



Scancom PLC (MTN Ghana)

**MTN Ghana condensed consolidated financial information
for the year ended 31 December 2023**



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

Salient features (YoY)

- **Subscribers**
 - Mobile subscribers* reached 26.8 million as a result of the national SIM re-registration exercise, representing a 6.3% YoY decline.
 - Active data subscribers# increased by 14.0% to 15.4 million.
 - Active Mobile Money (MoMo) users increased by 20.1% to 15.2 million.
- Service revenue grew by 34.6% to GHS13.3 billion.
- Earnings before interest, tax, depreciation, and amortization (EBITDA) increased by 40.2% to GHS7.8 billion.
- EBITDA margin increased by 2.3 percentage points (pp) to 58.4%.
- Total capex of GHS4.1 billion^ (IAS 17 capex: GHS3.3 billion).
- Paid GHS5.9 billion in direct and indirect taxes (2022: GHS3.7 billion).
- **Outlook:** The macroeconomic environment in Ghana is expected to remain challenging, although we are encouraged by the moderating trend in inflation rate. MTN Ghana will continue to invest in the development of its platforms as well as improve its network and services to unlock value for stakeholders, in line with our **Ambition 2025** strategy. We remain focused on driving further expense efficiencies, preserving liquidity and strengthening our balance sheet. MTN Ghana maintains its medium-term guidance of high-twenties (in percentage terms) growth in service revenue.

Snapshot of key financial items (YoY change)

	31 December 2023	31 December 2022	
	GHS 000	GHS 000	Change
Total revenue	13,349,471	9,916,109	34.6%
Service revenue	13,295,506	9,880,130	34.6%
EBITDA	7,800,469	5,563,655	40.2%
EBITDA margin	58.4%	56.1%	2.3pp
Profit before tax	5,589,707	4,096,520	36.5%
Profit after tax	3,982,250	2,855,801	39.4%
Total capex	4,081,694	2,144,354	90.3%
Ex-lease capex	3,285,490	1,971,668	66.6%

* Aligned with the MTN Group definition, subscribers are SIMs which generate or participate in an event that generates revenue for the company.

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 GHS2.4 billion, intangibles of GHS924.1 million (Network license, Software, etc.) and right of use (RoU) assets of GHS796.2 million for the period.

MTN Ghana CEO, Selorm Adadevoh's comments:

Ghana macroeconomic context – navigating a challenging operating environment

The Ghanaian economy faced several challenges in 2023, including the high rate of inflation, with an average monthly rate of 40.3% in 2023 (2022: 31.5%). More encouragingly, inflation did trend lower throughout the year, closing with a rate in December 2023 of 23.2%; compared to 54.1% in December 2022. Higher utility costs along with the depreciation of the Ghana cedi against the US dollar also contributed to the challenges faced.

In 2023, the Ghana cedi depreciated by 38.5% against the US dollar, which had an impact on some of our operating and capital expenditure. However, the average rate of depreciation of the Ghana cedi in the year was slower compared to the 42.8% depreciation recorded in 2022. This was aided by the debt moratorium from the Domestic Debt Exchange Program and the International Monetary Fund's (IMF) balance of payment support to Ghana.

Notwithstanding the challenging operating environment, MTN Ghana remained steadfast in executing its Ambition 2025 priorities with a focus on growth, cost efficiencies and creating shared value for stakeholders. MTN Ghana delivered service revenue growth of 34.6% YoY, supported by its continued core capital expenditure (ex-leases) of GHS3.3 billion in the year and successful execution of well-crafted commercial strategies.

Creating shared value – impacting lives through social and economic initiatives

As part of MTN's vision to create a better future for all Ghanaians, the MTN Ghana Foundation invested GHS30.3 million in 2023 towards improving healthcare, education, and supporting economic growth.

We are on track to complete 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 are at the final stage of equipping these projects as we prepare to handover to the respective authorities for use. We also awarded 120 new scholarships, bringing the total number of students benefiting from the MTN scholarship programme at various educational institutions to 566.

During the year, MTN Ghana in collaboration with Government, launched the "Ghana Innovation Hub" project which is aligned to our Ambition 2025 strategic objective of leading the delivery of digital solutions for Ghana's progress. The ICT Hub project along with the "Accra Innovation City" and "The Ghana Education Platform" projects are spearheaded by MTN Ghana in partnership with the Government and other partners. So far, MTN Ghana has made a commitment of US\$25 million towards the ICT Hub project. These initiatives aim to accelerate Ghana's ICT ecosystem, develop human capital and ICT skills, and create job opportunities for the youth.

MTN Ghana remained a development partner to the Government through our contribution to the fiscal and socio-economic development of the country. In 2023, the Company paid GHS5.9 billion in direct and indirect taxes and GHS0.4 billion in fees, levies, and other payments to Governmental agencies. Combined, this represented 47.1% of MTN's total revenue for the 2023 financial year.

Our commitment to socioeconomic development continues to be a priority and we look forward to continuing to play our part in Ghana's sustainable development.

Environmental, Social and Governance (ESG) update – aiming for net zero carbon emissions and diversity inclusion

MTN Ghana has made progress in its **Ambition 2025** Environmental, Social and Governance (ESG) targets. Under Project Zero, a programme aimed at achieving net-zero carbon emissions by 2040, we have achieved a 10% reduction in our carbon emissions in 2023 through the deployment of solar

solutions at two of our data centers. Additionally, we have modernized the data center cooling at 40 cell sites and implemented an energy management tool at 125 sites.

Our diversity and inclusion program is making steady progress. The aim is to increase the representation of women in the workforce to 50% by 2030. By implementing targeted programs in 2023, we were able to achieve 41.64% representation of women. We are also putting deliberate efforts to target the differently-abled in our recruitment and social interventions.

National roaming update – driving industry sustainability

National roaming is key to achieving universal access and speeding up Ghana's digitalisation process. MTN Ghana is dedicated to advancing national roaming partnerships with AT (formerly AirtelTigo) and Telecel (formerly Vodafone). Currently, MTN Ghana has reached a long-term agreement with AT which kicked off from 24 January 2024 and is at the final stage of discussions with Telecel.

We remain committed to advancing digitalisation and promoting socio-economic development, and we look forward to continuing our efforts towards Ghana's sustainable development.

Operational and financial review

MTN Ghana delivered service revenue growth of 34.6% YoY, driven by voice, data, and Mobile Money. The positive performance can be attributed to well-executed commercial strategies and our focused investment in maintaining high network quality, coverage and delivering quality service to our customers, as well as progress in our pricing initiatives across the business.

Although the national SIM re-registration exercise impacted subscriber growth leading to a 6.3% YoY decrease in our subscriber base, our unwavering commitment to providing high-quality services to attract new customers and retain existing ones partially mitigated the potential impact of the re-registration exercise.

To sustain our market-leading customer experience, we invested a total of GHS3.3 billion in core capital expenditure to modernize our infrastructure, enhance our IT systems and expand our network capacity and coverage across the country. As part of these efforts, we deployed 350 2G, 353 3G, and 350 4G sites, supporting a 99.3% 4G population coverage.

Voice revenue recorded a 9.0% YoY growth to GHS3.6 billion supported by our customer value management initiatives, which offers bundles and packages that meet the diverse needs of our customers. Our commitment to improving our network coverage and the quality of service, along with pricing initiatives, have been instrumental in the growth of voice. The contribution of voice to total service revenue declined from 33.1% to 26.8%, as customer behaviour evolves in line with global trends.

Data revenue grew by 50.9% YoY to GHS5.8 billion, driven by a 19.3% YoY increase in MB consumed per active user per month and implementation of data pricing initiatives. The growth in demand was supported by various commercial interventions coupled with investments in network infrastructure to offer high-speed data services to homes and mobile subscribers. Our focus on developing relevant and well-positioned data packages also contributed to the growth in data revenue. The data revenue contribution to total service revenue increased from 39.2% to 43.9% YoY.

Mobile Money revenue growth recovered, with a strong YoY increase of 48.8% to GHS2.9 billion, as we continue to provide convenient and secure financial services to our active users (up 20.1% YoY). Our partnerships with various financial institutions, agents, and merchants have enabled us to expand the mobile money ecosystem, making it easier for our customers to transfer money to others, make payments through merchants, save, and access micro-loans, micro-insurance, and international remittance services. This helped increase the contribution of advanced services to Mobile Money revenue by 3.0pp to 24.8% over the previous year's contribution of 21.8%. The overall contribution of

Mobile Money revenue to total service revenue increased from 19.6% to 21.7% YoY.

The decline in **digital** revenue slowed, with a decrease of 4.7% YoY to GHS137.4 million. H2 2023 digital revenue grew sequentially by 16.0% over H1 2023, supporting our optimism for a revenue growth continuation in 2024. This reflected our efforts to enhance customer experience, as well as to rationalise our digital product portfolio. We also recorded an increase of 28.6% YoY in the number of active digital subscribers, reaching a total of 4.6 million. Our primary focus is on improving the myMTN application and expanding the music and game offerings on ayoba. The contribution of digital to total service revenue decreased from 1.5% to 1.0% YoY.

We sustained the drive for operational efficiency through our expense efficiency programme and continued our spending discipline amid elevated inflation and macroeconomic headwinds which resulted in savings of GHS59.9 million. Due to this and other recorded gains from the TMTA agreement getting renewed in December 2023 after expiry in April 2023, we managed to contain the increase in total costs to 27.5% YoY, which was significantly lower than the average monthly inflation rate of 40.2% for the year. This supported growth in **EBITDA** of 40.2% YoY, with a corresponding EBITDA margin increase of 2.3pp to 58.4%.

Net finance cost increased by 81.1% YoY to GHS486.2 million due to a relatively higher finance cost compared to finance income. Finance cost increased by 63.3% YoY primarily due to currency depreciation, which resulted in unrealised losses on dollar-denominated capex, and high levels of inflation and interest rates on lease costs. The finance cost was partially offset by a 40.2% YoY increase in finance income, primarily from gains on surplus cash invested in call and fixed-term deposits. Depreciation and amortization increased by 43.9% YoY to GHS1.7 billion. Consequently, profit after tax increased by 39.4% YoY to GHS4.0 billion.

During the period, we maintained a healthy balance sheet. We ensured that we remained compliant with all debt covenants that were agreed upon with our syndicated lending partners for the 2020 5-year additional facility agreement. By the end of 2023, the outstanding principal debt balance in our books was GHS225 million.

Regulatory updates

Technology and Management Transfer Agreement (TMTA) renewal

The Technology and Management Transfer Agreement (TMTA) between MTN Ghana and MTN Group where MTN Ghana pays for technical services and licenses provided by MTN Group expired in April 2023.

The Ghana Investment Promotion Centre (GIPC) renewed the TMTA in December 2023. This meant that no fee was charged from May to November 2023 resulting in an upside to our EBITDA and margins thereon.

The Agreement which takes effect from December 2023 will be due for renewal in December 2028.

Completion of the national SIM re-registration exercise

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. The exercise which began in October 2021 was completed at the end of May 2023.

In compliance with directives from the NCA, MTN Ghana blocked 5.4 million SIMs that were not registered with the Ghana card as at 31 May 2023.

Since then, 0.6 million SIMs of the blocked cohort have been re-registered, bringing the total number of outstanding disconnected SIMs to 4.8 million as at the end of December 2023. As a result, our subscriber base decreased by 6.3% to 26.8 million.

MTN Ghana is committed to continuing to support all customers who require re-registration in order

to complete the process seamlessly.

Update on localisation of Scancom PLC and MobileMoney Limited

MTN Ghana has made significant progress in localising Scancom PLC and MobileMoney Limited. At the end of December 2022, localisation recorded was 23.7%. Although the company achieved 25.0% localisation for Scancom PLC in March 2023, this trend reversed in June 2023 due to the issuance of scrip dividends, resulting in a 1.8pp decrease to 23.2%.

As at December 2023, MTN Ghana had achieved an additional 1.9pp increase in the localisation of Scancom PLC, bringing it up to 25.1%.

The company is committed to further localize Scancom PLC and MobileMoney Limited, and we will continue to work closely with regulators and relevant stakeholders to ensure that we meet the agreed targets within specified timelines.

Leadership transition: A new dawn for MTN Ghana

After over 5 and a half years of dedicated service to MTN Ghana, Selorm Adadevoh, the current MTN Ghana CEO, will be commencing a new role as the MTN Group, Chief Commercial Officer effective 1 April 2024. To replace Selorm, Stephen Blewett, an experienced CEO with a long history within MTN, will be taking the reins as the new MTN Ghana CEO effective 1 April 2024..

On behalf of the Board of Directors of Scancom PLC, we say a big thank you to Selorm for the remarkable work and transformation he has brought to MTN Ghana during his time with us and we wish him the best as he takes on a new challenge within the MTN Group. We welcome Stephen to the new role and we look forward to him continuing the success MTN Ghana has experienced in the past. We are excited to have someone of his calibre join the MTN Ghana team.

Outlook

The macroeconomic outlook for Ghana in 2024 is expected to remain challenging due to inflation and currency risks, which could potentially affect economic growth and living costs for Ghanaians in the short term. The Government has announced plans to tackle the economic challenges through the implementation of fiscal and monetary policies, including receiving funds from the IMF.

Despite the challenging economic outlook, we remain fully committed to executing our Ambition 2025 strategy. Our unwavering focus is to create value for all stakeholders and drive growth by investing efficiently in infrastructure and improving the quality of connectivity and related services for our customers.

MTN Ghana is committed to improving its platforms, which are the myMTN, ayoba and MoMo app. Our primary objective is to take full advantage of the strong demand for data and its rapid adoption in both urban and rural areas, drive the acceleration of smartphone adoption and usage, and address the immense need for high-speed internet in the home broadband market.

The Ghanaian community is at the heart of everything we do. To support the communities in which we operate, the MTN Ghana Foundation will continue to extend various sustainability projects and initiatives to these communities. These efforts will focus on improving healthcare services and developing digital skills among the youth. Our goal is to enhance the lives of Ghanaians across the nation and improve the communities we operate in.

MTN Ghana is on a journey to achieving operational excellence, which is a key pillar for protecting margins and sustaining bottom-line growth in the medium to long term. However, we are conscious of the macroeconomic and other headwinds that are currently affecting the business environment and our operations. After careful evaluation of these factors, we maintain MTN Ghana's medium-term guidance on service revenue growth at high twenties (in percentage terms).

Declaration of final ordinary dividend

Notice is hereby given that a gross final dividend of GHS0.175 per share for the period to 31 December 2023 has been recommended by the Board and subject to approval by shareholders. 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 13,236,175,050.

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:

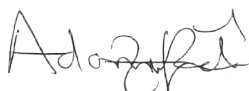
Ex-dividend date	Tuesday, 26 March 2024
Qualifying date	Thursday, 28 March 2024
Dividend payment date	Friday, 12 April 2024

All shareholders registered in the books of Scancom PLC at close of business on Thursday, 28 March 2024 qualify for the final dividend.


In view of the foregoing, the ex-dividend date has been set as Tuesday, 26 March 2024. 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 Tuesday, 26 March 2024 will not be entitled to the final dividend.

On Friday, 12 April 2024 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 2024 and signed on its behalf by:



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer

Report of the directors

The directors have the pleasure of submitting their report together with the audited condensed consolidated and separate financial statements of Scancom PLC (“the Company”) and its subsidiary, MobileMoney Limited (together “the Group”) for the year ended 31 December 2023.

The condensed consolidated and separate financial statements have been extracted from the full set of annual financial statements and show the consolidated and separate statements of financial position, consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows and selected notes that the directors determine are necessary to provide useful information to the shareholders in summary.

Statement of directors' responsibilities

The directors are responsible for the preparation and fair presentation of the condensed consolidated and separate financial statements, and for such internal controls as the directors determine as necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed consolidated and separate 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 2024, 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.

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 service industry; and
- provide consultancy and support services in the area of mobile banking, payment services and fintech.

Dividend

During the year, the Board declared an interim dividend of GHS0.05 per share, which was paid on 8 September 2023. Based on the full year performance of the company, the Board has recommended a final dividend of GHS0.175 per share, bringing the total dividend for 2023 to GHS0.225 per share. The total dividend payout represents 74.8% of profit after tax in line with our policy, and a 37.2% increase in total dividend per share when compared to the prior year.

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 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.

Stated capital

There was a change in the authorised shares of Scancom PLC during the year under review. A total of 13.24 billion (2022:12.29 billion) ordinary shares of no-par value have been issued as at 31 December 2023. Scancom PLC announced a scrip dividend option for the 2022 final dividend which was subject to approval by shareholders at the Annual General Meeting (AGM) held on the 30 May 2023. Following approval of the scrip dividend as an alternative to 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 GHS 1.19. 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 during the year under review.

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.

Donations and charity

- The Group performs its corporate social responsibility via the MTN Foundation. MTN Foundation is established as a Non-Profit organization with its own Board of Directors. MTN Foundation is fully owned by the Group. MTN's global policy is to set aside 1% of its profit after tax to fund the Foundation's activities. MTN Foundation is involved in three main project areas which include education, health and economic empowerment.
- Since its inception, the Foundation has invested over GHS123.5 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 scholarship to over 1,600 needy and brilliant students in Ghana. During the year, an amount of GHS39.8 million (2022: GHS28.3 million) was charged to the Statement of Comprehensive Income. There are no related party transactions between the Group and MTN Foundation.

Auditor's remuneration

Audit fee for the Group for the year ended 31 December 2023 was GHS 7,960,103.

Capacity building of directors

In 2023, 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 ESG goals 2030 and its impact on business and economies, Telco Trends and what the next 5 years could look like, growing a Fintech business, the metaverse & cryptocurrency and the fundamentals of building a platform business. 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 annual report and financial statements

The annual report and financial statements of the Company and Group were approved by the Board of Directors on 27 February 2024 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read "Adadevoh".

Selorm Adadevoh
Chief executive officer

A handwritten signature in black ink, appearing to read "Antoinette Kwofie".

Antoinette Kwofie
Chief finance officer



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REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SCANCOM PLC

Opinion

The summary consolidated and separate financial statements, which comprise consolidated and separate statement of financial position as at 31 December 2023, consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate cash flow statements for the year then ended, and related notes, are derived from the audited financial statements of Scancom Plc for the year ended 31 December 2023.

In our opinion, the accompanying summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis of preparation described in the notes.

Summary financial statements

The summary consolidated and separate financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Companies Act, 2019 (Act 992). Reading the summary financial statements and the Auditor's report thereon, therefore is not a substitute for reading the audited financial statements and the Auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 February 2024. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

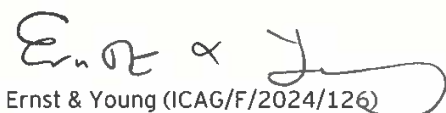
Management's responsibility for the summary financial statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis of preparation described in the notes.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

The Engagement Partner on the audit resulting in this independent Auditors' report is Pamela Des Bordes (ICAG/P/1329).



Ernst & Young (ICAG/F/2024/126)
Chartered Accountants
Accra, Ghana

Date: 28.02.2024

Consolidated and separate statements of comprehensive income

	Group	Company	Group	Company
	For the year ended 31 December 2023	For the year ended 31 December 2023	For the year ended 31 December 2022	For the year ended 31 December 2022
	GHS 000	GHS 000	GHS 000	GHS 000
Revenue from contracts with customers	13,349,471	10,592,399	9,916,109	8,067,322
Other revenue	1,464	133,004	775	74,927
Direct network operating costs	(1,367,759)	(1,367,759)	(856,288)	(856,288)
Government and regulatory costs	(256,835)	(256,835)	(211,088)	(211,088)
Cost of handsets and other accessories	(63,100)	(63,100)	(66,775)	(66,775)
Interconnect and roaming costs	(592,716)	(592,716)	(415,581)	(415,581)
Employee benefits expense	(541,009)	(511,531)	(413,399)	(398,610)
Selling, distribution and marketing ex-penses	(1,913,660)	(1,021,240)	(1,449,440)	(783,130)
Other operating expenses	(815,387)	(677,062)	(940,658)	(873,637)
Earnings Before Interest, Tax				
Depreciation and Amortization	7,800,469	6,235,160	5,563,655	4,537,140
Depreciation	(1,389,990)	(1,388,064)	(1,027,919)	(1,024,917)
Amortization	(334,608)	(265,166)	(170,760)	(170,766)
Operating profit	6,075,871	4,581,930	4,364,976	3,341,457
Finance income	288,748	926,292	205,962	719,297
Finance costs	(774,912)	(649,784)	(474,418)	(478,731)
Profit before income tax	5,589,707	4,858,438	4,096,520	3,582,023
Income tax expense	(1,327,972)	(954,911)	(1,034,116)	(746,743)
Growth and sustainability levy	(279,485)	(204,922)	(206,603)	(149,152)
Profit after income tax	3,982,250	3,698,605	2,855,801	2,686,128
Other comprehensive income	-	-	-	-
Total comprehensive income	3,982,250	3,698,605	2,855,801	2,686,128
Attributable to:				
Equity holders of the company	3,982,250	3,698,605	2,855,801	2,686,128
Re stated/New Basic				
Earnings per share	GHS0.301	GHS0.280	GHS0.232	GHS0.219

Consolidated and separate statements of financial position

	Group	Company	Group	Company
	As at 31 December 2023	As at 31 December 2023	As at 31 December 2022	As at 31 December 2022
	GHS 000	GHS 000	GHS 000	GHS 000
Non-current assets	9,548,436	9,193,753	7,141,763	7,126,169
Property, plant and equipment	6,432,554	6,428,601	4,981,038	4,975,481
Right-of-Use assets	1,484,549	1,484,549	1,196,562	1,196,562
Intangible assets	1,369,559	1,091,790	784,079	784,076
Investment in subsidiary	-	20,050	-	20,050
Investments	20,000	-	20,000	-
IRU assets	123,417	123,417	123,399	123,399
Deferred tax assets	73,011	-	10,084	-
Contract asset	-	-	1,633	1,633
Capitalized contract cost	45,346	45,346	24,968	24,968
Current assets	21,410,005	3,897,709	14,922,112	2,534,377
Inventory	80,998	80,998	13,749	13,749
Trade and other receivables	1,020,917	883,649	773,372	696,381
Other assets	87,769	86,618	149,247	147,871
Other financial assets at amortized cost	382,007	381,303	344,874	344,868
Income tax assets	189,533	167,965	149,920	103,801
Growth and sustainability levy assets	14,138	7,789	27,071	25,608
IRU assets	29,129	29,129	25,995	25,995
Investments in securities	278,285	-	188,571	-
Mobile Money float*	16,381,096	-	11,663,106	-
Cash and cash equivalents	2,946,133	2,260,258	1,586,207	1,176,104
Total assets	30,958,441	13,091,462	22,063,875	9,660,544
Total equity	8,619,074	7,693,173	5,709,700	5,067,444
Stated capital	2,222,888	2,222,888	1,097,504	1,097,504
Retain earnings	6,083,422	5,435,807	4,396,714	3,943,030
Other reserves	312,764	34,478	215,482	26,910
Non-current liabilities	2,703,498	2,452,002	2,147,476	2,144,527
Borrowings	73,422	73,422	222,318	222,318
Deferred tax liabilities	575,714	575,714	538,113	538,113
Lease liabilities	1,711,375	1,711,375	1,316,020	1,316,020
IRU liability	26,071	26,071	26,829	26,829
Non-current share-based payment liability	60,959	55,996	33,539	30,590
Provisions	9,990	9,424	10,657	10,657
Other non-current liabilities	245,967	-	-	-
Current liabilities	19,635,869	2,946,287	14,206,699	2,448,573
Trade and other payables	1,879,444	1,890,427	1,766,990	1,712,092
Obligations to electronic money holders*	16,381,096	-	11,663,106	-
Contract liabilities	347,476	347,476	217,090	217,090
Provisions	246,416	98,264	107,058	66,936
Lease liabilities	448,109	448,109	284,278	284,278
IRU liability	3,795	3,795	3,431	3,431
Borrowings	158,216	158,216	164,746	164,746
Other liabilities	171,317	-	-	-
Total liabilities	22,339,367	5,398,289	16,354,175	4,593,100
Total equity and liabilities	30,958,441	13,091,462	22,063,875	9,660,544

* Obligations to electronic money holders (Mobile Money float) is made up of GHS7.5 billion Bank-Owned Funds and GHS8.9 billion of funds in Customer wallets.

The condensed consolidated financial information for the year ended 31 December 2023 was approved by the Board of Directors on 27 February 2024 and signed on its behalf by:



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer

Consolidated statements of changes in equity - Group

	Stated Capital	Retained earnings	Mobile Money contingency fund	Other reserves	Total Equity
	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000
Year ended 31 December 2023					
Opening balance as at 1 January 2023	1,097,504	4,396,714	215,482	-	5,709,700
Profit for the year	-	3,982,250			3,982,250
Other comprehensive income	-				
Equity movement	1,125,384	-	7,568	-	1,132,952
Other Equity movement	-		89,714	-	89,714
Total comprehensive income	-	-	-	-	-
Transfer between reserves	-	(109,714)	-	-	(109,714)
Transactions with owners of the company:					
Dividends paid	-	(2,185,828)	-	-	(2,185,828)
Closing balance as at 31 December 2023	2,222,888	6,083,422	312,764	-	8,619,074
Year ended 31 December 2022					
Balance as at 1 January 2022	1,097,504	3,183,254	82,540		4,363,298
Profit for the year	-	2,855,801			2,855,801
Other comprehensive income		-	26,910		26,910
Equity movement					
Transfer between reserves	-	(106,032)	106,032	-	-
Transactions with owners of the company:					
Dividends paid		(1,536,309)			(1,536,309)
Closing balance as at 31 December 2022	1,097,504	4,396,714	215,482	-	5,709,700

Consolidated statements of changes in equity - Company

	Stated Capital	Retained earnings	Other Reserves	Total Equity
Year ended 31 December 2023	GHS 000	GHS 000	GHS 000	GHS 000
Balance as at 1 January, 2023	1,097,504	3,943,030	26,910	5,067,444
Profit for the year		3,698,605		3,698,605
Other comprehensive income				
Equity movement	1,125,384		7,568	1,132,952
Other Equity		(20,000)		(20,000)
Transfer between reserves				
Transactions with owners of the company:				
Dividend paid		(2,185,828)		(2,185,828)
Closing balance as at 31 December 2023	2,222,888	5,435,807	34,478	7,693,173
Year ended 31 December 2022				
Balance as at 1 January 2022	1,097,504	2,773,211	-	3,870,715
Profit for the year	-	2,686,128		2,686,128
Other comprehensive income	-	-		-
Equity movement			26,910	26,910
Other Equity	-	20,000		20,000
Transfer between reserves				
Transactions with owners of the company:				
Dividends paid		(1,536,309)		(1,536,309)
Closing balance as at 31 December 2022	1,097,504	3,943,030	26,910	5,067,444

Consolidated and separate statement of cashflow

	Group For the year ended 31 December 2023 GHS 000	Company For the year ended 31 December 2023 GHS 000	Group For the year ended 31 December 2022 GHS 000	Company For the year ended 31 December 2022 GHS 000
Net cash generated from operating activities	5,203,135	4,891,221	3,471,515	3,334,043
Cash generated from operations	7,867,054	6,320,516	5,908,156	4,909,871
Interest received	237,330	166,292	156,170	99,171
Interest paid	(169,610)	(114,834)	(126,645)	(126,645)
Dividend paid	(1,072,177)	(1,072,177)	(1,536,309)	(1,536,309)
Dividend received	-	760,000	-	600,000
Growth and sustainability levy paid	(266,552)	(187,103)	(231,404)	(160,909)
Income tax paid	(1,392,910)	(981,473)	(698,453)	(451,136)
Net cash generated in investing activities	(3,018,513)	(2,980,217)	(2,145,747)	(2,039,821)
Acquisition of property, plant, and equipment	(2,361,192)	(2,361,192)	(1,724,994)	(1,723,255)
Acquisition of intangible assets	(576,867)	(576,867)	(246,674)	(246,674)
Investment in securities	(38,296)	-	(84,187)	-
Proceeds on disposal of PPE	1,830	1,830	-	-
Movement in current investments	-	-	(20,000)	-
Additional IRU capacity	(43,988)	(43,988)	(69,892)	(69,892)
Net cash used in financing activities	(845,717)	(845,717)	(769,943)	(769,943)
Finance lease payment	(688,942)	(688,942)	(579,947)	(579,947)
Repayments on borrowings	(150,003)	(150,003)	(189,996)	(189,996)
IRU liabilities	4,961	4,961	-	-
Payment of stamp duty for scrip dividend issue	(11,733)	(11,733)	-	-
Net increase in cash and cash equivalents	1,338,905	1,065,287	555,825	524,279
Cash and cash equivalents at the beginning of the year	1,586,207	1,176,104	995,422	621,715
Exchange gain/(loss) on cash and cash equivalents	21,021	18,867	34,960	30,110
Cash and cash equivalents as at end of the period	2,946,133	2,260,258	1,586,207	1,176,104

Notes to the condensed consolidated and separate financial statements

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 and separate 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 this condensed consolidated and separate financial statements as compared with the most recent annual financial statements.

2. Basis of preparation

This condensed consolidated and separate financial information has been extracted from the full set of audited general purpose financial statements prepared in accordance with International Financial Reporting Standards (IFRSs), including the IAS 29 Hyperinflation directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992).

IAS 29 Hyperinflationary assessment

In 2023, Ghana's cumulative 3-year inflation rate exceeded 100% which triggered the quantitative hyperinflation criteria in IAS 29. The Institute of Chartered Accountants Ghana (ICAG) performed this hyperinflation assessment using the various criteria in IAS 29 and concluded in its directive issued in January 2024 that IAS 29 will not be applicable for the December 2023 financial reporting period. This conclusion has been applied in the preparation of these financial statements.

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.

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.

Notes (continued)

All amounts in thousands of Ghana cedis	Network services	Interconnect and roaming	Digital and fintech	Mobile devices and accessories	Other	Total
2023 Revenue	9,870,692	158,212	3,125,883	61,115	133,569	13,349,471
2022 Revenue	6,996,495	359,672	2,289,868	35,979	234,095	9,916,109
%YoY	41.0%	(56.0) %	37.0%	70.0%	(43.0) %	34.6%
2023 EBITDA margin						58.4%
2022 EBITDA margin						56.1%
2023 Capex spend						4,081,696
2022 Capex spend						2,144,354
%YoY						90.3%
2023 profit after tax						3,982,250
2022 profit after tax						2,855,801
% YoY						39.4%

4. Property, plant and equipment and 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 GHS1.6 billion was acquired and capitalized, while an intangible asset amounting to GHS541.9 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 GHS675.0 million was capitalized.

Breakdown of capex (GHS 000)

Details	Cash movement	Non-cash / credit	Item total
Property, plant and equipment	2,361,412	-	2,361,412
Intangible assets (Incl. Spectrum)	576,867	347,211	924,078
Right-of-use assets	-	796,204	796,204
Total capex	2,938,279	1,143,415	4,081,694

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.

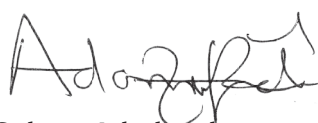
b. Earnings per share restatement

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.

The condensed consolidated and separate financial information for the year ended 31 December 2023 on pages 11 to 18 was approved by the Board of Directors on 27 February 2024 and was signed on its behalf by:



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer



Contact

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

Annexure

1. Quarterly financial highlights

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000
Total revenue	3,668,896	3,502,647	3,274,860	2,903,068	2,805,198	2,444,372	2,310,558	2,355,982
Service revenue	3,652,500	3,486,594	3,263,110	2,893,302	2,789,885	2,437,478	2,303,644	2,349,123
Voice	853,875	918,003	904,771	886,982	903,899	792,573	788,000	785,384
Data	1,708,449	1,575,384	1,419,580	1,136,132	1,072,256	985,686	941,069	871,975
MoMo	824,629	718,386	695,043	642,685	579,027	457,466	384,063	514,911

2. Quarterly non-financial highlights (Net additions)

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Subscribers¹	957,747	(1,461,375)	(145,455)	(1,155,939)	104,249	739,937	677,818	1,731,347
Active data subs²	874,753	344,455	239,403	430,912	(637,846)	970,229	317,903	386,216
Active MoMo subs²	842,068	169,364	796,855	740,199	308,073	668,348	126,930	547,767

¹ RCS 90 subscribers.

² RCS 30 subscribers.



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