,504
Retain earnings	4,502,638	3,928,854	4,396,714	3,943,030
Other reserves	295,599	46,211	215,482	26,910
<b>Non-current liabilities</b>	<b>2,472,848</b>	<b>2,469,494</b>	2,147,476	2,144,527
Borrowings	147,870	147,870	222,318	222,318
Deferred tax liabilities	511,176	511,176	538,113	538,113
Lease liabilities	1,741,495	1,741,495	1,316,020	1,316,020
IRU liability	27,629	27,629	26,829	26,829
Non-current share-based payment liability	34,238	31,288	33,539	30,590
Provisions	10,440	10,036	10,657	10,657
<b>Current liabilities</b>	<b>15,327,166</b>	<b>2,642,764</b>	14,206,699	2,448,573
Trade and other payables	1,358,922	1,529,515	1,766,990	1,712,092
Obligations to electronic money holders	12,816,046	-	11,663,106	-
Contract liabilities	389,013	389,013	217,090	217,090
Provisions	156,422	117,473	107,058	66,936
Income tax liabilities	54,706	54,706	-	-
Growth and sustainability levy	4,499	4,499	-	-
Lease liabilities	385,179	385,179	284,278	284,278
IRU liability	4,335	4,335	3,431	3,431
Borrowings	158,044	158,044	164,746	164,746
<b>Total liabilities</b>	<b>17,800,014</b>	<b>5,112,255</b>	16,354,175	4,593,100
<b>Total equity and liabilities</b>	<b>24,821,139</b>	<b>11,310,211</b>	22,063,875	9,660,544

The condensed consolidated financial information for the six-month period ended 30 June 2023 was approved by the Board of Directors on 28 July 2023 and signed on its behalf by:



**Selorm Adadevoh**  
Chief executive officer



**Antoinette Kwofie**  
Chief finance officer

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Summary statements of changes in equity - Group

	Stated Capital	Retained earnings	Mobile Money contingency fund	Other reserves	Total Equity
<b>Six-month period ended 30 June 2023</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>
<b>Opening balance as at 1 January 2023</b>	<b>1,097,504</b>	<b>4,396,677</b>	<b>215,482</b>	<b>-</b>	<b>5,709,663</b>
Profit for the year	-	1,711,083	-	-	1,711,083
Other comprehensive income	-	-	-	-	-
Equity movement	1,125,384	-	19,301	-	1,144,685
Other equity movement	-	-	60,816	-	60,816
Equity other	-	(81,103)	-	-	(81,103)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the company:</b>					
Dividends paid	-	(1,524,019)	-	-	(1,524,019)
<b>Closing balance as at 30 June 2023</b>	<b>2,222,888</b>	<b>4,502,638</b>	<b>295,599</b>	<b>-</b>	<b>7,021,125</b>
<b>Six-month period ended 30 June 2022</b>					
<b>Balance as at 1 January 2022</b>	<b>1,097,504</b>	<b>3,183,217</b>	<b>82,540</b>	<b>-</b>	<b>4,363,261</b>
Profit for the year	-	1,337,586	-	-	1,337,586
Other comprehensive income	-	-	973	-	973
<b>Equity movement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,269</b>	<b>43,269</b>
<b>Transfer between reserves</b>	<b>-</b>	<b>(41,917)</b>	<b>41,917</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the company:</b>					
Dividends paid	-	(1,044,690)	-	-	(1,044,690)
<b>Closing balance as at 30 June 2022</b>	<b>1,097,504</b>	<b>3,434,196</b>	<b>125,430</b>	<b>43,269</b>	<b>4,700,399</b>

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Summary statements of changes in equity - Company

	Stated Capital	Retained earnings	Other Reserves	Total Equity
Six-month period ended 30 June 2023	GHS 000	GHS 000	GHS 000	GHS 000
<b>Balance as at 1 January, 2023</b>	<b>1,097,504</b>	<b>3,942,978</b>	<b>26,910</b>	<b>5,067,392</b>
Profit for the year	-	1,530,181	-	1,530,181
Other comprehensive income	-	-	-	-
<b>Equity movement</b>	<b>1,125,384</b>	<b>-</b>	<b>19,301</b>	<b>1,144,685</b>
<b>Other equity</b>	<b>-</b>	<b>(20,286)</b>	<b>-</b>	<b>(20,286)</b>
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the company:</b>				
<b>Dividend paid</b>	<b>-</b>	<b>(1,524,019)</b>	<b>-</b>	<b>(1,524,019)</b>
<b>Closing balance as at 30 June 2023</b>	<b>2,222,888</b>	<b>3,928,854</b>	<b>46,211</b>	<b>6,197,953</b>
<b>Six-month period ended 30 June 2022</b>				
<b>Balance as at 1 January 2022</b>	1,097,504	2,773,159	-	3,870,663
Profit for the year	-	1,257,277	-	1,257,277
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>			43,269	43,269
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the company:</b>				
<b>Dividends paid</b>	<b>-</b>	<b>(1,044,690)</b>	<b>-</b>	<b>(1,044,690)</b>
<b>Closing balance as at 30 June 2022</b>	<b>1,097,504</b>	<b>2,985,746</b>	<b>43,269</b>	<b>4,126,519</b>

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Summary statements of cash flow

	Group For the six-month period ended 30 June 2023 GHS 000	Company For the six-month period ended 30 June 2023 GHS 000	Group For the six-month period ended 30 June 2022 GHS 000	Company For the six-month period ended 30 June 2022 GHS 000
<b>Net cash generated from operating activities</b>	<b>2,150,796</b>	<b>1,993,431</b>	1,499,932	1,287,701
Cash generated from operations	<b>3,082,994</b>	<b>2,391,791</b>	2,736,685	2,185,689
Interest received	<b>106,054</b>	<b>407,082</b>	76,729	347,855
Interest paid	<b>(59,838)</b>	<b>(59,838)</b>	(107,516)	(107,515)
Dividend paid	<b>(398,635)</b>	<b>(398,635)</b>	(1,044,690)	(1,044,690)
Growth and sustainability levy	<b>(104,347)</b>	<b>(54,834)</b>	(28,623)	(17,361)
Income tax paid	<b>(475,432)</b>	<b>(292,136)</b>	(132,653)	(76,274)
<b>Net cash used in investing activities</b>	<b>(1,619,767)</b>	<b>(1,581,471)</b>	(1,052,672)	(990,754)
Acquisition of property, plant and equipment	<b>(989,355)</b>	<b>(989,355)</b>	(969,268)	(969,268)
Acquisition of intangible assets	<b>(537,912)</b>	<b>(537,912)</b>	(21,397)	(21,397)
Investment in securities	-	-	(20,000)	-
Movement in current investments	<b>(38,296)</b>	-	(41,917)	-
Acquisition of additional IRU capacity	<b>(54,204)</b>	<b>(54,204)</b>	(89)	(89)
<b>Net cash used in financing activities</b>	<b>(488,574)</b>	<b>(488,574)</b>	(276,692)	(276,692)
Finance lease payment	<b>(428,820)</b>	(428,820)	-	-
Repayments on borrowings	<b>(75,001)</b>	<b>(75,001)</b>	(57,500)	(57,500)
IRU liabilities	<b>15,247</b>	<b>15,247</b>	(219,139)	(219,139)
Deferred income	-	-	(53)	(53)
<b>Net increase in cash and cash equivalents</b>	<b>42,455</b>	<b>(76,614)</b>	170,568	20,255
Cash and cash equivalents at the beginning of the year	<b>1,586,207</b>	<b>1,176,104</b>	995,421	621,715
Exchange gain/(loss) on cash and cash equivalents	<b>3,205</b>	<b>3,238</b>	-	-
<b>Cash and cash equivalents as at end of the period</b>	<b>1,631,867</b>	<b>1,102,728</b>	1,165,989	641,970

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Notes

#### 1. General information

Scancom PLC 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, enterprise solutions, the provision of mobile financial services, the development of strategic partnerships to provide advanced services and the provision of consultancy services in the mobile banking space.

The consolidated financial statements are for the Group consisting of the Company, Scancom PLC and its subsidiary, MobileMoney Limited. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

#### 2. Basis of preparation

The condensed consolidated and separate financial information has been prepared in accordance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34 Interim Financial Reporting), as issued by the International Accounting Standard Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRSIC) of IASB that are effective as at 30 June 2023, and the requirements of the Companies Act, 2019 (Act 992). The condensed consolidated and separate financial information has been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income.

#### **Functional and presentation currency**

Items included in this condensed consolidated and separate financial information are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial information is presented in Ghana cedis, which is the functional and presentation currency of the Group.

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Notes (continued)

#### 3. 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
<b>2023 Revenue</b>	4,329,165	228,297	1,526,627	21,516	72,323	<b>6,177,928</b>
<b>2022 Revenue</b>	3,358,135	140,023	1,083,319	13,773	71,289	<b>4,666,539</b>
<b>%YoY</b>	28.9%	63.0%	40.9%	56.2%	1.5%	<b>32.4%</b>
<b>2023 EBITDA margin</b>						<b>56.1%</b>
<b>2022 EBITDA margin</b>						<b>57.4%</b>
<b>2023 Capex spend</b>						<b>2,231,479</b>
<b>2022 Capex spend</b>						<b>1,130,623</b>
<b>%YoY</b>						<b>97.4%</b>
<b>2023 profit after tax</b>						<b>1,711,083</b>
<b>2022 profit after tax</b>						<b>1,337,586</b>

#### 4. Property, plant and equipment & intangible asset

Property, plant and equipment and intangibles are measured at historical cost less accumulated depreciation and accumulated impairment losses. Costs associated with maintaining computer software programs are recognized 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 recognized as intangible assets. During the period, PPE amounting to GHS989.4 million was acquired and capitalized, while an intangible asset amounting to GHS537.9 million was acquired and capitalized. The Group recognizes right-of-use assets and lease liabilities at the lease commencement date for most leases in line with IFRS 16, and during the period a total amount of GHS704.2 million was capitalized.

##### Breakdown of capex (GHS 000)

Details	Cash movement	Non-cash / credit	Item total
<b>Property, plant and equipment</b>	989,355	-	<b>989,355</b>
<b>Intangible assets (Incl. Spectrum)</b>	537,912	-	<b>537,912</b>
<b>Right-of-use assets</b>	-	704,212	<b>704,212</b>
<b>Total capex</b>	<b>1,527,267</b>	<b>704,212</b>	<b>2,231,479</b>

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Notes (continued)

#### 5. 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 recognized because an outflow of resources is not probable, or a reliable estimate cannot be made. The Group does not recognize 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.

#### 6. Determination of fair value

The Group considers 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 recognized 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).

#### 7. Significant transactions (IAS 34 disclosures)

##### a. Scrip dividend

Scancom PLC announced a scrip dividend option for the 2022 final dividend subject to approval by shareholders at the Annual General Meeting (AGM) held on 30 May 2023. Following the approval of the Scrip dividend as an alternative to the Cash dividend for the 2022 final dividend at the AGM, Scancom PLC received applications and successfully issued 945,700,690 new ordinary shares at a reference price of GHS1.19. The additional issued shares were listed on the Ghana Stock Exchange (GSE) on 26 June 2023 resulting in an increase in Scancom PLC's issued shares from 12,290,474,360 to 13,236,175,050.

##### b. Earnings per share restatement

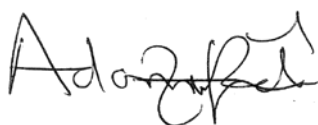
The Scrip dividend issued on 26 June 2023 resulted in a restatement of Earnings per share (EPS) from GHS0.139 to GHS0.129 due to Scrip dividend capitalization to stated capital (2022:from GHS0.109 to GHS0.101).

##### c. Spectrum license purchase

During the period, Scancom PLC purchased Broadband Home and Blu Telecom spectrum licenses on the 2600 MHz band for a total amount of GHS472,305,000.

## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

The condensed consolidated financial information for the six-month ended 30 June 2023 on pages 7 to 14 was approved by the Board of Directors on 28 July 2023 and was signed on its behalf by:



**Selorm Adadevoh**  
Chief executive officer



**Antoinette Kwofie**  
Chief finance officer

### Contact

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**Jeremiah Opoku**

Investor Relations

Scancom PLC (MTN Ghana)

**Telephone:** +233 244 300 000

**Email:** [Jeremiah.Opoku@mtn.com](mailto:Jeremiah.Opoku@mtn.com)

**Pala Asiedu Ofori**

Company Secretary

Scancom PLC (MTN Ghana)

**Telephone:** +233 244 300 000

**Email:** [Pala.AsieduOfori@mtn.com](mailto:Pala.AsieduOfori@mtn.com)

Please visit <https://www.mtn.com.gh/investors/financial-reports> to download our financials and other investor information.



## MTN Ghana condensed consolidated financial information for the six-month period ended 30 June 2023

### Annexure

#### 1. Quarterly financial highlights

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000
<b>Total revenue</b>	3,274,860	2,903,068	2,805,198	2,444,372	2,310,558	2,355,982
<b>Service revenue</b>	3,263,110	2,893,302	2,789,885	2,437,478	2,303,644	2,349,123
<b>Voice</b>	905,771	886,982	903,899	792,573	788,000	785,384
<b>Data</b>	1,419,580	1,136,132	1,072,256	985,686	941,069	871,975
<b>MoMo</b>	695,043	642,685	579,027	457,466	384,063	514,911

#### 2. Quarterly non-financial highlights (Net additions)

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
<b>Subscribers<sup>1</sup></b>	(457,208)	(1,155,939)	104,249	739,937	677,818	1,731,347
<b>Active data subs<sup>2</sup></b>	1,002,698	430,912	(637,846)	970,229	317,903	386,216
<b>Active MoMo subs<sup>2</sup></b>	2,513,475	740,199	308,073	668,348	126,930	547,767

<sup>1</sup> RCS 90 subscribers.

<sup>2</sup> RCS 30 subscribers.



**Scancom PLC (MTN Ghana)**

MTN House, Independence Avenue, Accra  
P.O.Box TF 281, Trade Fair, La, Accra, Ghana  
Tel: +233 (0) 24 430 0000  
Fax: +233 (0) 233 1974

[mtn.com.gh](http://mtn.com.gh)