



AIRTEL UGANDA LIMITED

CONDENSED INTERIM FINANCIAL RESULTS

FOR THE

SIX MONTHS PERIOD ENDED
30 JUNE 2024

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

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COMPANY INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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P.O. Box 6771
Kampala, Uganda

COMPANY SECRETARY

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COMPANY SOLICITORS

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Kampala, Uganda

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

COMPANY INFORMATION (CONTINUED)**BANKERS**

Citibank Uganda Limited
4 Centre Court
Ternan Avenue
P. O. Box 7505
Kampala, Uganda

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17 Hannington Road
Crested Towers
Kampala, Uganda

Equity Bank Uganda Limited
34 Church House, Kampala Road
P.O. Box 10184
Kampala, Uganda

Standard Chartered Bank Uganda Limited
5 Speke Road
P.O. Box 7111
Kampala, Uganda

Absa Bank Uganda Limited
2/4 Hannington Road
P.O. Box 7101
Kampala, Uganda

Ecobank Uganda Limited
8A Kafu Road Nakasero
P.O. Box 7368
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United Bank for Africa (UBA) Uganda
2 Jinja Road
P.O. Box 7396
Kampala, Uganda

DFCU Uganda
26 Kyadondo Road Nakasero
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AUDITORS

Deloitte & Touche
Certified Public Accountant of Uganda
3rd Floor, Rwenzori House
1 Lumumba Avenue
P.O. Box 10314
Kampala, Uganda

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

Manoj Murali, Managing Director, on H1 Results FY2024:

We began 2024 with the shared confidence Ugandans expressed in us during the Airtel IPO that closed at the end of 2023.

As the official telecom partner for the Non-Aligned Movement (NAM) conference in Munyonyo, Airtel Uganda presented a continued business confidence in the economy. Airtel Uganda continues to be the technology enabler of choice for voice, data and value-added services that support the economy. We have seen the Purchasing Managers Index at 51.9 in June 2024, above the 50-mark threshold indicating robust business conditions. Headline inflation remained stable at 3.9% because of a low food inflation and improved exchange rate stability. The Uganda shilling has been stable in the range of 3660 – 3710 and appreciated by 1.0% against the US dollar in H1 24.

We have registered 11.6% growth in revenue and a 3.3% growth in EBITDA YoY, underpinned by our strong distribution network of partners and agents across the country. Additionally, the home broadband segment is registering impressive growth supported by increasingly stable and faster data speeds and our expanding 5G network combined with accelerated 5G router rollout, to provide an enhanced customer experience.

Our focused investment strategy continued to underpin incremental customer and revenue growth. During the period, we have rolled out an additional 140 4G sites supporting our commitment to enhancing digital inclusion over the long-term and driving enhanced customer service. Currently, 100% of our sites are 4G enabled.

The MyAirtel App was enhanced with new features to improve the experience of our customers. With our continuous effort on educating our data customers on how to use the MyAirtel App to identify their data usage, they are now able to track their daily, weekly and monthly usage, leading to an enhanced customer satisfaction index.

Airtel Uganda, in partnership with UNICEF Uganda, connected another 60 schools to the Internet. This transforming lives initiative has provided 40,201 students and 1,741 teachers in these schools access to the internet, thereby supporting digital inclusion across the country. We shall continue to grow this partnership and break the barriers to digital learning in Africa.

The Airtel Kabaka Birthday Run 11th Edition was concluded in April 2024 with over 110,000 runners rallying to support the End of HIV/AIDS by 2030. This partnership with Buganda Kingdom continues to bear fruit as HIV prevalence rates continue to go down. In 2023, the Uganda AIDS Commission reported, there was no single mother-to-child transmission case in the District of Mukono in Central Uganda. Airtel Uganda continues to support these efforts.

Our active participation in public townhall meetings in Kampala and Kabale ensured we actively communicate with the public by discussing our role in the sector, the plans we have in place for increasing digital inclusion and addressing service issues, especially those related to data usage.

We thank our staff, partners, stakeholders and especially our regulators for the support towards our continuous journey to enhance our customer proposition, provide better returns to the shareholders and contribute additional value to societies across the country.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**
Financial review for the six months period ended 30 June 2024

The current period financial information contained in this report is drawn from Airtel Uganda's interim condensed financial statements prepared for the six months period ended 30 June 2024. The Company's auditors provide an independent review report on such interim financial statements for the period ended 30 June 2024. The comparative half yearly information is drawn from unaudited IAS 34 financials of respective periods.

Key financial information

Description	UoM	Half year ended			Full Year 2023
		Jun-24	Jun-23	YoY	
Revenue	Ushs'Mn	966,128	865,389	11.6%	1,783,960
Voice Revenue	Ushs'Mn	526,097	469,829	12.0%	990,386
Data Revenue	Ushs'Mn	403,125	357,427	12.8%	717,881
Other Service revenue	Ushs'Mn	30,824	36,787	-16.2%	69,040
Other Income	Ushs'Mn	6,082	1,346	351.9%	6,653
Expenses	Ushs'Mn	490,709	405,317	21.1%	865,569
EBITDA	Ushs'Mn	475,419	460,072	3.3%	918,391
EBITDA Margin	%	49.2%	53.2%	-4.0%	51.5%
Depreciation and amortisation	Ushs'Mn	177,744	160,590	10.7%	326,737
EBIT	Ushs'Mn	297,675	299,482	-0.6%	591,654
Net finance costs	Ushs'Mn	77,927	63,213	23.3%	164,769
Profit before tax	Ushs'Mn	219,748	236,269	-7.0%	426,885
Taxation	Ushs'Mn	66,523	72,318	-8.0%	129,935
Profit after tax	Ushs'Mn	153,225	163,951	-6.5%	296,950
Earnings per share	Ushs	3.83	4.10	-6.5%	7.42
PAT margin	%	15.9%	18.9%	-3.1%	16.6%
Capex (excluding leases)	Ushs'Mn	122,120	129,062	-5.4%	245,663
Capex intensity	%	12.6%	14.9%	-2.3%	13.8%
Operating KPIs					
ARPU	Ushs	10,644	10,252	3.8%	10,336
Total customer base	Mn	15.6	14.3	9.3%	14.8
Data customer base	Mn	6.0	5.6	5.9%	5.7

Note:

- Voice revenue includes interconnect, activation and roaming.
- Data revenue includes fixed and mobile data.
- Other service revenue includes VAS, SMS, rental and device revenues.
- CAPEX excludes right of use assets.
- Customer base: The total number of active subscribers that have used any of our services (voice, SMS and data) in the last 30 days.
- ARPU: Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers. during the period and dividing the result by the number of months in the relevant period.

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024**

Key financial information (Continued)

Overall revenue grew by 11.6% on a YoY basis for the period ended 30 June 2024 mainly driven by the base growth of 9.3% and overall improvement in customer ARPU of 3.8% due to continued growth in usage across the different segments.

Voice revenues grew by 12.0% YoY on the back of the continued growth in customer acquisitions backed by a regional acquisitions strategy, and the benefit of usage and retention initiatives that resulted in overall 2.4% growth in the minutes of usage on the network coupled with the continued network expansion across the country. Overall, voice revenue contribution to service revenue improved to 54.8% (H1'23 54.4%) for the period ended.

In Q2'24, gross additions increased 20.1% YoY, which is expected to contribute to an improved momentum in voice revenue trends as the year progresses.

Data revenues grew by 12.8% YoY anchored by 5.9% growth in overall data customers to 6.0 million. The continued investment in network expansion and enhancement coupled with overall smartphone penetration improvement strategy has seen overall growth in data usage per subscriber by 13.9% and total traffic on the network increased by 27.2% over the period, with 4G traffic amounting to 80.4% of the total data traffic carried across our network. Data revenue contribution to the total service revenues has increased to 42.0% from 41.4% in the prior period.

Q2'24 data usage per customer increased by 11.7% sequentially, signaling continued recovery and better growth through the second half of the year due to the increasing popularity of our data product offerings.

We have seen continued success on our home broadband segment with encouraging growth in our customer base. We have increased our overall fibre network to 5,859 km, supporting data traffic growth and faster speeds across the network. Furthermore, this expansion in our fibre network will continue to support growth in our enterprise business offerings which remains a key strategic focus.

EBITDA for the period grew 3.3% anchored by the resilient revenue growth. This performance resulted in overall EBITDA margins of 49.2% (H1'23 53.2%) largely due to 21.1% growth in operating expenses for the period. The EBITDA recovery journey and opex reduction initiative is ongoing with Q2'24 recording margin improvement to 49.7% which increased by 90 basis points on a sequential basis.

Depreciation and amortisation for the period rose by 10.7% YoY driven by the continued investments in network sites and the retail footprint to support future growth efforts.

Net finance costs for the period increased by 23.3%, primarily due to higher interest costs on increased lease liabilities following the roll out of 140 new sites, which led to increase in cost by 19.8% over the year. In addition, interest costs were impacted by the increase in T-bill rates by 11.5% over the period.

Profit after tax (PAT) reduced by 6.5% YoY to Ushs 153.2 billion as a result, with PAT margin of 15.9% (H1'23 18.9%). Earnings Per Share (EPS) was Ushs 3.83, a decline of 6.5% compared to Ushs 4.10 in the prior period. On a sequential basis, PAT for H1'24 increased by 15.2%, with this momentum likely to be sustained over the remainder of the year as we continue to see progress on operational momentum.

Capital allocation

Total Capex (excluding leases) for the period was Ushs 122 billion (H1'23 Ushs 129 billion) driven mainly by the continued densification of our network across the country. These investments are necessary to support the current growth, but also future-proof our growth ambitions. The capex investment incurred to date is in-line with our existing investment and expansion strategy. Capex intensity for the period was 12.6%.

Leverage of 1.5x on 30 June 2024 was largely flat from the previous period. Our positive operational net cash flow position continues to reinforce the company's ability to meet all its current and non-current financial obligations.

Our Outlook

In 2024, Airtel Uganda's focus remains on providing best in class customer experience through the digital revolution and continued strategic investments. Our commitment to network upgrades and fibre expansion sets the stage for a year focused on innovation and enhanced connectivity. We're extending our reach to every corner, prioritising 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 Uganda as the premier provider across the country. This expansion enhances direct access for customers, reinforcing our dedication to accessible and cutting-edge services. Our innovative products are designed to meet diverse consumer needs, emphasise the affordability of our offerings and showcase their ease of use. Airtel Uganda's customer centric approach promotes digitisation through the MyAirtel App, empowering users with self service capabilities. In addition, 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.

With the objective to maximize our shareholders' returns, we will continue to maintain leverage at an efficient level, manage costs through our 'war on waste' initiatives and optimise capital investments for the remainder of the year.

Interim Dividend recommendation

The Board of Directors of Airtel Uganda Limited (the "Company") at the meeting held on 21st August 2024 authorized the Company to declare and pay to the shareholders of the Company, an interim dividend for the quarter ending 30th June, 2024 of Ushs. 86 billion at the rate of Ushs. 2.15 per share based on the Company's cumulative retained earnings as at 30th June, 2024. With this Total interim dividend for half year ended June 2024 will be Ushs 132 billion at the rate of Ushs 3.30 per share. This is subject to deduction of withholding taxes. The dividend will be transferred electronically to the bank accounts or mobile money wallets as per the shareholder register.

The dividend shall be paid to all shareholders of the Company as at 11th September, 2024 which shall be the book closure date in accordance with the Uganda Securities Exchange (USE) Listing Rules 2021. In compliance with the requirements of the USE Listing Rules 2021, the salient dates relating to the payment of the dividend are as follows:

Last day to trade shares cum dividend	09 September 2024
Shares commence trading ex-dividend	10 September 2024
Record date	11 September 2024
Payment date	02 October 2024

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024****Statement of Directors' responsibilities**

The Directors accept responsibility for the interim condensed financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with IAS 34 *Interim Financial Reporting* and the requirements of the USE Listing Rules 2021. The Directors are of the opinion that the interim condensed financial statements, which have been prepared in accordance with the IAS 34 *Interim Financial Reporting* and the USE Listing Rules 2021, give a true and fair view of Airtel Uganda Limited's state of financial affairs as at 30th June 2024 and its profit for the six months period then ended.

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 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 interim condensed 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 interim condensed 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 interim condensed 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.

Deloitte & Touche Certified Public Accountants of Uganda have reviewed the interim condensed financial statements, and their report is presented on page 9. The interim condensed financial statements were approved by the Board of Directors on 21st August 2024 and signed on its behalf by:



Hannington Karuhanga
Board Chairman



Manoj Murali
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION TO THE DIRECTORS OF AIRTEL UGANDA LIMITED

Introduction

We have reviewed the accompanying condensed interim financial statements of Airtel Uganda Limited ("the Company") set out on pages 10 to 37, which comprise the condensed statement of financial position as at 30th June 2024, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the six-month period then ended, and notes to the condensed interim financial statements, including a summary of material accounting policies and other explanatory information. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34) and the requirements of the Companies Act of Uganda, 2012. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standards on Interim Financial Reporting (IAS 34) and the requirements of the Companies Act of Uganda, 2012.

The engagement partner responsible for the review resulting in this independent practitioner's review report is CPA Paul Ssali - Practicing Number P0508.



Certified Public Accountant of Uganda

6 September 2024

Kampala



Paul Ssali
Partner



Partners: A. N. Muraya* F. Okwiri* P. Ssali

*Kenyan

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

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CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

REASON TO IMAGINE

	Note	June-24 (Reviewed) Ushs millions	June-23 (Reviewed) Ushs millions	December-23 (Audited) Ushs millions
Income				
Revenue	5	960,046	864,043	1,777,307
Other income	6	6,082	1,346	6,653
		966,128	865,389	1,783,960
Expenses				
Network operating expenses	7	(163,854)	(154,584)	(314,475)
Access charges	8	(52,154)	(26,276)	(66,008)
Licence fees and spectrum usage charges		(22,783)	(21,466)	(43,567)
Employee benefits expenses	9	(42,564)	(37,555)	(83,568)
Sales and marketing expenses	10	(110,058)	(94,314)	(198,777)
Other operating expenses	11	(99,296)	(71,122)	(159,174)
Depreciation and amortisation	12	(177,744)	(160,590)	(326,737)
		(668,453)	(565,907)	(1,192,306)
Operating profit		297,675	299,482	591,654
Finance income	13(a)	6,538	19,897	10,276
Finance costs	13(b)	(84,465)	(83,110)	(175,045)
Profit before tax		219,748	236,269	426,885
Income tax expense	14(a)	(66,523)	(72,318)	(129,935)
Profit for the period		153,225	163,951	296,950
Other comprehensive (loss)/income for the period, net of tax		18	(24)	(6)
Total comprehensive income for the period, net of tax		153,243	163,927	296,944
Basic and diluted earnings per share		3.8	4.1	7.4

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	June-24 (Reviewed) Ushs millions	June-23 (Reviewed) Ushs millions	December-23 (Audited) Ushs millions
ASSETS				
Non-current assets				
Property plant and equipment	15	790,617	734,134	764,871
Capital work-in-progress	15	52,933	37,768	41,448
Right of use asset	16	670,247	683,871	672,869
Intangible assets	17	404,681	393,912	421,292
Other non-current assets	18	63,856	57,687	66,571
		1,982,334	1,907,372	1,967,051
Current assets				
Inventories	19	3,671	4,108	3,445
Financial assets				
Trade receivables	20	98,010	89,147	98,481
Cash and cash equivalents	21	20,283	20,392	34,345
Others	22	25,774	14,022	24,636
Income tax asset (net)	14(c)	5,186	2,597	5,406
Other current assets	18	78,384	64,216	67,194
		231,308	194,482	233,507
TOTAL ASSETS		2,213,642	2,101,854	2,200,558
EQUITY AND LIABILITIES				
Equity				
Share capital	23	40,000	40,000	40,000
Retained earnings		107,886	110,382	86,661
Other reserves	35	97	61	79
		147,983	150,443	126,740
Non-current liabilities				
Financial liabilities				
Borrowings	24	275,473	259,526	291,429
Lease liabilities	25	602,589	614,693	609,902
Others	26	145,165	110,315	145,203
Deferred revenue	27	10,301	11,835	11,068
Provisions	28	2,744	3,148	2,931
Deferred tax liability	14(d)	106,151	101,250	100,188
		1,142,423	1,100,767	1,160,721
Current liabilities				
Financial liabilities				
Borrowings	24	375,498	408,381	401,747
Lease liabilities	25	183,717	152,337	175,317
Trade payables	29	205,106	161,568	194,379
Derivative financial instruments	30	6,598	3,089	508
Others	26	56,230	44,649	45,370
Deferred revenue	27	30,079	30,265	29,085
Provisions	28	12,548	9,396	13,694
Other current liabilities	31	53,460	40,959	52,997
		923,236	850,644	913,097
TOTAL EQUITY AND LIABILITIES		2,213,642	2,101,854	2,200,558

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Share capital	Share premium	Retained earnings	Other Comprehensive Income	Total equity
	Ushs millions	Ushs millions	Ushs millions	Ushs millions	Ushs millions
At 1 January 2023	1,408	16,128	106,239	85	123,860
Profit for the period	-	-	163,951	-	163,951
Dividends - Final Dividend FY22 Refer to note 33	-	-	(99,264)	-	(99,264)
Dividends – Interim Dividend FY23 Refer to note 33	-	-	(38,080)	-	(38,080)
Other comprehensive loss	-	-	-	(24)	(24)
Conversion of share premium to share capital	16,128	(16,128)	-	-	-
Conversion of retained earnings to share capital	22,464	-	(22,464)	-	-
At 31 June 2023 (Reviewed)	40,000	-	110,382	61	150,443
At 1 January 2023	1,408	16,128	106,239	85	123,860
Profit for the period	-	-	296,950	-	296,950
Dividends - Final Dividend FY22 Refer to note 33	-	-	(99,264)	-	(99,264)
Dividends – Interim Dividend FY23 Refer to note 33	-	-	(194,800)	-	(194,800)
Other comprehensive loss	-	-	-	(6)	(6)
Conversion of share premium to share capital	16,128	(16,128)	-	-	-
Conversion of retained earnings to share capital	22,464	-	(22,464)	-	-
At 31 December 2023 (Audited)	40,000	-	86,661	79	126,740
At 1 January 2024	40,000	-	86,661	79	126,740
Profit for the period	-	-	153,225	-	153,225
Dividends - Final Dividend FY23 Refer to note 33	-	-	(86,000)	-	(86,000)
Dividends – Interim Dividend FY24 Refer to note 33	-	-	(46,000)	-	(46,000)
Other comprehensive income	-	-	-	18	18
At 30 June 2024 (Reviewed)	40,000	-	107,886	97	147,983

CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

	Note	June-24 (Reviewed) Ushs millions	June-23 (Reviewed) Ushs millions	December-23 (Audited) Ushs millions
OPERATING ACTIVITIES				
Profit before tax		219,748	236,269	426,885
Adjustments for:				
Depreciation and amortisation	12	177,744	160,590	326,737
Interest income	13	(306)	(389)	(1,021)
Unrealised foreign exchange gain	13	(5,290)	(19,508)	(9,255)
Interest on borrowings	13	47,380	38,095	80,684
Interest on lease liabilities	13	31,269	25,304	54,215
Interest on spectrum liabilities	13	5,603	3,895	9,458
Movement in provision for trade receivables	20	(249)	1,814	1,242
Movement in provision for inventory obsolescence	19	544	-	1,069
Other non-cash adjustments		(3,926)	-	-
Increase in provisions		-	-	1,307
Asset write off		-	-	794
Operating cash flow before changes in working capital		472,517	446,070	892,115
(Increase)/decrease in inventories	19	(770)	(475)	933
Increase in trade receivables	20	(1,162)	(12,929)	(21,924)
Increase in other financial and non-financial assets	18, 22	(5,687)	(8,215)	(30,691)
Increase in trade payables	29	7,200	11,793	45,740
increase/(decrease) in deferred revenue	27	227	(5,638)	(7,585)
increase/(decrease) in other financial and non-financial liabilities	26, 31	5,914	(17,691)	(7,375)
Net cash generated from operations before tax		478,239	412,915	871,213
Income tax paid	14(e)	(60,306)	(76,236)	(137,708)
Net cash generated from operating activities (a)		417,933	336,679	733,505
INVESTING ACTIVITIES				
Purchase of property, plant and equipment and capital work in progresa	15	(114,378)	(125,706)	(242,298)
Interest received	13	306	389	1,021
Net cash flows used in investing activities (b)		(114,072)	(125,317)	(241,277)
FINANCING ACTIVITIES				
Proceeds from borrowings	24	-	-	300,000
Repayment of borrowings	24	(54,886)	(56,603)	(334,483)
Interest on borrowings	24	(48,569)	(37,305)	(81,548)
Repayment of lease liabilities	25	(94,524)	(93,674)	(173,663)
Payment of spectrum liabilities	26	(216)	(103)	(16,053)
Dividend paid	33	(132,000)	(137,344)	(294,049)
Net cash flows used in financing activities (c)		(330,195)	(325,029)	(599,796)
Net movement in cash and cash equivalents during the period (a+b+c)		(26,335)	(113,667)	(107,568)
Cash and cash equivalents as at beginning of the period	21	(296,919)	(189,351)	(189,351)
Cash and cash equivalents as at end of the period	21	(323,254)	(303,018)	(296,919)

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 and 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 BASIS OF PREPARATION

The condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with IAS 34: *Interim Financial Reporting* as adopted by the International Accounting Standards Board (IASB). The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of the financial statements for the year ended 31 December 2023.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

(a) Key sources of estimation uncertainty

Income taxes

The Company is subject to income taxes under the Income Tax Act 1997 (as amended). Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Contingent liabilities and provisions

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable 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.

Inventory obsolescence

The Company provides for obsolete and slow-moving inventory based on Management's estimates of the usability of inventory.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: Market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by management under policies approved by the Board of Directors.

a) Market risk

(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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

a) *Market risk (continued)*(i) *Foreign exchange risk (continued)*

The Company may use forward contracts to counter the risk resulting from changes and fluctuations in foreign currency exchange rates. Airtel has continuously embarked on aggressive negotiations to have all local suppliers of operational expenditure items charge the Company in local currency.

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Assets			
Cash & cash equivalents	(11,453)	1,643	3,962
Trade receivables	113,166	51,717	90,982
Other receivables	28,939	16,813	4,055
Total assets	130,652	70,173	98,999
Liabilities			
Trade payables	27,571	5,213	42,870
Borrowings	-	114,693	-
Lease liabilities	510,340	596,863	548,385
Other financial liabilities	156,110	115,281	153,414
Total liabilities	694,021	832,051	744,669
Net USD exposure	(563,370)	(761,878)	(645,670)

The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows;

Foreign Currency Exposure sensitivity analysis

The following sensitivity analysis shows how profit and equity would be affected if the market risk variables had been different at reporting date with all other variables held constant.

	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
Net effect based as at at 31 Dec 2023	5%	(32,284)	(22,598)
	-5%	32,284	22,598
Net effect based as at 30 Jun 2023	5%	(38,094)	(26,666)
	-5%	38,094	26,666
Net effect based as at 30 Jun 2024	5%	(28,168)	(19,718)
	-5%	28,168	19,718

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk

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 credit control function assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual credit limits are set based on internal or external factors including a percentage of the security deposit made or in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. Barring and denial of services is enforced for those customers that have not paid within the required time.

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. Refer to Note 16 for details on the impairment of trade receivables.

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.

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

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

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.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

At 30 Jun 2024	<1 year Ushs millions	1-2 years Ushs millions	>2 years Ushs millions	Total Ushs millions
Financial assets				
Trade receivables	98,010			98,010
Other receivables	25,774			25,774
Cash and Cash equivalents	20,283			20,283
Total financial assets	144,067	-	-	144,067
Financial liabilities				
Trade payables	205,106			205,106
Borrowings	375,498	15,473	260,000	650,971
Lease Liabilities	183,717	504,918	97,671	786,306
Other financial liabilities	46,183	4,731	62,992	113,905
Total financial liabilities	810,504	525,122	420,663	1,756,288
Net liquidity gap	(666,437)	(525,122)	(420,663)	(1,612,221)

At 31 December 2023	<1 year Ushs millions	1-2 years Ushs millions	>2 years Ushs millions	Total Ushs millions
Total financial assets	157,462			157,462
Total financial liabilities	861,790	193,413	1,010,196	2,065,399
Net liquidity gap	(704,328)	(193,413)	(1,010,196)	(1,907,937)

During the period ended 30 June 2024, the Company earned a net profit of UGX 153,225 million (2023: UGX 296,950 million). As at that date, the Company was in a net current liability position of UGX 666,437 Mn (Dec 2023: UGX 704,328 Mn) as indicated above. The company's business runs on a majorly cash model (pre-paid revenue) hence has the capability to generate sufficient operating cash flows to meet all its obligations as they fall due. The net operating cash inflow for the period ended year ended 30 June 2024 was UGX 417,933 million (December 2023: UGX 733,505 million). The operating cash flows combined with sufficient approved external sources of financing (overdraft facilities) as at 30th June 2024 provide sufficient liquidity to the Company to meet all obligations as they fall due.

(d) Fair Value of financial assets and liabilities

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:

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair Value of financial assets and liabilities (Continued)

- 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.

The carrying amount of financial assets and financial liabilities approximate their fair values because of their short term nature.

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 maximize 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 to increase the percentage of Equity held to Debt and thus improving on gearing ratio over time.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The leverage at 30th June 2024 and 30th June 2023 were as follows:

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Total borrowings	650,971	667,907	693,176
Total Lease Obligation	786,306	767,030	785,219
Less: Cash and Cash equivalents	(20,283)	(20,392)	(34,345)
Net Debt	1,416,994	1,414,545	1,444,050
EBITDA (for the last 12 months)	933,738	914,429	918,391
Leverage ratio (x)	1.5	1.5	1.6

5 REVENUE

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Service revenues	957,684	858,665	1,769,392
Sale of products	2,362	5,378	7,915
	960,046	864,043	1,777,307
SERVICE REVENUE			
Airtime revenue	456,740	434,367	899,360
Value added services and data revenue	430,406	387,366	775,681
Interconnect revenue	62,521	30,745	80,646
Roaming revenue	8,017	6,187	13,705
	957,684	858,665	1,769,392

Primary commission (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 40,380 million as at 30 June 2024 (Ushs 42,100 million as at 30 June 2023), of which Ushs 30,079 million will be satisfied over a period of one year and the remaining Ushs 10,301 million over 7 years 9 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 29,085 million (2023: Ushs 35,125 million). Total unbilled as at 30 June 2024 is Ushs 20,856 million (30 June 2023: Ushs 14,018 million).

6 OTHER INCOME

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Miscellaneous income	6,082	1,346	6,653
	6,082	1,346	6,653

7 NETWORK OPERATING COSTS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Site running expenses	121,253	117,287	241,751
Network support and maintenance	36,764	31,455	62,865
Internet access and bandwidth	5,837	5,842	9,859
	163,854	154,584	314,475

8 ACCESS CHARGES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Access Charges	52,154	26,276	66,008
Period End	52,154	26,276	66,008

The access charges increase is due to the adoption of all network bundles.

9 EMPLOYEE BENEFIT EXPENSES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Salaries	34,686	29,855	69,039
Defined contribution plan	3,132	3,152	6,097
Defined benefit plan	(277)	652	163
Staff welfare expenses	4,863	3,812	8,013
Others-employees	160	84	256
	42,564	37,555	83,568

10 SALES AND MARKETING

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Sales and distribution expense	99,065	80,694	171,548
Marketing expenses	10,993	13,620	27,229
	110,058	94,314	198,777

11 OTHER OPERATING EXPENSES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Cost of goods sold	2,704	6,716	9,421
Office repair and maintenance	5,179	2,191	4,290
Legal and professional fees	30,018	24,326	55,845
Rates and taxes	6,054	315	5,186
Content cost	41,066	20,921	47,936
IT expenses	2,992	4,714	9,127
Travel and conveyance	4,808	4,969	10,715
Customer care expenses	1,068	3,463	7,486
Charitable donation	18	-	-
Auditor's remuneration	358	202	767
Others-Other expenses	5,031	3,305	8,401
	99,296	71,122	159,174

12 DEPRECIATION & AMORTISATION

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Depreciation on property, plant and equipment	84,971	73,080	154,469
Depreciation of right of use assets	76,162	72,228	140,143
Amortization of intangible assets	16,611	15,282	32,125
	177,744	160,590	326,737

13 FINANCE INCOME / COSTS

a) Finance Income

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Interest income on deposits	306	389	1,021
Realised exchange gains	942	-	-
Net unrealised exchange gain	5,290	19,508	9,255
	6,538	19,897	10,276

b) Finance Costs

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Interest on borrowings	46,824	37,854	80,684
Interest on lease liabilities	31,269	26,094	54,215
Interest on deferred spectrum	5,603	3,895	9,458
Net realised exchange loss	-	14,578	27,588
Other finance charges	769	689	3,100
	84,465	83,110	175,045

14 TAXATION

(a) The Tax expense for the period is attributed to the following

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Current tax expense	60,318	63,474	121,890
Deferred tax expense	5,955	8,590	7,542
Current tax expense – Rental Income	250	254	503
	66,523	72,318	129,935

(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.

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Profit before tax	219,748	236,269	426,885
Enacted tax rates in Uganda	30%	30%	30%
Tax expense	65,924	70,881	128,066
Effect of:			
Tax expense in respect to previous years	-	-	1,188
(Income) / expense not (taxable) / deductible (net)	599	1,437	681
	66,523	72,318	129,935

14 TAXATION (CONTINUED)

(c) Income tax asset

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Opening balance	5,406	(9,910)	(9,910)
Tax Paid	60,306	76,236	137,708
Income tax expense	(60,568)	(63,728)	(122,393)
Adjustment based on tax audits	42	(1)	(0)
	5,186	2,597	5,406

(d) Deferred tax

	At 01-Jan-23 Ushs million	Movement for the year Ushs million	At 31-Dec-23 Ushs million
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)
Net deferred tax Liability	92,646	7,542	100,188

	At 01-Jan-23 Ushs million	Movement for the year Ushs million	At 30-Jun-23 Ushs million
Accelerated tax depreciation	112,651	(493)	112,158
Unrealised exchange gain/(loss)	2,336	(978)	1,358
Other temporary differences	(22,341)	10,075	(12,266)
Net deferred tax Liability	92,646	8,604	101,250

	At 01-Jan-24 Ushs million	Movement for the year Ushs million	At 30-Jun-24 Ushs million
Accelerated tax depreciation	119,638	(3,305)	116,333
Unrealised exchange gain/(loss)	(623)	1,214	591
Other temporary differences	(18,827)	8,054	(10,773)
Net deferred tax Liability	100,188	5,963	106,151

14 TAXATION (CONTINUED)

(e) Income tax paid

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Income taxation paid			
Current Tax – Rental Income	(268)	(116)	(440)
Withholding Tax Paid	(39)	(32)	(94)
Advance Tax Paid	(60,000)	(60,102)	(121,188)
Final Tax for 2022	-	(15,986)	(15,986)
Income Tax Paid	(60,306)	(76,236)	(137,708)

15 PROPERTY, PLANT AND EQUIPMENT

	Plant and Machinery Ushs millions	Buildings and leasehold improvements Ushs millions	Office equipment and furniture Ushs millions	Computer Ushs millions	Vehicle Ushs millions	Total Ushs millions	Capital work in progress Ushs millions	Grand total Ushs millions
COST								
At 1 January 2024	1,797,257	27,749	59,482	201,928	3,359	2,089,775	41,448	2,131,223
Additions	102,400		1,978	6,447	90	110,915	122,400	233,315
Disposal	(299)					(299)		(299)
Reclassifications						-		-
Transfer from CWIP						-	(110,915)	(110,915)
At 30 June 2024	1,899,359	27,749	61,460	208,376	3,449	2,200,392	52,933	2,253,324
ACCUMULATED DEPRECIATION								
At 1 January 2024	1,073,530	21,142	44,494	183,451	2,287	1,324,904	-	1,324,904
Disposal	(101)					(101)		(101)
Reclassifications	(204)		3	201		0		0
Charge for the year	72,740	535	5,233	6,284	179	84,971		84,971
At 30 June 2024	1,145,965	21,677	49,730	189,937	2,466	1,409,774	-	1,409,774
NET CARRYING AMOUNT								
At 30 June 2024	753,393	6,072	11,730	18,439	983	790,617	52,933	843,550
COST								
At 1 January 2023	1,579,834	27,539	46,487	188,912	2,920	1,845,692	40,930	1,886,622
Additions	114,210	209	10,337	7,041	427	132,224	129,062	261,287
Disposal						-		-
Transfer from CWIP						-	(132,224)	(132,224)
At 30 June 2023	1,694,044	27,748	56,824	195,953	3,347	1,977,916	37,768	2,015,684
ACCUMULATED DEPRECIATION								
At 1 January 2023	941,280	20,066	35,461	172,012	1,883	1,170,702	-	1,170,702
Disposal						-		-
Charge for the year	62,574	534	3,988	5,785	198	73,080		73,080
At 30 June 2023	1,003,854	20,600	39,449	177,797	2,081	1,243,782	-	1,243,782
NET CARRYING AMOUNT								
At 30 June 2023	690,190	7,148	17,375	18,155	1,266	734,134	37,768	771,902
NET CARRYING AMOUNT								
At 31 December 2023	723,727	6,607	14,988	18,477	1,072	764,871	41,448	806,319

16 RIGHT OF USE ASSETS

	Land and Building Ushs millions	Plant and machinery Ushs millions	Motor vehicles Ushs millions	Grand total Ushs millions
COST				
At 1 January 2023	15,531	1,006,514	3,684	1,025,729
Additions	755	148,643	5,426	154,823
Retirement				-
At 30 June 2023	16,286	1,155,157	9,110	1,180,552
ACCUMULATED DEPRECIATION				
At 1 January 2023	12,181	408,588	3,684	424,453
Charge for the year	701	70,468	1,059	72,228
Retirement				-
At 30 June 2023	12,882	479,056	4,743	496,681
NET CARRYING AMOUNT				
At 30 June 2023	3,404	676,101	4,367	683,871
COST				
At 1 January 2024	56,495	1,177,286	3,684	1,237,465
Additions		70,318	3,222	73,540
Retirement				-
At 30 June 2024	56,495	1,247,604	6,906	1,311,005
ACCUMULATED DEPRECIATION				
At 1 January 2024	13,703	547,209	3,684	564,596
Charge for the year	779	74,238	1,145	76,162
Retirement				-
At 30 June 2024	14,482	621,447	4,829	640,758
NET CARRYING AMOUNT				
At 30 June 2024	42,013	626,157	2,077	670,247
NET CARRYING AMOUNT				
At 31 December 2023	42,792	630,077	-	672,869

17 INTANGIBLE ASSETS

	Licence Ushs millions	Goodwill Ushs millions	Customer base Ushs millions	Dealer network Ushs millions	Grand total Ushs millions
COST					
At 1 January 2023	373,563	112,908	3,633	1,592	491,696
Additions					-
At 30 Jun 2023	373,563	112,908	3,633	1,592	491,696
ACCUMULATED DEPRECIATION					
At 1 January 2023	77,277	-	3,633	1,592	82,502
Charge for the year	15,282				15,282
At 30 Jun 2023	92,559	-	3,633	1,592	97,784
NET CARRYING AMOUNT					
At 30 Jun 2023	281,004	112,908	-	-	393,912
COST					
At 1 January 2024	417,786	112,908	3,633	1,592	535,919
Additions					-
At 30 June 2024	417,786	112,908	3,633	1,592	535,919
ACCUMULATED DEPRECIATION					
At 1 January 2024	109,402	-	3,633	1,592	114,627
Charge for the year	16,611				16,611
At 30 June 2024	126,013	-	3,633	1,592	131,238
NET CARRYING AMOUNT					
At 30 June 2024	291,773	112,908	-	-	404,681
NET CARRYING AMOUNT					
At 31 December 2023	308,384	112,908	-	-	421,292

18 OTHER NON-FINANCIAL ASSETS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Non-current			
Prepaid expenses	13,007	14,598	13,788
Cost to obtain customers	43,425	40,961	45,358
Restricted Assets	7,424	2,128	7,425
	63,856	57,687	66,571
Current			
Prepaid expenses	14,496	1,440	3,049
Vat recoverable	4,592	4,592	3,303
Advance to suppliers	3,828	10,019	8,482
Cost to obtain customers	54,303	40,763	48,239
Others	1,165	7,402	4,121
	78,384	64,216	67,194

19 INVENTORIES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Telephones and accessories	2,651	2,477	2,744
Sim cards and scratch cards	2,597	2,807	1,737
Less: provision for inventories	(1,577)	(1,176)	(1,036)
	3,671	4,108	3,445
The movement in the stock provision was as follows:			
Opening balance	1,036	7,047	7,047
Additions	544		1,069
Utilisations	(3)	(5,871)	(7,080)
Closing Balance	1,577	1,176	1,036

20 TRADE RECEIVABLES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Trade Receivables	19,342	21,885	15,991
Leaseline receivables	8,047	7,496	8,349
Roaming Receivables	4,675	2,705	4,090
Trade receivable from related parties	82,637	75,742	86,991
	114,701	107,828	115,421
Provision for impairment	(16,691)	(18,681)	(16,940)
	98,010	89,147	98,481

20 TRADE RECEIVABLES (CONTINUED)

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:

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Opening balance	16,940	16,868	16,868
Movement in expected credit losses	(249)	1,814	1,242
Write offs	-	(1)	(1,170)
Period End	16,691	18,681	16,940

21 CASH AND CASH EQUIVALENTS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Bank balance	9,580	9,812	14,288
Cash in hand	24	6	29
Balance held in wallets	10,679	6,510	20,028
Cheques-in-hand and in transit	-	4,064	-
	20,283	20,392	34,345
Cash and bank balances	20,283	20,392	34,345
Less overdrafts	(343,537)	(323,410)	(331,264)
TOTAL	(323,254)	(303,018)	(296,919)

22 FINANCIAL ASSETS – OTHERS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Current			
Unbilled revenue	20,856	14,018	24,617
Others	4,918	4	19
	25,774	14,022	24,636

23 SHARE CAPITAL

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Authorised share capital:			
40,000,000,000 ordinary shares of Ushs 1	40,000	40,000	40,000
	40,000	40,000	40,000

24 BORROWINGS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Non-current			
Term Loans			
- Stanbic Bank	260,000	150,000	260,000
- DFCU Bank	33,157	51,598	42,712
- Absa Bank Group	15,993	129,110	21,324
- Debt origination fees	(1,715)	(1,096)	(2,124)
Less: current maturity of long-term debt	(31,961)	(70,085)	(30,483)
	275,473	259,526	291,429
Bank overdraft	343,537	323,410	331,264
Term Loans			
- Airtel Mobile Commerce Uganda Limited			40,000
- Standard Chartered Bank		14,886	
- Absa Bank Group			
Current maturity of long-term debt	31,961	70,085	30,483
	375,498	408,381	401,747
Total borrowings:	650,971	667,907	693,176
The movement of borrowings was as follows:			
At 1 January	693,176	628,835	628,835
Proceeds from term loan	-	-	300,000
Movement in Bank overdraft	12,273	98,855	106,709
Repayment of term loan	(54,886)	(56,603)	(334,483)
Debt origination cost	408	241	(788)
Unrealised foreign exchange (gain)/loss	-	(3,420)	(7,097)
	650,971	667,908	693,176

25 LEASE LIABILITIES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Lease liabilities - Current	183,717	152,337	175,317
Lease liabilities - Non Current	602,589	614,693	609,902
At 1 January	785,219	690,844	690,844
Additions	73,540	154,823	211,736
Interest	31,269	26,094	54,215
Repayment	(112,919)	(115,788)	(173,663)
Unrealised foreign exchange loss	9,197	11,057	2,087
At 30 June/31 December	786,306	767,030	785,219

26 FINANCIAL LIABILITIES - OTHERS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Non-current			
Deferred spectrum liability	142,921	108,170	142,921
Dues to employees	291	60	207
Security deposits	1,953	2,085	2,075
	145,165	110,315	145,203
Current			
Deferred spectrum liability	13,189	7,111	10,493
Dues to employees	1,251	1,702	1,106
Equipment supply payables	36,377	28,347	28,356
Security deposits	2,333	2,321	2,330
others	3,080	5,168	3,085
	56,230	44,649	45,370

27 DEFERRED REVENUE

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Non-current			
Deferred revenue	10,301	11,835	11,068
	10,301	11,835	11,068
Current			
Deferred revenue	30,079	30,265	29,085
	30,079	30,265	29,085

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 40,380 million as at 30 June 2024 (Ushs 42,100 million as at 30 June 2023), of which Ushs 30,079 million will be satisfied over a period of one year and the remaining Ushs 10,301 million over 7 years 9 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 29,085 million (2023: Ushs 35,125 million). Total unbilled as at 30 June 2024 is Ushs 20,856 million (30 June 2023: Ushs 14,018 million).

28 PROVISIONS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Non-current			
Leave encashment	2,449	2,878	2,649
Severance pay	281	257	268
Asset retirement obligation	14	13	14
	2,744	3,148	2,931
Current			
Leave encashment	946	1,049	965
Severance pay	53	46	49
Provision for sub-judice matters	6,792	5,476	6,199
Due to employees	4,757	2,825	6,481
	12,548	9,396	13,694

29 TRADE PAYABLES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Trade payables	167,558	117,225	167,164
Amounts due to related parties	37,548	44,343	27,214
	205,106	161,568	194,379

30 DERIVATIVE FINANCIAL INSTRUMENTS

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Foreign currency forward contracts (liabilities)	6,598	3,089	508
	6,598	3,089	508

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

31 OTHER NON-FINANCIAL LIABILITIES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Current			
Taxes payable	53,460	40,959	52,997
	53,460	40,959	52,997

32 RELATED PARTY TRANSACTIONS AND BALANCES

Airtel Uganda PLC 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.

PURCHASES	Relationship to Company	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
Centum Learning Limited	Fellow subsidiary	214	553	832
Bharti Airtel Services Limited	Fellow subsidiary	42	-	69
Bharti Hexacom Limited	Fellow subsidiary	1	1	4
Bharti Airtel Limited	Intermediate Parent	5,106	6,734	13,132
Nxtra Data Limited	Fellow subsidiary	922	-	102
Bharti Airtel (UK) Limited	Fellow subsidiary	1,248	1,222	-
Emtel Mauritius	Fellow subsidiary	1	0	1
Network i2i Ltd.	Intermediate Parent	232	462	1,036
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	3,237	1,730	2,025
Airtel (Seychelles) Limited	Fellow subsidiary	20	22	12
Airtel Congo S.A	Fellow subsidiary	1	0	1
Airtel Gabon S.A.	Fellow subsidiary	1	1	1
Airtel Madagascar S.A.	Fellow subsidiary	1	2	1
Airtel Malawi Limited	Fellow subsidiary	11	18	10
Airtel Networks Kenya Limited	Fellow subsidiary	2,035	1,653	1,768
Airtel Networks Limited (Nigeria)	Fellow subsidiary	51	50	-
Airtel Networks Zambia Plc	Fellow subsidiary	24	20	15
Airtel Rwanda Limited	Fellow subsidiary	560	539	410
Airtel Tanzania Limited	Fellow subsidiary	146	225	209
Airtel Tchad Limited	Fellow subsidiary	4	2	2
Airtel DRC Limited	Fellow subsidiary	194	189	125
Airtel Niger Limited.	Fellow subsidiary	1	1	4
Singtel Singapore	Other related party	0	-	-
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	119,910	120,700	206,208
Bharti Airtel Sri Lanka (Private) Limited	Fellow subsidiary	0	0	-
Bharti Airtel (USA) Limited	Intermediate Parent	-	0	-
Bharti Airtel Uganda Holdings B.V.	Intermediate Parent	6,339	-	-
Bharti Airtel International (Netherlands) BV Branch	Intermediate Parent	27,184	22,926	49,451
Total		167,485	157,052	275,418

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024 (CONTINUED)

32 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

SALES		June-24	June-23	December-23
		Ushs millions	Ushs millions	Ushs millions
Bharti Hexacom Limited	Fellow subsidiary	0	0	1
Bharti Airtel Limited	Intermediate Parent	10,794	16,115	31,581
Bharti Airtel (UK) Limited	Fellow subsidiary	6,694	4,963	11,939
Singtel Singapore	Other related party	11	-	-
Bharti Airtel Lanka (Private) Limited	Fellow subsidiary	0	0	-
Emtel Mauritius	Fellow subsidiary	0	0	-
Airtel (Seychelles) Limited	Fellow subsidiary	1	4	9
Airtel Congo S.A	Fellow subsidiary	0	1	6
Airtel Gabon S.A.	Fellow subsidiary	1	2	1
Airtel Madagascar S.A.	Fellow subsidiary	0	0	21
Airtel Malawi Limited	Fellow subsidiary	22	21	103
Airtel Networks Kenya Limited	Fellow subsidiary	2,284	1,856	1,649
Airtel Networks Limited (Nigeria)	Fellow subsidiary	1,680	610	657
Airtel Networks Zambia Plc	Fellow subsidiary	30	8	11
Airtel Rwanda Limited	Fellow subsidiary	1,286	1,112	431
Airtel Tanzania Limited	Fellow subsidiary	76	92	210
Airtel Tchad Limited	Fellow subsidiary	1	2	6
Airtel DRC Limited	Fellow subsidiary	6,908	6,183	3,820
Airtel Niger Limited.	Fellow subsidiary	0	0	-
Singapore telecommunication Limited	Other related party	-	5	16
Bharti Airtel (USA) Limited	Intermediate Parent	0	0	-
Bharti Airtel Uganda Holdings B.V.	Holding Company	-	-	6,525
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	21,714	14,287	29,230
Total		51,504	45,262	86,216

32 RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The receivables from related parties are included in the trade receivables in the condensed statement of financial position.

RECEIVABLE		June-24	June-23	December-23
		Ushs millions	Ushs millions	Ushs millions
Jersey Airtel Limited	Fellow subsidiary	0	0	-
Bharti Airtel Limited	Intermediate Parent	2,118	12,090	3,618
Bharti Airtel (UK) Limited	Fellow subsidiary	25,052	22,921	29,917
Singtel Singapore	Other related party	21	-	-
Bharti Airtel Lanka (Private) Limited	Fellow subsidiary	0	-	-
Airtel Congo S.A	Fellow subsidiary	111	111	114
Airtel Gabon S.A.	Fellow subsidiary	1	1	1
Airtel Malawi Limited	Fellow subsidiary	650	635	657
Airtel Networks Kenya Limited	Fellow subsidiary	895	1,430	1,287
Airtel Networks Limited (Nigeria)	Fellow subsidiary	1,829	583	1,722
Airtel Rwanda Limited	Fellow subsidiary	25,747	24,722	25,425
Airtel Tanzania Limited	Fellow subsidiary	1,155	1,171	1,181
Airtel Tchad Limited	Fellow subsidiary	6	8	7
Airtel DRC Limited	Fellow subsidiary	21,306	8,411	14,978
Airtel Niger Limited.	Fellow subsidiary	1	-	-
Singapore telecommunication Limited	Other related party	-	4	45
Bharti Hexacom Limited	Fellow subsidiary	0	-	-
Bharti Airtel (USA) Limited	Intermediate Parent	-	0	-
Bharti Airtel Uganda Holdings B.V.	Intermediate Parent	-	-	6,520
Bharti Airtel International (Netherlands) BV Branch	Intermediate Parent	3,745	3,653	1,519
Total		82,637	75,742	86,991

The payables from related parties are included in the trade payables in the condensed statement of financial position.

PAYABLE		June-24	June-23	December-23
		Ushs millions	Ushs millions	Ushs millions
Centum Learning Limited	Fellow subsidiary	81	210	103
Bharti Airtel Services Limited	Fellow subsidiary	76	75	78
Bharti Hexacom Limited	Fellow subsidiary	-	0	1
Nextra Data Limited	Fellow subsidiary	72	116	84
Emtel Mauritius	Fellow subsidiary	1	0	-
Bharti International (Singapore) Pte Ltd	Other related party	0	0	-
Network i2i Ltd.	Intermediate Parent	555	1,791	2,205
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	6,404	1,730	3,559
Airtel (Seychelles) Limited	Fellow subsidiary	2	8	3
Airtel Madagascar S.A.	Fellow subsidiary	1	1	1
Airtel Networks Zambia Plc	Fellow subsidiary	37	25	29
Airtel Niger Limited.	Fellow subsidiary	-	0	-
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	16,765	29,071	8,676
Bharti Airtel Uganda Holdings B.V.	Intermediate Parent	28	0	-
Bharti Airtel International (Netherlands) BV Branch	Intermediate Parent	13,525	11,315	12,475
Total		37,548	44,343	27,214

33 DIVIDENDS

The profit for the six months ended 30th June 2024 amounted to Ushs 153,225 million (30 June 2023: Ushs 163,951 million). During the period ended 30 June 2024 the directors recommended interim dividends on 23rd May 2024 amounting to Ushs 46,000 million (30 June 2023: Ushs 38,080 million).

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
At 1 January	15	-	-
Final dividend for previous year	86,000	99,264	99,264
Interim dividend	46,000	38,080	194,800
Dividend Paid	(132,000)	(137,344)	(294,049)
At 30 June	15	-	15

34 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 period.

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.

	June-24	June-23	December-23
Net profit attributable to ordinary equity holders of the Company (Ushs 'Mn) (a)	153,225	163,951	296,950
Number of ordinary shares outstanding at the beginning of the year ('000) (b)	40,000,000	14,080	14,080
Impact of share split ('000)		1,393,921	1,393,921
Issuance of unallotted shares ('000)		38,591,999	38,591,999
Total issued shares – post split ('000)(e=b+c+d)	40,000,000	40,000,000	40,000,000
Basic and diluted earnings per share (a)/(e)	3.8	4.1	7.4

35 OTHER RESERVES

	June-24 Ushs millions	June-23 Ushs millions	December-23 Ushs millions
At 1 January	79	85	85
Charge for the year	18	(24)	(6)
Period End	97	61	79

36 COMMITMENTS AND CONTINGENCIES**a) Legal proceedings**

As at 30 June 2024, there were legal proceedings valued at Ushs 2,297 million (30 June 2023: Ushs 1,812 million) outstanding against the Company.

b) Tax proceedings

As at 30 June 2024, there were tax proceedings valued at Ushs 1,489 million (30 June 2023: Ushs 1,489 million) outstanding against the Company

c) Capital commitments

Capital commitments of Ushs 55,166 million (30 June 2023: Ushs 71,947 million) represent the unexecuted capital contracts as at 30 June 2023. These are contracts between Airtel Uganda Limited and its vendors for the provision of Capex material.

	June-24	June-23	December-23
	Ushs millions	Ushs millions	Ushs millions
Within- one year	55,166	71,947	76,862
At 30 June	55,166	71,947	76,862

37 SEGMENT REPORTING

The Company operates in single business and geographical segment which are regularly reviewed by the entity's chief operating decision maker. Entity wide disclosures around product and services, geographical areas and major customers as required by IFRS 8 are also not applicable.

38 SUBSEQUENT EVENTS

There were no adjusting or non-adjusting events after the reporting date that would have an impact on the condensed interim financial statements as at 30th June 2024.