

Confidential



**Scancom PLC**  
*(Registration number PL000322016)*

***Consolidated and Separate Financial Statements  
for the year ended 31 December 2023***

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### **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS:                      Name    Designation**

I. Yamson	Chairman
S. Adadevoh	CEO/ED
A. Kwofie	CFO/ED
F. Addo	INED
K. Dadzie	INED
R. Ebe-Arthur	INED
N. Botchway	INED
T. Molefe	NED
E. Asante	NED
S. Perumal	NED
F. Daniels	NED

**COMPANY SECRETARY:** P. Asiedu Ofori  
MTN House  
Plot OER 6  
Independence Avenue  
West Ridge, Accra

**SOLICITORS:** Kuenyehia & Nutsukpui  
Legal Practitioners & Notaries No. 35 Labone  
Crescent, Labone Accra

Law Trust Company  
Suit #1, 5th Floor Trust Towers  
Asylum Down, Accra

Totoe Legal Services  
Legal Practitioners & Notaries  
Plot 4 Block 2 Asokwa – Kumasi

ENS Africa Ghana  
5th Floor, Vivo Place  
Rangoon Lane  
Accra

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**AUDITORS:** Ernst and Young Chartered Accountants  
60 Rangoon Lane  
Cantonments City  
Accra  
Ghana

**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  
Republic Bank

**REGISTRARS:** Central Securities Depository (GH) Limited  
4th Floor Cedi House  
Liberia Road  
PMB CT 465, Cantonments  
Accra  
Ghana

**REGISTERED OFFICE:** MTN House  
Plot OER 6  
Independence Avenue  
West Ridge, Accra  
Ghana

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **REPORT OF THE DIRECTORS**

The directors have the pleasure of 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 2023.

#### **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) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana, and in the manner required by the Companies Act, 2019 (Act 992) and the Corporate Governance Code for Listed Companies 2020 (SEC/CD/001/10/2020), 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. The directors have selected suitable accounting policies and applied them consistently and 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 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.

#### **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 2023 are set out on page 13.

#### **4. Holding company**

Scancom PLC Ghana'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 GHS0.05 per share, which was paid on 15 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 GHS0.22 per share. The total dividend payout represents 74.8% of profit after tax in line with our dividend policy, and a 37.2% increase in dividend per share when compared to the prior year.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **REPORT OF THE DIRECTORS - CONTINUED**

#### **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 2023, 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:

	<b>31 December 2023</b>	<b>31 December 2022</b>
I. Yamson - Chairman *	667,300	667,300
E. Asante	8,000,100	8,000,100
S. Adadevoh - CEO/ED	133,500	133,500
F. Addo	666,680	666,680
K. Dadzie**	12,000	12,000
A. Kwofie	100,000	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' fees 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 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 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. Further details of the authorised and issued ordinary shares are disclosed in Note 2.25

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**REPORT OF THE DIRECTORS - CONTINUED**

**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 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 projects on three broad areas which are education, health and economic empowerment. The foundation has invested over GHS 123.5 million since inception 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 GHS 39.8 million (2022: GHS 28.5 million) was charged to the Statement of Comprehensive Income. There are no related party transactions between the Group and MTN Foundation. The foundation is not consolidated as subsidiary of the group.

**13. Auditor's remuneration**

Audit fee for the Group for the year ended 31 December 2023 was GHS 7,960,103. Auditors have expressed their willingness to continue to be in office per Section 139(5) of the Companies Act.

**14. 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.

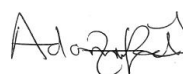
**Approval of the consolidated and separate financial statements**

The consolidated and separate financial statements of the Company and Group were approved by the board of directors on 27 February, 2024 and signed on their behalf by:



**Ishmael Yamson**  
Chairman

27 February, 2024



**Selorm Adadevoh**  
Chief Executive Officer

27 February, 2024

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Audit and Risk Committee Report**

#### **1. Membership of the Audit Committee (AC) of the Board**

	Designation	Date appointed
Felix Addo	Chairperson	01 March 2021
Kofi Dadzie	Member	01 March 2021
Fatima Daniels	Member	07 February 2016
Sugentharen Perumal	Member	01 June 2018

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

#### **2. Mandate**

The AC assists the Board of Directors in discharging its duties relating to the safeguarding of assets, operation of adequate governance, internal control systems and processes, as well as 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 Committee Activities in 2023**

The AC focused on discharging its responsibility of exercising oversight over governance 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 AC held quarterly meetings during the financial year under review on 20 February 2023, 20 April 2023, 21 July 2023, and 23 October 2023. At these meetings, the committee reviewed significant matters to satisfy itself and the Board of the adequacy and effectiveness of governance and internal control processes including:

- The Group and Company's performance and financial results.
- Stock exchange news service (SENS) releases review.
- Progressed activities to co-ordinate and oversee standardization of key controls across key processes.
- Evaluated and monitored on an ongoing basis, processes in place to improve the control environment.
- Reviewed significant financial and non-financial control issues and misstatements (actual or potential).
- Reviewed the internal financial controls in place for the purposes of the CEO and CFO attestation.
- Assessed the suitability of external auditors, internal audit, CFO and finance function.
- Reviewed the adequacy of Internal Audit and Forensic Services operations, processes and resourcing.
- Continued to assess the effectiveness of our combined assurance model.
- Ensured that appropriate financial reporting standards and procedures are in place and being applied.
- Discussion of changes in accounting and other reporting requirements and appropriateness of the organization's response to the changes.
- Evaluated operational, financial and control risks posed by the challenging macroeconomic environment and mitigation plans in place.
- Regularly reviewed significant tax, regulatory and legal matters and assessed the impact on the Group and its subsidiaries.
- Monitored the progress of management implementation of audit findings (raised by internal & external auditors).
- Reviewed the appropriateness of Management's acceptance of risks highlighted from internal and external audit work.
- Audit plan of the external auditors and audit findings report.
- Regular monitoring and assessment of major fraud cases and fraud risk alerts as well as the adequacy of fraud mitigation processes implemented by the Group and Company.



## **Scancom PLC**

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- Assessment of Information technology controls
- Remuneration and independence of the Group's external auditor.
- Considered and approved a refreshed decision-making framework that addresses the evolving needs of the business, taking into account MTN's growth ambitions.

### **4. Review of financial performance for the year ended 31 December 2023**

The committee at its meeting held on 23 February 2024 reviewed the separate and consolidated financial statements for the year ended 31 December 2023 of Scancom Plc. as presented by management and recommended them to the Board for approval.

### **5. Internal Audit & Forensic Services Functions**

The AC reviewed and approved the MTN Ghana Combined Assurance Plan for 2024 at its meeting on 23 February 2024 after satisfying itself that the risk-based plan covers significant risks of the Group and Company.

The committee was updated on the activities of Internal Audit & Forensic Services Divisions including the status of audits and findings from internal audits conducted.

### **6. External Audit**

Ernst & Young Ghana, the external auditor, at the AC meeting held on 21 July 2023 shared their audit plan which highlighted objectives of the audit, audit approach, responsibilities of the directors and the auditor, audit scope and reporting timetable for the year ended 31 December 2023.

Ernst & Young Ghana, at the 23 February 2024 AC meeting, presented the findings from their revenue assurance report, observations and matters arising from their audit of the financial statements for the year ended 31 December 2023 to the committee members.

The AC is satisfied that the external auditor is independent of the Company and Group. The AC also considered matters arising in the current year's management letter and ensured that they are being properly resolved.

### **7. Key focus areas for 2024**

The focus areas of the Audit committee for 2024 are:

- Continue to oversee and strengthen coordination of all lines of defense in the organization and extract the efficiencies of a combined assurance model.
- Overseeing the integrity of the accounting and financial reporting systems.
- Reviewing any investor releases relating to the Group and Company's financial performance and reviewing significant financial reporting judgements contained therein and reporting to the Board on these matters.
- Continue to facilitate a fair and balanced approach to corporate reporting.
- Reviewing and monitoring the performance of the external auditor and the effectiveness of the Internal Audit function.
- Commission and review internal Audit reports on major transactions.
- Continue to evaluate and improve the Group and Company's internal control systems including financial and information technology controls.
- Reviewing the impact of new IFRS standards.
- Reviewing the tax treatment of unusual transactions.
- Continued oversight over whistleblowing mechanisms, fraud investigations and remediation of related control breakdowns and deficiencies.
- Commission studies, reviews, audits and investigations as requested by the Director with responsibility for relations with minority shareholders.
- Review the annual reports and returns of the Group.
- Monitor progress on strategic initiatives and ensure the overall control environment is not compromised during the process of implementation.

**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 13 to 91, which comprise the consolidated and separate Statements of Financial Position as at 31 December 2023, and the consolidated and separate Statements of Comprehensive Income, the consolidated and separate statements 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 material accounting policy information.

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 2023, 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 including the IAS29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana 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
<p>Expected Credit Loss (ECL) assessments on Mobile Money Float</p> <p>As of 31 December 2023, the group held material balance on the Mobile Money Float balances (GHS16.4b) constituting 53% 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.</p> <p>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.</p> <p>Total ECL recognised on the float balance amounts GHS 15.4m as disclosed under note 2.23.</p>	<p>We obtained an understanding of the Group's accounting process for float balances as well as the impairment methodology.</p> <p>We evaluated the reasonableness of management assumptions and judgments including the partner bank risk rating, other qualitative and forward-looking information included in the ECL assessment.</p> <p>We tested the reasonableness of management's calculations in the ECL model.</p> <p>We also reviewed the reasonableness of the impairment in line with our understanding of the macro-economic environment and the banking industry.</p> <p>We assessed the adequacy of the group's disclosure regarding impairment of float balances in line with IFRS 9 requirements.</p>

### *Other Information*

The Directors are responsible for the other information. The other information comprises the information included in the 93-page document titled "Scancom Plc, Consolidated and Separate Financial Statements for year ended 31 December 2023", 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 including the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) 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.

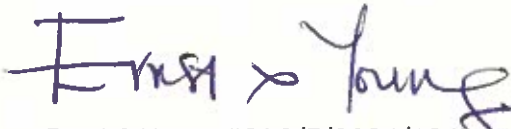
From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or 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.

#### ***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 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 (ICAG/F/2024/126)

Chartered Accountants

Accra, Ghana

Date: 28 February 2024

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME

<i>All amounts in thousands of Ghana Cedis</i>	Note	Group		Company	
		2023	2022	2023	2022
Revenue from contracts with customers	2.5.6	13,349,471	9,916,109	10,592,399	8,067,322
Other income	2.5.9	1,464	775	133,004	74,927
Direct network operating costs	2.6	(1,624,594)	(1,067,376)	(1,624,594)	(1,067,376)
Cost of device and other accessories		(63,100)	(66,775)	(63,100)	(66,775)
Interconnect and roaming costs	2.7	(592,716)	(415,581)	(592,716)	(415,581)
Employee expenses	2.8	(541,009)	(413,399)	(511,531)	(398,610)
Selling, distribution and marketing expenses	2.9	(1,913,660)	(1,449,440)	(1,021,240)	(783,130)
Other operating expenses	2.10	(815,387)	(940,658)	(677,062)	(873,637)
<b>Earnings Before Interest Tax Depreciation and Amortisation</b>		<b>7,800,469</b>	<b>5,563,655</b>	<b>6,235,160</b>	<b>4,537,140</b>
Depreciation	2.15.3	(1,389,990)	(1,027,919)	(1,388,064)	(1,024,917)
Amortisation	2.16.3	(334,608)	(170,760)	(265,166)	(170,766)
<b>Operating profit</b>		<b>6,075,871</b>	<b>4,364,976</b>	<b>4,581,930</b>	<b>3,341,457</b>
Finance income	2.11.3	288,748	205,962	926,292	719,297
Finance costs	2.11.3	(774,912)	(474,418)	(649,784)	(478,730)
<b>Profit before income tax</b>		<b>5,589,707</b>	<b>4,096,520</b>	<b>4,858,438</b>	<b>3,582,023</b>
Growth and Sustainability levy	2.13	(279,485)	(206,603)	(204,922)	(149,152)
Income tax expense	2.12.3	(1,327,972)	(1,034,116)	(954,911)	(746,743)
<b>Profit after tax</b>		<b>3,982,250</b>	<b>2,855,801</b>	<b>3,698,605</b>	<b>2,686,128</b>
<b>Other comprehensive income:</b>					
<b>Other comprehensive income, net of tax</b>		-	-	-	-
<b>Total comprehensive income</b>		<b>3,982,250</b>	<b>2,855,801</b>	<b>3,698,605</b>	<b>2,686,128</b>
<b>Earnings per share information</b>					
Diluted/Basic earnings per share (GHS)	2.14	0.301	0.232	0.279	0.219

The notes on pages 20 - 91 are an integral part of the consolidated and separate financial statements.



## Confidential

### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

<i>All amounts in thousands of Ghana Cedis</i>	Note	Group		Company	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	2.15.1	6,432,554	4,981,038	6,428,601	4,975,481
Right-of-use assets	2.15.8	1,484,549	1,196,562	1,484,549	1,196,562
Intangible assets	2.16.3	1,369,559	784,079	1,091,790	784,076
Investments in subsidiary	2.17.1	-	-	20,050	20,050
Investments	2.17.2	20,000	20,000	-	-
IRU assets	2.18.1	123,417	123,399	123,417	123,399
Deferred tax assets	2.12.6	73,011	10,084	-	-
Contract assets	2.19.2	-	1,633	-	1,633
Contract costs	2.19.3	45,346	24,968	45,346	24,968
		<b>9,548,436</b>	<b>7,141,763</b>	<b>9,193,753</b>	<b>7,126,169</b>
<b>Current assets</b>					
Inventory	2.20	80,998	13,749	80,998	13,749
Trade and other receivables	2.21.1	1,020,917	773,373	883,649	696,381
Other assets and Other financial assets	2.22	87,769	149,247	86,618	147,871
Other financial assets	2.22	382,007	344,874	381,303	344,868
Income tax assets	2.12.5	189,533	149,920	167,965	103,801
Growth and Sustainability levy	2.13	14,138	27,071	7,789	25,608
IRU assets	2.18.1	29,129	25,995	29,129	25,995
Mobile money float	2.23	16,381,096	11,663,106	-	-
Investment in securities	2.24.1	278,285	188,571	-	-
Cash and cash equivalents	2.24	2,946,133	1,586,207	2,260,258	1,176,104
		<b>21,410,005</b>	<b>14,922,113</b>	<b>3,897,709</b>	<b>2,534,377</b>
<b>Total assets</b>		<b>30,958,441</b>	<b>22,063,875</b>	<b>13,091,462</b>	<b>9,660,544</b>
<b>Equity</b>					
Stated capital	2.25	2,222,888	1,097,504	2,222,888	1,097,504
Other reserves	2.36	312,764	215,482	34,478	26,910
Retained earnings	2.35	6,083,422	4,396,714	5,435,807	3,943,030
		<b>8,619,074</b>	<b>5,709,700</b>	<b>7,693,173</b>	<b>5,067,444</b>
<b>Non-Current Liabilities</b>					
Borrowings	2.26	73,422	222,318	73,422	222,318
Deferred tax liabilities	2.12.6	575,714	538,113	575,714	538,113
Lease Liability	2.15.8	1,711,375	1,316,020	1,711,375	1,316,020
IRU liability	2.18.2	26,071	26,829	26,071	26,829
Other non-current liability	2.18.3	245,967	-	-	-
Share-based payment liability	2.27.6	60,959	33,539	55,996	30,590
Provisions	2.27.3	9,990	10,657	9,424	10,657
		<b>2,703,498</b>	<b>2,147,476</b>	<b>2,452,002</b>	<b>2,144,527</b>



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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

<i>All amounts in thousands of Ghana Cedis</i>	Note	Group		Company	
		2023	2022	2023	2022
<b>Current Liabilities</b>					
Trade and other payables	2.28	1,879,444	1,766,990	1,890,427	1,712,092
Obligations to electronic money holders	2.23	16,381,096	11,663,106	-	-
Contract liabilities	2.19.1	347,476	217,090	347,476	217,090
Provisions	2.27.3	246,416	107,058	98,264	66,936
Lease liabilities	2.15.8	448,109	284,278	448,109	284,278
IRU liability	2.18.2	3,795	3,431	3,795	3,431
Other liability	2.18.3	171,317	-	-	-
Borrowings	2.26	158,216	164,746	158,216	164,746
		<u>19,635,869</u>	<u>14,206,699</u>	<u>2,946,287</u>	<u>2,448,573</u>
<b>Total Liabilities</b>		<b><u>22,339,367</u></b>	<b><u>16,354,175</u></b>	<b><u>5,398,289</u></b>	<b><u>4,593,100</u></b>
<b>Total Equity and Liabilities</b>		<b><u>30,958,441</u></b>	<b><u>22,063,875</u></b>	<b><u>13,091,462</u></b>	<b><u>9,660,544</u></b>

The notes on pages 20 - 91 are an integral part of the consolidated and separate financial statements.

The consolidated and separate financial statements on pages 13 - 91, were approved by the Board of Directors on **27 February 2024** and were signed on their behalf by:



.....  
**Selorm Adadevoh**  
Chief Executive Officer



.....  
**Antoinette Kwofie**  
Chief Finance Officer

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Consolidated and separate financial statements for the year ended 31 December 2023

**CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER**

All amounts in thousands of Ghana Cedis

Group	Stated capital	Other reserves	Retained earnings	Total Equity
<b>Balance as at 1 January 2022</b>	1,097,504	82,540	3,183,254	4,363,298
Profit for the year	-	-	2,855,801	2,855,801
Total comprehensive income for the year	-	-	6,039,055	6,039,055
<b>Transactions with equity holders of the Group</b>				
Transfer between reserves	-	132,942	(106,032)	26,910
Dividends (Note 2.29)	-	-	(1,536,309)	(1,536,309)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	132,942	(1,642,341)	(1,509,399)
<b>Balance at 31 December 2022</b>	<b>1,097,504</b>	<b>215,482</b>	<b>4,396,714</b>	<b>5,709,700</b>
<b>Total comprehensive income</b>				
Profit for the year	-	-	3,982,250	3,982,250
Other Equity	1,125,384	97,282	-	1,222,666
Total comprehensive income for the year	1,125,384	97,282	3,982,250	5,204,916
<b>Transactions with equity holders of the Group</b>				
Transfer between reserves	-	-	(109,714)	(109,714)
Dividends (Note 2.29)	-	-	(2,185,828)	(2,185,828)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	-	(2,295,542)	(2,295,542)
<b>Balance at 31 December 2023</b>	<b>2,222,888</b>	<b>312,764</b>	<b>6,083,422</b>	<b>8,619,074</b>

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Consolidated and separate financial statements for the year ended 31 December 2023

<b>Company</b>	<b>Stated capital</b>	<b>Other reserves</b>	<b>Retained income</b>	<b>Total Equity</b>
<b>Balance as at 1 January 2022</b>	1,097,504	-	2,773,211	3,870,715
<b>Total comprehensive income</b>				
Profit for the year	-	-	2,686,128	2,686,128
Total comprehensive income for the year	-	-	5,459,339	6,556,843
<b>Transactions with equity holders of the Company</b>				
Transfer between reserves	-	26,910	20,000	46,910
Dividends (Note 2.29)	-	-	(1,536,309)	(1,536,309)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	26,910	(1,516,309)	(1,489,399)
<b>Balance at 31 December 2022</b>	<b>1,097,504</b>	<b>26,910</b>	<b>3,943,030</b>	<b>5,067,444</b>
<b>Total comprehensive income</b>				
Profit for the year	-	-	3,698,605	3,698,605
Other Equity	1,125,384	-	-	1,125,384
Total comprehensive income for the year	<b>1,125,384</b>	-	<b>3,698,605</b>	<b>4,823,989</b>
<b>Transactions with equity holders of the Company</b>				
Transfer between reserves	-	7,568	(20,000)	(12,432)
Dividends (Note 2.29)	-	-	(2,185,828)	(2,185,828)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	-	<b>7,568</b>	<b>(2,205,828)</b>	<b>(2,198,260)</b>
<b>Balance at 31 December 2023</b>	<b>2,222,888</b>	<b>34,478</b>	<b>5,435,807</b>	<b>7,693,173</b>

The notes on pages 20 - 91 are an integral part of the consolidated and separate financial statements.

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Consolidated and separate financial statements for the year ended 31 December 2023

**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER**

<i>All amounts in thousands of Ghana Cedis</i>	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Cash from operating activities</b>					
Profit before tax		5,589,707	4,096,520	4,858,438	3,582,023
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	2.15.3	1,389,990	1,027,919	1,388,064	1,024,917
Amortisation of intangible assets	2.16.4	334,608	170,760	265,166	170,766
Amortisation of contract cost	2.19.3	7,731	39,847	7,731	39,847
Amortisation of IRU (Capacity leasing)	2.18.1	40,837	25,561	40,837	25,561
IRU deferred income charge/(release)	2.18.2	(4,961)	12,941	(4,961)	12,941
Profit from disposal of property plant and equipment	2.15.10	(969)	(859)	(969)	(859)
(Recovery) / Impairment charge on trade receivable	2.21.1	20,273	(80,376)	20,273	(80,376)
Interest Income	2.11.3	(288,748)	(205,962)	(926,292)	(719,297)
Finance costs	2.11.3	774,912	474,418	649,784	478,730
		<b>7,863,380</b>	<b>5,560,769</b>	<b>6,298,071</b>	<b>4,534,253</b>
<b>Changes in working capital:</b>					
Inventory		(67,249)	(15,561)	(67,249)	(15,561)
Contract assets		1,633	640	1,633	640
Other assets		61,040	121,816	61,253	121,816
Increase/decrease in other financial assets at amortised cost		(100,150)	(202,485)	(36,435)	(202,601)
Trade and other payables		103,817	1,216,095	109,175	1,104,575
Trade and other receivables		(247,362)	(696,161)	(187,268)	(581,993)
Increase/decrease in contract liabilities		130,386	(12,825)	130,386	(12,825)
Increase/decrease in provisions		141,937	(49,356)	31,328	(23,657)
Increase in capitalised contract costs		(20,378)	(14,776)	(20,378)	(14,776)
<b>Cash generated from operations</b>		<b>7,867,054</b>	<b>5,908,156</b>	<b>6,320,516</b>	<b>4,909,871</b>

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**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

Interest received		237,330	156,170	166,292	99,171
Dividends received from subsidiary		-	-	760,000	600,000
Finance costs paid		(169,610)	(126,645)	(114,834)	(126,645)
Dividends paid	2.29	(1,072,177)	(1,536,309)	(1,072,177)	(1,536,309)
Taxes paid	2.12.5	(1,392,910)	(698,453)	(981,473)	(451,136)
Growth and Sustainability levy		(266,552)	(231,404)	(187,103)	(160,909)
<b>Net cash flows from operating activities</b>		<b>5,203,135</b>	<b>3,471,515</b>	<b>4,891,221</b>	<b>3,334,043</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	2.15.6	(2,361,192)	(1,724,994)	(2,361,192)	(1,723,255)
Proceeds from disposal of property, plant and equipment	2.15.10	1,830	-	1,830	-
Purchase of other intangible assets	2.16.5	(576,867)	(246,674)	(576,867)	(246,674)
Acquisition of additional IRU capacity	2.18.1	(43,988)	(69,892)	(43,988)	(69,892)
Purchase of securities	2.24.1	(38,296)	(84,187)	-	-
Investment in integrity capital	2.17.2	-	(20,000)	-	-
<b>Net cash flows used in investing activities</b>		<b>(3,018,513)</b>	<b>(2,145,747)</b>	<b>(2,980,217)</b>	<b>(2,039,821)</b>
<b>Cash flows from financing activities</b>					
Repayment of borrowings	2.26.1	(150,003)	(189,996)	(150,003)	(189,996)
Payment of stamp duty for scrip dividend issue	2.2	(11,733)	-	(11,733)	-
IRU Liabilities		4,961		4,961	
Principal element of lease payments		(688,942)	(579,947)	(688,942)	(579,947)
<b>Net cash flows from financing activities</b>		<b>(845,717)</b>	<b>(769,943)</b>	<b>(845,717)</b>	<b>(769,943)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,338,905</b>	<b>555,825</b>	<b>1,065,287</b>	<b>524,279</b>
Cash and cash equivalents at 1 January		1,586,207	995,422	1,176,104	621,715
Effect of exchange rate fluctuations on cash and cash equivalents held		21,021	34,960	18,867	30,110
Cash and cash equivalents at 31 December	2.24	<b>2,946,133</b>	<b>1,586,207</b>	<b>2,260,258</b>	<b>1,176,104</b>

The notes on pages 20-91 are an integral part of the consolidated and separate financial statements.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements**

#### **1. General information**

Scancom PLC, (the "Company") was incorporated in Ghana 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 company 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**

###### **i. Compliance with IFRS**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including the IAS 29 Hyperinflation Directive issued by the Institute of Chartered Accountants Ghana and in the manner required by the Companies Act, 2019 (Act 992).

###### **ii. Financial Reporting in Hyperinflationary Economies**

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.

##### **2.1.1 Going Concern**

The Group's current assets exceed its current liabilities by GHS 1,774 million whilst the Company's current assets exceed its current liabilities by GHS 951 million (2022: Group current assets exceeded its current liabilities by GHS 715 million and Company's liabilities exceeded its current assets by GHS 86 million. The financial statements have therefore been prepared using the going concern basis.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**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
<b>Assets</b>			<b>Liabilities</b>	
<i>Non-current assets</i>			<i>Non-current liabilities</i>	
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		Deferred 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 subsidiary	Cost less accumulated impairment losses		Provisions	Present value of settlement amount
Contract assets	Amortised cost		Others	Cost
Capitalised contract cost	Cost less accumulated amortisation		<b>Current liabilities</b>	
Other reserves	Amortised cost		Trade and other payables	Amortised cost
<b>Current assets</b>			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

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **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 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 modified 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**

Electronic 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 referencing to recharge/usage patterns. Management estimates a breakage rate with which to gradually release unexercised rights or recognise credit into revenue. Breakage on airtime sales recognised in the year relates to sales of scratch card vouchers made in prior periods. Electronic Voucher Distribution (EVD) is now the sole channel for recharge voucher vendoring and does not age since it is an electronic system hence no breakage is recognised in respect of EVD sales.

Annually management recognises breakage revenue of balances on churned (unused) customer accounts after deletion from the Prepaid Charging Systems.

#### **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, the directors have determined that a reasonable 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 consumer price index. 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 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 expected credit loss, default and credit impaired assets.



## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.3.5 Property, plant, and equipment - (continued)**

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 has been the basis for assessing its residual value. The 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. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. This 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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.3.7 Intangible assets - (continued)**

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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.3.8 Leases - (continued)**

##### **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 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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.3.8 Leases - (continued)**

##### **Group as lessee - (continued)**

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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.3.8 Leases - (continued)**

##### **Right-of-use assets - (continued)**

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 is 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 highest of its fair value less costs to sell and its value in use. Scancom PLC estimates the value in use of cash generating unit in determining the recoverable amount of these asset. 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.

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Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.4 New and amended standards and interpretations**

The following standards and amendments became effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. However we intend to apply those when they become effective.

**2.4 New and amended standards and interpretations**

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
1. Lease Liability in a Sale and Leaseback In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements	January 1, 2024	Unlikely there will be a material impact

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<p>2. Amendments to IAS 1: Classification of Liabilities as Current or Non-current In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> <li>• What is meant by a right to defer settlement</li> <li>• That a right to defer must exist at the end of the reporting period</li> <li>• That classification is unaffected by the likelihood that an entity will exercise its deferral right</li> <li>• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification</li> </ul> <p>In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months.</p> <p>The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.</p>	<p>January 1, 2024</p>	<p>Unlikely there will be a material impact</p>
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<p>3. Standards issued but not yet effective continued</p> <p>Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7. In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:</p> <p>Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.</p> <p>The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed</p>	<p>January 1, 2024</p>	<p>Unlikely there will be a material impact</p>
<p>4. Lack of exchangeability: Amendment to IAS 21</p>	<p>January 1, 2025</p>	<p>Unlikely there will be a material impact</p>

**New standards, amendments and interpretations adopted**

<p>Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p>	<p>January 1, 2023</p>	<p>There is no material impact</p>
<p>Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2.</p>	<p>January 1, 2023</p>	<p>There is no material impact</p>
<p>Definition of accounting estimates: Amendments to IAS 8</p>	<p>January 1, 2023</p>	<p>There is no material impact</p>
<p>Deferred tax related to assets and liabilities arising from a single transaction: Amendment to IAS 12</p>	<p>January 1, 2023</p>	<p>There is no material impact</p>
<p>IFRS 17 Insurance Contracts</p>	<p>January 1, 2023</p>	<p>There is no material impact</p>

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **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 handsets, 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.

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**Scancom PLC**

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**Notes to the financial statements - (continued)**

**2.5.6 Disaggregation of revenue from contracts with customers**

*All amounts are in thousands of Ghana Cedis*

Group	Network services	Interconnect and roaming	Digital and Fintech	Devices and accessories	Other	Total
<b>Year ended 31 December 2023</b>						
Revenue from contracts with customers	9,870,692	158,212	3,125,883	61,115	133,569	13,349,471
<b>Timing of revenue recognition</b>						
At a point in time	-	-	2,757,072	61,115	-	2,818,187
Over time	9,870,692	158,212	368,811	-	133,569	10,531,284
	<b>9,870,692</b>	<b>158,212</b>	<b>3,125,883</b>	<b>61,115</b>	<b>133,569</b>	<b>13,349,471</b>

Year ended 31 December 2022	Network services	Interconnect and roaming	Digital and Fintech	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
<b>Timing of revenue recognition</b>						
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
	<b>6,996,495</b>	<b>359,672</b>	<b>2,289,868</b>	<b>35,979</b>	<b>234,095</b>	<b>9,916,109</b>

*All amounts are in thousands of Ghana Cedis*

Company	Network services	Interconnect and roaming	Digital and Fintech	Mobile, devices and accessories	Other	Total
<b>Year ended 31 December 2023</b>						
Revenue from contracts with customers	9,870,692	158,212	368,811	61,115	133,569	10,592,399
<b>Timing of revenue recognition</b>						
At a point in time	-	-	-	61,115	-	61,115
Over time	9,870,692	158,212	368,811	-	133,569	10,531,284
	<b>9,870,692</b>	<b>158,212</b>	<b>368,811</b>	<b>61,115</b>	<b>133,569</b>	<b>10,592,399</b>

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

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

Included in revenue from digital and fintech is interest income of GHS 130.0 million (2022: GHS 47.1 million) that is retained by the Group in respect of mobile money float interest received from banks.

#### 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.

*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%	(56)%	37%	70%	(43)%	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%

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

#### 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 porting. These have therefore been capitalised. The amortisation of the capitalised cost is based on subscriber churn rate.

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

All amounts in thousands of Ghana Cedis

#### Notes to the financial statements - (continued)

#### 2.5.8 Assets and liabilities related to contracts with customers - (continued)

##### (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 at 31 December 2023	Balance at 31 December 2022
Capitalised costs relating to acquisition of customer contracts Note 2.19.3		45,346	24,968
Loss allowance		-	-
<b>Capitalised contract cost</b>		<b>45,346</b>	<b>24,968</b>
Costs incurred to fulfil a contract (contract assets)	Note 2.19.2	-	1,633
Contract liabilities	Note 2.19.1	<b>347,476</b>	<b>217,090</b>

	Group		Company	
<i>All amounts in thousands of Ghana Cedis</i>	2023	2022	2023	2022
<b>2.5.9 Other income</b>				
Other income	1,464	775	133,004	74,927

Other income for the Company for 2023 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 administrative support service, office space and other services. The charges are reflected as Other Income for the company. In addition, an amount of GHS1,464,000 was received in recognition of prizes won for the international data privacy awareness quiz and sustainability challenge from MTN Group.

#### 2.6 Direct network operating costs

	Group		Company	
	2023	2022	2023	2022
Transmission costs	758,345	357,773	758,345	357,879
Network costs	460,014	435,040	460,014	434,934
Leased lines costs	149,400	67,352	149,400	67,352
Spectrum and regulatory fees	256,835	207,211	256,835	207,211
	<b>1,624,594</b>	<b>1,067,376</b>	<b>1,624,594</b>	<b>1,067,376</b>

#### 2.7 Interconnect and roaming costs

Interconnect costs	423,133	374,666	423,133	374,666
Roaming costs	169,583	40,915	169,583	40,915
	<b>592,716</b>	<b>415,581</b>	<b>592,716</b>	<b>415,581</b>

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.8 Employee expenses**

	Group		Company	
	2023	2022	2023	2022
<i>All amounts in thousands of Ghana Cedis</i>				
Salaries and other short-term employee benefits	373,275	275,328	355,369	265,028
Share-based payment	45,777	68,312	43,206	65,012
Training	7,606	8,176	7,146	7,982
Long service awards	6,339	4,821	5,691	4,821
Post-employment benefit	16,453	10,888	15,440	10,888
Bonus provision	64,156	25,733	58,833	25,863
Pension Cost	27,403	20,141	25,846	19,016
	<b>541,009</b>	<b>413,399</b>	<b>511,531</b>	<b>398,610</b>

**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 is 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. The 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.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**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 statement of comprehensive income 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**

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Expenses incurred in respect of Valued Added Services (VAS)	133,715	137,439	101,598	188,467
Dealer commissions	403,231	309,102	403,231	309,102
Mobile money commissions	1,212,125	792,956	387,833	-
Marketing and advertising expenses	164,589	209,943	128,578	285,561
	<b>1,913,660</b>	<b>1,449,440</b>	<b>1,021,240</b>	<b>783,130</b>

**2.10 Other operating expenses**

General expenses	332,530	339,763	233,267	317,519
Management fees	211,971	392,653	211,971	392,653
Power, maintenance and security costs	99,692	33,596	99,545	33,596
Impairment of trade receivables	20,273	38,552	20,273	2,717
Travel and entertainment	38,568	23,308	36,694	22,247
MTN Foundation expenses	39,822	28,257	29,386	20,383
Outsourced expenses- non-network	72,531	84,529	45,926	84,522
	-	-	-	-
	<b>815,387</b>	<b>940,658</b>	<b>677,062</b>	<b>873,637</b>

Included in general expenses are the following:

Audit fees and expenses	7,960	6,224	7,294	5,991
Directors' fees and expenses	5,201	3,197	5,201	3,197
Advisory fees and expenses	10,939	14,496	10,939	14,496

Advisory fees and expenses relate to regulatory audits and tax advisory services during the year under review. The Directors of the subsidiary being full time employees of Scancom PLC and MTN Group, in line with MTN Group policy does not earn any fees for services rendered.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

Included in management fees are the following:

	<b>2023</b>	<b>2022</b>
Intellectual Property	39,038	76,525
Services	165,103	316,128
Others	7,830	-
<b>Total</b>	<b>211,971</b>	<b>392,653</b>

**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.

**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.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest income from banks	288,748	205,962	166,292	119,297
Dividend income	-	-	760,000	600,000
<b>Finance income</b>	<b>288,748</b>	<b>205,962</b>	<b>926,292</b>	<b>719,297</b>
Interest expense on lease liabilities	422,391	258,465	422,391	258,465
Interest expense on borrowings	108,306	113,172	108,306	113,172
Other finance cost	124,501	4,705	(348)	4,705
Realised foreign exchange losses/(gains)	(2,107)	(29,174)	(4,083)	(29,174)
Unrealised foreign exchange losses/(gains)	121,821	127,250	123,518	131,562
<b>Net Finance costs</b>	<b>774,912</b>	<b>474,418</b>	<b>649,784</b>	<b>478,730</b>



## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **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.

#### **2.12.3 Analysis of income tax expense**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>All amounts in thousands of Ghana Cedis</i>				
<b>Current</b>				
Local income tax - current period	1,353,297	926,945	917,309	630,507
<b>Deferred</b>				
Originating and reversing temporary differences	(25,325)	107,171	37,602	116,236
<b>Income tax expense</b>	<b>1,327,972</b>	<b>1,034,116</b>	<b>954,911</b>	<b>746,743</b>

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### 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:

*All amounts in thousands of Ghana Cedis*

	Group		Company	
	2023	2022	2023	2022
Profit before income tax	5,589,707	4,096,520	4,858,438	3,582,023
Tax at the applicable tax rate of 25% (2022: 25%)	1,397,427	1,024,130	1,214,610	895,506
<b>Tax effect of adjustments on taxable income</b>				
Exempt income- Dividend	(190,000)	(150,000)	(190,000)	(150,000)
Permanent restriction of vehicles	1,614	199	1,581	167
Intercompany profit taxable	190,000	158,885	-	-
Other adjustment	(73,859)	-	(73,859)	-
Other Permanent differences	2,790	902	2,579	815
<b>Income tax expense</b>	<b>1,327,972</b>	<b>1,034,116</b>	<b>954,912</b>	<b>746,743</b>
<b>Effective tax rate</b>	<b>23.8</b>	<b>25.2</b>	<b>19.7</b>	<b>20.8</b>

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

#### 2.12 Income tax - (continued)

##### 2.12.5 Current income tax assets

###### Group

All amounts in thousands of Ghana Cedis

At 31 December 2023	At 1 January	Charge for the year	Adjustments	Payments for the year	At 31 December
<b>Year of Assessment</b>					
Upto 2022	(149,920)	-	-	-	(149,920)
2023	-	1,353,297	-	(1,392,910)	(39,613)
	<b>(149,920)</b>	<b>1,353,297</b>	<b>-</b>	<b>(1,392,910)</b>	<b>(189,533)</b>

At 31 December 2023	At 1 January	Charge for the year	Adjustments	Payments for the year	At 31 December
<b>Year of Assessment</b>					
Upto 2021	(526,969)	-	-	-	(526,969)
2022	-	926,945	558,642	(1,108,538)	377,049
	<b>(526,969)</b>	<b>926,945</b>	<b>558,642</b>	<b>(1,108,538)</b>	<b>(149,920)</b>

###### Company

At 31 December 2023	At 1 January	Charge for the year	Adjustments	Payments for the year	At 31 December
<b>Year of Assessment</b>					
Upto 2023	(103,801)	-	-	-	(103,801)
2023	-	917,309	-	(981,473)	(64,164)
	<b>(103,801)</b>	<b>917,309</b>	<b>-</b>	<b>(981,473)</b>	<b>(167,965)</b>

At 31 December 2023	At 1 January	Charge for the year	Adjustments	Payments for the year	At 31 December
<b>Year of Assessment</b>					
Upto 2021	(437,847)	-	-	-	(437,847)
2022	-	630,507	457,200	(753,661)	334,046
	<b>(437,847)</b>	<b>630,507</b>	<b>457,200</b>	<b>(753,661)</b>	<b>(103,801)</b>

In 2022, an adjustment of GHS 559 million (GHS 62 million for indirect taxes, GHS410 million for CIT payment and GHS87 million as WHT on distributors commission) for the Group and GHS 457 million (GHS 58 million for indirect tax and GHS 312 million CIT payment and GHS87 million as WHT on distributors commission) for Company relates to tax prepayment used to set off VAT obligations which is permitted under the Revenue Administrative Act,2016 (Act 195).

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.12 Income tax - (continued)**

**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 2023**

*All amounts in thousands of Ghana Cedis*

<b>Group</b>	<b>At start of year</b>	<b>Recognised in profit or loss</b>	<b>At 31 December</b>
<b>Deferred tax assets</b>			
Property Plant and Equipment	-	34,962	34,962
Temporary provision from other provision	9,065	28,389	37,454
Unrealised forex	-	(424)	(424)
Reclassification	1,019	-	1,019
	<u>10,084</u>	<u>62,927</u>	<u>73,011</u>
<b>Deferred tax liabilities</b>			
Property plant and equipment	574,963	94,375	669,338
Other - Provision	(36,850)	(36,196)	(73,046)
Other - Unrealised forex	-	(20,578)	(20,578)
	<u>538,113</u>	<u>37,601</u>	<u>575,714</u>
Charge to profit and loss		<u>(25,325)</u>	

<b>Company</b>	<b>At 1 January</b>	<b>Recognised in profit or loss</b>	<b>At 31 Dec</b>
<b>Deferred tax liabilities</b>			
Property plant and equipment	574,963	94,375	669,338
Others - Provision	(36,850)	(36,196)	(73,046)
Others - Unrealised forex	-	(20,578)	(20,578)
	<u>538,113</u>	<u>37,601</u>	<u>575,714</u>

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.12 Income tax - (continued)**

**As at 31 December 2022**

<b>Group</b>	<b>At 1 January</b>	<b>Recognised in profit or loss</b>	<b>At 31 Dec</b>
<b>Deferred tax assets</b>			
Temporary provision from other provision	-	9,065	9,065
Reclassification	-	-	1,019
	<b>-</b>	<b>9,065</b>	<b>10,084</b>
<b>Deferred tax liabilities</b>			
Property plant and equipment	463,917	111,140	575,057
Others	(43,060)	5,097	(37,963)
Reclassification			1,019
	<b>420,857</b>	<b>116,237</b>	<b>538,113</b>
Charge to profit and loss		<b>107,173</b>	

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

**Deferred tax asset**

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

**2.13 Growth and Sustainability Levy**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>All amounts in thousands of Ghana Cedis</i>				
<b>At start of year</b>	(27,071)	(2,519)	(25,608)	(4,858)
Charge for the year	279,485	206,603	204,922	149,152
Adjustments during the year	-	54,391	-	42,223
Payments during the year	(266,552)	(231,404)	(187,103)	(160,909)
<b>At 31 December</b>	<b>(14,138)</b>	<b>(27,071)</b>	<b>(7,789)</b>	<b>(25,608)</b>

The Growth and Sustainability Levy is a levy of 5% on profit before income tax replacing National Fiscal Stabilisation Levy introduced in July 2013.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**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 ordinary shares.

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit attributable to shareholders	3,982,250	2,855,801	3,698,605	2,686,128
Weighted average number of shares at 31 December	13,236,175	12,290,474	13,236,175	12,290,474
Earnings per share	<b>0.301</b>	<b>0.232</b>	<b>0.279</b>	<b>0.219</b>

At the reporting date, the basic and diluted earnings per share were the same.

**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 labour, any other costs directly attributable to bringing the assets to a working condition 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.

Normal repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. Major repairs and maintenance are capitalised.

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.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.15 Property, plant and equipment - (continued)**

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:

	<b>2023</b>	<b>2022</b>
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 asset's 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 statement of comprehensive income 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.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

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

<i>All amounts in thousands of Ghana Cedis</i>	Land & buildings	Network equipment	Furniture and fixtures	Motor vehicles	Office equipment	Information systems	Leasehold improvements	Work in progress	Total
<b>Cost</b>									
At 1 January 2022	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
Disposal	-	(3,806)	(306)	(10,939)	(236)	(73)	-	-	(15,360)
Reallocations	-	51,102	837	-	-	1	-	(169)	51,771
<b>At 31 December 2022</b>	<b>197,659</b>	<b>7,687,278</b>	<b>95,924</b>	<b>120,644</b>	<b>18,098</b>	<b>819,443</b>	<b>134,924</b>	<b>85,428</b>	<b>9,159,398</b>
Additions	52,177	1,971,223	3,290	29,252	992	37,349	-	267,130	2,361,413
Disposals	-	(125)	(505)	(4,609)	(7)	(67)	-	-	(5,313)
* Reallocations	1,490	34,491	-	(7,007)	(10,419)	(188)	(2,502)	19,926	35,791
<b>31-Dec-23</b>	<b>251,326</b>	<b>9,692,867</b>	<b>98,709</b>	<b>138,280</b>	<b>8,664</b>	<b>856,537</b>	<b>132,422</b>	<b>372,484</b>	<b>11,551,289</b>
<b>Accumulated Depreciation</b>									
At 1 January 2022	(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
<b>At 31 December 2022</b>	<b>(80,635)</b>	<b>(3,397,097)</b>	<b>(87,465)</b>	<b>(62,090)</b>	<b>(6,663)</b>	<b>(478,046)</b>	<b>(66,364)</b>	<b>-</b>	<b>(4,178,360)</b>
Disposals	-	32	505	3,946	7	66	-	-	4,556
Reallocations	(1,490)	(34,491)	-	-	-	188	-	-	(35,793)
Depreciation charge	(13,649)	(726,318)	(2,335)	(24,634)	(13)	(113,623)	(1,200)	-	(881,772)
Other movements	(1,780)	(26,294)	(1,300)	(1,136)	(554)	3,748	(50)	-	(27,366)
<b>At 31 December 2023</b>	<b>(97,554)</b>	<b>(4,184,168)</b>	<b>(90,595)</b>	<b>(83,914)</b>	<b>(7,223)</b>	<b>(587,667)</b>	<b>(67,614)</b>	<b>-</b>	<b>(5,118,735)</b>
<b>Carrying amounts</b>									
Cost	197,659	7,687,278	95,924	120,644	18,098	819,443	134,924	85,428	9,159,398
Accumulated Depreciation	(80,635)	(3,397,097)	(87,465)	(62,090)	(6,663)	(478,046)	(66,364)	-	(4,178,360)
<b>At 31 December 2022</b>	<b>117,024</b>	<b>4,290,181</b>	<b>8,459</b>	<b>58,554</b>	<b>11,435</b>	<b>341,397</b>	<b>68,560</b>	<b>85,428</b>	<b>4,981,038</b>
Cost	251,326	9,692,867	98,709	138,280	8,664	856,537	132,422	372,484	11,551,289
Accumulated Depreciation	(97,554)	(4,184,168)	(90,595)	(83,914)	(7,223)	(587,667)	(67,614)	-	(5,118,735)
<b>At 31 December 2023</b>	<b>153,772</b>	<b>5,508,699</b>	<b>8,114</b>	<b>54,366</b>	<b>1,441</b>	<b>268,870</b>	<b>64,808</b>	<b>372,484</b>	<b>6,432,554</b>

\*Reallocation involves movement from CWIP to other assets classes and from other assets to CWIP.



**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

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

<i>All amounts in thousands of Ghana Cedis</i>									
<b>Cost</b>	<b>Land &amp; buildings</b>	<b>Network equipment</b>	<b>Furniture and fixtures</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Information systems</b>	<b>Leasehold improvements</b>	<b>Work in progress</b>	<b>Total</b>
At 1 January 2022	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	1,723,345
Disposal	-	(3,806)	(306)	(10,939)	(236)	(73)	-	-	(15,360)
Reallocations	-	51,097	714	-	35	1	-	(168)	51,679
Other movements	-	-	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>197,659</b>	<b>7,687,271</b>	<b>95,804</b>	<b>106,234</b>	<b>18,098</b>	<b>819,049</b>	<b>134,924</b>	<b>85,427</b>	<b>9,144,466</b>
Additions	52,177	1,971,223	3,290	29,034	992	37,346	-	267,130	2,361,192
Disposals	-	(125)	(505)	(4,815)	(7)	(67)	-	-	(5,519)
Reallocations	1,490	34,491	-	(7,007)	(10,419)	(188)	(2,502)	19,929	35,794
	<b>251,326</b>	<b>9,692,860</b>	<b>98,589</b>	<b>123,446</b>	<b>8,664</b>	<b>856,140</b>	<b>132,422</b>	<b>372,486</b>	<b>11,535,933</b>
<b>Accumulated depreciation</b>									
At 1 January 2022	(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
Reallocation	(465)	18,489	410	134	-	-	68	-	18,636
Depreciation Charge	(11,290)	(591,917)	(2,265)	(19,927)	(382)	(84,251)	(6,430)	-	(716,462)
<b>At 31 December 2022</b>	<b>(80,634)</b>	<b>(3,397,097)</b>	<b>(87,343)</b>	<b>(53,136)</b>	<b>(6,661)</b>	<b>(477,750)</b>	<b>(66,364)</b>	<b>-</b>	<b>(4,168,985)</b>
Disposals	-	32	505	4,048	7	66	-	-	4,658
Reallocations	(1,490)	(34,491)	-	-	-	188	-	-	(35,793)
Other Movement	(1,780)	(26,294)	(1,300)	(1,136)	(554)	3,748	(50)	-	(27,366)
Depreciation charge	(13,649)	(726,318)	(2,332)	(22,811)	(13)	(113,523)	(1,200)	-	(879,846)
<b>At 31 December 2023</b>	<b>(97,553)</b>	<b>(4,184,168)</b>	<b>(90,470)</b>	<b>(73,035)</b>	<b>(7,221)</b>	<b>(587,271)</b>	<b>(67,614)</b>	<b>-</b>	<b>(5,107,332)</b>
<b>Carrying amounts</b>									
Cost	197,659	7,687,271	95,804	106,234	18,098	819,049	134,924	85,427	9,144,466
Accum Depreciation	(80,634)	(3,397,097)	(87,343)	(53,136)	(6,661)	(477,750)	(66,364)	-	(4,168,985)
<b>At 31 December 2022</b>	<b>117,025</b>	<b>4,290,174</b>	<b>8,461</b>	<b>53,098</b>	<b>11,437</b>	<b>341,299</b>	<b>68,560</b>	<b>85,427</b>	<b>4,975,481</b>
Cost	251,326	9,692,860	98,589	123,446	8,664	856,140	132,422	372,486	11,535,933
Accum Depreciation	(97,553)	(4,184,168)	(90,470)	(73,035)	(7,221)	(587,271)	(67,614)	-	(5,107,332)
<b>At 31 December 2023</b>	<b>153,773</b>	<b>5,508,692</b>	<b>8,119</b>	<b>50,411</b>	<b>1,443</b>	<b>268,869</b>	<b>64,808</b>	<b>372,486</b>	<b>6,428,601</b>

\*Other Movements relates to adjustment of beginning balances to reconcile General ledger and Fixed Asset register and other corrections.

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**Notes to the financial statements - (continued)**

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

<i>All amounts in thousands of Ghana Cedis</i>										
<b>Cost</b>	<b>Land &amp; buildings</b>	<b>Network equipment</b>	<b>Furniture and fixtures</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Information systems</b>	<b>Fixed assets inventory</b>	<b>Leasehold improvements</b>	<b>Work in progress</b>	<b>Total</b>
At 1 January 2022	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	1,897,682
Disposal	-	(3,806)	(306)	(10,943)	(236)	(73)	-	-	-	(15,364)
Reallocations	1,082	39,744	840	-	-	-	-	-	(165)	41,501
Other movements	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>316,263</b>	<b>9,862,085</b>	<b>95,928</b>	<b>120,643</b>	<b>18,098</b>	<b>819,442</b>	<b>-</b>	<b>134,924</b>	<b>85,431</b>	<b>11,452,814</b>
Additions	90,253	2,729,351	3,290	29,252	992	37,349	-	-	267,130	3,157,617
Disposals	-	(125)	(505)	(4,609)	(7)	(67)	-	-	-	(5,313)
Reallocations	1,490	34,491	-	(7,007)	(10,419)	(188)	-	(2,502)	19,928	35,793
<b>At 31 December 2023</b>	<b>408,006</b>	<b>12,625,802</b>	<b>98,713</b>	<b>138,279</b>	<b>8,664</b>	<b>856,536</b>	<b>-</b>	<b>132,422</b>	<b>372,489</b>	<b>14,640,911</b>
<b>Accumulated depreciation</b>										
At 1 January 2022	(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)	(883,366)	(2,269)	(22,900)	(382)	(84,276)	-	(6,430)	-	(1,027,919)
Other movements	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>(158,010)</b>	<b>(4,416,579)</b>	<b>(87,464)</b>	<b>(62,090)</b>	<b>(6,661)</b>	<b>(478,046)</b>	<b>-</b>	<b>(66,364)</b>	<b>-</b>	<b>(5,275,214)</b>
Disposals	-	32	505	3,946	7	66	-	-	-	4,556
Reallocations	(1,490)	(34,491)	-	-	-	188	-	-	-	(35,793)
Other Movement	(1,780)	(26,294)	(1,300)	(1,136)	(554)	3,748	-	(50)	-	(27,366)
Depreciation charge	(40,317)	(1,207,868)	(2,335)	(24,634)	(13)	(113,623)	-	(1,200)	-	(1,389,990)
<b>At 31 December 2023</b>	<b>(201,597)</b>	<b>(5,685,200)</b>	<b>(90,594)</b>	<b>(83,914)</b>	<b>(7,221)</b>	<b>(587,667)</b>	<b>-</b>	<b>(67,614)</b>	<b>-</b>	<b>(6,723,807)</b>
<b>Carrying amounts</b>										
Cost	316,263	9,862,085	95,928	120,643	18,098	819,442	-	134,924	85,431	11,452,814
Accumulated Depreciation	(158,010)	(4,416,579)	(87,464)	(62,090)	(6,661)	(478,046)	-	(66,364)	-	(5,275,214)
<b>At 31 December 2022</b>	<b>158,253</b>	<b>5,445,506</b>	<b>8,464</b>	<b>58,553</b>	<b>11,437</b>	<b>341,396</b>	<b>-</b>	<b>68,560</b>	<b>85,431</b>	<b>6,177,600</b>
Cost	408,006	12,625,802	98,713	138,279	8,664	856,537	-	132,421	372,486	14,640,908
Accumulated Depreciation	(201,597)	(5,685,199)	(90,594)	(83,914)	(7,221)	(587,667)	-	(67,613)	-	(6,723,805)
<b>At 31 December 2023</b>	<b>206,409</b>	<b>6,940,603</b>	<b>8,119</b>	<b>54,365</b>	<b>1,443</b>	<b>268,870</b>	<b>-</b>	<b>64,808</b>	<b>372,486</b>	<b>7,917,103</b>

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Consolidated and separate financial statements for the year ended 31 December 2023

Notes to the financial statements - (continued)

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

<i>All amounts in thousands of Ghana Cedis</i>									
<b>Cost</b>	<b>Land &amp; buildings</b>	<b>Network equipment</b>	<b>Furniture and fixtures</b>	<b>Motor vehicles</b>	<b>Office equipment</b>	<b>Information systems</b>	<b>Leasehold improvements</b>	<b>Work in progress</b>	<b>Total</b>
At 1 January 2022	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
Disposal	-	(3,806)	(306)	(10,939)	(236)	(73)	-	-	(15,360)
Reallocations	1,082	39,745	837	-	-	-	-	(161)	41,503
<b>At 31 December 2022</b>	<b>316,265</b>	<b>9,862,085</b>	<b>95,804</b>	<b>106,234</b>	<b>18,099</b>	<b>819,047</b>	<b>134,923</b>	<b>85,435</b>	<b>11,437,892</b>
Additions	90,253	2,729,351	3,290	29,034	992	37,346	-	267,130	3,157,396
Disposals	-	(125)	(505)	(4,815)	(7)	(67)	-	-	(5,519)
Reallocations	1,490	34,491	-	(7,007)	(10,419)	(188)	(2,502)	19,930	35,795
<b>At 31 December 2023</b>	<b>408,008</b>	<b>12,625,802</b>	<b>98,589</b>	<b>123,446</b>	<b>8,665</b>	<b>856,138</b>	<b>132,421</b>	<b>372,495</b>	<b>14,625,564</b>
<b>Accumulated depreciation</b>									
At 1 January 2022	(129,646)	(3,561,711)	(85,711)	(43,502)	(6,503)	(393,569)	(60,001)	-	(4,280,643)
Disposals	-	3,792	306	10,293	224	73	-	-	14,688
Reallocations	(78)	24,706	327	-	-	-	68	-	25,023
Depreciation charge	(28,286)	(883,376)	(2,265)	(19,927)	(382)	(84,251)	(6,430)	-	(1,024,917)
Other movements	-	-	-	-	-	-	-	-	-
<b>At 31 December 2022</b>	<b>(158,010)</b>	<b>(4,416,589)</b>	<b>(87,343)</b>	<b>(53,136)</b>	<b>(6,661)</b>	<b>(477,747)</b>	<b>(66,363)</b>	<b>-</b>	<b>(5,265,849)</b>
Disposals	-	32	505	4,048	7	66	-	-	4,658
Reallocations	(1,490)	(34,491)	-	-	-	188	-	-	(35,793)
Other Movement	(1,780)	(26,294)	(1,300)	(1,136)	(554)	3,748	(50)	-	(27,366)
Depreciation charge	(40,317)	(1,207,868)	(2,332)	(22,811)	(13)	(113,523)	(1,200)	-	(1,388,064)
<b>At 31 December 2023</b>	<b>(201,597)</b>	<b>(5,685,210)</b>	<b>(90,470)</b>	<b>(73,035)</b>	<b>(7,221)</b>	<b>(587,268)</b>	<b>(67,613)</b>	<b>-</b>	<b>(6,712,414)</b>
<b>Carrying amounts</b>									
Cost	316,265	9,862,085	95,804	106,234	18,099	819,047	134,923	85,435	11,437,892
Accumulated Depreciation	(158,010)	(4,416,589)	(87,343)	(53,136)	(6,661)	(477,747)	(66,363)	-	(5,265,849)
<b>At 31 December 2022</b>	<b>158,255</b>	<b>5,445,496</b>	<b>8,461</b>	<b>53,098</b>	<b>11,438</b>	<b>341,300</b>	<b>68,560</b>	<b>85,435</b>	<b>6,172,043</b>
Cost	408,008	12,625,802	98,589	123,446	8,665	856,138	132,421	372,495	14,625,564
Accumulated Depreciation	(201,597)	(5,685,210)	(90,470)	(73,035)	(7,221)	(587,268)	(67,613)	-	(6,712,414)
<b>At 31 December 2023</b>	<b>206,411</b>	<b>6,940,592</b>	<b>8,119</b>	<b>50,411</b>	<b>1,444</b>	<b>268,870</b>	<b>64,808</b>	<b>372,495</b>	<b>7,913,150</b>

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

#### 2.15.5 Reconciliation of property, plant and equipment (Leased) – Company

*All amounts in thousands of Ghana Cedis*

	Land & buildings	Network equipment	Total
<b>Cost</b>			
At 1 January 2022	105,005	2,025,885	2,130,890
Additions	13,600	148,916	162,516
<b>At 31 December 2022</b>	<b>118,605</b>	<b>2,174,801</b>	<b>2,293,406</b>
Additions	38,077	758,140	796,217
<b>At 31 December 2023</b>	<b>156,682</b>	<b>2,932,941</b>	<b>3,089,623</b>
<b>Accumulated Depreciation</b>			
At 1 January 2022	(60,767)	(727,919)	(788,686)
Depreciation charge	(16,609)	(291,448)	(308,057)
<b>At 31 December 2022</b>	<b>(77,364)</b>	<b>(1,019,480)</b>	<b>(1,096,844)</b>
Depreciation charge	(26,681)	(481,550)	(508,231)
<b>At 31 December 2023</b>	<b>(104,044)</b>	<b>(1,501,030)</b>	<b>(1,605,074)</b>
<b>Carrying amounts</b>			
Cost	118,605	2,174,801	2,293,406
Accumulated depreciation	(77,364)	(1,019,480)	(1,096,844)
<b>At 31 December 2022</b>	<b>41,241</b>	<b>1,155,321</b>	<b>1,196,562</b>
Cost	156,682	2,932,941	3,089,623
Accumulated depreciation	(104,044)	(1,501,030)	(1,605,074)
<b>At 31 December 2023</b>	<b>52,638</b>	<b>1,431,911</b>	<b>1,484,549</b>

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

	Group		Company	
	2023	2022	2023	2022
<i>All amounts in thousands of Ghana Cedis</i>				
Additions for the year	3,157,617	1,897,680	3,157,396	1,895,941
Credit purchases	(796,425)	(172,686)	(796,204)	(172,686)
<b>Total</b>	<b>2,361,192</b>	<b>1,724,994</b>	<b>2,361,192</b>	<b>1,723,255</b>

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.15.7 Impairment**

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

#### **2.15.8 Right-of-Use Assets and 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 GHS 60,250 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.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.15.8 Lease liabilities - (continued)**

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

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.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.15.8 Lease liabilities - (continued)**

*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 elected to not apply 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.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>All amounts in thousands of Ghana Cedis</i>				
<b>Movement in lease liabilities</b>				
Opening Balance	1,600,298	1,673,467	1,600,298	1,673,467
Additions	796,204	172,686	796,204	172,686
Interest Expense	422,391	258,465	422,391	258,465
Unrealised forex loss/gains	29,533	98,311	29,533	98,311
Payments	(688,942)	(602,631)	(688,942)	(602,631)
<b>Total</b>	<b>2,159,484</b>	<b>1,600,298</b>	<b>2,159,484</b>	<b>1,600,298</b>

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>All amounts in thousands of Ghana Cedis</i>				
<b>Measurement of lease liabilities</b>				
Current lease liabilities	448,109	284,278	448,109	284,278
Non-current lease liabilities	1,711,375	1,316,020	1,711,375	1,316,020
<b>Total</b>	<b>2,159,484</b>	<b>1,600,298</b>	<b>2,159,484</b>	<b>1,600,298</b>

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.15.8 Lease liabilities - (continued)**

	Group		Company	
	2023	2022	2023	2022
<b>Measurement of right of use assets</b>				
<b>Right-of-use assets</b>				
<b>Cost</b>				
Buildings	156,682	118,605	156,682	118,605
Network equipment	2,932,941	2,174,801	2,932,941	2,174,801
<b>Total</b>	<b>3,089,623</b>	<b>2,293,406</b>	<b>3,089,623</b>	<b>2,293,406</b>
<b>Depreciation</b>				
Buildings	(104,044)	(77,364)	(104,044)	(77,364)
Network equipment	(1,501,030)	(1,019,480)	(1,501,030)	(1,019,480)
<b>Total</b>	<b>(1,605,074)</b>	<b>(1,096,844)</b>	<b>(1,605,074)</b>	<b>(1,096,844)</b>
<b>Carrying amounts</b>	<b>1,484,549</b>	<b>1,196,562</b>	<b>1,484,549</b>	<b>1,196,562</b>

**2.15.9 Encumbrances**

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

**2.15.10 Profit on disposal of property, plant and equipment**

*All amounts in thousands of Ghana Cedis*

Cost	5,519	15,360	5,519	15,360
Accumulated depreciation	(4,658)	(14,688)	(4,658)	(14,688)
Net book value	<b>861</b>	<b>672</b>	<b>861</b>	<b>672</b>
*Proceeds	(1,830)	(1,531)	(1,830)	(1,531)
<b>Profit on disposal of property, plant and equipment</b>	<b>(969)</b>	<b>(859)</b>	<b>(969)</b>	<b>(859)</b>

\*The proceeds for 2022 are noncash but credit notes has been received.



## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **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 software product 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).

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.16.2 Licenses**

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.

<b>Type of License</b>	<b>Date granted/renewed</b>	<b>License Term</b>	<b>Useful Life</b>
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
BWA 30MHz 2620 Mhz to 2650 Mhz	18 June 2023	5 years	5 years
BWA 30MHz 2500 Mhz to 2690 Mhz	18 June 2023	5 years	5 years

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**2.16.3 Reconciliation of intangible assets – Group**

<i>All amounts in thousands of Ghana Cedis</i>	<b>Network Licenses</b>	<b>Software</b>	<b>Network Software</b>	<b>Work in Progress</b>	<b>Total</b>
<b>Cost</b>					
At 1 January 2022	802,679	591,016	-	(405)	1,393,290
Additions	106,623	139,969	-	82	246,674
Reallocations	(5,512)	(46,254)	-	-	(51,766)
<b>At 31 December 2022</b>	<b>903,790</b>	<b>684,731</b>	<b>-</b>	<b>(323)</b>	<b>1,588,198</b>
Additions	472,622	401,183	31,271	19,326	924,402
*Reallocations	4,456	(13,649)	-	(4,735)	(13,928)
<b>At 31 December 2023</b>	<b>1,380,868</b>	<b>1,072,265</b>	<b>31,271</b>	<b>14,268</b>	<b>2,498,672</b>
<b>Accumulated Amortisation</b>					
At 1 January 2022	(233,789)	(380,632)	-	-	(614,421)
Reallocations	(39,211)	20,270	-	-	(18,941)
Amortisation	(60,880)	(109,880)	-	-	(170,760)
Other changes, movements	-	-	-	-	-
<b>At 31 December 2022</b>	<b>(333,880)</b>	<b>(470,242)</b>	<b>-</b>	<b>-</b>	<b>(804,122)</b>
Reallocations	13,139	(3,522)	-	-	9,617
Amortisation	(161,663)	(171,107)	(1,838)	-	(334,608)
<b>At 31 December 2023</b>	<b>(482,404)</b>	<b>(644,871)</b>	<b>(1,838)</b>	<b>-</b>	<b>(1,129,113)</b>
<b>Carrying amounts</b>					
Cost	903,790	684,731	-	(320)	1,588,201
Accumulated amortisation	(333,880)	(470,242)	-	-	(804,122)
<b>At 31 December 2022</b>	<b>569,910</b>	<b>214,489</b>	<b>-</b>	<b>(320)</b>	<b>784,079</b>
Cost	1,380,868	1,072,265	31,271	14,268	2,498,672
Accumulated amortisation	(482,404)	(644,871)	(1,838)	-	(1,129,113)
<b>At 31 December 2023</b>	<b>898,464</b>	<b>427,394</b>	<b>29,433</b>	<b>14,268</b>	<b>1,369,559</b>

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

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#### Notes to the financial statements - (continued)

##### 2.16.4 Reconciliation of intangible assets - Company

All amounts in thousands of Ghana Cedis	Network Licenses	Software	Network Software	Work in Progress	Total
<b>Cost</b>					
At 1 January 2022	802,679	590,362	-	(402)	1,392,639
Additions	106,623	140,371	-	(320)	246,674
Reallocations	(5,512)	(46,656)	-	402	(51,766)
<b>At 31 December 2022</b>	<b>903,790</b>	<b>684,077</b>	<b>-</b>	<b>(320)</b>	<b>1,587,547</b>
Additions	472,622	53,971	31,271	19,003	576,867
*Reallocations	4,735	(13,649)	-	(4,735)	(13,649)
<b>At 31 December 2023</b>	<b>1,381,147</b>	<b>724,399</b>	<b>31,271</b>	<b>13,948</b>	<b>2,150,765</b>
<b>Accumulated Amortisation</b>					
At 1 January 2022	(233,789)	(380,008)	-	-	(613,797)
Reallocations	(39,178)	20,270	-	-	(18,908)
Amortisation	(60,911)	(109,855)	-	-	(170,766)
<b>At 31 December 2022</b>	<b>(333,878)</b>	<b>(469,593)</b>	<b>-</b>	<b>-</b>	<b>(803,471)</b>
Reallocations	13,150	(3,487)	-	-	9,663
Amortisation	(161,663)	(101,665)	(1,838)	-	(265,166)
<b>At 31 December 2023</b>	<b>(482,391)</b>	<b>(574,745)</b>	<b>(1,838)</b>	<b>-</b>	<b>(1,058,974)</b>
<b>Carrying amounts</b>					
Cost	903,790	684,077	-	(320)	1,587,547
Accumulated amortisation	(333,878)	(469,593)	-	-	(803,472)
<b>At 31 December 2022</b>	<b>569,912</b>	<b>214,484</b>	<b>-</b>	<b>(320)</b>	<b>784,076</b>
Cost	1,381,147	724,399	31,271	13,948	2,150,765
Accumulated amortisation	(482,392)	(574,745)	(1,838)	-	(1,058,974)
<b>At 31 December 2023</b>	<b>898,755</b>	<b>149,654</b>	<b>29,433</b>	<b>13,948</b>	<b>1,091,790</b>

\*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	
	2023	2022	2023	2022
Cash purchases	576,867	246,674	576,867	246,674
Credit purchases	347,212	-	-	-
<b>Total</b>	<b>924,079</b>	<b>246,674</b>	<b>576,867</b>	<b>246,674</b>

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### 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 GHS 20,050,000. MobileMoney Limited was incorporated on 5 November 2015 to operate mobile financial services in Ghana. Investment in Mobilemoney limited was increased by GHS 20,000,000 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 involves an amount of GHS20,000,000. This became effective on 31 December 2022.

### 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	
	2023	2022	2023	2022
At start of year	149,395	103,138	149,395	103,138
Additions for the year	43,988	79,296	43,988	79,296
Amortisation	(40,837)	(25,561)	(40,837)	(25,561)
Exchange difference	-	(7,478)	-	(7,478)
<b>Total</b>	<b>152,546</b>	<b>149,395</b>	<b>152,546</b>	<b>149,395</b>
Non-current portion	123,417	123,399	123,417	123,399
Current portion	29,129	25,996	29,129	25,996
<b>Balance at 31 December</b>	<b>152,546</b>	<b>149,395</b>	<b>152,546</b>	<b>149,395</b>
<b>IRU payment: Statement of cashflow</b>				
Total payment for IRU during the year	(43,988)	(69,892)	(43,988)	(69,892)

Total payment for IRU during the year amounted to GHS 43.99 million (2022: GHS 69.89 million).

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**2.18.2 IRU Liability**

This relates to a sale of a 60-Gbps terrestrial capacity to MainOne which provides 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. In addition, a 10X10gb ACE CLS capacity from Accra to Rack Africa was also sold during the year whose proceeds from the sale have been deferred to be amortised over 10 years.

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
At start of year	30,260	17,319	30,260	17,319
Additions	4,961	12,941	4,961	12,941
Amortisation	(5,355)		(5,355)	-
<b>Total</b>	<b>29,866</b>	<b>30,260</b>	<b>29,866</b>	<b>30,260</b>
Non-current	26,071	26,829	26,071	26,829
Current	3,795	3,431	3,795	3,431
<b>Balance at 31 December</b>	<b>29,866</b>	<b>30,260</b>	<b>29,866</b>	<b>30,260</b>

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Consolidated and separate financial statements for the year ended 31 December 2023

**2.18.3 Other non-current Liability**

This relates to an IAS38 capitalisation of Ericsson Converged Wallet (ECW) platform for Mobile Money Limited as disclosed under Note 2.16.3.

This is a five year contract between MML and Ericsson where the software will be developed on a Microsoft Azure cloud.

MobileMoney Ltd entered into a five-year non-cancellable software licensing agreement with Ericsson AB (Supplier) for the supply of services related to the Ericsson Mobile Money Platform (Ericsson Converged-Wallet). Ericsson-Converged Wallet is the core platform used by MobileMoney Limited for the provision of mobile money services to all customers.

At initial recognition the intangible asset was capitalized at its present value (present value of future minimum commitments) using MML's incremental borrowing rate. This is a rate that MML would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic condition with similar terms and conditions. Subsequently the asset is amortized over the life of the contract (five years).

Liability in relation to ECW is equal to the capitalized asset at initial recognition. The liability is subsequently increased by the finance cost and decreased by cash payments made. Finance costs are charged to profit or loss over the life of the asset to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	<b>Group</b>		<b>Company</b>	
<i>All amounts in thousands of Ghana Cedis</i>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Measurement of other liabilities</b>				
Current liabilities	171,317	-	-	-
Non-current liabilities	245,967	-	-	-
<b>Total</b>	<b>417,284</b>	-	-	-

	<b>Group</b>		<b>Company</b>	
<i>All amounts in thousands of Ghana Cedis</i>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
At start of year	-	-	-	-
Additions	347,211	-	-	-
Finance cost	124,849	-	-	-
*Payment	(54,776)	-	-	-
<b>Closing Liability</b>	<b>417,284</b>	-	-	-

\*Finance cost paid on the statement of cashflow includes an amount of GHS 54.8 million relating to interest payment on Ericsson Converged Wallet (ECW) liability.

## Scancom PLC

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### 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 recognised breakage in the current period for sale of vouchers in prior periods. Breakage is not recognised for current period sales 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. Included in contract liability, an amount of GHS67,234 relating to payment received for unused capacity purchased and operations and maintenance of 134 sites.

Movement in contract liability is shown below:

	<b>2023</b>	<b>2022</b>
<b>At start of year</b>	217,090	191,558
Sale of prepaid airtime	10,080,939	7,445,109
Prepaid revenue recognised	(9,950,553)	(7,422,218)
Loyalty deferred	-	2,641
	<b>347,476</b>	<b>217,090</b>
<b>Balance at 31 December</b>		

#### 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).

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
Contract assets	-	1,633

#### 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.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
At start of year	24,968	39,744	24,968	39,744
Additions	28,109	25,071	28,109	25,071
Amortisation	(7,731)	(39,847)	(7,731)	(39,847)
<b>Balance at 31 December</b>	<b>45,346</b>	<b>24,968</b>	<b>45,346</b>	<b>24,968</b>



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**Notes to the financial statements - (continued)**

**2.20 Inventory**

Inventory mainly comprises of 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 of 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	
	2023	2022	2023	2022
<i>All amounts in thousands of Ghana Cedis</i>				
Devices, SIM cards and accessories at cost	132,633	80,011	132,633	80,011
Less provision for obsolescence	(51,635)	(66,262)	(51,635)	(66,262)
	80,998	13,749	80,998	13,749
<b>Movement in provision for obsolescence</b>				
At start of year	(66,262)	(85,515)	(66,262)	(85,515)
Reductions / (Additions) during year	14,627	19,253	14,627	19,253
<b>Balance at 31 December</b>	(51,635)	(66,262)	(51,635)	(66,262)

**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.

**2.21.1 Trade and other receivables**

	Group		Company	
	2023	2022	2023	2022
<i>All amounts in thousands of Ghana Cedis</i>				
Trade receivables	1,106,862	853,749	969,594	776,757
Less: allowance for impairment of trade receivables	(85,945)	(80,376)	(85,945)	(80,376)
	1,020,917	773,373	883,649	696,381

The Group holds cash collateral of GHS 67.4 million (2022: GHS 78.2 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.

**Scancom PLC**

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**Notes to the financial statements - (continued)**

**2.22 Other assets and Other financial assets**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>All amounts in thousands of Ghana Cedis</i>				
<b>Other assets</b>				
Prepayments**	87,769	149,247	86,618	147,871
<b>Other financial assets at amortised cost</b>				
Staff loans	13,380	10,536	13,152	10,536
Intercompany receivables	368,627	334,338	368,151	334,332
Total	382,007	344,874	381,303	344,868

\*\* 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:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
Partner banks' own funds	8,902,269	5,646,633
Money held on EMI's own account	7,478,827	6,016,473
<b>Total</b>	16,381,096	11,663,106

As at 31 December 2023, the number of partner banks, MobileMoney Limited operated with were 22 (2022: 20). The funds are held in trust and on demand by electronic wallet holders and therefore, the funds are ring-fenced and cannot be commingled or used for the entity's operations.

## Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

### Notes to the financial statements - (continued)

#### *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 counterparty risk profile indicate significant increase in credit risk were impaired. The total amount recognised as Expected Credit Loss (ECL) on the float balances is GHS51,433 (2022: GHS37,693) and this balance is included in provisions.

### **2.23 Obligations to electronic money holders (Mobile money float - (continued))**

#### *Quantitative criteria*

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

1. Between 80%-100% as low risk, Tier 1
2. Between 60%-79% as low risk, Tier 2
3. 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:

1. Probability of default: this is the likelihood that the partner bank will default.
2. Loss given default: the percentage that the company stands to loose when the partner bank defaults (LGD).
3. 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.

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Cash and bank balances	2,946,133	1,586,207	2,260,258	1,176,104

**Scancom PLC**

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**Notes to the financial statements - (continued)**

**2.24.1 Investment in securities**

Investment in Securities represent a transfer from retained earnings at a minimum amount 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 GHS 200 million. Interest earned on investment are also transferred into other reserves and are not available for distribution.

*All amounts in thousands of Ghana Cedis*

	<b>2023</b>	<b>2022</b>
Opening Balance	188,571	82,540
Investment in Treasury bills	38,296	84,187
Interest Accrued on investment	51,418	21,844
<b>Total</b>	<b>278,285</b>	<b>188,571</b>

**2.25 Stated capital**

There was no 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 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.

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Authorised Ordinary shares of no-par value	100,000,000,000	100,000,000,000	100,000,000,000	100,000,000,000
<b>Reconciliation of number of shares issued:</b>				
Reported at	13,236,175,050	12,290,474,360	13,236,175,050	12,290,474,360
<b>Issued share</b>				
Ordinary	2,222,888	1,097,504	2,222,888	1,097,504

## Scancom PLC

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### Notes to the financial statements - (continued)

#### 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.

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current liabilities	158,216	164,746	158,216	164,746
Non-current liabilities	73,422	222,318	73,422	222,318
	<b>231,638</b>	<b>387,064</b>	<b>231,638</b>	<b>387,064</b>
Carrying amount of borrowings are denominated as follows:				
Local currency	<u>231,638</u>	<u>387,064</u>	<u>231,638</u>	<u>387,064</u>

#### 2.26.1 Summary of borrowing arrangements

##### 31 December 2023

Additional Facility: Additional term loan of GHS 450 million bearing interest at 34.7579% per annum repayable starting on 24/12/2022 and expiring on 24/06/2025. The facility is secured on total assets less float.

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Total Funding Available</b>				
<b>Movement in borrowings</b>				
At start of year	375,000	564,996	375,000	564,996
Repayments on borrowings	(150,003)	(189,996)	(150,003)	(189,996)
<b>At end of year</b>	<u>224,997</u>	<u>375,000</u>	<u>224,997</u>	<u>375,000</u>
<b>Movement in capitalised transaction costs:</b>				
At start of year	(2,678)	(5,224)	(2,678)	(5,224)
Amortisation for the year	1,107	2,546	1,107	2,546
Interest accrued	8,213	14,740	8,213	14,740
<b>Balance at 31 December</b>	<u>231,638</u>	<u>387,062</u>	<u>231,638</u>	<u>387,062</u>

#### Repayment

Repayments in 2023 were for term loan (Additional Facility) of GHS150 million.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**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.

**2.27.3 Provisions**

	Group		Company	
<b>All amounts in thousands of Ghana Cedis</b>				
<b>Measurement of Provisions</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Non-Current Provisions	9,990	10,657	9,424	10,657
Current Provisions	246,416	107,058	98,264	66,936
<b>Total</b>	<b>256,406</b>	<b>117,715</b>	<b>107,688</b>	<b>77,593</b>

**Reconciliation of current provisions - Group - 2023**

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	27,912	173,259	(138,232)	62,939
Provision for Share Appreciation Rights	38,721	23,101	(56,793)	5,029
Other provisions	40,425	868,925	(730,902)	178,448
	107,058	1,065,285	(925,927)	246,416

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.27 Provisions - (continued)**

**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 appreciation rights	21,600	3,319	-	24,919
Other provisions	7,095	115,874	68,741	54,228
	9,762	44,175	(13,512)	
	<u>57,702</u>	<u>137,668</u>	<u>(88,312)</u>	<u>107,058</u>

**Reconciliation of provisions - Company - 2023**

	Opening balance	Additions	Utilised during the year	Total
Bonus provision	26,543	167,175	(136,084)	57,634
Provision for Share Appreciation Rights	15,764	30,923	(41,830)	4,857
Other provisions	24,629	799,860	(788,716)	35,773
	<u>66,936</u>	<u>997,958</u>	<u>(966,630)</u>	<u>98,264</u>

**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 appreciation rights	20,500	3,626		24,126
Other provisions	5,236	79,772	68,741	16,267
	<u>53,244</u>	<u>73,470</u>	<u>(59,778)</u>	<u>66,936</u>

**2.27.4 Other provisions (non-current)**

The non-current portion of other provisions of GHS 9.99 million (2022: GHS10.66 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.

**Other Provision (current)**

The current portion of Other provision is GHS 246 million (2022 GHS107 million) which consists of bonus, litigation and the share appreciation rights provisions. This estimate is done with the probability that the obligations under consideration will crystallise within the accounting period under consideration. Thus the provision is released upon the crystallisation of these expenditure.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**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, 38,443,048 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:

LAN	2023		2022	
	Average price per option	Number of options ('000)	Average price per option	Number of options
	GHS		GHS	('000)
At start of year	1.08	15,452	0.93	30,806
Granted	-	-	-	-
Exercised	2.68	(13,720)	2.04	(15,074)
Expired and forfeited	-	(116)	-	(280)
<b>At 31 December 2023</b>	<b>0.95</b>	<b>1,616</b>		<b>15,452</b>



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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

##### 2.27.5 Share based payments - (continued)

All amounts in thousands of Ghana

Cedis GAN	2023		2022	
	Average price per option GHS	Number of options ('000)	Average price per option GHS	Number of options ('000)
At start of year	17.20	500,120	14.81	735,620
Granted	-	-	-	-
Exercised	75.76	(440,630)	25.70	(156,225)
Expired and forfeited	-	(16,880)	-	(79,275)
<b>At 31 December 2023</b>	<b>20.73</b>	<b>42,610</b>		<b>500,120</b>

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	2023	2022
			Number of options 31 December 2023 ('000)	Number of options 31 December 2022 ('000)
1 April 2016	31 March 2021	0.45	-	-
1 April 2017	31 March 2022	0.55	-	-
1 April 2018	31 March 2023	0.68	-	172
1 April 2019	31 March 2024	0.77	807	1,715
1 April 2020	31 March 2025	1.13	810	13,566
			<b>1,617</b>	<b>15,453</b>

MTN Group and Company GAN Grant date	Expiry date	NSO Price GHS	2023	2022
			Number of options 31 December 2023 ('000)	Number of options 31 December 2022 ('000)
1 April 2011	31 March 2021	31.40	-	-
1 April 2012	31 March 2022	25.76	-	-
1 April 2013	31 March 2023	24.45	-	9,980
1 April 2014	31 March 2019	-	-	-
1 April 2015	31 March 2020	-	-	-
1 April 2016	31 March 2021	44.62	-	-
1 April 2017	31 March 2022	39.14	-	-
1 April 2018	31 March 2023	44.27	-	850
1 April 2019	31 March 2024	32.15	13,280	42,950
1 April 2020	31 March 2025	15.16	29,330	446,340
			<b>42,610</b>	<b>500,120</b>

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

##### 2.27.5 Share based payments - (continued)

All amounts in thousands of Ghana Cedis

MTN Group and Company Group PSP Grant date	Expiry date	Price GHS	2023	2022
			Number of options 31 December 2023 ('000)	Number of options 31 December 2022 ('000)
1 April 2018	31 March 2023	86.13	-	-
1 April 2019	31 March 2024	86.88	-	-
1 April 2022	31 March 2025	63.08	-	-
			-	-

MTN Group and Company Ghana PSP Grant date	Expiry date	Price GHS	2023	2022
			Number of options 31 December 2023 ('000)	Number of options 31 December 2022 ('000)
15 December 2020	14 December 2025	0.62	29,098	34,022
15 December 2021	14 December 2026	1.16	17,517	19,326
15 December 2022	11 December 2027	0.88	36,251	37,315
15 December 2022	15 December 2022	1.40	27,914	-
			110,780	90,663

MTN Group and Company Ghana ESOP Grant date	Expiry date	Price GHS	2023	2022
			Number of options 31 December 2023	Number of options 31 December 2022
15 December 2020	14 December 2025	0.61	11,138	16,717
1 December 2021	26 November 2026	1.26	200,358	222,620
22 June 2022		0.94	564,432	598,640
1 December 2022		0.87	481,280	529,408
1 December 2022		1.19	778,470	
1 December 2022		1.39	589,323	
		-	2,625,001	1,367,385

No share options were exercised during the year.

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

#### Share based payments - (continued)

##### 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).

<i>All amounts in thousands of Ghana Cedis</i>	Group		Company	
	2023	2022	2023	2022
Share-based payment liability	60,959	33,539	55,996	30,590

##### 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.

<i>All amounts in thousands of Ghana Cedis</i>	Group		Company	
	2023	2022	2023	2022
Trade payables	476,100	308,382	469,908	434,123
Sundry payables	126,659	88,435	105,954	77,701
Accrued expenses	675,530	671,567	603,661	602,172
Intercompany payables	358,393	376,086	468,156	428,543
Other payables	242,762	322,520	242,748	169,553
Total	1,879,444	1,766,990	1,890,427	1,712,092

##### 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.

<i>All amounts in thousands of Ghana Cedis</i>	Group		Company	
	2023	2022	2023	2022
Dividend declared	2,185,828	1,536,309	2,185,828	1,536,309
Dividend paid	(1,072,177)	(1,536,309)	(1,072,177)	(1,536,309)
Scrip Dividend	(1,113,651)	-	(1,113,651)	-
Balance as at 31 December 2023	-	-	-	-

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **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 nonoccurrence 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 31 December 2023. 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 2023 of an amount of GHS309 million in 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.

#### **2.31 Capital commitments**

*All amounts in thousands of Ghana Cedis*

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Capital commitments for the acquisition of property, plant and equipment:</b>				
Property, plant and equipment contracted	476,100	308,382	469,908	434,123
<b>Commercial commitments as at 31 December:</b>				
100% commitment to purchase SIM and recharge cards (open purchase orders for 2021)	38,000	38,000	603,661	602,172

#### **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.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

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

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<i>All amounts in thousands of Ghana Cedis</i>				
<b>Purchase from related parties:</b>				
MTN Group management services (PTY) Limited	4,194	3,633	4,194	3,633
MTN Nigeria Communications Limited	387	-	387	-
MTN Dubai Limited (Management Fees and Others)	166,204	401,917	166,204	401,917
MobileMoney Limited	-	-	410,189	219,625
Global Connect Solutions	392,730	270,638	392,730	270,638
Other Intercompany Purchases	5,434	1,295	5,434	1,295
<b>Services to related parties:</b>				
Mobile Telephone Network Cameroon Limited	370	283	370	283
MTN Group management services (PTY) Limited	29,658	29,904	29,658	29,904
MTN South Africa	188	170	188	170
MTN Nigeria Communications Limited	452	213	452	213
MTN Cote d'Ivoire	784	2,080	784	2,080
Ayo Ghana	17,266	17,559	17,266	17,559
MobileMoney Limited	-	-	347,125	176,672
Global Connect Solutions	492,676	442,051	492,676	442,051
Other Intercompany Sales	8,389	4,290	8,389	4,290
<b>Dividend to related parties</b>				
Dividend paid to Investcom Consortium Holding SA	1,536,309	1,536,309	1,536,309	1,536,309
<b>Compensation to directors and other key management</b>				
Short-term employee benefits	9,471	9,471	7,871	7,871
Post-employment benefits - Pension - Defined contribution plan	1,034	1,034	876	876
Share-based payment	7,500	7,500	6,385	6,385
	<b>18,005</b>	<b>18,005</b>	<b>15,132</b>	<b>15,133</b>

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.32 Related parties - (continued)**

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

<i>All amounts in thousands of Ghana Cedis</i>	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Payables</b>				
MTN Group management services (PTY) Limited	(27,888)	(20,731)	(27,888)	(20,731)
MTN South Africa	(614)	(559)	(614)	(559)
MTN Dubai Limited	(45,808)	(206,531)	(45,808)	(206,531)
Ayo Ghana	(3,002)	(8,753)	(3,002)	(8,753)
MobileMoney Limited	(115,702)	-	(115,702)	(52,458)
GlobalConnect Solutions	(271,565)	(138,886)	(271,565)	(138,886)
Other Intercompany Payable	(3,578)	(625)	(3,578)	(625)
 <b>Receivables</b>				
MTN Group management services (PTY) Limited	6,324	127,447	6,324	127,447
MTN South Africa	11,008	9,540	11,008	9,540
MTN Nigeria Communications Limited	869	428	869	428
GlobalConnect Solutions	311,739	170,336	311,739	170,336
UUTET Kenya (PTY) Limited	3,800	3,451	3,800	3,451
Ayo Ghana	2,933	1,793	2,933	1,793
Other intercompany receivable	29,613	19,467	29,613	19,467

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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **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 31 December 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.

## **Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

### **Notes to the financial statements - (continued)**

#### **2.33 Financial instruments - (continued)**

##### **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 31 December 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.



## Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

### Notes to the financial statements - (continued)

#### 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

*All amounts in thousands of Ghana Cedis*

	Amortised cost	Total
<b>Group - 2023</b>		
Trade and other payables (Note 2.28)	1,879,444	1,879,444
Borrowings (Note 2.26)	231,638	231,638
Lease liability (Note 2.15.8)	2,159,484	2,159,484
Mobilemoney floats (Note 2.23)	16,381,096	16,381,096
Other non-current liability (Note 2.18.3)	245,967	245,967
	<b>20,897,629</b>	<b>20,897,629</b>
	<b>Amortised cost</b>	<b>Total</b>
<b>Group - 2022</b>		
Trade and other payables (Note 2.28)	1,766,990	1,766,990
Borrowings (Note 2.26)	387,062	387,062
Lease liability (Note 2.15.8)	1,600,298	1,600,298
	<b>3,754,350</b>	<b>3,754,350</b>
	<b>Amortised cost</b>	<b>Total</b>
<b>Company - 2023</b>		
Trade and other payables (Note 2.28)	1,890,427	1,890,427
Borrowings (Note 2.26)	-	-
Lease liability (Note 2.15.8)	2,159,484	2,159,484
Mobilemoney floats (Note 2.23)	16,381,096	16,381,096
Other current liability (Note 2.18.3)	171,317	171,317
	<b>20,602,324</b>	<b>20,602,324</b>
	<b>Amortised cost</b>	<b>Total</b>
<b>Company - 2022</b>		
Trade and other payables (Note 2.28)	1,712,092	1,712,092
Borrowing (Note 2.26)	164,746	164,746
Lease liability (Note 2.15.8)	1,600,298	1,600,298
	<b>3,477,136</b>	<b>3,477,136</b>

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.34.2 Financial instruments by category - (continued)**

**Categories of financial assets**

All amounts in thousands of Ghana Cedis

	<b>Amortised cost</b>	<b>Total</b>
<b>Group - 2023</b>		
Trade and receivables and other financial assets (Note 2.21.1 and 2.22)	1,402,924	1,402,924
Cash and cash equivalent (Note 2.24)	2,946,133	2,946,133
Mobilemoney floats (Note 2.23)	16,381,096	16,381,096
Investment in securities (Note 2.24.1)	278,285	278,285
	<b>21,008,438</b>	<b>21,008,438</b>
<b>Group - 2022</b>		
Trade and receivables and other financial assets (Note 2.21.1)	1,118,247	1,118,247
Cash and cash equivalent (Note 2.24)	1,586,207	1,586,207
	<b>2,704,454</b>	<b>2,704,454</b>
<b>Company - 2023</b>		
Trade and receivables and other financial assets (Note 2.21.1)	1,264,952	1,264,952
Cash and cash equivalent (Note 2.24)	2,260,258	2,260,258
	<b>3,525,210</b>	<b>3,525,210</b>
<b>Company - 2022</b>		
Trade and receivables and other financial assets (Note 2.21.1)	1,041,249	1,008,533
Cash and cash equivalent (Note 2.24)	1,176,104	1,176,104
	<b>2,217,353</b>	<b>2,184,637</b>

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.34 Financial risk management and fair values - (continued)**

**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.

Nairtime receivables (borrowed airtime) from subscribers is secured by \$1,000,000 bank recourse guarantee provided by Nairtime holdings limited with over 98% of credit borrowed recovered within a month. Unliquidated Cash receivables from Mobile Money Ltd (i.e. from Airtime & EVD Data sale) are settled promptly due to a twice weekly settlements' regime agreed with partner banks and all credit limits granted to our trade distributors is also backed by 12 months bank guarantees

Credit Impaired or "Bad Debt " is defined as when account attains more than 12months/365 days past due and a debt claim of the Group in respect of which the Group has taken all reasonable steps to pursue payment and which the Group reasonably believes will not be satisfied and which may include but not limited to the following:

1. Debts which are not lawfully recoverable
2. Trade Debts resulting from a decision of the court/Collection agent
3. Debts whose collection would not be cost effective
4. Debts that cannot be proven
5. The debtors who cannot be located
6. The debtor is declared bankrupt
7. There is dispute over services delivery

The Group Credit Management policy requires that a trade receivable is uncollectable given that collection efforts have been exhausted according to the prescribed collection strategy, is written off against the allowance account for trade receivables and must be done in line with the approved DOA of the Group. Subsequent recoveries of amounts previously written off are credited to profit or loss.

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:

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**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

All amounts in thousands of  
Ghana Cedis

Group	2023			2022		
	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
Trade and other receivables	1,106,862	(85,945)	1,020,917	853,749	(80,376)	773,373
Contract assets	-	-	-	1,633	-	1,633
Cash and cash equivalents	2,946,133	-	2,946,133	1,586,207	-	1,586,207
	<u>4,052,995</u>	<u>(85,945)</u>	<u>3,967,050</u>	<u>2,441,589</u>	<u>(80,376)</u>	<u>2,361,213</u>

Company	2023			2022		
	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
Trade and other receivables	969,594	(85,945)	883,649	776,757	(80,376)	696,381
Contract assets	-	-	-	1,633	-	1,633
Cash and cash equivalents	2,260,258	-	2,260,258	1,176,104	-	1,176,104
	<u>3,229,852</u>	<u>(85,945)</u>	<u>3,143,907</u>	<u>1,954,494</u>	<u>(80,376)</u>	<u>1,874,118</u>

	Group		Company	
	2023	2022	2023	2022
Mobile money float	16,381,096	11,663,106	-	-
Trade receivables and other assets	1,490,693	1,267,494	1,351,570	1,189,120
Contract assets	-	1,633	-	1,633
Cash and cash equivalents	2,946,133	1,586,207	2,260,258	1,176,104
	<u>17,871,789</u>	<u>14,518,440</u>	<u>3,611,828</u>	<u>2,366,857</u>

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

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

#### 2.34 Financial risk management and fair values - (continued)

##### 2.34.3 Credit risk - (continued)

All amounts in thousands of Ghana Cedis

Group 31 December 2023	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairme nt provision)
<b>Fully performing trade receivables</b>	<b>160,105</b>		<b>161</b>	<b>159,944</b>
Interconnect receivables	-	-	-	-
Contract receivables	12,566	0.10%	13	12,553
Other receivables	147,539	0.10%	148	147,391
<b>Past due trade receivables</b>	<b>946,757</b>		<b>85,784</b>	<b>860,973</b>
<b>Interconnect receivables</b>	<b>316</b>		<b>-</b>	<b>316</b>
0 to 3 months	-	-	-	-
3 to 6 months	158	-	-	158
6 to 9 months	158	-	-	158
<b>*Contract receivables</b>	<b>16,277</b>		<b>2,020</b>	<b>14,257</b>
0 to 3 months	5,376	2.19%	118	5,258
3 to 6 months	7,509	25.33%	1,902	5,607
6 to 9 months	3,392	-	-	3,392
<b>**Other receivables</b>	<b>930,164</b>		<b>83,764</b>	<b>846,400</b>
0 to 3 months	546,426	0.09%	476	545,950
3 to 6 months	141,585	69.41%	82,714	58,871
6 to 9 months	242,153	0.24%	574	241,579
<b>Total</b>	<b>1,106,862</b>		<b>85,945</b>	<b>1,020,917</b>

\*Contract receivables increased as a result of an increase in postpaid and ICT receivables.

\*\*Other receivables increased due to dealer withholding tax receivables, receivable for retail customers as well as rent receivables for MTN owned facilities.

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**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.34.3 Credit risk - (continued)**

Group	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairment provision)
<b>31 December 2022</b>				
<b>Fully performing trade receivables</b>	<b>578,685</b>		<b>463</b>	<b>571,738</b>
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
<b>Past due trade receivables</b>	<b>281,550</b>		<b>79,914</b>	<b>201,633</b>
<b>Interconnect receivables</b>	<b>17,742</b>		<b>377</b>	<b>17,364</b>
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
<b>Contract receivables</b>	<b>20,342</b>		<b>6,158</b>	<b>14,183</b>
0 to 3 months	6,826	1.58%	108	6,717
3 to 6 months	13,516	44.76%	6,050	7,466
<b>Trade and other receivables</b>	<b>243,466</b>		<b>73,379</b>	<b>170,086</b>
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
<b>Total</b>	<b>860,235</b>		<b>80,377</b>	<b>773,373</b>

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**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.34 Financial risk management and fair values**

**-(continued)**

**2.34.3 Credit risk - (continued)**

Company 31 December 2023	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairment provision)
<b>Fully performing trade receivables</b>	<b>175,780</b>		<b>161</b>	<b>175,619</b>
Interconnect receivables	15,675	-%	-	15,675
Contract receivables	12,566	0.10%	13	12,553
Trade and other receivables	147,539	0.10%	148	147,391
<b>Past due trade receivables</b>	<b>793,814</b>		<b>85,784</b>	<b>709,960</b>
<b>Interconnect receivables</b>	<b>316</b>		<b>-</b>	<b>316</b>
0 to 3 months	-	-%	-	-
3 to 6 months	158	-%	-	158
6 to 9 months	158	-%	-	158
<b>Contract receivables</b>	<b>16,278</b>		<b>2,020</b>	<b>16,188</b>
0 to 3 months	7,860	1.50%	118	7,742
3 to 6 months	5,026	15.96%	802	4,223
6 to 9 months	3,392	32.43%	1,100	4,223
<b>Other receivables</b>	<b>777,220</b>		<b>83,764</b>	<b>693,456</b>
0 to 3 months	409,542	0.13%	532	409,010
3 to 6 months	38,630	2.50%	966	37,664
6 to 9 months	329,048	25.00%	82,266	246,782
<b>Total</b>	<b>969,594</b>		<b>85,945</b>	<b>883,649</b>

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Notes to the financial statements - (continued)

#### 2.34 Financial risk management and fair values

- (continued)

Company 31 December 2022	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairme nt provision)
<b>Fully performing trade receivables</b>	<b>408,003</b>		<b>461</b>	<b>407,542</b>
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
<b>Past due trade receivables</b>	<b>368,752</b>		<b>79,915</b>	<b>288,836</b>
<b>Interconnect receivables</b>	<b>17,742</b>		<b>377</b>	<b>17,365</b>
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
<b>Contract receivables</b>	<b>8,638</b>		<b>1,369</b>	<b>7,268</b>
0 to 3 months	6,825	1.58%	108	6,717
3 to 6 months	1,813	69.55%	1,261	551
<b>Other receivables</b>	<b>342,372</b>		<b>78,169</b>	<b>264,203</b>
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
<b>Total</b>	<b>776,757</b>		<b>80,376</b>	<b>696,381</b>

#### Movement in impairment provision

*All amounts in thousands of Ghana Cedis*

	At start of year	Increases	Write-off	Balance at 31 December
2023 Provision for impairment of trade receivables	(80,376)	(5,569)	-	(85,945)
2022 Provision for impairment of trade receivables	(8,122)	(72,254)	-	(80,376)



**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.34 Financial risk management and fair values - (continued)**

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).

**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.

*All amounts in thousands of Ghana Cedis*

<b>Group</b>	<b>Carrying amounts</b>	<b>Payable within one month or on demand</b>	<b>More than 1 month but not exceeding 3 months</b>	<b>More than 3 month but not exceeding 1 year</b>	<b>More than 1 year but not exceeding 5 years</b>
<b>31 December 2023</b>					
Trade payables	476,100	476,100	-	-	-
Accruals and sundry payables	802,189	802,189	-	-	-
Lease liabilities	2,159,484	-	-	448,109	1,711,375
Amount due to related parties	358,393	358,393	-	-	-
Borrowings	231,638	-	-	158,216	73,422
Mobilemoney float	16,381,096	16,381,096	-	-	-
Other liability	417,284	-	-	171,317	245,967
	<b>208,266,184</b>	<b>18,017,778</b>	<b>-</b>	<b>777,642</b>	<b>2,030,764</b>

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**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

*All amounts in thousands of  
Ghana Cedis*

**Group**

**31 December 2022**

	<b>Carrying amounts</b>	<b>Payable within one month or on demand</b>	<b>More than 1 month but not exceeding 3 months</b>	<b>More than 3 month but not exceeding 1 year</b>	<b>More than 1 year but not exceeding 5 years</b>
Trade payables	308,382	308,382	-	-	-
Accruals and sundry payables	760,002	760,002	-	-	-
Lease liabilities	1,600,298	-	-	284,278	1,316,020
Amount due to related parties	376,086	376,086	-	-	-
Borrowings	387,064	-	-	164,746	222,318
	<b>3,431,832</b>	<b>1,444,470</b>	<b>-</b>	<b>449,024</b>	<b>1,538,338</b>

**2.34.5 Liquidity risk - (continued)**

<b>Company</b>	<b>Carrying amounts</b>	<b>Payable within one month or on demand</b>	<b>More than 1 month but not exceeding 3 months</b>	<b>More than 3 month but not exceeding 1 year</b>	<b>More than 1 year but not exceeding 5 years</b>
<b>31 December 2023</b>					
Trade payables	469,908	469,908	-	-	-
Accruals and sundry payables	709,615	709,615	-	-	-
Lease liabilities	2,159,484	-	-	448,109	1,711,375
Amount due to related parties	352,455	352,455	-	-	-
Borrowings	231,638	-	-	158,216	73,422
	<b>3,923,100</b>	<b>1,531,978</b>	<b>-</b>	<b>606,325</b>	<b>1,784,797</b>
<b>Company</b>					
<b>31 December 2022</b>					
Trade payables	434,123	434,123	-	-	-
Accruals and sundry payables	679,872	679,872	-	-	-
Lease liabilities	1,600,298	-	-	284,278	1,316,020
Amount due to related parties	376,086	376,086	-	-	-
Borrowings	387,064	-	-	164,746	222,318
	<b>3,477,443</b>	<b>1,490,081</b>	<b>-</b>	<b>449,024</b>	<b>1,538,338</b>

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

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**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 its 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 2023, the interest rate profile of the Group's interest bearing financial instruments was: 34.76%. 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 2022**, for Borrowings with all other variables remaining constant.

At 31 December 2023, if the interest rate for local currency denominated loans had increased /decreased by 10% (2022: 10%) with all other variables held constant, post-tax profit for the year and equity would have been GHS 23,343,000 (2022: GHS 28,706,000).

**Foreign exchange risk**

31 December 2023, if the Ghana cedi had weakened/strengthened by 1000 basis point (10%) (2022: 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 GHS 15,984,000 and GHS 586,000 for the Group and Company respectively (2022: GHS 2,526,000 and GHS 604,000), mainly as a result of US Dollar, Euro denominated trade payables, trade receivables and cash and cash equivalents.

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.34 Financial risk management and fair values - (continued)**

**2.34.7 Market risk**

**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 in thousands of Ghana Cedis*

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Gearing ratio at the reporting date was:				
Borrowings	(244,739)	(222,318)	(244,739)	(222,318)
Cash and cash equivalents	2,946,133	1,586,207	2,260,258	1,176,104
Net debt	<u>2,701,394</u>	<u>1,363,889</u>	<u>2,015,519</u>	<u>953,786</u>
Equity	<u>8,619,074</u>	<u>5,709,700</u>	<u>7,693,173</u>	<u>5,067,444</u>
Gearing ratio	<b>31.34%</b>	<b>23.89%</b>	<b>26.20%</b>	<b>18.82%</b>

**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

**Scancom PLC**

Consolidated and separate financial statements for the year ended 31 December 2023

**Notes to the financial statements - (continued)**

**2.35 Retained earnings**

	Group		Company	
	2023	2022	2023	2022
<i>All amounts in thousands of Ghana Cedis</i>				
<b>At start of year</b>	4,396,714	3,183,254	3,943,030	2,773,211
Dividends declared	(2,185,828)	(1,536,309)	(2,185,828)	(1,536,309)
Net profit for the year	3,982,250	2,855,801	3,698,605	2,686,128
Transfer to reserves	(109,714)	(106,032)	(20,000)	20,000
<b>At 31 December</b>	<b>6,083,422</b>	<b>4,396,714</b>	<b>5,435,807</b>	<b>3,943,030</b>

**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. Also included in other reserves is share-based payments held in trust.

	Group		Company	
	2023	2022	2023	2022
<i>All amounts in thousands of Ghana Cedis</i>				
<b>At start of year</b>	215,482	82,540	26,910	-
Interest on investment	-	-	-	-
Transfer between reserves	97,282	132,942	7,568	26,910
Interest Accrued on investment	-	-	-	-
<b>At 31 December</b>	<b>312,764</b>	<b>215,482</b>	<b>34,478</b>	<b>26,910</b>

Included in other reserves is a stamp duty of GHS11,733,298 as a result of issuance of scrip dividend.

**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.

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### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Shareholder information

##### 1 Number

Scancom PLC had 13,236,175,050 ordinary shareholders at 31 December 2023 distributed as follows:

Range	Number of shareholders	Number of shares	% of holding
1 - 1,000	93,686	13,088,588	0.10
1001 - 5,000	7,725	17,152,612	0.13
5001 - 10,000	2,298	17,732,611	0.13
10,001 - 999,999,999	2,019	2,965,286,469	22.40
1 billion - 11 billion	1	10,222,914,770	77.23
<b>TOTAL</b>	<b>105,729</b>	<b>13,236,175,050</b>	<b>100</b>

##### 2 List of twenty largest shareholders as at 31 December 2023

	Number of shares	% of holding
1 INVESTCOM CONSORTIUM HOLDINGS S.A.,	10,222,914,770	77.23
2 SCGN/JPMC FIRSTRAND BANK LTD GTI:73863,	379,277,829	2.87
3 SOCIAL SECURITY AND NATIONAL INSURANCE TRUST,	198,745,480	1.50
4 SCGN/SSB& TRUST AS CUST FOR KIMBERLITE FRONTIER, AFRICA MASTER FUND,L.P-RCKM	178,612,110	1.35
5 HUNTER BOFOUR LTD,	122,904,743	0.93
6 AFCAP GHANA LTD, A.G	122,904,743	0.93
7 DADEK HOLDINGS LTD,	122,904,743	0.93
8 YEOTECH COMPANY LTD,	122,904,743	0.93
9 SCANVISION INVESTMENTS LIMITED COMPANY,	122,904,743	0.93
10 STD NOMS/BNYMSANVLUX RE EASTSPRING INVESTMENTS SICAV-FIS	110,306,438	0.83
11 SCGN / NORTHERN TRUST CO. AVFC 6314B,	99,915,882	0.75
12 STD NOMS/TRUST ACCT/BNYMSANV RE BNYMSANVFFT RE ODD, O KIL AFR	87,464,313	0.66
13 CORONATION FD MGERS IRE ON BEHALF OF THE AFR FRTR FUND,	59,552,104	0.45
14 STD NOMS/TRUST AC/BNYMSANV RE BNYMIL RE ALL AFR FD,	55,212,451	0.42
15 STD NOMS TVL PTY MOMENTUM SP REID SECURITIES LTD,	39,700,132	0.30
16 STD NOMS/ BNYM RE VANDERBILT UNIVERSITY,,	42,437,110	0.32
17 CBN/HSOPS/FM1,HSOPS FRONT	73,550,583	0.56
18 ENTERPRISE TIER 2 OCCUPATIONAL PENSION SCHEME	53,336,912	0.40
19 GES OCC PENSION -DATABANK FINANCIALS,	48,368,296	0.37
20 SCGN/JPMC RE DUET AFRICA OPPORTUNITIES MASTER FUND, IC GTI:AEX26	40,122,120	0.30
Others	932,134,805	7.04
<b>Total</b>	<b>13,236,175,050</b>	<b>100</b>

The supplementary information presented does not form part of the consolidated and separate financial statement and is unaudited.

## Confidential

### Scancom PLC

Consolidated and separate financial statements for the year ended 31 December 2023

#### Five year financial summary

#### Statement of Profit or Loss and Other Comprehensive Income

All amounts in thousands of Ghana Cedis

	2023	2022	2021	2020	2019
Revenue	13,349,471	9,916,109	7,723,259	5,920,720	5,181,836
<b>EBITDA</b>	<b>7,800,469</b>	<b>5,563,655</b>	<b>4,249,384</b>	<b>3,178,181</b>	<b>2,630,433</b>
Depreciation and amortisation	(1,724,598)	(1,198,679)	(1,035,557)	(877,453)	(801,544)
<b>Operating profit</b>	<b>6,075,871</b>	<b>4,364,976</b>	<b>3,213,827</b>	<b>2,300,728</b>	<b>1,828,889</b>
Net finance costs	(486,164)	(268,456)	(365,189)	(328,005)	(385,515)
<b>Profit before income tax</b>	<b>5,589,707</b>	<b>4,096,520</b>	<b>2,848,638</b>	<b>1,972,723</b>	<b>1,443,374</b>
Taxes and levies	(1,607,457)	(1,240,719)	(847,255)	(577,828)	(435,416)
<b>Profit for the year</b>	<b>3,982,250</b>	<b>2,855,801</b>	<b>2,001,383</b>	<b>1,394,895</b>	<b>1,007,958</b>
<b>Statement of Financial Position</b>					
Property, plant and equipment	6,432,554	4,981,038	3,906,148	3,371,844	3,018,008
Right-of-use assets	1,484,549	1,196,562	1,342,204	1,420,085	1,574,776
Intangible assets	1,369,559	784,079	778,872	858,648	448,276
Other non-current assets	168,763	150,000	130,402	125,389	120,962
Other current assets	2,082,776	1,672,800	1,394,372	1,210,510	932,314
Mobile money float	16,381,096	11,663,106	8,977,989	6,559,373	3,405,579
Cash and cash equivalents	2,946,133	1,586,207	995,422	671,968	458,735
<b>Total assets</b>	<b>30,958,441</b>	<b>22,063,875</b>	<b>17,525,409</b>	<b>9,958,650</b>	<b>4,216,880</b>
Obligations to electronic money holders	(16,381,096)	(11,663,106)	(8,977,989)	(6,559,373)	(3,405,579)
Total liabilities net of e-money	13,677,598	9,515,630	(4,184,122)	(4,319,257)	(3,749,245)
	<b>28,254,943</b>	<b>19,916,399</b>	<b>4,363,298</b>	<b>3,339,187</b>	<b>2,803,826</b>
Stated capital	<b>2,222,888</b>	<b>1,097,504</b>	<b>1,097,504</b>	<b>1,097,504</b>	<b>1,097,504</b>
Reserves	<b>312,764</b>	<b>215,482</b>	<b>82,540</b>	<b>13,401</b>	-
Retained income	<b>6,083,422</b>	<b>4,396,714</b>	<b>3,183,254</b>	<b>2,228,282</b>	<b>1,706,322</b>
	<b>8,619,074</b>	<b>5,709,700</b>	<b>4,363,298</b>	<b>3,339,187</b>	<b>2,803,826</b>