

Scancom Plc (MTN Ghana)

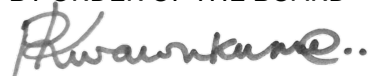
# Notice of 2025 Annual General Meeting (AGM) of Shareholders

**NOTICE IS HEREBY GIVEN THAT** the 7th Annual General Meeting of Shareholders of Scancom PLC ("MTN Ghana" or the "Company") will be held both in-person at the Accra International Conference Centre, Accra and virtually by live streaming by accessing <https://mtnghagm.com/> on Thursday, March 27, 2025 at 11h00 GMT to transact the following business:

## Ordinary Business

1. To receive and consider the Audited Financial Statements together with the reports of the Directors and Auditors thereon for the year ended December 31, 2024;
2. To declare a final dividend for the year ended December 31, 2024;
3. To re-elect or appoint Directors of the Company:
  - 3.1 To re-elect Sugentharen Perumal as a Director;
  - 3.2 To re-elect Fatima Daniels as a Director;
  - 3.3 To re-elect Ebenezer Twum Asante as a Director;
  - 3.4 To re-elect Tsholofelo Molefe as a Director; and
  - 3.5 To appoint Nosisa Fubu as a Director.
4. To approve Directors' fees for the financial year 2025; and
5. To authorize the Directors to fix the remuneration of the Auditor for the financial year 2025.

DATED THE 5TH DAY OF MARCH 2025  
BY ORDER OF THE BOARD



PALA ASIEDU OFORI (MRS.)  
(COMPANY SECRETARY)



## Notes

### 1. ATTENDANCE

This Annual General Meeting (AGM) of Shareholders shall be held on Thursday March 27, 2025, at 11h00 GMT. Shareholders may attend in person at the Accra International Conference Centre or may attend virtually and participate online by accessing <https://mtnghagm.com/>.

Alternatively, Shareholders who do not have smart phones may participate in the AGM by (i) dialing +233 24 430 0025; (ii) entering the access code 8000; and (iii) entering the conference pin number 056789.

### 2. PROXY / PROXY FORMS

- 2.1 A Shareholder entitled to attend and vote at the AGM may appoint a proxy to attend virtually and vote on his/her behalf. Such a proxy need not be a Shareholder of the Company.
- 2.2 The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting at the AGM virtually. Where a Shareholder himself/herself attends the meeting virtually, the proxy appointment shall be deemed to be revoked.
- 2.3 A copy of the Proxy Form may be downloaded from <https://mtnghagm.com/> and may be completed, signed and sent via email only to [info@csd.com.gh](mailto:info@csd.com.gh) as soon as possible and in any event not less than 48 hours before the time appointed for the meeting.

### 3. ACCESSING AND VOTING AT THE AGM

- 3.1 Access to the meeting will be made available from 9am GMT, on Thursday, March 27, 2025. Kindly note, however, that the AGM shall commence at 11h00 GMT. Access to the AGM is set out in note 1 above.
- 3.2 **A unique token number** will be sent to Shareholders by email and/or SMS from Friday, March 14, 2025, to grant access to the AGM. Shareholders who do not receive this token may contact [info@csd.com.gh](mailto:info@csd.com.gh) or call +233 (0) 54 582 3198, +233 (0) 54 582 2865 or +233 (0) 54 582 2920 before the date of the AGM, to be sent the unique token.
- 3.3 Shareholders who do not submit proxy forms to [info@csd.com.gh](mailto:info@csd.com.gh) prior to the meeting, may vote electronically during the AGM using their **unique token number**.
- 3.4 Shareholders participating in the AGM by dial-in as set out in note 1 above, may dial **USSD code \*899\*0#** on all networks to cast their votes.



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

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

#### **4. 2024 AUDITED FINANCIAL STATEMENTS**

Pursuant to Section 128 (3) of the Companies Act, 2019 (Act 992), the Directors must present to Shareholders at the Annual General Meeting the financial statements, alongside the report of the Directors, and report of the Auditor (Ernst & Young Ghana) of the Company for the year ended December 31, 2024.

Shareholders are required to receive and consider the Audited Financial Statements together with the reports of the Directors and Auditor thereon for the year ended December 31, 2024, which can be accessed at <https://mtnghagm.com/>.

#### **5. ORDINARY RESOLUTIONS**

##### **5.1 Ordinary Resolution 1 - Final dividend payment**

Section 76 of the Companies Act provides for the approval by Shareholders of dividend recommended by the Board of Directors. At the Board Meeting held on 27<sup>th</sup> February 2025, the Directors resolved and recommended a final dividend of GHS0.24 per share amounting to a total of **GHS 3,176,682,012** (Three Billion, One Hundred and Seventy-Six Million, Six Hundred and Eighty-Two Thousand, and Twelve Ghana Cedis) for the financial year 2024. Shareholders are by this resolution requested to approve the final dividend recommended by the Directors.

**Resolution 1: The Shareholders by ordinary resolution hereby declare the payment of a final dividend of GHS0.24 per share amounting to a total of GHS 3,176,682,012 (Three Billion, One Hundred and Seventy-Six Million, Six Hundred and Eighty-Two Thousand, and Twelve Ghana Cedis) for the financial year 2024.**

##### **5.2 Ordinary Resolution 2- Re-election / Appointment of Directors**

###### **5.2.1 Re-election of Directors**

**To re-elect Mr. Sugentharen Perumal, Ms. Fatima Daniels, Mr. Ebenezer Twum Asante and Ms. Tsholofelo Molefe as Non-Executive Directors of Scancom PLC.**

Pursuant to Sections 325 (a) and (d) of the Companies Act, one third of the Directors are required to retire from office at each AGM and each retiring Director is eligible for re-election at the said AGM. Accordingly, Mr.



Sugentharen Perumal, Ms. Fatima Daniels, Mr. Ebenezer Asante, and Ms. Tsholo Molefe who are required to retire by rotation at this AGM and being eligible for re-election have offered themselves for re-election.

**Resolution 2.1: The Shareholders by ordinary resolution hereby, re-elect Mr. Sugentharen Perumal as a Non-Executive Director of Scancom PLC.**

**Resolution 2.2: The Shareholders by ordinary resolution hereby, re-elect Ms. Fatima Daniels as a Non-Executive Director of Scancom PLC.**

**Resolution 2.3: The Shareholders by ordinary resolution hereby re-elect Mr. Ebenezer Twum Asante as a Non-Executive Director of Scancom PLC.**

**Resolution 2.4: The Shareholders by ordinary resolution hereby, re-elect Ms. Tsholofelo Molefe as a Non-Executive Director of Scancom PLC.**

#### **5.2.2 Appointment of Director**

**To appoint Ms. Nosisa Fubu as an Independent Non-Executive Director of Scancom PLC.**

Pursuant to section 172 (3) and 300 of the Companies Act, the Company may by ordinary resolution appoint a director of the Company. Ms. Nosisa Fubu is recommended by the Board of Directors for appointment as an Independent Non-Executive Director of the Company.

**Resolution 2.5: The Shareholders by ordinary resolution hereby, appoint Ms. Nosisa Fubu as an Independent Non-Executive Director of Scancom PLC.**

#### **5.3 Ordinary Resolution 3 - Approval of Directors' fees for the financial year 2025**

Pursuant to Section 185 (1) of Act 992 and Paragraph 15 (3) of the SEC Corporate Governance Code, the fees, and any other remuneration payable to directors shall be determined by an ordinary resolution of the Company.

The amount of Ten Million, Three Hundred and Three Thousand, Four Hundred and Nineteen Ghana Cedis, Ninety-four Ghana Pesewas (GHS 10,303,419.94) is hereby proposed as Non-Executive Directors' fees subject to overruns in the event of the appointment of additional Non-Executive Directors and ad-hoc Committee meetings that may be required in the course of the year.



**Resolution 3: The Shareholders by ordinary resolution hereby approve the amount of Ten Million, Three Hundred and Three Thousand, Four Hundred and Nineteen Ghana Cedis, Ninety-four Ghana Pesewas (GHS 10,303,419.94) to be paid to Non-Executive Directors of Scancom PLC, subject to overruns in the event of the appointment of additional Non-Executive Directors and additional and ad-hoc Committee meetings that may be required in the course of the year.**

**5.4 Ordinary Resolution 4 - Authorization of the Board of Directors to fix the remuneration of the Auditors for the financial year 2025.**

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

**Resolution 4: The Shareholders by ordinary resolution resolve that the Board of Directors of Scancom PLC be and are hereby authorized to fix the remuneration of the Auditor for the financial year ending December 31, 2025.**

**For further information, please contact:**

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



**PROXY FORM**

**SCANCOM PLC 2025 ANNUAL GENERAL MEETING – MARCH 27, 2025**

I/We..... of ..... being a Shareholder(s) of Scancom PLC hereby appoint ..... of ..... or failing him/her the Chairman of the Meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11am GMT on March 27, 2025, or at any adjournment thereof.

**OR**

I ..... a Director of ..... Company Limited (the “Shareholder Company”) for and on behalf of the Shareholder Company, which is a shareholder of Scancom PLC do hereby appoint ..... of ..... or failing him/her the Chairman of the Meeting as the Proxy of the Shareholder Company, to attend, speak and vote on its behalf as he/she may deem fit, at the Annual General Meeting to be held at 11h00 GMT on March 27, 2025.

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

ORDINARY BUSINESS		FOR	AGAINST
1	The Shareholders by ordinary resolution hereby declare the payment of a final dividend of GHS0.24 per share amounting to a total of GHS 3,176,682,012 (Three Billion, One Hundred and Seventy-Six Million, Six Hundred and Eighty-Two Thousand, and Twelve Ghana Cedis) for the financial year 2024 to qualifying Shareholders of the Company.		
2	Re-election / Appointment of Directors		
2.1	The Shareholders by ordinary resolution hereby re-elect Mr. Sugentharen Perumal as a Non-Executive Director of Scancom PLC.		
2.2	The Shareholders by ordinary resolution hereby re-elect Ms. Fatima Daniels as a Non-Executive Director of Scancom PLC.		
2.3	The Shareholders by ordinary resolution hereby re-elect Mr. Ebenezer Twum Asante as a Non-Executive Director of Scancom PLC.		
2.4	The Shareholders by ordinary resolution hereby re-elect Ms. Tsholofelo Molefe as a Non-Executive Director of Scancom PLC.		
2.5	The Shareholders by ordinary resolution hereby appoint Ms. Nosisa Fubu as an Independent Non-Executive Director of Scancom PLC.		
3	The Shareholders by ordinary resolution hereby approve the amount of Ten Million, Three Hundred and Three Thousand, Four Hundred and Nineteen Ghana Cedis, Ninety-four Ghana Pesewas (GHS 10,303,419.94) to be paid to Non - Executive Directors of Scancom PLC, subject to overruns in the event of the appointment of additional Non-Executive Directors and additional and ad hoc Committee meetings that may be required in the course of the year.		
4	The Shareholders by ordinary resolution resolve that the Board of Directors of Scancom PLC be and are hereby authorized to fix the remuneration of the Auditor for the financial year ending December 31, 2025.		

Dated this \_\_\_\_\_ day of March 2025

Name: \_\_\_\_\_

Signature: \_\_\_\_\_





**Scancom PLC**

(Registration number PL000322016)

**Consolidated and Separate Financial  
Statements for the year ended  
31 December 2024**

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

**CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS:</b>	<b>Name</b>	<b>Designation</b>	<b>Effective Date of Appointment</b>	<b>Effective Date of Resignation</b>
	I. Yamson	Chairman		
	S. Blewett	CEO/ED	1 April, 2024	
	A. Kwofie	CFO/ED		
	S. Adadevoh	ED		1 April, 2024
	F. Addo	NED		
	K. Dadzie	NED		
	R. Ebe Arthur	NED		
	N. Botchway	NED		
	T. Molefe	NED		
	E. Asante	NED		
	S. Perumal	NED		
	F. Daniels	NED		
	L. Stephens	NED	22 March, 2024	

**COMPANY SECRETARY:** Pala Asiedu Ofori  
MTN House  
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 Service  
Plot 4 Block 2 Lawyer Totoe  
Crescent Asokwa Residential Area,  
Kumasi

Bentsi Enchill Lesta & Ankomah  
4 Momotse Avenue,  
Adabraka, Accra  
ENSafrica Ghana  
5th Floor, Vivo Place, Cantonments City  
Rangoon Lane, Accra

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

**AUDITORS:**

Ernst & Young Ghana  
Chartered Accountants  
60 Rangoon Lane  
Cantonments  
Accra

**BANKERS**

Absa Bank Ghana  
Limited  
Access Bank (Ghana) PLC  
Agricultural Development Bank PLC  
Ecobank (Ghana) Limited  
Fidelity Bank Ghana Limited  
GCB Bank PLC  
Guarantee Trust Bank (Ghana) Limited  
Republic Bank (Ghana) PLC  
Stanbic Bank Ghana Limited  
Standard Chartered Bank (Ghana) PLC  
Zenith Bank (Ghana) Limited

**REGISTRARS:**

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

**REGISTERED OFFICE:**

MTN House  
Independence Avenue  
West Ridge, Accra

**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024****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 2024.

**1. Statement of directors' responsibilities**

The Directors are responsible for the preparation and fair presentation of financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, 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 2024 are set out on page 17.

**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.

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

**REPORT OF THE DIRECTORS CONTINUED****5. Dividend**

During the year, the Board declared an interim dividend of GHS0.065 per share, which was paid on 6 September 2024. Based on the full year performance of the company, the Board has recommended a final dividend of GHS0.24 per share, bringing the total dividend for 2024 to GHS0.305 per share. The total dividend payout represents 80.26% of profit after tax in line with our dividend policy, and a 35.6% increase in dividend per share when compared to the prior year.

**6. Interest of directors and officers**

During the year under review, non executive directors of Scancom Plc have acquired ordinary shares in the Company effective 16 August 2024. This share acquisition is part of ongoing efforts to increase Ghanaian shareholding in the Company. Investcom Consortium Holdings offered 6,197,117 shares for sale at an execution price of GHS 1.77 per share to directors of the Company and other independent third parties. 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 2024, 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 2024</b>	<b>31 December 2023</b>
I. Yamson Chairman*	834,344	667,300
E. Asante	8,000,100	8,000,100
A. Kwofie	100,000	100,000
F. Addo	6,234,824	666,680
K. Dadzie**	112,000	12,000
R. Ebe Arthur	278,407	
N. Botchway	83,522	

\*Held in joint ownership in the name of Ishmael and Lucy Yamson (301,044) and a nominee holding account Octane SD ILY072018 (533,300).

\*\*Held in the name of Kofi NkisahDadzie (100,000), 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 (2023:13.24 billion) ordinary shares of no par value have been issued as at 31 December 2024. 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 2024****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 ("The 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 152.5 million since inception to improve health care, education and living conditions for over 5 million people. This was achieved through the deployment of 170 projects across the entire country. In the area of education, the Foundation has provided scholarship to over 2,200 needy and brilliant students in Ghana. During the year, an amount of GHS 50.3 million (2023: GHS 39.8 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 2024 was GHS 9,625,009 (2023: 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 2024, the Directors of Scancom PLC embarked on professional trainings. These were designed to bolster their skills and competencies essential for effective governance and strategic oversight.

The training sessions included an overview of the fintech strategy, which is essential for navigating the evolving financial technology landscape. Directors also participated in a high risk user training designed to help them manage technology related risks. Additionally, a session focused on the metaverse and cryptocurrency covered their implications for business. The final training centred on hyperinflation and its potential implications for financial planning and decision making strategies.

As part of the quarterly meetings and the 2024 Strategy Session of the Board, the directors received comprehensive updates regarding key areas of the business, including marketing strategies, advancements in technology pertaining to network and information systems, ESG and developments in mobile financial services.

**Scancom PLC**

**Consolidated and Separate financial statements for the year ended 31 December 2024**

**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 28 February, 2025 and signed on their behalf by:



**Ishmael Yamson**

**Chairman**

27 February, 2025



**Stephen Blewett**

**Chief Executive Officer**

27 February, 2025

**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024****Audit Committee Report****1. Membership of the Audit Committee (AC) of the Board**

<b>Name</b>	<b>Designation</b>	<b>Date appointed</b>
Felix Addo	Chairperson	01 March 2021
Kofi Dadzie	Member	01 March 2021
Sugentharen Perumal	Member	01 June 2018
Ebenezer Asante	Member	14 August 2018
Fatima Daniels	Member	07 February 2016

The Chief Executive Officer, the Chief Financial Officer, the Chief Risk & Compliance officer, 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, risk management/compliance, 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 2024**

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 23 February 2024, 25 April 2024, 25 July 2024, and 25 October 2024. At these meetings, the committee reviewed significant matters to satisfy itself and the Board of the adequacy and effectiveness of governance, risk management and internal control processes including:

- The Group and Company's performance and financial results.
- Stock Exchange News Service (SENS) releases and made recommendations for board approval.
- Significant financial or non financial control issues and misstatements (actual or potential), major fraud cases and fraud risks alerts. Information technology controls as well as significant tax, regulatory and legal matters.
- Discussion of changes in accounting and other reporting requirements and appropriateness of the organization's response to the changes.
- Adequacy of Internal Audit and Forensic Services operations, processes, resourcing and made recommendations for improvement.
- Progress of management implementation of audit recommendations (raised by internal & external auditors).
- Management acceptance of risks highlighted from internal and external audit work is appropriate.
- Adequacy of fraud mitigation processes implemented by Group or Company.
- Audit plan of the external auditors, audit findings report and financial statements.
- Remuneration and independence of the Group's external auditor.
- Efficiency and effectiveness of utilization of the organization's resources.
- Degree of compliance with company policies, laws and regulations, code of ethics and business practices of

**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024**

the Group.

- Compliance with localization requirements.

**4. Review of Financial Performance for the year ended 31 December 2024**

The AC at its meeting held on 21 February 2025 reviewed the financial statements for the year ended December 31, 2024 of both Scancom PLC and MobileMoney Limited 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 21 February 2025 after satisfying itself that the risk based plan covers significant risks of the Company.

The committee was updated on the activities of Internal Audit & Forensic Services Division including the management of the function, status of audits and findings from internal audit reports and progress on remediation of actions by management.

**6. External Audit**

Ernst & Young Ghana, the external auditor, at the AC meeting held on 21 July 2024 shared their audit plan which highlighted audit objectives and approach, responsibilities of the directors and the auditor, audit scope and reporting timetable and fee proposal for financial statement audit for the year ended 31 December 2024.

Ernst & Young Ghana, at the 21 February 2025 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 2024 to the committee members.

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

**7. Key focus areas for 2025**

The focus areas of the Audit committee for 2025 are:

- Continue to oversee strengthening coordination of all lines of defense in the organization and extract efficiencies of a combined assurance model.
- Overseeing the integrity of the accounting and financial reporting systems and any formal announcements 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 and Forensics 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 and tax treatment of unusual transactions.
- Continued oversight over whistleblowing mechanisms, fraud investigations and remediation of related control breakdowns and deficiencies.
- Oversight of compliance with localization requirements.
- Commission studies, reviews, audits and investigations as requested by the Director with responsibility for relations with minority shareholders and review appropriate segments of the annual reports and returns of the Board and Group.





**Ernst & Young Chartered Accountants**  
60 Rangoon Lane  
Cantonments City, Accra, Ghana  
P. O. Box KA 16009  
Airport Accra, Ghana

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## 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 ("the Company") and its subsidiary (together 'the Group') set out on pages 16 to 90, which comprise the Consolidated and Separate Statements of Financial Position as at 31 December 2024, 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 accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and Company as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 *Auditor's 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 Ethics Standards Board for Accountants' 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 *Auditor’s 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 Matter applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
<p><b>Expected Credit Loss (ECL) assessments on Mobile Money Float</b></p> <p>As of 31 December 2024, the group held material balance on the Mobile Money Float balances (GHS23.9b) constituting 58% 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 51.4m 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 90-page document titled "Scancom Plc, Consolidated and Separate Financial Statements for year ended 31 December 2024", 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 IFRS Accounting Standards as issued by the International Standards Board 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.

### *Auditor's 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.

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.

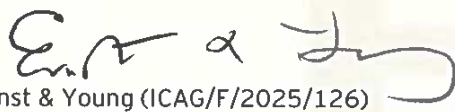


**Report on Other Legal and Regulatory Requirements**

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 Income of the group and the company are in agreement with the underlying books of account;
- iv. In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the group and the company at the end of the financial year and of the profit or loss for the financial year then ended;
- v. We are independent of the company pursuant to section 143 of the Companies Act, 2019 (Act 992).

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



Ernst & Young (ICAG/F/2025/126)  
Chartered Accountants  
Accra, Ghana

Date: 28.02.2025

**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024**

(All amounts in thousands of Ghana Cedis)

**Consolidated and separate statement of comprehensive income**

	Note	Group		Company	
		2024	2023	2024	2023
Revenue from contracts with customers	2.5.6	17,948,326	13,349,471	13,633,151	10,592,399
Other income	2.5.9	2,622	1,464	125,414	133,004
Direct network operating costs	2.6	(2,188,682)	(1,624,594)	(2,080,604)	(1,624,594)
Cost of device and other accessories		(72,903)	(63,100)	(72,903)	(63,100)
Interconnect and roaming costs	2.7	(694,378)	(592,716)	(694,378)	(592,716)
Employee expenses	2.8	(713,017)	(541,009)	(646,386)	(511,531)
Selling, distribution and marketing expenses	2.9	(2,377,229)	(1,913,660)	(1,326,083)	(1,021,240)
Other operating expenses	2.10	(1,664,014)	(815,387)	(1,310,993)	(677,062)
<b>Earnings Before Interest Tax</b>		<b>10,240,725</b>	<b>7,800,469</b>	<b>7,627,218</b>	<b>6,235,160</b>
<b>Depreciation and Amortisation</b>					
Depreciation	2.15.3	(1,953,702)	(1,389,990)	(1,947,838)	(1,388,064)
Amortisation	2.16.3	(362,177)	(334,608)	(292,015)	(265,166)
<b>Operating profit</b>		<b>7,924,847</b>	<b>6,075,871</b>	<b>5,387,365</b>	<b>4,581,930</b>
Finance income	2.11.3	372,544	288,748	1,294,112	926,292
Finance costs	2.11.3	(701,681)	(774,912)	(557,089)	(649,784)
<b>Profit before income tax</b>		<b>7,595,710</b>	<b>5,589,707</b>	<b>6,124,388</b>	<b>4,858,438</b>
Growth and Sustainability Levy	2.13	(379,786)	(279,485)	(251,219)	(204,922)
Income tax expense	2.12.3	(2,187,187)	(1,327,972)	(1,540,975)	(954,911)
<b>Profit after tax</b>		<b>5,028,737</b>	<b>3,982,250</b>	<b>4,332,194</b>	<b>3,698,605</b>
<b>Other comprehensive income:</b>					
<b>Total comprehensive income</b>		<b>5,028,737</b>	<b>3,982,250</b>	<b>4,332,194</b>	<b>3,698,605</b>
<b>Earnings per share</b>					
Diluted/Basic earnings per share (GHS)	2.14	<b>0.380</b>	<b>0.301</b>	<b>0.327</b>	<b>0.279</b>

The notes on pages 20-90 are an integral part of the consolidated and separate financial statements.



**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

(All amounts in thousands of Ghana Cedis)

**Consolidated and separate statement of financial position as at 31 December (continued)**

	Note	Group 2024	2023	Company 2024	2023
<b>Assets</b>					
<b>Non Current Assets</b>					
Property, plant and equipment	2.15.1	8,128,597	6,432,554	8,115,016	6,428,601
Right of use assets	2.15.8	1,493,745	1,484,549	1,480,159	1,484,549
Intangible assets	2.16.3	1,734,116	1,369,559	1,508,432	1,091,790
Investments in subsidiary	2.17.1	-	-	20,050	20,050
Investments	2.17.2	20,000	20,000	-	-
IRU assets	2.18.1	110,207	123,417	110,207	123,417
Deferred tax assets	2.12.6	88,170	73,011	-	-
Contract costs	2.19.2	90,719	45,346	90,719	45,346
		<b>11,665,554</b>	<b>9,548,436</b>	<b>11,324,583</b>	<b>9,193,754</b>
<b>Current assets</b>					
Inventory	2.20	52,270	80,998	52,270	80,998
Trade and other receivables	2.21.1	1,011,318	1,020,917	789,282	883,649
Other assets	2.22	203,984	87,769	172,632	86,618
Other financial assets at amortised cost	2.22	506,601	382,007	503,511	381,303
Income tax assets	2.12.5	386,320	189,533	321,876	167,965
Growth and Sustainability levy	2.13	40,371	14,138	24,549	7,789
IRU assets	2.18.1	33,710	29,129	33,710	29,129
Mobile money float	2.23	23,865,561	16,381,096	-	-
Investment in securities	2.24.1	351,302	278,285	-	-
Cash and cash equivalents	2.24	3,284,768	2,946,133	2,178,224	2,260,258
		<b>29,736,205</b>	<b>21,410,005</b>	<b>4,076,054</b>	<b>3,897,709</b>
<b>Total assets</b>		<b>41,401,759</b>	<b>30,958,441</b>	<b>15,400,637</b>	<b>13,091,463</b>
<b>Equity</b>					
Stated capital	2.25	2,222,888	2,222,888	2,222,888	2,222,888
Other reserves	2.36	351,301	312,764	-	34,478
Retained earnings	2.35	7,897,294	6,083,422	6,625,797	5,435,807
		<b>10,471,128</b>	<b>8,619,074</b>	<b>8,848,685</b>	<b>7,693,173</b>
<b>Non Current Liabilities</b>					
Borrowings	2.26	-	73,422	-	73,422
Deferred tax liabilities	2.12.6	787,543	575,714	787,543	575,714
Lease Liability	2.15.8	1,395,764	1,711,375	1,391,222	1,711,375
IRU liability	2.18.2	22,955	26,071	22,955	26,071
Other non current liability	2.18.3	205,713	245,967	-	-
Share based payment liability	2.27.6	56,232	60,959	42,393	55,996
Provisions	2.27.3	12,153	9,990	10,948	9,424
		<b>2,480,360</b>	<b>2,703,498</b>	<b>2,255,061</b>	<b>2,452,002</b>
<b>Current Liabilities</b>					
Trade and other payables	2.28	2,958,352	1,879,444	3,029,808	1,890,428
Obligations to electronic money holders	2.23	23,865,561	16,381,096	-	-
Contract liabilities	2.19.1	251,040	347,476	251,040	347,476
Provisions	2.27.3	243,664	246,416	101,027	98,264
Lease liabilities	2.15.8	847,048	448,109	840,536	448,109
IRU liability	2.18.2	4,036	3,795	4,036	3,795
Other liability	2.18.3	210,127	171,317	-	-
Borrowings	2.26	70,443	158,216	70,443	158,216
		<b>28,450,271</b>	<b>19,635,873</b>	<b>4,296,890</b>	<b>2,946,288</b>
<b>Total Liabilities</b>		<b>30,930,631</b>	<b>22,339,371</b>	<b>6,551,951</b>	<b>5,398,290</b>
<b>Total Equity and Liabilities</b>		<b>41,401,759</b>	<b>30,958,445</b>	<b>15,400,637</b>	<b>13,091,463</b>

The notes on pages 20-90 are an integral part of the consolidated and separate financial statements.

The consolidated and separate financial statements on pages 16-90, were approved by the Board of Directors on **27 February 2025** and were signed on their behalf by:


**Stephen Bleweh**  
Chief Executive Officer



**Antoinette Kwofie**  
Chief Financial Officer

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

(All amounts are in thousands of Ghana Cedis)

**Consolidated and separate statement of changes in equity for the year ended 31 December (continued)**

Group	Note	Stated capital	Other reserves	Retained earnings	Total Equity
<b>Balance as at 1 January 2023</b>		1,097,504	215,482	4,396,714	5,709,700
Profit for the year		-	-	3,982,250	3,982,250
Total comprehensive income for the year		1,125,384	-	3,982,250	5,204,916
<b>Transactions with equity holders of the Group</b>					
Other Equity	2.25	1,125,384	-	-	1,125,384
Transaction between shareholders	2.35	-	(12,432)	-	(12,432)
Transfer between reserves	2.35	-	109,714	(109,714)	-
Dividends	2.29	-	-	(2,185,828)	(2,185,828)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>		1,125,384	97,282	(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>
<b>Total comprehensive income</b>		(2,295,542)			
Profit for the year		(1,072,876)	-	5,028,737	5,028,737
Total comprehensive income for the year			-	5,028,737	5,028,736
<b>Transactions with equity holders of the Group</b>					
Transfer between reserves	2.36	-	(38,538)	(38,538)	-
Dividends	2.29	-	-	(3,176,682)	(3,176,682)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>		-	38,538	(3,215,220)	(3,176,682)
<b>Balance at 31 December 2024</b>		<b>2,222,888</b>	<b>351,302</b>	<b>7,896,938</b>	<b>10,471,128</b>
<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 2023</b>		1,097,504	26,910	3,943,030	5,067,444
<b>Total comprehensive income</b>					
Profit for the year		-	-	3,698,605	3,698,605
Total comprehensive income for the year		-	-	3,698,605	3,698,605
<b>Transactions with equity holders of the Company</b>					
Other Equity	2.25	1,125,384	-	-	1,125,384
Transaction between shareholders		-	(12,432)	-	(12,432)
Transfer between reserves		-	20,000	(20,000)	-
Dividends		-	-	(2,185,828)	(2,185,828)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>		1,125,384	7,568	(2,205,828)	(1,072,876)
<b>Balance at 31 December 2023</b>		<b>1,125,384</b>	<b>34,478</b>	<b>5,435,807</b>	<b>7,693,173</b>
<b>Total comprehensive income</b>		-			
Profit for the year		-	-	4,332,194	4,332,194
Total comprehensive income for the year		-	-	4,332,194	4,332,194
<b>Transactions with equity holders of the Company</b>					
Transaction between reserves	2.36	-	(34,478)	34,478	-
Dividends	2.29	-	-	(3,176,682)	(3,176,682)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>		-	-	(3,176,682)	(3,176,682)
<b>Balance at 31 December 2024</b>		<b>2,222,888</b>	<b>-</b>	<b>6,625,797</b>	<b>8,848,685</b>



**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024**

(All amounts are in thousands of Ghana Cedis)

**Consolidated and separate statement of cash flows for the year ended 31 December**

	Note	Group 2024	2023	Company 2024	2023
<b>Cash from operating activities</b>					
Profit before tax		7,595,709	5,589,707	6,124,388	4,858,438
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	2.15.3	1,953,702	1,389,990	1,947,838	1,388,064
Amortisation of intangible assets	2.16.4	362,177	334,608	292,015	265,166
Amortisation of contract cost	2.19.2	45,485	7,731	45,485	7,731
Amortisation of IRU(Capacity leasing)	2.18.1	45,545	40,837	45,545	40,837
IRU deferred income charge/(release)	2.18.2	(5,715)	(4,961)	(5,715)	(4,961)
Profit/(Loss) from disposal of property plant and equipment	2.15.10	5,329	(969)	5,370	(969)
(Recovery) / Impairment charge on trade receivable	2.21.1	34,695	20,273	34,695	20,273
Interest Income	2.11.3	(372,544)	(288,748)	(1,294,112)	(926,292)
Finance costs	2.11.3	701,681	774,912	557,089	649,784
		<b>10,366,064</b>	<b>7,863,380</b>	<b>7,752,598</b>	<b>6,298,071</b>
<b>Changes in working capital:</b>					
Decrease/(Increase) in Inventory	2.20	28,728	(67,249)	28,728	(67,249)
Decrease in other assets	2.22	48,594	61,040	19,897	61,253
Decrease/(Increase) in other financial assets at amortised cost	2.22	124,594	(100,150)	122,208	(36,435)
Increase in trade and other payables	2.28	653,507	103,817	476,740	109,175
(Increase) in trade and other receivables	2.21.1	(265,905)	(247,362)	(148,500)	(187,268)
(Decrease)/Increase in contract liabilities		(96,436)	130,386	(96,436)	130,386
(Decrease)/Increase in provisions	2.27.3	(5,316)	141,937	(9,316)	31,328
(Increase) in capitalised contract costs	2.19.2	(86,962)	(18,745)	(86,962)	(18,745)
Increase in intercompany Creditors	2.32.2	225,103	-	495,124	-
<b>Cash generated from operations</b>		<b>10,991,971</b>	<b>7,867,054</b>	<b>8,554,031</b>	<b>6,320,516</b>
Interest received		300,834	237,330	1,294,112	166,292
Dividends received from subsidiary	2.11.3	-	-	1,100,000	760,000
Finance costs paid		(50,307)	(169,610)	(50,307)	(114,834)
Dividends paid	2.29	(3,176,682)	(1,072,177)	(3,176,682)	(1,072,177)
Taxes paid	2.12.5	(2,135,187)	(1,392,910)	(1,430,940)	(981,473)
Growth and Sustainability levy	2.13	(406,019)	(266,552)	(267,979)	(187,103)
<b>Net cash flows from operating activities</b>		<b>5,524,610</b>	<b>5,203,135</b>	<b>4,922,235</b>	<b>4,891,221</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	2.15.6	(2,969,456)	(2,361,192)	(2,956,619)	(2,361,192)
Proceeds from disposal of property, plant and equipment	2.15.10	2,353	1,830	2,312	1,830
Purchase of other intangible assets	2.16.5	(736,440)	(576,867)	(718,361)	(576,867)
Acquisition of additional IRU capacity	2.18.1	(27,592)	(43,988)	(27,592)	(43,988)
Purchase of securities	2.24.1	(1,742)	(38,296)	-	-
<b>Net cash flows used in investing activities</b>		<b>(3,732,877)</b>	<b>(3,018,513)</b>	<b>(3,700,260)</b>	<b>(2,980,217)</b>
<b>Cash flows from financing activities</b>					
Other non-current liability	2.183	(146,805)	-	-	-
Repayment of borrowings	2.26.1	(156,002)	(150,003)	(155,002)	(150,003)
IRU Liabilities	2.18.2	2,840	4,961	2,840	4,961
Payment of stamp duty for scrip dividend issue	2.25	-	(11,733)	-	(11,733)
Principal element of lease payments	2.15.8	(1,133,242)	(688,942)	(1,127,736)	(688,942)
<b>Net cash flows from financing activities</b>		<b>(1,433,209)</b>	<b>(845,717)</b>	<b>(1,280,898)</b>	<b>(845,717)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>358,524</b>	<b>1,338,905</b>	<b>(58,923)</b>	<b>1,065,287</b>
Cash and cash equivalents at 1 January		2,946,133	1,586,207	2,260,258	1,176,104
Effect of exchange rate fluctuations on cash and cash equivalents held		(19,889)	21,021	(623,111)	18,867
Cash and cash equivalents at 31 December	2.24	<b>3,284,768</b>	<b>2,946,133</b>	<b>2,178,224</b>	<b>2,260,258</b>

The notes on pages 20-90 are an integral part of the consolidated and separate financial statements.

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

# Notes to the financial statements

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**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 IFRS Accounting Standards as issued by the International Accounting Standards Board 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 average inflation rate exceeded 100% which triggered the quantitative hyperinflation criteria in IAS 29. The Institute of Chartered Accountants Ghana (ICAG) performed this 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 since Ghana is not operating in a hyperinflationary economy. Subsequent to the January 2024 directive, ICAG declared that IAS 29 will not be applicable to the December 2024 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 1,286 million whilst the Company’s current liabilities exceed its current assets by GHS 221 million (2023: Group current assets exceeded its current liabilities by GHS 1,774 million and Company’s liabilities exceeded its current assets by GHS 951 million). The current liabilities for company exceeded its current assets due to increased accrued expenses electricity, regulatory fees and other withholding taxes.

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

**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>	
Non current assets		Non current liabilities	
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 2024

**Notes to the financial statements** (continued)**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. Contract liability (previously unearned revenue) represents subscriber balances of prepaid activated balances not used, also included are airtime borrowed through Nairtime platform, EVD airtime sales, airtime and data sold through ECW platform.

**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.

**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

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised. The useful lives of items of property, plant and equipment 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 indication 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. 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.

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 year 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

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Consolidated and Separate financial statements for the year ended 31 December 2024

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

remaining carrying amount is amortised over its useful life. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

**2.3.8 Leases**

The Group assesses whether a contract is or contains a lease, at the inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

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

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

**Group as lessee**

A lease liability and corresponding right of use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short term leases of 12 months or less, or leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand alone prices of the lease components and the aggregate stand alone price of the non lease components (where non lease components exist).

However, as an exception to the preceding paragraph, the group has elected not to separate the non lease components for leases of land and buildings.

**Lease liability**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.

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

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

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

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

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

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

- there has been a change to the lease term, in which case the lease liability is remeasured by



**Scancom PLC**

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

discounting the revised lease payments using a revised discount rate;

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

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

**Right of use assets**

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

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

at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right of use asset reflects that the group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease. For right of use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives. The residual value, useful life and depreciation method of each asset 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

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

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.

**2.4 New and amended standards and interpretations**

The following standards and amendments became effective for annual periods beginning on or after 1 January 2024. 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.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (LIBOR) is replaced with an alternative nearly risk free interest rate (RFR). The amendments include the following practical expedients:

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



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## Notes to the financial statements (continued)

**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>
<p>1. Lack of exchangeability – Amendments to IAS 21</p> <p>In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.</p> <p>Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.</p> <p>The amendments are not expected to have a material impact on the Group's financial statements.</p>	January 1, 2025	Unlikely there will be a material impact
<p>2. IFRS 18 Presentation and Disclosure in Financial Statements</p> <p>In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.</p> <p>It also requires disclosure of newly defined management defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes</p>	January 1, 2027	Unlikely there will be a material impact
<p>3. IFRS 19 Subsidiaries without Public Accountability: Disclosures</p> <p>In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. The amendments are not expected to have a material impact on the Group's financial statements. 18 Presentation and Disclosure in Financial Statements</p>	January 1, 2027	Unlikely there will be a material impact

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**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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Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

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

<b>Group</b> <b>Year ended 31 December 2024</b>	<b>Network services</b>	<b>Interconnect and roaming</b>	<b>Digital and Fintech</b>	<b>Devices and accessories</b>	<b>Other</b>	<b>Total</b>
Revenue from contracts with customers	12,336,194	520,345	4,870,270	59,783	161,734	17,948,326
Timing of revenue recognition						
At a point in time			4,448,917	59,783		4,508,700
Over time	12,336,194	520,345	421,353		161,734	13,439,626
	<b>12,336,194</b>	<b>520,345</b>	<b>4,870,270</b>	<b>59,783</b>	<b>161,734</b>	<b>17,948,326</b>
<b>Year ended 31 December 2023</b>	<b>Network services</b>	<b>Interconnect and roaming</b>	<b>Digital and Fintech</b>	<b>Devices and accessories</b>	<b>Other</b>	<b>Total</b>
Revenue from contracts with customers	<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>
Timing of revenue recognition						
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
	9,870,692	158,212	3,125,883	61,115	133,569	13,349,471
<b>Company</b> <b>Year ended 31 December 2024</b>	<b>Network services</b>	<b>Interconnect and roaming</b>	<b>Digital and Fintech</b>	<b>Devices and accessories</b>	<b>Other</b>	<b>Total</b>
Revenue from contracts with customers	12,469,936	520,345	421,353	59,783	161,734	13,633,151
Timing of revenue recognition						
At a point in time				59,783		59,783
Over time	12,469,936	520,345	421,353		161,734	13,573,368
	<b>12,469,936</b>	<b>520,345</b>	<b>421,353</b>	<b>59,783</b>	<b>161,734</b>	<b>13,633,151</b>
<b>Year ended 31 December 2023</b>	<b>Network services</b>	<b>Interconnect and roaming</b>	<b>Digital and Fintech</b>	<b>Devices and accessories</b>	<b>Other</b>	<b>Total</b>
Revenue from contracts with customers	9,870,692	158,212	368,811	61,115	133,569	10,592,399
Timing of revenue recognition						
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>

Included in revenue from digital and fintech is interest income of GHS 273.0 million (2023: GHS 130.0 million) that is retained by the Group in respect of mobile money float interest received from banks.

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**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.

	<b>Network services</b>	<b>Interconnect and roaming</b>	<b>Digital and Fintech</b>	<b>Devices and accessories</b>	<b>Other</b>	<b>Total</b>
2024 Revenue	<b>12,336,194</b>	<b>520,345</b>	<b>4,870,270</b>	<b>59,783</b>	<b>161,734</b>	<b>17,948,326</b>
2023 Revenue	9,870,692	158,212	3,125,883	61,115	133,569	13,349,471
% YoY	<b>25%</b>	<b>229%</b>	<b>56%</b>	<b>(2)%</b>	<b>21%</b>	<b>34.4%</b>
2024 EBITDA margin						<b>57.1%</b>
2023 EBITDA margin						58.4%
2024 Capex spend						<b>4,393,317</b>
2023 Capex spend						4,082,019
% YoY						<b>13.5%</b>
2024 Profit after tax						<b>5,028,737</b>
2023 Profit after tax						3,982,250
% YoY						<b>26.3%</b>

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.

**(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.

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

			<b>Balance at 31 December 2024</b>	<b>Balance at 31 December 2023</b>
Capitalised costs relating to acquisition of customer contracts Note 2.19.2			90,719	45,346
Loss allowance			-	-
Capitalised contract cost			<b>90,719</b>	<b>45,346</b>
Costs incurred to fulfil a contract (contract assets)				
Contract liabilities	Note 2.19.1	251,040	347,476	-

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>2.5.9 Other income</b>				
<b>Other income</b>	<b>2,622</b>	<b>1,464</b>	<b>125,414</b>	<b>133,004</b>
Other income				

Other income for the Company for 2024 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 GHS2,622,000 was received in recognition of prizes won for Ambition 2025 million dollar challenge category from MTN Group and support for MTN e Health pilot in Ghana.

**2.6 Direct network operating costs**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Transmission costs	1,010,830	758,345	1,010,830	758,345
Network costs	692,712	460,014	675,164	460,014
Leased lines costs *	76,900	149,400	76,900	149,400
Spectrum and regulatory fees	408,240	256,835	317,710	256,835
	<b>2,188,682</b>	<b>1,624,594</b>	<b>2,080,604</b>	<b>1,624,594</b>

\*Leased line cost relates to a non capitalised leased line charges from local or other international carrier networks, including rentals, maintenance charges, spectrum fees for microwave links and installation type charges.

**2.7 Interconnect and roaming costs**

Interconnect costs	532,159	423,133	532,159	423,133
Roaming costs	162,219	169,583	162,219	169,583
	<b>694,378</b>	<b>592,716</b>	<b>694,378</b>	<b>592,716</b>

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**2.8 Employee expenses**

	Group		Company	
	2024	2023	2024	2023
Salaries and other shortterm employee benefits	492,177	373,275	454,460	355,369
Sharebased payment	70,063	45,777	57,611	43,206
Training	12,162	7,606	10,830	7,146
Long service awards	7,802	6,339	7,058	5,691
Postemployment benefit	24,091	16,453	19,814	15,440
Bonus provision	69,192	64,156	62,094	58,833
Pension Cost	37,530	27,403	34,519	25,846
	<b>713,017</b>	<b>541,009</b>	<b>646,386</b>	<b>511,531</b>

**2.8.1 Shortterm 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 nonvested shortterm 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 longterm 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 2024

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

(All amounts are in thousands of Ghana Cedis)

**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**

	Group		Company	
	2024	2023	2024	2023
Expenses incurred in respect of Valued Added Services (VAS)	233,244	133,715	198,092	101,598
Dealer commissions	482,133	403,231	482,133	403,231
Mobile money commissions	1,470,530	1,212,125	499,169	387,833
Marketing and advertising expenses	191,322	164,589	146,689	128,578
	<b>2,377,229</b>	<b>1,913,660</b>	<b>1,326,083</b>	<b>1,021,240</b>

**2.10 Other operating expenses**

General expenses	470,878	332,530	309,861	233,267
Management fees	868,104	211,971	699,208	211,971
Power, maintenance and security costs	108,526	99,692	108,526	99,545
Impairment of trade receivables*	37,313	20,273	37,313	20,273
Travel and entertainment	52,164	38,568	47,074	36,694
MTN Foundation expenses	50,308	39,822	32,330	29,386
Outsourced expenses nonnetwork	76,721	72,531	76,681	45,926
	<b>1,664,014</b>	<b>815,387</b>	<b>1,310,993</b>	<b>677,062</b>

\*Included in Impairment of trade receivables is bad debt written off GHS 3 million.

Included in general expenses are the following:

Audit fees and expenses	9,625	7,960	9,009	7,294
Directors' fees and expenses	9,169	5,201	8,457	5,201
Advisory fees and expenses	3,706	10,939	3,706	10,939

Advisory fees and expenses relates to 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.

**Included in management fees are the following:**

	Group		Company	
	2024	2023	2024	2023
Intellectual Property	235,851	39,038	131,207	39,038
Services	616,785	165,103	552,532	165,103
Others	15,469	7,830	15,469	7,830
<b>Total</b>	<b>868,105</b>	<b>211,971</b>	<b>699,208</b>	<b>211,971</b>

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**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 yearend 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.

	Group		Company	
	2024	2023	2024	2023
Interest income from banks	372,544	288,748	194,112	166,292
Dividend income	-	-	1,100,000	760,000
Finance income	<b>372,544</b>	<b>288,748</b>	<b>1,294,112</b>	<b>926,292</b>
Interest expense on lease liabilities	627,882	422,391	496,597	422,391
Interest expense on borrowings	50,877	108,306	50,877	108,306
Other finance cost	15,990	124,501	1,220	(348)
Realised foreign exchange losses/(gains)	(4,830)	(2,107)	(6,130)	(4,083)
Unrealised foreign exchange losses/(gains)	11,762	121,821	14,525	123,518
Net Finance costs	<b>701,681</b>	<b>774,912</b>	<b>557,089</b>	<b>649,784</b>

**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.



**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**2.12 Income tax (continued)****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**

	Group		Company	
	2024	2023	2024	2023
<b>Current</b>				
Local income tax current period	1,990,517	1,353,297	1,329,146	917,309
<b>Deferred</b>				
Originating and reversing temporary differences	196,670	(25,325)	211,829	37,602
<b>Income tax expense</b>	<b>2,187,187</b>	<b>1,327,972</b>	<b>1,540,975</b>	<b>954,911</b>

**2.12.4 Tax rate reconciliation**

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

	Group		Company	
	2024	2023	2024	2023
Profit before income tax	7,595,709	5,589,707	6,124,388	4,858,438
Tax at the applicable tax rate of 25% (2024: 25%)	1,898,927	1,397,427	1,531,097	1,214,610
<b>Tax effect of adjustments on taxable income</b>				
Exempt income Dividend	(275,000)	(190,000)	(275,000)	(190,000)
Permanent restriction of vehicles	3,605	1,614	3,495	1,581
Intercompany profit taxable	275,000	190,000		
Other adjustment *	5,447	(73,859)	5,289	(73,859)
Other Permanent differences**	279,208	2,790	276,094	2,579
<b>Income tax expense</b>	<b>2,187,187</b>	<b>1,327,972</b>	<b>1,540,975</b>	<b>954,911</b>
Effective tax rate	<b>28.8</b>	<b>23.8</b>	<b>25.2</b>	<b>19.7</b>

\* Other Adjustments of GHS 5,447.07 is composed of 1. "Staff per diem & entertainment" and 2. "Other Staff cost short term benefit". These accounts create permanent difference as they are not an allowed deduction.

\*\* Other Permanent differences of GHS 276,094,396.66 comprises Sharebased payment, Tax Audit payment for prior year and other non deductible expenses.

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

(All amounts are in thousands of Ghana Cedis)

**2.12.5 Current income tax assets****Group**

<b>At 31 December 2024</b>	<b>At 1 January</b>	<b>Charge for the year</b>	<b>Adjustments</b>	<b>Payments for the year</b>	<b>At 31 December</b>
<b>Year of Assessment</b>					
Upto 2023	(189,533)	-	-	-	(189,533)
2024	-	1,990,517	(52,117)	(2,135,187)	(196,787)
	<b>(189,533)</b>	<b>1,990,517</b>	<b>(52,117)</b>	<b>(2,135,187)</b>	<b>(386,320)</b>

	<b>At 1 January</b>	<b>Charge for the year</b>	<b>Adjustments</b>	<b>Payments for the year</b>	<b>At 31 December</b>
<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>

**Company**

<b>At 31 December 2024</b>	<b>At 1 January</b>	<b>Charge for the year</b>	<b>Adjustments</b>	<b>Payments for the year</b>	<b>At 31 December</b>
<b>Year of Assessment</b>					
Upto 2023	(167,965)	-	-	-	(167,965)
2024	-	1,329,146	(52,117)	(1,430,940)	(153,911)
	<b>(167,965)</b>	<b>1,329,146</b>	<b>(52,117)</b>	<b>(1,430,940)</b>	<b>(321,876)</b>

	<b>At 1 January</b>	<b>Charge for the year</b>	<b>Adjustments</b>	<b>Payments for the year</b>	<b>At 31 December</b>
<b>Year of Assessment</b>					
Upto 2022	(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>

The adjustment amount of GHS 52,117 relates to net credit received from Ghana Revenue Authority for paying MML VAT on airtime commission for the period between November 2021 to September 2023. This amount would be used in payment of future corporate tax liability in accordance with the Revenue Administration Act 2016, (Act 915). The adjustment impacted selling and distribution cost.

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**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 2024**

<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	16,698	51,660
Temporary provision from other provision	37,454	(1,494)	35,960
Unrealised forex	(424)	(267)	(691)
Reclassification	1,019	222	1,241
Sharebased payment	-	<b>1,241</b>	<b>1,241</b>
	<b>73,011</b>	<b>15,159</b>	<b>88,170</b>
<b>Deferred tax liabilities</b>			
Property plant and equipment	669,338	173,873	843,211
Other Provision	(73,046)	6,299	(66,747)
Other Unrealised forex	(20,578)	31,657	11,079
	<b>575,714</b>	<b>211,829</b>	<b>787,543</b>
<b>Charge to profit and loss</b>	-	<b>196,670</b>	-

<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	669,338	173,873	843,211
Other Provision	(73,046)	6,299	(66,747)
Others Unrealised forex	(20,578)	31,657	11,079
	<b>575,714</b>	<b>211,829</b>	<b>787,543</b>

**31 December 2023**

<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>			
Property Plant 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
	<b>10,084</b>	<b>62,927</b>	<b>73,011</b>

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**Deferred tax liabilities**

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)
	<b>538,113</b>	<b>37,601</b>	<b>575,714</b>
Charge to profit and loss		<b>(25,325)</b>	

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

**Deferred tax asset**

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

**2.13 Growth and Sustainability Levy****Asset**

	Group		Company	
	2024	2023	2024	2023
At start of year	(14,138)	(27,071)	(7,789)	(25,608)
Charge for the year	379,786	279,485	251,219	204,922
Payments during the year	(406,019)	(266,552)	(267,979)	(187,103)
<b>At 31 December</b>	<b>(40,371)</b>	<b>(14,138)</b>	<b>(24,549)</b>	<b>(7,789)</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.

**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.

	Group		Company	
	2024	2023	2024	2023
Profit attributable to shareholders	5,028,737	3,982,250	4,332,194	3,698,605
Weighted average number of shares at 31 December	13,236,175	13,236,175	13,236,175	13,236,175
Earnings Per Share	<b>0.380</b>	<b>0.301</b>	<b>0.327</b>	<b>0.279</b>

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

**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024****Notes to the financial statements** (continued)

(All amounts are in thousands of Ghana Cedis)

**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 nonmonetary assets or a combination of monetary and nonmonetary assets occurred in the current period.

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**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>2024</b>	<b>2023</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 pretax 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 "cashgenerating unit").

When an impairment loss subsequently reverses, the carrying amount of the asset (or cashgenerating 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**

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

(All amounts are in thousands of Ghana Cedis)

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

Cost	Land & buildings	Network equipment	Furniture and fixtures	Motor Vehicle	Office equipment	Information systems	Leasehold improvements	Work in progress	Total
At 1 January 2023	197,659	7,687,278	95,924	120,644	18,098	819,443	134,924	85,428	9,159,398
Additions	52,177	1,971,223	3,290	29,252	992	37,349	-	267,130	2,361,413
Disposal	-	(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>At 31 December 2023</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>
Additions	9,605	2,875,548	8,737	52,330	4,018	59,878	1	(40,661)	2,969,456
Disposals	-	(1,104,261)	(52)	(8,398)	(64)	(10,767)	(25,399)	-	(1,148,941)
Reallocation	-	241,330	-	-	-	-	-	-	241,330
Other Movements**	-	-	(121)	-	-	-	-	-	(121)
<b>31 December 2024</b>	<b>260,931</b>	<b>11,705,484</b>	<b>107,273</b>	<b>182,212</b>	<b>12,618</b>	<b>905,648</b>	<b>107,024</b>	<b>331,823</b>	<b>13,613,013</b>
<b>Accumulated Depreciation</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>
At 1 January 2023	-	32	505	3,946	7	66	-	-	4,556
Disposals	(1,490)	(34,491)	-	-	-	188	-	-	(35,793)
Reallocations*	(13,649)	(726,318)	(2,335)	(24,634)	(13)	(113,623)	(1,200)	-	(881,772)
Depreciation Charge	(1,780)	(26,294)	(1,300)	(1,136)	(554)	3,748	(50)	-	(27,366)
Other movements**	(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>(97,555)</b>	<b>(4,184,047)</b>	<b>(90,715)</b>	<b>(83,914)</b>	<b>(7,220)</b>	<b>(587,666)</b>	<b>(67,614)</b>	<b>-</b>	<b>(5,118,731)</b>
Disposals	-	867,715	52	5,639	64	10,767	25,399	-	909,636
Reallocation	(16,216)	(1,118,867)	(3,109)	(26,460)	(1,329)	(103,778)	(5,718)	-	(1,275,477)
Depreciation charge	-	39	121	-	-	-	-	-	160
**Other movements	(113,770)	(4,435,281)	(93,531)	(104,735)	(8,488)	(680,678)	(47,933)	-	(5,484,416)
<b>At 31 December 2024</b>	<b>(113,771)</b>	<b>(4,435,160)</b>	<b>(93,651)</b>	<b>(104,735)</b>	<b>(8,485)</b>	<b>(680,677)</b>	<b>(47,933)</b>	<b>-</b>	<b>(5,484,412)</b>
Carrying amounts	-	-	-	-	-	-	-	-	-
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>
Cost	260,931	11,705,484	107,273	182,212	12,618	905,648	107,024	331,823	13,613,013
Accumulated Depreciation	(113,770)	(4,435,281)	(93,531)	(104,735)	(8,488)	(680,678)	(47,933)	-	(5,484,416)
At 31 December 2024	147,161	7,270,203	13,742	77,477	4,130	224,970	59,091	331,823	8,128,597

\*Reallocation involves movement between asset lines.

\*\*Other movement relates to adjustment of beginning balances to reconcile General Ledger and Sub Ledger.

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

(All amounts are in thousands of Ghana Cedis)

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

Cost	Land & buildings	Network equipment	Furniture and fixtures	Motor Vehicle	Office equipment	Information systems	Leasehold improvements	Work in progress	Total
At 1 January 2023	197,659	7,687,271	95,804	106,234	18,098	819,049	134,924	85,427	9,144,466
Additions	52,177	1,971,223	3,290	29,034	992	37,346	-	267,130	2,361,192
Disposal	-	(125)	(505)	(4,815)	(7)	(67)	-	-	(5,519)
Reallocations*	1,490	34,491	-	(7,007)	(10,419)	(188)	(2,502)	19,929	35,794
At 31 December 2023	251,326	9,692,860	98,589	123,446	8,664	856,140	132,422	372,486	11,535,933
Additions	9,605	2,875,548	2,560	49,566	3,949	56,051	1	(40,661)	2,956,619
Disposals	-	(1,104,261)	(52)	(8,064)	(64)	(10,767)	(25,399)	-	(1,148,607)
Reallocation	-	241,330	-	-	-	-	-	-	241,330
Other Movement**	-	-	(121)	-	-	-	-	-	(121)
31 December 2024	260,931	11,705,477	100,976	164,948	12,549	901,424	107,024	331,825	13,585,154
Accumulated Depreciation	-	-	-	-	-	-	-	-	-
At 1 January 2023	(80,634)	(3,397,097)	(87,343)	(53,136)	(6,661)	(477,750)	(66,364)	-	(4,168,985)
Disposals	-	32	505	4,048	7	66	-	-	4,658
Reallocation*	(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)
At 31 December 2023	(97,553)	(4,184,168)	(90,470)	(73,035)	(7,221)	(587,271)	(67,614)	-	(5,107,332)
Disposals	-	867,715	52	5,367	64	10,767	25,399	-	909,364
Reallocations	-	39	121	-	-	-	-	-	160
Other Movement**	(16,216)	(1,118,867)	(2,739)	(24,283)	(1,324)	(103,183)	(5,718)	-	(1,272,330)
Depreciation charge	(113,769)	(4,435,281)	(93,036)	(91,951)	(8,481)	(679,687)	(47,933)	-	(5,470,138)
At 31 December 2024	(113,769)	(4,435,281)	(93,036)	(91,951)	(8,481)	(679,687)	(47,933)	-	(5,470,138)
Carrying amounts	-	-	-	-	-	-	-	-	-
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)
At 31 December 2023	153,773	5,508,692	8,119	50,411	1,443	268,869	64,808	372,486	6,428,601
Cost	260,931	11,705,477	100,976	164,948	12,549	901,424	107,024	331,825	13,585,154
Accum Depreciation	(113,769)	(4,435,281)	(93,036)	(91,951)	(8,481)	(679,687)	(47,933)	-	(5,470,138)
At 31 December 2024	147,162	7,270,196	7,940	72,997	4,068	221,737	59,091	331,825	8,115,016

\*\*Other movements relate to adjustment of beginning balances to reconcile General Ledger and Sub Ledger.



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

(All amounts are in thousands of Ghana Cedis)

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

Cosf	Land & buildings	Network equipment	Furniture and fixtures	Motor Vehicle	Office equipment	Information systems	Leasehold improvements	Work in progress	Total
At 1 January 2023	316,263	9,862,085	95,928	120,643	18,098	819,442	134,924	85,431	11,452,814
Additions	90,253	2,729,351	3,290	29,252	992	37,349	-	267,130	3,157,617
Disposal	-	(125)	(505)	(4,609)	(7)	(67)	-	-	(5,313)
Reallocations*	1,490	34,491	-	(7,007)	(10,419)	(188)	(2,502)	19,928	35,793
At 31 December 2023	408,006	12,625,802	98,713	138,279	8,664	856,536	132,422	372,489	14,640,911
Additions	151,835	3,420,740	8,737	52,330	4,018	59,878	1	(40,661)	3,656,878
Disposals	-	(1,104,261)	(52)	(8,398)	(64)	(10,767)	(25,399)	-	(1,148,941)
Reallocatio	-	241,330	-	-	-	-	-	-	241,330
Other Movement**	-	-	(121)	-	-	-	-	-	(121)
At 31 December 2024	559,841	15,183,611	107,277	182,211	12,618	905,647	107,024	331,828	17,390,057
Accumulated depreciation	-	-	-	-	-	-	-	-	-
At 1 January 2023	(158,010)	(4,416,579)	(87,464)	(62,090)	(6,661)	(478,046)	(66,364)	-	(5,275,214)
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)
At 31 December 2023	(201,597)	(5,685,200)	(90,594)	(83,914)	(7,221)	(587,667)	(67,614)	-	(6,723,807)
Disposals	-	1,099,339	52	5,639	64	10,767	25,399	-	1,141,260
Reallocations*	-	(231,624)	-	-	-	-	-	-	(231,624)
Other Movement**	-	39	121	-	-	-	-	-	160
Depreciation charge	(58,806)	(1,754,502)	(3,109)	(26,460)	(1,329)	(103,778)	(5,718)	-	(1,953,702)
At 31 December 2024	(260,403)	(6,571,948)	(93,530)	(104,735)	(8,486)	(680,678)	(47,933)	-	(7,767,713)
Carrying amounts	-	-	-	-	-	-	-	-	-
Cosf	408,006	12,625,802	98,713	138,279	8,664	856,536	132,422	372,489	14,640,911
Accumulated Depreciation	(201,597)	(5,685,200)	(90,594)	(83,914)	(7,221)	(587,667)	(67,614)	-	(6,723,807)
At 31 December 2023	206,409	6,940,602	8,119	54,365	1,443	268,869	64,808	372,489	7,917,104
Cosf	559,841	15,183,611	107,277	182,211	12,618	905,647	107,024	331,828	17,390,057
Accumulated Depreciation	(260,403)	(6,571,948)	(93,530)	(104,735)	(8,486)	(680,678)	(47,933)	-	(7,767,713)
At 31 December 2024	299,438	8,611,663	13,747	77,476	4,132	224,969	59,091	331,828	9,622,344

\*Reallocation involves movement between asset lines.

\*\*Other movement relates to adjustment of beginning balances to reconcile General Ledger and Sub Ledger

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

(All amounts are in thousands of Ghana Cedis)

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

Cost	Land & buildings	Network equipment	Furniture and fixtures	Motor Vehicle	Office equipment	Information systems	Leasehold improvements	Work in progress	Total
At 1 January 2023	316,265	9,862,085	95,804	106,234	18,099	819,047	134,923	85,435	11,437,892
Additions	90,253	2,729,351	3,290	29,034	992	37,346	-	267,130	3,157,396
Disposal	-	(125)	(505)	(4,815)	(7)	(67)	-	-	(5,519)
Reallocations*	1,490	34,491	-	(7,007)	(10,419)	(188)	(2,502)	19,930	35,795
At 31 December 2023	408,008	12,625,802	98,589	123,446	8,665	856,138	132,421	372,495	14,625,564
Additions	135,533	3,420,740	2,560	49,566	3,949	56,051	1	(40,661)	3,627,739
Disposals	-	(1,104,261)	(52)	(8,064)	(64)	(10,767)	(25,399)	-	(1,148,607)
Reallocations	-	241,330	-	-	-	-	-	-	241,330
Other Movement**	-	-	(121)	-	-	-	-	-	(121)
At 31 December 2024	543,541	15,183,611	100,976	164,948	12,550	901,422	107,023	331,834	17,345,905
Accumulated depreciation									
At 1 January 2023	(158,010)	(4,416,589)	(87,343)	(53,136)	(6,661)	(477,747)	(66,363)	-	(5,265,849)
Disposals	-	32	505	4,048	7	66	-	-	4,658
Reallocations*	(1,490)	(34,491)	-	-	-	188	-	-	(35,793)
Other movements**	(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)
At 31 December 2023	(201,597)	(5,685,210)	(90,470)	(73,035)	(7,221)	(587,268)	(67,613)	-	(6,712,414)
Disposals	-	1,099,339	52	5,367	64	10,767	25,399	-	1,140,988
Reallocations	-	(231,624)	-	-	-	-	-	-	(231,624)
Other Movement**	-	39	121	-	-	-	-	-	160
Depreciation charge	(56,089)	(1,754,502)	(2,739)	(24,283)	(1,324)	(103,183)	(5,718)	-	(1,947,838)
At 31 December 2024	(257,686)	(6,571,958)	(93,036)	(91,951)	(8,481)	(679,684)	(47,932)	-	(7,750,728)
Carrying amounts									
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)
At 31 December 2023	206,411	6,940,592	8,119	50,411	1,444	268,870	64,808	372,495	7,913,150
Cost	543,541	15,183,611	100,976	164,948	12,550	901,422	107,023	331,834	17,345,905
Accumulated Depreciation	(257,686)	(6,571,958)	(93,036)	(91,951)	(8,481)	(679,684)	(47,932)	-	(7,750,728)
At 31 December 2024	285,855	8,611,653	7,940	72,997	4,069	221,738	59,091	331,834	9,595,177

\*Reallocation involves movement between asset lines.

\*\*Other movement relates to adjustment of beginning balances to reconcile General Ledger and Sub Ledger

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

(All amounts are in thousands of Ghana Cedis)

**2.15.5 Reconciliation of property, plant and equipment (Leased)Group**

	Land & buildings	Network equipment	Total
<b>Cost</b>			
At 1 January 2023	118,605	2,174,801	2,293,406
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>
Additions	142,230	527,426	669,656
Reclassification *	-	17,766	17,766
<b>At 31 December 2024</b>	<b>298,912</b>	<b>3,478,133</b>	<b>3,777,045</b>
<b>Accumulated Amortisation</b>			
At 1 January 2023	(77,364)	(1,019,480)	(1,096,844)
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>
Depreciation charge	(42,590)	(635,635)	(678,225)
<b>At 31 December 2024</b>	<b>(146,634)</b>	<b>(2,136,666)</b>	<b>(2,283,300)</b>
<b>Carrying amounts</b>			
Cost	156,682	2,932,941	3,089,623
<b>Accumulated depreciation</b>	<b>(104,044)</b>	<b>(1,501,030)</b>	<b>(1,605,074)</b>
<b>At 31 December 2023</b>	<b>52,638</b>	<b>1,431,911</b>	<b>1,484,549</b>
Cost	298,912	3,478,133	3,777,045
<b>Accumulated depreciation</b>	<b>(146,634)</b>	<b>(2,136,666)</b>	<b>(2,283,300)</b>
<b>At 31 December 2024</b>	<b>152,278</b>	<b>1,341,467</b>	<b>1,493,745</b>

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

	Land & buildings	Network equipment	Total
<b>Cost</b>			
At 1 January 2023	118,605	2,174,801	2,293,406
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>
Additions	125,928	527,426	653,354
Reclassification *	-	17,766	17,766
<b>At 31 December 2024</b>	<b>282,610</b>	<b>3,478,133</b>	<b>3,760,743</b>
<b>Accumulated Amortisation</b>			
At 1 January 2023	(77,364)	(1,019,480)	(1,096,844)
Depreciation charge	(26,681)	(481,550)	(508,231)
At 31 December 2023	(104,044)	(1,501,030)	(1,605,074)
Depreciation charge	(42,590)	(635,635)	(678,225)
<b>At 31 December 2024</b>	<b>(143,918)</b>	<b>(2,136,666)</b>	<b>(2,280,584)</b>
<b>Carrying amounts</b>			
Cost	156,682	2,932,941	3,089,623
<b>Accumulated depreciation</b>	<b>(104,044)</b>	<b>(1,501,030)</b>	<b>(1,605,074)</b>
<b>At 31 December 2023</b>	<b>52,638</b>	<b>1,431,911</b>	<b>1,484,549</b>
Cost	282,610	3,478,133	3,760,743
<b>Accumulated depreciation</b>	<b>(143,918)</b>	<b>(2,136,666)</b>	<b>(2,280,584)</b>
<b>At 31 December 2024</b>	<b>138,692</b>	<b>1,341,467</b>	<b>1,480,159</b>

\* Reclassification relates to an IRU asset contract that has been reassessed and reclassified as a lease .

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

(All amounts are in thousands of Ghana Cedis)

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

	Group		Company	
	2024	2023	2024	2023
Additions for the year	2,969,456	3,157,617	2,956,619	3,157,396
Credit purchases	-	(796,425)	-	(796,204)
<b>Total</b>	<b>2,969,456</b>	<b>2,361,192</b>	<b>2,956,619</b>	<b>2,361,192</b>

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

(All amounts are in thousands of Ghana Cedis)

**2.15.7 Impairment**

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

**2.15.8 Lease liabilities**

The Group's leases include network infrastructure (tower space and land) and retail stores. Rental contracts are typically made for fixed periods varying between 2 to 15 years but may have renewal periods. At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises rightofuse assets and lease liabilities at the lease commencement date for most leases. However, the Group has elected not to recognise rightofuse assets and lease liabilities for some leases of lowvalue assets (e.g. office equipment) and for shortterm leases, i.e. leases that at commencement date have lease terms of 12 months or less. The Group defines lowvalue leases as leases of assets for which the value of the underlying asset when it is new is GHS 73,750 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 straightline basis over the lease term.

The lease liability is initially measured at the present value of the following lease payments:

- Fixed payments (including insubstance 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.

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

(All amounts are in thousands of Ghana Cedis)

**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 remeasured 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 rightofuse 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 rightofuse assets are subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The rightofuse assets are depreciated over the shorter of the assets' useful lives and the lease terms on a straightline 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.

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

(All amounts are in thousands of Ghana Cedis)

**2.15.8 Lease liabilities (continued)****Lease and nonlease components**

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

	Group		Company	
	2024	2023	2024	2023
<b>Movement in lease liabilities</b>				
Opening Balance	2,159,484	1,600,298	2,159,484	1,600,298
Additions	669,654	796,204	653,353	796,204
Reclassification from IRU	17,766	-	17,766	-
Interest Expense	497,291	422,391	496,597	422,391
Unrealised forex loss/gains	58,407	29,533	58,843	29,533
Payments	(1,133,242)	(688,942)	(1,127,736)	(688,942)
IRU payment*	(26,549)	-	(26,549)	-
<b>Total</b>	<b>2,242,811</b>	<b>2,159,484</b>	<b>2,231,758</b>	<b>2,159,484</b>

IRU payment relates to reclassification of IRU payment into lease payment.

	Group		Company	
	2024	2023	2024	2023
Measurement of lease liabilities				
Current lease liabilities	847,048	448,109	840,536	448,109
Noncurrent lease liabilities	1,395,763	1,711,375	1,391,222	1,711,375
<b>Total</b>	<b>2,242,811</b>	<b>2,159,484</b>	<b>2,231,758</b>	<b>2,159,484</b>

	Group		Company	
	2024	2023	2024	2023
<b>Measurement of right of use assets</b>				
<b>Rightofuse assets</b>				
<b>Cost</b>				
Buildings	298,912	156,682	282,610	156,682
Network equipment	3,478,133	2,932,941	3,478,133	2,932,941
<b>Total</b>	<b>3,777,045</b>	<b>3,089,623</b>	<b>3,760,743</b>	<b>3,089,623</b>
<b>Depreciation</b>				
Buildings	(146,634)	(104,044)	(143,918)	(104,044)
Network equipment	(2,136,666)	(1,501,030)	(2,136,666)	(1,501,030)
<b>Total</b>	<b>(2,283,300)</b>	<b>(1,605,074)</b>	<b>(2,280,584)</b>	<b>(1,605,074)</b>
Carrying amounts	<b>1,493,745</b>	<b>1,484,549</b>	<b>1,480,159</b>	<b>1,484,549</b>

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**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**

Cost	1,571,086	5,519	1,571,086	5,519
Accumulated depreciation	(1,563,404)	(4,658)	(1,563,404)	(4,658)
Net book value	<b>7,682</b>	<b>861</b>	<b>7,682</b>	<b>861</b>
Proceeds	(2,395)	(1,830)	(2,312)	(1,830)
<b>Profit/(Loss) on disposal of property, plant and equipment</b>	<b>5,329</b>	<b>(969)</b>	<b>5,370</b>	<b>(969)</b>



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

(All amounts are in thousands of Ghana Cedis)

**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).

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(All amounts are in thousands of Ghana Cedis)

**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 straightline method to allocate the cost of licenses over their estimated useful lives. The useful lives and renewal periods of licenses are given below and are determined primarily with reference to the contractual or unexpired license period.

Type of License	Date granted/renewed	License Term	Useful Life
3G	23 January 2009	15 years	15 years
800MHz Spectrum (2x10MHz	21 June 2016	15 years	15 years
2600MHz spectrum	1 December 2018	15 years	15 years
2G spectrum (900MHz and 1800MHz)	12 February 2019	15 years	15 years
2x3 MHz on 900 & 2x7 1800MHz	2 December 2019	15 years	15 years
800MHz Spectrum (2x5MHz	10 January 2020	15 years	5 years
Fixed Access License	23 March 2020	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
International Gateway	5 December 2024	5 years	5 years
IRU	Various dates	15 years	15 years

**2.16.3 Reconciliation of intangible assets Group**

	Network Licenses	Software	Network Software	Work in Progress	Total
Cost					
At 1 January 2023	903,790	684,731	-	(323)	1,588,198
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>
Additions	564,043	31,973	154,373	(13,949)	736,440
Disposals**	(102,269)	(319,837)	-	-	(422,106)
Reallocations *	(39,023)	34,359	4,664	-	-
<b>At 31 December 2024</b>	<b>1,803,619</b>	<b>818,760</b>	<b>190,308</b>	319	<b>2,813,006</b>
<b>Accumulated Amortisation</b>					
At 1 January 2023	(333,880)	(470,242)	-	-	(804,122)
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>(1,129,113)</b>
Amortisation	(164,803)	(176,988)	(20,386)	-	(362,177)
Disposals**	78,188	332,658	1,554	-	412,400
Reallocation*	7,187	(6,411)	(776)	-	-
<b>At 31 December 2024</b>	<b>(561,832)</b>	<b>(495,612)</b>	<b>(21,446)</b>	-	<b>(1,078,890)</b>
<b>Carrying amounts</b>					
Cost	1,380,868	1,072,265	31,271	14,268	2,498,672

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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>
Cost	1,803,619	818,760	190,308	319	2,813,006
Accumulated amortisation	(561,832)	(495,612)	(21,446)	-	(1,078,890)
<b>At 31 December 2024</b>	<b>1,241,787</b>	<b>323,148</b>	<b>168,862</b>	<b>319</b>	<b>1,734,116</b>

\*Reallocation of integral software to network equipment

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

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**2.16.4 Reconciliation of intangible assets Company**

	<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 2023	903,790	684,077	-	(320)	1,587,547
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>
Additions	564,043	13,894	154,373	(13,949)	718,361
Reallocation*	(39,023)	34,359	4,664	-	-
Disposals	(102,269)	(319,837)	-	-	(422,105)
<b>At 31 December 2024</b>	<b>1,803,898</b>	<b>452,815</b>	<b>190,308</b>	<b>(1)</b>	<b>2,447,021</b>
<b>Accumulated Amortisation</b>					
At 1 January 2023	(333,878)	(469,593)	-	-	(803,471)
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>
Amortisation	(164,803)	(106,826)	(20,386)	-	(292,015)
Reallocation*	7,187	(6,411)	(776)	-	-
Disposals	78,188	332,658	1,554	-	412,400
<b>At 31 December 2024</b>	<b>(561,819)</b>	<b>(355,324)</b>	<b>(21,446)</b>	<b>-</b>	<b>(938,589)</b>
<b>Carrying amounts</b>					
Cost	1,381,147	724,399	31,271	13,948	2,150,765
Accumulated amortisation	(482,391)	(574,745)	(1,838)	-	(1,058,974)
<b>At 31 December 2023</b>	<b>898,756</b>	<b>149,654</b>	<b>29,433</b>	<b>13,948</b>	<b>1,091,791</b>
Cost	1,803,898	452,815	190,308	(1)	2,447,021
Accumulated amortisation	(561,819)	(355,324)	(21,446)	-	(938,589)
<b>At 31 December 2024</b>	<b>1,242,079</b>	<b>97,491</b>	<b>168,862</b>	<b>(1)</b>	<b>1,508,432</b>

\*Reallocation of integral software to network equipment.

**2.16.5 Cash used for the purchase of intangible assets**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Additions for the year	736,440	576,867	718,361	576,867
Credit purchases	-	347,212	-	-
<b>Total</b>	<b>736,440</b>	<b>924,079</b>	<b>718,361</b>	<b>576,867</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 20.05 MobileMoney Limited was incorporated on 5 November 2015 to operate mobile financial services in Ghana. Investment in Mobilemoney limited was increased by GHS 20.00 million 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 GHS20.00 million. This became effective on 31 December 2022.

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**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	
	2024	2023	2024	2023
At start of year	152,546	149,395	152,546	149,395
Additions for the year	36,916	43,988	36,916	43,988
Amortisation	(45,545)	(40,837)	(45,545)	(40,837)
<b>Total</b>	<b>143,917</b>	<b>152,546</b>	<b>143,917</b>	<b>152,546</b>
Noncurrent portion	110,207	123,417	110,207	123,417
Current portion	33,710	29,129	33,710	29,129
<b>Balance at 31 December</b>	<b>143,917</b>	<b>152,546</b>	<b>143,917</b>	<b>152,546</b>
<b>IRU payment: Statement of cashflow</b>				
Total payment for IRU during the year	<b>(27,592)</b>	<b>(43,988)</b>	<b>(27,592)</b>	<b>(43,988)</b>

Total payment for IRU during the year amounted to GHS 27.59 million (2023: GHS 43.99 million).

**2.18.2 IRU Liability**

This relates to a sale of a 60Gbps 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 including operations and maintenance charge (O&M) on submarine capacity charges, 5Gbps unprotected on WACS, lease backhaul from ACE to TTQ POP was also sold during the year whose proceeds from the sale have been deferred to be amortised during the year for 10 years.

	Group		Company	
	2024	2023	2024	2023
At start of year	29,866	30,260	29,866	30,260
Addition	2,840	4,961	2,840	4,961
Amortisation	(5,715)	(5,355)	(5,715)	(5,355)
<b>Total</b>	<b>26,991</b>	<b>29,866</b>	<b>26,991</b>	<b>29,866</b>
Noncurrent	22,955	26,071	22,955	26,071
Current	4,036	3,795	4,036	3,795
<b>Balance at 31 December</b>	<b>26,991</b>	<b>29,866</b>	<b>26,991</b>	<b>29,866</b>

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**2.18.3 Other noncurrent 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.

Measurement of other liabilities	Group		Company	
	2024	2023	2024	2023
Current liabilities	210,127	171,317	-	-
Noncurrent liabilities	205,713	245,967	-	-
<b>Total</b>	<b>415,840</b>	<b>417,284</b>	<b>-</b>	<b>-</b>

Measurement of other liabilities	Group		Company	
	2024	2023	2024	2023
At start of year	417,284	-	-	-
Addition	-	347,211	-	-
Fair value assessment	14,770	-	-	-
*Finance Cost	130,591	124,849	-	-
Payment	(146,805)	(54,776)	-	-
<b>Total</b>	<b>415,840</b>	<b>417,284</b>	<b>-</b>	<b>-</b>

\*Finance cost paid on the statement of cashflow includes an amount of GHS 146.8 million relating to interest payment on Ericsson Converged Wallet (ECW) liability.

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(All amounts are in thousands of Ghana Cedis)

**2.19 Contract assets and liabilities****2.19.1 Contract liability**

Contract liability (previously unearned revenue) represents subscriber balances of prepaid activated balances not used, also included are airtime borrowed through Nairtime platform, EVD airtime sales, airtime and data sold through ECW platform. Included in contract liability is an amount of GHS19.4m relating to payment received for unused capacity purchased and operations and maintenance of 134 sites and unearned income from the Ministry of Communication Digital platform project.

Movement in contract liability is shown below:

	2024	2023
<b>At start of year</b>	347,476	217,090
Sale of prepaid airtime	12,733,172	10,080,939
Prepaid revenue recognised	(12,829,608)	(9,950,553)
<b>Balance at 31 December</b>	<b>251,040</b>	<b>347,476</b>

**2.19.2 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 postpaid contracts, SIM activation costs on prepaid contracts and ONT home connectivity cost. The Group has therefore capitalised these costs as contract costs. Capitalised contract costs are amortised on a systematic basis over the average customer life of 3 years and included in selling, distribution and marketing expenses in profit or loss.

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

	Group		Company	
	2024	2023	2024	2023
At start of year	45,346	24,968	45,346	24,968
Additions	86,962	28,109	86,962	28,109
Amortisation	(41,589)	(7,731)	(41,589)	(7,731)
<b>Balance at 31 December</b>	<b>90,719</b>	<b>45,346</b>	<b>90,719</b>	<b>45,346</b>



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**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	
	2024	2023	2024	2023
Devices, SIM cards and accessories at cost	95,724	132,633	95,724	132,633
Less provision for obsolescence	(43,454)	(51,635)	(43,454)	(51,635)
	<b>52,270</b>	<b>80,998</b>	<b>52,270</b>	<b>80,998</b>
<b>Movement in provision for obsolescence</b>				
At start of year	(51,635)	(66,262)	(51,635)	(66,262)
Reductions / (Additions) during year	8,181	14,627	8,181	14,627
<b>Balance at 31 December</b>	<b>(43,454)</b>	<b>(51,635)</b>	<b>(43,454)</b>	<b>(51,635)</b>

**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 postpaid 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	
	2024	2023	2024	2023
Trade receivables	1,131,958	1,106,862	909,922	969,594
Less: allowance for impairment of trade receivables	(120,640)	(85,945)	(120,640)	(85,945)
	<b>1,011,318</b>	<b>1,020,917</b>	<b>789,282</b>	<b>883,649</b>

The Group holds a total collateral of GHS 65.7 million (2023: GHS 67.4 million) in bank guarantees backing distributors' credit purchases and for customers airtime borrowings. The Group's exposure to credit and currency risk relating to trade and other receivables is disclosed in Note 2.34.3.

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**2.22 Other assets and Other financial assets**

	Group		Company	
	2024	2023	2024	2023
<b>Other assets**</b>	<b>203,984</b>	<b>87,769</b>	<b>172,632</b>	<b>86,618</b>
Staff loans	15,976	13,380	14,385	13,152
Intercompany receivables	490,625	368,627	489,126	368,151
<b>Other financial assets at amortised cost</b>	<b>506,601</b>	<b>382,007</b>	<b>503,511</b>	<b>381,303</b>

\*\*Included in other assets are prepayments representing payments made in advance for certain network and information technology maintenance services level agreements.

\*\*\*ECL assessment was performed on staff loans and intercompany receivables but was found to be immaterial.

**2.23 Obligations to electronic money holders (Mobile money float)**

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

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

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

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

	Group	
	2024	2023
Partner banks' own funds	10,076,034	8,902,269
Money held on EMI's own account	13,789,527	7,478,827
<b>Total</b>	<b>23,865,561</b>	<b>16,381,096</b>

As at **31 December 2024**, the number of partner banks, MobileMoney Limited operated with were 22 (2023: 22).

The funds are held in trust and on demand by electronic wallet holders and therefore, the funds are ringfenced and cannot be commingled or used for the entity's operations.

**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 (2023: GHS51,433) as the risk balance did not change and this balance is included in provisions.

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**2.23 Obligations to electronic money holders****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 lose 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 and bank balances as at the end of the period all of which are available for use by the Group. ECL was performed on cash but was found to be immaterial.

	Group		Company	
	2024	2023	2024	2023
Cash and bank balances	3,284,768	2,946,133	2,178,224	2,260,258

**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.

	2024	2023
Opening Balance	278,285	188,571
Investment in Treasury bills	1,742	38,296
Interest Accrued on investment	71,275	51,418
<b>Total</b>	<b>351,302</b>	<b>278,285</b>

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

(All amounts are in thousands of Ghana Cedis)

**Notes to the financial statements (continued)****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 (2023:13.24 billion) ordinary shares of no par value have been issued as at 31 December 2024.

	Group		Company	
	2024	2023	2024	2023
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	13,236,175,050	13,236,175,050	13,236,175,050
<b>Issued share</b>				
Ordinary	2,222,888	2,222,888	2,222,888	2,222,888
<b>Pre IPO</b>	<b>No of Shares</b>		<b>Stated Capital/Consideration</b>	
Issued Shares Pre IPO	10,760,000,000			1,363,000
New shares issued IPO	1,530,474,360			1,096,141,000
<b>Total Issued Now</b>	<b>12,290,474,360</b>			<b>1,097,504,000</b>
New Issued Shares from Authorised shares	945,700,690			1,125,383,821
<b>New Total Issued Shares</b>	<b>13,236,175,050</b>			<b>2,222,888</b>

**2.26 Borrowings**

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

	Group		Company	
	2024	2023	2024	2023
Current liabilities	70,443	158,216	70,443	158,216
Non current liabilities	-	73,422	-	73,422
	<b>70,443</b>	<b>231,638</b>	<b>70,443</b>	<b>231,638</b>
Carrying amount of borrowings are denominated as follows:				
Local currency	<b>70,443</b>	<b>231,638</b>	<b>70,443</b>	<b>231,638</b>

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**Notes to the financial statements (continued)****2.26.1 Summary of borrowing arrangements****31 December 2024**

Additional Facility: The current term loan of GHS 70.4 million includes principal and accrued interest at a fixed rate of 22% per annum expiring on 24/06/2025. The facility is secured on total assets less float.

<b>Total Funding Available</b>	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Movement in borrowings</b>				
At start of year	224,997	375,000	224,997	375,000
Repayments on borrowings*	(156,002)	(150,003)	(156,002)	(150,003)
<b>At end of year</b>	<b>68,995</b>	<b>224,997</b>	<b>68,995</b>	<b>224,997</b>
<b>Movement in capitalised transaction costs:</b>				
At start of year	(1,571)	(2,678)	(1,571)	(2,678)
Amortisation for the year	1,107	1,107	1,107	1,107
Interest accrued	1,912	8,213	1,912	8,213
<b>Balance at 31 December</b>	<b>70,443</b>	<b>231,638</b>	<b>70,443</b>	<b>231,638</b>

**Repayment**

\* Repayments in 2024 were for term loan (Additional Facility).

**2.27 Provisions**

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

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**Notes to the financial statements (continued)****2.27 Provisions (continued)****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**

Measurement of Provisions	Group		Company	
	2024	2023	2024	2023
Non Current Provisions	12,153	9,990	10,948	9,424
Current Provisions	243,664	246,416	101,027	98,264
<b>Total</b>	<b>255,817</b>	<b>256,406</b>	<b>111,975</b>	<b>107,688</b>

**Reconciliation of current provisions Group 2024**

	Opening	Additions	Utilised during the	Total
	balance		year	
Bonus provision	62,939	75,330	(55,367)	82,902
Provision for Share Appreciation Rights	5,029	22,478	(20,839)	6,668
Other provisions	178,448	7,588	(31,942)	154,094
	<b>246,416</b>	<b>105,396</b>	<b>(108,148)</b>	<b>243,664</b>

**Reconciliation of Current provisions Group 2023**

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

**Reconciliation of provisions Company 2024**

	Opening	Additions	Utilised during the	Total
	balance		year	
Bonus provision	57,634	67,771	(50,856)	74,549
Provision for Share Appreciation Rights	4,857	21,084	(20,382)	5,559
Other provisions	35,773	7,088	(21,942)	20,919
	<b>98,264</b>	<b>95,943</b>	<b>(93,180)</b>	<b>101,027</b>

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

(All amounts are in thousands of Ghana Cedis)

**Reconciliation of provisions Company 2023**

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

**Scancom PLC****Consolidated and Separate financial statements for the year ended 31 December 2024****Notes to the financial statements** (continued)

(All amounts are in thousands of Ghana Cedis)

**2.27 Provisions (continued)****2.27.4 Other provisions (non current)**

The non current portion of other provisions of GHS 12.15 million (2023: GHS9.99 million) represents warranty provision in respect of sites sold under a sale and lease back arrangement and nairtime dispute provision. 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 244 million(2023: GHS246 million) which consists of bonus, litigation and the share appreciation rights provisions and MML localization 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.

**2.27.5 Share based payments****Equity settled share based payments**

Equity settled share based payments are measured at fair value (excluding the effect of service or non marketbased vesting conditions) at the grant date. The fair value is measured using a stochastic model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations, where applicable. The fair value determined at the grant date of the equity settled share based options or rights is expensed on a straight line basis over the vesting period, with a corresponding increase in equity, based on the Group's estimate of the shares that will eventually vest. The expense is adjusted to reflect the actual number of options and share rights for which the related service and non market based vesting conditions are met.

Where employees exercise options or share rights in terms of the rules and regulations of the schemes, new shares are issued to participants as beneficial owners. The directors procure a listing of these shares on the JSE Limited, the securities exchange on which the Company's shares are listed. In terms of the share option scheme, participants entitled to share options pay a consideration equal to the option price when the options are exercised. The nominal value of shares issued is credited to share capital and the difference between the nominal value and the option price is credited to share premium. Settlement of the performance share plan (PSP) awards are done through the acquisition of shares in the open market and the subsequent delivery to participants.

**Cash settled share based payments**

The fair value of the amount payable to employees in respect of cash settled share based payments is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured to fair value at each reporting date and at settlement date. Any changes in the liability are recognised in profit or loss.

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



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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, the total number of ESOP and PSP shares granted were 1,045,712 and 36,250,780 respectively to qualifying employees for no consideration and subject to a service condition. The ESOP and PSP shares will vest in five and three tranches respectively. The shares will vest at their anniversaries of the grant date respectively.

In 2023, the total number of ESOP and PSP shares granted were 1,367,793 and 27,913,750 respectively to qualifying employees for no consideration and subject to a service condition. The ESOP and PSP shares will vest in five and three tranches respectively, i.e. 1/3 of the ESOP shares vests after 3 years, 2/3 after 4 years then 3/3 after 5 years. The shares will vest at their anniversaries of the grant date respectively.

During 2024 the total number of ESOP and PSP shares granted were 2,801,164 and 25,871,380 respectively to qualifying employees for no consideration and subject to a service condition. The ESOP and PSP shares will vest in five and three tranches respectively. The shares will vest at their anniversaries 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	2024		2023	
	Average price per option	Number of options	Average price per option	Number of options
	GHS		GHS	
At start of year	0.95	1,617	1.08	15,453
Granted	-	-	-	-
Exercised	2.69	(437)	2.68	(13,720)
Expired and forfeited	-	(595)	-	(116)
<b>At 31 December 2024</b>	<b>1.10</b>	<b>585</b>	<b>0.95</b>	<b>1,617</b>

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

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**2.27.5 Share based payments (continued)**

GAN	2024		2023	
	Average price per option GHS	Number of options	Average price per option GHS	Number of options
At start of year	20.73	42,610	17.20	500,120
Granted	-	-	-	-
Exercised	-	-	22.89	(440,630)
Expired and forfeited		(13,280)		(16,880)
<b>At 31 December 2024</b>	<b>15.56</b>	<b>29,330</b>	<b>20.73</b>	<b>42,610</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	2024	2023
			Number of options 31 December 2024	Number of options 31 December 2023
1 April 2016	31 March 2021	0.45	-	-
1 April 2017	31 March 2022	0.55	-	-
1 April 2018	31 March 2023	0.68	-	-
1 April 2019	31 March 2024	0.77	40	807
1 April 2020	31 March 2025	1.13	545	810
			<b>585</b>	<b>1,617</b>

MTN Group and Company GAN Grant date	Expiry date	NSO Price GHS	2024	2023
			Number of options 31 December 2024	Number of options 31 December 2023
1 April 2011	31 March 2021	31.40	-	-
1 April 2012	31 March 2022	25.76	-	-
1 April 2013	31 March 2023	24.45	-	-
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	-	-
1 April 2019	31 March 2024	32.15	-	13,280
1 April 2020	31 March 2025	15.16	29,330	29,330
			<b>29,330</b>	<b>42,610</b>

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

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MTN Group and Company Group PSP Grant date	Expiry date	Price GHS	2024	2023
			Number of options 31 December 2024	Number of options 31 December 2023
1 April 2018	31 March 2023	86.13	-	-
1 April 2019	31 March 2024	86.88	-	-
1 April 2022	31 March 2025	63.08	-	-
1 April 2023	31 March 2026	0.66	-	6,119
1 April 2024	31 March 2027	0.85	5,554	-
	-	-	<b>5,554.00</b>	<b>6,119</b>

MTN Group and Company Group PSP Grant date	Expiry date	Price GHS	2024	2023
			Number of options 31 December 2024	Number of options 31 December 2023
15 December 2020	14 December 2023	0.62	-	32,508
15 December 2021	14 December 2024	1.16	17,514	17,517
15 December 2022	11 December 2025	0.88	35,489	36,251
15 December 2023	11 December 2026	1.40	28,647	27,914
15 December 2024	12 December 2027	2.38	25,871	-
			<b>107,521</b>	<b>114,190</b>

MTN Group and Company Group PSP Grant date	Expiry date	Price GHS	2024	2023
			Number of options 31 December 2024	Number of options 31 December 2023
15 December 2020	14 December 2025	0.61	5,160	11,138
1 December 2021	26 November 2026	1.26	126	200
22 June 2022		0.94	479	564
1 December 2022		0.87	433	481
1 June 2023		1.19	701	778
1 December 2023		1.39	558	589
1 June 2024		1.74	1,182	-
1 June 2024		2.28	1,619	-
		-	<b>10,258</b>	<b>13,750</b>

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

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**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).

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Share based payment liability	<b>56,232</b>	<b>60,959</b>	<b>42,393</b>	<b>55,996</b>

**2.28 Trade and other payables**

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

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Trade payables	744,566	476,100	722,208	469,908
Sundry payables *	127,759	126,659	113,166	105,954
Accrued expenses	1,038,756	675,530	877,495	603,662
Intercompany payables	693,259	358,393	963,280	468,156
Other payables **	354,012	242,762	353,660	242,748
Total	<b>2,958,352</b>	<b>1,879,444</b>	<b>3,029,809</b>	<b>1,890,428</b>

\* Sundry payables is mainly made up of dealer commissions payable and customer deposits.

\*\* Other payables is made up of withholding taxes and levies payable.

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

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**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.

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Cash dividends on ordinary shares declared and paid</b>				
Final dividend for 2023: GHS 0.175 per share (2022: GHS 0.124 per share)	2,316,331	398,635	2,316,331	398,635
Interim dividend for 2024 : GHS 0.065 per share (2023: GHS 0.050 pers share)	860,351	673,542	860,351	673,542
<b>Proposed final dividend</b>	<b>3,176,682</b>	<b>1,072,177</b>	<b>3,176,682</b>	<b>1,072,177</b>
Proposed final dividend for 2024: GHS 0.240 per share(2023: GHS 0.175 per share)				
	<b>3,176,682</b>	<b>2,316,331</b>	<b>3,176,682</b>	<b>2,316,331</b>

\*In 2023 total dividend declared was GHS 2,185,828 out of which GHS 1,113,651 was paid as scrip dividend and the remaining balance paid in cash GHS 1,072,177 paid in cash. Scrip dividend includes an amount of GHS 11,733,298 which relates to transaction cost (stamp duty).

**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 2024. 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.

**2.31 Capital commitments**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Capital commitments for the acquisition of property, plant and equipment:</b>				
Property, plant and equipment contracted	687,131	476,100	658,143	469,908
<b>Commercial commitments as at 31 December:</b>				
100% commitment to purchase SIM cards (open purchase orders for 2024)	-	38,000	-	603,661

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

(All amounts are in thousands of Ghana Cedis)

**2.32 Related parties**

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

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

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

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

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Purchase from related parties:				
MTN Group management services (PTY) Limited	2,821	4,194	2,821	4,194
Mobile Telephone Network Holdings Ltd	3,702	-	3,702	-
MTN Group Ltd	1,413	-	1,413	-
MTN Group Fintech (Pty) Ltd	160,688	-	-	-
MTN Nigeria Communications PLC	-	387	-	387
MTN Dubai Limited (Management Fees and Others)	708,104	166,204	708,104	166,204
MobileMoney Limited	-	-	487,577	410,189
Global Connect Solutions	450,989	392,730	450,722	392,730
Other Intercompany Purchases	13	5,434	-	5,434
<b>Services to related parties:</b>				
Mobile Telephone Network Cameroon Limited	382	370	382	370
MTN Group management services (PTY) Limited	30,293	29,658	30,293	29,658
MTN South Africa	25	188	25	188
MTN Nigeria Communications Limited	196	452	196	452
MTN Cote d'Ivoire	700	784	700	784
MTN Group Fintech (Pty) Ltd	8,802	-	8,253	-
Ayo Ghana	7,516	17,266	5,664	17,266
MobileMoney Limited			1,376,428	347,125
Global Connect Solutions (Bayobab Dubai)	504,895	492,676	504,895	492,676
Other Intercompany Sales	7,178	8,389	7,178	8,389
Dividend to related parties	-	-	-	-
Dividend paid to Investcom Consortium Holding SA	2,396,862	1,536,309	2,396,862	1,536,309
<b>Compensation to directors and other key management</b>				
Short term employee benefits	21,596	14,218	13,879	11,077
Post employment benefits Pension Defined contribution plan	1,214	1,700	447	1,184
Share based payment	-	5,600	-	5,600
	<b>22,810</b>	<b>21,518</b>	<b>14,326</b>	<b>17,861</b>

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

(All amounts are in thousands of Ghana Cedis)

**2.32 Related parties (continued)****2.32.2 Year end balances arising from the above transactions are as follows:**

	<b>Group</b>		<b>Company</b>	
<b>Payables</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
MTN Group management services (PTY) Limited	(17,660)	(27,888)	(17,660)	(27,888)
MTN South Africa	(746)	(614)	(746)	(614)
MTN Dubai Limited	(340,027)	(45,808)	(340,027)	(45,808)
Ayo Ghana	-	(3,002)	-	(3,002)
MobileMoney Limited	-	(115,702)	(294,918)	(115,702)
GlobalConnect Solutions	(305,076)	(271,565)	(304,987)	(271,565)
Other Intercompany Payable	(29,751)	(3,578)	(4,943)	(3,578)
<b>Receivables</b>				
MTN Group management services (PTY) Limited	36,033	6,324	36,033	6,324
Mobile Telephone Networks (Phy) Ltd	11,080	11,008	11,080	11,008
MTN Nigeria Communications PLCd	530	869	530	869
MTN GlobalConnect Solutions Ltd	384,287	311,739	384,287	311,739
GlobalConnect Kenya Solutions	4,663	3,800	4,663	3,800
Ayo Ghana	1,734	2,933	1,288	2,933
Other intercompany receivable	50,434	29,613	49,380	29,613

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**

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

(All amounts are in thousands of Ghana Cedis)

**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 2024.

**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**

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

(All amounts are in thousands of Ghana Cedis)

**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 determined based on the payment profiles of trade receivables over a period. However in respect of the current year, 2023 actual writeoffs of bad debts was used as proxy to determine the loss rates. The derived 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.

In addition, a specific provision was raised in respect of account balances beyond +181 days identified and deemed uncollectable.

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**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****Group 2024**

	<b>Amortised Cost</b>	<b>Total</b>
Trade and other payables (Note 2.28)	2,958,352	2,958,352
Borrowings (Note 2.26)	70,443	70,443
Lease liability (Note 2.15.8)	2,242,812	2,242,812
Mobilemoney floats (Note 2.23)	23,865,561	23,865,561
Other non current liability (Note 2.18.3)	205,713	205,713
	<b>29,342,881</b>	<b>29,342,881</b>

**Group 2023**

	<b>Amortised cost</b>	<b>Total</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 current liability (Note 2.18.3)	245,967	245,967
	<b>20,897,629</b>	<b>20,897,629</b>

**Company 2024**

	<b>Amortised cost</b>	<b>Total</b>
Trade and other payables (Note 2.28)	3,029,809	3,029,809
Borrowings (Note 2.26)		
Lease liability (Note 2.15.8)	2,242,812	2,242,812
Mobilemoney floats (Note 2.23)	23,865,561	23,865,561
Other current liability (Note 2.18.3)	210,127	210,127
	<b>29,348,309</b>	<b>29,348,309</b>

**Company 2023**

	<b>Amortised cost</b>	<b>Total</b>
Trade and other payables (Note 2.28)	1,890,428	1,890,428
Lease liability (Note 2.15.8)	2,159,484	2,159,484

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

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Mobilemoney floats (Note 2.23)	16,381,096	16,381,096
Other current liability (Note 2.18.3)	171,317	171,317
	<b>20,602,325</b>	<b>20,602,325</b>

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**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**2.34.2 Financial instruments by category (continued)****Categories of financial assets**

<b>Group 2024</b>	<b>Amortised cost</b>	<b>Total</b>
Trade and receivables and other financial assets (Note 2.21.1)	1,517,919	1,517,919
Cash and cash equivalent (Note 2.24)	3,284,768	3,284,768
Mobilemoney floats (Note 2.23)	23,865,561	23,865,561
Investment in securities (Note 2.23)	351,302	351,302
	<b>29,019,550</b>	<b>29,019,550</b>

<b>Group 2023</b>	<b>Amortised cost</b>	<b>Total</b>
Trade and receivables and other financial assets (Note 2.21.1)	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>Company 2024</b>	<b>Amortised cost</b>	<b>Total</b>
Trade and receivables and other financial assets (Note 2.21.1)	1,292,793	1,292,793
Cash and cash equivalent (Note 2.24)	2,178,224	2,178,224
	<b>3,471,017</b>	<b>3,471,017</b>

<b>Company 2023</b>	<b>Amortised cost</b>	<b>Total</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>

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**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 balance attains more than 12months/365 days past due and a debt claim which the Group has taken all reasonable steps to pursue payment and reasonably believes will not be settled. This includes 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 deemed uncollectable given that collection efforts have been exhausted according to the prescribed collection strategy. This is then 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:

Group			2024		2023	
	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	1,131,958	(120,640)	1,011,318	1,106,862	(85,945)	1,020,917
Investment in Securities	351,302		351,302	278,205		278,205
Cash and cash equivalents	3,284,768		3,284,768	2,946,133		2,946,133
Staff loans	15,976		15,976	13,380		13,380
Intercompany receivables	490,625		490,625	368,627		368,627
	<b>5,274,629</b>	<b>(120,640)</b>	<b>5,153,989</b>	<b>4,713,207</b>	<b>(85,945)</b>	<b>4,627,262</b>

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

(All amounts are in thousands of Ghana Cedis)

**Company**

	<b>2024</b>			<b>2023</b>		
	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	909,922	(120,640)	789,282	969,594	(85,945)	883,649
Cash and cash equivalents	2,178,224		2,178,224	2,260,258		2,260,258
Staff loans	14,385		14,385	13,152		13,152
Intercompany receivables	489,126		489,126	368,151		368,151
	<b>3,591,657</b>	<b>(120,640)</b>	<b>3,471,017</b>	<b>3,611,155</b>	<b>(85,945)</b>	<b>3,525,210</b>

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**2.34 Financial risk management and fair values (continued)****2.34.3 Credit risk (continued)**

<b>Group</b>				
<b>31 December 2024</b>	<b>Gross carrying amount</b>	<b>Loss rate</b>	<b>Lifetime expected losses</b>	<b>Carrying amount (net of impairment provision)</b>
<b>Fully performing trade receivables</b>	<b>369,519</b>	-	-	<b>369,519</b>
Interconnect receivables	-	-	-	-
Contract receivables	10,783	%	-	10,783
Other receivables	358,736	%	-	358,736
<b>Past due trade receivables</b>	<b>241,861</b>		<b>121,723</b>	<b>120,138</b>
<b>Interconnect receivables*</b>	<b>28,584</b>	-	-	<b>28,584</b>
0 to 3 months	15,187	-	-	15,187
3 to 6 months	2,790	-	-	2,790
6 to 9 months	10,607	-	-	10,607
<b>Contract receivables*</b>	<b>19,079</b>	-	<b>5,472</b>	<b>13,607</b>
0 to 3 months	8,379	%	-	8,379
3 to 6 months	3,315	51.131%	1,695	1,620
6 to 9 months	7,385	51.144%	3,777	3,608
<b>Other receivables***</b>	<b>194,198</b>	-	<b>116,251</b>	<b>77,947</b>
0 to 3 months	46,058	68.147%	31,387	14,671
3 to 6 months	10,542	18.043%	1,902	8,640
6 to 9 months	137,598	60.293%	82,962	54,636
<b>Total</b>	<b>611,380</b>	-	<b>121,723</b>	<b>489,657</b>

\* Loss rates computed on interconnect receivables were insignificant. ECL assessment made was immaterial.

\*\* 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

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**2.34.3 Credit risk (continued)**

Group	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairment provision)
<b>31 December 2023</b>				
<b>Fully performing trade receivables</b>	<b>160,105</b>	-	<b>161</b>	<b>159,944</b>
Interconnect receivables	-	-	-	-
Contract receivables	12,566	0.103%	13	12,553
Other receivables	147,539	0.100%	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>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	2.195%	118	5,258
3 to 6 months	7,509	25.330%	1,902	5,607
6 to 9 months	3,392	-	-	3,392
<b>Trade and 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>

\* Loss rates computed on interconnect receivables were insignificant. ECL assessment made was immaterial.

**Notes to the financial statements (continued)****2.34 Financial risk management and fair values (continued)****2.34.3 Credit risk (continued)**

Company	Gross carrying amount	Loss rate	Lifetime expected losses	Carrying amount (net of impairment provision)
<b>31 December 2024</b>				
<b>Fully performing trade receivables</b>	<b>369,519</b>	-	-	<b>369,519</b>
Interconnect receivables	-	-	-	-
Contract receivables	10,783	-	-	10,783
Trade and other receivables	358,736	-	-	358,736
<b>Past due trade receivables</b>	<b>241,861</b>	-	<b>120,639</b>	<b>121,222</b>
<b>Interconnect receivables*</b>	<b>28,584</b>	-	-	<b>28,584</b>
0 to 3 months	15,187	-	-	15,187
3 to 6 months	2,790	-	-	2,790
6 to 9 months	10,607	-	-	10,607



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<b>Contract receivables</b>	<b>19,079</b>	-	<b>4,388</b>	<b>14,691</b>
0 to 3 months	8,379	-	-	8,379
3 to 6 months	3,315	18.431%	611	2,704
6 to 9 months	7,385	51.144%	3,777	3,608
<b>Other receivables</b>	<b>194,198</b>	-	<b>116,251</b>	<b>77,947</b>
0 to 3 months	46,058	68.147%	31,387	14,671
3 to 6 months	10,542	18.042%	1,902	8,640
6 to 9 months	137,598	60.293%	82,962	54,636
<b>Total</b>	<b>611,380</b>	-	<b>120,639</b>	<b>490,741</b>

\* Loss rates computed on interconnect receivables were insignificant. ECL assessment made was immaterial.

<b>Company</b>	<b>Gross carrying amount</b>	<b>Loss rate</b>	<b>Lifetime expected losses</b>	<b>Carrying amount (net of impairment provision)</b>
<b>31 December 2023</b>				
<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	0.103%	13	12,553
Other receivables	147,539	0.100%	148	147,391
<b>Past due trade receivables</b>	<b>793,814</b>	-	<b>85,784</b>	<b>709,960</b>
	<b>316</b>	-	-	<b>316</b>
<b>Interconnect receivables</b>				
0 to 3 months	158	-	-	158
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	1.501%	118	7,742
3 to 6 months	5,026	15.957%	802	4,223
6 to 9 months	3,392	32.429%	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>

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

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

<b>Movement in impairment provision</b>	<b>At start of year</b>	<b>Increases</b>	<b>Write off</b>	<b>Balance at 31 December</b>
2024 Provision for impairment of trade receivables	(85,945)	(34,695)	-	(120,640)
2023 Provision for impairment of trade receivables	(80,376)	(5,569)	-	(85,945)

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**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).

**Scancom PLC**

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

(All amounts are in thousands of Ghana Cedis)

**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.

<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</b>
<b>31 December 2024</b>					
Trade payables	744,566	744,566	-	-	-
Accruals and sundry payables	1,166,514	1,166,514	-	-	-
Lease liabilities	2,242,811	244,565	259,478	540,725	1,571,357
Amount due to related parties	693,259	693,259	-	-	-
Borrowings	70,443	-	-	70,443	-
Mobilemoney float	23,865,561	23,865,561	-	-	-
Other financial liability	415,840	37,238	47,152	125,738	436,481
	<b>29,198,994</b>	<b>26,751,703</b>	<b>306,630</b>	<b>736,906</b>	<b>2,007,838</b>

<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</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	1,882,513
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 financial liability	417,284	-	-	171,317	245,967
	<b>20,826,184</b>	<b>18,017,778</b>	-	<b>777,642</b>	<b>2,201,902</b>

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

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

(All amounts are in thousands of Ghana Cedis)

**2.34 Financial risk management and fair values (continued)****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</b>
<b>31 December 2024</b>					
Trade payables	722,208	722,208	-	-	-
Accruals and sundry payables	990,661	-	-	-	-
Lease liabilities	2,231,758	244,565	259,478	535,273	1,565,756
Amount due to related parties	877,495	877,495	-	-	-
Borrowings	70,443	-	-	70,443	-
	<b>4,892,565</b>	<b>1,844,268</b>	<b>259,478</b>	<b>605,716</b>	<b>1,565,756</b>

<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</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	1,882,513
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>606,325</b>	<b>1,955,935</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 2024

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

(All amounts are in thousands of Ghana Cedis)

**2.34 Financial risk management and fair values (continued)****2.34.6 Price 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 2024, the interest rate profile of the Group's interest bearing financial instruments was: 22%. 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 2024, for Borrowings with all other variables remaining constant.

At 31 December 2024, if the interest rate for local currency denominated loans had increased /decreased by 10% (2023: 10%) with all other variables held constant, post tax profit for the year and equity would have been GHS 6,899,500 (2023: GHS 22,497,700).

**Foreign exchange risk**

At 31 December 2024, if the Ghana cedi had weakened/strengthened by 1000 basis point (10%) (2023: 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 36,796,830 and GHS 35,668,179 for the Group and Company respectively (2023: GHS 16,570,333 and GHS 15,539,772), 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 2024

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

(All amounts are in thousands of Ghana Cedis)

**2.34 Financial risk management and fair values (continued)****2.34.7 Price risk**

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

**2.34.8 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.

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Gearing ratio at the reporting date was:				
Borrowings	(70,443)	(231,638)	(70,443)	(231,638)
Cash and cash equivalents	3,284,768	2,946,133	2,178,224	2,260,258
Net debt	3,214,325	2,714,495	2,107,781	2,028,620
Equity	10,471,482	8,619,074	8,848,685	7,693,173
Gearing ratio	<b>30.70%</b>	<b>31.49%</b>	<b>23.82%</b>	<b>26.37%</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 2024

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

(All amounts are in thousands of Ghana Cedis)

**2.35 Retained earnings**

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>At start of year</b>	6,083,422	4,396,714	5,435,807	3,943,030
Dividends Declared	(3,176,682)	(2,185,828)	(3,176,682)	(2,185,828)
Net profit for the year	5,028,736	3,982,250	4,332,194	3,698,605
Transfer between reserves	(38,538)	(109,714)	34,478	(20,000)
<b>At 31 December</b>	<b>7,896,938</b>	<b>6,083,422</b>	<b>6,625,797</b>	<b>5,435,807</b>

The transfer between reserve of GHS 20 million in 2023 for Company represents capital contribution towards Mobile Money Limited's capitalisation.

**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.

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>At start of year</b>	312,764	215,482	34,478	26,910
Transaction between shareholders	-	(12,432)	-	(12,432)
Transfer between reserves	38,538	109,714	(34,478)	20,000
<b>At 31 December</b>	<b>351,302</b>	<b>312,764</b>	<b>-</b>	<b>34,478</b>

Included in transactions between shareholders is a stamp duty of GHS 11,733,298 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.



**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

**Shareholder information****1 Number**

Scancom PLC had 13,236,175,050 ordinary shareholders at 31 December 2024 distributed as follows:

Range	Number of shareholders	Number of shares	% of holding
1 1,000	94,385	13,157,890	0.10
1001 5,000	7,923	17,637,630	0.13
5001 10,000	1,936	14,965,030	0.11
10,001 999,999,999	2,796	3,655,200,903	27.62
1,000,000,000 11,000,000,000	1	9,535,213,597	72.04
<b>TOTAL</b>	<b>107,041</b>	<b>13,236,175,050</b>	<b>100</b>

**2 List of twenty largest shareholders as at 31 December 2024**

	Number of shares	% of holding
1 INVESTCOM CONSORTIUM HOLDINGS S.A.	9,535,213,597	<b>72.04</b>
2 JPMC FIRSTRAND BANK LTD GTI:73863	298,706,619	<b>2.26</b>
3 SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	203,825,694	<b>1.54</b>
4 KIMBERLITE FRONTIER, AFRICA MASTER FUND, L.P RCKM	174,769,869	<b>1.32</b>
5 BNYMSANVFFT RE ODD, O KIL AFR	130,098,080	<b>0.98</b>
6 AFCAP GHANA LTD, A.G	122,904,743	<b>0.93</b>
7 DADEK HOLDINGS LTD	122,904,743	<b>0.93</b>
8 YEOTECH COMPANY LTD	122,904,743	<b>0.93</b>
9 SCANVISION INVESTMENTS LIMITED COMPANY	122,904,743	<b>0.93</b>
10 HUNTER BOFOUR LTD	122,328,673	<b>0.92</b>
11 BNYMSANVLUX RE EASTSPRING INVESTMENTS SICAV FIS	107,155,980	<b>0.81</b>
12 ENTERPRISE TIER 2 OCCUPATIONAL PENSION SCHEME	104,057,396	<b>0.79</b>
13 FM1, HSOPS_FRONT	100,006,424	<b>0.76</b>
14 NORTHERN TRUST CO. AVFC 6314B	99,915,882	<b>0.75</b>
15 JPMCBNA RE FRB A/C THE AFRICA PARTNERS FUND SPC SP1 FKB16 056898600447	86,033,604	<b>0.65</b>
16 GENTRUST SANKOFA MASTER TRUST SCHEME	69,453,621	<b>0.52</b>
17 JPMSE DUB RE CORONATION FD MGERS IRE ON BEHALF OF THE AFR FRTR FUND	61,154,104	<b>0.46</b>
18 DATABANK FINANCIAL SERVICES, GES OCC PENSION	57,611,097	<b>0.44</b>
19 CBN/HSOPS/DELTA CAPITAL LIMITED	54,960,317	<b>0.42</b>
20 STD NOMS/ BNYM RE VANDERBILT UNIVERSITY	53,912,277	<b>0.41</b>
OTHERS	1,485,352,844	<b>11.22</b>
<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

**Scancom PLC**

Consolidated and Separate financial statements for the year ended 31 December 2024

**Five year financial summary**

(All amounts are in thousands of Ghana Cedis)

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

	2024	2023	2022	2021	2020
Revenue	17,948,326	13,349,471	9,916,109	7,723,259	5,920,720
<b>EBITDA</b>	<b>10,240,725</b>	<b>7,800,469</b>	<b>5,563,655</b>	<b>4,249,384</b>	<b>3,178,181</b>
Depreciation and amortisation	(2,315,879)	(1,724,598)	(1,198,679)	(1,035,557)	(877,453)
<b>Operating profit</b>	<b>7,924,846</b>	<b>6,075,871</b>	<b>4,364,976</b>	<b>3,213,827</b>	<b>2,300,728</b>
Net finance costs	(329,137)	(486,164)	(268,456)	(365,189)	(328,005)
<b>Profit before income tax</b>	<b>7,595,709</b>	<b>5,589,707</b>	<b>4,096,520</b>	<b>2,848,638</b>	<b>1,972,723</b>
Taxes and levies	(2,566,973)	(1,607,457)	(1,240,719)	(847,255)	(577,828)
<b>Profit for the year</b>	<b>5,028,736</b>	<b>3,982,250</b>	<b>2,855,801</b>	<b>2,001,383</b>	<b>1,394,895</b>

**Statement of Financial Position**

Property, plant and equipment	8,128,597	6,432,554	4,981,038	3,906,148	3,371,844
Right of use assets	1,493,745	1,484,549	1,196,562	1,342,204	1,420,085
Intangible assets	1,734,116	1,369,559	784,079	778,872	858,648
Other non current assets	309,096	261,774	180,083	130,402	125,389
Other current assets	2,585,876	2,082,776	1,672,800	1,394,372	1,210,510
Mobile money float	23,865,561	16,381,096	11,663,106	8,977,989	6,559,373
Cash and cash equivalents	3,284,768	2,946,133	1,586,207	995,422	671,968
<b>Total assets</b>	<b>41,401,759</b>	<b>30,958,441</b>	<b>22,063,875</b>	<b>17,525,409</b>	<b>14,217,817</b>
Obligations to electronic money holders	(23,865,561)	(16,381,096)	(11,663,106)	(8,977,989)	(6,559,373)
Total liabilities net of e money	21,385,201	13,677,598	9,515,630	(4,184,122)	(4,319,257)
	38,921,399	28,254,943	19,916,399	4,363,298	3,339,187
Stated capital	<b>2,222,888</b>	<b>2,222,888</b>	<b>1,097,504</b>	<b>1,097,504</b>	<b>1,097,504</b>
Reserves	<b>351,302</b>	<b>312,764</b>	<b>215,482</b>	<b>82,540</b>	<b>13,401</b>
Retained income	<b>7,896,938</b>	<b>6,083,422</b>	<b>4,396,714</b>	<b>3,183,254</b>	<b>2,228,282</b>
	10,471,128	8,619,074	5,709,700	4,363,298	3,339,187
Retained income	<b>7,897,294</b>	<b>6,083,422</b>	<b>4,396,714</b>	<b>3,183,254</b>	<b>2,228,282</b>
	<b>10,471,483</b>	<b>8,619,074</b>	<b>5,709,700</b>	<b>4,363,298</b>	<b>3,339,187</b>





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