



# Scancom PLC (MTN Ghana)

Performance for the nine-month period ended 30 September 2023



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 decreased by 9.3% to 25.8 million\* (impacted by SIM re-registration).
  - Active data subscribers increased by 2.7% to 14.5 million#.
  - Active Mobile Money (MoMo) users increased by 16.3% to 14.4 million\*.
- Service revenue grew by 36.0% to GHS9.6 billion.
- Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 32.6% to GHS5.4 billion.
- EBITDA margin decreased by 1.5 percentage points (pp) to 56.0%.
- Total capex of GHS2.9 billion^.
- Paid GHS4.0 billion in direct and indirect taxes.
- Inflation recorded for September 2023 was 38.1% (June 2023: 42.5%).
- Outlook: MTN Ghana will continue to invest to develop its platforms and improve its network and services to unlock value for stakeholders in line with our Ambition 2025 strategy. We will also keep exploring efficiency measures, preserving liquidity and take steps to strengthen the balance sheet further against a background of uncertainties within the operating environment. Taking into consideration the macroeconomic uncertainties, MTN Ghana maintains its guidance of high-twenties (in percentage terms) growth in service revenue.

## Snapshot of key financial items (YoY change)

	30 September 2023	30 September 2022	Change
	GHS 000	GHS 000	
<b>Total revenue</b>	<b>9,680,575</b>	7,110,911	<b>36.1%</b>
<b>Service revenue</b>	<b>9,643,006</b>	7,090,245	<b>36.0%</b>
<b>EBITDA</b>	<b>5,424,746</b>	4,091,918	<b>32.6%</b>
<b>EBITDA margin</b>	<b>56.0%</b>	57.5%	<b>-1.5pp</b>
<b>Profit before tax</b>	<b>3,890,921</b>	2,995,789	<b>29.9%</b>
<b>Profit after tax</b>	<b>2,777,788</b>	2,105,028	<b>32.0%</b>
<b>Total capex</b>	<b>2,852,386</b>	1,421,188	<b>100.7%</b>
<b>Core capex (IAS 17)</b>	<b>2,177,388</b>	1,261,445	<b>72.6%</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 GHS1.6 billion, intangibles of GHS41.9 million (Network license, Software, etc) and Right-of-Use (RoU) assets of GHS675.0 million for the period.

## **MTN Ghana CEO, Selorm Adadevoh's comments:**

### ***Ghana's macroeconomic context***

Ghana's macroeconomic environment continued to be characterized by high inflation, albeit on a declining trend during the third quarter of 2023, with September inflation of 38.1%, from the June 2023 level of 42.5%. This brought the average rate of inflation for the nine-month period to 44.3% (nine-month 2022: 25.9%).

The cedi recorded a year-to-date (YTD) depreciation of 29.7% against the US dollar, although it remained relatively stable in Q3 2023, benefiting from the debt moratorium from the Domestic Debt Exchange Programme and the International Monetary Fund's balance of payment support to Ghana.

Amid the macroeconomic challenges, MTN Ghana continued to pursue its **Ambition 2025** strategy with a dedicated focus on revenue growth and cost efficiencies. We executed our commercial plans diligently which resulted in a service revenue growth of 36.0% year-on-year (YoY).

### ***Creating shared value – our commitment to social and economic development***

Education is a key focus area for the MTN Ghana Foundation, especially supporting the youth to acquire science, technology and engineering skills to help drive Ghana's digital agenda. In this quest, MTN awarded scholarships to 120 students in Q3 2023. The scholarships valued at GHS13.5 million, will cover tuition, stipends and educational materials.

MTN Ghana made considerable progress with the STEM robotics lab for the Mamfe Girls' School as well as a 60-bed maternity and neonatal centre for the Keta Municipal Hospital, which are expected to be completed by year end. We believe these initiatives and interventions will go a long way to support and improve the lives of Ghanaians.

MTN Ghana is committed to being a development partner to the Government and a tax compliant corporate citizen which takes its statutory obligations seriously. In this regard, MTN Ghana contributed GHS4.0 billion in direct and indirect taxes, as well as GHS313.4 million in fees, levies and other payments to Governmental agencies for the nine-month period ending September 2023.

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

### ***National roaming update – strategic partnerships to support industry sustainability***

National roaming will help facilitate universal access and accelerate digitalization in line with Ghana's ambitions of becoming a leading digital economy. MTN Ghana continues to be committed to making progress on national roaming partnerships with AT (formerly AirtelTigo) and Vodafone. Discussions for a longer-term agreement with both companies are in the final stages of completion.

### ***Operational and financial review***

MTN Ghana delivered a 36.0% YoY increase in **service revenue**, driven mainly by growth in voice, data and MoMo. This was underpinned by the continued execution of **Ambition 2025** and sustained investments in capex to support improvements in service quality and the expansion of network capacity and coverage.

We continued to improve on investments in technology and quality of service with total capex of GHS2.9 billion spent during the nine-month period. As part of the network expansion plan, we rolled out 193 2G, 196 3G and 193 4G sites, reaching a total of 4,455 4G sites nationwide with 4G coverage at 99.3%. Core capex excluding Right-of-Use cost was GHS2.2 billion.

**Voice** revenue grew by 14.5% YoY to GHS2.7 billion. The impact of the National Communications Authority's (NCA) directive on SIM disconnections continued to impact our subscriber base, resulting in a 9.3% YoY decrease to 25.8 million. Voice revenue contribution to service revenue declined from 33.4% to 28.1%.

**Strong** data revenue growth of 47.6% YoY to GHS4.1 billion was attributable to a 2.7% YoY increase in the number of active users and continued increases in MB consumed per active user per month (+36.0% YoY). This led to data traffic rising by 39.6% YoY. The contribution of data revenue to service revenue increased from 39.5% to 42.8% YoY.

**MoMo** revenue increased by 51.6% YoY to GHS2.1 billion. This was underpinned by growth of 63.4% YoY in cash-out revenue, a 63.2% YoY increase in advanced services revenue and 15.0% YoY growth in peer-to-peer (P2P) revenue. The contribution of MoMo revenue to service revenue increased from 19.1% to 21.3% YoY.

**Digital** revenue decreased by 15.0% YoY to GHS96.3 million. However, we have observed a positive turn-around in the third quarter, with a 3.5% QoQ growth, and expect it to continue through the fourth quarter and beyond. Improvements made to our myMTN app, music and game offering helped grow active digital subscribers by 15.9% YoY to 3.9 million. The contribution of digital to service revenue decreased from 1.6% to 1.0% YoY.

**EBITDA** increased by 32.6% YoY to GHS5.4 billion with a margin decline of 1.5 percentage points (pp) to 56.0% due to the impact of elevated inflation. We remain committed to executing our expense efficiency programme, the impact of which continues to reduce the full exposure of the current macroeconomic challenges on the business.

Net finance cost increase of 51.5% YoY to GHS335.3 million for the period was driven by a relatively higher growth in finance cost. Finance costs increased by 48.6% YoY to GHS528.3 million, driven by high interest rates and growth in interest expense from leases (IFRS 16). This was mitigated by a 43.9% YoY increase in finance income to GHS193.0 million from gains on investments in fixed short-term securities.

Profit after tax for the period grew by 32.0% to GHS2.8 billion.

## **Regulatory updates**

### **Accounting requirements in a hyperinflation environment**

The International Accounting Standard (IAS 29) classifies hyper-inflation economies, among other factors, as countries whose cumulative inflation rate over three years is approaching, or exceeds, 100%.

The IMF World Economic Outlook report published in October 2023 provides updated data in respect of current and projected levels of inflation. In the report, a 3-year cumulative inflation rate of 92.0% was recorded as of December 2022 and a 3-year cumulative inflation rate of 128.0% and 133.0% is forecast for 2023 and 2024, respectively for Ghana. The Ghana Statistical Services also reported a 3-year cumulative rate of inflation of 106%, as of August 2023.

We are actively engaging the key institutions responsible for administering IAS 29 and we will update the market on any developments in due course.



## ***National SIM re-registration update***

MTN Ghana, in compliance with the SIM re-registration directive from the NCA, blocked 5.4 million SIMs that were not registered with the Ghana card as at 31 May 2023.

Since then, 0.6 million SIMs have been re-registered bringing the total number of outstanding disconnected SIMs to 4.9 million at the end of September 2023. Consequently, our subscriber base decreased by 9.3% to 25.8 million.

This concludes the national SIM re-registration exercise and the efforts of MTN Ghana will focus on ensuring that all customers that require a re-registration have support to seamlessly complete the re-registration.

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

MTN Ghana continues to make progress on the localisation of Scancom PLC and MobileMoney Limited. Following the scrip dividend issued in Q2 2023, which resulted in a localisation movement from 25.0% to 23.2%, we have since achieved an additional 0.9% localised ownership in Scancom PLC in Q3 2023, bringing the total reported localisation to 24.1%.

Localisation of both Scancom PLC and MobileMoney Limited remains a priority for MTN Ghana and we will continue to work with the relevant regulators and stakeholders to achieve the localisation targets.

## **Outlook**

We remain cautious about the outlook for the rest of the year in view of elevated inflationary pressures, although we are hopeful that the decreasing trend recorded in the latter part of the third quarter will continue throughout the fourth quarter. However, there are some ongoing risks including geopolitical developments, the potential for further increases in utility tariffs following the 4.2% and 1.2% increase in electricity and water rates respectively from 1 September 2023 and IMF programme reforms such as subsidy removals, among others.

Against this backdrop, MTN Ghana will continue to preserve liquidity, strengthen the balance sheet and explore cost-mitigating initiatives through its expense efficiency programme. MTN Ghana will deploy prudent commercial initiatives that support business sustainability in the short to medium term.

Having considered the prevalent and potential impact of high inflation, Ghana's debt sustainability and seasonal currency volatility, MTN Ghana will maintain its guidance of high-twenties (in percentage terms) growth in service revenue.

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### Summary statements of comprehensive income

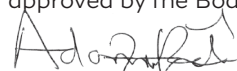
	Group	Company	Group	Company
	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2023	For the nine-month period ended 30 September 2022	For the nine-month period ended 30 September 2022
	GHS 000	GHS 000	GHS 000	GHS 000
<b>Revenue from contracts with customers</b>	<b>9,680,575</b>	<b>7,713,865</b>	7,110,911	5,819,692
Other revenue	1,412	108,533	775	52,364
Direct network operating costs	<b>(1,040,414)</b>	<b>(1,040,411)</b>	(626,870)	(626,800)
Government and regulatory costs	<b>(188,042)</b>	<b>(188,042)</b>	(153,758)	(153,758)
Cost of handsets and other accessories	<b>(14,540)</b>	<b>(14,540)</b>	(68,583)	(68,583)
Interconnect and roaming costs	<b>(379,584)</b>	<b>(379,584)</b>	(284,754)	(284,754)
Employee benefits expense	<b>(370,469)</b>	<b>(353,263)</b>	(258,073)	(247,996)
Selling, distribution and marketing expenses	<b>(1,470,416)</b>	<b>(769,618)</b>	(999,241)	(554,950)
Other operating expenses	<b>(793,776)</b>	<b>(737,812)</b>	(628,489)	(605,171)
<b>Earnings Before Interest, Tax</b>				
<b>Depreciation and Amortization</b>	<b>5,424,746</b>	<b>4,339,128</b>	4,091,918	3,330,044
Depreciation	<b>(1,003,596)</b>	<b>(1,001,999)</b>	(753,280)	(751,039)
Amortization	<b>(194,940)</b>	<b>(194,940)</b>	(121,473)	(121,367)
<b>Operating profit</b>	<b>4,226,210</b>	<b>3,142,189</b>	3,217,165	2,457,638
Finance income	<b>193,001</b>	<b>863,565</b>	134,148	375,084
Finance costs	<b>(528,290)</b>	<b>(527,782)</b>	(355,524)	(360,703)
<b>Profit before income tax</b>	<b>3,890,921</b>	<b>3,477,972</b>	2,995,789	2,472,019
Income tax expense	<b>(918,587)</b>	<b>(625,142)</b>	(739,245)	(524,493)
Growth & Sustainability levy	<b>(194,546)</b>	<b>(135,899)</b>	(151,516)	(108,601)
<b>Profit after income tax</b>	<b>2,777,788</b>	<b>2,716,931</b>	2,105,028	1,838,925
Other comprehensive income			-	-
<b>Total comprehensive income</b>	<b>2,777,788</b>	<b>2,716,931</b>	2,105,028	1,838,925
Attributable to:				
Equity holders of the company	<b>2,777,788</b>	<b>2,716,931</b>	2,105,028	1,838,925
<b>Re stated/New Basic</b>				
<b>Earnings per share</b>	<b>GHS0.210</b>	<b>GHS0.205</b>	GHS 0.171	GHS 0.150

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

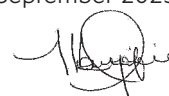
### Summary statements of financial position

	Group	Company	Group	Company
	As at 30 September 2023	As at 30 September 2023	As at 31 December 2022	As at 31 December 2022
	GHS 000	GHS 000	GHS 000	GHS 000
<b>Non-current assets</b>	<b>8,799,478</b>	<b>8,794,946</b>	7,141,763	7,126,169
Property, plant and equipment	5,973,895	5,969,316	4,981,038	4,975,481
Right-of-Use assets	1,512,539	1,512,539	1,196,562	1,196,562
Intangible assets	1,132,301	1,132,298	784,079	784,076
Investment in subsidiary	-	20,050	-	20,050
Investments	20,000	-	20,000	-
IRU assets	114,517	114,517	123,399	123,399
Deferred tax assets	-	-	10,084	-
Contract asset	-	-	1,633	1,633
Capitalized contract cost	46,226	46,226	24,968	24,968
<b>Current assets</b>	<b>16,030,301</b>	<b>2,921,322</b>	14,922,112	2,534,377
Inventories	117,139	117,138	13,749	13,749
Trade and other receivables	1,189,474	1,220,659	922,619	844,252
Current investments	261,833	-	-	-
Other financial assets at amortized cost	-	-	344,874	344,868
Income tax assets	47,374	-	149,920	103,801
Growth and Sustainability levy assets	2,917	-	27,071	25,608
IRU assets	22,108	22,108	25,995	25,995
Investments in securities	-	-	188,571	-
Mobile Money float	12,425,919	-	11,663,106	-
Cash and cash equivalents	1,963,537	1,561,417	1,586,207	1,176,104
<b>Total assets</b>	<b>24,829,779</b>	<b>11,716,268</b>	22,063,875	9,660,544
<b>Total equity</b>	<b>7,425,916</b>	<b>6,722,790</b>	5,709,700	5,067,444
Stated capital	2,222,888	2,222,888	1,097,504	1,097,504
Retain earnings	4,894,984	4,453,690	4,396,714	3,943,030
Other reserves	308,044	46,212	215,482	26,910
<b>Non-current liabilities</b>	<b>2,256,854</b>	<b>2,269,027</b>	2,147,476	2,144,527
Borrowings	148,147	148,147	222,318	222,318
Deferred tax liabilities	392,023	407,376	538,113	538,113
Lease liabilities	1,645,968	1,645,968	1,316,020	1,316,020
IRU liability	26,850	26,850	26,829	26,829
Non-current share-based payment liability	34,238	31,288	33,539	30,590
Provisions	9,628	9,398	10,657	10,657
<b>Current liabilities</b>	<b>15,147,009</b>	<b>2,724,451</b>	14,206,699	2,448,573
Trade and other payables	1,297,778	1,361,389	1,766,990	1,712,092
Obligations to electronic money holders	12,425,919	-	11,663,106	-
Contract liabilities	218,334	218,334	217,090	217,090
Provisions	334,428	274,178	107,058	66,936
Income tax liabilities	193,578	193,578	-	-
Growth and sustainability levy	30,623	30,623	-	-
Lease liabilities	454,554	454,554	284,278	284,278
IRU liability	4,380	4,380	3,431	3,431
Deferred Income	9,240	9,240	-	-
Borrowings	178,175	178,175	164,746	164,746
<b>Total liabilities</b>	<b>17,403,863</b>	<b>4,993,478</b>	16,354,175	4,593,100
<b>Total equity and liabilities</b>	<b>24,829,779</b>	<b>11,716,268</b>	22,063,875	9,660,544

The condensed consolidated financial information for the nine-month period ended 30 September 2023 was approved by the Board of Directors on 30 October 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 nine-month period ended 30 September 2023

### Summary statements of changes in equity - Group

	Stated Capital	Retained earnings	Mobile Money contingency fund	Other reserves	Total Equity
nine-month period ended 30 September 2023	GHS 000	GHS 000	GHS 000	GHS 000	GHS 000
<b>Opening balance as at 1 January 2023</b>	<b>1,097,504</b>	<b>4,396,677</b>	<b>215,482</b>	-	<b>5,709,663</b>
Profit for the year	-	2,777,788	-	-	2,777,788
Other comprehensive income	-	-	-	-	-
Equity movement	1,125,384	-	19,301	-	1,144,685
Other equity movement	-	(93,653)	73,261	-	(20,392)
<b>Total comprehensive income</b>	-	-	-	-	-
<b>Transfer between reserves</b>					
<b>Transactions with owners of the company:</b>					
Dividends paid	-	(2,185,828)	-	-	(2,185,828)
<b>Closing balance as at 30 September 2023</b>	<b>2,222,888</b>	<b>4,894,984</b>	<b>308,044</b>	-	<b>7,425,916</b>
<b>Nine-month period ended 30 September 2022</b>					
<b>Balance as at 1 January 2022</b>	1,097,504	3,183,217	82,539	-	4,363,261
Profit for the year	-	2,105,028	-	-	2,105,028
Other comprehensive income	-	-	66,838	-	66,838
<b>Equity movement</b>	-	(23,569)	-	-	(23,569)
<b>Transfer between reserves</b>	-	-	-	-	-
<b>Transactions with owners of the company:</b>					
Dividends paid	-	(1,536,309)	-	-	(1,536,309)
<b>Closing balance as at 30 September 2022</b>	<b>1,097,504</b>	<b>3,728,367</b>	<b>149,377</b>	-	<b>4,975,248</b>



## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### Summary statements of changes in equity - Company

	Stated Capital	Retained earnings	Other Reserves	Total Equity
Nine-month period ended 30 September 2023	GHS 000	GHS 000	GHS 000	GHS 000
<b>Balance as at 1 January, 2023</b>	<b>1,097,504</b>	<b>3,942,978</b>	<b>26,910</b>	<b>5,067,392</b>
Profit for the year	-	2,716,931	-	2,716,931
Other comprehensive income	-	-	-	-
<b>Equity movement</b>	<b>1,125,384</b>	<b>-</b>	<b>19,302</b>	<b>1,144,686</b>
<b>Other equity</b>	<b>-</b>	<b>(20,391)</b>	<b>-</b>	<b>(20,391)</b>
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the company:</b>				
<b>Dividend paid</b>	<b>-</b>	<b>(2,185,828)</b>	<b>-</b>	<b>(2,185,828)</b>
<b>Closing balance as at 30 September 2023</b>	<b>2,222,888</b>	<b>4,453,690</b>	<b>46,212</b>	<b>6,722,790</b>
<b>Nine-month period ended 30 September 2022</b>				
<b>Balance as at 1 January 2022</b>	1,097,504	2,773,159	-	3,870,663
Profit for the year	-	1,838,925	-	1,838,925
Other comprehensive income	-	-	-	-
Equity movement	-	43,269	-	43,269
<b>Transfer between reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners of the company:</b>				
<b>Dividends paid</b>	<b>-</b>	<b>(1,536,309)</b>	<b>-</b>	<b>(1,536,309)</b>
<b>Closing balance as at 30 September 2022</b>	<b>1,097,504</b>	<b>3,119,044</b>	<b>-</b>	<b>4,216,548</b>

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### Summary statements of cash flow

	<b>Group</b>	<b>Company</b>	Group	Company
	<b>For the nine-month period ended 30 September 2023</b>	<b>For the nine-month period ended 30 September 2023</b>	For the nine-month period ended 30 September 2022	For the nine-month period ended 30 September 2022
	<b>GHS 000</b>	<b>GHS 000</b>	GHS 000	GHS 000
<b>Net cash generated from operating activities</b>	<b>3,243,404</b>	<b>3,212,448</b>	2,301,308	1,959,741
Cash generated from operations	<b>5,104,166</b>	<b>4,007,609</b>	3,980,978	3,257,420
Interest received	<b>158,036</b>	<b>863,564</b>	120,055	375,084
Interest paid	<b>(60,115)</b>	<b>(60,115)</b>	(39,929)	(39,929)
Dividend paid	<b>(1,060,444)</b>	<b>(1,060,444)</b>	(1,536,309)	(1,536,309)
Growth and Sustainability Levy paid	<b>(142,696)</b>	<b>(79,667)</b>	(40,884)	(17,361)
Income tax paid	<b>(755,543)</b>	<b>(458,499)</b>	(182,603)	(79,163)
<b>Net cash used in investing activities</b>	<b>(2,269,876)</b>	<b>(2,230,963)</b>	(1,334,279)	(1,259,796)
Acquisition of property, plant, and equipment	<b>(1,635,519)</b>	<b>(1,634,889)</b>	(1,182,390)	(1,180,652)
Acquisition of intangible assets	<b>(541,869)</b>	<b>(541,869)</b>	(79,055)	(79,055)
Proceeds on disposal of PPE	<b>13</b>	<b>-</b>	-	-
Investment in securities	<b>-</b>	<b>-</b>	(20,000)	-
Movement in current investments	<b>(38,296)</b>	<b>-</b>	(52,745)	-
Additional IRU capacity	<b>(54,205)</b>	<b>(54,205)</b>	(89)	(89)
<b>Net cash used in financing activities</b>	<b>(584,981)</b>	<b>(584,981)</b>	(509,804)	(509,804)
Increase in total borrowings	<b>(75,001)</b>	<b>(75,001)</b>	-	-
Finance lease payment	<b>(528,472)</b>	<b>(528,472)</b>	(452,804)	(452,804)
Repayments on borrowings	<b>-</b>	<b>-</b>	(57,000)	(57,000)
IRU liabilities	<b>18,492</b>	<b>18,492</b>	-	-
<b>Net increase in cash and cash equivalents</b>	<b>388,547</b>	<b>396,504</b>	457,225	190,141
Cash and cash equivalents at the beginning of the year	<b>1,586,207</b>	<b>1,176,105</b>	995,421	621,715
Exchange gain/(loss) on cash and cash equivalents	<b>(11,217)</b>	<b>(11,192)</b>	-	-
<b>Cash and cash equivalents as at end of the period</b>	<b>1,963,537</b>	<b>1,561,417</b>	1,452,646	811,856

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### 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. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

#### 2. Basis of preparation

The condensed consolidated and separate financial information has been prepared in accordance with International Financial Reporting Standards applicable to interim financial reporting (IAS 34 Interim Financial Reporting), 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 30 September 2023, 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.

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### Notes (continued)

#### 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.

	Network services	Interconnect and roaming	Digital and fintech	Mobile devices and accessories	Other	Total
<b>2023 Revenue</b>	6,832,858	345,055	2,341,266	37,569	123,827	<b>9,680,575</b>
<b>2022 Revenue</b>	5,128,045	224,814	1,625,094	20,666	112,292	<b>7,110,911</b>
<b>%YoY</b>	33.2%	53.5%	44.1%	81.8%	10.3%	<b>36.1%</b>
<b>2023 EBITDA margin</b>						<b>56.0%</b>
<b>2022 EBITDA margin</b>						<b>57.4%</b>
<b>2023 Capex spend</b>						<b>2,852,386</b>
<b>2022 Capex spend</b>						<b>1,421,188</b>
<b>%YoY</b>						<b>100.7%</b>
<b>2023 profit after tax</b>						<b>2,777,788</b>
<b>2022 profit after tax</b>						<b>2,105,028</b>

#### 4. 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 recognized as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits, are recognized as intangible assets. During the period, PPE amounting to GHS1.6 billion was acquired and capitalized, while an intangible asset amounting to GHS541.9 million was acquired and capitalized. The Group recognizes right-of-use assets and lease liabilities at the lease commencement date for most leases in line with IFRS 16, and during the period a total amount of GHS675.0 million was capitalized.

##### Breakdown of capex (GHS 000)

Details	Cash movement	Non-cash / credit	Item total
<b>Property, plant and equipment</b>	1,635,519	-	<b>1,635,519</b>
<b>Intangible assets (Incl. Spectrum)</b>	541,869	-	<b>541,869</b>
<b>Right-of-use assets</b>	-	674,998	<b>674,998</b>
<b>Total capex</b>	<b>2,177,388</b>	<b>674,998</b>	<b>2,852,386</b>

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### Notes (continued)

#### 5. Contingent liabilities

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

#### 6. Determination of fair value

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

#### 7. Significant transactions (IAS 34 disclosures)

##### a. Scrip dividend

Scancom PLC announced a scrip dividend option for the 2022 final dividend subject to approval by shareholders at the Annual General Meeting (AGM) held on 30 May 2023. Following the approval of the Scrip dividend as an alternative to the Cash dividend for the 2022 final dividend at the AGM, Scancom PLC received applications and successfully issued 945,700,690 new ordinary shares at a reference price of GHS1.19. The additional issued shares were listed on the Ghana Stock Exchange (GSE) on 26 June 2023 resulting in an increase in Scancom PLC's issued shares from 12,290,474,360 to 13,236,175,050.

##### b. Earnings per share restatement

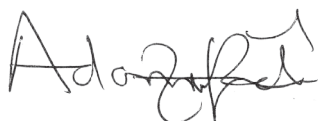
The Scrip dividend issued on 26 June 2023 resulted in a restatement of Earnings per share (EPS) from GHS0.226 to GHS0.210 due to Scrip dividend capitalization to stated capital (2022: from GHS0.171 to GHS0.159).

##### c. Spectrum license purchase

During the period, Scancom PLC purchased Broadband Home and Blu Telecom spectrum licences on the 2600 MHz band for a total amount of GHS472,305,000.

## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

The condensed consolidated financial information for the nine months ended 30 September 2023 on pages 5 to 12 was approved by the Board of Directors on 30 October 2023 and was signed on its behalf by:



**Selorm Adadevoh**  
Chief executive officer



**Antoinette Kwofie**  
Chief finance officer

### Contact

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## MTN Ghana condensed consolidated financial information for the nine-month period ended 30 September 2023

### Annexure

#### 1. Quarterly financial highlights

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

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

	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
<b>Subscribers<sup>1</sup></b>	(1,461,375)	(145,455)	(1,155,939)	104,249	739,937	677,818	1,731,347
<b>Active data subs<sup>2</sup></b>	344,455	239,403	430,912	(637,846)	970,229	317,903	386,216
<b>Active MoMo subs<sup>2</sup></b>	169,364	796,855	740,199	308,073	668,348	126,930	547,767

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

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



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