



**airtel**

A REASON TO IMAGINE

AIRTEL UGANDA LTD  
**2023**  
ANNUAL REPORT



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## About Airtel

### Overview and Identity

Our journey started in June 2010 when Bharti Airtel acquired 16 Zain Africa operations. Not only did we open doors, but it also launched an endless world of possibilities and transformation in Uganda. As a subsidiary of Airtel Africa Limited, we look at ourselves as a proudly Ugandan company; here to uphold our promise to connect and enable all Ugandans and enrich their lives. We introduced affordable communication products and services that have transformed the lives and businesses of millions of Ugandans.

### About the Airtel Uganda Annual Report 2023

This is the inaugural Airtel Uganda Limited Annual Report following our listing in November 2023. It is our primary means of communicating with all stakeholders, intending to facilitate an informed evaluation of the company's performance and future outlook in Uganda. It presents a fair and comprehensive overview of critical aspects the company encounters, including the allocation of capital, key operational, financial, economic, social, and environmental performance, governance practices, interactions with stakeholders, as well as an analysis of risks and opportunities.

### Our Business Model

Airtel Uganda is the first network to roll out a 5G Network in Uganda. Our network is 100% 4G across Uganda, supporting the delivery of seamless connectivity in all the territorial boundaries of Uganda. We also offer the most affordable products, services, and solutions available on the market for voice, data, and other value-added services.



# Overview And Identity

### Our Vision

Connected people are inspired people. We connect Africa's people, empowering them to create opportunities, dream big and live well.

### Our Mission

At Airtel, we provide globally admired technologies and services to give Africa an easy and dependable way to connect to the world. We bring everything internet to everyone.

### Our Core Values



#### Alive

We act with passion and a can-do attitude. Innovation and an entrepreneurial spirit drive us.



#### Inclusive

We champion diversity. We're at the heart of our communities and anticipate, adapt, and deliver solutions that enrich the lives of the people we serve.



#### Respectful

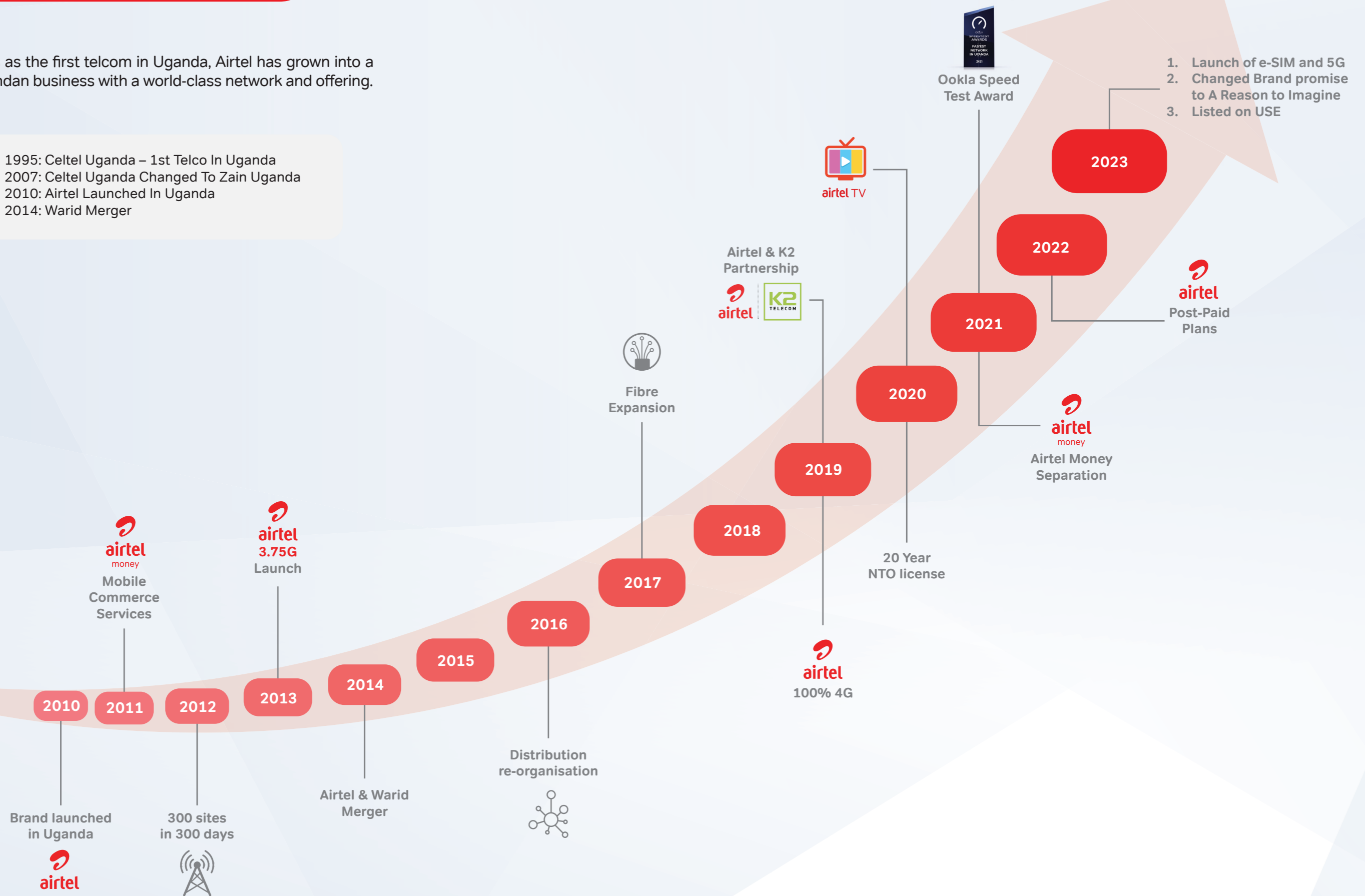
We act with humility and are always open and honest. We deliver on our promises to customers, stakeholders, and each other.

# Airtel Uganda Journey

With our roots as the first telcom in Uganda, Airtel has grown into a distinctly Ugandan business with a world-class network and offering.

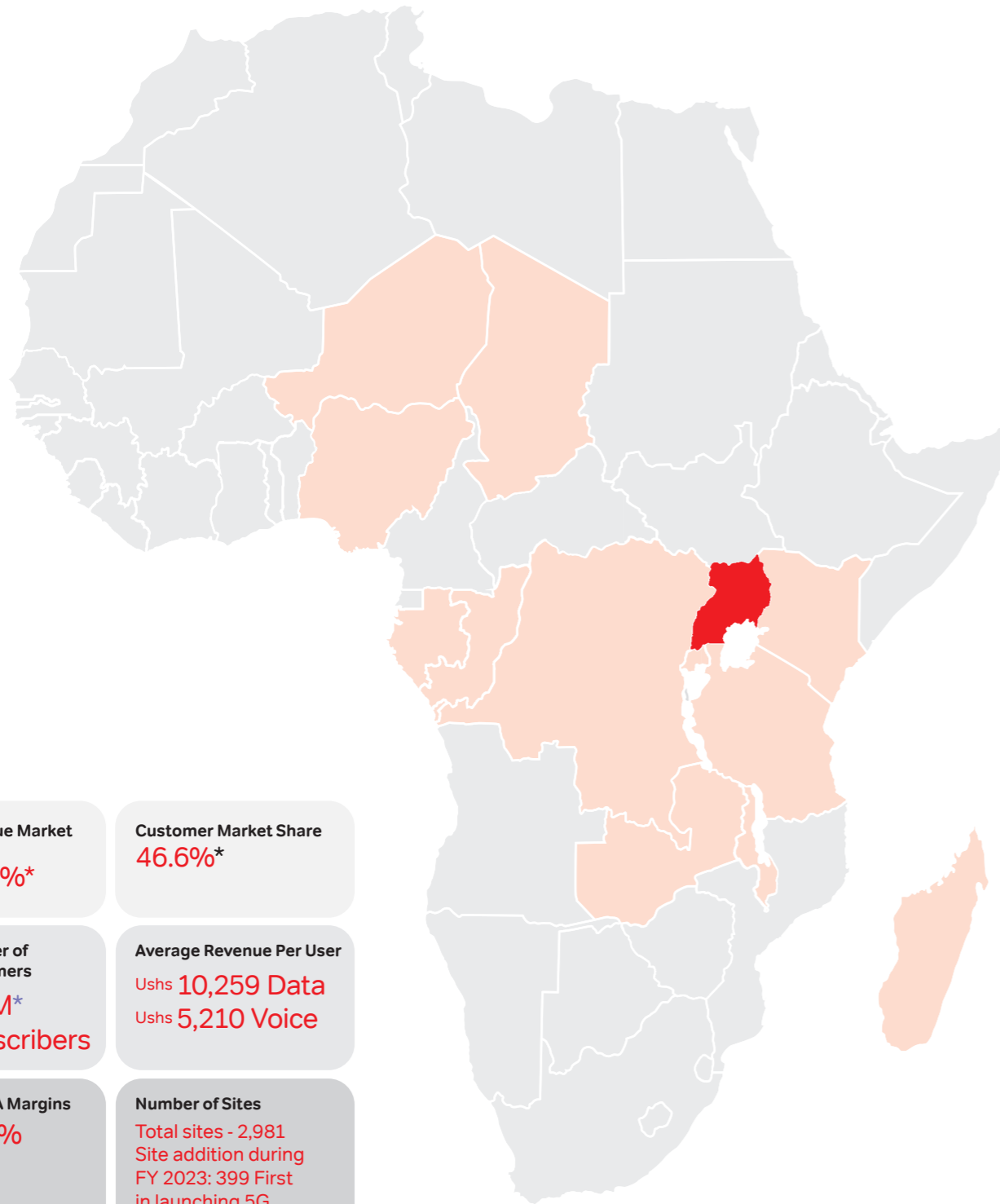


1995: Celtel Uganda – 1st Telco In Uganda  
 2007: Celtel Uganda Changed To Zain Uganda  
 2010: Airtel Launched In Uganda  
 2014: Warid Merger



# At a glance

# Products and Services



<b>Revenue Market Share</b> 48.5%*	<b>Customer Market Share</b> 46.6%*
<b>Number of Customers</b> +17M* Subscribers	<b>Average Revenue Per User</b> Ushs 10,259 Data Ushs 5,210 Voice
<b>EBITDA Margins</b> 51.7%	<b>Number of Sites</b> Total sites - 2,981 Site addition during FY 2023: 399 First in launching 5G technology with 50 sites addition during FY 2023.

■ Airtel Uganda Limited ■ Other Airtel OPCOs

\* RMS numbers are for nine months period ended September 2023.  
\* Customer numbers are as at 31 December 2023 for 90 days revenue earning customers.  
\* CMS numbers are as at 30 September 2023, for 90 days revenue earning customers.

## Voice, Data

### Product Overview

- Voice: pre-and post-paid wireless voice services
- Data: 5G, 4G and 3G data services
- Data services may be bundled with voice service offerings

### Customer Base

- Primarily serving mass market customers
- Increasingly targeting business and other professional customers

## Devices

### Product Overview

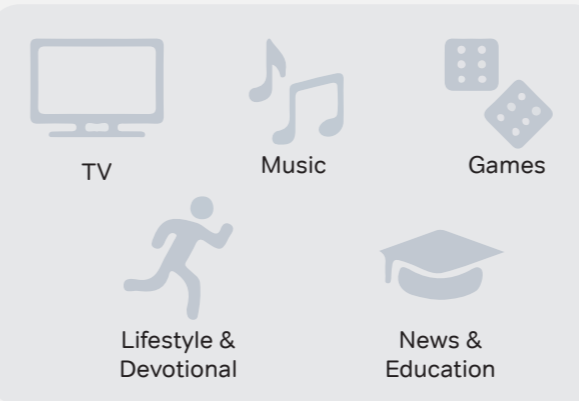


### Customer Base

- B2C and B2B
- Mid and high-income households
- MSME
- Home broadband customers through FTTH

## Digital Content

### Product Overview

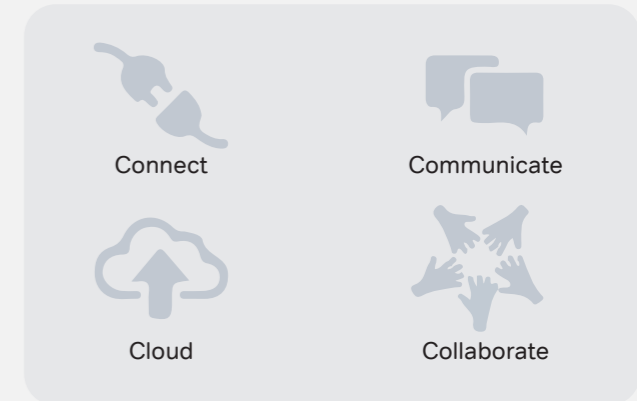


### Customer Base

- Mass pre-paid and post-paid customer

## Enterprise

### Product Overview



### Customer Base

- B2C and B2B
- SMEs



Comprehensive Offering



Simplicity



Value For Money



## Products and Services

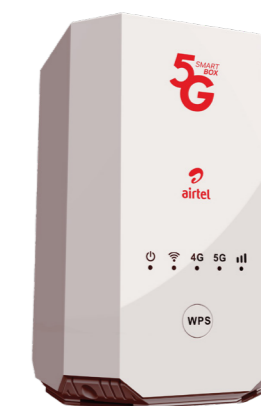
### Voice, Data

- All Network voice Bundles
- Closed User Groups
- Pay Go services
- Post paid wireless voice services



### Devices

- MIFI
- Home Broadband
- Smart Devices



### Digital Content

- My Airtel App
- Airtel TV



My Airtel App



airtel TV

### Enterprise

- Data centre, wholesale cloud and ICT
- Business Mobility
- Fixed Connectivity
- Fixed Voice



# Customer Testimonials

“

**4G**

## Completed my University Education thanks to Airtel 4G

Finally graduated from Kings College, London. I am truly grateful for the support from lecturers, family, and friends. You're all superstars

Special mention to Airtel 4G. A huge thank you to my dissertation supervisor, I couldn't have done it without you.

**Ivy Byaruhanga**  
Graduate Kings College London

”

“

**eSIM**

## Airtel eSIM allows the convenience of owning multiple SIMs

We have a partnership with Airtel through Airtel K2 Telecom. We bring to you the best communication there is in the country when it comes to telecom, data, and online services.

Airtel K2 has launched the E-SIM. We should do away with the physical SIM card that you need to cut all the time and position. It also moves. With the e-SIM, you can have up to 10 SIM cards on your phone. We invite the people of Buganda to visit an Airtel K2 service center across the country and get an E-SIM today without you.

**Owek' Robert Waggwa Nsibirwa**  
2nd Deputy Prime Minister and  
Minister of Finance, Buganda  
Kingdom

”

“



## Digital learning Partnership

My experience with Airtel Internet has helped me improve in subjects like Mathematics. When the teacher is done with his lesson, I come to the ICT laboratory to research the topic he has been teaching, so I can see where my challenges are. The internet has enabled me to understand better every topic I have been taught

Thank you, Airtel for connecting our school to the Internet. Indeed, Internet can make a difference in digital learning.

**Keliki RuthRock Queen**  
Student St. Marys Kitende

”

“

**airtel  
xstream**

## Airtel Xstream WiFi enabled me connect with 37 clients at the same time with no buffering

Kudos to [@Airtel\\_Ug](#) and [@AirtelBusiness](#) for holding up your worldwide access. 37 connected clients with no buffering.

Get Airtel Xstream for your home and leave Internet access hassles in 2023

**Stephen. S. Musoke**  
Tech' Lead MFS Africa

”



# Awards and Nominations 2023



## Digital Impact Awards

- Brand of the year
- Technology Services Excellence
- Digital campaign Excellence- “Beera Smart” Campaign

## Uganda Marketing Excellence Awards

- Best Digital Campaign - The Voice Africa
- Best Advertising Campaign - The Voice Africa



## Silver Back Awards

- Most responsive digital brand



# Chairman's Message



**Hannington Karuhanga**  
Board Chairperson



## Thank you, Uganda for the Confidence in Us.

The year 2023 is etched in the history of this great nation, Uganda, because of the confidence Ugandans showed us when they bought into our Initial Public Offering. We are grateful for this vote of confidence.

Before the IPO, Airtel Uganda became Uganda's first 5G network pioneering a revolutionary technology poised to transform the productive sectors of this economy.



It is with great honor and pride that I present to you the Annual Report and Financial Statements of Airtel Uganda for the remarkable year, ending March 2023. This year also marks a historic moment fueled by the trust and confidence bestowed upon us by the Ugandan people during our successful Initial Public Offering. To each shareholder, we extend our deepest gratitude for your unwavering support and belief in the Airtel promise.

It is also noteworthy to mention that Airtel Uganda achieved yet another milestone by becoming the country's first 5G network provider. This technological leap positions us as pioneers in revolutionizing the productive sectors of Uganda's economy. As an active technology enabler of this shared economy, Airtel Uganda prides itself in foresighted leadership, innovation, and affordability. This underpins sustained strong business performance.

## Statement from the Chairperson

### The Economic Environment

While inflation tamed to a healthy 2.6% and the Ugandan Shilling weathered the storm with moderate depreciation, the real story lies in the 6.5%(projected) growth fueled by strategic investments, a reviving tourism sector, and robust agriculture. Challenges remain with persisting high unemployment and infrastructure gaps, demanding continued focus on economic stability and targeted investments in key sectors. With these addressed, Uganda's outlook shines bright, offering a beacon of progress in an ever-changing global landscape.

### Business Performance

Airtel Uganda's revenue-earning customer base has grown strongly to 14.8 million which is 7.5% from the previous year, a testament to continued customer confidence in Airtel.

Airtel Uganda's revenue growth stood at a healthy 11.5% year-on-year, driven by growth across all business lines - voice, data, and leased lines from enterprises. This robust business performance reflects our commitment to ensuring a superior customer experience. It has been achieved through continuous and timely investments in our people, the latest network equipment upgrades, spectrum, and fiber.

We have also maintained the highest site deployment for rural reach, enhanced our distribution infrastructure, optimized products, and services to meet every need and demand, and improved the customer experience through the My Airtel App, Airtel TV app, and our extensive network of over 90 shops across Uganda. Airtel remains dedicated to providing the best customer experience through superior network quality and the highest level of service.

### Corporate Social Responsibility

As part of our sustainability, we are using this network asset as a force for change through our partnerships for digital learning, especially with UNICEF Uganda which extends internet to underserved schools, and partnerships for health with the Buganda Kingdom and other stakeholders. We have provided detailed coverage of our sustainability agenda in this edition of the annual report.

### Social Impact

In 2023 Airtel contributed to the growth of Uganda's economy through tax contributions amounting to almost Ushs 598 billion to the Government in 2023, and another Ushs 29.2 billion in spectrum fees.

The business has been able to create employment opportunities, directly and indirectly. The Airtel employees' family is now more than 1000 staff and indirectly generates employment for hundreds of thousands through the extended distribution network of partners and agents.

Airtel is also aligned as an active technology enabler of the Government of Uganda's National Broadband policy and the recently launched National Digital transformation roadmap. We applaud the Government's efforts in undertaking policies that facilitate superior connectivity services that are transforming lives, improving productivity, enabling faster economic growth, and taking e-governance to its Ugandans and their business partners. Airtel will continue to play its part responsibly and thereby enable economic transformation as envisaged in the National Development Plan III.

Lastly, we remain committed to building a sustainable business that delivers a good return for our shareholders and value in the community we operate in.

# Managing Director's Message



**Manoj Murali**  
Managing Director



Thank you, Uganda.

As we embark on a new year, I'm proud to reflect on Airtel Uganda's remarkable journey of progress and innovation. Our recent IPO and public listing was a testament to our dedication to the 'Airtel Promise,' and I'm grateful to our shareholders for their trust.

Our commitment to delivering a world-class network experience remains unwavering. As Uganda's preferred network provider, we cover the nation, border-to-border with 100% 4G coverage, and our recent launch of 5G ensures our customers get to access global innovations first.

We are also proud to support the Government's National Development Plan III, enabling superior connectivity services that transform lives, improve productivity, and drive economic growth. Our robust distribution infrastructure extends

shared value beyond our walls, empowering over 300 local suppliers, 600+ franchise partners, and a network of over 220,000 agents, in 2023 alone. This translated into a shared business value exceeding \$100 million under these categories.

## Industry Update

2023 was a year of significant growth and transformation for the Ugandan telecom sector, marked by increased mobile subscriptions, with Airtel Uganda maintaining its strong position as a co-leader, according to data published by the Uganda Communications Commission Q2 Market performance report.

Our July 2023 5G launch positioned us at the forefront of the technology, offering customers unparalleled speed and capacity. We also committed substantial resources to expand our network coverage, adding 399 sites to our 100% 4G enabled across the entire Uganda.



## Managing Director's Message

In the field of innovation, Airtel Uganda took the lead as we delivered value to the customers by pioneering relevant products & services like;

**E-sim Service** – The customer understands it as, a new development in the device industry where you can have more than one sim card in an e-sim-enabled phone. Device manufacturers moved to SIM-less phones, prompting Airtel Uganda to avail this service to its customers.

**VoLTE** – the customer understands it as a dedicated effort to enhance the quality of voice calls. With VoLTE, Airtel Uganda ensures that voice calls are of superior quality, providing clarity and reliability.

**4G MiFi** – the customer understands this as the most affordable 4G device on the market. Airtel Uganda recognizes the importance of accessibility and affordability in bridging the digital divide, which is why we offer the 4G MiFi as a cost-effective solution for accessing high-speed internet connectivity

**5G HBB Router** – the customer understands this as "AIR FIBRE". The 5G HBB router service represents our commitment to providing not just high-speed internet but an unparalleled home broadband experience, offering a 5G solution with a cost-effective installation

Airtel Uganda is proud to see a 47% increase in user adoption of the My Airtel app, reflecting the growing popularity of self-care solutions and our commitment to digital innovation. Beyond serving as a recharge platform, the My Airtel app offers a comprehensive "Discover" segment, where users can access news updates, health services, shopping options, and entertainment content seamlessly, enhancing convenience and value within a secure environment.

## Financial Overview

### Customers

As of 31 December 2023, total revenue-earning customers were 14.8mn (13.8mn in 2022) out of which 5.7mn (4.8 mn in 2022) were Data revenue-earning customers (38.6% of total customers).

## Revenue and Cost

Airtel Uganda proudly achieved considerable growth in 2023, surpassing expectations with gross revenue of Ushs 1,784 billion, a remarkable 11.5% increase compared to Ushs 1,599 billion in 2022. This exceptional performance reflects our unwavering commitment to innovation, customer satisfaction, and operational excellence.

Data revenue and value-added services saw significant growth in the past year, reaching Ushs 776 billion compared to Ushs 657 billion in 2022. This increase was primarily driven by a rise in data usage, with more customers accessing data services. Voice revenue also experienced growth, reaching Ushs 899 billion from Ushs 870 billion in 2022. The total minutes of voice calls also increased by 6.7% compared to the previous year.

## Profit Margin

Operating profits for 2023 were Ushs 592 bn with an operating margin of 33.2%. Operating profit for the year 2023 was impacted by an increase in the site running costs due to an increase in rental and energy costs on the addition of 399 sites.

The finance charges net of finance income increased to Ushs 165 bn compared to Ushs 142 bn in the prior year. Our debt levels remain sustainable both in the short and medium term. Total market debt (Bank overdraft plus term loans) has increased from Ushs 629 bn in 2022 to Ushs 693 bn in 2023. The leverage ratio including Lease liabilities for 2023 was 1.57 times of underlying EBITDA.

Profit Before Tax (PBT) was Ushs 427 bn in 2023 compared to Ushs 474 bn in 2022. The company reported a Profit after Tax (PAT) of Ushs 297 bn compared to Ushs 326 bn in the prior year. This was mainly a result of strong revenue performance, operating efficiencies stable macroeconomics, and a committed team of Airtel Staff. Management is also pleased to report positive net cash generated from operations of Ushs 734 bn for the year ended 31 December 2023 while the same was Ushs 705 bn for the year ended 31 December 2022.

## Capital Expenditure

During the year 2023, Airtel Uganda increased investment in Network, Fibre & Spectrum. In the

## Managing Director's Message

year under review, we invested Ushs 246 bn for upgrading the network for the future. We have also continued to execute our distribution expansion plans to enable sustained growth.

### Changes to Senior Management

In the year under review, Mr. Nishant Mohan succeeded Mr. Phanindra Nichanametla as Finance Director. Mr. Nichanametla moved to Airtel Nigeria as Finance Director. Ms Linda Nabayinda formerly Customer experience Director resigned from Airtel Uganda to pursue personal interests. The role has been filled internally and Ms Joweria Nabakka, formerly Head of Data takes on the role of Customer Experience Director.

### Stakeholder Engagement

Throughout the year, we remained dedicated to nurturing and confirming our connections with a diverse range of stakeholders. Our earnest efforts were focused on actively engaging with them and addressing their concerns.

Airtel Uganda remains an active partner and participant in the Annual Communications Community barazas organized by UCC. They are a good platform for accountability for our social license to operate.

In our external interactions, particularly with the government, we aligned closely with matters of significant interest to the country and the region. Our regular and focused engagements were consistently productive and positive.

We have maintained strong ties with our regulators, the Uganda Communications Commission (UCC). Despite being a market co-leader, we are committed to ensuring that our position is not misused, and it is widely understood as such.

The positive impact on Ugandan communities through our sustainability agenda, and their ongoing role in promoting inclusivity, providing assistance, and offering support, serve as a robust endorsement of our brand and reputation. This is evident in the latest quality of service report (Sept 2023) by the regulator where we performed exceedingly well on network availability (99.9%),

dropped calls <1% and our data throughput was the highest at all surveyed rural locations. It is our commitment to deliver exceptional service across the country without differentiation.

Nevertheless, there is an opportunity to enhance the perception of our services, solutions, and products.

### 2024 Outlook

In 2024, Airtel Uganda is poised for a transformative year, leading the digital revolution through strategic investments. Our commitment to network upgrades, spectrum acquisition, and fiber expansion sets the stage for a year focused on innovation and enhanced connectivity. We're extending our reach to every corner, emphasizing distribution channels in remote rural areas, ensuring that quality telecommunication services are accessible to all Ugandans.

To elevate customer experience, we've increased company-owned stores, solidifying Airtel as the premier provider in Uganda. This expansion enhances direct access for customers, reinforcing our dedication to accessible and cutting-edge services. Our innovative products, designed to meet diverse consumer needs, emphasize affordability and ease of use. Airtel's customer-centric approach promotes digitization through the Airtel App, empowering users with self-service capabilities, and the Airtel TV App caters to infotainment needs, ensuring a seamless blend of connectivity and entertainment.

Looking ahead to 2024, Airtel Uganda is committed to driving digital inclusion, fostering economic growth, and creating a sustainable society. Through technological advancements and customer-focused solutions, we aim to continue leading the digital transformation in Uganda, enriching lives and connecting communities across the nation.



**Manoj Murali**  
Managing Director



# Airtel Uganda Corporate Governance Statement



**Dennis Kakonge**  
Company Secretary

Airtel Uganda Limited ("Airtel") is committed to upholding the highest standard of corporate governance. The Company is alive to the core principles of good corporate governance that is; fairness, accountability, responsibility, and transparency.

In line with the same, the Company is governed by a Board of Directors that oversees critical decisions that impact the shareholders' interests and ensures that the Company has adequate resources and an effective strategy to advance.

The Board further provides strategic leadership within a framework of strong governance, effective controls, and an open and transparent group culture.

During the year ended 31st December 2023, four (4) Board and Audit Committee meetings were convened, in furtherance of the Company's efforts to ensure that the Company adheres to corporate governance best practice.

The Board is also committed to complying with the Capital Markets Corporate Governance

Guidelines, published in 2003 ("Corporate Governance Guidelines") as well as the Companies Act, with specific reference to Table F, which, applies to Public Companies.

The Company's Board of Directors is constituted of five (5) directors, comprising one (1) executive director, three (3) non-executive directors, and one (1) independent non-executive director with diverse skills and expertise. Mr. Hannington Karuhanga is the current Chairperson of the Board and has held the position since 30th June 2016.

### Corporate Governance Structure

The Company has well-documented roles and responsibilities for directors, and a clear division of key responsibilities between the Board Chairperson and the Managing Director to help maintain a strong governance framework and ensure the effectiveness of the Board.

The Board has the primary responsibility of fostering the long-term business of the Company consistent with its fiduciary responsibility to the Company. The Board is mandated to accord sufficient time to its functions and act on a fully informed basis in the discharge of its responsibilities.

# Board composition and Independence



**Hannington Karuhanga**

**Age:** 65  
**Nationality:** Ugandan  
**Designation:** Chairperson  
Non-Executive Director  
**Date of Appointment:** 30 June 2016

**Other Positions:**  
Managing Director; Grain pulse Limited, Director; Capital Radio Limited, Liquid Telecom, Lion Assurance, Letshego Holdings (Uganda) Limited, Sanlam Life Uganda, Uganda Railways Corporation.

### Profile

Hannington has a career spanning over 25 years in commodities trading, of which more than 15 years has been at executive level where he was a Group Managing Director for Sucafina S.A Group of Companies. He holds an MBA from University of Wales, Cardiff Business School, and a Bachelor of Arts from Makerere University in Uganda.

## Board composition and Independence



Manoj Murali

**Age:** 52  
**Nationality:** Indian  
**Designation:** Managing Director  
**Date of Appointment:** 1 November 2020

**Other Positions:**  
Managing Director; Airtel Uganda Limited

### Profile

Manoj is the Managing Director of the Company and has over 22 years of experience in the Telecom's industry across various roles. He joined Bharti Airtel in 2001 and has held various roles such as Hub Chief Executive Officer at Airtel Tamil Nadu. He holds a Bachelor of Engineering in Instrumentation & Electronics from the University of Poona in Pune, and MBA from Symbiosis International University.



Alok Bafna

**Age:** 49  
**Nationality:** Indian  
**Designation:** Non-Executive Director  
**Date of Appointment:** 1 April 2017

**Other Positions:**  
Airtel Africa CFO: Mobile Services, Director:  
Airtel Kenya, Airtel Rwanda, Airtel Seychelles,  
Airtel Malawi

### Profile

Alok is a seasoned senior finance and Telecom leader, having held various roles within Bharti Airtel across the last 25 years. He was previously Controller Market Operations at Bharti Airtel Limited. He is currently the Group Business Controller at Airtel Africa and has recently been appointed CFO of Mobile Services at Airtel Africa. He is a member of the Institute of Chartered Accountant of India since 1997.

# Board composition and Independence



Rama Krishna Lella

**Age:** 58  
**Nationality:** Indian  
**Designation:** Non-Executive Director  
**Date of Appointment:** 6 February 2019

**Other Positions:**  
 Chief Supply Chain Officer; Airtel Africa  
 Director: Airtel Nigeria; Airtel Seychelles

## Profile

Ramakrishna has been Chief Supply Chain Officer, Airtel Africa since September 2016. He has over 35 years of experience in the telecommunications industry, more than half of which has been spent at Airtel. Ramakrishna held various leadership roles in shaping the supply chain function in the telecommunications sector, covering manufacturing (Alcatel and Indian Telephone Industries), R&D (CDOT) and Service Provider (Airtel and Reliance Jio). Ramakrishna has served as a lead member of the team involved in setting up mobile networks (including 2G/3G/LTE coverage), NLD/ILD network, enterprise network, DTH network and implementation of ERP systems as part of transformational projects and achieved business goals across India and Africa. He was formerly the Director SCM for Airtel Nigeria between 2012 and 2014. He holds a master's degree in industrial management – Materials Management from the Indian Institute of Technology, Kharagpur.



Apoorva Mehrotra

**Age:** 53  
**Nationality:** Indian  
**Designation:** Non-Executive Director  
**Date of Appointment:** 14 October 2022

**Other Positions:**  
 Regional Director- East Africa, Airtel Africa  
 Director: Airtel Zambia; Airtel Kenya; Airtel Tanzania; Airtel Malawi; Airtel Rwanda

## Profile

Apoorva is currently Regional Chief Executive Officer for East Africa at Airtel Africa. He has over 25 years of experience across Fintech, Telecom, and various other industries. He was previously Executive Vice President & Business Head at Vodafone in New Delhi, and currently holds a master's degree in management studies from University of Mumbai in India.

## Qualifications

To ensure compliance with the requirements of a listed Company under the Company's Act and the Corporate Governance Guidelines of the Capital Markets Authority, the company has identified nominees to possibly fill the available slots for two (2) additional independent non-executive directors and their respective profiles are contained in the Document Pack for the Annual General Meeting.

## Board Committees

The Board currently has one functional Board Committee, the Board Risk and Audit Committee, and has initiated the process of setting up a Remuneration and Nomination Committee

### a) Audit and Risk Committee

**Members: Alok Bafna and Rama Krishna Lella**

The Board appointed a Risk and Audit Committee on 10th December 2015. The committee is comprised of two (2) members, a secretary, and three (3) permanent invitees, the Managing Director, the Finance Director, and the Internal Controls Manager.

The Audit and Risk Committee is duly constituted and is chaired by Mr. Alok Bafna (non-executive director) with Mr. Rama Krishna Lella (non-executive director) as a member and Mr. Dennis Abigaba Kakonge as the secretary of the committee. Mr. Manoj Murali (Managing Director), Mr. Nishant Mohan (the Finance Director), and Tonny Manina (the Risk and Internal Controls Manager) are the three (3) permanent invitees.

Whereas Mr. Manoj Murali is an executive director in the Company and Mr. Dennis Abigaba Kakonge is the Company secretary, the two individuals do not participate on the Audit and Risk Committee in those capacities rather only as Managing Director of the Company and Secretary of the committee, respectively.

The committee does not perform any management functions, nor does it assume any management responsibilities, and operates only under the terms of reference set out in the committee charter, which stipulates the scope of authority, composition, and roles and responsibilities.

The Board Risk and Audit and Risk Committee of the Company has the customary functions of a typical risk and audit committee.

**The Board has reviewed the composition and terms of the current Risk and Audit Committee to ensure alignment with all the requirements of the law.**

### b) Remuneration & Nomination Committee

The terms of reference for the Remuneration and Nominations Committee of the Board were approved by the Board and appointment of the committee members is underway.

### c) Other Committees

Should the need arise, the Board may establish additional committees as required by the Companies Act and the Capital Markets Corporate Governance Guidelines.

The Company has however, sought from the Capital Markets Authority (CMA) an extension of the time within which to comply with the outstanding corporate governance requirements which include the constitution of a Remuneration and Nominations Committee and appointment of two (2) additional independent non-executive Directors.

Airtel Africa has a Board Remuneration Policy that prohibits Executive Directors and Directors who are employed by any of the entities that are part of the Bharti Airtel Group from compensation outside the remuneration package contained in their respective employment contracts. No payments were made to any Director to induce them to become Directors in Airtel Uganda.

## Directors' Remuneration

The only Executive Director is currently also the Company's CEO and receives no additional remuneration for the role of executive director on the Board of the Company. Mr. Manoj Murali has a fixed-term contract under which he is entitled to an annual gross salary and other customary benefits such as medical insurance, housing allowance, and bonuses tied to individual and company performance.

Three (3) of the Non-Executive Directors (Mr. Alok Bafna, Mr. Rama Krishna Lella, and Mr. Apoorva Mehrotra) are employees of Airtel Africa, and as such they are not compensated outside the remuneration package contained in their respective employment contracts.

The Company compensates Mr. Hannington Karuhanga, the independent non-executive director for his services on the Board with an annual variable fee, 10% of which is based on an evaluation of the director's performance, appropriate sitting allowances, and airtime credit plus reimbursement of all reasonable pre-approved costs related to the Company's assignments.

### Code of Conduct and Ethics

The Company is committed to a strong code of conduct and ethics.

The Company has in place several policies through which the acceptable code of conduct is established, and this is monitored on both an annual and quarterly basis.

### Risk Management

The Company has put in place a robust system and a competent team as part of its approach to risk management. Given the nature of our business, we are cognizant of the evolving risks

across the business and how these risks affect the decision-making process.

Some of the significant risks identified include;

No	Risk	Mitigation
1	Foreign Risk Exposure – CAPEX, OPEX and some dividend payments to Shareholders are made in USD per quarter. The Company also has lease contracts with a tower company, which is pegged to USD, but the payment currency is UGX. As a result, fluctuation in Fx impact those payments as well.	As per policy we take forward cover to hedge our Fx exposure. The Company generally takes 3 to 6 months forward to cover the risk.
3	Inability to quickly restore services from a different site in case of a disaster that puts the main site (Bugolobi) out of service. Critical	Upgrading the Architecture and all other applications to run simultaneously on both Production and DR site

Management is enhancing controls around sim card registration and upgrading architectural design of the disaster recovery site. Management has also put in place several initiatives to manage costs.

### Shareholder Rights

The Company is committed to upholding shareholder rights to ensure that every investor has a voice in shaping the future of our company.

The Company has in place clear structures and policies on voting procedures and dividend payments to Shareholders.

### Transparency and Disclosure

The Company is cognizant of the requirement to be transparent and make timely disclosures on any matters about the business operations as required by the Capital Markets Authority and the Uganda Securities Exchange.

# Executive Management



# Our Strategic Pillars

We are changing lives across Uganda through Digitalization, value creation and Empowering our 17M customers.





## Win with Technology

### Uganda's First 5G Network

#### Airtel Uganda invests ahead of time.

In August 2023, we became Uganda's first 5G network when we commissioned 50 5G sites around Kampala in under 10 days; probably the fastest 5G launch in Africa.

We are Uganda's only 100% 4G sites that covers the country border to border as a backbone for social economic transformation.

<b>Customer Perceived Radio Network Availability</b>	99.97% (Among the best Telecom operators)
<b>New sites on fiber</b>	Upgraded to fiber media for high speeds)
<b>New Technology</b>	Massive MIMO, eSIM, Multiband RRU – Deployed 4G on L800 and 5G Massive MIMO in the Network
<b>Enterprise Links</b>	Upgraded over 6000 links for improved connectivity of the economy
<b>Core Expansion and Upgrade</b>	Upgraded with latest Cloud based Technology





## Win With Data

We are leveraging data-based services and increasing data penetration by encouraging smartphone ownership and increasing data usage at scale. We facilitate ease of access to the digital economy for customers in all our markets.

In 2023, we became Uganda's first 5G network. Our 100% 4G network has provided the much-needed backbone infrastructure in driving smartphone penetration as Uganda implements the National Digital Transformation Roadmap.

We continue to source and resource partnerships for Smartphone offerings for all new handsets, through well-priced, transparent bundles. In 2023, these partnerships increased the smartphone base by about 66%.

Our Home Broad Band segment is continuing to deliver connectivity for modern-day living and productivity. We remain focused on delivering value in this segment.

Our fiber backbone is now a complete ring with more than 5,000kms. This enables route diversification that allows us to provide a resilient self-healing network and offer redundancy and service assurance to Uganda's growing corporate and SME sectors.

Data security for all our customers remains our top priority.





## Win With Distribution

We have built our unique, multichannel distribution network to increase our ability to reach and serve customers. We continue to strengthen our distribution infrastructure to win more customers by increasing our distribution depth and breadth, with a particular focus on rural areas.

We are constantly enhancing customer experience through a simplified digital customer onboarding process while meeting our regulatory compliance obligations.

Our granulated distribution approach focuses more responsively on the needs of customers in smaller regions and increasing our customer reach.

The Increased availability of digital recharge provides value to customers by reducing the number of touch points to conduct recharge.

Simple and transparent pricing plans based on our 'more for more' principle, helping us win and retain customers.





## Win With Cost

Airtel Uganda is committed to maintaining our position as the most affordable service provider. We create this value, which we pass on to our customers, by building best in class partnerships for operational efficiency in networks, ICT, and product development.

Our priority is in-country sourcing for leadership, talent, partnerships, and supplies. We strengthened our sourcing protocols to ensure a fair, prudent, and frugal system whose benefit we pass to society. When we deployed 100% 4G across the country, we sourced shared services with Tower companies, Network enterprise solutions providers, and local business support services companies. This allows us to concentrate on our core business of connecting Ugandans to opportunities.

We have strengthened this by launching the most affordable entry-level Smartphone in the market. We have signed up nearly 10 Smartphone Device financing partnerships that are progressively reducing the average cost of entry level devices and the average cost of data as more people acquire smartphones.

Additionally, the Airtel Group Centre of Excellence is a research and development Centre that allows our people to participate in the development of affordable products and services at a declining average cost of development. This improves our teams' productivity.

Our Network operating cost model has been refined to retire costly diesel generators with solar-powered sites in a progressive manner that also conserves our planet. This is covered in detail in the sustainability section of this annual report.





## Win With People

### The Airtees

Airtel Uganda is an Employer of Choice with a diverse and inclusive work environment that fosters a culture of high performance, employee wellbeing, and constant enhancement of knowledge/skills/abilities of its employees.

We equitably employ, reward, develop and retain talent from diverse backgrounds from across the country. We also participate in the Airtel Africa Mobility Program, which has seen Ugandan Talent taking up senior leadership roles in other Airtel Operating Countries within Africa.

Airtel Uganda operates an agile operating model that taps into the great potential of each member of the team by simplification and automation of work processes.

We tap into the creativity and innovations of talent by creating Cross-Functional Teams through which the teams develop projects and bring to life new and improved ways of working. For example the Ways of Working for the Commercials Teams have been greatly enhanced by the Sales App that was developed, and is a great asset to the field teams as they are able to monitor and track their work in the trade. The Sales teams monitor productivity daily and work towards competitive rewards.

### Gender Parity:

We are intentional about growing gender parity in our agile workforce. We are working with like-minded social enterprises to increase the pool of Women in Technology.

In 2023, we participated in a mentorship program with Women In Technology WITU (witu.org) to provide leadership insights to young and ambitious young girls in technology.

We also just concluded 6 cross functional and cross opco projects under the Women 4 Technology program, in which various innovations have been developed, and now due for roll out to the business.

**Women in Work force 34%**  
**Women in Exco 17%**

### Employee Engagement and Culture + Well-being

We are committed to rewarding our teams with competitive benefits like the Best-in-market health insurance, a competitive inhouse provident fund in preparation for retirement, free meals& refreshments as they work.

Our workspaces are routinely evaluated and rated for Occupational safety and health. In 2023 we had Zero accidents or fatalities.

In 2023, our Employee Engagement survey achieved an overall engagement score of 79%. Much of the formal and informal company initiatives are hinged around the voice of the Employee namely, Townhalls, Recognition & Reward, Teambuilding- activities, Incentivization for Productivity and Performance Reviews among others.



## Sustainability Agenda - Transforming Our Community

Airtel Uganda's business is driven by the purpose to "transform lives" – and this purpose is at the heart of every decision we make to ensure responsible development.

Airtel Uganda is guided by the mission of "transforming lives," a commitment that significantly influences our decision-making process for responsible development. Our vision aligns with the government of Uganda's NDP III, aiming to evolve the country from a traditional society to a modern and prosperous nation in the next 30 years.

The strategy is designed to generate positive social, economic, and environmental effects through our operations, addressing critical issues in the communities we connect to local and global opportunities.

As a leading technology enabler in Uganda's economy, we acknowledge our responsibility to contribute to the development of a sustainable economy and empower individuals to Imagine and shape better futures.

By prioritizing sustainability, we have made a meaningful impact on our communities and now stakeholders since we became a public entity. As a key player in fostering Uganda's economic growth, Airtel Uganda provides connectivity to various sectors, including primary ones like Agriculture, Infrastructure, Trade, Health Care, Education, and more.

Our goal is to enhance digital inclusion, ensuring that more Ugandans and businesses have access to affordable voice, data, and value-added services to meet their needs and promote growth.



SDG 3 Good Health	The future focus remains to leverage on mobile technologies to transform lives by improving access to quality, affordable and connected healthcare through focused Airtel Enterprise solutions for Telemedicine.  Our partnership with The Buganda Kingdom through the Kabaka Birthday Run has been instrumental in reducing the disease burden in Uganda. The 2023 edition proceeds go to the fight against HIV/AIDS pandemic.
SDG 4 Quality Education	We invested ahead of the current drive to digitize education through innovative solutions. Our 100% 4G network makes it possible to break education barriers across the country.  In 2023, our tailored Learn-From-Home bundle connected 87,239 users to the opportunities of digital learning. 94% of these are in urban settings. Learn-From-Home Bundles worth 117 million Gigabytes was allocated for digital learning.
SDG 8 Decent Jobs and Economic Growth	The quality of the service we provide enables decent work and economic growth. Our UG NEEDS MORE OF YOU campaign demonstrated that Ugandans are using the asset to transform their lives. Our distribution network of 330,000 agents, 96 landlords and over 308 local suppliers is a platform we are sharing economic value with Uganda. In 2023, we shared value equivalent to USD58.3Million with Ugandan Business partners
SDG 9: Innovation and Infrastructure	Airtel Uganda, without differentiation, provides access to affordable data, voice, and value-added services to grow the stock of the Country's ICT asset base. In 2023, we enlisted 6 Smartphone partnerships that delivered 65.5% incremental growth of Smartphones in the country pushing the smartphone penetration from 31.9% to 35.9%. We remain committed to growing this agenda. We increased our sites-on-fiber by 5% to 40% and deployed 217 new sites as part of our network optimization for national development.
SDG 10: Reduced Inequalities	The Airtel Uganda network is 100% 4G since 2019. Our continuous network expansion, particularly in rural and semi-rural areas, is giving millions of people access to reliable and high quality digital and financial services, often for the first time. This is critical for addressing the inequalities that have troubled Africa for far too long.  Without differentiation, this network allows us to distribute affordable data, voice, and financial solutions across the country.
SDG 7 Clean Energy	As part of our environmental stewardship, we are progressively reducing carbon emissions from our operations and network footprint.  Out of 2981 sites in Uganda, we have connected to 399 new sites, 91% (368) are solely powered by solar energy, and decommissioned diesel generators from 105 sites. Another 1889 sites are on the hydroelectric national grid, which is clean energy.  These include green Smart Poles that were commissioned in Kampala's CBD to improve coverage in built-up areas. We are working with our partner tower companies to realize this responsibility of saving our planet
SDG 12: Responsible Consumption.	In 2023, we stopped the purchase and use of single-use plastics in our operations. We segregate waste at our 2 locations at Clement hill and Bugolobi and plan to extend this to all our locations. We have certified e-waste management contractor to ensure that our e-waste is collected and disposed off in a responsible manner.
SDG 17: Partnerships for the Goals	We have partnered with Tower Companies to deploy solutions like Solar powered Sites, micro sites to increase the stock of renewable energy in our operations. In partnership with Kampala Capital City Authority and American Tower Company we launched 7 smart poles that are powered by solar and extending network coverage in Kampala's built-up CBD.

## How we have shared the value we create

Local Ugandan Enterprises	No. of Deals	Value Amount (\$)
Extra Large Enterprise	14	50,726,468.45
Large Enterprise	35	4,027,379.44
Medium Enterprise	32	787,713.46
Small Enterprise	227	2,769,219.91
<b>Grand Total</b>	<b>308</b>	<b>58,310,781.26</b>

### Other graphics:

New Local Suppliers 2023	
Row Labels	Count of Gender Business Ownership
Female Alone	6
Mixed Directorship	21
<b>Grand Total</b>	<b>27</b>

Local Suppliers 2023		
Row Labels	Women in Ownership	Sum of Men in Ownership
Female Alone	8	0
Mixed	27	46
<b>Grand Total</b>	<b>35</b>	<b>46</b>

### Our Corporate Social Responsibility Alignment

Our Corporate Social Responsibility (CSR) agenda, integral to our Sustainability strategy introduced in 2021, aims to address societal inequalities faced by the communities we serve. Amid challenges like climate change, limited access to quality healthcare and education, and inadequate rural infrastructure affecting digital communication and financial inclusion. We concentrate on four transformative sectors of Education, Health, Agriculture, and fintech, within our CSR framework to make a meaningful impact and bring about positive transformations in people's lives.

Our community-focused CSR efforts revolve around enhancing the well-being of the communities we serve. Through our collaborations, we aim to harness the capabilities of the internet and partnerships to develop solutions addressing digital and

financial inclusion, as well as enhancing access to education.

Additionally, we are committed to backing social causes, particularly in the realms of health and emergencies, recognizing that a healthy population is better equipped to engage with initiatives that contribute to an improved quality of life.

Our partnerships with the Government and Private Sector aim to transform other sectors such as agriculture, health, education, trade, and commerce among others.

As a technology enabler, our contribution to the transformation of the ICT sector, and the Ugandan economy continues to grow. We are pleased to share the 2023 highlights and impact of our contributions.

## Impacting Education

### The Airtel – Unicef Partnership for Digital Learning

Through our landmark partnership with UNICEF, we are developing a plan that will allow us to provide educational resources, free of charge, to more than one million children.

We firmly believe that access to education is the key to addressing inequality in life opportunities for children – it is a basic human right and drives economic development. The transformative power of the internet will assist in reforming the way teachers illustrate science and other concepts.

Airtel Uganda in partnership with Unicef, started with 10 schools in 2023 and will scale up to 300 schools over the next few years.

Under this transformative partnership, Airtel Uganda is providing up to 300 GB of data per month connecting up to 7986 students

School	District	Level	Students
Morulem Girls Senior S.S	Abim	Secondary	374
Pokot S.S	Amudat	Secondary	450
Kotido S.S	Kotido	Secondary	2631
Kangole Girls' S.S.S	Napak	Secondary	400
St. Mary Assumpta Girls Pakele	Adjumani	Secondary	618
Romogi Seed S.S	Yumbe	Secondary	206
Oriajin S.S	Terego	Secondary	520
Kitende SSS	Wakiso	Secondary	2021
Spire Road P.S	Jinja	Primary	342
Waluwerere	Bugiri	Primary	424
<b>Total</b>			<b>7986</b>

### Connecting 60 Schools in celebration of Uganda's 60th Independence

In celebration of Uganda's 60th Independence, in October 2022, we asked the public to nominate 60 schools that we could connect to the opportunities of internet. The schools had to be outside the cities of Uganda and with an existing internet connection.

In this 2023 project worth Ushs 36million, we connected the following schools, nominated by members of the public.

No	School	District	2023 Annual data Usage (GBs)
1	Ngarama Girls S S	Isingiro	770,077
2	Serere township S S	Serere	740,244
3	Kagamba Secondary School	Ntungamo	614,265
4	Muziira/Nyakasenyi High dchool	Kitagwenda	390,625
5	Bulamu Seed SS	Mpigi	243,257
6	Kisaana SS	Kalungu	236,628
7	Horizon Primar School Quaters	Kitgum	192,108
8	WARR Girls SS	Zombo	182,616
9	Agape Primary School	Kagadi	121,461
10	St.Mary's Seed school	Lamwo	118,838



### The Airtel Kabaka Birthday Run

Through our partnership with the Buganda Kingdom, we have supported this annual event for over 5 years to raise money to support the reduction of the disease burden in Uganda. The treatment of fistula, HIV/AIDS, cancer, and maternal health are some of the causes we have supported under this partnership.

In 2023, the Airtel Kabaka Birthday Run was the biggest in Africa having attracted over 100,000 people to run for the cause of fighting HIV/AIDS in Uganda.



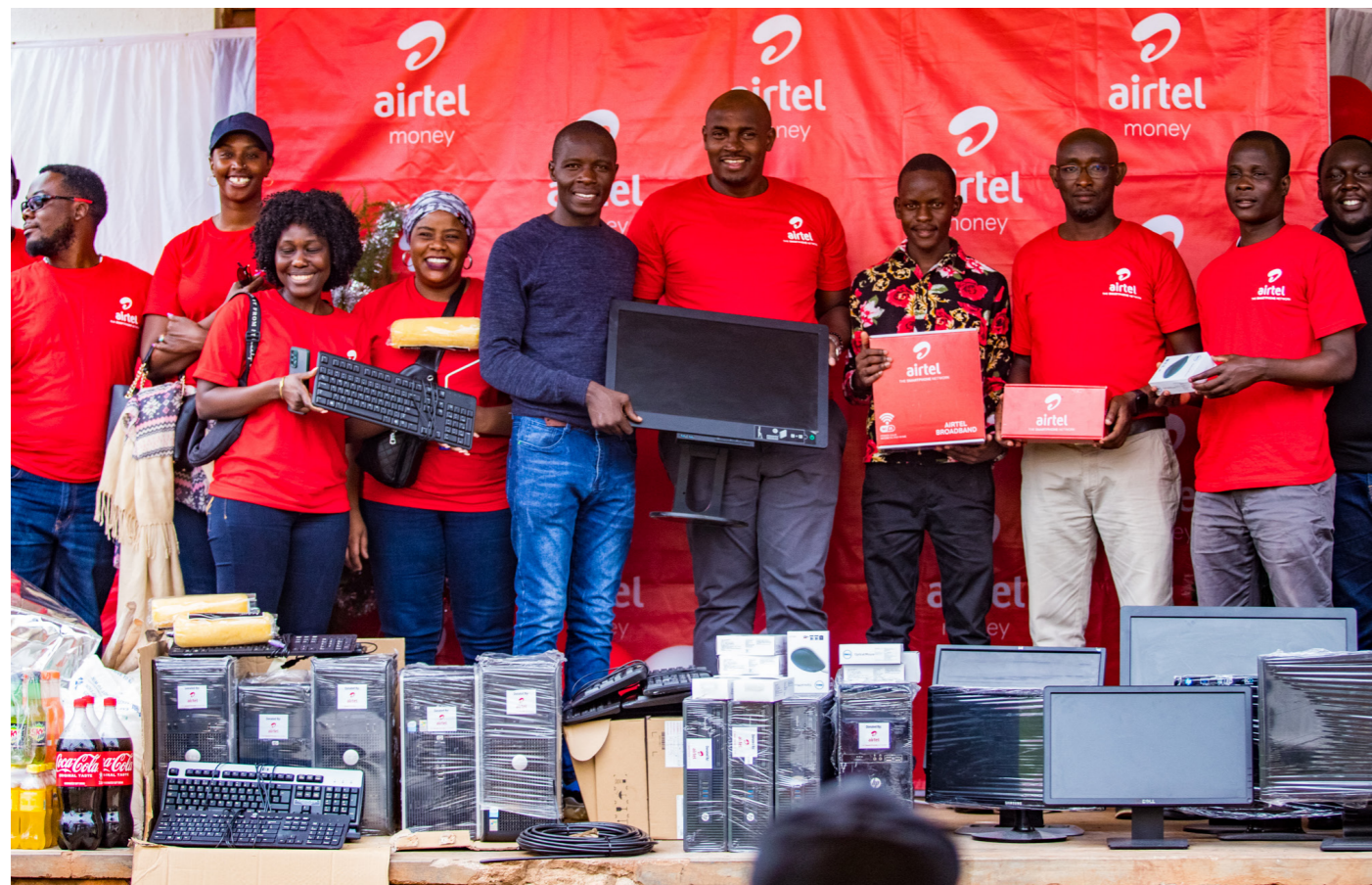
Kabaka Birthday Run	
Investment	Ushs 1 billion
Approximate number of people impacted in 2023	Over 100,000 people
Impact	Both the Uganda AIDS Commission and Buganda Kingdom have reported awareness

## Our Digital Inclusion Impact

Airtel Uganda is committed to making investments in partnerships that accelerate the inclusion of many young people in the digital economy of the world. This agenda is premised on our sustainability strategy for transforming lives.

In 2023, through 14 public libraries powered by Airtel Internet, 184,764 people (students, pupils, and adults) have been reached across Uganda. Through this Ushs 222.2 million project, both in-school and out-of-school learners can use basic to advanced internet skills to improve their learning and skills.

Additionally, in 2023, a total of 334 young people were trained in basic ICT skills at the Mbale, Lira, Kabale, Pallisa, and Kawempe Public libraries.



Library	Number of visitors	Internet Connection	Annual Cost (\$)
Mbale Public Library	53,692	10 mbps	4,200
Mbarara Public Library	47,056	10 mbps	4,200
Hoima Public Library	39,275	10 mbps	4,200
Paidha Public Library	11,266	10 mbps	4,200
Others	33,475	10 mbps	42,000
<b>Total</b>	<b>184,764</b>		<b>58,800</b>

## Absa Ready To Work Program

Under this partnership, Airtel Uganda provides discounted internet access to educational resources to prepare young people.

As young people set out to find employment or create self-employment, they need skills that will help them transition from the world of education into the world of work. Absa Ready-to-Work is an education and skill development initiative designed to help young people go from learning to earning. Young people can register on the Absa Ready-to-Work App to access free online training courses for free engaging online learning.

In 2023 294,000 students accessed the resources.



## Impacting Agriculture

### EzyAgric Partnership

Our short-term partnership with EzyAgric ensured digital access to verified, quality agricultural information that farmers use through dialing a USSD code to request information, understand weather patterns, receive videos, SMS, and audio of how to plant and take care of their animals, and ultimately speak to or meet an Agricultural Extension Worker who advises them on how to manage their farm. Over 8,000 farmers have accessed agricultural information using the Airtel Internet and an additional 75,995 people have accessed farming tips through the USSD code \*163#.

In 2023 294,000 students accessed the resources.



### Stakeholder Engagement

Throughout the year ending 31 December 2023, the company effectively engaged with various stakeholders, including our regulators the Uganda Communications Commission, Capital Markets Authority, shareholders, employees, customers, and the broader community.

### Compliance and Legal Matters

The Company continues to track the legal and regulatory landscape as part of its commitment to compliance with laws and regulations.

Currently, there are no significant legal matters that are likely to have a material impact on the company. The Company is committed to ensuring adherence to best corporate governance standards and compliance with the legal and regulatory framework as it continues to offer the best telecommunication services and customer experience to its customers across the country.

# Financial Review

# Directors' Report

The Directors submit their report and audited Financial Statements of Airtel Uganda Limited (“the Company”) for the year ended 31 December 2023, which show the state of affairs of the Company.

## Principal Activities

The principal activities of the Company are the operation of a cellular telephone network in Uganda and the provision of telecommunication services.

## Financial Results

	2023	2022
	Ushs million	Ushs million
Profit before taxation	426,885	473,600
Taxation charge	(129,935)	(147,897)
<b>Profit for the year</b>	<b>296,950</b>	<b>325,703</b>

The profit for the year amounted to Ushs 296,950 million (2022: Ushs 325,703 million). The Directors declared interim dividends for the year ended 31 December 2023 amounting to Ushs 194,800 million (2022: Ushs 226,688 million) (refer to note 32 of the Financial Statements).

Further, the Directors recommend a final dividend of Ushs 86,000 million at a rate of Ushs 2.15 per share making a total dividend for the year of Ushs 280,800 million (2022: Ushs 325,952 million) at a rate of Ushs 7.02 per share for the year ended 31 December 2023. The final dividend is subject to approval of the shareholders at the annual general meeting.

## Reserves

The reserves of the Company are set out on page 60 in the Statement of Changes in Equity.

## Directors

The Directors who held office during the year and to the date of this report were as follows:

Hannington Karuhanga	Non-Executive Director
Manoj Murali	Executive Director
Alok Bafna	Non-Executive Director
Rama Krishna Lella	Non-Executive Director
Apoorva Mehrotra	Non-Executive Director

The Directors were in office for the entire period unless otherwise stated.

## Shareholding

The shareholding of the Company as at 31 December 2023 is as follows

Name of shareholder	No. of shares Ushs million	2023 Ushs million
Bharti Airtel Uganda Holdings B.V.	35,644,069,165	89.1102%
Bharti Airtel Africa B.V.	28,000	0.0001%
National Social Security Fund	4,218,800,000	10.5470%
Other Shareholders	137,102,835	0.3428%
<b>Total</b>	<b>40,000,000,000</b>	

## Auditors

Deloitte & Touche, Certified Public Accountant of Uganda, have expressed their willingness to continue in office in accordance with the provisions of Section 167 (2) of the Companies Act, 2012 of the laws of Uganda.

By Order of the



Board Secretary  
Dennis A. Kakonge

28 February 2024

Kampala

# Statement Of Director's Responsibilities

The Companies Act, 2012 of the Laws of Uganda requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the State of Financial Affairs of the Company as at the end of the financial year and of its operating results for that year. The Act also requires the Directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors are ultimately responsible for the internal control. The Directors delegate responsibility for internal control to Management. Standards and systems of internal control are designed and implemented by Management to provide reasonable assurance as to the integrity and reliability of the Financial Statements and to adequately safeguard, verify and maintain accountability of the Company's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Directors accept responsibility for the year's Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act, 2012 of Uganda. The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

The Financial Statements have been prepared on a going concern basis as the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements were approved by the Board of Directors on 28 February 2024, and signed on its behalf by:

Hannington Karuhanga  
Chairman

Manoj Murali  
Managing Director



Deloitte & Touche  
Certified Public Accountant of Uganda  
ICPAU Registration No: AF0001  
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## Independent Auditor's Report to the Shareholders of Airtel Uganda Limited

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Airtel Uganda Limited set out on pages 58 to 102, which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Airtel Uganda Limited as at 31 December 2023, and its financial performance and cash flows for the year then ended and are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012 of the Laws of Uganda.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code) and other independence requirements applicable to performing audits of Airtel Uganda Limited. We have fulfilled our other ethical responsibilities in accordance with the IFAC Code, and in accordance with other ethical requirements applicable to performing the audit of Airtel Uganda Limited.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<b>Recognition of revenue from contracts with customers.</b>  The recognition of revenue from contracts with customers is considered a key audit matter in telecom companies due to its complexity, significance judgmental nature, contractual dynamics and control environment.	<b>Our procedures included the following:</b>  Used internal IT specialists to test the IT environment in which the billing systems reside, including interface controls between different IT applications.



Practicing accountants: N. Kagoro A. N. Muraya\* F. Okwiri\* P. Ssali \*Kenyan  
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited  
The firm is licensed and regulated by Institute of Certified Public Accountants of Uganda

## Independent Auditor's Report to the Shareholders of Airtel Uganda Limited (Continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Furthermore, we considered revenue recognition as a key audit matter because the entity's revenue recognition process relies on the use of multiple, and in some cases complex, information technology systems to apply distinct tariff structures and pricing models to the company's products and services.</p>	<ul style="list-style-type: none"> <li>Tested the relevant controls over (a) approvals and maintenance of new tariff plans in the billing system and (b) authorization of the rate changes and the maintenance of such rates in the billing systems.</li> <li>Tested the accuracy and completeness of key information used within relevant controls ("IUC") either through testing controls around the IUC or directly testing the IUC.</li> <li>Obtained and substantively tested samples of CDR (call detail records) rating validations performed by revenue assurance to test the accuracy of both revenue streams and the resolution of exceptions noted, if any. Sample tested the accuracy of tariffs set up in the system.</li> <li>Performed independent call testing with the objective of ensuring the accuracy of plans by ensuring that a sample of each major tariff has been tested and that the rates set up in the system are accurate.</li> <li>Obtained and tested the accuracy of the reconciliation between the Intelligent Network (IN) billing system and the general ledger (the manual revenue reconciliation process).</li> <li>Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards.</li> </ul>
<p>As disclosed in notes 6(a) of these financial statements, the company earned Ushs 1,769 billion (2022: Ushs 1,589 billion) revenue with differing contractual arrangements with customers.</p>	<p>Based on the procedures described above, our audit evidence was consistent with the revenue recognized in the financial statements in accordance with IFRS 15.</p>

### Other information

The Directors are responsible for the other information, which comprises the information included in the Directors' report and statement of directors' responsibilities as required by the Companies Act, 2012 of the laws of Uganda. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012 of the laws of Uganda and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

## Independent Auditor's Report to the Shareholders of Airtel Uganda Limited (Continued)

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:**

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on other legal requirements

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books; and
- The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account

The Engagement Partner responsible for the audit resulting in this independent auditor's report is Paul Ssali, Practicing Number P0508.

*Deloitte & Touche*

**Certified Public Accountant of Uganda  
28 February 2024**



*Paul Ssali*  
**CPA Paul Ssali  
Audit Partner**

## Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 31 December 2023

Particulars	Note	2023 Ushs millions	2022 Ushs millions
<b>Income</b>			
Revenue	6	1,777,307	1,594,271
Other income	6(b)	6,653	5,627
		<b>1,783,960</b>	<b>1,599,898</b>
<b>Expenses</b>			
Network operating expenses	7(b)	314,475	251,360
Access charges		66,008	42,139
Licence fees and spectrum usage charges		43,567	38,976
Employee benefits expenses	7(c)	83,568	84,958
Sales and marketing expenses	7(a)	198,777	177,804
Other operating expenses	7(d)	159,174	116,652
Depreciation and amortisation	8	326,737	272,455
		<b>1,192,306</b>	<b>984,344</b>
<b>Operating profit</b>		<b>591,654</b>	<b>615,554</b>
Finance income	9(a)	(10,276)	(396)
Finance costs	9(b)	175,045	142,350
Profit before tax		<b>426,885</b>	<b>473,600</b>
Income tax expense	10(a)	129,935	147,897
<b>Profit for the year</b>		<b>296,950</b>	<b>325,703</b>
<b>Other comprehensive income</b>			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods.			
Other comprehensive income / (loss) for the year, net of tax		(6)	51
<b>Total comprehensive income for the year net of tax</b>		<b>296,944</b>	<b>325,754</b>
<b>Basic and diluted earnings per share</b>	<b>33</b>	<b>7.4</b>	<b>8.1</b>

## Statement of Financial Position for the Year Ended 31 December 2023

Particulars	Note	2023 Ushs millions	2022 Ushs millions
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	11	764,871	674,990
Capital work-in-progress	11	41,448	40,930
Right of use asset	12	672,869	601,276
Intangible assets	14	421,292	409,194
Other non-current assets	15	66,571	51,379
		<b>1,967,051</b>	<b>1,777,769</b>
<b>Current assets</b>			
Inventories	16	3,445	5,447
<b>Financial assets</b>			
Trade receivables	17	98,481	75,650
Cash and cash equivalents	18	34,345	35,204
Others	19	24,636	9,103
Income tax asset (net)	10(c)	5,406	-
Other current assets	15	67,194	67,228
		<b>233,507</b>	<b>192,632</b>
<b>TOTAL ASSETS</b>		<b>2,200,558</b>	<b>1,970,401</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	21(a)	40,000	1,408
Share premium	21(b)	-	16,128
Retained earnings		86,661	106,239
Other reserves		79	85
		<b>126,740</b>	<b>123,860</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	291,429	311,817
Lease liabilities	23	609,902	555,318
Others	24	145,203	110,493
Deferred revenue	25	11,068	12,613
Provisions	26	2,931	2,606
Deferred tax liability	10(d)	100,188	92,646
		<b>1,160,721</b>	<b>1,085,493</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	401,747	317,018
Lease liabilities	23	175,317	135,526
Trade payables	27	194,379	152,930
Derivative financial instruments	28	508	5,641
Others	24	51,851	45,961
Deferred revenue	25	29,085	35,125
Provisions	26	7,213	6,231
Income tax payable (net)	10(c)	-	9,910
Other current liabilities	29	52,997	52,706
		<b>913,097</b>	<b>761,048</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,200,558</b>	<b>1,970,401</b>

The Financial Statements on pages 58 to 102 were approved for issue by the Board of Directors on 28 February 2024 and signed on its behalf by:

Hannington Karuhanga  
Chairman

Manoj Murali  
Managing Director

## Statement of Changes in Equity For the Year Ended 31 December 2023

	Share capital Ushs millions	Share premium Ushs millions	Retained Earnings Ushs millions	Other Comprehensive Income Ushs millions	Total equity Ushs millions
<b>At 1 January 2022</b>	<b>1,408</b>	<b>16,128</b>	<b>139,224</b>	<b>34</b>	<b>156,794</b>
Profit for the year	-	-	325,703	-	325,703
Dividends - Final Dividend FY20 Refer to Note 32	-	-	(132,000)	-	(132,000)
Dividends – Interim Dividend FY21 Refer to Note 32	-	-	(226,688)	-	(226,688)
Other comprehensive income	-	-	-	51	51
<b>At 31 December 2022</b>	<b>1,408</b>	<b>16,128</b>	<b>106,239</b>	<b>85</b>	<b>123,860</b>
<b>At 1 January 2023</b>	<b>1,408</b>	<b>16,128</b>	<b>106,239</b>	<b>85</b>	<b>123,860</b>
Profit for the year	-	-	296,950	-	296,950
Dividends - Final Dividend FY22 Refer to Note 32	-	-	(99,264)	-	(99,264)
Dividends – Interim Dividend FY23 Refer to Note 32	-	-	(194,800)	-	(194,800)
Other comprehensive income	-	-	-	(6)	(6)
Conversion of share premium to share capital	16,128	(16,128)	-	-	-
Conversion of retained earnings to share capital	22,464	-	(22,464)	-	-
<b>At 31 December 2023</b>	<b>40,000</b>	<b>-</b>	<b>86,661</b>	<b>79</b>	<b>126,740</b>

## Statement of Cash Flows for the Year Ended 31 December 2023

Particulars	Note	2023 Ushs millions	2022 Ushs millions
<b>OPERATING ACTIVITIES</b>			
Profit before tax		426,885	473,600
<b>Adjustments for:</b>			
Depreciation and amortisation	8	326,737	272,455
Interest income	9	(1,021)	(396)
Unrealised foreign exchange (gain)/loss	9	(9,255)	19,861
Interest on borrowings	9	80,684	54,244
Interest on lease liabilities	9	54,215	40,840
Interest on spectrum liabilities	9	9,458	7,923
Movement in provision for trade receivables	17	1,242	(1,014)
Movement in provision for inventory obsolescence	16	1,069	11,406
Other non-cash adjustments	10	-	1,736
Increase in provisions	26	1,307	2,930
Asset write off	11	794	935
<b>Operating cash flow before changes in working capital</b>		<b>892,115</b>	<b>884,520</b>
Decrease/(Increase) in inventories	16	933	(12,543)
Increase in trade receivables	17	(21,924)	(20,672)
Increase in other financial and non-financial assets	15, 19	(30,691)	(31,853)
Increase/decrease in trade payables	27	45,740	(13,937)
(Decrease) / increase in deferred revenue	25	(7,585)	26,154
Increase / (decrease) in other financial and non-financial liabilities	24,28,29	(7,375)	5,917
<b>Net cash generated from operations before tax</b>		<b>871,213</b>	<b>837,586</b>
Income tax paid	10 (e)	(137,708)	(132,275)
<b>Net cash generated from operating activities (a)</b>		<b>733,505</b>	<b>705,311</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and capital work in progress	11	(242,298)	(241,163)
Interest received	9	1,021	396
<b>Net cash flows used in investing activities (b)</b>		<b>(241,277)</b>	<b>(240,767)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from borrowings	22	300,000	150,000
Repayment of borrowings	22	(334,483)	(142,270)
Interest on borrowings	9	(81,548)	(55,125)
Repayment of lease liabilities	23	(173,663)	(143,337)
Payment of spectrum liabilities	24	(16,053)	(11,353)
Dividend paid	32	(294,049)	(358,688)
<b>Net cash flows used in financing activities (c)</b>		<b>(599,796)</b>	<b>(560,773)</b>
<b>Net movement in cash and cash equivalents during the year (a+b+c)</b>		<b>(107,568)</b>	<b>(96,229)</b>
Cash and cash equivalents as at beginning of the year	18	(189,351)	(93,122)
<b>Cash and cash equivalents as at end of the year</b>	<b>18</b>	<b>( 296,919)</b>	<b>(189,351)</b>

## 1. CORPORATE INFORMATION

Airtel Uganda Limited is incorporated in Uganda under the Companies Act as a limited liability Company and is domiciled in Uganda. The address of its registered office is Airtel House, Plot 16A Clement Hill Road, Kampala, Uganda. Its principal activities are the operation of a cellular telephone network in Uganda, provision of telecommunication services. The Company is subsidiary of Bharti Airtel Uganda Holdings B.V. The Step-Up Parent is Airtel Africa PLC (listed in London stock exchange and Nigeria stock exchange).

## 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS's)

### 2.1) New and amended Standards that are effective for the current year

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts.

#### Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the “four step materiality process” described in IFRS Practice Statement 2.

The change did not have a material impact on the Company’s financial statements

#### Amendments to IAS 12 Income Taxes - Deferred Tax relating to Assets and Liabilities arising from a Single Transaction

The company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, the company is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The change did not have a material impact on the Company’s financial statements.

#### Amendments to IAS 12 Income Taxes - International Tax Reform - Pillar Two Model Rules

The company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising

from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum topup taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The change did not have a material impact on the Company’s financial statements

#### Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates

The company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

### 2.2) New and revised standards in issue but not yet effective

At the date of authorisation of these Financial Statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the Financial Statements of the Company in future periods.

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

### a) Basis of Preparation

The Financial Statements of Airtel Uganda Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2012 of the Laws of Uganda. The Financial Statements are presented in Uganda Shillings and all values are rounded to the nearest millions except when otherwise indicated.

For purposes of reporting under the Companies Act, 2012 of the Laws of Uganda, the Balance Sheet in these Financial Statements is represented by the Statement of Financial Position and the Profit and Loss account is represented by the Statement Of Profit Or Loss and Other Comprehensive Income.

The accounting policies adopted are consistent with those used in the previous year, except otherwise indicated.

### b) Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

#### Fair Value Measurement

Fair value is the price at the measurement date, at which an asset can be sold or the price paid to transfer a liability, in an orderly transaction between market participants. The Company’s accounting policies require measurement of certain financial/ non-financial assets and liabilities at fair value (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial/non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, as described below, based on the lowest input that is significant to the fair value measurement as a whole:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly: and
- **Level 3** inputs are unobservable inputs for the asset or liability.

### c) Revenue recognition

Revenue is recognised upon the transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange for those products or services, net of any taxes/duties and discounts. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary. To the extent that the intermediary is considered to be an agent, the consideration to which the Company is entitled is determined to be the amount received from the customer. Any upfront discount provided to the intermediary is recognised as a cost of sale.

The Company has entered into certain multiple-element revenue arrangements, which involve

the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables within the contract are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

#### Service Revenue

Service revenue is derived from the provision of telecommunication services to customers. The majority of the customers of the Company subscribe to the services on a pre-paid basis.

Telecommunication service revenues mainly pertain to usage, subscription charges for voice, data, messaging and value-added services and customer onboarding charges, which include activation charges.

Telecommunication services (comprising voice, data, and SMS) are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

Majority of the customers pay in advance for services of the Company. These cash amounts are recognised in deferred income on the statement of financial position and transferred to the statement of profit or loss and other comprehensive income when the service obligation has been performed/when the usage of services becomes remote.

The Company recognises revenue from these services over time as they are provided. Revenue is recognised over time based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided.

Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customers i.e., upfront.

Revenues recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced/collected from a customer are in excess of revenue recognised, a deferred revenue/advance income is recognised.

Service revenues also includes revenue from interconnection/roaming charges for usage of the Company's network by other operators for voice, data, messaging and signalling services. These are recognised upon transfer of control of services being transferred over time.

Revenues from long distance operations comprise voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of respective arrangements.

The Company has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Company's network i.e., the service is rendered.

#### Equipment Sales

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e., transferred at a point in time.

#### Costs to obtain or fulfil a contract with a customer

The Company defers costs to obtain or fulfil contracts with customers over the expected average customer life, determined based on the churn rate.

#### d) Functional currency and translation of foreign currencies

##### Functional and presentation currency

The items included within the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e., 'functional currency').

The Financial Statements are presented in Uganda Shillings, which is also the functional, and presentation currency of the Company.

#### Transactions and Balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the statement of profit or loss and other comprehensive income within finance costs/finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical exchange rate.

#### e) Property, plant and equipment

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

All categories of property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment (PPE) are required to be replaced at

regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the statement of financial position and cost of the new item of PPE is recognised.

The expenditures that are incurred after an item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit or loss and other comprehensive income in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Period (Years)
Buildings and leasehold improvements	20
Plant and Machinery	3-25
Computer equipment	3
Furniture & fixture and Office Equipment	1-5
Motor vehicles	5

The assets' residual values, useful lives and depreciation methods are reviewed at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit.

PPE in the course of construction, less any accumulated impairment is carried at cost and presented separately as capital work-in-progress ('CWIP') including capital advances in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

#### f) Intangible Assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with infinite lives are amortised over their economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Goodwill represents the cost of the acquired business in excess of the fair value of identifiable net assets purchased. Goodwill is not amortised, however, it is tested annually for impairment and carried at cost less any accumulated impairment losses.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

#### Software

Software are amortised over the period of the licence, generally not exceeding three (3) years.

#### Licences (including spectrum)

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant license period. The useful life generally range from ten to twenty years.

In addition, the Company incurs a fee on licenses/spectrum that is calculated based on the revenue amount of the period. These fees are recognised as a cost in the statement of profit or loss and other comprehensive income when incurred.

#### Other Acquired Intangible Assets

Other acquired intangible assets include customer relationships - over the estimated life of such relationships which ranges from one (1) year to five (5) years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and/or amortisation method is accounted prospectively, and accordingly, the amortisation is calculated over the remaining revised useful life.

#### g) Accounting for Leases

At inception of a contract, the Company assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

#### Company as a Lessee

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on index, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments including changes in index or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option or when the lease contract is modified, and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying asset.

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Company allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

### Company as a Lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

The Company enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the statement of financial position.

### Short-term Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### h) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The costs comprise its purchase price and any directly attributable cost of bringing it to its present location and condition.

### i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, wallet balances, bank balances, cheque in hand and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to the above items, any bank overdrafts that are integral part of the Company's cash management is also included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

### j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of the discount due to the passage of time is recognised within finance costs.

### k) Employee Benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, other long-term benefits including compensated absences. The employee benefits are recognised in the year in which the associated services are rendered by

the Company employees. Short-term employee benefits are recognised in statement of profit or loss and other comprehensive income at undiscounted amounts during the period in which the related services are rendered. Details of long-term employee benefits are provided below:

### Defined Contribution Plans

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

### Defined Benefit Plans

The Company has defined benefit plans and 'Severance Pay' wherein, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each quarter end. The obligation towards the said benefits is recognised in the balance sheet under provisions, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using appropriate discount rate.

### Defined benefit costs are split into the following categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements.
- interest expense; and
- re-measurements.

The Company recognises service costs within profit or loss as employee benefit expenses. Past service, cost is recognised in profit or loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Interest cost is calculated by applying a discount rate to the defined benefit liability and is recognised within finance costs. Re-measurements comprising actuarial gains and losses are recognised immediately as a charge or credit to other comprehensive income in the period in which they occur. Re-measurements recognised in other comprehensive income are not reclassified.

### Other Long-Term Employee Benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises encashment and the availing of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability (presented under provisions) towards the said benefits on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

### Provident Fund

The Company contributes to the Staff Provident Fund. Under this scheme, the employee contributes 5% of their gross salary while the employer contributes 5% of each employee's gross salary. There is an option for employees to contribute over and above the mandatory 5%. The total remittance to the fund per month in respect of each employee is 10%. The contribution is charged to the statement of profit or loss and other comprehensive income in the year in which it is incurred.

### National Social Security Fund

The Company contributes to the National Social Security Fund a National savings scheme mandated by Government. Under this scheme, the employee contributes 5% of their gross salary while the employer contributes 10% of each employee's gross salary to NSSF. The contribution is charged to the statement of profit or loss and other comprehensive income in the year in which it is incurred.

### l) Income Tax

Income tax expense is the aggregate of the charge to the profit or loss in respect of current income tax and deferred tax. Tax is recognised in profit or loss account except to the extent that it relates to items recognised outside profit or loss, in other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly within other comprehensive income or directly in equity.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Ugandan Income Tax Act.

Deferred tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of future taxable profits.

#### m) Borrowing Cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

#### n) Financial Instruments

##### Recognition, classification and presentation

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

#### The Company classifies its financial assets into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cashflows

The Company has classified all non-derivative financial liabilities as measured at amortized cost.

Financial assets with embedded derivatives are considered in their entirety for determining the contractual terms of the cash flow and accordingly, embedded derivatives are not separated. However, derivatives embedded in non-financial instrument/financial liabilities (measured at amortized cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the statement of financial position, if and only when, the Company currently has a legally enforceable right to set-off the related recognized amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

##### Measurement - Non-derivative financial instruments

##### i) Initial Measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Other transaction costs are expensed as incurred in the statement of profit or loss and other comprehensive income.

##### ii) Subsequent measurement - financial assets

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

##### Financial assets measured at amortised cost

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

##### Financial assets at fair value through profit or loss ('FVTPL')

All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ('FVTOCI') are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the profit and loss within finance income/finance costs separately from the other gains/losses arising from changes in the fair value.

##### Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables and contract assets, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### iii) Subsequent measurement - financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting/any transaction costs is significant).

##### Measurement - derivative financial instruments

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in profit or loss within finance income/finance costs.

##### iv) Derecognition

Financial liabilities are derecognised from the statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires, or legally released. The financial assets are derecognised from the statement of financial position when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount and consideration is recognised in the statement of profit or loss and other comprehensive income.

##### o) Impairment of Non-Financial Assets

##### Goodwill

Goodwill is tested for impairment, at least annually or earlier, in case circumstances indicate that the carrying value may exceed the recoverable amount (higher of fair value less costs of sell and the value -in- use).

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ('CGU') or group of CGUs ('CGUs') which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, but not higher than an operating segment.

A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU/CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU/CGUs. The recoverable amount of a CGU/CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU/CGUs.

The total impairment loss of a CGU/CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU/CGUs and then to the other assets of that CGU/CGUs - on pro-rata basis of the carrying value of each asset.

### **Property, plant and equipment, Right-of-use assets, Intangible assets and intangible assets under development**

At each reporting period date, the Company reviews the carrying amounts of its PPE, right-of-use assets, CWIP and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets under development are tested for impairment, at-least annually or earlier, in case circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the said asset belongs. If individual assets or a CGU are considered to be impaired, the impairment recognised in the statement of profit or loss and other comprehensive income is measured by the amount by which the carrying value of the asset/CGU exceeds the estimated recoverable amount and is allocated on pro-rata basis.

### **Reversal of Impairment Losses**

Impairment loss in respect of goodwill is not reversed. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that

previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

### **p) Asset Retirement Obligation (ARO)**

This is a provision for costs expected in the future to dismantle telecommunication towers and retail shops and restore the sites to their condition prior to installation of the Company's equipment. The costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset.

The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the asset retirement liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of ARO are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### **q) Investment Property**

This is property held to earn rental income or capital appreciation or for both, but not for sale in the ordinary course of business, or administration purposes. Investment property is measured at cost.

### **r) Statement of Cash Flow**

Cash flows are reported using the indirect method as per IAS-7 "Statement of cash flows", whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferral or accrual of past or future cash operating receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

### **s) Share Capital and Share Premium**

Issued ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of Capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect. Any premium received over and above the par value of the shares is classified as 'share premium' in Equity.

### **t) Current Versus Non-Current Classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the Company's normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

### **u) Contingencies**

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

### **v) Dividends**

Dividend to shareholders is recognised as a liability and deducted from Equity, in the year in which the dividends are approved by the shareholders. However, interim dividends declared by the Board of directors, are recognised as a liability, and deducted from retained earnings, in the year in which the dividends are so declared.

### **w) Earnings Per Share**

The Company presents the Basic and diluted earnings per share ("EPS") data. Basic EPS is computed by dividing the profit for the period attributable to the owners of the company by the weighted average number of shares outstanding during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional ordinary shares that would have been outstanding during the period.

## **4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

### **a) Key Sources of Estimation Uncertainty**

#### **Contingent Liabilities and Provisions**

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favorable to the Company. Management in consultation with the legal, tax and other advisers assess the likelihood that a pending claim will succeed. The Company has applied its judgement and has recognized liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable.

#### **b) Critical judgements in applying the Company's accounting policies**

The critical judgements, which the management has made in the process of applying the Company's accounting policies and have the most significant impact on the amounts recognised in the Financial Statements, are discussed below:

## Separating Lease and Non-Lease Components

The consideration paid by the Company in telecommunication towers lease contracts include the use of land and passive infrastructure as well as maintenance, security, provision of energy etc. services. Therefore, in determining the allocation of consideration between lease and non-lease components, for the additional services that are not separately priced, the Company performs detailed analysis of cost split to arrive at relative stand-alone prices of each of the components.

## Determining the incremental borrowing rate for lease contracts

The Company has recognised lease liabilities at present value using the incremental borrowing rate (IBR) based on considerations specific to the lease agreement. Since determination of incremental borrowings is not directly available for the given markets in which Company operates, the Company has used judgement in determining the IBR by taking into consideration risk free borrowing rate.

## Determining the Lease Term

Under IFRS 16 if it is reasonably certain that a lease will be extended, the Company is required to estimate the expected lease period in excess of the current contractual terms. The Company has various lease agreements with a right to extend /renew wherein it considers the nature of the contractual terms and economic factors to determine lease term.

The Company has used judgement in determining the lease period considering such factors and the lease liability has been calculated using the remaining contractual lease period for all of such lease contracts.

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has liabilities in the form of borrowings, trade and other payables as well as receivables in the form of loans, cash, deposits, trade and other receivables. These arise as a part of the business activities and operations of the Company. The business activities of the Company exposes it to a variety of financial risks,

namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposures. The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of directors and the Audit and Risk Committee. The Company's senior management is primarily responsible for matters, including framing of policies and execution procedures as well as laying down the risk framework mechanisms for the treasury function that will help the company to achieve its strategic financial goals, balancing opportunity, prudence and initiative with risk control measures. This provides assurance to the Company that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and Company's risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

### a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk – currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Company uses foreign exchange forward contracts to manage its exposures to foreign exchange fluctuations.

## i) Foreign Exchange Risk

The Company operates locally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from adverse changes in the local / operating currency rates to other foreign currencies for which commercial transactions occur in the course of operation and from recognised assets and liabilities.

The Company's foreign exchange risk management includes foreign exchange forward contracts, regular monitoring of the movement of exchange rates and continuous negotiations with all local suppliers to have contracts in local currency.

## Foreign Currency Exposure

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Assets</b>		
Cash & cash equivalents	3,962	6,032
Trade receivables	90,982	69,140
Other receivables	4,055	9,039
<b>Total assets</b>	<b>98,999</b>	<b>84,211</b>
<b>Liabilities</b>		
Trade payables	42,870	48,795
Borrowings	-	148,800
Lease liabilities	548,385	664,360
Other financial liabilities	153,414	112,798
<b>Total liabilities</b>	<b>744,669</b>	<b>974,753</b>
<b>Net USD exposure</b>	<b>( 645,670)</b>	<b>(890,542)</b>

At 31 December 2023, if the Uganda Shilling had weakened/strengthened by 5% to Ushs/USD 3,968 and 3,590 respectively against the US Dollar with all other variables held constant, opposed to exchange rate prevailing as at year end (Ushs/USD 3779), pre-tax profit for the year would have been as follows.

	Increase/decrease in the value of Ushs vs. USD	Effect on profit before tax Ushs millions	Effect on Profit after tax and equity Ushs millions
<b>Net effect based as at 31 Dec 2023</b>	5%	(32,284)	(22,598)
	-5%	32,284	22,598
	Increase/decrease in the value of Ushs vs. USD	Effect on profit before tax Ushs millions	Effect on Profit after tax and equity Ushs millions
<b>Net effect based as at 31 Dec 2022</b>	5%	(44,527)	(31,169)
	-5%	44,527	31,169

## Price Risk

The Company does not hold any financial instruments subject to price risk.

## ii) Cash Flow and Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's interest-bearing debt obligations with floating interest rates. Further, the Company engages in financing activities which are dependent on market rates and any changes in the interest rates environment may impact future rates of borrowing. The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies. The Company also maintains a portfolio mix of floating and fixed rate debt.

At 31 December 2023, if the Interest rate would decrease/increase by 1% of total borrowing with all other variables held constant, pre-tax profit for the year would have been increased/decreased by Ushs 6,932 million (2022: Ushs 6,288 million) mainly as a result of interest rate change.

## b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily from trade receivables but also from banks balances and other financial receivables.

### Trade Receivables

Trade receivables are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As independent credit ratings of customers is not available. The Company reviews the creditworthiness of its customers based on their financial position, past experience, ageing and other factors.

Credit risk related to trade receivables is managed/mitigated by the Company in accordance with the policies and procedures established by the Company, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Company to its customers is generally 30 days.

The Company uses an age-based provision policy to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Based on the industry practices and the business environment in which the Company operates, management considers trade receivables as credit impaired if the payments are more than 270 days past due in case of interconnect customers and 90 days past due in other cases.

The Company offers standard credit terms of 30 days for its customers. All receivables less than 30 days are therefore neither past due nor impaired whilst receivables between 31 to 90 days are deemed past due but not impaired.

The amount that best represents the Company's maximum exposure to credit risk at 31 December is made up as follows:

Particulars	2023 Ushs millions	2022 Ushs millions
Bank Balances	14,288	22,279
Trade Receivables	15,991	26,168
Interconnect Receivables	8,349	7,148
Roaming receivables	4,090	1,642
Amounts due from related parties	86,991	57,560
Other financial assets	24,636	9,103
	<b>154,345</b>	<b>123,900</b>

## b) Credit Risk (Continued)

The ageing of the trade and other receivables is shown below:

	Not Past Due Less than 30 days	30 to 60 days	Past Due 60 to 90 days	Above 90 days	Total	Impairment	Net
	Ushs millions	Ushs millions	Ushs millions	Ushs millions	Ushs millions	Ushs millions	Ushs millions
31 Dec 2023	29,776	4,879	14,708	90,695	140,057	16,940	123,117
31 Dec 2022	3,269	13,073	2,850	82,429	101,621	16,868	84,753

## Collateral

There are collateral/security deposits held whose fair value is the cash amount paid which is equivalent to Ushs 4,404 million (2022: Ushs 4,391 million) and whose credit quality of assets is not past due. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

## Other financial instruments and cash deposits

The treasury, in accordance with the Board approved policy, maintains its cash and cash equivalents and deposits and enters into derivative financial instruments – with banks, financial and other institutions, having good reputation and past track record, and high/sovereign credit rating. Similarly, counterparties of the Company's other receivables carry either negligible or very minimal credit risk. Further, the Company reviews the creditworthiness of the counterparties (on the basis of its ratings, credit spreads and financial strength) on an ongoing basis, and if required, takes necessary mitigation measures.

### c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future obligations as and when due, without incurring unacceptable losses. The Company's prudent liquidity risk management objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including term loans and overdraft from both domestic and international banks at an optimised cost. For details on borrowings refer to Note 22.

The table below analyses the Company's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the breakdown below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

At 31 December 2023	<1 year Ushs millions	1-2 years Ushs millions	>2 years Ushs millions	Total Ushs millions
<b>Financial assets</b>				
Trade receivables	98,481	-	-	98,481
Other receivables	24,636	-	-	24,636
Cash and Cash equivalents	34,345	-	-	34,345
	<b>157,462</b>	-	-	<b>157,462</b>
<b>Financial liabilities</b>				
Trade payables	194,379	-	-	194,379
Borrowings	401,747	31,429	260,000	693,176
Lease Liabilities	220,328	157,521	602,941	980,790
Other financial liabilities	45,336	4,463	147,255	197,054
Total financial liabilities	861,790	193,413	1,010,196	2,065,399
<b>Net liquidity gap</b>	<b>(704,328)</b>	<b>(193,413)</b>	<b>(1,010,196)</b>	<b>(1,907,937)</b>
	<b>&lt;1 year</b>	<b>1-2 years</b>	<b>&gt;2 years</b>	<b>Total</b>
	<b>Ushs millions</b>	<b>Ushs millions</b>	<b>Ushs millions</b>	<b>Ushs millions</b>
At 31 December 2022	119,957	-	-	119,957
Total financial assets				
Total financial liabilities	690,250	321,631	764,218	1,776,099
<b>Net liquidity gap</b>	<b>(570,293)</b>	<b>(321,631)</b>	<b>(764,218)</b>	<b>(1,656,142)</b>

During the year ended 31 December 2023, the Company earned a net profit of Ushs 296,950 million (2022: Ushs 325,703 million). As at that date, the Company was in a net current liability position of Ushs 679,590 Mn (2022: Ushs 568,416 Mn) as indicated above. The company's business runs on a majority cash model (pre-paid revenue) hence has the capability to generate sufficient operating cashflows to meet all its obligations as they fall due. The net operating cash inflow for the year ended 31 December 2023 was Ushs 733,505 million (2022: Ushs 705,311 million) i.e. much higher than the net current liability position indicated above. The operating cashflows combined with sufficient approved external sources of financing (overdraft facilities) as at 31 December 2023 provide sufficient liquidity to the Company to meet all obligations as they fall due.

### Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maximise returns for Shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new capital or sell assets or change who holds the risks and benefits of the assets say through leasing or consignment stock arrangements to reduce debt. The Company monitors capital, and its objective is improving on the leverage ratio over time. The Company monitors capital using a leverage ratio, which is net debt divided by Earnings before Interest Depreciation and Tax (EBITDA). Net debt is calculated as borrowings and leases less cash and cash equivalents.

The leverage ratios at 31 December were as follows:

Particulars	2023 Ushs millions	2022 Ushs millions
Total borrowings	693,176	628,835
Total Lease Obligation	785,219	690,844
Less: Cash and Cash equivalents	(34,345)	(35,204)
<b>Net Debt</b>	<b>1,444,050</b>	<b>1,284,475</b>
EBITDA	918,391	888,009
<b>Leverage ratio (x)</b>	<b>1.6</b>	<b>1.4</b>

## 6. REVENUE

Particulars	2023 Ushs millions	2022 Ushs millions
Service revenues	1,769,392	1,589,101
Sale of products	7,915	5,170
	<b>1,777,307</b>	<b>1,594,271</b>

### 6a) Service Revenue

Particulars	2023 Ushs millions	2022 Ushs millions
Airtime revenue	899,360	869,824
Value added services and data revenue	775,681	656,847
Interconnect revenue	80,646	53,580
Roaming revenue	13,705	8,850
	<b>1,769,392</b>	<b>1,589,101</b>

Primary commissions (Trade Discount) is discount provided to distributors on the sales price of Recharge Vouchers or E-top-ups. The discount is calculated as a percentage of the sales price and is contractually defined per contracts in place between the Company and the Distributors. The Company recognises revenue net of this commission expenses in line with IFRS 15.

Performance Obligations that are unsatisfied (or partially unsatisfied) amounting to Ushs 40,153 million as at 31 December 2023 (Ushs 47,738 million as at 31 December 2022), of which Ushs 29,085 million will be satisfied over a period of one year and the remaining Ushs 11,068 million over 8 years 3 months (revenue of Ushs 1,545 million to be recognised on annual basis). Revenue recognised that was included in the deferred revenue balance at the beginning of the year is Ushs 35,125 million (2022: Ushs 21,585 million). Total unbilled as at 31 December 2023 is Ushs 24,617 (2022:Ushs 9,055 million)

#### 6b) Other Income

Particulars	2023 Ushs millions	2022 Ushs millions
Miscellaneous income	6,653	5,627
	<b>6,653</b>	<b>5,627</b>

#### 7a) SALES AND MARKETING

Particulars	2023 Ushs millions	2022 Ushs millions
Sales and distribution expense	171,548	152,531
Marketing expenses	27,229	25,273
	<b>198,777</b>	<b>177,804</b>

#### b) Network Operating Costs

Particulars	2023 Ushs millions	2022 Ushs millions
Site running expenses	241,751	186,640
Network support and maintenance	62,865	56,755
Internet access and bandwidth	9,859	7,965
	<b>314,475</b>	<b>251,360</b>

#### c) Employee Benefit Expenses

Particulars	2023 Ushs millions	2022 Ushs millions
Salaries	69,039	70,096
Defined contribution plan	6,097	5,468
Defined benefit plan	163	685
Staff welfare expenses	8,013	7,654
Others	256	1,055
	<b>83,568</b>	<b>84,958</b>

#### d) Other Operating Expenses

Particulars	2023 Ushs millions	2022 Ushs millions
Cost of goods sold	9,421	8,128
Office repair and maintenance	4,290	4,063
Legal and professional fees	55,845	44,048
Rates and taxes	5,186	2,421
Content cost	47,936	30,876
IT expenses	9,127	6,881
Travel and conveyance	10,715	8,876
Customer care expenses	7,486	7,402
Charitable donation	-	215
Auditor's remuneration	767	544
Others	8,401	3,198
	<b>159,174</b>	<b>116,652</b>

#### 8. DEPRECIATION & AMORTISATION

Particulars	2023 Ushs millions	2022 Ushs millions
Depreciation on property, plant and equipment (Note 11)	154,469	137,558
Depreciation of right of use assets (Note 12)	140,143	104,080
Amortization of intangible assets (Note 14)	32,125	30,817
	<b>326,737</b>	<b>272,455</b>

#### 9. FINANCE INCOME / COSTS

##### a) Finance Income

Particulars	2023 Ushs millions	2022 Ushs millions
Interest income on deposits	1021	388
Interest income on others	-	8
Unrealised exchange fluctuation gain	9,255	-
	<b>10,276</b>	<b>396</b>

## b) Finance Costs

Particulars	2023 Ushs millions	2022 Ushs millions
Interest on borrowings	80,684	54,244
Interest on lease liabilities	54,215	40,840
Interest on deferred spectrum	9,458	7,923
Realised exchange loss	27,588	18,265
Unrealised exchange loss	-	19,861
Other finance charges	3,100	1,217
	<b>175,045</b>	<b>142,350</b>

## 10. TAXATION

### a) The Tax expense for the year is attributed to the following

Particulars	2023 Ushs millions	2022 Ushs millions
Income tax expense		
Current tax expense	121,890	140,718
Deferred tax expense	7,542	6,905
Current Tax – Rental Income	503	274
	<b>129,935</b>	<b>147,897</b>

### b) The reconciliation between the amounts computed by applying the statutory income tax rate to the profit before tax and income tax expense is summarized below.

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Profit before tax</b>	<b>426,885</b>	<b>473,600</b>
Enacted tax rates in Uganda	30%	30%
Tax expense	128,066	142,080
Effect of:		
Tax effect of prior year adjustments	1,188	5,905
Tax expense in respect to previous years	-	-
(Income) / expense not (taxable) / deductible (net)	681	(88)
	<b>129,935</b>	<b>147,897</b>

## c) Income Tax Asset/(Income tax payable) (net)

Income tax recoverable of Ushs 5,406 million (2022: payable Ushs 9,910 million).

Particulars	2023 Ushs millions	2022 Ushs millions
Opening balance	(9,910)	3,236
Tax Paid	137,708	144,007
Income Tax Expense	(122,393)	(140,992)
Tax Refund	-	(11,732)
Adjustment based on tax audits	-	(2,693)
Interest based on tax audits	-	(1,736)
	<b>5,406</b>	<b>(9,910)</b>

## d) Deferred Tax

Particulars	At 1-Jan-23 Ushs millions	Movement for the year Ushs millions	At 31-Dec-23 Ushs millions
Accelerated tax depreciation	112,651	6,987	119,638
Unrealised exchange gain/(loss)	2,336	(2,959)	(623)
Other temporary differences	(22,341)	3,514	(18,827)
<b>Net deferred tax Liability</b>	<b>92,646</b>	<b>7,542</b>	<b>100,188</b>

Particulars	At 1-Jan-22 Ushs millions	Movement for the year Ushs millions	At 31-Dec-22 Ushs millions
Accelerated tax depreciation	100,013	12,638	112,651
Unrealised exchange gain/(loss)	(5,872)	8,208	2,336
Other temporary differences	(8,400)	(13,941)	(22,341)
<b>Net deferred tax Liability</b>	<b>85,741</b>	<b>6,905</b>	<b>92,646</b>

## e) Income Tax Paid

Particulars	2023 Ushs millions	2022 Ushs millions
Income taxation paid		
Current Tax – Rental Income	(440)	(248)
Withholding Tax Paid	(94)	(622)
Advance Tax Paid	(121,188)	(128,768)
Final Tax for 2022/2021	(15,986)	(14,369)
<b>Income Tax Paid</b>	<b>(137,708)</b>	<b>(144,007)</b>

For 2022, Income tax paid within the Cashflow statement amounting to Ushs 127,845 millions includes, the payment of taxes amounting to Ushs 144,007 millions netted off by recoveries of taxes (on account of Refund audit closure of FY 2018) amounting to Ushs 11,733 millions. The adjustments based on tax audit closure was Ushs 2,693 millions and related interest of Ushs 1,736 millions was recorded under Other Finance Charges.

## 11. PROPERTY PLANT AND EQUIPMENT

<b>COST</b>	<b>Plant and Machinery</b> Ushs millions	<b>Buildings and leasehold improvements</b> Ushs millions	<b>Office equipment and furniture</b> Ushs millions	<b>Computer</b> Ushs millions	<b>Vehicle</b> Ushs millions	<b>Total</b> Ushs millions	<b>Capital work in progress</b> Ushs millions	<b>Grand total</b> Ushs millions
<b>At 1 January 2023</b>	<b>1,579,834</b>	<b>27,539</b>	<b>46,487</b>	<b>188,912</b>	<b>2,920</b>	<b>1,845,692</b>	<b>40,930</b>	<b>1,886,622</b>
Additions	-	-	-	-	-	-	245,663	<b>245,663</b>
Disposal	(1,061)	-	-	-	-	<b>(1,061)</b>	-	<b>(1,061)</b>
Transfer from CWIP	218,484	210	12,995	13,016	439	<b>245,145</b>	(245,145)	-
<b>At 31 December 2023</b>	<b>1,797,257</b>	<b>27,749</b>	<b>59,482</b>	<b>201,928</b>	<b>3,359</b>	<b>2,089,775</b>	<b>41,448</b>	<b>2,131,223</b>
<b>ACCUMULATED DEPRECIATION</b>								
<b>At 1 January 2023</b>	<b>941,280</b>	<b>20,066</b>	<b>35,461</b>	<b>172,012</b>	<b>1,883</b>	<b>1,170,702</b>	-	<b>1,170,702</b>
Disposal	(267)	-	-	-	-	<b>(267)</b>	-	<b>(267)</b>
Reclassifications	(3)	-	-	3	-	-	-	-
Charge for the year	132,520	1,076	9,033	11,436	404	<b>154,469</b>	-	<b>154,469</b>
<b>At 31 December 2023</b>	<b>1,073,530</b>	<b>21,142</b>	<b>44,494</b>	<b>183,451</b>	<b>2,287</b>	<b>1,324,904</b>	-	<b>1,324,904</b>
<b>NET CARRYING AMOUNT</b>								
<b>At 31 December 2023</b>	<b>723,727</b>	<b>6,607</b>	<b>14,988</b>	<b>18,477</b>	<b>1,072</b>	<b>764,871</b>	<b>41,448</b>	<b>806,319</b>
<b>COST At 1 January 2022</b>	<b>1,373,075</b>	<b>27,539</b>	<b>35,354</b>	<b>175,011</b>	<b>2,172</b>	<b>1,613,151</b>	<b>48,887</b>	<b>1,662,038</b>
Additions	-	-	-	-	-	-	225,845	<b>225,845</b>
Disposal	(1,261)	-	-	-	-	<b>(1,261)</b>	-	<b>(1,261)</b>
Transfer from CWIP	208,020	-	11,133	13,901	748	<b>233,802</b>	(233,802)	-
<b>At 31 December 2022</b>	<b>1,579,834</b>	<b>27,539</b>	<b>46,487</b>	<b>188,912</b>	<b>2,920</b>	<b>1,845,692</b>	<b>40,930</b>	<b>1,886,622</b>
<b>ACCUMULATED DEPRECIATION</b>								
<b>At 1 January 2022</b>	<b>822,739</b>	<b>18,989</b>	<b>29,051</b>	<b>161,178</b>	<b>1,513</b>	<b>1,033,470</b>	-	<b>1,033,470</b>
Disposal	(326)	-	-	-	-	<b>(326)</b>	-	<b>(326)</b>
Charge for the year	118,867	1,077	6,410	10,834	370	<b>137,558</b>	-	<b>137,558</b>
<b>At 31 December 2022</b>	<b>941,280</b>	<b>20,066</b>	<b>35,461</b>	<b>172,012</b>	<b>1,883</b>	<b>1,170,702</b>	-	<b>1,170,702</b>
<b>NET CARRYING AMOUNT</b>								
<b>At 31 December 2022</b>	<b>638,554</b>	<b>7,473</b>	<b>11,026</b>	<b>16,900</b>	<b>1,037</b>	<b>674,990</b>	<b>40,930</b>	<b>715,920</b>

## 12. RIGHT OF USE ASSETS

	Land and Building Ushs millions	Plant and machinery Ushs millions	Motor Vehicles Ushs millions	Grand Total Ushs millions
<b>COST</b>				
At 1 January 2023	15,531	1,006,514	3,684	1,025,729
Additions	40,964	170,772	-	211,736
At 31 December 2023	56,495	1,177,286	3,684	1,237,465
<b>ACCUMULATED DEPRECIATION</b>				
At 1 January 2023	12,181	408,588	3,684	424,453
Charge for the year	1,522	138,621	-	140,143
At 31 December 2023	13,703	547,209	3,684	564,596
<b>NET CARRYING AMOUNT</b>				
At 31 December 2023	42,792	630,077	-	672,869
<b>COST</b>				
At 1 January 2022	15,476	723,673	3,684	742,833
Additions	55	284,535	-	284,590
Retirement	-	(1,694)	-	(1,694)
At 31 December 2022	15,531	1,006,514	3,684	1,025,729
<b>ACCUMULATED DEPRECIATION</b>				
At 1 January 2022	10,653	306,577	3,684	320,914
Charge for the year	1,528	102,552	-	104,080
Retirement	-	(541)	-	(541)
At 31 December 2022	12,181	408,588	3,684	424,453
<b>NET CARRYING AMOUNT</b>				
At 31 December 2022	3,350	597,926	-	601,276

## 13. INVESTMENT PROPERTY

	2023 Ushs millions	2022 Ushs millions
<b>COST</b>		
At 1 January	1,116	1,116
At 31 December	1,116	1,116
<b>ACCUMULATED DEPRECIATION</b>		
At 1 January	1,116	1,116
At 31 December	1,116	1,116
<b>NET CARRYING AMOUNT</b>	-	-

The investment property located on Plot 40, Wampewo Avenue, Kampala has been rented out to multiple tenants since 2017. The Company applies the cost model for its investment property and therefore the investment property is not fair valued by an independent valuer.

**Included in the Profit and Loss are the following incomes in relation to investment property;**

Particulars	2023 Ushs millions	2022 Ushs millions
Rental Income	1,734	1,327

## 14. INTANGIBLE ASSETS

	Licence Ushs millions	Goodwill Ushs millions	Customer base Ushs millions	Dealer network Ushs millions	Grand Total Ushs millions
<b>COST</b>					
At 1 January 2023	373,563	112,908	3,633	1,592	491,696
Additions	44,223	-	-	-	44,223
At 31 December 2023	417,786	112,908	3,633	1,592	535,919
<b>ACCUMULATED DEPRECIATION</b>					
At 1 January 2023	77,277	-	3,633	1,592	82,502
Charge for the year	32,125	-	-	-	32,125
At 31 December 2023	109,402	-	3,633	1,592	114,627
<b>NET CARRYING AMOUNT</b>					
At 31 December 2023	308,384	112,908	-	-	421,292
<b>COST</b>					
At 1 January 2022	373,563	112,908	3,633	1,592	491,696
Additions	-	-	-	-	-
At 31 December 2022	373,563	112,908	3,633	1,592	491,696
<b>ACCUMULATED DEPRECIATION</b>					
At 1 January 2022	46,460	-	3,633	1,592	51,685
Charge for the year	30,817	-	-	-	30,817
At 31 December 2022	77,277	-	3,633	1,592	82,502
<b>NET CARRYING AMOUNT</b>					
At 31 December 2022	296,286	112,908	-	-	409,194

The intangible additions of Ushs 44,223 million related to purchase of additional deferred spectrum during the year

## 15. OTHER NON-FINANCIAL ASSETS

Particulars	2023 Ushs millions	Restated 2022 Ushs millions
<b>Non-current</b>		
Prepaid expenses	13,788	15,454
Cost to obtain customers	45,358	33,797
Restricted Assets	7,425	2,128
	<b>66,571</b>	<b>51,379</b>
<b>Current</b>		
Prepaid expenses	3,049	11,649
Vat recoverable	3,303	4,592
Advance to suppliers	8,482	11,775
Cost to obtain customers	48,239	32,780
Others	4,121	6,432
	<b>67,194</b>	<b>67,228</b>

## 16. INVENTORIES

Particulars	2023 Ushs millions	2022 Ushs millions
Telephones and accessories	2,744	8,580
Sim cards and scratch cards	1,737	3,914
Less: provision for inventories	(1,036)	(7,047)
	<b>3,445</b>	<b>5,447</b>
<b>The movement in the stock provision was as follows:</b>		
Opening balance	7,047	932
Additions	1,069	11,406
Utilisations	(7,080)	(5,291)
<b>Closing Balance</b>	<b>1,036</b>	<b>7,047</b>

## 17. TRADE RECEIVABLES

Particulars	2023 Ushs millions	Restated 2022 Ushs millions
Trade Receivables	15,991	26,168
Leaseline receivables	8,349	7,148
Roaming Receivables	4,090	1,642
Trade receivable from related parties (Note 20)	86,991	57,560
	<b>115,421</b>	<b>92,518</b>
Provision for impairment	(16,940)	(16,868)
	<b>98,481</b>	<b>75,650</b>

Trade receivables represent amounts due from channel partners, corporate customers, and post-paid customers.

Roaming receivable represents the amounts outstanding with operators whose customers use the network of the Company while travelling to Uganda and balances are being settled on monthly basis through clearing house.

**Movement in the provision for impairment of trade receivables and other receivables is as follows:**

Particulars	2023 Ushs millions	2022 Ushs millions
Opening balance	16,868	17,882
Movement in expected credit losses	1,242	(1,014)
Write offs	(1,170)	
<b>Closing balance</b>	<b>16,940</b>	<b>16,868</b>

## 18. CASH AND CASH EQUIVALENTS

Particulars	2023 Ushs millions	2022 Ushs millions
Bank balance	14,288	7,399
Balance held in wallets	20,057	12,924
Short-term deposits	-	14,880
	<b>34,345</b>	<b>35,204</b>

Particulars	2023 Ushs millions	2022 Ushs millions
Cash and bank balances	34,345	35,204
Less overdrafts (note 22)	(331,264)	(224,555)
<b>TOTAL</b>	<b>(296,919)</b>	<b>(189,351)</b>

## 19. FINANCIAL ASSETS - OTHERS

	2023 Ushs millions	2022 Ushs millions
Current Unbilled revenue	24,617	9,055
Others	19	48
	<b>24,636</b>	<b>9,103</b>

## 20. RELATED PARTY DISCLOSURES

Airtel Uganda Ltd is part of the Bharti Airtel Group of Companies. The Group's direct shareholders owning 89% are Bharti Airtel Uganda Holdings B.V., a Group incorporated and domiciled in the Netherlands. Ultimate controlling entity is Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Mittal's family trust effectively controlling the Group.

### a) Purchase of goods and services

Name of related party	Relationship to Company	2023 Ushs millions	2022 Ushs millions
Airtel (Seychelles) Limited	Fellow subsidiary	12	17
Airtel DRC Limited	Fellow subsidiary	125	322
Airtel Congo S. A.	Fellow subsidiary	1	8
Airtel Gabon S. A.	Fellow subsidiary	1	1
Airtel Madagascar S. A.	Fellow subsidiary	1	22
Airtel Malawi Public Limited	Fellow subsidiary	10	67
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	206,208	161,813
Airtel Networks Kenya Limited	Fellow subsidiary	1,768	10,221
Airtel Networks Limited (Nigeria)	Fellow subsidiary	-	219
Airtel Networks Zambia Plc	Fellow subsidiary	15	35
Celtel Niger S.A.	Fellow subsidiary	4	1
Airtel Rwanda Limited	Fellow subsidiary	410	1,166
Airtel Tanzania Limited	Fellow subsidiary	209	344
Airtel Tchad Limited	Fellow subsidiary	2	2
Bharti Airtel International (Netherlands) BV Branch	Intermediate Parent	7	4,640
Bharti Airtel Limited	Intermediate Parent	13,132	13,403
Bharti Airtel Services Limited	Fellow subsidiary	69	-
Bharti Airtel (UK) Limited	Fellow subsidiary	-	645
Bharti Hexacom Limited	Fellow subsidiary	4	1
Centum Learning Limited	Fellow subsidiary	832	906
Airtel Africa Services UK Limited	Fellow subsidiary	49,444	30,346
Network I2I Limited	Intermediate Parent	1,036	822
Nxtra Data Limited	Fellow subsidiary	102	545
Emtel Limited	Fellow subsidiary	1	-
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	2,025	-
		<b>275,418</b>	<b>225,546</b>

## b) Sales of goods and services

Name of related party	Relationship to Company	2023 Ushs millions	2022 Ushs millions
Airtel Networks Zambia Plc	Fellow subsidiary	11	27
Airtel Networks Kenya Limited	Fellow subsidiary	1,649	3,257
Airtel Malawi Public Limited	Fellow subsidiary	103	-
Airtel Tanzania Limited	Fellow subsidiary	210	1,330
Airtel Madagascar S. A.	Fellow subsidiary	21	-
Airtel Congo S. A.	Fellow subsidiary	6	-
Airtel (Seychelles) Limited	Fellow subsidiary	9	-
Airtel Networks Limited (Nigeria)	Fellow subsidiary	657	509
Airtel Gabon S. A.	Fellow subsidiary	1	1
Airtel Tchad Limited	Fellow subsidiary	6	5
CelTel Niger S.A.	Fellow subsidiary	-	4
Airtel DRC Limited	Fellow subsidiary	3,820	3,888
Airtel Rwanda Limited	Fellow subsidiary	431	17,783
Bharti Airtel Limited	Intermediate Parent	31,581	32,109
Bharti Airtel Uganda Holdings B.V.	Holding Company	6,520	-
Bharti Airtel (UK) Limited	Fellow subsidiary	11,939	9,159
Singapore Telecommunication Limited	Other related party	16	-
Bharti Hexacom Limited	Fellow subsidiary	1	-
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	29,230	22,138
Bharti Airtel International (Netherlands) BV Branch	Intermediate Parent	5	31
		<b>86,216</b>	<b>90,241</b>

## c) Amounts due from related parties

Name of related party	Relationship to Company	2023 Ushs millions	2022 Ushs millions
Airtel Networks Kenya Limited	Fellow subsidiary	1,287	1,872
Airtel Malawi Public Limited	Fellow subsidiary	657	640
Airtel Tanzania Limited	Fellow subsidiary	1,181	1,219
Airtel Networks Limited (Nigeria)	Fellow subsidiary	1,722	286
Airtel Gabon S. A.	Fellow subsidiary	1	-
Airtel Rwanda Limited	Fellow subsidiary	25,425	24,407
Bharti Airtel Limited	Intermediate Parent	3,618	4,258
Singapore Telecommunication Limited	Other related party	45	2
Bharti Airtel (UK) Limited	Fellow subsidiary	29,917	18,392
Airtel DRC Limited	Fellow subsidiary	14,978	2,626
Bharti Hexacom Limited	Fellow subsidiary	-	1
Bharti Airtel Uganda Holdings B.V.	Holding Company	6,520	-
Airtel Tchad Limited	Fellow subsidiary	7	9
Bharti Airtel International(Netherlands) BV Branch	Intermediate Parent	1,519	3,736
Airtel Congo S. A.	Fellow subsidiary	114	112
<b>Total due from related parties</b>		<b>86,991</b>	<b>57,560</b>

## d) Amounts due to related parties

Name of related party	Relationship to Company	2023 Ushs millions	2022 Ushs millions
Airtel Networks Zambia Plc	Fellow subsidiary	29	11
Network I2I Limited	Intermediate Parent	2,205	1,350
Airtel Madagascar S. A.	Fellow subsidiary	1	-
Bharti Airtel Services Limited	Fellow subsidiary	78	76
Nxtra Data Limited	Fellow subsidiary	84	116
Centum Learning Limited	Fellow subsidiary	103	83
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	-	20
Airtel (Seychelles) Limited	Fellow subsidiary	3	3
Airtel Africa Services UK Limited	Fellow subsidiary	12,475	6,459
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	8,676	24,902
Bharti Hexacom Limited	Fellow subsidiary	1	-
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	3,559	-
		<b>27,214</b>	<b>33,020</b>
<b>Borrowing from related party</b>			
Airtel Mobile Commerce Uganda Limited (Refer to note 22)	Fellow subsidiary	40,000	
		40,000	
<b>Total due to related parties</b>		<b>67,214</b>	<b>33,020</b>

## e) Key management compensation

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows.

Particulars	2023 Ushs millions	2022 Ushs millions
Short term employee benefits	13,078	13,050
Long term employee benefits	692	1,138
<b>Total</b>	<b>13,770</b>	<b>14,188</b>

## f) Directors' compensation

Particulars	2023 Ushs millions	2022 Ushs millions
Directors' compensation	224	251
	<b>224</b>	<b>251</b>

## 21. SHARE CAPITAL AND SHARE PREMIUM

Total number of authorised shares is 40,000,000,000. Details are shown below:

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Authorised share capital:</b>		
40,000,000,000 ordinary shares of Ushs	40,000	-
14,400,000 ordinary shares of Ushs 100	-	1,440
3,232,087 ordinary shares of Ushs 1,000	-	3,232
11,167,913 preference shares of Ushs1,000	-	11,168
	<b>40,000</b>	<b>15,840</b>
<b>(a) Ordinary share capital issued and fully paid:</b>		
40,000,000,000 ordinary shares of Ushs	40,000	-
14,080,010 ordinary shares of Ushs 100 each	-	1,408
<b>(b) Share premium:</b>		
6,080,000 ordinary shares of Ushs 100 each issued at a premium of Ushs 900 in October 1994	-	5,472
8,000,000 ordinary shares of Ushs 100 each issued at a premium of Ushs 1,332 in September 2000	-	10,656
	-	<b>16,128</b>

In contemplation of the IPO and Listing, the Company conducted a reorganisation of its share capital in order to create a sufficient number of shares to support its IPO and Listing objectives. The reorganisation was recommended by the Board of the Company and approved by the Shareholders of the Company on 22 May 2023. Both the Board and Shareholders resolutions were duly stamped and filed with the Uganda Registration Services Bureau in accordance with the Companies Act.

The steps involved in the 22 May 2023 reorganisation of the Company are summarised below:

### Conversion and Subdivision of the Preference Shares into Ordinary Shares.

The Shareholders of the Company resolved that all its 11,167,913 preference shares with a par value of Ushs 1,000 each are converted and reclassified into ordinary shares with a par value of Ushs 1,000 each, and subsequently, the reclassified shares to be subdivided into 11,167,913,000 ordinary shares with a par value of Ushs1 each by applying a ratio of 1000:1.

### Subdivision of the Ordinary Shares

The Shareholders resolved that the:

- 14,400,000 ordinary shares with a par value of Ushs 100 are subdivided into 1,440,000,000 shares of Ushs 1 each by applying a ratio of 100:1; and
- the 3,232,087 ordinary shares with a par value of Ushs 1,000 per share are converted into 3,232,087,000 shares of Ushs 1 each by applying a ratio of 1000:1

Shareholder	No. of shares before the subdivision	No. of shares after the subdivision	Par value of each share after the subdivision
Bharti Airtel Uganda Holdings BV	14,080,000	1,408,000,000	1
Bharti Airtel Africa	10	1,000	1
Unallotted Ordinary Shares (including previous preference shares)	14,719,990	14,431,999,000	1
<b>Total</b>	<b>28,800,000</b>	<b>15,840,000,000</b>	

### 2023 Increase of Share Capital

The Shareholders of the Company increased the share capital of the Company from Ushs 15,840,000,000 divided into 15,840,000,000 ordinary shares with a par value of Ushs 1 each to Ushs 40,000,000,000 divided into 40,000,000,000 shares with a par value of Ushs 1 by the creation of 24,160,000,000 ordinary shares of with a par value Ushs 1 each. The share capital structure of the Company following this increment was as follows:

Shareholder	No. of ordinary shares
Bharti Airtel Africa B.V.	1,408,000,000
Bharti Airtel Africa B.V.	1,000
Unallotted Ordinary Shares (including previous preference shares)	38,591,999,000
<b>Total</b>	<b>40,000,000,000</b>

### Issuance of bonus shares

Following the share capital increase, the Company had a total of 38,591,999,000 unallotted ordinary shares comprising 24,160,000,000 newly created shares and 14,431,999,000 existing unissued shares.

On 22 May 2023, the Shareholders of the Company further resolved that the 38,591,999,000 unallotted shares of the Company be allotted to the existing members of the Company in proportion to their shareholding in the Company as fully paid-up bonus shares. The Shareholders approved the funding of the bonus shares to be procured by the capitalisation of the share premium account valued at Ushs 16,128,000,000 and part of the Company's retained earnings comprising Ushs 22,463,999,000 as at 31 March 2023.

Following the issuance and allotment of the bonus shares, the shareholding of the Company is as follows:

Shareholder	No. of ordinary shares
Bharti Airtel Uganda Holdings B.V.	39,999,972,000
Bharti Airtel Africa B.V.	28,000
<b>Total</b>	<b>40,000,000,000</b>

No share capital of the Company is under option or agreed conditionally to be put under option. It is the opinion of the Directors that for the next twelve (12) months, the issued share capital of the Company is adequate for the purposes of the business of the Company.

All corporate authorizations and relevant company filings to support the various changes in the Company's share structure, including the shareholders resolution dated 22 May 2023 and the return of allotment also dated 22 May 2023 may be viewed electronically through the Online Business Registration System (<https://obrs.ursb.go.ug/search>) operated by the Uganda Registration Services Bureau upon payment of the requisite search fee. The registration of the resolution with the Uganda Registration Services Bureau was completed on 23 June 2023.

Following the listing, the shareholding as at 31 December 2023 was as follows:

Name of shareholder	No. of shares	% of shareholding
Bharti Airtel Uganda Holdings B.V.	35,644,069,165	89.1102%
Bharti Airtel Africa B.V.	28,000	0.0001%
National Social Security Fund	4,218,800,000	10.5470%
Other Shareholders	137,102,835	0.3428%
<b>Total</b>	<b>40,000,000,000</b>	

## 22. BORROWINGS

Particulars	Note	Maturity	2023 Ushs millions	2022 Ushs millions
<b>Non-current Term Loans</b>				
Stanbic Bank	22(c)	2027	260,000	150,000
dfcu Bank	22(d)	2025	42,712	59,946
Absa Bank Group	22(b)	2025	21,324	180,786
Debt origination fees			(2,124)	(1,336)
Less: current maturity of long-term debt			(30,483)	(77,579)
			<b>291,429</b>	<b>311,817</b>

Particulars	Note	Maturity	2023 Ushs millions	2022 Ushs millions
<b>Current Bank overdraft</b>	<b>22(a)</b>		<b>331,264</b>	<b>224,555</b>
<b>Term Loans</b>				
Airtel Mobile Commerce Uganda Limited	22(f)	2024	40,000	-
Standard Chartered Bank	22(e)	2023	-	14,884
Current maturity of long-term debt			30,483	77,579
			<b>401,747</b>	<b>317,018</b>
<b>Total borrowings:</b>			<b>693,176</b>	<b>628,835</b>

The movement in borrowings was as follows:

			2023 Ushs millions	2022 Ushs millions
<b>At 1 January</b>			<b>628,835</b>	<b>490,862</b>
Proceeds from term loan			300,000	150,000
Movement in Bank overdraft			106,709	123,176
Repayment of term loan			(334,483)	(142,270)
Debt origination cost			(788)	(472)
Unrealised foreign exchange (gain)/loss			(7,097)	7,539
			<b>693,176</b>	<b>628,835</b>

Bank Name	Currency	Amount in Ushs millions	Interest Rates	Drawdown date
dfcu Bank	Ushs	42,712	14.85%	11-Dec-20
Absa Bank	Ushs	21,324	15.08%	24-Dec-21
Stanbic Bank	Ushs	260,000	14.76%	14-Dec-23
Airtel Mobile Commerce Uganda Limited	Ushs	40,000	12.88%	01-Sep-23 & 06 Oct-23

### Bank Overdraft

a) The Company utilized the bank overdraft facility from Citi Bank, Standard chartered bank, Absa bank, UBA bank and Ecobank respectively to meet working capital requirements. The overdraft sanction limit is USD 35 million from Citi Bank, USD 8 million from Standard Chartered Bank, USD 29 million from Absa bank Ushs 31.4 billion from UBA bank and Ushs 12.9 billion from Ecobank. The Overdraft facilities in Citi bank and Standard chartered bank are fungible based on the payment requirements

### b) Absa Bank Group Term Loan Facility

The Company obtained loan facilities of Ushs 31,986 million and USD 40 million during the months of December 2021 for the purpose of operational working capital and tax payments. The Interest rate on the loan is margin rate of 3.30% plus 180 day Treasury bill rate for Ushs loan & 3.62% margin rate plus 3 months SOFR for USD loan . The USD 40 million facility has been prepaid as at 22 December, 2023. This loan facility will run for 4 years and mature on 25 December 2025 with quarterly repayments

### c) Stanbic Bank Uganda Limited Loan Facility

The Company obtained a loan facility of Ushs 260,000 million on 14 December 2023 for working capital purposes. The Interest rate on the loan facility is margin rate of 2.4% plus 180-days Treasury bill rate. This loan facility will run for 4 years and mature on 14 June 2027 with quarterly repayments of interest. The earlier loan of Ushs 150,000 million has been fully paid off.

### d) dfcu Bank Uganda Loan Facility

The Company obtained a loan facility of Ushs 75,000 million on 11 December 2020 for the purpose of working capital and payment of License renewal fees. The Interest rate on the loan facility is margin rate of 4.70% plus 182-day treasury bill rate on the day of drawdown of 9.8%. This loan facility will run for 5 years inclusive of 12 months' grace period with a maturity date of 11 November 2025.

### e) Standard Chartered Bank Uganda loan facility

The Company rolled-over a loan facility of Ushs 14,886 million on 5 May 2022 for the purpose of License renewal fees payment. The Interest rate on the loan facility is 364-Day Treasury bill rate Plus 1.85% per annum. This loan facility matured on the 29 September 2023.

### f) Airtel Mobile Commerce Uganda Limited

The Company signed an agreement with its related party on 30 Jun 2023 for a facility of Ushs 75,000 million to be drawn in installments. The Company withdrew Ushs 20,000 million on 1st September 2023 and Ushs 20,000 million on 6th October 2023, respectively totalling to Ushs 40,000 million with a tenor of One year. The Interest rate on the loan facility is 90-Day Treasury bill rate Plus 2.5% per annum.

## 23. LEASE LIABILITIES

Particulars	2023 Ushs millions	2022 Ushs millions
Current	175,317	135,526
Non-current	609,902	555,318
	<b>785,219</b>	<b>690,844</b>

During the year, the financing cost relating to lease liabilities was Ushs 54,215 million (2022: 40,840 million) The movement of lease liabilities was as follows:

Particulars	2023 Ushs millions	2022 Ushs millions
<b>At 1 January</b>	<b>690,844</b>	<b>506,245</b>
Additions	211,736	284,590
Interest	54,215	40,840
Repayment	(173,663)	(143,337)
Retirement	-	(1,153)
Unrealised foreign exchange loss	2,087	3,659
<b>At 31 December</b>	<b>785,219</b>	<b>690,844</b>

The future minimum lease payments of the above lease liabilities are as follows:

Lease liabilities	2023 Ushs millions	2022 Ushs millions
Less than one year	220,328	174,341
One year or later	157,521	161,943
Later than two years a but not later than five years	347,397	317,810
Later than five years but not later than nine years	246,899	175,383
Later than nine years	8,645	8,403
<b>Total undiscounted lease liabilities</b>	<b>980,790</b>	<b>837,880</b>

## 24. FINANCIAL LIABILITIES - OTHERS

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Non-current</b>		
Deferred spectrum liability	142,921	108,170
Dues to employees	207	236
Security deposits	2,075	2,087
	<b>145,203</b>	<b>110,493</b>
<b>Current</b>		
Deferred spectrum liability	10,493	4,628
Dues to employees	7,587	10,444
Equipment supply payables	28,356	24,991
Security deposits	2,330	2,304
others	3,085	3,594
	<b>51,851</b>	<b>45,961</b>

The movement in deferred spectrum liability was as follows:

Lease liabilities	2023 Ushs millions	2022 Ushs millions
<b>Opening</b>	<b>112,798</b>	<b>110,660</b>
Additions	44,223	-
Interest	9,458	7,923
Repayment	(16,053)	(11,353)
Foreign exchange loss	2,988	5,568
<b>Closing</b>	<b>153,414</b>	<b>112,798</b>

## 25. DEFERRED REVENUE

Particulars	2023 Ushs millions	2022 Ushs millions
Non-current Deferred revenue	<b>11,068</b>	12,613
Current Deferred revenue	<b>29,085</b>	<b>35,125</b>

Deferred income relates to payments received in advance for airtime services offered to prepaid customers which have not yet been consumed. Performance Obligations that are unsatisfied (or partially unsatisfied) amounting to Ushs 40,153 million as at 31 December 2023 (Ushs 47,738 million as at 31 December 2022), of which Ushs 29,085 million will be satisfied over a period of one year and the remaining Ushs 11,068 million over 8 years 3 months (revenue of Ushs 1,545 million to be recognised on annual basis). Revenue recognised that was included in the deferred revenue balance at the beginning of the year is Ushs 35,125 million (2022 Ushs 21,585 million).

## 26. PROVISIONS

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Non-current</b>		
Leave encashment	2,649	2,372
Severance pay	268	215
Asset retirement obligation	14	19
	<b>2,931</b>	<b>2,606</b>
<b>Current</b>		
Leave encashment	965	917
Severance pay	49	40
Provision for sub-judice matters	6,199	5,274
	<b>7,213</b>	<b>6,231</b>

### a) Leave encashment

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Opening balance</b>	<b>3,290</b>	<b>2,667</b>
Charge for the year	563	1,052
Payments for the year	(240)	(429)
<b>Closing balance</b>	<b>3,614</b>	<b>3,290</b>

The Company has a policy for employee benefits, specifically applicable to leave encashment and severance pay in line with IAS 19. The valuation is performed on a quarterly basis by a third party, and all assumptions considered for evaluation are revised on an annual basis.

#### b) Severance pay

Particulars	2023 Ushs millions	2022 Ushs millions
Opening balance	255	240
Charge for the year	136	64
Other adjustments	(83)	
Remeasurements due to changes in assumptions (other comprehensive income)	9	(49)
<b>Closing balance</b>	<b>317</b>	<b>255</b>

There's change in assumptions of discount rate to 15.25% as against 17.0% which resulted in a gain of Ushs 73 million recorded as other comprehensive income during the year. (2022: Ushs 49 million).

#### Due to its defined benefit plans, the Company is exposed to the following risks:

**Salary risk** - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (a year rates) and demographic assumptions used to determine defined benefit obligations are as follows:

Particulars	31-Dec-23	31-Dec-22
Discount rate	15.25% per annum	17.0% per annum
Rate of return on plan assets	Not applicable	Not applicable
Rate of salary increase	7.5% per annum	7.5% per annum
Rate of attrition	10.00%	10.00%
Retirement age	60 years	60 years

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

#### The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations at 100 basis points is given in the table below:

Particulars		31-Dec-23		31-Dec-22	
		Leave encashment Ushs millions	Severance benefits Ushs millions	Leave encashment Ushs millions	Severance benefits Ushs millions
Discount Rate	1.00%	3,515	303	3,393	267
	-1.00%	3,729	332	3,207	244
Salary Increase Rate	1.00%	3,719	332	3,213	244
	-1.00%	3,523	303	3,385	266
Withdrawal Rate	1.00%	3,647	301	3,268	269
	-1.00%	3,589	335	3,325	242

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, because of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant.

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

#### The table below summarises the maturity profile and duration of the defined benefits plan liability:

Particulars	31-Dec-23		31-Dec-22	
	Leave encashment Ushs millions	Severance benefits Ushs millions	Leave encashment Ushs millions	Severance benefits Ushs millions
Within one year	965	49	917	40
Within one-three years	1,596	120	1,538	102
Within three-five years	1,154	154	1,090	132
Above five years	1,831	498	1,758	458
<b>Total</b>	<b>5,546</b>	<b>821</b>	<b>5,303</b>	<b>732</b>
Weighted average duration in years	6	6	6	6

#### b) Provision for subjudice matters

#### The movement for provision for subjudice matters is as given below:

Particulars	31-Dec-23 Ushs millions	31-Dec-22 Ushs millions
Opening balance	5,274	2,982
Additions during the year	(2,359)	5,245
Reversals during the year	287	(2,176)
Utilisations during the year	2,997	(777)
<b>Closing balance</b>	<b>6,199</b>	<b>5,274</b>

### 27. TRADE PAYABLES

Particulars	2023 Ushs millions	2022 Ushs millions
Trade payables	167,165	119,910
Amounts due to related parties (refer to note 20)	27,214	33,020
	<b>194,379</b>	<b>152,930</b>

### 28. DERIVATIVE FINANCIAL INSTRUMENTS

#### The details of derivative financial instruments are as follows:

Particulars	2023 Ushs millions	2022 Ushs millions
Foreign currency forward contracts (liabilities)	508	5,641

Derivative financial instruments include currency forward contracts denominated in US dollars with expiry periods ranging between 1 months to 6 months.

## 29. OTHER NON-FINANCIAL LIABILITIES

Particulars	2023 Ushs millions	2022 Ushs millions
<b>Current</b>		
Taxes Payable	51,819	51,541
Others	1,178	1,165
	<b>52,997</b>	<b>52,706</b>

## 30. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Set out below is a comparison by class of the carrying amount and fair value of the financial instruments that are recognised in the Financial Statements. The carrying amount of the financial assets and financial liabilities approximate their fair values because of their short-term nature as shown below.

Particulars		Carrying Amount		Fair Value	
		2023 Ushs millions	2022 Ushs millions	2023 Ushs millions	2022 Ushs millions
<b>Financial assets</b>					
<b>Amortised Cost</b>					
Cash and cash equivalents	Level 1	34,345	35,204	34,345	35,204
Trade receivables	Level 1	98,481	75,650	98,481	75,650
Other financial assets	Level 1	24,636	9,103	24,636	9,103
		<b>157,462</b>	<b>119,957</b>	<b>157,462</b>	<b>119,957</b>
<b>Financial Liabilities</b>					
<b>FVTPL</b>					
Derivatives	Level 1	508	5,641	508	5,641
<b>Amortised Cost</b>					
Borrowings	Level 1	693,176	628,835	693,176	628,835
Trade payables	Level 1	194,379	152,930	194,379	152,930
Lease Liabilities	Level 1	785,219	690,844	785,219	690,844
Other financial liabilities	Level 1	197,054	156,454	197,054	156,454
		<b>1,870,336</b>	<b>1,634,704</b>	<b>1,870,336</b>	<b>1,634,704</b>

## 31. COMMITMENTS AND CONTINGENCIES

### a) Legal proceedings

As at 31 December 2023, there were legal proceedings valued at Ushs 1,087 million (2022: Ushs 5,328 million) outstanding against the Company.

### b) Tax proceedings

As at 31 December 2023, there were tax proceedings valued at Ushs 1,489 million (2022: Ushs 1,489) outstanding against the Company

### c) Capital commitments

Capital commitments of Ushs 76,862 million (2022: Ushs 108,637 million) represent the unexecuted capital contracts as at 31 December 2023. These are contracts between Airtel Uganda Limited and its vendors for the provision of Capex material.

Particulars	2023 Ushs millions	2022 Ushs millions
Within one year	76,862	108,637

## 32. DIVIDENDS

The profit for the year amounted to Ushs 296,950 million (2021: Ushs 325,703 million). During the year ended 31 December 2023 the directors recommended interim dividends on 25 May 2023 amounting to Ushs 38,080 million, on 1st September 2023 amounting to Ushs 80,720 million and on 24 November 2022 amounting to Ushs 76,000 million totalling to Ushs 194,800 million (2022: Ushs 226,688 million).

Particulars	2023 Ushs millions	2022 Ushs millions
<b>At 1 January</b>	-	-
Final dividend for previous year	99,264	132,000
Interim dividend	194,800	226,688
Dividend Paid	(294,049)	(358,688)
<b>At 31 December</b>	<b>15</b>	<b>-</b>

Interim dividends for 2023 amounting to Ushs 15 mn remain unpaid

## 33. EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share is calculated on the profit after tax attributable to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated on the profit after tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding after adjustment of dilutive potential ordinary shares.

The basic and diluted earnings per share are the same as there are no dilutive factors.

As required by IAS 33 'Earning per share', the impact of share split and bonus issue during the year (see note 21) has been included in the calculations of basic and diluted earnings per share for the current year and comparative figures have been recalculated accordingly.

Particulars	2023	2022
Net profit attributable to ordinary equity holders of the Company (Ushs 'Mn) (a)	296,950	325,703
Number of ordinary shares outstanding at the beginning of the year ('000) (b)	14,080	14,080
Impact of share split ('000) (Refer note 21) (c)	1,393,921	1,393,921
Issuance of unallotted shares ('000) (Refer note 21) (d)	38,591,999	38,591,999
Total issued shares – post split ('000)(e=b+c+d)	40,000,000	40,000,000
<b>Basic and diluted earnings per share (a)/(e)</b>	<b>7.4</b>	<b>8.1</b>

## 34. OTHER RESERVES

Particulars	2023 Ushs millions	2022 Ushs millions
At 1 January	85	34
Charge for the year	(6)	51
<b>At 31 December</b>	<b>79</b>	<b>85</b>

## 35. COMPARATIVE FIGURES

The statement of financial position for the comparative period of 2022 has been represented as shown below; in order to provide better clarity of the company's financial position and to conform with current year classification.

From	To	Amount (Ushs 'millions')
Trade and other receivables	Other financial assets	9,103
Trade and other receivables	Other non current assets	2,128
Trade and other payables	Other financial liabilities	45,961
Trade and other payables	Other non-financial liabilities	48,078
Trade and other payables	Other non-current liabilities	2,323

## 36. SUBSEQUENT EVENTS

There were no material subsequent events for the year ended 31 December 2023. The Directors are not aware of any other matter or circumstances since the financial year end and the date of this report, not dealt with in the Financial Statements, which significantly affects the financial position of the Company and the results of its operations.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the **ANNUAL GENERAL MEETING (AGM)** of Airtel Uganda Limited ("the Company") for the year ended 31 December 2023, will be held via electronic means on Tuesday, 26 March 2024 at 9:00 am to conduct the following business:

### ORDINARY BUSINESS

- To receive, consider and if deemed appropriate to pass an ordinary resolution to adopt the Company's annual financial statements for the year ended 31 December 2023 including the reports of the Directors and External Auditor.
- To receive, consider and if deemed appropriate pass an ordinary resolution to adopt the recommendation of the Directors on the declaration on of a final dividend of Ushs 2.15 per share less withholding tax, for the year ended 31 December 2023.
- To consider and if deemed appropriate pass an ordinary resolution to confirm the appointment of additional directors in accordance with the provisions of the Company's Articles of Association and the Capital Markets Regulations.
- To consider and if deemed appropriate pass an ordinary resolution to confirm the re-appointment of the existing directors in accordance with the provisions of the Company's Articles of Association and the Capital Markets Regulations.
- To consider and if deemed appropriate, pass an ordinary resolution to approve the re-appointment of Deloitte & Touche as External Auditor of the Company for Financial Year ending 31 December 2024 and authorise the Board of Directors to set their remuneration.
- To conduct any other business for which due notice will have been duly received.

### By Order of the Board



Dennis A. Kakonge

Date: 26 February 2024

Company Secretary

### DISTRIBUTION

**Bharti Airtel Uganda Holdings B.V - Shareholder**  
**Bharti Airtel Africa B.V - Shareholder**  
**National Social Security Fund - Shareholder**  
**Other Retail Shareholders**  
**Uganda Securities Exchange**

cc: Mr. Hannington Karuhanga - Board Chairman  
cc: Mr. Alok Bafna - Board Member  
cc: Mr. Manoj Murali - Board Member/Managing Director  
cc: Mr. Rama Krishna Lella - Board Member  
cc: Mr. Apoorva Mehrotra - Board Member  
cc: Mr. Nishant Mohan - Finance Director, Airtel Uganda

### Notes:

#### AGM Registration

- The AGM shall be held electronically.
- Registration shall be done electronically and shall commence on 11 March 2024, at 8:00 am and will close on 25 March 2024, at 4:00 pm.
- Shareholders are advised to use any of the options below to register for the AGM:
  - Online at <https://digital.candrgroup.co.ke> or via a link to the AGM Platform that will be sent to them via SMS and/or email or by dialling USSD Code \*284\*140#.
  - The registration link will be circulated to shareholders who have provided valid email addresses we possess.
- A shareholder wishing to register for the AGM must have a valid national identification number or, in the case of a non-Ugandan, a passport or SCD account number to facilitate verification.
- Duly registered shareholders and proxies will be able to follow the AGM proceedings, participate and ask questions using the live stream platform.
- Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers 24 hours before the AGM with a reminder of the AGM and a link to the live stream. A second SMS/USSD prompt shall be sent one hour before the AGM.
- Shareholders may obtain registration on support by dialling the helpline number: 0800334334 between 8.00 am and 4.00 pm from Monday to Friday or sending an email to [airtel@candrgroup.co.ug](mailto:airtel@candrgroup.co.ug)

### Proxies

- Shareholders unable to attend the AGM are encouraged to fill in and return a proxy form which can be found in the Annual Report or downloaded from the Company website <https://www.airtel.co.ug>
- Duly completed proxy forms should be delivered to the Company Secretary at the Company's physical address or emailed to [airtel@candrgroup.co.ug](mailto:airtel@candrgroup.co.ug) at least 48 hours before the scheduled time for the meeting. In default of this, it shall be treated as invalid.

### Voting

- Accessing the virtual AGM via a link to the AGM Platform or via <https://digital.candrgroup.co.ke> Platform; Select Attend Event; Select "Airtel Uganda AGM" in the profile account; select Voting Matters option tab on the live stream display section and vote on each resolutions using the drop down menu
- Accessing Virtual AGM via USSD platform \*284\*140#; Use the menu prompts menu option for "Voting" and follow the various prompts regarding the voting process

- Voting shall be done electronically using the 'Vote' tab on the live stream link and via USSD. All registered shareholders and proxies may vote (when prompted to) using the live stream link or the USSD prompts.
- A poll shall be conducted for all the resolutions indicated in the AGM notice. Results of the resolutions voted on will be announced at the end of the meeting and published on the Company's website at <https://www.airtel.co.ug/> and on the Uganda Securities Exchange website at [www.use.or.ug](http://www.use.or.ug).

### Shareholder Questions

- Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by
  - Online at <https://digital.candrgroup.co.ke> or via a link to the AGM platform; Select Attend Event; Select "Airtel Uganda AGM" Select "Q&A" option tab and submit questions in text box provided online or
  - By dialling the USSD code \*284\*140# and selecting the option (ask Question) on the prompts or
  - sending their written questions by 21 March 2024 at 11:00 am through the following means:
    - by email to [airtel@candrgroup.co.ug](mailto:airtel@candrgroup.co.ug)
    - to the extent possible, by physical delivery or registered post, with a return physical address or email address.
- Shareholders must provide their full details (full names, ID/Passport Number/SCD Account Number) when submitting their questions.
- Although some questions shall be addressed during the AGM, all responses to the questions raised shall be responded to and published on the Company's website following the conclusion of the AGM.

### AGM Information

- The Notice of the AGM, annual report, audited financial statements, proxy form and notes to Agenda will be uploaded onto the Company website at <https://www.airtel.co.ug/>. The reports may also be accessed via the live stream link or the USSD codes \*284\*140#.

### Dividends

- Dividend, if approved at the AGM, will be paid on or about 15 April 2024 to shareholders whose names appear on the share register at the close of business on 26 March 2024.
- Shareholders are urged to contact the Share Registrar or their preferred stockbroker to update their contact details for ease of communication and receipt of dividends.
- Shareholders who have not received their interim dividends paid in December 2023 are requested to contact the Share Registrar or email [airtel@candrgroup.co.ug](mailto:airtel@candrgroup.co.ug).

### 21. Annual General Meeting

The Annual General Meeting is scheduled for 26 March 2024 9:00 am. Please visit the airtel website on [www.airtel.co.ug/investor](http://www.airtel.co.ug/investor) for the proposed agenda.

### Contact Details

Company's Registered Office  
Airtel Uganda Limited  
Plot 16-A, Clement Hill Road, Nakasero,  
P.O Box 6771, Kampala – Uganda.

### Share Registrar

C&R Group  
DTB Centre, 4th Floor Suite 403,  
Kampala Road  
P.O Box 74895 Kampala, Uganda  
Toll-free number 0800334334 or  
[shareholder@candrgroup.co.ug](mailto:shareholder@candrgroup.co.ug)  
Tel: (+256) 757 072 773 / 760 451 945 / 414 237 504

### PROPOSED AGENDA FOR THE ANNUAL GENERAL MEETING

Sl. No.	Description
<b>Standard and Information Related Items:</b>	
1.	Adoption of Agenda
2.	Leave of Absence.
3.	Conflict of Interest Disclosure.
4.	Chairman's Opening Remarks.
5.	Review and confirmation of the Minutes of the previous meeting held on 24 February, 2023.
<b>Financial Performance and Review:</b>	
6.	Presentation of the Financial Performance Report of the Company for the Financial Year ended 31 December, 2023.
7.	Presentation of the audited Financial Statements of the Company for the Financial Year ended 31 December, 2023.
<b>Items for Board Approval:</b>	
8.	Confirmation of Written Resolution(s) of the Shareholders passed by circulation.
9.	Presentation of items for consideration of the Shareholders: - <ol style="list-style-type: none"> <li>Audited Financial Statements for the Financial Year ended 31 December 2023;</li> <li>Payment of a final Dividend for the Financial Year ended 31 December 2023;</li> <li>Appointment of new additional Directors and authorize the Board to set their remuneration;</li> <li>Re-appointment of the existing Directors and authorize the Board to set their remuneration; and</li> <li>Appointment of External Auditors for the Financial Year ending 31 December 2024.</li> </ol>
<b>Any other Item:</b>	
10.	Any other item with the permission of the Chairman.

A Public Limited Company incorporated in Uganda under the Companies Act, 2012). (Registration Number 80010000251875) Published pursuant to Rule 41, Uganda Securities Exchange Listing Rules, 2021.

## AIRTEL UGANDA PROXY FORM

A shareholder who is entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend, speak and vote on his/her stead. A proxy need not be a member of the Company.

I/We

(Name in block letters)

of

(address in block letters),

being a shareholder(s) and holder(s) of \_\_\_\_\_ ordinary shares and entitled to vote hereby appoint,

1.		Email	
	Mobile No.	or failing him/her	
2.		Email	
	Mobile No.	or failing him/her	

### 3. The Chairman of the Annual General Meeting

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held via electronic communication on 26 March 2024 starting at 9:00 am and at any adjournment thereof as follows:

		VOTES		
		For*	Against*	Withheld*
AGENDA				
1.	To adopt the Company annual audited financial statements for the financial year ended 31 December 2023 together with the reports of the Directors and External Auditor.			
2.	To consider, and if deemed fit, pass an ordinary resolution to declare a final dividend of Ushs 2.15 per ordinary share for the year ended 31 December 2023.			
3.	To consider and if deemed fit, pass an ordinary resolution to confirm the appointment of additional non-executive directors in accordance with the provisions of the Company's Articles of Association.			
a.	To confirm the appointment of new Non-Executive Directors and set their remuneration			
b.	To confirm the re-appointment of the existing Directors			
c.	To confirm the re-appointment of the existing Non- Executive Director and set their remuneration			
4.	To consider, and if deemed fit, pass an ordinary resolution to approve the re-appointment of Deloitte and Touche as External Auditor of the Company for Financial Year 2024/25 and authorize the Board of Directors to set their remuneration.			

- Please indicate a cross or tick for each resolution above how you wish your votes to be cast. The 'abstain' option above is provided to enable you to withhold your vote on any resolution. However, it should be noted that a vote abstained is not a vote and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
- If no options are marked, the proxy can vote as deemed fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

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

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Address: \_\_\_\_\_

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#### Notes.

- A proxy need not be a shareholder of the Company. If the proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone or an internet enabled device.
- If the appointer is a corporation or other organization, this proxy form must be signed under its common seal or under the hand of an officer(s) or duly authorized attorney of such corporation.
- By executing this proxy form, the appointed proxy gives his/her consent to be registered to participate in the AGM and for the use of the mobile number or email provided for purposes of voting at the AGM.
- Completed proxy forms may be delivered physically, via post or email (airtel@candrgroup.co.ug) and must reach the registered office of the Company Airtel Towers, Plot 16A, Clement Hill Road, Nakasero, Kampala, Uganda, or the Company's Share Registrar, Custody & Registrars Services Uganda Limited, at DTB Centre, 4th Floor Suite 403, Kampala Road at least 48 hours before the scheduled time for the meeting.

## EXPLANATIONS TO RESOLUTIONS PROPOSED FOR THE ANNUAL GENERAL MEETING SCHEDULED FOR 26 MARCH 2024

### RESOLUTION 1:

To receive, consider, and if deemed fit pass an ordinary resolution to adopt the Company's annual financial statements for the year ended 31 December 2023 including the reports of the Directors and External Auditor.

The Company's Audited Financial Statements are available on the website at <https://www.airtel.co.ug/investors> and were circulated to shareholders whose email addresses are with the Company. The Audited Accounts are also available on the USE website at: [AIRTEL UGANDA - FINANCIAL STATEMENTS | Uganda Securities Exchange \(USE\)](#)

### RESOLUTION 2:

To receive, consider, and if deemed fit pass an ordinary resolution to adopt the recommendation of the Directors on the declaration of a final dividend of UGX 2.15 (Uganda Shillings Two Point One Five Only) per share less withholding tax for the year ended 31 December 2023.

The dividend, if approved shall be paid to shareholders registered in the books of the Company as at the close of business on 26 March 2024 and will be paid on or around the 15 April, 2024.

### RESOLUTION 3:

To consider and if deemed fit, pass an ordinary resolution to confirm the appointment of extra directors in accordance with the provisions of the Company's Articles of Association and the Capital Markets Regulations

#### 3a) Appointment of Ms. Suzan Mweheire Kitariko and Mr. Keith Kalyegira as Independent Non-Executive Directors (Brief Profiles will be shared)

#### 3b) Re-appointment of Mr. Manoj Murali

Manoj is the Managing Director of the Company and has over 22 years of experience in the Telecom's industry across various roles. He joined Bharti Airtel in 2001 and has held various roles such as Hub Chief Executive Officer at Airtel Tamil Nadu. He holds a Bachelor of Engineering in Instrumentation & Electronics from the University of Poona in Pune, and MBA from Symbiosis International University. He attended all the meetings scheduled in the last year.

#### 3c) Re-appointment of Mr. Alok Bafna

Alok is a seasoned senior finance and Telecom leader, having held various roles within Bharti Airtel across the last 25 years. He was previously Controller Market Operations at Bharti Airtel Limited. He is currently the Group Business Controller at Airtel Africa and has recently been appointed CFO of Mobile Services at Airtel Africa. He is a member of the Institute of Chartered Accountant of India since 1997.

He is the Airtel Africa CFO: Mobile Services and holds directorships in Airtel Kenya; Airtel Rwanda; Airtel Seychelles; Airtel Malawi

He has been serving as the Chairperson of the Board Audit and Risk Committee. He attended all the meetings scheduled in the last year.

#### 3d) Re-appointment of Mr. Apoorva Mehrotra

Apoorva is currently the Regional Director for East Africa at Airtel Africa. He has over 25 years of experience across Fintech, Telecom, and various other industries. He was previously Executive Vice President & Business Head at Vodafone in New Delhi and currently holds a master's degree in management studies from the University of Mumbai in India.

He is the Regional Director – East Africa, Airtel Africa, and is a Director in Airtel Zambia; Airtel Kenya; Airtel Tanzania; Airtel Malawi; and Airtel Rwanda.

He attended all the meetings scheduled in the last year.

#### 3e) Re-appointment of Mr. Rama Krishna Lalla

Ramakrishna has been the Chief Supply Chain Officer, of Airtel Africa since September 2016. He has over 35 years of experience in the telecommunications industry, more than half of which has been spent at Airtel. Ramakrishna held various leadership roles in shaping the supply chain function in the telecommunications sector, covering manufacturing (Alcatel and Indian Telephone Industries), R&D (CDOT), and Service Providers (Airtel and Reliance Jio). Ramakrishna has served as a lead member of the team involved in setting up mobile networks (including 2G/3G/LTE coverage), NLD/ILD networks, enterprise networks, DTH networks, and implementation of ERP systems as part of transformational projects and achieve business goals across India and Africa. He was formerly the Director of SCM for Airtel Nigeria between 2012 and 2014. He holds a master's degree in industrial management – Materials Management from the Indian Institute of Technology, Kharagpur.

He is the Chief Supply Chain Officer, at Airtel Africa and a Director at Airtel Nigeria and Airtel Seychelles. He currently serves as a member of the Board Audit and Risk Committee. He attended all the meetings scheduled in the last year.

#### 3f) Re-appointment of Mr. Hannington Karuhanga

Hannington has a career spanning over 25 years in commodities trading, of which more than 15 years were at the executive level while he was a Group Managing Director for Sucafina S.A Group of Companies. He holds an MBA from the University of Wales, Cardiff Business School, and a Bachelor of Arts from Makerere University in Uganda.

He is the Managing Director; of Grain Pulse Limited and serves as a Director in the following companies: Capital Radio Limited; Liquid Telecom; Lion Assurance; Letshego Holdings (Uganda) Limited; Letshego Holdings Limited; Sanlam Life Uganda; Uganda Limited and Uganda Railways Corporation.

He is currently the Company's Board Chairman, and he attended all the meetings scheduled in the last year.

### RESOLUTION 4:

To consider and if deemed fit, pass an ordinary resolution to approve the re-appointment of Deloitte and Touche as External Auditors of the Company for Financial Year 2024 and authorize the Board of Directors to set their remuneration.

The Audit and Risk Committee undertook a performance evaluation of the External Auditor and provided feedback to the External Auditor on findings of the evaluation. The Committee, having found the External Auditor's performance satisfactory recommended to the Board the re-appointment of Deloitte and Touche, as external auditors for the financial year ending 31 December 2024, in accordance with all applicable legal requirements.





**airtel**

**A REASON TO IMAGINE**

Airtel Uganda, Airtel House, Clement Hill Road,  
P. O. Box 6771, Kampala, Uganda