



# Scancom PLC (MTN Ghana)

Performance for the three-month period ended 31 March 2024



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 1.2% to 27.8 million.
  - Active data subscribers# increased by 15.3% to 16.0 million.
  - Active Mobile Money (MoMo) users increased by 16.1% to 15.6 million.
- Service revenue grew by 32.4% to GHS3.8 billion.
- Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 31.6% to GHS2.1 billion.
- EBITDA margin decreased by 0.4 percentage points (pp) to 55.9%.
- Total capex of GHS1.2 billion^ (ex-lease capex: GHS852.2 million).
- Paid GHS1.7 billion in direct and indirect taxes (2023: GHS1.1 billion).
- Outlook: MTN Ghana will continue to invest to develop its platforms and improve its network and services, in order to unlock value for stakeholders in line with our **Ambition 2025** strategy. We continue to explore efficiency measures, preserve liquidity and strengthen the balance sheet against a background of election-year related and macroeconomic uncertainties. MTN Ghana maintains its medium-term guidance of high twenties (in percentage terms) growth in service revenue.

## Snapshot of key financial items (YoY change)

	31 March 2024	31 March 2023	
	GHS 000	GHS 000	Change
<b>Total revenue</b>	<b>3,846,442</b>	2,903,068	<b>32.5%</b>
<b>Service revenue</b>	<b>3,830,567</b>	2,893,302	<b>32.4%</b>
<b>EBITDA</b>	<b>2,149,862</b>	1,633,092	<b>31.6%</b>
<b>EBITDA margin</b>	<b>55.9%</b>	56.3%	<b>-0.4pp</b>
<b>Profit before tax</b>	<b>1,598,341</b>	1,071,452	<b>49.2%</b>
<b>Profit after tax</b>	<b>1,112,931</b>	745,408	<b>49.3%</b>
<b>Total capex</b>	<b>1,213,071</b>	1,581,825	<b>-23.3%</b>
<b>Ex-lease capex</b>	<b>852,158</b>	1,112,090	<b>-23.4%</b>

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

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

^ Total capex is made up of PPE of GHS278.1 million, intangibles of GHS574.1 million (includes network and spectrum license cost) and right of use (RoU) assets of GHS360.9 million for the period.

## **MTN Ghana CEO, Stephen Blewett, comments:**

### ***Ghana's macroeconomic context – operating in a challenging economy in an election year***

The Ghanaian economy faced macroeconomic challenges that persisted into 2024, with inflation remaining relatively high, though on a generally declining trend. The average inflation rate within the first quarter was 24.2%, representing a decline of 26.3 percentage points (pp) from the Q1 2023 average rate of 50.5%. However, inflation ticked up to 25.8%\* by the end of the first quarter of 2024; up by 2.6pp compared to 23.2% recorded at the end of December 2023.

The effects of inflation on consumers and businesses were exacerbated by the increase in the prices of petrol and diesel, which rose to GHS13.12 and GHS13.89 respectively; versus the Q1 2023 prices of GHS12.95 and GHS13.49. Additionally, the Ghanaian cedi depreciated by 8.44% YTD against the US dollar according to the Bank of Ghana interbank rates.

MTN Ghana continued to deliver on its **Ambition 2025** priorities, despite the challenges from the macroeconomic headwinds affecting business operations and expenses. These include driving topline growth and cost efficiencies, as well as creating shared value for all stakeholders. These efforts underpinned a strong Q1 2024 result, with service revenue growth of 32.4% YoY and a resilient EBITDA margin.

### ***Creating shared value – impacting lives through social and economic initiatives***

The MTN Ghana Foundation continued to impact Ghanaian lives through initiatives aimed at enhancing critical sectors, including healthcare, education, and economic growth.

In March 2024, the Foundation handed over a 60-bed maternity and neonatal center to the administration of the Keta Municipal Hospital. Additionally, they commissioned a STEM robotics lab at Mamfe Methodist Girls' High School. In the second quarter of the year, the Foundation plans to complete and hand over a number of projects, including an Accident and Emergency Block to the Bawjiase Polyclinic, a 40-seater ICT Center to Yilo-Krobo High School and to procure robotics equipment for the Wiamoase Technology and Development Center to the respective authorities for use in these communities.

In Q1 2024, MTN Ghana continued to support the Government as a development partner by contributing to the country's fiscal and socio-economic growth. MTN Ghana paid GHS1.7 billion in direct and indirect taxes and GHS121.8 million in fees, levies, and other payments to Governmental agencies. These payments amounted to 47.4% of MTN's total revenue in the first quarter.

Our priority is to continue to play a key role in Ghana's sustainable development by committing to socioeconomic development.

### ***National roaming update – revolutionizing the industry by sharing infrastructure***

National roaming plays a crucial role in achieving universal access and accelerating the digitalisation process in Ghana. MTN Ghana is committed to facilitating national roaming partnerships with AT (formerly AirtelTigo) and Telecel (formerly Vodafone). MTN Ghana has entered a long-term agreement with AT, effective from January 2024, and is in the final phase of negotiations with Telecel.

We are pleased with the progress in our goal to promote socioeconomic development and lead digitalisation in the country. We remain steadfast in our commitment to sustainable development in Ghana and will continue to work towards this objective.

\* Based on inflation data published by the Ghana Statistical Services.

## Operational and financial review

MTN Ghana delivered service revenue growth of 32.4% YoY, underpinned by growth in data, MoMo and voice. We achieved this growth through investment of GHS327.1 million in maintaining high network quality, expanding coverage and capacity, as well as enhancing our IT systems. Additionally, we spent GHS525.1 million (Q1 2023: GHS472.3 million) on spectrum during the period bringing our ex-lease capex spend to GHS852.2 million (Q1 2023: GHS1.1 billion). These investments helped to keep our customers connected and attracted new ones to our network, resulting in a 1.2% YoY growth in our subscriber base following a reduction from the sim re-registration exercise completed in 2023. This brought the total number of subscribers to 27.8 million by quarter end.

**Voice** revenue growth was broadly flat with a 0.9% YoY growth to GHS895.1 million. This is impacted by pending regulatory approvals in support of our ongoing price optimisation initiatives. We continued to focus on our customer value management initiatives to reduce churn and offer customized bundles to our customers. The contribution of voice to total service revenue continued to decrease from 30.7% to 23.4% YoY, as customer behaviour aligns with global shifts towards data usage.

**Data** revenue increased by 60.0% YoY to GHS1.8 billion. The growth in data was supported by the implementation of pricing initiatives in Q4 2023 and a 6.0% YoY increase in megabytes consumed per active user per month, which consequently led to a 16.3% YoY growth in data traffic over the period. The data revenue contribution to total service revenue increased from 39.3% to 47.4% YoY.

**Mobile Money** revenue increased by 35.5% YoY to GHS870.6 million. This was underpinned by a 16.1% YoY expansion in the active user base and driven by growth in cashout services (+23.0% YoY), P2P (+41.6% YoY) and advanced services (+60.5% YoY). The overall contribution of MoMo revenue to total service revenue increased marginally from 22.2% to 22.7% YoY.

**Digital** revenue grew strongly in the first quarter of 2024, up 57.0% YoY to GHS49.7 million. This growth was due to an improvement in customer experience, which led to a 20.2% YoY increase in active digital subscribers, bringing the total to 4.6 million. We will continue to focus on enhancing my MTN app as well as the music and game offerings on ayoba to drive improved monetisation within the business. The contribution of digital to total service revenue increased from 1.1% to 1.3% YoY.

High inflation during the period impacted costs such as fuel, rent and utilities. Total costs increased by 33.6% YoY to GHS1.7 billion. The high inflationary environment, amongst others, drives our goal to explore different ways to reduce expenses through our expense efficiency program. As a result, **EBITDA** increased by 31.6% YoY to GHS2.1 billion. However, the margin decreased by 0.4pp to 55.9%. Despite the margin pressure, the business continued to generate strong cashflows.

Depreciation and amortization increased by 43.9% YoY to GHS513.7 million during the period, largely due to new licenses, sites, etc. The net finance cost decreased by 81.5% YoY to GHS38.0 million due to a significant decrease in finance cost relative to an increase in finance income. Finance cost declined by 42.2% YoY to GHS154.2 million as a result of the drop in inflation on a year-on-year basis and its consequent impact on CPI escalation for lease costs. On the other hand, finance income increased by 87.6% YoY to GHS116.4 million from gains on surplus cash invested in call and fixed-term deposits in a high-interest rate environment.

The direct tax charge for the period was GHS485.4 million representing a 48.9% growth over the 2023 charge for the same period, largely due to higher profits. As a result, **profit after tax** increased by 49.3% YoY to GHS1.1 billion.



## **Regulatory updates**

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

MTN Ghana has been focusing on localising Scancom PLC and MobileMoney Limited and has made significant progress in this regard. As of December 2023, the reported localisation of Scancom PLC was 25.1%. During the period MTN Ghana increased the reported localisation of Scancom PLC by 1.7pp to 26.8%.

The company is committed to further localizing Scancom PLC and MobileMoney Limited. We will continue working closely with regulators and relevant stakeholders in this regard.

## **Outlook**

The macroeconomic outlook for Ghana for the rest of 2024 is expected to remain challenging due to high inflation, currency volatility, and FX scarcity, which could potentially affect economic growth and living costs for Ghanaians. The Government forecasts inflation for the year to be within the band of 13.0% to 17.0% before gradually trending back to the medium-term target range of 6.0% to 10.0% by 2025.

We are fully committed to executing our **Ambition 2025** strategy, even in the face of a challenging economic outlook. We will continue with our cost efficiency programme to safeguard margins and preserve liquidity. Our focus remains unwavering on creating value for all stakeholders and driving growth by investing efficiently in infrastructure. We aim to improve the quality of connectivity and related services for our customers.

MTN Ghana is committed to enhancing our platforms like myMTN, ayoba, and MoMo app to provide improved services. Additionally, we aim to capitalize on the high demand for data, especially in rural areas, and promote the use of smartphones by the masses. We also plan to address the need for high-speed internet in the home broadband market. By doing so, we will make significant progress in providing better services to our customers. We will continue to grow our partnerships with various financial institutions, agents, and merchants to expand the mobile money ecosystem and improve the convenience for our customers to transfer money to others, make payments through merchants, save, and access micro-loans, micro-insurance, and international remittance services.

The MTN Ghana Foundation will continue to focus on supporting the Ghanaian communities. During the year, we will extend various sustainability projects and initiatives that will enhance the lives of Ghanaians across the nation. As a result, MTN Ghana has earmarked GHS40.0 million for the Foundation's use in 2024. Our efforts will focus on improving healthcare services and developing digital skills for the youth. By doing so, we aim to improve the communities where we operate and make a positive impact on society.

We remain conscious of the macroeconomic and other headwinds that are currently affecting the business environment and its operations. MTN Ghana continues to focus on achieving operational excellence, which will help safeguard its margins and drive sustained bottom-line growth in the medium to long term. We maintain our medium-term guidance on service revenue growth at high twenties (in percentage terms).

## Consolidated and separate statements of comprehensive income

	Group	Company	Group	Company
	For the three-month period ending 31 March 2024	For the three-month period ending 31 March 2024	For the three-month period ending 31 March 2023	For the three-month period ending 31 March 2023
	GHS 000	GHS 000	GHS 000	GHS 000
<b>Revenue from contracts with customers</b>	<b>3,846,442</b>	<b>3,006,074</b>	2,903,068	2,286,408
Other revenue	1,957	32,348	1,249	44,045
Direct network operating costs	<b>(434,795)</b>	<b>(433,502)</b>	(298,454)	(298,454)
Government and regulatory costs	<b>(74,568)</b>	<b>(74,568)</b>	(53,684)	(53,684)
Cost of handsets and other accessories	<b>(22,223)</b>	<b>(22,223)</b>	8,318	8,318
Interconnect and roaming costs	<b>(218,882)</b>	<b>(218,882)</b>	(122,127)	(122,127)
Employee benefits expense	<b>(130,357)</b>	<b>(122,348)</b>	(112,006)	(107,803)
Selling, distribution and marketing expenses	<b>(514,934)</b>	<b>(301,104)</b>	(450,435)	(219,872)
Other operating expenses	<b>(302,779)</b>	<b>(273,296)</b>	(242,837)	(229,923)
<b>Earnings Before Interest, Tax</b>				
<b>Depreciation and Amortization</b>	<b>2,149,861</b>	<b>1,592,499</b>	1,633,092	1,306,909
Depreciation	<b>(428,248)</b>	<b>(427,688)</b>	(312,161)	(311,458)
Amortization	<b>(85,479)</b>	<b>(68,118)</b>	(44,789)	(44,789)
<b>Operating profit</b>	<b>1,636,134</b>	<b>1,096,693</b>	1,276,142	950,662
Finance income	<b>116,363</b>	<b>70,844</b>	62,016	32,200
Finance costs	<b>(154,157)</b>	<b>(122,244)</b>	(266,706)	(266,778)
<b>Profit before income tax</b>	<b>1,598,340</b>	<b>1,045,293</b>	1,071,452	716,084
Income tax expense	<b>(405,492)</b>	<b>(267,202)</b>	(272,312)	(183,406)
Growth and sustainability levy	<b>(79,917)</b>	<b>(52,264)</b>	(53,732)	(35,973)
<b>Profit after income tax</b>	<b>1,112,931</b>	<b>725,827</b>	745,408	496,705
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>1,112,931</b>	<b>725,827</b>	745,408	496,705
Attributable to:				
Equity holders of the company	<b>1,112,931</b>	<b>725,827</b>	745,408	496,705
<b>Diluted/Basic Earnings per share</b>	<b>GHS0.084</b>	<b>GHS0.055</b>	GHS0.061	GHS0.040

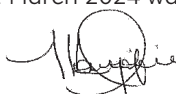
## Consolidated and separate statements of financial position

	Group	Company	Group	Company
	As at 31 March 2024	As at 31 March 2024	As at 31 December 2023	As at 31 December 2023
	GHS 000	GHS 000	GHS 000	GHS 000
<b>Non-current assets</b>	<b>10,252,952</b>	<b>9,911,039</b>	9,548,436	9,193,753
Property, plant and equipment	6,440,340	6,436,959	6,432,554	6,428,601
Right-of-Use assets	1,687,759	1,687,759	1,484,549	1,484,549
Intangible assets and goodwill	1,857,991	1,597,582	1,369,559	1,091,790
Investment in subsidiary	-	20,050	-	20,050
Investments	20,000	-	20,000	-
IRU assets	119,418	119,418	123,417	123,417
Deferred tax assets	78,173	-	73,011	-
Capitalized contract cost	49,271	49,271	45,346	45,346
<b>Current assets</b>	<b>23,235,820</b>	<b>4,653,319</b>	21,410,005	3,897,709
Inventories	59,818	59,818	80,998	80,998
Trade and other receivables	1,076,595	876,184	1,020,917	883,649
Other financial assets at amortized cost	525,710	524,190	87,769	86,618
Other receivables	322,290	436,283	382,007	381,303
Income tax assets	10,509	10,509	189,533	167,965
Growth and Sustainability Levy	-	-	14,138	7,789
IRU assets	31,031	31,031	29,129	29,129
Investments in securities	297,376	-	278,285	-
Mobile Money float	17,112,325	-	16,381,096	-
Cash and cash equivalents	3,800,166	2,715,304	2,946,133	2,260,258
<b>Total assets</b>	<b>33,488,772</b>	<b>14,564,358</b>	30,958,441	13,091,462
<b>Total equity</b>	<b>9,731,964</b>	<b>8,418,948</b>	8,619,074	7,693,173
Stated capital	2,222,888	2,222,888	2,222,888	2,222,888
Retain earnings	7,211,700	6,196,060	6,083,422	5,435,807
Other reserves	297,376	-	312,764	34,478
<b>Non-current liabilities</b>	<b>2,933,740</b>	<b>2,676,750</b>	2,703,498	2,452,002
Borrowings	73,699	73,699	73,422	73,422
Deferred tax liabilities	565,746	565,746	575,714	575,714
Lease liabilities	1,946,550	1,946,550	1,711,375	1,711,375
IRU liability	25,095	25,095	26,071	26,071
Other non-current liabilities	251,428	-	245,967	-
Non-current share-based payment liability	60,959	55,996	60,959	55,996
Provisions	10,263	9,664	9,990	9,424
<b>Current liabilities</b>	<b>20,823,068</b>	<b>3,468,660</b>	19,635,869	2,946,287
Trade and other payables	2,291,300	2,240,000	1,879,444	1,890,427
Obligations to electronic money holders*	17,112,325	-	16,381,096	-
Contract liabilities	319,501	319,501	347,476	347,476
Provisions	210,219	65,224	246,416	98,264
Income Tax Liabilities	40,701	-	-	-
Growth and Sustainability Levy	19,761	14,674	-	-
Lease liabilities	625,175	625,175	448,109	448,109
IRU liability	4,386	4,386	3,795	3,795
Deferred income	22,004	22,004	-	-
Other liabilities	-	-	171,317	-
Borrowings	177,696	177,696	158,216	158,216
<b>Total liabilities</b>	<b>23,756,808</b>	<b>6,145,410</b>	22,339,367	5,398,289
<b>Total equity and liabilities</b>	<b>33,488,772</b>	<b>14,564,358</b>	30,958,441	13,091,462

\*Obligations to electronic money holders (Mobile Money float) is made up of GHS7.1 billion Bank-Owned funds and GHS10.0 billion of funds in Customer wallets.

The condensed consolidated financial information for the three-month period ended 31 March 2024 was approved by the Board of Directors on 29 April 2024 and signed on its behalf by:

  
**Stephen Blewett**  
 Chief executive officer

  
**Antoinette Kwofie**  
 Chief finance officer

## Consolidated statements of changes in equity - Group

	Stated Capital	Retained income	Mobile Money contingency fund	Total Equity
Three-month period ending 31 March 2024	GHS 000	GHS 000	GHS 000	GHS 000
<b>Opening balance as at 1 January 2023</b>	<b>2,222,888</b>	<b>6,083,382</b>	<b>312,763</b>	<b>8,619,033</b>
Profit for the year	-	1,112,931	-	1,112,931
Other comprehensive income	-	-	-	-
Equity movement	-	-	(34,478)	(34,478)
Other Equity movement	-	-	19,091	19,091
Equity other	-	15,387	-	15,387
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 31 March 2024</b>	<b>2,222,888</b>	<b>7,211,700</b>	<b>297,376</b>	<b>9,731,964</b>

Three-month period ending 31 March 2023				
<b>Balance as at 1 January 2023</b>	1,097,504	4,396,677	215,482	5,709,622
Profit for the year	-	745,408	-	745,408
Other comprehensive income	-	-	-	-
Equity movement	-	-	19,301	19,301
Other Equity movement	-	-	11,683	11,683
Equity other	-	78,845	-	78,845
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance as at 31 March 2023</b>	<b>1,097,504</b>	<b>5,220,930</b>	<b>246,466</b>	<b>6,564,900</b>



## Consolidated statements of changes in equity - Company

	Stated Capital	Retained income	Other Reserves	Total Equity
Three-month period ended 31 March 2024	GHS 000	GHS 000	GHS 000	GHS 000
<b>Balance as at 1 January, 2024</b>	<b>2,222,888</b>	<b>5,435,756</b>	<b>34,478</b>	<b>7,693,122</b>
Profit for the year	-	725,826	-	725,826
Other comprehensive income	-	-	-	-
Equity movement	-	-	(34,478)	(34,478)
Other Equity	-	34,478	-	34,478
<b>Transfer between reserves</b>	-	-	-	-
<b>Closing balance as at 31 March 2024</b>	<b>2,222,888</b>	<b>6,196,060</b>	-	<b>8,418,948</b>

Three-month period ending 31 March 2023				
<b>Balance as at 1 January 2023</b>	1,097,504	3,942,978	26,910	5,067,392
Profit for the year	-	496,705	-	496,705
Other comprehensive income	-	-	-	-
Equity movement	-	90,528	-	90,528
Other Equity	-	-	19,301	19,301
<b>Total comprehensive income</b>	-	-	-	-
<b>Transfer between reserves</b>	-	-	-	-
<b>Closing balance as at 31 March 2023</b>	<b>1,097,504</b>	<b>4,530,211</b>	<b>46,211</b>	<b>5,673,926</b>

## Consolidated and separate statement of cashflow

	<b>Group</b>	<b>Company</b>	Group	Company
	<b>For the three-month period ending 31 March 2024</b>	<b>For the three-month period ending 31 March 2024</b>	For the three-month period ending 31 March 2023	For the three-month period ending 31 March 2023
	<b>GHS 000</b>	<b>GHS 000</b>	GHS 000	GHS 000
<b>Net cash generated from operating activities</b>	<b>1,810,415</b>	<b>1,415,091</b>	1,563,213	1,281,071
Cash generated from operations	<b>1,958,594</b>	<b>1,494,039</b>	1,718,258	1,373,081
Interest received	<b>99,014</b>	<b>70,844</b>	50,334	32,200
Interest paid	<b>(277)</b>	<b>(277)</b>	(277)	(277)
Income tax paid	<b>(200,900)</b>	<b>(119,715)</b>	(166,754)	(99,100)
Growth and Sustainability Levy	<b>(46,016)</b>	<b>(29,800)</b>	(38,347)	(24,834)
<b>Net cash generated in investing activities</b>	<b>(881,340)</b>	<b>(879,828)</b>	(1,075,038)	(1,157,549)
Acquisition of property, plant and equipment	<b>(278,067)</b>	<b>(278,290)</b>	(544,864)	(544,864)
Acquisition of intangible assets	<b>(574,091)</b>	<b>(574,091)</b>	(567,226)	(567,226)
Proceeds of Disposal of PPE	<b>153</b>	<b>146</b>	-	-
Movement n current investments	<b>(1,742)</b>	-	-	-
Investment in securities	-	-	82,511	-
Acquisition of additional IRU capacity	<b>(27,593)</b>	<b>(27,593)</b>	(45,459)	(45,459)
<b>Net cash used in financing activities</b>	<b>(60,548)</b>	<b>(66,009)</b>	14,641	14,641
Repayments on borrowings	<b>(66,009)</b>	<b>(66,009)</b>	-	-
Increase in other non-current liabilities	<b>5,461</b>	-	-	-
IRU liabilities	-	-	14,641	14,641
<b>Net increase in cash and cash equivalents</b>	<b>868,527</b>	<b>469,254</b>	502,816	138,163
Cash and cash equivalents at the beginning of the year	<b>2,946,133</b>	<b>2,260,258</b>	1,586,207	1,176,104
Exchange gain/(loss) on cash and cash equivalents	<b>(14,494)</b>	<b>(14,208)</b>	(44,739)	(46,893)
<b>Cash and cash equivalents as at end of the period</b>	<b>3,800,166</b>	<b>2,715,304</b>	2,044,284	1,267,374

## Notes to the consolidated and separate financial statements

### 1. General information

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

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

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

### 2. Basis of preparation

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

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

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

### 3. Segment reporting

Operating segments reflect the Group's management structure, and the way financial information is regularly reviewed by the Group. The Group has identified reportable segments that are used by the executive committee to make key operating decisions, allocate resources and assess performance. The reportable segments are largely grouped according to how data on the segments are managed and reported internally to the Group.

## Notes (continued)

All amounts in thousands of Ghana cedis	Network services	Interconnect and roaming	Digital and fintech	Mobile devices and accessories	Other	Total
<b>2024 Revenue</b>	<b>2,706,902</b>	<b>116,211</b>	<b>970,426</b>	<b>15,875</b>	<b>37,028</b>	<b>3,846,442</b>
<b>2023 Revenue</b>	2,010,822	110,960	733,356	9,766	38,164	2,903,068
<b>%YoY</b>	<b>34.6%</b>	<b>4.7%</b>	<b>32.3%</b>	<b>62.6%</b>	<b>-3.0%</b>	<b>32.5%</b>
<b>2024 EBITDA margin</b>						<b>55.9%</b>
<b>2023 EBITDA margin</b>						56.3%
<b>2024 Capex spend</b>						<b>1,213,071</b>
<b>2023 Capex spend</b>						1,581,825
<b>%YoY</b>						<b>-23.3%</b>
<b>2024 profit after tax</b>						<b>1,112,932</b>
<b>2023 profit after tax</b>						745,408
<b>% YoY</b>						<b>49.3%</b>

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

Property, plant and equipment and intangibles are measured at historical cost less accumulated depreciation and accumulated impairment losses. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits, are recognized as intangible assets. During the period, PPE amounting to GHS278.1 million was acquired and capitalized, while an intangible asset amounting to GHS574.1 million was acquired and capitalized. The Group recognizes right-of-use assets and lease liabilities at the lease commencement date for most leases in line with IFRS 16, and during the period a total amount of GHS361.0 million was capitalized.

#### Breakdown of capex (GHS 000)

Details	Cash movement	Non-cash / credit	Item total
<b>Property, plant and equipment</b>	278,067	-	<b>278,067</b>
<b>Intangible assets</b>			
<b>(incl spectrum cost GHS525.1m)</b>	574,091	-	<b>574,091</b>
<b>Right-of-use assets</b>	-	360,912	<b>360,913</b>
<b>Total capex (excl spectrum cost)</b>	<b>852,158</b>	<b>360,912</b>	<b>1,213,071</b>



## 5. Contingent liabilities

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

## 6. Determination of fair value

The Group considers the carrying values of cash and cash equivalents, trade receivables, trade and other payables and their fair values due to their short-term nature. The fair values of borrowings are not materially different to their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The Group considers that the recognized assets and liabilities are at Level 3 in the fair value hierarchy (that is inputs for the assets and liabilities that are not based on observable market data).

The consolidated financial information for the three-month ended 31 March 2024 on pages 5 to 12 was approved by the Board of Directors on 29 April 2024 and was signed on its behalf by:



**Stephen Blewett**  
Chief executive officer



**Antoinette Kwofie**  
Chief finance officer

## Contact

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## Annexure

### 1. Quarterly financial highlights

	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>
	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>
<b>Total revenue</b>	3,846,443	3,668,896	3,502,647	3,274,860	2,903,068
<b>Service revenue</b>	3,830,567	3,652,500	3,486,594	3,263,110	2,893,302
<b>Voice</b>	895,055	853,875	918,003	904,771	886,982
<b>Data</b>	1,817,305	1,708,449	1,575,384	1,419,580	1,136,132
<b>MoMo</b>	870,603	824,629	718,386	695,043	642,685

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

	<b>Q1 2024</b>	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>
	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>	<b>GHS 000</b>
<b>Subscribers<sup>1</sup></b>	986,952	957,747	(1,461,375)	(145,455)	(1,155,939)
<b>Active data subs<sup>2</sup></b>	664,310	874,753	344,455	239,403	430,912
<b>Active MoMo subs<sup>2</sup></b>	344,349	842,068	169,364	796,855	740,199

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

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



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