

Scancom PLC (MTN Ghana)

MTN Ghana condensed consolidated
financial information for the year ended
31 December 2022



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

Salient features (YoY)

- **Subscribers**
 - Mobile subscribers increased by 12.8% to 28.6 million*.
 - Active data subscribers increased by 8.3% to 13.5 million#.
 - Active Mobile Money (MoMo) users increased by 15.0% to 12.7 million*.
- Service revenue grew by 28.3% to GHS9.9 billion.
- Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 30.9% to GHS5.6 billion.
- EBITDA margin increased by 1.1 percentage points (pp) to 56.1%.
- Total capex of GHS2.1 billion^.
- Paid GHS3.7 billion in direct and indirect taxes.
- Allocated GHS28.3 million on socio-economic initiatives.
- Proposed final dividend per share of GHS0.124 (2021: GHS0.085 per share).
- Outlook: MTN will continue to execute on its **Ambition 2025** strategy and maintain its investment commitment to drive continued growth. We will deepen our expense efficiency efforts and preserve liquidity as we navigate macroeconomic challenges. We give a medium-term guidance for service revenue growth in the low-twenties (in percentage terms).

Snapshot of key financial items (YoY change)

| | 31 December 2022 | 31 December 2021 | |
|--------------------------|------------------|------------------|--------------|
| | GHS 000 | GHS 000 | Change |
| Total revenue | 9,916,109 | 7,723,259 | 28.4% |
| Service revenue | 9,880,130 | 7,700,725 | 28.3% |
| EBITDA | 5,563,655 | 4,249,384 | 30.9% |
| EBITDA margin | 56.1% | 55.0% | 1.1pp |
| Profit before tax | 4,096,520 | 2,848,638 | 43.8% |
| Profit after tax | 2,855,801 | 2,001,383 | 42.7% |
| Total capex | 2,144,354 | 1,484,910 | 44.4% |

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

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

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

^ Total capex is made up of core capex of GHS1,724.9 million, intangibles of GHS246.7 million (Network licence, Software, etc) and right of use (RoU) assets of GHS172.7 million for the period.

Commentary

Navigating a challenging macroeconomic and business environment

2022 was a challenging year for Ghana's economy, compounded by high levels of inflation and the sharp depreciation of the Ghanaian cedi against key currencies. The average monthly inflation rate during the year 2022 was 31.5% and rose for twelve months in a row to reach 54.1% in the month of December 2022 (compared to 12.6% for December 2021). This was due to factors such as the depreciation of the cedi (42.8% against the US dollar), as well as higher fuel and utility costs and far exceeded the Central Bank's target inflation ceiling of 10%.

The government responded by taking a tight monetary policy stance, with policy rate increased by 12.5pp in 2022, ending the year at 27.0% (compared to 14.5% in December 2021). In further interventions, government explored the unlocking of new revenue sources, applied for a US\$3 billion three-year extended credit facility from the International Monetary Fund (IMF), and completed a domestic debt restructuring programme. They hope to restructure external debt as well.

Amid these challenges, MTN Ghana remained focused on executing its **Ambition 2025** strategy of driving commercial execution, maintaining cost discipline, and creating shared value for its stakeholders.

Creating shared value – our commitment to social and economic development

MTN is committed to improving the lives of Ghanaians through appropriate and sustainable socio-economic interventions. Over and above the investment in our network and IT systems, we allocated GHS28.3 million to undertake health, education and economic empowerment projects in 2022 through the MTN Ghana Foundation.

We made considerable progress in the construction of a 60-bed maternity and neonatal centre for the Keta Municipal Hospital and a STEM robotics lab for the Mamfe Girls' School. We also awarded scholarships to 100 students at various educational institutions.

Further to this, MTN partnered with select distributors to launch the Liquidity Support Agent Scheme, helping mobile money (MoMo) agents who subscribed to the service to access liquidity to support their business operations.

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

National roaming update – strategic partnerships to support industry sustainability

In April 2022, MTN Ghana signed a national roaming agreement with Vodafone, commencing a pilot programme which allowed Vodafone subscribers in the Volta region to roam on MTN's network. Following the success of the pilot, the parties signed a one-year agreement to extend national roaming on 2G beyond Volta region to other areas.

MTN also reached an agreement with AirtelTigo for a four-month national roaming pilot to allow AirtelTigo subscribers to roam on MTN's network in selected locations across the country.

These agreements, together with various other rural telephony initiatives in partnership with the government, support our work to increase digital inclusion. These partnerships will increase the efficiency of infrastructure spend in the industry overall, expand quality telecom coverage, accelerate the development and long-term viability of the telecoms industry, and support the national agenda of building a digital economy.

Commentary (continued)

Operational and financial review

Service revenue grew 28.3% YoY in 2022, supported by good subscriber management amidst the national SIM re-registration programme, increased investment in the network and the diligent execution of commercial initiatives in voice, data and MoMo services.

We added 3.3 million subscribers to our base and invested GHS2.1 billion in total **capex** to support the modernization of infrastructure, improve IT systems and expand network capacity and coverage across the nation. To advance network experience and coverage, we rolled out 400 2G, 400 3G and 1,142 4G sites. We also modernized 820 existing 4G sites, increasing our 4G population coverage by 8.7pp YoY to 99.3%.

Voice revenue accelerated in the fourth quarter due to portfolio adjustments made in the prior quarter. Our work on customer acquisition and customer value management enabled us reconnect our customers through tailored offers, and also helped to drive a 24.5% YoY increase in voice revenue to GHS3.3 billion. The contribution of voice to total service revenue declined from 34.1% to 33.1%.

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

MoMo revenue suffered post the implementation of the e-levy in May 2022. We expanded the MoMo ecosystem by growing active MoMo merchants by 4.8% YoY and MoMo agents by 17.2% YoY. Active MoMo users increased by 15.0% YoY.

We launched a MoMo Business app and continued to drive growth in MoMo advanced service offerings such as retail merchant payments, micro-loans, micro-insurance and international remittances. This supported an 11.6% YoY growth in MoMo revenue to GHS1.9 billion. The contribution of Mobile Money revenue to total service revenue decreased from 22.5% to 19.6% YoY.

Digital revenue declined by 18.8% YoY to GHS144 million due to a decrease in active digital subscribers (-15.9% YoY), as a result of initiatives to enhance customer experience and rationalise our digital product portfolio. We improved the music and gaming offerings with the launch of the Mdundo music service and refreshed ayoba with a new gaming section that includes Subway Surfer which is expected to boost customer usage and experience. The contribution of digital to total service revenue decreased from 2.3% to 1.5% YoY.

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

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

Commentary (continued)

Dividend

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

Regulatory updates

Ghana Revenue Authority tax assessment and withdrawal

As announced in earlier investor releases via the Ghana Stock Exchange, on 13 January 2023 and 3 February 2023, the Ghana Revenue Authority (GRA) issued MTN with a notice of assessment of tax liability amounting to GHS8,209,603,842.14 (including penalties and interest charges). On 13 January 2023, the GRA temporarily withdrew the notice of assessment for 21 days to allow for further engagements. On 3 February 2023, the GRA withdrew the assessment including related penalties and interest charges.

MTN Ghana would like to assure its shareholders and other stakeholders that it is a responsible business with an absolute commitment to transparency, good corporate governance and compliance. MTN Ghana would like to thank all stakeholders for their support throughout the engagements and is grateful to the GRA for its collaboration to arrive at this amicable and mutually satisfactory withdrawal of the assessment.

National SIM re-registration update

On 17 November 2022, The NCA in a meeting with telecom operators, directed that all SIM cards that had completed Stage 1 (the linkage of the SIM card to the National ID card, "Ghana Card") but had not completed Stage 2 (biometric capture) and were therefore 'not fully registered with the Ghana Card' be disconnected from 1 December 2022. MTN fully complied with the directive and disconnected 5,422,828 subscribers effective 1 December 2022.

By 12 February 2023, 1,504,366 of the 5,422,828 subscribers who had been disconnected had fully re-activated their SIM cards by completing their Stage 2 registration.

MTN remains committed to the national SIM re-registration exercise to build an accurate customer database to help promote a safer digital ecosystem in the country. Thus, we will continue to deploy resources and work with the regulator to accelerate SIM re-registration for all subscribers.

Reduction in e-Levy

In the 2023 Budget Statement read to Parliament on 24 November 2022, the Finance Minister, Ken Ofori-Atta, announced a reduction of the e-levy rate from 1.5% to 1.0% effective 11 January 2023. MTN complied with the regulation and remains committed to supporting the government in their quest to digitalise the economy and drive financial inclusion to all Ghanaians.

Commentary (continued)

Update on localisation of Scancom PLC and MobileMoney Limited

In the year, MTN maintained its focus on further localisation of Scancom PLC and MobileMoney Limited. We achieved additional 6.8% localisation during the period bringing the localisation of Scancom PLC to 23.7%.

MTN Ghana is committed to completing the localisation of Scancom PLC and MobileMoney Limited to 30% each in the shortest possible time.

Outlook

The macroeconomic outlook for Ghana in 2023 remains challenging with debt sustainability challenges, currency volatility and the risk of further depreciation expected to persist. Coupled with the rising cost of fuel and utilities, this is expected to exacerbate general inflationary pressures and adversely affect consumer spending and business operations. The government has completed a Debt Exchange Programme and have indicated their intention to close out on the US\$3 billion three-year extended credit facility from the International Monetary Fund (IMF) in H1 2023 in a bid to improve the economic environment.

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

As part of our commercial drive, MTN will drive adoption of the new MoMo Business app and roll out other exciting offers like the MTN/MKOPA Pick and Pay Later campaign and fibre broadband Akwaaba offer. Furthermore, we will sustain the ongoing work to improve our platforms, particularly on the myMTN and ayoba apps, as well as MoMo, to enhance customer experience and deliver on our commitment to excellence with our customers.

The community remains core to everything we do and to this end, MTN will extend various sustainability projects and explore further opportunities to demonstrate our unwavering commitment to improve the lives of communities across the nation with a focus on building and growing digital skills among the youth with a particular focus on females.

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

Final ordinary dividend

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

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

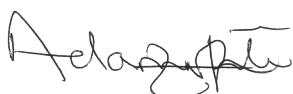
| | |
|------------------------------|-------------------------------|
| Ex-dividend date | Wednesday, 17 May 2023 |
| Qualifying date | Friday, 19 May 2023 |
| Dividend payment date | Thursday, 22 June 2023 |

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

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

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

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



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer

Report of the directors

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

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

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and of the profit or loss and cash flows for that period. 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.

The directors are also responsible for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors have no plans or intentions, for example to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.

The directors have reviewed the Group's budget and cash flow forecast for the year to 31 December 2023. Based on the review, and in the light of the current financial position, the directors are satisfied that the Group has access to adequate resources to continue in operation for the foreseeable future and is a going concern.

Nature of business

The Group's principal activities are to:

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

Dividend

Dividends amounting to GHS1,536 million (GHS0.125 per share) were paid in 2022 (2021: GHS983.24 million, GHS0.08 per share). This consisted of an interim dividend of GHS492 million for the financial year ended 31 December 2022 and a final dividend of GHS1,044 million for the financial year ended 31 December 2021. The directors recommend the payment of GHS1,524 million (GHS0.124 per share) as final dividend to shareholders for the financial year ended 31 December 2022.

In addition, we are exploring the option for shareholders to choose between cash or share dividends as an alternative and elective form of shareholder return to a cash only dividend, subject to shareholder and regulatory approvals.

Interest of directors and officers

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

Report of the directors (continued)

Stated capital

There was no change in the authorised shares of Scancom PLC during the year under review. A total of 12.29 billion (2021: 12.29 billion) ordinary shares of no-par value have been issued as at 31 December 2022.

Subsidiary

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

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

Donations and charity

- The Group performs its corporate social responsibility via the MTN Foundation. MTN's global policy is to set aside 1% of its profit after tax to fund the foundation's activities.
- The Foundation has invested over GHS97.7 million to improve health care, education and living conditions for more than four million people with 188 projects across the entire country. In the area of education, the Foundation has provided scholarships to over 1,800 needy and promising students in Ghana. During the year, an amount of GHS28.3 million (2021: GHS20.0 million) was charged to the statement of comprehensive income.

Auditor's remuneration


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

Capacity building of directors

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

Approval of the annual report and financial statements

The annual report and financial statements of the Company and Group were approved by the Board of Directors on 27 February 2023 and are signed on its behalf by:



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer

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

Opinion

The summary consolidated and separate financial statements, which comprise consolidated and separate statement of financial position as at 31 December 2022, consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate cash flow statements for the year then ended, and related notes, are derived from the audited financial statements of Scancom Plc for the year ended 31 December 2022.

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

Summary financial statements

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

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 28 February 2023. That report also includes the communication of other key matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period.

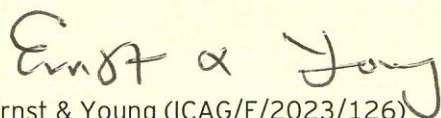
Management's responsibility for the summary financial statements

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

Auditor's responsibility

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

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



Ernst & Young (ICAG/F/2023/126)

Chartered Accountants

Accra, Ghana

Date: 28/02/2023

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

Summary statements of comprehensive income

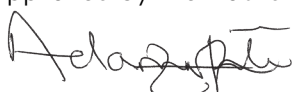
| | Group | Company | Group | Company |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 December 2022 | For the year ended 31 December 2022 | For the year ended 31 December 2021 | For the year ended 31 December 2021 |
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Revenue from contracts with customers | 9,916,109 | 8,067,322 | 7,723,259 | 6,066,545 |
| Other revenue | 775 | 74,927 | - | 45,288 |
| Direct network operating costs | (856,288) | (856,288) | (747,201) | (744,118) |
| Government and regulatory costs | (211,088) | (211,088) | (156,519) | (156,519) |
| Cost of handsets and other accessories | (66,775) | (66,775) | (145,645) | (145,645) |
| Interconnect and roaming costs | (415,581) | (415,581) | (308,815) | (308,815) |
| Employee benefits expense | (413,399) | (398,610) | (265,988) | (253,525) |
| Selling, distribution and marketing expenses | (1,449,440) | (783,130) | (1,295,786) | (617,840) |
| Other operating expenses | (940,658) | (873,637) | (553,921) | (540,955) |
| Earnings Before Interest, Tax | 5,563,655 | 4,537,140 | 4,249,384 | 3,344,416 |
| Depreciation and Amortisation | 5,563,655 | 4,537,140 | 4,249,384 | 3,344,416 |
| Depreciation | (1,027,919) | (1,024,917) | (875,255) | (873,045) |
| Amortisation | (170,760) | (170,766) | (160,302) | (159,656) |
| Operating profit | 4,364,976 | 3,341,457 | 3,213,827 | 2,311,715 |
| Finance income | 205,962 | 719,297 | 78,812 | 491,632 |
| Finance costs | (474,418) | (478,731) | (444,001) | (444,468) |
| Profit before income tax | 4,096,520 | 3,582,023 | 2,848,638 | 2,358,879 |
| National fiscal stabilisation levy | (206,603) | (149,152) | (140,706) | (95,943) |
| Income tax expense | (1,034,116) | (746,743) | (706,549) | (482,678) |
| Profit after income tax | 2,855,801 | 2,688,128 | 2,001,383 | 1,780,258 |
| Other comprehensive income | - | - | 5,966 | - |
| Total comprehensive income | 2,855,801 | 2,688,128 | 2,007,349 | 1,780,258 |
| Attributable to: | | | | |
| Equity holders of the company | 2,855,801 | 2,686,128 | 2,007,349 | 1,780,258 |
| Diluted/Basic Earnings per share | GHS0.232 | GHS0.219 | GHS0.163 | GHS0.145 |

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

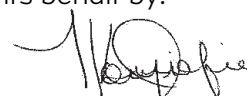
Summary statements of financial position

| | Group | Company | Group | Company |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | As 31 December 2022 | As 31 December 2022 | As 31 December 2021 | As 31 December 2021 |
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Non-current assets | 7,141,763 | 7,126,169 | 6,157,626 | 6,150,453 |
| Property, plant and equipment | 4,981,038 | 4,975,481 | 3,906,148 | 3,898,955 |
| Right-of-Use assets | 1,196,562 | 1,196,562 | 1,342,204 | 1,342,204 |
| Intangible assets | 784,079 | 784,076 | 778,872 | 778,842 |
| Investment in subsidiary | - | 20,050 | - | 50 |
| Investments | 20,000 | - | - | - |
| IRU assets | 123,399 | 123,399 | 88,385 | 88,385 |
| Deferred tax assets | 10,084 | - | - | - |
| Contract asset | 1,633 | 1,633 | 2,273 | 2,273 |
| Capitalised contract cost | 24,968 | 24,968 | 39,744 | 39,744 |
| Current assets | 14,922,112 | 2,534,377 | 11,367,783 | 1,829,487 |
| Inventories | 13,749 | 13,749 | 29,310 | 29,310 |
| Trade and other receivables | 922,619 | 844,252 | 595,892 | 578,737 |
| Other financial assets at amortised cost | 344,874 | 344,868 | 142,389 | 142,267 |
| Income tax assets | 149,920 | 103,801 | 526,969 | 437,847 |
| National fiscal stabilisation levy | 27,071 | 25,608 | 2,519 | 4,858 |
| IRU assets | 25,995 | 25,995 | 14,753 | 14,753 |
| Mobile Money float | 11,663,106 | - | 8,977,989 | - |
| Cash and cash equivalents | 1,586,207 | 1,176,104 | 995,422 | 621,715 |
| Investments in securities | 188,571 | - | 82,540 | - |
| Total assets | 22,063,875 | 9,660,544 | 17,525,409 | 7,979,940 |
| Total equity | 5,709,700 | 5,067,444 | 4,363,298 | 3,870,715 |
| Stated capital | 1,097,504 | 1,097,504 | 1,097,504 | 1,097,504 |
| Retained earnings | 4,396,714 | 3,943,030 | 3,183,254 | 2,773,211 |
| Other reserves | 215,482 | 26,910 | 82,540 | - |
| Non-current liabilities | 2,147,476 | 2,144,527 | 2,210,988 | 2,210,803 |
| Borrowings | 222,318 | 222,318 | 369,774 | 369,774 |
| Deferred tax liabilities | 538,113 | 538,113 | 420,857 | 421,876 |
| Lease liabilities | 1,316,020 | 1,316,020 | 1,390,212 | 1,390,212 |
| IRU liability | 26,829 | 26,829 | 15,703 | 15,703 |
| Non-current share-based payment liability | 33,539 | 30,590 | - | - |
| Provisions | 10,657 | 10,657 | 14,442 | 13,238 |
| Current liabilities | 14,206,699 | 2,448,573 | 10,951,123 | 1,898,422 |
| Trade and other payables | 1,766,990 | 1,712,092 | 1,229,416 | 1,159,162 |
| Obligations to electronic money holders | 11,663,106 | - | 8,977,989 | - |
| Contract liabilities | 217,090 | 217,090 | 191,558 | 191,558 |
| Provisions | 107,058 | 66,936 | 57,702 | 53,244 |
| Lease liabilities | 284,278 | 284,278 | 293,526 | 293,526 |
| IRU liability | 3,431 | 3,431 | 1,616 | 1,616 |
| Borrowings | 164,746 | 164,746 | 199,316 | 199,316 |
| Total liabilities | 16,354,175 | 4,593,100 | 13,162,111 | 4,109,225 |
| Total equity and liabilities | 22,063,875 | 9,660,544 | 17,525,409 | 7,979,940 |

The condensed consolidated financial information for the year ended 31 December 2022 was approved by the Board of Directors on 27 February 2023 and signed on its behalf by:



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

Summary statements of changes in equity - Group

| Year ended 31 December 2022 | Stated Capital | Retained income | Mobile Money contingency fund | Total Equity |
|---|-------------------|--------------------|--|------------------|
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Opening balance at 1 January 2022 | 1,097,504 | 3,183,254 | 82,540 | 4,363,298 |
| Profit for the year | - | 2,855,801 | | 2,855,801 |
| Other comprehensive income | | | 26,910 | 26,910 |
| Equity movement | | - | | - |
| Other Equity movement | | | | |
| Transfer between reserves | - | (106,032) | 106,032 | - |
| Transactions with owners of the company: | | | | |
| Dividend paid | - | (1,536,309) | - | (1,536,309) |
| Closing balance at 31 December 2022 | 1,097,504 | 4,396,714 | 215,482 | 5,709,700 |

| | | | | |
|---|------------------|------------------|---------------|------------------|
| Year ended 31 December 2021 | | | | |
| Balance at 1 January 2021 | 1,097,504 | 2,228,282 | 13,401 | 3,339,187 |
| Profit for the year | - | 2,001,383 | | 2,001,383 |
| Other comprehensive income | | | 5,966 | 5,966 |
| Transfer between reserves | - | (63,173) | 63,173 | - |
| Transactions with owners of the company: | | | | |
| Dividends paid | - | (983,238) | | (983,238) |
| Closing balance at 31 December 2021 | 1,097,504 | 3,183,254 | 82,540 | 4,363,298 |

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

Summary statements of changes in equity - Company

| Year ended 31 December 2022 | Stated Capital | Retained income | Mobile Money contingency fund | Total Equity |
|---|------------------|------------------|-------------------------------|------------------|
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Balance at 1 January, 2022 | 1,097,504 | 2,773,211 | - | 3,870,715 |
| Profit for the year | - | 2,686,128 | - | 2,686,128 |
| Other comprehensive income | - | - | - | - |
| Equity movement | | | 26,910 | 26,910 |
| Other Equity | | 20,000 | | 20,000 |
| Transfer between reserves | - | - | - | - |
| Transactions with owners of the company: | | | | |
| Dividends paid | | (1,536,309) | | (1,536,309) |
| Closing balance at 31 December 2022 | 1,097,504 | 3,943,030 | 26,910 | 5,067,444 |

| | | | | |
|---|-----------|-----------|---|-----------|
| Year ended 31 December 2021 | | | | |
| Balance at 1 January 2021 | 1,097,504 | 1,976,191 | - | 3,073,695 |
| Profit for the year | - | 1,780,258 | - | 1,780,258 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 1,097,504 | 3,384,347 | - | 4,481,851 |
| Transactions with owners of the company: | | | | |
| Dividends paid | - | (983,238) | - | (983,238) |
| Closing balance at 31 December 2021 | 1,097,504 | 2,773,211 | - | 3,870,715 |

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

Summary statements of cash flow

| | Group For the year ended 31 December 2022 | Company For the year ended 31 December 2022 | Group For the year ended 31 December 2021 | Company For the year ended 31 December 2021 |
|--|---|---|---|---|
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Net cash generated from operating activities | 3,471,515 | 3,334,043 | 2,290,809 | 2,018,803 |
| Cash generated from operations | 5,908,156 | 4,909,871 | 4,268,878 | 3,383,881 |
| Interest received | 156,170 | 99,171 | 78,812 | 51,632 |
| Interest paid | (126,645) | (126,645) | (236,321) | (236,321) |
| Dividend paid | (1,536,309) | (1,536,309) | (983,238) | (983,238) |
| Dividend received | - | 600,000 | - | 440,000 |
| National fiscal stabilisation levy | (231,404) | (160,909) | (138,108) | (95,943) |
| Income tax paid | (698,453) | (451,136) | (699,214) | (541,208) |
| Net cash used in investing activities | (2,145,747) | (2,039,821) | (1,329,394) | (1,276,753) |
| Acquisition of property, plant and equipment | (1,724,994) | (1,723,255) | (1,215,552) | (1,211,994) |
| Acquisition of intangible assets | (246,674) | (246,674) | (47,003) | (47,003) |
| Investment in securities | (84,187) | - | (63,173) | (14,090) |
| Proceeds from disposal of PPE | - | - | 4,354 | 4,354 |
| Movement in investments | (20,000) | - | - | - |
| Acquisition of additional IRU capacity | (69,892) | (69,892) | (8,020) | (8,020) |
| Net cash used in financing activities | (769,943) | (769,943) | (639,732) | (639,732) |
| Proceeds from borrowing | - | - | 165,000 | 165,000 |
| Repayment of borrowing | (189,996) | (189,996) | (445,002) | (445,002) |
| Principal element of lease payments | (579,947) | (579,947) | (359,730) | (359,730) |
| Net increase in cash and cash equivalents | 555,825 | 524,279 | 321,683 | 102,318 |
| Cash and cash equivalents at the beginning of the year | 995,422 | 621,715 | 671,968 | 518,499 |
| Exchange gain/(loss) on cash and cash equivalents | 34,960 | 30,110 | 1,771 | 898 |
| Cash and cash equivalents at end of the year | 1,586,207 | 1,176,104 | 995,422 | 621,715 |

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

Notes

1. General information

Scancom PLC was incorporated as a private limited liability company on 14 April 1994 and commenced operations on 9 September 1994. The Company's regulations were amended on 13 October 2016 to become a public company and its shares were listed on the Ghana Stock Exchange on 5 September 2018. Its ultimate holding company is MTN Group Limited, a company incorporated in the Republic of South Africa and listed on the Johannesburg Stock Exchange. The registered address of the business is MTN House, Plot OER 6, Independence Avenue, West Ridge, Accra.

The principal activities are the provision of telecommunication services including voice, data, enterprise solutions, the provision of mobile financial services, the development of strategic partnerships to provide advanced services and the provision of consultancy services in the mobile banking space.

The consolidated financial statements are for the Group consisting of the Company, Scancom PLC and its subsidiary, MobileMoney Limited.

2. Basis of preparation

The condensed consolidated and separate financial information has been prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standard Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRSIC) of IASB that are effective as at 31 December 2022, and the requirements of the Companies Act, 2019 (Act 992). The condensed consolidated and separate financial information has been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income.

Functional and presentation currency

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

3. Property, plant and equipment & intangible asset

Property, plant and equipment and intangibles are measured at historical cost less accumulated depreciation and accumulated impairment losses. Costs associated with maintaining computer software programs are 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. During the period, PPE amounting to GHS1.7 billion was acquired and capitalized, while an intangible asset amounting to GHS247 million was acquired and capitalized. The Group recognises right-of-use assets and lease liabilities at the lease commencement date for most leases in line with IFRS 16, and during the period a total amount of GHS173 million was capitalized.

MTN Ghana condensed consolidated financial information for the year ended 31 December 2022

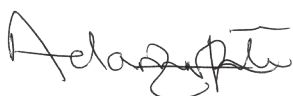
Breakdown of capex (GHS 000)

| Details | Cash movement | Non-cash / credit | Item total |
|-------------------------------|------------------|-------------------|------------------|
| Property, plant and equipment | 1,724,994 | - | 1,724,994 |
| Intangible assets | 246,674 | - | 246,674 |
| Right-of-use assets | - | 172,686 | 172,686 |
| Total capex | 1,971,668 | 172,686 | 2,144,354 |

4. Contingent liabilities

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

The condensed consolidated financial information for the year ended 31 December 2022 on pages 11 to 17 was approved by the Board of Directors on 27 February 2023 and was signed on its behalf by:



Selorm Adadevoh
Chief executive officer



Antoinette Kwofie
Chief finance officer

Contact

Jeremiah Opoku

Investor Relations

Scancom PLC (MTN Ghana)

Telephone: +233 244 300 000

Email: Jeremiah.Opoku@mtn.com

Pala Asiedu Ofori

Company Secretary

Scancom PLC (MTN Ghana)

Telephone: +233 244 300 000

Email: Pala.AsieduOfori@mtn.com

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

Annexure

1. Quarterly financial highlights

| | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|------------------------|----------------|----------------|----------------|----------------|----------------|
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Total revenue | 2,805,198 | 2,444,372 | 2,310,558 | 2,355,982 | 2,158,986 |
| Service revenue | 2,789,885 | 2,437,478 | 2,303,644 | 2,349,123 | 2,156,095 |
| Voice | 903,899 | 792,573 | 788,000 | 785,384 | 708,215 |
| Data | 1,072,256 | 985,686 | 941,069 | 871,975 | 821,531 |
| MoMo | 579,027 | 457,466 | 384,063 | 514,911 | 471,646 |

2. Quarterly non-financial highlights (Net additions)

| | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | GHS 000 | GHS 000 | GHS 000 | GHS 000 | GHS 000 |
| Subscribers¹ | 104,249 | 739,937 | 677,818 | 1,731,347 | 126,458 |
| Active data subs² | (637,846) | 970,229 | 317,903 | 386,216 | 497,209 |
| Active MoMo subs² | 308,073 | 668,348 | 126,930 | 547,767 | 387,025 |

¹ RGS 90 subscribers.

² RGS 30 subscribers.



Scancom PLC (MTN Ghana)

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

mtn.com.gh