



NOTICE OF TAX ASSESSMENT

Accra | January 13, 2023 – Scancom PLC (MTN Ghana) stakeholders are advised that the Ghana Revenue Authority (GRA) issued the company with a notice of assessment of tax liability (the Assessment). The notice was dated on 10 January 2023 and received by MTN Ghana on 11 January 2023. On 13 January 2023, GRA issued a temporary withdrawal of the Notice of Assessment for 21 days to allow for further engagements.

The Assessment was for an amount of GHS8,209,603,842.14 (including penalties and interest charges). In this regard, from the base component of the Assessment (that is, excluding penalties and interest), on MTN Ghana's analysis, the GRA infers that MTN Ghana under declared its revenue by more than approximately 30% over the 5-year period 2014 to 2018.

The GRA audited MTN Ghana for the period 2014-2018, using a third-party consultant as well as a new methodology based on call data records (CDR), recharges, and other data. MTN Ghana strongly disputes the accuracy and basis of the Assessment, including the methodology used in conducting the audit.

MTN Ghana believes that taxes due have been paid during the period under assessment.

Background

The GRA commenced an audit of MTN Ghana in 2019 with the objective to give assurance on the reliability and completeness of revenues declared by MTN Ghana for the purpose of tax computation for the period 2014-2018. The GRA had not issued MTN Ghana with any prior guidelines and standards relating to the new CDR sequence-based methodology used for the audit.

In May 2021, after consultations and discussions between MTN Ghana, MTN Group, the Ministry of Finance of the Republic of Ghana and the GRA, the parties agreed to an independent review by a global professional services firm. MTN Ghana has fully cooperated in this independent review, which was commissioned by the GRA in September 2021.

The independent review found that it was unable to support the conclusions reached by the GRA's third-party consultants as the basis for the Assessment.

Conclusion

MTN Group and MTN Ghana will continue to engage with the relevant authorities on this matter and MTN remains resolute that MTN Ghana is a tax compliant corporate citizen. MTN Ghana would like to further assure its shareholders and other stakeholders that MTN Ghana is a responsible business with an absolute commitment to transparency, good corporate governance, and compliance.

Stock Exchange Release



MTN Ghana, one of the largest private sector taxpayers in Ghana, has been recognized on numerous occasions for its support of the GRA's revenue mobilization efforts. The GRA has also satisfactorily concluded multiple tax assessments on MTN Ghana over many years and presented MTN Ghana with various taxpayer awards in recognition of its contribution to the fiscal development of the country.

We would like to thank the GRA for their support throughout the process, especially allowing us a temporary withdrawal of the Notice of Assessment in a bid to resolve this matter in an amicable manner.

Investor call

MTN Ghana and MTN Group will provide further information at an investor conference call to be held on Monday, 16 January 2023 at 13.00 (GMT).

End.

About Scancom PLC

MTN Ghana is the market leader in the mobile telecommunications industry in Ghana, offering subscribers a range of exciting options under Pay As You Go, Pay Monthly and Mobile Financial Services. The company is part of the MTN Group which is a leading emerging market leader with a clear vision to lead the delivery of a bold new digital world to our customers. We are inspired by our belief that everyone deserves the benefits of a modern connected life. Scancom PLC is listed on the Ghana Stock Exchange. Our strategy is **Ambition 2025: Leading digital solutions for Africa's progress.**

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