



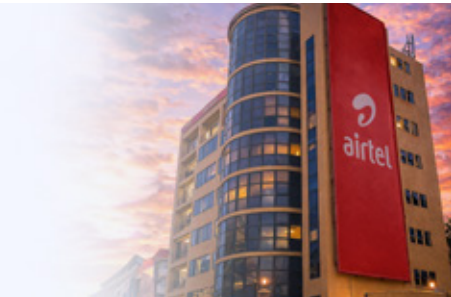
AIRTEL UGANDA LIMITED
**ANNUAL
REPORT**

20
25





Table of Contents



01	Airtel Uganda Overview 1 • Overview and Identity • Our Business Model	11	Digitise and Simplify 17 • Enhancing Digital Adoption • AI-Powered Anti-Spam Solution
02	Transforming Lives 4 • Bridging the Digital Divide • Increasing Access to Essential Resources • Driving Sustainable Growth	12	Scale Home Broadband (HBB) and Enterprise 18 • 5G Technology and Fibre Network Expansion • Network as a Service (NaaS) • Xstream WiFi and Fibre Packages
03	Our Business Model 3 • 5G Network Rollout • Affordable Products and Services	13	Statement from the Chairperson 19 • Innovation and Resilience • Driving Digital Transformation • Strengthening the Economy
04	Airtel Uganda Ltd at a Glance 7 • Key Metrics • Market Leadership	14	Performance Highlights 20 • Financial Performance Highlights • Empowering Communities and Building Skills • Commitment to Sustainability • Governance and Accountability
05	About This Report 1 • Purpose Statement • Strategic Direction	15	Our Sustainability Landscape 45 • FEED Strategy • Transforming Lives • CSR Initiatives
06	What We Achieved in 2025 5 • Revenue Growth • Growth in EBITDA • Growth in Profit After Tax • Customer Base Growth	16	2025 Highlights 47 • Digital Learning in Schools • Kabaka Birthday Run • Women in Tech Initiatives • Free 4G WiFi at Public Libraries
07	Executive Management 9 • Leadership Team	17	Value We Created in 2025 54 • Economic and Social Development • Supplier and Agent Network
08	A Workplace Where Everyone Belongs and Can Lead 11 • Diversity and Inclusion • Career Opportunities and Growth • Gender Diversity in Leadership • Employee Engagement and Wellness • Ethical Work Standards	18	Financial Review 56 • Revenue • Financial Performance
09	Our Strategic Pillars 15 • Strengthen 'Go-to-Market'	19	Corporate Information 67
10	Must Win Markets 17 • Regional Execution and Market Intelligence	20	Annual General Meeting 113



ABOUT THIS REPORT

This report highlights Airtel Uganda's composite performance for the year ended 31 December 2025. It gives insight into the levers that drive our business of connecting people and businesses to opportunities across the world. We draw inference from our strategic direction, management performance reports, regulatory obligations and our risk matrix to present this report. We also share successes along the journey and our impact on the community.

ABOUT AIRTEL

Overview and Identity

Our journey started in June 2010 when Bharti Airtel Limited acquired 16 operations from Zain Africa. Not only did we open doors, but also launched an endless world of possibilities and transformation in Uganda. As a subsidiary of Airtel Africa plc, we look at ourselves as a proudly Ugandan company; here to uphold our promise to connect and enable all Ugandans enrich their lives.

Our Business Model

Airtel Uganda was the first network to roll out a 5G Network in Uganda. Additionally all our Sites are 4G enabled, 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.



PURPOSE STATEMENT

**Our purpose is to transform lives by creating a digitally connected world.
We do this by;**

Bridging the digital divide:

We connect the unconnected and reach the financially underserved. We provide mobile voice and data services to Ugandans without differentiation for a global standard network.

Increasing access to essential resources:

We aim at increasing access to essential educational resources.

Driving sustainable growth:

We contribute to the transformation of the Ugandan economy by driving sustainable growth and development.

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.

WHAT WE ACHIEVED IN 2025



Through our relentless focus on improving the customer experience, we recorded a 13.3% growth in revenue and a 24.5% growth in EBITDA with EBITDA margins increasing to 54.9%. This was supported by our commitment to continuous improvement of our network and service to our valued customers - the reason we exist.

Soumendra Sahu
CEO and MD, Airtel



WHAT WE ACHIEVED IN 2025



19.9%
improving our margin from 15.9%

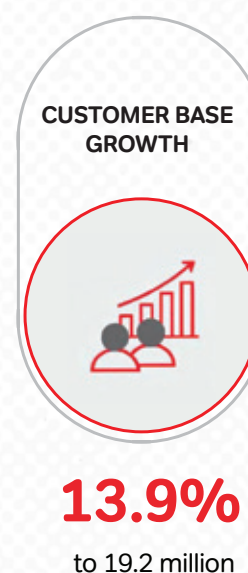
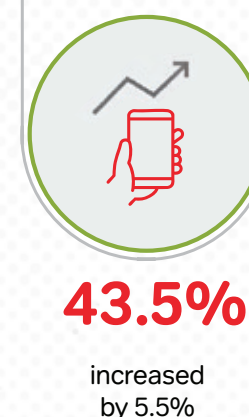
EARNINGS PER SHARE (EPS)

19.6%
to 8.7 million

GROWTH SMARTPHONE PENETRATION

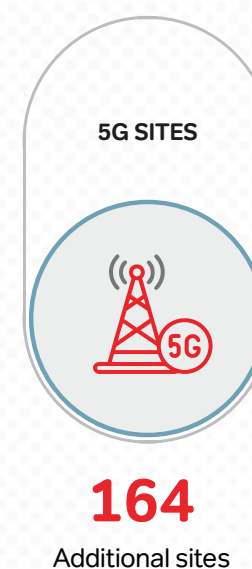


Ushs 11.2
Per Share compared to 7.9 of previous period

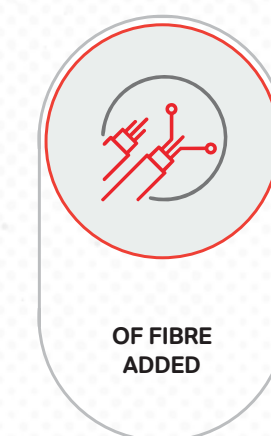


258
New 4G sites

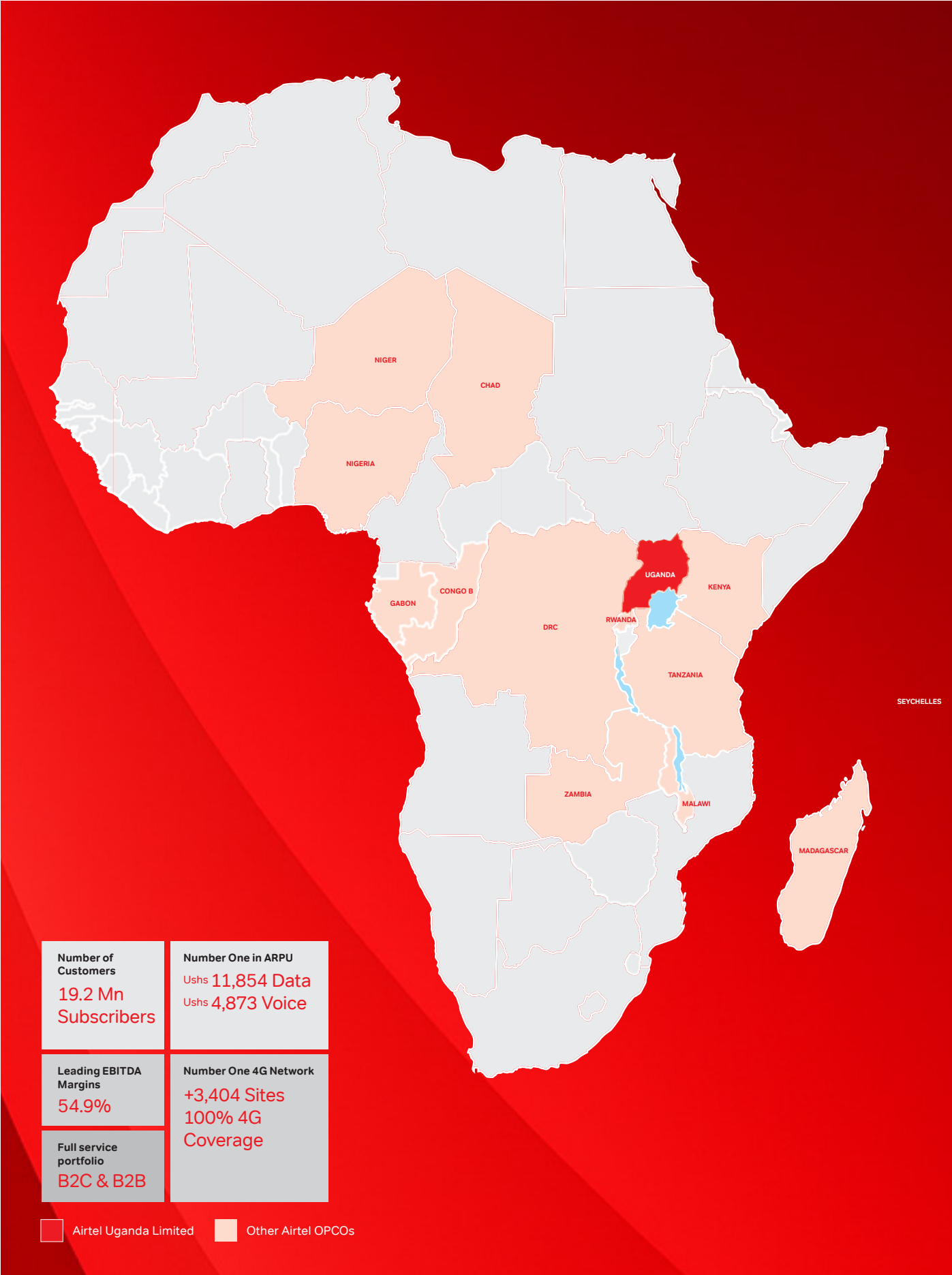
ROLLED OUT



1,600 KM



AIRTEL UGANDA LTD AT A GLANCE



EXECUTIVE MANAGEMENT



Standing Left to Right: Amit Kumar – Marketing Director, Michael Opwonya – Supply Chain Director, Rajesh Agarwal – Network Director, Godfrey Bakibinga – Legal and Regulatory Director, Flavia Lwanga Ntambi – Human Resources Director, Ali Balunywa – Sales and Distribution Director – Core Market, Wongani Muthiya – Sales and Distribution Director – Growth Market., Nishant Mohan – Finance Director

Seated Left to Right: Ronald Odongo – Home Broadband Director, Ms Sarwiyat Rahaman – Airtel Business Director, Soumendra Sahu – CEO and Managing Director, Helen Wanyana Ddungu – Customer Experience Director, Ehimweniman Uwagboe – IT Director.

OUR PEOPLE



A workplace where everyone belongs and can lead.

Airtel Uganda is a leading employer that values diversity and inclusion. We foster a culture of excellence, well-being, and lifelong learning. We provide equal opportunities for growth and development to talented individuals from all backgrounds. Our Africa Mobility Program also offers Ugandan professionals the opportunity to take on senior leadership roles across Africa, as well as talent exchange programs in India.

In the year ended 31 December 2025, our headcount was 259 permanent staff supported by over 1,430 contractors from our Human Resources partners. We registered a 47.9% growth in contracted manpower over the reporting period, a sign of company growth and maturity, which has furthered our zeal in contributing to the employment of Ugandans in the formal sector.

Diversity and Inclusion

As part of our commitments, we promote a diverse and inclusive workplace through structured policies and training programs. 100% of middle and senior managers have completed inclusive hiring and leadership training to support equitable talent attraction and retention. In addition, all employees receive training on identifying and mitigating unconscious bias in recruitment and workplace interactions. We continue to review and enhance our people processes to ensure they remain culturally responsive and aligned with best practices

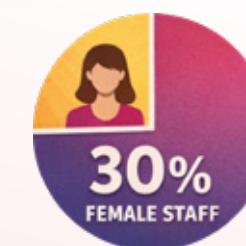
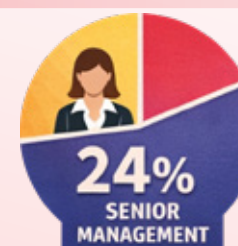
Career Opportunities and Growth

Employee determination to self-improve has been phenomenal this year. Over 95% have actively engaged with the online platform, which offers best-in-class courses on functional, behavioral, and general skills. Every employee has been assessed on the basis of the skills and Intent matrix, and this has allowed us to effectively assign them the development programs relevant to their development needs.

Internal placements/promotions have contributed about 40% of all staff movements in the year.



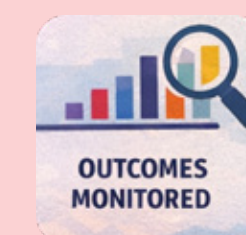
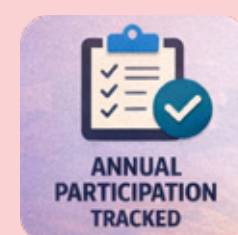
Gender Diversity in Leadership



Strengthening Women in Leadership



Building a Pipeline of Future Female Leaders





Employee Engagement and Wellness

We had a very colorful year filled with hard work, blended with moments of engaging our teams.

Numerous initiatives were rolled out with input from the employees these include, Inter-departmental Brain Wave Quizzes, Recognition and Reward of high achievers under the *MD's Platinum Club*, ad-hoc celebration of key business milestones, monthly Themed Fridays to enhance bonding and allow for creativity from amongst the employees, Wellness engagements through health camps, awareness sessions and dance classes, Market Place exhibitions by all departments, Grand End of Year Party, Celebration of the women in Airtel, Inaugural events namely Airtel Sports Day, Airtel Uganda has Got Talent, Master Chef, among others.

These moments have created stronger employee affiliation with the Brand.

Ethical Work Standards

We maintain the highest levels of ethical behavior in our dealings with people.

All employees undergo training on various ethics, namely the Airtel Code of Conduct, Anti-Bribery and Corruption, Anti-Fraud, Information Security, and Anti-Money Laundering. These are Mandatory Compliance courses that are updated on an annual basis, rolled out to all employees, and attestations are made by employees with regard to their understanding and commitment to upholding ethical standards.

The Attrition level based on indiscipline or misconduct was about 4%.

CHANGE IN SENIOR LEADERSHIP



Amit Kumar
Marketing Director

Amit Kumar is a seasoned telecom executive with over 18 years of experience leading large-scale P&L portfolios, digital transformation, and market share expansion across India and Africa.

As Marketing Director at Airtel Uganda, he drives the end to end commercial revenue strategy for GSM and Digital businesses, overseeing a significant revenue portfolio with a clear mandate centered on accelerating revenue growth, expanding RMS, optimising customer lifetime value, and driving long term brand equity.

Throughout his career at Airtel, Amit has led large scale national portfolios, including Postpaid and International Roaming- High value business, delivering structural turnarounds, sustained RMS gains, and margin expansion. He has consistently transformed underperforming markets into growth engines by simplifying complex product ecosystems, embedding data-driven operating models, accelerating digital acquisition, and strengthening execution governance across large teams.

An MBA in Marketing, Amit has further advanced his strategic leadership capabilities through executive education at INSEAD (MDP for leaders) and the University of Virginia (Digital Transformation). He is recognized for combining strategic foresight, financial discipline, and bold execution to create durable competitive advantage in dynamic, high-growth markets.



Ronald Odongo
Home Broadband Director

Ronald is a seasoned telecommunications executive with over 17 years of strategic and operational leadership experience across consumer, enterprise, and broadband segments. He has led large-scale commercial and go-to-market initiatives, with deep expertise in revenue growth, customer lifecycle management, and market expansion in highly competitive environments.

Prior to his current role, Ronald held senior leadership positions including Head of Retail and Consumer Business at BCS Group Uganda, Senior Manager – Home Broadband at MTN Uganda, Head of Sales & Marketing at Liquid Telecom Uganda, Head of Sales at Simba NET Uganda, and Head Commercial – Enterprise Business at Airtel Uganda, where he contributed to scaling operations, strengthening market positioning, and driving sustainable growth.

Ronald holds a Bachelor of Science in Information Technology (First Class Honors) from Makerere University, providing a strong technical foundation to complement his commercial and strategic leadership.



Helen Wanyana Ddungu
Customer Experience Director

Helen is a highly accomplished business leader with over 19 years of progressive experience in the financial services sector. Throughout her career, she has successfully held various roles that showcase her versatility and expertise, starting off as a teller, Teller service manager, Unit risk manager, Executive assistant to the Managing Director, Branch manager, Head of customer network, and Head of retail banking.

Helen's career is marked by a proven ability to drive growth, strengthen customer portfolios, deepen customer relationships, risk management, and lead high-performance teams. Her client-centric approach, sharp analytical skills, and effective team leadership have garnered her recognition within the banking community.

Helen holds a bachelor's degree in development studies from Makerere University and an MBA from Heriot-Watt University in the United Kingdom. She is known for her modern, people-focused leadership style that empowers her team members, fosters trust among clients, and supports sustainable business growth, positioning her as a vital asset.



Sarwiyat Rahaman
Airtel Business Director

Sarwiyat Rahaman was appointed as Acting Airtel Business Director – Airtel Uganda, effective 1st December 2025.

She is a seasoned professional with more than 20 years of operational and business development experience.

Sarwiyat was previously in Airtel Nigeria in the role of Head, Public Sector Sales - Enterprise Business.

In this role she was responsible for creating the public sector sales strategy, cultivating, and maintaining relationships with critical enterprise clients, partners, and other stakeholders as well as planning & launching new products services to ensure customer satisfaction within the Enterprise portfolio.

She holds a MSc.in Marketing – University of Liverpool and BSc. Economics – University of Abuja.

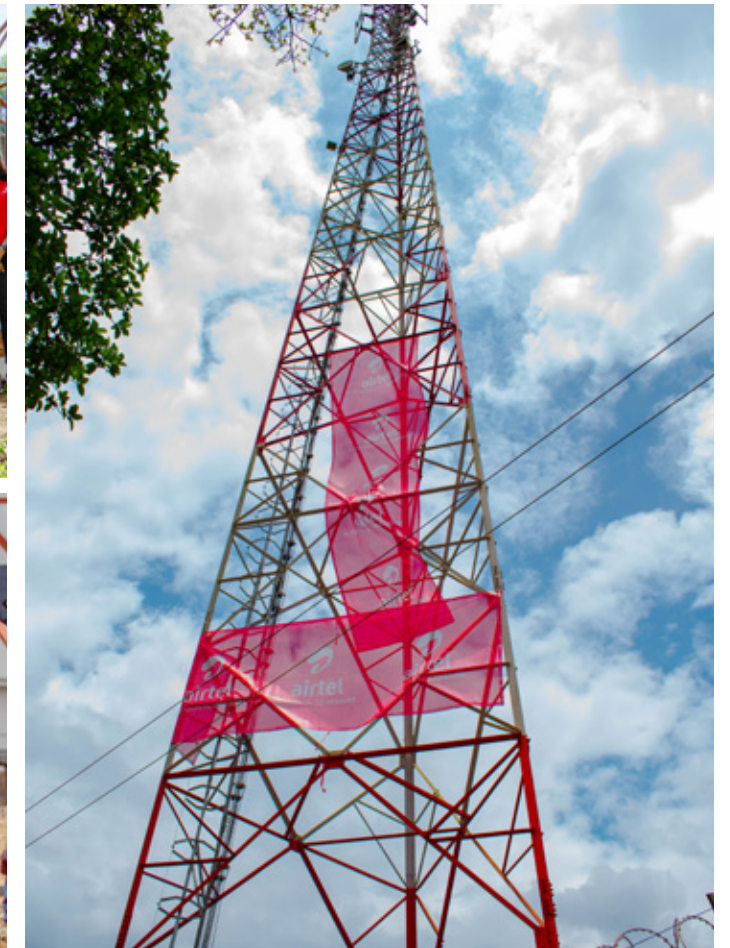
OUR STRATEGIC PILLARS

BEST IN CLASS NETWORK EXPERIENCE

We remain focused on delivering best-in-class services, expanding 5G coverage to a total of 364 5G sites in greater Kampala and across major cities and towns like Jinja, Fort Portal, Mbarara, Hoima, Masaka, and Gulu in 2025.

In 2025, we also greatly expanded and enhanced our 4G network, rolling out 258 new 4G sites nationwide, and extended our fibre footprint by 1,600 km across the country.

2025 also marked a year of key innovations for Airtel Uganda. We successfully rolled out VoLTE, significantly improving voice quality and enabling uninterrupted internet connectivity during calls. Over 1.7 million customers were using the VoLTE service by the close of 2025.



STRENGTHEN 'GO-TO-MARKET'

We aim to build on our distribution network to increase our quality customer base. We continue to expand our distribution infrastructure through a mix of multi-brand outlets, supported by our own exclusive franchise-run shops and kiosks.

Our granular approach to distribution has delivered unique results this year, enabling us to remain the largest telecom distribution network in the country. Through this strong network of over 390 franchise partners that include 76 customer, 2,814 mini service centres and over 0.4 million agents, we can recharge and serve communities across the country.

MUST WIN MARKETS



We aim to increase customer traction by targeting regions with micro-marketing and digital tools to optimise network experience and distribution across micro-segments to capture the opportunities across Uganda.

To deliver this ambition, we are strengthening our market intelligence, regional execution, and last-mile distribution capabilities to ensure our products and services are tailored to the specific needs of each community.

By combining network expansion, data-driven insights, and localized go-to-market initiatives, we are enabling faster adoption of our connectivity and digital services, deepening customer engagement, and unlocking growth in high-potential markets.

DIGITISE AND SIMPLIFY

Our focus remains on enhancing digital adoption and driving operational efficiencies to simplify customer journeys, thereby unlocking growth across all digital touchpoints. In 2025, we recorded significant progress on the My Airtel App, growing monthly active users from 0.4 million in 2024 to 1.5 million. This strong growth reflects our continued investment in digital platforms that make it easier for customers to access and manage Airtel services.

In 2025, Airtel Uganda became the first, and remains the only, network to introduce an AI-powered anti-spam solution, adding a layer of protection for our 19.2 million customers by analysing and labelling suspected spam communications via SMS.



SCALE HOME BROADBAND (HBB) AND ENTERPRISE

We're unlocking significant opportunities in HBB and Enterprise through the enhancement of our 5G technology and fibre network. Leveraging our scale across the country, we offer reliable and resilient capacity to the enterprise segment, aiming to meet the increased demand for digital services.

In 2025, Airtel Uganda launched Network as a Service (NaaS) in partnership with Cisco, designed to simplify enterprise IT infrastructure for businesses. This subscription-based model enables organizations to access scalable, secure, and fully managed network resources without the need for significant upfront hardware investments.

During the year, we also enhanced market-leading services such as Xstream WiFi and Xstream Fibre packages, delivering high-speed internet solutions that power businesses. In addition, Airtel CPaaS was launched to provide businesses with an integrated communications platform to manage customer engagement, run campaigns, track interactions, and deliver promotional alerts from a single interface.

Our focus and investment in expanding Home Broadband, through Smart Connect-Home and Office WiFi product, has paid off in 2025. We have accelerated growth in Fibre-to-the-Home (FTTH), in-home penetration of WiFi devices, and achieved growth in average revenue per user (ARPU) through customer-friendly unlimited internet packages starting as low as Ush 100,000.



STATEMENT FROM THE CHAIRPERSON

Innovation, resilience, and a deep commitment creates value for all our stakeholders

Hannington Karuhanga
Board Chairperson

Dear Shareholders,

As we present the Annual Report for the financial year ended **31 December, 2025**, it is with immense pride and gratitude that I reflect on Airtel Uganda's achievements and the impact we have made over the past year. This year has been a defining chapter in our journey, marked by **innovation, resilience, and a deep commitment to creating value for all our stakeholders**. Building on the momentum of our inaugural year as a publicly listed company, 2025 has demonstrated the strength of our strategy and the trust you, our shareholders, have placed in us. The listing brought opportunities to grow, challenges to overcome, and above all, a responsibility to uphold the highest standards of governance and transparency.

This report not only reflects our financial performance but also tells the story of our continued commitment to **excellence, sustainability, and digital transformation** in a rapidly evolving marketplace.

Driving Digital Transformation and Innovation

One of the most significant milestones this year was the **rollout of over 258 new 4G sites and an additional 164 5G sites across Uganda**, ushering in a new era of connectivity and innovation. This achievement positions Airtel Uganda as a leader in next-generation technology, enabling faster, more reliable internet for businesses, communities, and individuals. Our investment in 5G infrastructure underscores our commitment to bridging the digital divide and supporting Uganda's digital economy.

Strengthening the Economy and Creating Opportunities
We remain proud of our role in contributing to Uganda's economic growth. In 2025, we continued to prioritize local partnerships, with **76% of our contract volume awarded to local suppliers, representing USD 182.1 Mn** an equivalent of approximately **68%** of total value.

Our tax contributions and regulatory payments remain significant, including **Ushs 37.9 Bn (USD 10.4 Mn)** paid to the Uganda Communications Commission as the 2% levy on gross annual revenue and **Ushs 30.2 Bn (USD 8.2 Mn)** in spectrum fees for the period November 2024 to October 2025.

Employment remains a cornerstone of our impact: Airtel directly employs an average of **1,689 staff members**, while indirectly generating **over 0.4 million opportunities** through our extended distribution network. By fostering local talent and investing in human capital, we continue to drive inclusive economic growth.

PERFORMANCE HIGHLIGHTS

Financial Performance Highlights

The year 2025 delivered **strong financial results**, reflecting disciplined execution and operational efficiency.

- **Revenue grew by 13.3%** year-on-year, driven by increased data consumption and resilient demand for voice services.
- **EBITDA margin improved to 54.9%**, supported by solid revenue growth, cost optimisation and network expansion.
- **Profit after tax stood at Ushs 446.9 Bn**, reinforcing our ability to deliver sustainable returns.
- Airtel's customer base expanded to **19.2 Mn**, a **13.9% increase** from the previous year, demonstrating continued customer confidence in our brand.

These results underscore the resilience of our business model and our commitment to creating long-term shareholder value.

Empowering Communities and Building Skills

In 2025, we launched the **Airtel Africa Foundation University Tech Scholarship**, a flagship initiative aimed at equipping young Ugandans with cutting-edge digital skills. This program reflects our belief that education and technology are powerful enablers of progress, and it aligns with our purpose of Transforming Lives and investing in the next generation of leaders.

Our partnership with UNICEF also continued to make a difference, extending high-speed internet for digital learning to thousands of learners and teachers in underprivileged schools across Uganda.

Putting People First

Our success is powered by our people. Throughout 2025, we strengthened employee engagement through initiatives that foster collaboration, well-being, and professional growth. Guided by our **"People First" philosophy**, we invested in programs that celebrate diversity, encourage innovation, and create an inclusive workplace culture. These efforts have enhanced productivity and reinforced Airtel Uganda as an employer of choice.

Commitment to Sustainability

We remain focused on delivering sustainable growth while contributing to six of the United Nations Sustainable Development Goals (UN SDGs). Our network now spans **3,404+ sites**, ensuring more Ugandans have access to affordable voice, data, and mobile money services. Through partnerships and operational efficiencies, we continue to reduce emissions and minimise environmental impact.

Our social initiatives, such as the **Kabaka Birthday Run**, remain a rallying point for Ugandans to fight health challenges like sickle cell disease, fistula, and HIV/AIDS.

Governance and Accountability

As a publicly listed company, we have reaffirmed our commitment to the highest standards of corporate governance. Transparency, accountability, and fairness remain central to our operations, ensuring long-term sustainability and stakeholder trust.

Looking Ahead

As we enter 2026, we remain steadfast in our mission to deliver **sustainable growth and value for all stakeholders**. We will continue to embrace innovation, strengthen our market position, and invest in our people, infrastructure, and communities. Our strategic priorities remain focused on **operational excellence, network expansion, superior customer experience, and agility in a dynamic global environment**.

Acknowledgments

On behalf of the Board of Directors, I extend heartfelt gratitude to our employees for their continued dedication, to our partners and stakeholders for their collaboration, and to you, our valued shareholders and customers, for your trust and support. Your confidence propels us forward, inspiring us to reach greater heights.

The Board has recommended a final dividend of Ushs 3.55 per share equating to a total dividend of Ushs 11.15 per share for the full year to December 2025, an increase of 41.6% which remains in-line with our progressive dividend policy.

The path forward is clear: to continue serving our customers across Uganda and support the sustainable development of our nation.

Thank you for your continued confidence in our journey.



Sincerely,
Hannington Karuhanga
Board Chairman
Airtel Uganda Limited

MESSAGE FROM THE MANAGING DIRECTOR & CEO

"The growing transformative power of data. Innovating, expanding, and transforming lives through digital inclusion"

Soumendra Sahu
Managing Director & CEO

I extend my gratitude to our customers for their confidence, our people for their commitment, and our various stakeholders for their support throughout the 2025 year. We have continued to grow the business supported by our values of being **Alive, Inclusive, and Respectful**.

Through our relentless focus on improving the customer experience, we have reported a 13.3% growth in revenue and a 24.5% growth in EBITDA, with EBITDA margins increasing to 54.9%. This was supported by our commitment to continuous improvement of our network and service to our valued customers - the reason we exist. Our performance was also supported by Uganda's strong macro-economic indicators for 2025, which show robust GDP growth of around 4.8%, easing inflation to around 3% to 4% as food prices stabilise, although government debt and trade imbalances remain.

These macroeconomic signals support our long-term strategy as a valuable player in the country's digital agenda, which we are proud to be part of.

From Coverage to Usage – The growing power of Airtel Broadband

The recently released GSMA Digital Economy Report is very instructive on Uganda's digital journey over the years. Today, our nation stands at 96% 4G population coverage, outperforming both East Africa at 78% and Africa at 81%. The report presents a new challenge to tackle: the usage gap. Uganda's usage gap is 75%, East Africa at 79%, and Africa at 72%. Airtel Uganda has been instrumental in shaping this country's broadband coverage and usage performance, and I would like to thank stakeholders and partners for their support.

This year, we have added 258 4G sites, while also expanding the number of 5G sites to 364 in major cities and towns like Kampala, Wakiso, Jinja, Mbale, Mityana, Masaka, Lira, Fort Portal, Gulu, and Mbarara.

We will drive higher data consumption across our markets by delivering a brilliant network experience, promoting wider smartphone adoption, and expanding access to home broadband. These efforts will strengthen the customer experience while welcoming new individuals and businesses into the digital ecosystem.

Data usage has already shown remarkable growth, with customer numbers rising by 19.6% and data usage per customer increasing by 14.8%. We remain committed to investing in our network to foster innovation and empower customers to fully leverage the potential of data.

Network quality and service

It is our commitment to deliver consistently high-quality experiences for all our customers. In 2025, we rolled out 258 new 4G sites in rural and peri-urban areas across the country, which has greatly improved our coverage, data speeds, and customer experience in these locations.

We have dedicated our strong technical, human, and financial resources to ensure customers enjoy an excellent experience every time they contact us, whether on the network, in our shops, online, or through our self-service options such as the MyAirtel app and USSD.

Protecting our customers – Spam Alert Service

As access and usage grow, so do cyber risks. In April 2025, we pioneered Africa's first spam-fighting service. Our Spam Alert service uses artificial and network intelligence to alert our customers whenever spam messages drop in their SMS. This will raise awareness and build the much-needed trust in the ecosystem, and protect our customers from fraud.

We refined our Voice over LTE (VoLTE) service and engaged more device partners to deliver updates to broaden access to this service. VoLTE allows customers to make high-quality voice calls on the data network, making their voice experience better without the need to pause their browsing sessions. We are proud to report that VoLTE service contributes to more than 20% of total smartphone voice traffic.

Building capacity for businesses through 5G rollout

We expanded the number of 5G sites by 164 to 364 sites in the major cities of Mbale, Jinja, Masaka, Mityana, Gulu, Mbarara, Fort Portal, and Lira. We are aware of the growing need for faster internet connectivity that supports the productive capacity of the transformative key sectors, including education, health, manufacturing, agro-processing, and tourism.

Supporting enterprises - expanding Network as a Service (NaaS)

We have continued to expand our network, supporting Uganda's enterprises to scale their operations while Airtel Business takes care of Network as a Service (NaaS). Our services include connectivity and network security firewalls that give the customers flexibility, ease of use, and management of their enterprise networks. Ugandan enterprises can now concentrate on their core businesses, and Airtel Business takes care of their end-to-end ICT needs. We are proud providers of NaaS during the construction of the iconic Hoima City Stadium.

Winning in the community and with stakeholders

Over the past year, Airtel Uganda engaged, through the Airtel Africa Foundation, to align with national priorities around inclusion, youth development and digital opportunity. This has been most evident in Airtel Uganda's continued focus on education and youth development, where connectivity is positioned as a tool for empowerment.

In March 2025, Airtel Uganda partnered with UNICEF Uganda to mark the International Day of Digital Learning, reaffirming a commitment to safe and inclusive internet access for learners.

By December 2025, Airtel Uganda had connected 223 public schools across the country, extending access to digital learning resources and reinforcing the role of connectivity in human capital development.

Cultural and community institutions have also remained central to our transforming lives agenda. Through sustained support for platforms such as the Kabaka Birthday Run and the Masaza Cup, we reinforced our relationship with the Buganda Kingdom and its youth constituencies, supporting public health, unity, and talent development initiatives.

Looking ahead

Our focus remains the delivery of outstanding services and products, always aiming for best-in-class through a unique distribution network that is close to our customers. Through this network we create value for our shareholders and the society that we are proud to be part of. Subject to regulatory approval we will leverage on partnerships with satellite technology firms as we deliver our geographical coverage commitments for meaningful digital and financial inclusion for all.

INTRODUCTION TO THE FINANCIAL PERFORMANCE REVIEW

PERFORMANCE HIGHLIGHTS

Operating Key performance indicators (KPIs)

- Our total customer base grew by 13.9% to 19.2 million. Data customer penetration continues to rise, with a 19.6% increase in data customers to 8.7 million. Data usage per customer increased by 14.8% to 6.26 GBs, with smartphone penetration increasing by 477 basis points to reach 43.5%.
- Demand for data services across the network remained strong with data traffic increasing 46.0% over the period. Despite a Data ARPU decline of 3.7%, data continued to anchor overall ARPU, whereas voice ARPU declined 9.8% on the back of the interconnect rate cut resulting in an overall decline in ARPU of 2.5% YoY.
- Customer experience remains core to our strategy with sustained network investment during the period. In line with our strategic priorities, network capacity has continued to increase with all sites 4G enabled, and the continued expansion of our 5G network footprint. During the period we rolled out 258 new sites, 164 new 5G sites and 1,600 km of fibre.

Financial performance

- Revenue grew by 13.3% to Ushs 2,249.7 Bn, with strong data revenue growth underpinned by continued growth across other VAS segments anchored by the steady voice revenues despite the impact of the interconnect rate cut from Ushs 45 to Ushs 26, effective September 2024. Revenue growth was primarily supported by the continued strong momentum in customer growth over the period. The increased demand for data services contributed to a 22.4% growth in data revenues to Ushs 1,101.7 Bn.
- EBITDA grew by 24.5% to Ushs 1,235.4 Bn with EBITDA margins expanding by 490 basis points from 50.0% in 2024 to 54.9% in 2025 driven by continued operating momentum, and sustained benefits from our cost efficiency programme.
- Profit after tax grew by 41.1% to Ushs 446.9 Bn with PAT margins expanding by 400 basis points from 15.9% in 2024 to 19.9% in 2025. The growth was largely driven by sustained revenue growth and largely flat operating expenses which offset higher finance costs during the period. Finance costs were impacted by higher interest on lease liabilities resulting from continued network rollout and the extension of the American Tower Company ('ATC') tower lease agreement late last year.
- Basic EPS of Ushs 11.2 compared to Ushs 7.9 in the prior period, predominantly reflecting higher operating profit in the current period.

Capital allocation

- Capital expenditure was at Ushs 252.5 Bn for the twelve months period ended 31 December 2025. 4G site rollout continued, with 258 additional sites during the period. As at the 31 December 2025, 100% of our sites are 4G enabled. Furthermore, 5G investment continued with an additional 164 sites added, which combined with additional fibre rollout of 1,600 KM, resulted in enhanced capacity across our network.

“Sustained operating momentum drove revenue growth during the year, which combined with our cost optimisation programme and a more stable macroeconomic environment, drove EBITDA margin improvements during the year to 54.9% (from 50.0% in 2024). We generated a profit after tax of Ushs 447 Bn during the year, compared to Ushs 317 Bn in the prior period.”

Nishant Mohan
Finance Director

- Leverage has improved from 1.8x to 1.5x despite increase in lease liabilities by Ushs 71.1 Bn arising due to addition of 258 sites during the last twelve months. Adjusted for lease liabilities, leverage as of 31 December 2025 was 0.6x compared to 0.8x a year ago.

Returns to shareholders

- Returning cash to shareholders through our progressive dividend policy remains a key priority. The Board has recommended a final dividend of Ushs 3.55 per share equating to Ushs 142 Bn for the period ended 31 December 2025, resulting in a total of Ushs 11.15 per share totaling to Ushs 446.0 Bn for the full year to December 2025.
- The total dividend for the period to date in 2025 increased by 41.6% YoY, in line with our progressive dividend policy.

FINANCIAL REVIEW

Revenue

Revenue grew by 13.3% on a YoY basis for the year ended 31 December 2025 largely driven by the total customer base growth of 13.9%. This revenue growth was further supported by the sustained growth in usage across all the various business segments and product offerings. ARPU however declined by 2.5%, primarily impacted by the decline in voice ARPU as the cut in interconnect rates impacted trends during the period. Voice revenues grew by 4.4% on the back of the continued growth in the customer base driven by a comprehensive usage and retention strategy which contributed to a 6.8% growth in voice traffic across the network. The current period's voice revenue growth rate was impacted by the regulatory intervention (reduction of the local interconnect rate from Ushs 45 to Ushs 26 effective September 2024). Data revenues grew by 22.4% YoY anchored by a 19.6% growth in overall data customers to 8.7 million.

The various initiatives implemented during the year have resulted in the strong growth in overall revenues, with the data revenue contribution to service revenues improving to 49.3% (2024: 45.5%) for the twelve months period ended 31 December 2025.

EBITDA

EBITDA for the year grew by 24.5% driven by the resilient revenue growth and cost efficiency benefits, resulting in EBITDA margins of 54.9% (2024: 50.0%). This strong performance was driven by a nearly flat increase in operating costs of 2.0% as cost efficiency measures offset the costs associated with increased network scale and growing distribution footprint across the country. There is continued emphasis on operating cost optimisation and reduction initiatives ('war on waste') to drive continued EBITDA growth.

Depreciation and Amortisation

Depreciation and amortisation for the period rose by 6.3% YoY driven by the continued investments in the network sites and retail footprint to support future growth efforts. The continued network investments led to increase in lease liabilities, and therefore an increase in overall costs for the period.

Finance Cost

Net finance costs for the period increased by 18.0%, primarily due to interest cost on lease liabilities. Lease liabilities increased following the addition of 258 sites and the extension of the American Tower Company ('ATC') tower lease agreement late last year, which contributed to an increase in interest costs. Interest costs on borrowings and overdrafts was down by 4.0% due to the renegotiation of interest rates with banks during the year.

Taxation

Taxation Total tax charges were Ushs 193.0 Bn as compared to Ushs 135.0 Bn in the prior period. The 43.0% increase in total tax charges was largely a result of higher profit before tax in the current period. The effective tax rate was 30.2% compared to 29.9% in the previous financial year.

Profit After Tax (PAT)

Profit after tax (PAT) increased by 41.1% YoY to Ushs 446.9 Bn. PAT margin expanded YoY by 4.0 percentage points to 19.9% in 2025 (2024: 15.9%).

Earnings Per Share (EPS)

Basic Earnings per share (EPS) of Ushs 11.2 compared to Ushs 7.9 in the prior period, predominantly reflecting higher operating profit growth in the current period. This is because of strong revenue growth of 13.3% and EBITDA margin expansion by 4.9% reflecting positive impact on cashflows.

Capital allocation

Over 90% of our capex investment in 2025 was directed towards growth initiatives which are targeted to enhance network capacity, increase coverage and ensure reliable connectivity. We invested Ushs 252.5 Bn (excluding leases) in capex, to improve network capacity and quality, and to reinforce a future-ready network, through IT and cybersecurity to further protect our business from the global threat of cyberattacks, focusing on the areas of application, network, and API security. We monitor the effectiveness of our capex investment through our financial KPI 'return on capital employed'. Regular monitoring of this KPI helps us track the performance of our assets while also taking long-term financing into consideration. Our return on capital employed improved in the period to 41.5% driven by the 35.0% growth in operating profits and a margin of 37.7%.

Leverage

Leverage of 1.5x as at 31 December 2025 improved significantly from the previous year (Dec 2024: 1.8x). The lease adjusted leverage as of December 2025 improved to 0.6x compared to 0.8x as of December 2024. Our positive operational free cash flow position reinforces the company's ability to meet all its current and non-current financial obligations.

CORPORATE GOVERNANCE STATEMENT



**Strong governance.
Independent
leadership. Long-term
value.**

Godfrey Babikinga
Company Secretary / Legal and
Regulatory Director

Airtel Uganda is committed to upholding the highest standard of good corporate governance. The Company has a sound corporate governance framework that supports good corporate governance and accountability in order to sustain long term shareholder value.

The Company continues to embrace and abide by the core principles of good corporate governance as contained in the Capital Markets (Corporate Governance) Regulations, 2025 and the Companies Act, Cap 106.

In line with these principles, the Company is governed by a Board of Directors which is the primary decision maker. The Board guides the Company's operational and financial performance, sets strategy, ensures that risk is managed effectively, and that the Company has adequate resources to advance its business objectives. The Board further provides strategic leadership within a framework of strong governance, effective controls, and an open and transparent group culture.

The Board is supported by two (2) Committees; the Risk and Audit Committee, and the Nomination and Remuneration Committee. The Board and its Committees meet on a quarterly basis.

Board composition and independence

The Board of Directors is composed of seven (7) directors with diverse skills and expertise, namely one (1) Executive Director who is also the Managing Director, three (3) Non-Executive Directors and three (3) Independent Non-executive Directors, a composition that aligns with the requirements of the Capital Markets (Corporate Governance) Regulations 2025 and the Companies Act. The Board is chaired by an Independent Non-Executive Director.

The roles and responsibilities of the Board Members are documented, and there is a clear division of key responsibilities between the Board Chairperson and the Managing Director to maintain a strong governance framework and ensure the effectiveness of the Board.

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

The profiles of the current Board Directors are presented below.



Banana Vendor – Mbarara to Kabale
Bananas (matooke) are a staple food in Uganda, with the country among the world's largest consumers per capita.

BOARD COMPOSITION AND INDEPENDENCE



Hannington Karuhanga

Designation: Independent
Non-Executive
Director and Board
Chairperson

**Date of
Appointment:** 26 March 2024

Nationality: Ugandan

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's career spans over twenty-five (25) years in commodity trading, with over fifteen (15) years at senior executive level. He previously was the Group Managing Director for Sucafina S.A Group of Companies and is currently the Managing Director for Grain Pulse Limited.

He holds an MBA from University of Wales, Cardiff Business School, and a Bachelor of Arts from Makerere University in Uganda.



Soumendra Sahu

Designation: Executive Director

**Date of
Appointment:** 1 December 2024

Nationality: Indian

Other Positions:

CEO & MD; Airtel Uganda

Profile

Soumendra has had an illustrious and progressive career spanning over twenty-three (23) years in the Telecommunication Industry including work assignments with Tata Docomo, Reliance communications and Asian paints.

He holds a Post Graduate Diploma in Sales and Marketing from the NIS Institute of Business Administration, Bhubaneswar, Odisha, India and a Bachelor of Science in Physics from the University of Sambalpur, Burla, India.

Soumendra is currently the Managing Director of Airtel Uganda. Prior to his appointment he was the Chief Executive Officer at Bharti Airtel, Gujarat Circle.

BOARD COMPOSITION AND INDEPENDENCE



**Suzan
Kitariko**

Designation: Independent
Non-Executive
Director

**Date of
Appointment:** 26 March 2024

Nationality: Ugandan

Other Positions:

Director; Sombha (U) Limited; Telecel Group;
General Manager, SICPA Uganda

Profile

Suzan is a senior executive with experience in the ICT Sector stretching from Broadcasting to Telecommunication and other related sectors of the industry. She is currently the General Manager, SICPA Uganda.

Suzan holds a Bachelor of Mass Communication Degree from Makerere University and a Master's Degree in Business Administration (MBA) from Herriot Watt University, Edinburgh Business School.



**Keith
Kalyegira**

Designation: Independent
Non-Executive
Director

**Date of
Appointment:** 26 March 2024

Nationality: Ugandan

Other Positions:

Board Chairman, Absa Bank, Director,
Q-Sourcing Servtec

Profile

Keith is a senior executive and currently serves on various Boards. He possesses expert insights from the Capital Markets Authority where he served for over ten (10) years as the Chief Executive Officer. He has also served in different capacities both locally and internationally.

Keith holds an MBA from the University of Cape Town, Graduate Business School, ICOSA from (Institute of Chartered Secretaries and Administrators) and a Bachelor of Commerce (Hons), Accounting from Makerere University.

BOARD COMPOSITION AND INDEPENDENCE



Alok Bafna

Designation: Non-Executive Director

Date of Appointment: 26 March 2024

Nationality: Indian

Date of Resignation: 26 August 2025

Other Positions:

Chief Finance Officer, Airtel Money, Airtel Africa plc, Director: Airtel Kenya; Airtel Rwanda; Airtel Seychelles; Airtel Malawi

Profile

Alok is a seasoned finance and telecom senior executive, having held various roles within Bharti Airtel across the last twenty-five (25) years.

He previously served as the Financial Controller, Market Operations at Bharti Airtel Limited, Group Business Controller at Airtel Africa and has recently been appointed as the Chief Finance Officer, Airtel Money Services at Airtel Africa.

He has been a member of the Institute of Chartered Accountant of India since 1997.



Rama Krishnalella

Designation: Non-Executive Director

Date of Appointment: 26 March 2024

Nationality: Indian

Date of Resignation: 26 August 2025

Other Positions:

Chief Supply Chain Officer; Airtel Africa plc
Director: Airtel Nigeria; Airtel Seychelles

Profile

Ramakrishna is a senior executive and currently serves as the Chief Supply Chain Officer, Airtel Africa a position he has held since September 2016. He previously served as the Supply Chain Management Director for Airtel Nigeria between 2012 and 2014.

His career spans over thirty-five (35) years in the Telecommunications Industry, majority of which have been at Bharti Airtel.

Ramakrishna has played a significant role in shaping the supply chain function in the telecommunications sector and held various leadership covering manufacturing (Alcatel and Indian Telephone Industries), R&D (CDOT) and Service Provider (Airtel and Reliance Jio).

He holds a Master's Degree in Industrial Management – Materials Management from the Indian Institute of Technology, Kharagpur.

BOARD COMPOSITION AND INDEPENDENCE



Apoorva Mehrotra

Designation: Non-Executive Director

Date of Appointment: 26 March 2024

Nationality: Indian

Other Positions:

Regional Director – East Africa; Airtel Zambia; Airtel Kenya; Airtel Tanzania; Airtel Malawi; Airtel Rwanda

Profile

Apoorva is a senior executive and is currently the Regional Director for East Africa at Airtel Africa. He was previously the Executive Vice President & Business Head at Vodafone in New Delhi and Managing Director at Airtel Networks Zambia.

He has over twenty-five (25) years of experience across Fintech, Telecommunication, and various other industries. He holds a Master's Degree in Management Studies from University of Mumbai, India.



Alice Kariuki

Designation: Non-Executive Director

Date of Appointment: 27 August 2025

Nationality: Kenyan

Other Positions:

Senior Vice President – Public Policy at Airtel Africa PLC

Profile

Alice holds a Bachelor of Laws Degree from the University of Nairobi and a Master of Business Administration from the School of Business, University of Nairobi.

She is a member of the Law Society of Kenya and the Institute of Certified Public Secretaries of Kenya.

She is a seasoned Legal and Regulatory professional with over 20 years of Senior Management experience in the Telecommunication Sector and currently serves as Senior Vice President – Public Policy at Airtel Africa PLC providing guidance and support to 14 operations in the Airtel Africa Groupon diverse Legal and Regulatory matters.

Prior to joining Airtel Africa PLC, Alice, was the Director for Legal and Regulatory Affairs at Airtel Networks Kenya Limited. Her major areas of focus are Legal and Regulatory Advisory, Public Policy, Licensing, Regulatory Compliance, Competition Concerns, Government Relations and Corporate Governance.

BOARD COMPOSITION AND INDEPENDENCE



Neeraj Jain

Designation: Non-Executive Director

Date of Appointment: 27 August 2025

Nationality: Indian

Other Positions:
Business Controller B2C (Business to Consumer), Airtel Africa Plc

Profile

Neeraj is a results-oriented finance professional with over 24 years’ post qualification experience and is currently the Business Controller B2C (Business to Consumer) for Airtel Africa Plc. His career with Airtel Africa Group spans over 8 years having previously served as the Group Financial Controller where he oversaw the listing of Airtel Africa on the London Stock Exchange.

Prior to joining Airtel Africa, Neeraj worked with Bharti Group India where he held a variety of senior roles including PFO – Delhi NCR, Head Financial Reporting, among others.

Neeraj is a seasoned Senior Finance and Telecom Leader accustomed to working with multicultural teams. He also serves as a Board Member on the Boards of several Airtel Money operations in the Airtel Africa Group.



Godfrey Bakibinga

Designation: Company Secretary

Date of Appointment: 1 December 2024

Nationality: Ugandan

Other Positions:
Legal & Regulatory Director, Airtel Uganda.
Chairman, Board of Trustees, Airtel Uganda
Staff Provident Fund. Company Secretary Airtel
Telesonic Uganda

Profile

Godfrey Bakibinga is an Advocate of the High Court of Uganda, a Certified Trustee, and a member, in good standing, of the Uganda Law Society (ULS), East African Law Society (EALS) and the GSMA. He holds a Bachelor of Laws from Makerere University, a Post Graduate Diploma in Legal Practice (Bar Course) from the Law Development Centre (LDC), Kampala, Certification in Executive Leadership and Management (Strathmore University Business School), Six Sigma Black Belt, Trustee Certification (TTCP) (Insurance Training College), Bullet Proof Manager Certification (Crestcom University), Certificates in Telecom Regulation (University of Florida, USA) and Telecom and Digital Regulation (ITU Academy), and various post-graduate certifications in commercial law, telecom law and regulation, executive leadership and project management.

Bakibinga’s invaluable expertise and skill guides the company in consolidating its growth towards the attainment of its strategic objectives, sustainability, and corporate governance strategy.

BOARD CHANGES

RESIGNATIONS

Alok Bafna and **Ramakrishna Lella** resigned as **Non-Executive Directors** of the Company effective **26 August 2025** after over six years of distinguished service. During their tenure, Alok and Ramakrishna served the Board with diligence, and as inaugural members of the Risk and Audit Committee of the Board and played an instrumental role in shaping the Company's strategic, governance and compliance agenda. The Board appreciates their invaluable service, leadership, guidance and contribution to the Company and wishes them success in their future endeavours.

APPOINTMENTS

To fill the above casual vacancies, the Board appointed **Neeraj Jain** and **Alice Wangari Kariuki** as **Non-Executive Directors** of the Company, with effect from **27 August 2025**. The appointments are subject to shareholders' approval at this Annual General Meeting.



NEERAJ JAIN

Neeraj is a seasoned finance professional, bringing along over 20 (twenty) years of rich experience in finance and governance within the telecommunication space. Neeraj is currently the Business Controller B2C (Business to Consumer) for Airtel Africa Plc.

He has previously served as the Group Financial Controller and Group Operations Controller of Airtel Africa plc. He oversaw the listing of Airtel Africa on the London Stock Exchange and has been instrumental in building financial controls and processes for the Airtel Africa Group. Prior to joining Airtel Africa, Neeraj has worked with Bharti Group in various roles at senior management level.

Neeraj is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a Bachelor of Commerce from Calcutta University in Kolkata.



ALICE WANGARI KARIUKI

Alice is an accomplished legal and regulatory professional with over 20 (twenty) years of senior management experience in telecommunications and digital finance. Alice brings to the Board extensive expertise in public policy, corporate governance, audit and compliance, competition, government relations, stakeholder engagement, licensing, and general legal and regulatory affairs.

She currently serves as a Senior Vice President – Public Policy at Airtel Africa plc, providing guidance and support to the 14 (fourteen) operations of Airtel Africa Group on diverse legal, regulatory, governance and policy matters. Before moving to Airtel Africa Group, she served as Director, Legal and Regulatory Affairs at Airtel Networks Kenya Limited.

Alice holds a Bachelor of Laws from the University of Nairobi and a Master of Business Administration from the School of Business, University of Nairobi. She is a member of the Institute of Certified Public Secretaries of Kenya and the Law Society of Kenya.

The Board warmly welcomes Neeraj and Alice and looks forward to their contributions to the Company's governance and long-term strategic direction

BOARD MANDATE AND DELEGATION

The Board is responsible for promoting the long-term sustainable success of the Company and generating value for all our stakeholders. It establishes our purpose, vision and core values in addition to setting our culture and determining our strategy, risk management, succession and policies. The day-to-day management of the Company is delegated to the Managing Director and the Executive Management Committee. Management's key responsibilities include implementing the strategy and policies; conducting operations efficiently and effectively to achieve financial and operational targets; managing human resources, operational risks, compliance at the functional level; and reporting regularly to the Board on performance, risks, and opportunities.

The Board retains authority over matters of fundamental importance to the Company, including:

- Strategy and vision: Approving the Company's overall strategy, long-term objectives, and annual business plans.
- Financial oversight: Reviewing and approving annual budgets, financial statements, dividend policy, and significant capital expenditures.
- Risk and compliance: Monitoring risk management frameworks, internal controls, and compliance with legal and regulatory obligations.
- Leadership and succession: Appointing, evaluating and overseeing succession planning for the Senior Management Team.
- Corporate governance: Establishing governance policies, board committees, and ensuring ethical standards are upheld.
- Major transactions: Approving mergers, acquisitions, disposals, and other material transactions outside the ordinary course of business.

The Board maintains a clear distinction between governance and management responsibilities. While the Board sets direction and ensures accountability, management executes operational plans within the framework established by the Board. This balance ensures effective oversight while empowering management to act with agility in day-to-day operations.

Role of the Chairperson of the Board

- Provides leadership, guidance and ensures the effectiveness of the Board in directing the Company.
- Chairs Board meetings, sets meeting agendas and ensures directors have accurate, timely and clear information.
- Promotes high standards of corporate governance.
- Builds a well-balanced and highly effective Board with a culture of openness to encourage constructive challenge.
- Facilitates and promotes constructive relations between Board members, and the effective contribution of non-executive directors.
- Acts as a link between executive and non-executive directors.
- Leads the annual review of the Board's effectiveness.
- Engages with our stakeholders and balances the interests of all stakeholders.
- Demonstrates objective judgement.

Role of the Managing Director

- Ensures effective leadership and is responsible for day-to-day running of the Company.
- Leads the Senior Executive Team and oversees key functions.
- Develops and implements our strategy, planning and budgeting and ensures long-term focus.
- Reviews the organizational structure, including development and succession planning.
- Manages our risk profile and establishes effective internal controls.
- Reviews and authorizes the Company's Annual Operating Plan before presentation to the Board for approval.
- Ensures the Chair and Board are updated on key matters.
- Maintains relationships with stakeholders and advises the Board accordingly.
- Has overall responsibility for sustainability.

Role of the Finance Director

- a. Deputizes the Managing Director and manages our finances, including treasury and tax matters.
- b. Leads the finance, tax, treasury, investor relations and internal audit functions.
- c. Oversees the Company’s Risk Profile together with the Senior Executive Committee.
- d. Agrees our Annual Operating Plan before approval by the Managing Director and Board.
- e. Oversees the Company’s relationship with the investment community.

Role of the Company Secretary

- a. Provides advice and support to the Board, its Committees and individual directors on corporate governance, compliance and legal matters.
- b. Ensures the Board has the policies, processes, information, time and resources needed to function effectively and efficiently.
- c. Supports the Chair in setting meeting agendas.
- d. Ensures directors have accurate, timely and clear information.
- e. Responsible for all legal and compliance matters of the company.
- f. Acts as a link between the Board and its committees as well as non-executive directors and the senior leadership team.

Attendance of Board Meetings

During the year ended 31 December 2025, four (4) Board Meetings were convened and the attendance of each Director is indicated in the table below: -

Board Member	18-Feb-25	21-May-25	26-Aug-25	21-Nov-25	20-Feb-26
Hannington Karuhanga	√	√	√	√	√
Apoorva Mehrotra	√	√	√	√	√
Alok Bafna**	√	√	√	n/a	n/a
RamaKrishna Lella**	√	√	√	n/a	n/a
Suzan Kitariko Mweheire	√	√	√	√	√
Keith Kalyegira	√	√	√	√	√
Soumendra Sahu	√	√	√	√	√
Alice Kariuki*	n/a	n/a	n/a	√	√
Neeraj Jain*	n/a	n/a	n/a	√	√

Notes: √ Attendance; n/a Not a member or had ceased to be a member of the Board at the time of the meeting;* Joined the Board on 27 August, 2025; ** Resigned from the Board on 26 August, 2025.

BOARD COMMITTEES

The Board currently has two (2) Committees; the Risk and Audit Committee and the Nomination and Remuneration Committee.

a. Risk and Audit Committee

Members: Keith Kalyegira, Alok Bafna, Ramakrishna Lella, Neeraj Jain and Alike Kariuki

The Risk and Audit Committee was first constituted on 10 December 2015 and reconstituted on 24 November, 2023. The aforementioned directors served on the Committee during the financial year. The permanent invitees to the said Committee include the Managing Director, Finance Director and the Head, Internal Risk and Audit. Alok Bafna and Ramakrishna Lella resigned from the Board and the Committee on 26 August 2025 and were replaced by Neeraj Jain and Alice Kariuki.

The Committee is chaired by an independent non-executive director, Keith Kalyegira and supported by the Company Secretary.

The Risk and Audit Committee conducts the customary functions of a typical Risk and Audit Committee and neither performs management functions, nor assumes management responsibilities. The Committee operates under the Terms of Reference set out in the Committee Charter approved by the Board, which stipulates the scope of authority, composition and roles and responsibilities.

The Board regularly reviews the composition and terms of the Risk and Audit Committee to ensure alignment with all the requirements of the law.

Attendance of Risk and Audit Committee Meetings

The Risk and Audit Committee convened four (4) meetings, and the attendance of each Member is indicated below:-

Member	14-Feb-25	19-May-25	22-Aug-25	18-Nov-25
Alok Bafna**	√	√	√	n/a
Ramakrishna Lella**	√	√	√	n/a
Keith Kalyegira	√	√	√	√
Neeraj Jain*	n/a	n/a	n/a	√
Alice Kariuki*	n/a	n/a	n/a	√

Notes: √ Attendance; n/a Not a member of the Committee at the time of the meeting;* Joined the Board on 27 August, 2025, **resigned from the Board on 26 August, 2025.

b. Nomination & Remuneration Committee

Members: Suzan Mweheire Kitariko, Apoorva Mehrotra, and Soumendra Sahu

The Board constituted a Nomination and Remuneration Committee on 24 November 2023. The Committee is comprised of three (3) members and one (1) permanent invitee, the Human Resources Director. It is chaired by an independent non-executive director, Suzan Mweheire Kitariko, and supported by the Company Secretary.

The Board Nomination and Remuneration Committee conducts the functions of a typical Nomination and Remuneration Committee and neither performs any management functions, nor assumes any management responsibilities. The Committee operates under the Terms of Reference set out in the Committee Charter approved by the Board, which stipulates the scope of authority, composition and roles and responsibilities of the Committee.

The Board regularly reviews the composition and terms of the Committee to ensure alignment with all the requirements of the law.

Attendance of Nomination and Remuneration Committee Meetings

The Nomination and Remuneration Committee held four (4) meetings and below is the attendance of each member:

Member	21-Jan-25	14-May-25	22-Aug-25	12-Nov-25
Suzan Kitariko Mweheire	✓	✓	✓	✓
Apoorva Mehrotra	✓	✓	✓	✓
Soumendra Sahu	✓	✓	✓	✓

Notes: ✓ Attendance; n/a Not a member or had ceased to be a member of the Committee at the time of the meeting.

Board Performance Evaluation

The Board of Directors in May 2025 conducted a formal self assessment of its performance, including the effectiveness of its committees and the Chairman. The evaluation process was designed to review the Board's composition, decision making, oversight responsibilities, and overall governance practices.

The assessment was carried out internally through structured questionnaires and discussions, with no external evaluator engaged. The Board concluded that its committees and individual directors continue to operate effectively, with constructive dialogue and strong alignment on strategic priorities. Opportunities for further enhancement were identified and will be incorporated into the Board's ongoing governance agenda.

Directors' Remuneration

Airtel Africa's Board Remuneration Policy prohibits Directors that are employed by any of the entities that are part of the Airtel Africa Group from earning additional compensation outside the remuneration package stipulated in their respective Employment Contracts. No payments were made to any Director to induce them to become Directors in Airtel Uganda.

The Non Executive Directors and Executive Director who are employees of the Airtel Africa Group do not receive any additional remuneration outside the package stipulated in their respective Employment Contracts, under which they are entitled to an annual gross salary and other customary benefits such as medical insurance, housing allowance as well as bonuses tied to individual and company performance.

The Company only remunerates the three (3) independent non-executive directors, namely Hannington Karuhanga, Keith Kalyegira and Suzan Mweheire Kitariko with a fixed Annual Fee (payable quarterly), appropriate Sitting Allowances, phone benefit, monthly airtime credit plus reimbursement of all reasonable pre-approved costs related to the Company's assignments. A summary of the fees paid to the Directors is contained in the Company's Annual Financial Statements.

Board activities and oversight of culture

Throughout the reporting period, the Board actively engaged in monitoring and shaping the Company's culture to ensure alignment with its values of integrity, innovation, customer centricity, and high performance.

This oversight was exercised through quarterly culture dashboards, employee engagement assessments, whistleblowing reports, and leadership performance reviews. Directors also conducted operational site visits and participated in staff forums, enabling firsthand insight into employee morale, workplace practices, and cultural alignment. Where gaps were identified, the Board guided management on targeted interventions to strengthen ethical conduct, leadership capability, and service excellence.

Management of conflicts of interest and related party transactions

The Board maintained a transparent and robust system for identifying and managing conflicts of interest during the year ended 31 December, 2025. All Directors submitted annual declarations and made real time disclosures as required during meetings of the Board and Committees. All related party transactions undertaken during the year were reviewed through the Risk and Audit Committee to ensure they were conducted at arm's length, commercially justified, and compliant with internal policies and regulatory requirements.

Code of Conduct and Ethics

The Company is committed to upholding the Code of Conduct for all employees whether on fixed or permanent terms, temporary or seconded, agency staff, self-employed consultants, associated suppliers or contractors.

The Company has put in place policies through which the acceptable Code of Conduct is established, and this is monitored on an annual basis.

Internal control and risk management

The Board is responsible for ensuring that the Company maintains a sound system of internal control and effective risk management. During the year, the Board received regular reports from Management, Internal Audit, and the Risk and Audit Committee on the adequacy of internal controls and the evolving risk landscape.

The Company's principal risks included operational disruptions, cyber and data security threats, regulatory compliance obligations, credit exposures, and market related pressures. These were assessed using the Enterprise Risk Management (ERM) Framework, supported by risk registers, control testing, and scenario analyses.

Emerging risks were identified through regulatory trend monitoring, industry benchmarking, technology assessments, and engagement with external experts. Mitigation actions implemented included strengthening IT controls, enhancing staff compliance training, refining business continuity processes, and conducting independent audits. The Board is satisfied that controls and mitigation measures in place remain effective and proportionate to the Company's risk profile.

The Company recognises the evolving risks across the business and how these risks affect the decision-making process. We have put in place a robust system and a competent team as part of our approach to risk management.

The identified significant risks include the following: -

Sn	Risk	Mitigation
1	Foreign Risk Exposure: CAPEX, OPEX and a substantial amount of dividends are paid in United States Dollars. The Company also has an Infrastructure Lease Agreement where the contract prices are pegged to United States Dollars while the actual payment is made in Uganda Shillings. Fluctuations in the foreign exchange rate therefore impacts these payments.	In line with Company Policy, we have taken out a forward cover to hedge our Foreign Exchange exposure. The Company generally takes three (3) to six (6) months forward to cover the risk.
2	Inability to quickly restore services from an alternative Site in the event of a disaster that puts the main Site (Bugolobi) out of service.	Upgrading the Architecture and all other applications to run simultaneously on both Production and Disaster Recovery Site

Management has continued to enhance controls around SIM Card registration and upgrade the architectural design of the Disaster Recovery Site. Several initiatives have also been put in place to manage costs.

Shareholder Rights

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

We have in place clear structures and policies on voting procedures and dividend payments to Shareholders.

The Company communicated financial performance updates, governance developments, and strategic priorities through statutory disclosures, meetings, and digital channels.

Stakeholder Engagement

Management and the Board continued to engage with regulators, customers, employees, suppliers, and community partners through compliance dialogues, customer experience forums, staff town halls, industry consultations, and corporate social responsibility initiatives. These engagements informed decision making and strengthened the Company's regulatory alignment, service delivery, and social impact.

The Board recognizes that proactive engagement with shareholders and broader stakeholders is essential to sustainable growth. During the year, the Company implemented a structured engagement programme to ensure transparent communication and responsiveness to stakeholder concerns as required by the Capital Markets Authority and the Uganda Securities Exchange.

Compliance and legal matters

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

We currently do not have any significant legal matters that are likely to have a material impact on the company.

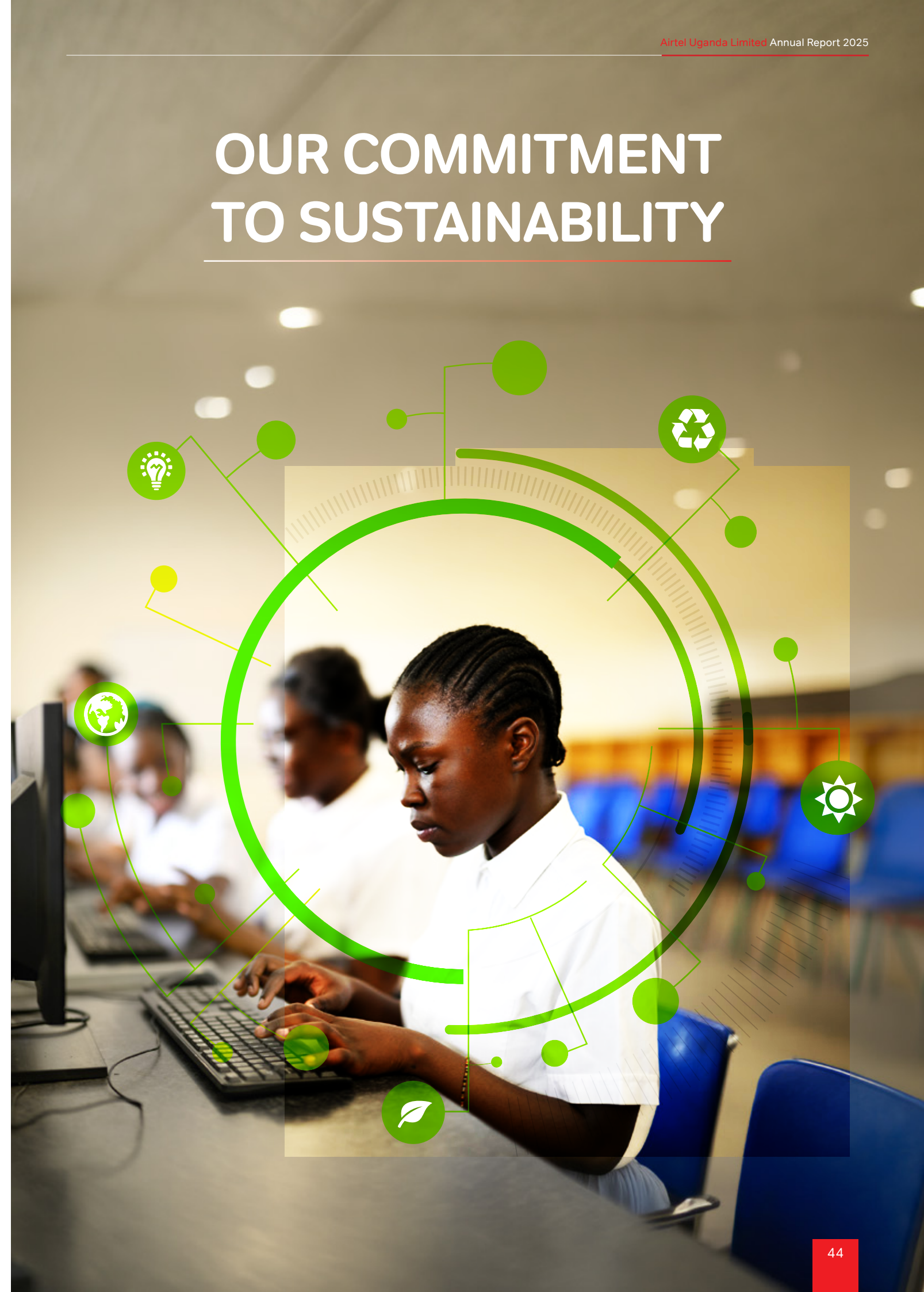
The Company is committed to ensuring adherence to best corporate governance standards and compliance with the legal and regulatory framework as it continues to offer the best telecommunication services and customer experience to its customers across the country.

Compliance with the Capital Markets (Corporate Governance) Regulations

The Board confirms that the Company continues to adhere to the Capital Markets (Corporate Governance) Regulations 2025 to the fullest extent practicable. During the reporting period, the Company maintained a strong governance framework aligned with the principles set out under the Regulations, including Board effectiveness, transparency, accountability, stakeholder engagement, internal control, and ethical conduct.

The Company continues to refine its governance practices in line with evolving regulatory expectations and best practice. The Board remains committed to ongoing engagement with the Capital Markets Authority, with whom the Company maintained open, constructive, and collaborative communication throughout the year. Regular consultations with the Authority have ensured timely clarification of requirements, alignment on governance improvements, and proactive updates on progress in areas previously identified for enhancement.

OUR COMMITMENT TO SUSTAINABILITY



OUR SUSTAINABILITY LANDSCAPE

In 2024, the Airtel Africa Foundation was established as the philanthropic arm of Airtel Africa plc, with presence in 14 countries in Africa including Uganda. The mission of the AAF is to empower Africa through Financial Inclusion, Education, Environmental Protection and Digital Inclusion (FEED). The aim is to build a prosperous Africa for all. In 2025, FEED became the guiding strategy for Airtel Uganda’s investments in society



Our 2025 and long-term CSR/Sustainability Strategy

Airtel Africa Foundation is on a mission to transform the lives of Ugandans. The foundation’s mission is to empower Africa through Financial inclusion, Education, Environmental protection and Digital inclusion (FEED).



Transforming Lives

This year, we celebrate the full functioning of the Airtel Africa Foundation in Uganda which has marked greater impact and success for the Ugandan people.

Our sustainability work is driven by a combined focus on our technology innovations and the deep commitment to create partnerships that address the needs of the Ugandan youth.

This year’s progress is from a deliberately selected choice of themes that that drive Airtel Uganda’s purpose of harnessing the potential of the beneficiaries to take charge of their prosperity.



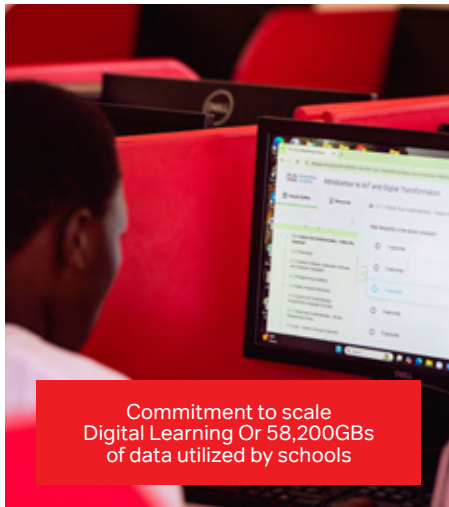
In 2025, Financial Inclusion, Education, Environmental Protection and Digital Inclusion (FEED) were the themes that laid the groundwork for Airtel Uganda to charter a course today that creates advancement towards tomorrow’s opportunities.

Our choice of sustainable solutions and initiatives is a response to the now and future facing needs of the Ugandan people.

Airtel leveraged its network assets and expansion for long-term integration of financial and impact materiality into all our initiatives and future CSR strategy. From central Uganda to the north, to the East, West & South, almost everyone, the young and old, in school and in other socio-economic contexts, can feel a connection to the opportunities of digital connectivity.

The CSR initiatives activated have been centered on our commitment to the various Sustainable Development Goals which guided the standard of our documentation of impact. On the next page, we look at some of the CSR initiatives from the 2025 chapter of Airtel Uganda’s journey.

2025 HIGHLIGHTS



Commitment to scale Digital Learning Or 58,200GBs of data utilized by schools



120,000 runners come together at the Airtel Kabaka Birthday Run for the cause of stamping HIV/AIDS out of Uganda by 2030



100 Women in Uganda enrol for the Airtel Africa TechForHer Program



7,700 trained at 14 public libraries powered by Airtel Internet



68,000 students benefit from Airtel Internet



223 schools powered the internet to scale digital learning

ACCELERATING DIGITAL LEARNING IN SCHOOLS ACROSS THE COUNTRY

We transformed lives through digital inclusion (SDG 9). To do so, we leveraged our expertise, technology and partnerships (SDG 17).

Through our partnership with UNICEF, 194 schools (cumulatively) were connected to the internet. Internet connectivity enabled online training for 349 teachers with digital pedagogy in teaching and learning. This also created direct access to free digital resources for more than 67,900 students across the country which contributes to reduced inequalities (SDG 10)



AIRTEL & UNICEF CHANGING LIVES THROUGH DIGITAL LEARNING

SCHOOLS CONNECTED SO FAR



246

260 schools have been connected by the end of February 2026

45 schools in the North
49 schools in the East
37 schools in West Nile
50 schools in the West
24 schools in Central
24 schools in Karamoja
17 schools in South

STUDENTS



86,100+

Number of learners accessing internet

TEACHERS



3,690+

Number of teachers reached while teaching

TRAINING



184

Number of teachers trained to use ICT in teaching

INTERNET



2Gbps

Data speeds utilized monthly

COMPUTERS



95

Computers donated to schools by UNICEF

ICT LEARNERS



5,600

Number of students engaged online

DATA



812,100 GB

Cumulative Data given to the schools since inception



Access free digital learning content on: <http://e-learning.education.go>

SCHOOLS TAKING ACTION

Through our partnership with UNICEF, schools also received desktop computers. Schools have taken considerable steps to use free online resources, participate in training, and engage in online activities that are improving the overall classroom and school experience through digital connectivity. Our staff volunteers their experience and expertise to shape support for learners in these schools.



At Rwamurunga SS in Isigiro District – Western Uganda, the ICT Club was revived



In West Nile, Lolachat Secondary School joins another 4,800 schoolgirls login to for conversation with Girls4Girls, a global organization that empowers young girls and women with courage, vision and skills needed to take on leadership. This was during the International Girls in ICT Day



In Jinja and other districts, schools quickly adopt to incorporating ICT in learning.



Teachers undertaking ongoing virtual trainings to be equipped with practical skills to use various online teaching tools to deliver, assess and enhance learning.

BEYOND THE CLASSROOM

In addition to our commitment of scaling digital learning in schools, Airtel Uganda also supports students through continuous, voluntary impartation of skills and knowledge for personal, and social development. We believe that education is not limited to childhood or formal schooling and skills for adaptability go along way to equip well rounded students.

Volunteering at the schools:

Airtel staff members have taken hours off their time to volunteer at the schools.

The topics that have been dealt with so far:

- Career guidance
- Bullying
- Resilience
- Setting goals
- Interpersonal skills



EQUIPPING THE NEW GENERATION OF WOMEN IN TECH

100 women aged 18 – 40 enrolled for a transformative 5-week intense online certification courses in Linux Administration, Cybersecurity, SQL & Ethical Hacking, DevOps and Data Analytics. This is a program under the Airtel Africa Foundation TechForHer Program in partnership with Tertiary DNS. This program is an outcome of partnerships (SDG 17) and is contributing to reducing digital gender inequalities (SDG 10 & 5).



DIGITAL ACCESS FOR ALL: AIRTEL INVESTS FREE 4G WIFI AT PUBLIC LIBRARIES

Over 7,700 people have been trained at public libraries to integrate internet use in their daily life and for work opportunities. In addition to those trained more than 89,000 people (cumulatively) have walked into the public library to make use of the internet.

The libraries have revolutionized reading, giving access to free online learning resources for beneficiaries from various social contexts. Women learning to make products through online tutorials, to children from neighboring schools to government entities learning to use the internet for record keeping.

This program is an outcome of partnerships (SDG 17) and is contributing to reducing digital gender inequalities (SDG 10 & 5) and creating work opportunities and improving the education experience for countless children.



A MOVEMENT FOR HEALTH

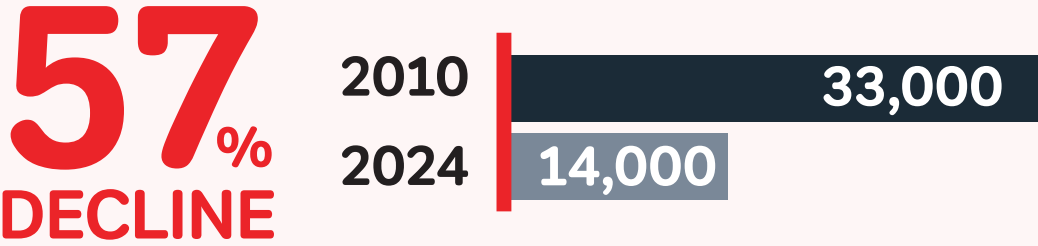
120,000 running kits were sold to runners who painted the city red with one voice – men against the spread of HIV/AIDS and to stamp it out of Uganda by 2030. This program is possible through a partnership (SDG17) with the Buganda Kingdom, UNAIDS, and it advocates for the health and wellbeing (SDG 3) of the Ugandan people now and in the future.



The HIV/AIDS campaign that we invest in targets young, a big part of our population. Uganda AIDS Commission reports a 57% decline in new infections among young people.

YOUNG PEOPLE (15-24)

There was a decline in the new HIV infections among the young people 15-24



The new infections were high among the adolescent girls and young women compared to the adolescent boys and young men.

Group	Freq.	Percentage
Young Men 15-24	3,000	20
Young Women 15- 24	11,000	78
All Young People 15-24	14,000	45

SOURCE: COUNTRY HIV ESTIMATES 2025

Our investment with the Buganda Kingdom, under the Kabaka Birthday Run, is bearing fruit. There has been a noticeable decline in the HIV/AIDS prevalence rates in Hotspot districts and other areas.

HIV prevalence [HOT SPOT DISTRICTS], 2024 map		
District/City	2020	2024
Fort portal City	17.3%	14.3%
Kyotera	14.8%	12.6%
Kalangala	14.6%	12.0%
Soroti City	14.4%	11.6%
Kiruhura	13.3%	11.2%
Mbarara City	12.1%	9.9%
Masaka	11.6%	9.8%
Masaka City	11.5%	9.6%
Gulu City	11.7%	9.6%
Kabarole	11.3%	9.4%
Lira City	11.2%	9.1%
Buikwe	10.2%	8.8%
Kalungu	9.8%	8.4%
Bukomansimbi	9.6%	8.4%
Bunyangabu	9.5%	8.1%
Lwengo	9.3%	8.1%
Pader	9.5%	8.4%

HIV Prevalence (15-49years), by cultural Regions, 2024 map		
District/City	2020	2024
South Buganda	9.1%	7.5%
Acholi	8.2%	7.0%
Ankole	7.4%	6.3%
Kampala	6.8%	5.6%
Lango	6.8%	5.8%
North Buganda	6.8%	5.8%
Toro	5.9%	4.9%
Kigezi	5.7%	4.9%
Bunyoro	5.6%	4.7%
Teso	3.9%	3.3%
Busoga	3.7%	3.2%
Bukedi	3.5%	3.0%
Elgon	3.3%	3.0%
West Nile	2.7%	2.3%
Karamoja	1.6%	1.4%

VALUE WE CREATED IN 2025

We remain a cornerstone of Uganda’s economic and social development. Through our intentional extensive supplier and agent network, the company contributes significantly to local enterprise growth, international collaboration, and community empowerment.

In 2025, Airtel Uganda’s operations generated Ushs 990 billion in supplier value, with Ushs 669.1 billion directed to local suppliers and Ushs 320.9 billion to international suppliers, reinforcing our dual commitment to national sustainability and global competitiveness.

Category	No	Share of Business (Ushs Bn)	Share of Total (%)
Local Suppliers	1,334	669.1	68
International Suppliers	416	320.9	32
Total	1,750	990.0	100%

Airtel Uganda maintains rigorous procurement standards designed to uphold fairness, transparency, and accountability in all supplier engagements. Our operations are fully aligned with national regulatory requirements and international best practices, reinforcing stakeholder confidence. We actively champion integrity and implement strong anti-corruption measures across our supply chain and business partnerships.

To strengthen these relationships, we have established a dedicated and professional team that supports new suppliers, guiding them through compliance processes and best practice frameworks. This ensures that even businesses at early stages of growth can operate sustainably and in line with Airtel Uganda’s standards of excellence.



OUR SUSTAINABILITY HIGHLIGHTS IN 2025

Our Business



- A network of over 0.4 Million agents, 76 customer service centers, 2,814 mini service centres and over 390 franchise partners to ensure availability of recharges & to serve our customers.
- 76% of our contract volume was given to local suppliers. This volume holds USD 182.1 Mn or 68% of value.
- We added 258 4G and 164 5G new sites on the network. This is reinforced with an additional 1,600KM of Fibre. This was as part of the densification of the infrastructure to support our commitment to growing digital access.

Our Community



- In 2025, Airtel sponsored Kabaka birthday Run with +120,000 runners and the proceeds went to support & join to end HIV/AIDS by 2030.
- Through the Airtel – UNICEF partnership, Airtel Uganda has so far connected 246 schools to the internet.
- The partnership is improving access to quality education for over 86,100 students and 3,690 teachers.
- We supported the training of 100 out-of-school girls in a 5-week program for Cyber Security, DevOps, Linux and Data Analytics.

Our People



- In the year ended 31 December 2025, our head count was 259 permanent staff supported by over 1,430 contractors from our Human Resources partners. We registered a 47.9% growth in contracted manpower over the reporting period.
- Over 95% of staff have actively engaged with the online platform, which offers best-in-class courses on functional, behavioral, and general skills.
- 30% of our staff were female. 24% in Senior Management, and 10% in Executive leadership of the business.

Our Environment



- Rollout of sites which are less dependent on carbon fuel through partnerships with towercos and deployment of lithium-ion batteries on our own sites
- Collaboration with towercos to adopt renewable energy sources, such as solar and other environmentally friendly solutions.
- Deployment of multiband radios on our network to optimise the energy requirement on the sites.

Financial Review

Sipi Falls – Eastern Uganda

Sipi Falls, on the slopes of Mount Elgon, is one of Uganda's most scenic waterfall systems and a gateway to the country's renowned Arabica coffee region.

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of Airtel Uganda Limited for the year ended 31 December 2025, in accordance with section 161 of Companies Act, Cap. 106 of the Laws of Uganda which discloses the state of financial affairs of Airtel Uganda Limited ("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

	2025 Ushs million	2024 Ushs million
Profit before taxation	639,910	451,736
Taxation charge	(193,049)	(134,996)
Profit for the year	446,861	316,740

The profit for the year amounted to Ushs 446,861 million (2024: Ushs 316,740 million). The Directors recommended interim dividends for the year ended 31 December 2025 amounting to Ushs 304,000 million (2024: 215,000 million) (refer note 33 of the financial statements).

Further, the Directors recommend a final dividend of Ushs 142,000 million at a rate of Ushs. 3.55 per share making a total dividend for the year of Ushs 446,000 million (2024: 315,000 million) at a rate of Ushs 11.15 per share for the year ended 31 December 2025 (2024: Ushs 7.88 per share).

Subject to the approval of the shareholders at the AGM, the final dividend will be paid on or before 29 April 2026 to the shareholders on the register at the close of business on 8 April 2026. This final dividend is not included as a liability in the Financial Statements.

RESERVES

The reserves of the Company are set out on page 67 in the statement of changes in equity.

DIRECTORS

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

Hannington Karuhanga	-	Non-Executive Director
Soumendra Sahu	-	Executive Director
Alok Bafna	-	Non-Executive Director (Resigned on 26 August 2025)
Rama Krishna Lella	-	Non-Executive Director (Resigned on 26 August 2025)
Apoorva Mehrotra	-	Non-Executive Director
Keith Kalyegira	-	Non-Executive Director
Suzan Kitariko Mweheire	-	Non-Executive Director
Alice Kariuki	-	Non-Executive Director (Appointed on 27 August 2025)
Neeraj Jain	-	Non-Executive Director (Appointed on 27 August 2025)

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

SHAREHOLDING

The shareholding of the Company as at 31 December 2025 is 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%
Total	40,000,000,000	100%

AUDITORS

Deloitte & Touche, Certified Public Accountant of Uganda, have expressed their willingness to continue in office in accordance with the provisions of Section 163 (1) and (2) of the Companies Act, Cap. 106 of the Laws of Uganda.

BY ORDER OF THE BOARD



Secretary
20 February 2026
Kampala

Kampala

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

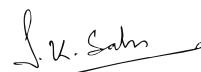
The Companies Act Cap. 106 of the Laws of Uganda requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the State of Financial Affairs of the Company as at the end of the financial year and of its operating results for that year. The Act also 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 using the 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 IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act Cap. 106 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.

In preparing the financial statements, the directors have assessed the Company's ability to continue as a going concern and disclosed under note 6, as applicable, matters relating to the use of the going concern basis of preparation of the financial statements. The directors hereby report that nothing has come to their attention to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

The financial statements of Airtel Uganda Limited were approved and authorized for issue by the Board of Directors on **20 February 2026** and signed on its behalf by:



Soumendra Sahu
Director



Hannington Karuhanga
Chairman

Deloitte.

Deloitte & Touche
Certified Public Accountant of Uganda
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 P.O. Box 10314 Kampala, Uganda
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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 63 to 112, which comprise the statement of financial position as at 31 December 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of Airtel Uganda Limited as at 31 December 2025, and of its financial performance and cash flows for the year then ended and are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106 of the Laws of Uganda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)(IESBA Code), as applicable to audit of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Uganda. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 judgement, 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.



Practising Accountants: A. N. Muraya* F. Okwiri* P. Ssali E. J. Mbure* *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

Recognition of revenue from contracts with customers	How our audit addressed the matter
Recognition of revenue from contracts with customers. The recognition of revenue from contracts with customers is considered a key audit matter in telecom companies due to its complexity, contractual dynamics and control environment. 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. As disclosed in notes 7(a) of these financial statements, the company earned Ushs 2,233 billion (2024: Ushs 1,978 billion) revenue with customers.	- Used internal IT specialists to test the IT environment in which the billing systems reside, including interface controls between different IT applications. - 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. - 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. - 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. - 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. - Obtained and tested the accuracy of the reconciliation between the Intelligent Network (IN) billing system and the general ledger (the manual revenue reconciliation process). - Assessed the adequacy and appropriateness of disclosures for compliance with the accounting standards. Based on the procedures described above, our audit evidence was consistent with the revenue recognized in the financial statements in accordance with IFRS 15. We also found the disclosures to be adequate and appropriate.

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 Cap. 106 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 IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106 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.

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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

As required by the Companies Act Cap. 106, we report to you based on our audit, that:

- 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

20 February 2026
Kampala



Paul Ssali

Partner

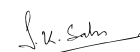
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025**

	Note	2025 Ushs millions	2024 Ushs millions
Income			
Revenue	7	2,232,897	1,978,815
Other income	7(b)	16,839	7,683
		2,249,736	1,986,498
Expenses			
Network operating expenses	8(a)	(353,605)	(334,080)
Access charges		(105,052)	(104,809)
Licence fees and spectrum usage charges		(50,056)	(46,771)
Employee benefit expenses	8(b)	(93,701)	(88,978)
Sales and marketing expenses	8(c)	(246,745)	(227,215)
Other operating expenses	8(d)	(167,417)	(191,106)
Impairment reversal/(loss) on financial assets		2,196	(1,109)
Depreciation and amortisation	9	(386,171)	(363,310)
		(1,400,551)	(1,357,378)
Operating profit		849,185	629,120
Finance income	10(a)	13,577	14,969
Finance costs	10(b)	(222,852)	(192,353)
Profit before tax		639,910	451,736
Income tax expense	11(a)	(193,049)	(134,996)
Profit for the year		446,861	316,740
Other comprehensive income for the year, net of tax	35	62	32
Total comprehensive income for the year, net of tax		446,923	316,772
Basic and diluted earnings per share (Ushs)	34	11.2	7.9

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025 Ushs millions	2024 Ushs millions
ASSETS			
Non-current assets			
Property plant and equipment	12	833,946	845,455
Capital work-in-progress	12	88,418	29,145
Right of use asset	13	1,137,307	1,082,205
Intangible assets	15	369,810	387,887
Other non-current assets	16	86,831	60,251
		2,516,312	2,404,943
Current assets			
Inventories	17	3,662	3,027
Financial assets			
Trade receivables	18	74,032	75,235
Cash and cash equivalents	19	27,199	9,443
Derivative financial assets	29	1,433	-
Others	20	13,160	10,883
Income tax asset (net)	11(b)	-	13,478
Other current assets	16	100,384	88,521
		219,870	200,587
TOTAL ASSETS		2,736,182	2,605,530
EQUITY AND LIABILITIES			
Equity			
Share capital	22	40,000	40,000
Retained earnings		145,262	102,401
Other reserves	35	173	111
TOTAL EQUITY		185,435	142,512
Non-current liabilities			
Financial liabilities			
Borrowings	23	189,579	258,717
Lease liabilities	24	1,108,508	1,063,657
Others	25	135,978	141,782
Deferred revenue	26	8,054	9,534
Provisions	27	2,011	2,391
Deferred tax liabilities	11(c)	140,182	132,340
		1,584,312	1,608,421
Current liabilities			
Financial liabilities			
Borrowings	23	455,438	394,773
Lease liabilities	24	151,537	125,274
Trade payables	28	168,400	181,067
Derivative financial liabilities	29	-	3,549
Others	25	71,026	47,005
Deferred revenue	26	27,204	29,464
Provisions	27	10,621	14,692
Income tax payable (net)	11(b)	17,652	-
Other current liabilities	30	64,557	58,773
		966,435	854,597
TOTAL LIABILITIES		2,550,747	2,463,018
TOTAL EQUITY AND LIABILITIES		2,736,182	2,605,530

The Financial Statements on pages 63 to 112 were approved for issue by the Board of Directors on **20 February 2026** and signed on its behalf by



Soumendra Sahu
Director



Hannington Karuhanga
Chairman

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

Particulars	Share Capital Ushs Millions	Retained Earnings Ushs Millions	Other Comprehensive Income Ushs Millions	Grand Total Ushs Millions
At 1 January 2024	40,000	86,661	79	126,740
Profit for the period	-	316,740	-	316,740
Dividend - Final dividend FY23 (Refer to note 33)	-	(86,000)	-	(86,000)
Dividends – Interim dividend FY24 (Refer to note 33)	-	(215,000)	-	(215,000)
Other comprehensive income	-	-	32	32
At 31 December 2024	40,000	102,401	111	142,512
At 1 January 2025	40,000	102,401	111	142,512
Profit for the period	-	446,861	-	446,861
Dividend - Final dividend FY24 (Refer to note 33)	-	(100,000)	-	(100,000)
Dividends – Interim dividend FY25 (Refer to note 32)	-	(304,000)	-	(304,000)
Other comprehensive income	-	-	62	62
At 31 December 2025	40,000	145,262	173	185,435

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs millions	2024 Ushs millions
OPERATING ACTIVITIES			
Profit before tax		639,910	451,736
Adjustments for:			
Depreciation and amortisation	9	386,171	363,310
Interest income	10(a)	(2,283)	(626)
Unrealised foreign exchange gain	10(a)	(11,294)	(14,343)
Interest on borrowings	10(b)	89,687	93,433
Interest on lease liabilities	10(b)	106,562	72,211
Interest on spectrum liabilities	10(b)	10,083	10,929
Movement in provision for trade receivables	18	(2,196)	1,305
Movement in provision for inventory obsolescence	17	(497)	(78)
Asset write off	12	5,939	217
Operating cash flow before changes in working capital		1,222,082	978,094
(Increase)/decrease in inventories	17	(138)	496
(Increase)/decrease in trade receivables	18	998	19,224
Increase in other financial and non-financial assets	16, 20	(39,878)	(414)
Decrease in trade payables	28	(15,095)	(12,574)
Decrease in deferred revenue	26	(3,740)	(1,155)
Increase in other financial, provisions and non-financial liabilities	25, 27, 29, 30	3,209	7,200
Net cash generated from operations before tax		1,167,438	990,871
Income tax paid	11(d)	(154,077)	(110,916)
Net cash generated from operating activities (a)		1,013,361	879,955
INVESTING ACTIVITIES			
Purchase of property, plant and equipment & capital work in progress	12	(229,121)	(235,861)
Purchase of intangible assets and intangible assets under development		(11,194)	-
Interest received	10(a)	2,283	626
Net cash flows used in investing activities (b)		(238,032)	(235,235)
FINANCING ACTIVITIES			
Proceeds from borrowings	23	205,000	35,000
Repayment of borrowings	23	(39,545)	(105,451)
Interest on borrowings		(89,111)	(94,071)
Repayment of lease liabilities	24	(132,886)	(144,161)
Interest paid on lease liabilities	24	(106,562)	(72,211)
Payment of spectrum liabilities	25	(5,609)	(6,715)
Interest paid on spectrum liabilities	25	(10,083)	(10,929)
Dividend paid	33	(404,006)	(301,009)
Net cash flows used in financing activities (c)		(582,802)	(699,547)
Net movement in cash and cash equivalents during the year (a+b+c)		192,527	(54,827)
Cash and cash equivalents as at beginning of the year		(351,746)	(296,919)
Cash and cash equivalents as at end of the year	19	(159,219)	(351,746)

1. CORPORATE INFORMATION

Airtel Uganda Limited is incorporated in Uganda under the Companies Act as a public limited liability Company and is domiciled in Uganda. The Company was listed on the Uganda's Security Exchange on 7 November 2023. 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 Intermediate Parent is Airtel Africa PLC (listed in London stock exchange and Nigeria stock exchange).

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

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

No new IFRS issued during the year are applicable to the Company.

During the current year, the Company has applied amendments to IFRSs issued by the IASB, that are mandatorily effective for the current year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The list of newly issued amendments is as follows:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability: Effective 1 January 2025, the amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' relating to lack of exchangeability are applicable. These amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The Company has evaluated the applicability of the amendment in the standard in the jurisdictions it which it operates, and the Company believes that the IAS 21 amendment's requirements are not met for the said jurisdictions.

2.2 New and amended 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 amended IFRS Accounting Standards that have been issued effective for annual periods beginning on or after 1 January 2026.

- Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments
- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity
- Annual IFRS improvement Volume 11 which includes Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, and IAS 7 Statement of Cash Flows.
- Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency
- IFRS 18 - Presentation and Disclosure in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The amendments to IFRS 9, IFRS 7 and Annual Improvements are effective for annual periods beginning on or after 1 January 2026 whilst Amendment to IAS 21, IFRS 18 and IFRS 19 are effective for annual periods beginning on or after 1 January 2027.

The Company is the process of assessing the impact of IFRS 18 and amendments relating to IFRS 7 and IFRS 9 on the Company's financial statements and will present the impact, when available.

The amendments relating to Annual improvements are not expected to have a material impact on the Company's financial reporting on adoption.

Further, the Company's equity instruments are publicly traded, hence the requirements under IFRS 19 are not applicable. Also, the amendments to IAS 21 are not applicable to the Company.

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 IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106, 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 Cap. 106 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.

The three levels of the fair value hierarchy are described below:

- **Level 1** Fair values derived on the basis of quoted (unadjusted) prices for identical assets or liabilities in active markets.
- **Level 2** Fair values derived on the basis significant inputs other than quoted prices within level 1 that are directly or indirectly observable.
- **Level 3** Fair values derived on the basis valuation techniques that used significant inputs that are not based upon observable market data (unobservable inputs).

(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 receivable from the intermediary (accounted at gross). 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 receivable from the ultimate customer (accounted at net off commission). Any upfront discount or commission provided to the intermediary is recognised as operating expenses where the intermediary is considered to be an agent.

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. The standalone selling prices are the prices at which the Company would sell a promised good or service separately to a customer.

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 telecommunications services to customers. The majority of the Company's customers subscribe to services on a pre-paid basis.

Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging, and value-added services, and customer onboarding charges.

Telecommunications services 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.

Customers primarily pay in advance for services of the Company. These cash amounts are recognised in deferred revenue in the consolidated statement of financial position and transferred to the profit and loss 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 telecommunications services provided during the reporting period as a proportion of the total units of telecommunications services to be provided.

Subscription charges are recognised over the subscription pack validity period.

Revenue recognised in excess of amounts invoiced is 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 revenue also includes revenue from interconnection/roaming charges for use of the Company's network by other operators for voice, data, messaging, and signalling services.

Revenue from long-distance operations comprise voice services and bandwidth services (including installation), which are recognised on the provision of services, provided over the period of the 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., when the service is rendered.

Equipment sales

Equipment sales mainly pertain to the 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 a contract with a customer over the expected average customer life determined based on the churn rate specific to such contracts.

Functional currency and translation of foreign currencies**(d) 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 ('PPE') and Capital work-in-progress ('CWIP')

The cost of an item of property, plant and equipment 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.

PPE is initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and after deducting trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location of its intended use. Further, it includes assets installed on the premises of customers where the associated risks, rewards and control remain with the Company.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as a separate component of each asset. When an item of PPE is replaced, its carrying amount is de-recognised from the statement of financial position and the cost of the new item of PPE is recognised.

The expenditure incurred after an item of PPE is ready to use, such as repairs and maintenance, are charged to the profit and loss in the period in which such costs are incurred. However, in situations where the expenditure can be measured reliably and it 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 PPE's 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	Period of lease or 10-20 (as applicable, whichever is less)
Plant and Machinery	3-25
Computer equipment	3-5
Furniture & fixture and Office Equipment	1-5
Motor vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, at each financial year end 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 for prospectively, with depreciation calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired, or otherwise disposed of are de-recognised from the statement of financial position and the resulting gains/(losses) are included in the profit and loss within other income/other expenses, respectively.

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as 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.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised; however, it is tested for impairment and carried at cost less accumulated impairment losses, if any. The gains/(losses) on the disposal of a cash-generating unit (group of CGUs) includes the carrying amount of goodwill relating to the group of CGUs sold. In case goodwill has been allocated to group of CGUs, allocation of goodwill is determined based on the relative value of the operations sold in order to compute the gain/(losses).

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms if any.

Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss as incurred.

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

Software

Software is amortised over the software license period, 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 ranges 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 an expense in the statement of profit or when incurred.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if and only if, all of the following conditions have been met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

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.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(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 the estimated costs of completion and the estimated variable costs necessary to make the sale. 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

General

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 will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

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 discounting due to the passage of time is recognised within finance costs.

Provision for legal, tax and regulatory matters

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 legal, tax and other advisers where required, assesses the likelihood that a pending claim will succeed against the Company. The Company recognises a provision in cases where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations arising from such claims.

(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.

i. Provident fund

The Company contributes to the Staff Provident Fund. Under this voluntary scheme, the employee contributes 5% of their basic salary while the employer contributes 5% of each employee's basic salary. There is an option for employees to contribute over and above the mandatory 5% upto maximum of 15%. The minimum total remittance to the fund per month in respect of each employee is 10%. The contribution is charged to the statement of comprehensive income in the year in which it is incurred.

ii. 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.

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. 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.

Employee Stock Option Plan (ESOP)

Employees (including senior executives) of the Company have received remuneration from the intermediate parent company in the form of share-based payments, whereby employees render services as consideration for equity instruments. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The company recognizes the expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, with corresponding credit taken to payables since the cost will be subsequently reimbursed to the parent.

(I) Income tax

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss, except to the extent that it relates to items recognised outside profit and 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 tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in accordance with the Ugandan Income Tax Act. The payment made in excess/ (shortfall) of income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest relating to accrued liabilities for potential tax assessments are not included in the income tax charge or (credit), but are recognised within finance costs.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These provisions are measured at the best estimate of the amount expected to become payable or based on the expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised, if it arises from 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 profit nor taxable profit (tax loss). Further, deferred tax liabilities are not recognised, if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. To assess such probability, the Company considers profit generation capability of the taxable entity based on historical trends as well as forecast profitability for the foreseeable future. When it is probable that there will be future taxable profits, an evaluation is performed to assess the availability of sufficient deductible temporary differences during the foreseeable future.

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

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities exist.

(m) Borrowing Cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs include 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**

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

Difference between fair value at initial recognition and transaction price

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference (if any) between the transaction amount and the fair value is accounted for as follows:

- The difference is recognised in the profit and loss only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (level 1 input) or based on a valuation technique that uses only data from observable markets.
- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

(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 the Company does not have the right to defer the settlement of the liability at the end of the reporting period for at least 12 months after the reporting period.

(u) Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

(v) Dividends

Dividends to shareholders of the company are deducted from retained earnings and recognised as a liability, in the year in which the dividends are approved by the shareholders. Interim dividends are deducted from the retained earnings when they are paid.

(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 dilutive potential ordinary shares that would have been outstanding during the period.

4. 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.

(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 expose 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.

Details of key risks as applicable to the company are summarized below;

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.

The company's exposure to foreign currency risk at the end of the reporting period, is as follows:

	2025 Ushs millions	2024 Ushs millions
Assets		
Cash and cash equivalents	6,985	3,728
Trade receivables	61,726	73,995
Other receivables	25,163	1,885
Total assets	93,874	79,608
Liabilities		
Trade payables	102,059	70,684
Lease liabilities	756,662	723,563
Other financial liabilities	134,839	142,414
Total liabilities	993,560	936,661
Net USD exposure	(899,686)	(857,053)

At 31 December 2025, if the Uganda Shilling had weakened/strengthened by 5% to Ushs/USD 3,802 and 3,440 respectively against the US Dollar with all other variables held constant, as opposed to the exchange rate prevailing as at year end (Ushs/USD 3,621), 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
Net effect based as at 31 December 2025	5%	(44,984)	(31,489)
	-5%	44,984	31,489
	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 31 December 2024	5%	(42,853)	(29,997)
	-5%	42,853	29,997

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 2025, if the Interest rate had decreased/increased by 1% of total borrowing with all other variables held constant, pre-tax profit for the year would have increased/decreased by Ushs 6,450 million (2024: Ushs 6,535 million) mainly as a result of interest rate change.

Price risk

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

(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 are 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:

	2025 Ushs millions	2024 Ushs millions
Bank balances	7,832	6,190
Balance held in wallets	19,367	3,253
Trade receivables	17,143	21,135
Leaseline receivables	5,119	6,144
Roaming receivables	5,184	5,637
Amounts due from related parties	61,721	60,341
Other financial assets	13,160	10,883
	129,526	113,583

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

	Not Past Due Less than 30 days Ushs millions	Past Due					
		30 to 60 days Ushs millions	60 to 90 days Ushs millions	Above 90 days Ushs millions	Total Ushs millions	Impairment Ushs millions	Net Ushs millions
31 December 2025	40,398	2,981	8,007	50,941	102,327	(15,135)	87,192
31 December 2024	14,341	4,124	2,724	82,951	104,140	18,022	86,118

Collateral

There are collateral/security deposits held whose fair value is the cash amount paid which is equivalent to Ushs 4,386 million (2024: Ushs 4,245 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 23.

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. Except for lease liabilities and borrowings balances due within 12 months equal their carrying amount, as the impact of discounting is not significant.

	<1 year Ushs millions	1-2 years Ushs millions	>2 years Ushs millions	Total Ushs millions
At 31 December 2025				
Financial assets				
Trade receivables	74,032	-	-	74,032
Other receivables	13,160	-	-	13,160
Cash and cash equivalents	27,199	-	-	27,199
Total financial assets	114,391	-	-	114,391
Financial liabilities				
Trade payables	168,400	-	-	168,400
Borrowings	496,547	182,974	33,164	712,685
Lease liabilities	270,859	221,322	1,434,459	1,926,640
Other financial liabilities	71,026	4,364	131,614	207,004
Total financial liabilities	(1,006,832)	408,660	1,599,237	3,014,729
Net liquidity gap	(892,441)	(408,660)	(1,599,237)	(2,900,338)
At 31 December 2024				
Financial assets				
Trade receivables	75,235	-	-	75,235
Other receivables	10,883	-	-	10,883
Cash and cash equivalents	9,443	-	-	9,443
Total financial assets	95,561	-	-	95,561
Financial liabilities				
Trade payables	181,067	-	-	181,067
Borrowings	438,570	159,125	137,767	735,462
Lease liabilities	244,360	208,385	1,376,844	1,829,589
Other financial liabilities	47,005	4,429	137,353	188,787
Total financial liabilities	911,002	371,939	1,651,964	2,934,905
Net liquidity gap	(815,441)	(371,939)	(1,651,964)	(2,839,344)

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 operating cashflows combined with sufficient headroom available through external sources of financing (overdraft facilities) as at 31 December 2025 provide sufficient liquidity to the Company to meet all obligations as they fall due.

(d) 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 liabilities less cash and cash equivalents.

The leverage ratios at 31 December 2025 and 31 December 2024 were as follows:

	2025 Ushs millions	2024 Ushs millions
Total borrowings	645,017	653,490
Total lease obligation	1,260,045	1,188,931
Less: Cash and cash equivalents	(27,199)	(9,443)
Net Debt	1,877,863	1,832,978
EBITDA	1,235,356	992,430
Leverage ratio (x)	1.5	1.8

6. GOING CONCERN

During the year ended 31 December 2025, the Company reported a net profit of Ushs 446,861 million (2024: Ushs 316,740 million). As at 31 December 2025, the Company had retained earnings of Ushs 185,435 million (2024: Ushs 142,512 million) and net current liabilities of Ushs 746,565 million (2024: Ushs 654,010 million).

The Directors are of the opinion that the Company is a going concern on the basis that the Company:

- Will continue to generate cash inflows from operations of at least the amount projected in the management's annual operating plan. The generation of sufficient cash flows from operations is driven by and is dependent on management achieving operational targets on subscriber numbers, churn rate and average revenue per user; and
- Will obtain funding from third parties including banks.

The Directors are confident that the funds described above will be available to the Company to support it to discharge obligations as required and therefore consider it appropriate to prepare the financial statements on a going concern basis.

7. REVENUE

	2025 Ushs millions	2024 Ushs millions
Service revenues	2,230,790	1,974,807
Sale of products	2,107	4,008
	2,232,897	1,978,815

(a) SERVICE REVENUE

	2025 Ushs millions	2024 Ushs millions
Airtime revenue	914,492	878,562
Value added services and data revenue	1,176,027	961,019
Interconnect revenue	112,381	116,957
Roaming revenue	27,890	18,269
	2,230,790	1,974,807

Primary commissions (Trade Discount) is discount provided to distributors on the sales price of 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 35,258 million as at 31 December 2025 (Ushs 38,998 million as at 31 December 2024), of which Ushs 27,204 million will be satisfied over a period of one year and the remaining Ushs 8,054 million over 6 years 3 months (revenue of Ushs 1,480 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 29,464 million (2024: Ushs 29,085 million). Total unbilled as at 31 December 2025 is Ushs 9,085 million (2024: Ushs 10,880 million).

(b) OTHER INCOME

	2025 Ushs millions	2024 Ushs millions
Miscellaneous income	16,839	7,683
	16,839	7,683

8 (a) NETWORK OPERATING COSTS

	2025 Ushs millions	2024 Ushs millions
Site running expenses	257,443	245,020
Network support and maintenance	80,805	76,103
Internet access and bandwidth	15,357	12,957
	353,605	334,080

8 (b) EMPLOYEE BENEFIT EXPENSES

	2025 Ushs millions	2024 Ushs millions
Salaries	73,725	72,417
Defined contribution plan	6,827	6,552
Defined benefit plan	684	584
Staff welfare expenses	9,562	9,127
Others	2,903	298
	93,701	88,978

8 (c) SALES AND MARKETING

	2025 Ushs millions	2024 Ushs millions
Sales and distribution expense	223,092	205,681
Marketing expenses	23,653	21,534
	246,745	227,215

8 (d) OTHER OPERATING EXPENSES

	2025 Ushs millions	2024 Ushs millions
Cost of goods sold	5,869	5,335
Office repair and maintenance	5,544	8,075
Legal and professional fees	58,520	62,020
Rates and taxes	12,839	12,308
Content cost	60,354	75,911
IT expenses	5,515	7,563
Travel and conveyance	10,042	10,335
Customer care expenses	2,527	1,839
Charitable donation	1,752	18
Auditor's remuneration	891	817
Others	3,564	6,885
	167,417	191,106

Auditor's remuneration for the year ended 31 December 2025 includes Ushs 37 million (2024: Ushs 39 million) for non-audit services paid to Deloitte & Touche in respect of the review of the Condensed Interim Financial Statements for the entity.

9. DEPRECIATION & AMORTISATION

	2025 Ushs millions	2024 Ushs millions
Depreciation on property, plant and equipment (Note 12)	187,751	176,258
Depreciation of right of use assets (Note 13)	158,136	153,647
Amortization of intangible assets (Note 15)	40,284	33,405
	386,171	363,310

10. FINANCE INCOME / COSTS

	2025 Ushs millions	2024 Ushs millions
(a) Finance income		
Interest income on deposits	1,644	256
Interest income on others	639	370
Net unrealised exchange gain	11,294	14,343
	13,577	14,969

	2025 Ushs millions	2024 Ushs millions
(b) Finance costs		
Interest on borrowings	89,687	93,433
Interest on lease liabilities	106,562	72,211
Interest on deferred spectrum	10,083	10,929
Net realised exchange loss	14,956	14,181
Other finance charges	1,564	1,599
	222,852	192,353

11. TAXATION

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

Income tax expense	2025 Ushs millions	2024 Ushs millions
Current tax expense	184,250	94,972
Deferred tax expense	8,451	38,293
Current tax expense – Rental Income	373	515
Tax effect of prior year adjustments		
- Current tax expense	584	7,357
- Deferred tax expense	(609)	(6,141)
	193,049	134,996

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.

Profit before tax	639,910	451,736
Enacted tax rates in Uganda	30%	30%
Tax expense	191,973	135,521
Effect of:		
Tax effect of prior year adjustments	(24)	(1,215)
Expense not deductible	1,100	690
	193,049	134,996

Income tax asset (net)

Income tax payable of Ushs 17,652 million (2024: Income tax recoverable of Ushs 13,478 million).

Opening balance	13,478	5,406
Tax paid	154,077	110,916
Income tax expense	(185,207)	(102,844)
	(17,652)	13,478

Deferred income tax

The Company has a net deferred tax liability of Ushs 140,182 million (2024: deferred tax liability Ushs 132,340 million) arising from accelerated tax depreciation and other temporary differences.

	At 01-Jan-25 Ushs million	Movement for the year Ushs million	At 31-Dec-25 Ushs million
Accelerated tax depreciation	125,453	1,911	127,364
Unrealised exchange gain/(loss)	(548)	3,128	2,580
Other temporary differences	7,435	2,803	10,238
Net deferred tax liability	132,340	7,842	140,182

	At 01-Jan-24 Ushs million	Movement for the year Ushs million	At 31-Dec-24 Ushs million
Accelerated tax depreciation	119,638	5,815	125,453
Unrealised exchange gain/(loss)	(623)	74	(548)
Other temporary differences	(18,827)	26,262	7,435
Net deferred tax liability	100,188	32,152	132,340

(e) Income tax paid

	2025 Ushs millions	2024 Ushs millions
Income taxation paid		
Current tax – Rental income	(275)	(513)
Withholding tax paid	(2,404)	(3,868)
Advance tax paid	(151,398)	(106,493)
Final tax paid	-	(42)
Income tax paid	(154,077)	(110,916)

12. PROPERTY, PLANT AND EQUIPMENT

Particulars	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 2025	2,024,789	27,748	72,806	217,705	3,449	2,346,497	29,145	2,375,642
Additions	-	-	-	-	-	-	252,467	252,467
Disposal	(7,196)	-	-	-	-	(7,196)	-	(7,196)
Adjustments ⁽¹⁾	(9,129)	(3,139)	(1,455)	(91,438)	-	(105,161)	-	(105,161)
Transfer out ⁽²⁾	-	-	-	(18,666)	-	(18,666)	-	(18,666)
Transfer from CWIP	173,966	-	6,093	12,707	428	193,194	(193,194)	-
At 31 December 2025	2,182,430	24,609	77,444	120,308	3,877	2,408,668	88,418	2,497,086
ACCUMULATED DEPRECIATION								
At 1 January 2025	1,224,064	22,217	55,886	196,228	2,647	1,501,042	-	1,501,042
Charge for the period	167,022	1,076	11,977	7,318	358	187,751	-	187,751
Disposal	(1,257)	-	-	-	-	(1,257)	-	(1,257)
Adjustments ⁽¹⁾	(9,129)	(3,139)	(1,455)	(91,438)	-	(105,161)	-	(105,161)
Transfer out ⁽²⁾	-	-	-	(7,653)	-	(7,653)	-	(7,653)
At 31 December 2025	1,380,700	20,154	66,408	104,455	3,005	1,574,722	-	1,574,722
NET CARRYING AMOUNT								
At 31 December 2025	801,730	4,455	11,036	15,853	872	833,946	88,418	922,364
COST								
At 1 January 2024	1,797,257	27,748	59,482	201,929	3,359	2,089,775	41,448	2,131,223
Additions	-	-	-	-	-	-	244,756	244,756
Disposal	(337)	-	-	-	-	(337)	-	(337)
Reclassifications	(824)	-	-	824	-	-	-	-
Transfer from CWIP	228,693	-	13,324	14,952	90	257,059	(257,059)	-
At 31 December 2024	2,024,789	27,748	72,806	217,705	3,449	2,346,497	29,145	2,375,642
ACCUMULATED DEPRECIATION								
At 1 January 2024	1,073,542	21,142	44,494	183,448	2,278	1,324,904	-	1,324,904
Charge for the period	150,854	1,075	11,392	12,568	369	176,258	-	176,258
Disposal	(120)	-	-	-	-	(120)	-	(120)
Reclassifications	(212)	-	-	212	-	-	-	-
At 31 December 2024	1,224,064	22,217	55,886	196,228	2,647	1,501,042	-	1,501,042
NET CARRYING AMOUNT								
At 31 December 2024	800,725	5,531	16,920	21,477	802	845,455	29,145	874,600

1. During the year the Company adjusted the cost and accumulated depreciation to nil for the assets primarily comprising of software with nil netbook value. These assets have been scrapped, and no longer in use.

2. During the year Software with cost of Ushs 18,666 million and accumulated amortisation of Ushs 7,653 million was reclassified from property, plant & equipment (computers) to intangible assets.

13. RIGHT OF USE ASSETS

Particulars	Plant and machinery Ushs millions	Others Ushs millions	Total Ushs millions
Year ended December 2025			
At 1 January 2025	1,080,016	2,189	1,082,205
Additions	212,917	321	213,238
Depreciation charge for the period	(156,447)	(1,689)	(158,136)
Adjustment / reclassification	1	(1)	-
At 31 December 2025	1,136,487	820	1,137,307
Year ended December 2024			
At 1 January 2025	669,501	3,368	672,869
Additions	562,838	145	562,983
Depreciation charge for the period	(152,264)	(1,383)	(153,647)
Adjustment / reclassification	(59)	59	-
At 31 December 2024	1,080,016	2,189	1,082,205

Leases of plant & machinery: The Company leases passive infrastructure for providing telecommunications services under composite contracts which include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy and other services. These leases typically run for a period of 3-15 years. Lease contracts include an option to renew the lease after the end of the initial contract term based on renegotiation of lease rentals. A portion of certain lease payments change on account of changes in macro-economic indexes. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Other leases: The Company's other leases comprise of land, shops, showrooms, warehouse and vehicles.

14. INVESTMENT PROPERTY

COST	2025 Ushs million	2024 Ushs million
At 1 January	1,116	1,116
At 31 December	1,116	1,116
ACCUMULATED DEPRECIATION		
At 1 January	1,116	1,116
At 31 December	1,116	1,116
NET CARRYING AMOUNT	-	-

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;

Rental Income	1,161	1,717
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15. INTANGIBLE ASSETS

Particulars	Licence Ushs millions	Software Ushs Million	Goodwill Ushs millions	Customer base Ushs millions	Dealer network Ushs millions	Total Ushs millions	Intangible under progress Ushs millions	Grand total Ushs millions
COST								
At 1 January 2025	417,786	-	112,908	3,633	1,592	535,919	-	535,919
Additions	-	10,423	-	-	-	10,423	771	11,194
Transfer in ⁽¹⁾	-	18,666				18,666		18,666
Adjustments ⁽²⁾	(193)	-	-	-	-	(193)	-	(193)
At 31 December 2025	417,593	29,089	112,908	3,633	1,592	564,815	771	565,586

ACCUMULATED DEPRECIATION

At 1 January 2025	142,807	-	-	3,633	1,592	148,032	-	148,032
Charge for the period	33,405	6,879	-	-	-	40,284	-	40,284
Transfer in ⁽¹⁾	-	7,653	-	-	-	7,653	-	7,653
Adjustments ⁽²⁾	(193)	-	-	-	-	(193)	-	(193)
At 31 December 2025	176,019	14,532	-	3,633	1,592	195,776	-	195,776

NET CARRYING AMOUNT

At 31 December 2025	241,574	14,557	112,908	-	-	369,039	771	369,810
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COST

At 1 January 2024	417,786	-	112,908	3,633	1,592	535,919	-	535,919
At 31 December 2024	417,786	-	112,908	3,633	1,592	535,919	-	535,919

ACCUMULATED DEPRECIATION

At 1 January 2024	109,402	-	-	3,633	1,592	114,627	-	114,627
Charge for the period	33,405	-	-	-	-	33,405	-	33,405
At 31 December 2024	142,807	-	-	3,633	1,592	148,032	-	148,032

NET CARRYING AMOUNT

At 31 December 2024	274,979	112,908	-	-	387,887	-	387,887
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- During the year Software with cost of Ushs 18,666 million and accumulated amortisation of Ushs 7,653 million was reclassified from property, plant & equipment (computers) to intangible assets.
- During the year the Company adjusted the cost and accumulated depreciation to nil for the assets with nil net book value. These assets have been scrapped, and no longer in use.

16. OTHER NON-FINANCIAL ASSETS

	2025 Ushs millions	2024 Ushs millions
Non-current		
Prepaid expenses	10,996	12,224
Cost to obtain customers	40,697	40,603
Restricted assets	10,065	7,424
Advance to related parties (Note 21)	25,073	-
	86,831	60,251
Current		
Prepaid expenses	6,825	12,541
VAT recoverable	4,694	4,592
Advance to suppliers	12,639	8,203
Cost to obtain customers	75,107	61,003
Others	1,119	2,182
	100,384	88,521
Cost to obtain customers – Non-current	40,697	40,603
Cost to obtain customers – current	75,107	61,003
	115,804	101,606
Movement in cost to obtain customers		
Opening balance	101,606	93,598
Addition	90,557	65,947
Utilisation	(76,359)	(57,939)
Closing balance	115,804	101,606

17. INVENTORIES

	2025 Ushs millions	2024 Ushs millions
Telephones and accessories	2,787	1,486
Sim cards and scratch cards	1,336	2,499
Less: provision for inventories	(461)	(958)
	3,662	3,027
The movement in the stock provision was as follows:		
Opening balance	958	1,036
Reversals	(497)	(78)
Closing balance	461	958

18. TRADE RECEIVABLES

	2025 Ushs millions	2024 Ushs millions
Trade receivables	17,143	21,135
Leaseline receivables	5,119	6,144
Roaming receivables	5,184	5,637
Trade receivable from related parties (Note 21)	61,721	60,341
	89,167	93,257
Provision for impairment	(15,135)	(18,022)
	74,032	75,235

Trade receivables represent amounts due from channel partners, Interconnect operators, 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:

	2025 Ushs millions	2024 Ushs millions
Opening balance	18,022	16,940
Movement in expected credit losses	(2,196)	1,109
Other adjustments	(691)	(27)
Closing balance	15,135	18,022

19. CASH AND CASH EQUIVALENTS

	2025 Ushs millions	2024 Ushs millions
Bank balance	7,832	6,190
Balance held in wallets	19,367	3,253
	27,199	9,443
Cash and cash equivalent for the purpose of cash flows:		
Cash and bank balances	27,199	9,443
Less overdrafts (note 23)	(186,418)	(361,189)
TOTAL	(159,219)	(351,746)

20. FINANCIAL ASSETS - OTHERS

	2025 Ushs millions	2024 Ushs millions
Current		
Unbilled revenue	9,085	10,880
Others	4,075	3
	13,160	10,883

21. 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 Sunil Mittal's family trust effectively controlling the Group. All the transactions with related parties are at arm's length.

a) Purchase of good and services

Name of related party	Relationship to Company	2025 Ushs millions	2024 Ushs millions
Airtel (Seychelles) Limited	Fellow subsidiary	51	42
Airtel International LLP	Fellow subsidiary	5,280	1,568
Airtel Africa Plc	Intermediate Parent	1,427	-
Airtel Africa Services UK Limited	Fellow subsidiary	53,556	55,807
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	5,613	2,843
Airtel Congo S. A.	Fellow subsidiary	22	3
Airtel Congo RDC S.A	Fellow subsidiary	459	448
Airtel Gabon S. A.	Fellow subsidiary	2	2
Airtel Madagascar S. A.	Fellow subsidiary	26	2
Airtel Malawi Plc	Fellow subsidiary	97	22
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	233,380	256,518
Airtel Networks Kenya Limited	Fellow subsidiary	8,952	7,828
Airtel Networks Limited (Nigeria)	Fellow subsidiary	178	74
Airtel Networks Zambia Plc	Fellow subsidiary	53	53
Airtel Rwanda Limited	Fellow subsidiary	1,735	1,202
Airtel Tanzania Plc	Fellow subsidiary	507	340
Airtel Tchad S.A.	Fellow subsidiary	9	6
Bharti Airtel (UK) Limited	Fellow subsidiary	15,257	7,694
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	21	13
Bharti Airtel Limited	Intermediate Parent	265	5,201
Bharti Airtel Services B.V.	Fellow subsidiary	0	42
Bharti Hexacom Limited	Fellow subsidiary	3	2
Celtel Niger S.A.	Fellow subsidiary	2	2
Centum Learning Limited	Fellow subsidiary	-	214
Emtel Limited	Fellow subsidiary	2	2
Network I2I Limited	Intermediate Parent	1,643	846
Nxtra Data Limited	Fellow subsidiary	2,215	1,740
Singapore Telecommunications Limited	Other related party	3	1
Xtelify Limited	Fellow subsidiary	2,704	-
Total purchases		333,462	342,515

b) Sales of goods and services

Name of related party	Relationship to Company	2025 Ushs millions	2024 Ushs millions
Airtel (Seychelles) Limited	Fellow subsidiary	4	4
Airtel International LLP	Fellow subsidiary	980	-
Airtel Africa Services UK Limited	Fellow subsidiary	2	-
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	1,485	-
Airtel Congo S. A.	Fellow subsidiary	585	1
Airtel Congo RDC S.A	Fellow subsidiary	2,863	13,559
Airtel Gabon S. A.	Fellow subsidiary	4	2
Airtel Madagascar S. A.	Fellow subsidiary	0	1
Airtel Malawi Plc	Fellow subsidiary	35	40
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	61,379	51,952
Airtel Networks Kenya Limited	Fellow subsidiary	8,429	7,908
Airtel Networks Limited (Nigeria)	Fellow subsidiary	22	1,821
Airtel Networks Zambia Plc	Fellow subsidiary	52	54
Airtel Rwanda Limited	Fellow subsidiary	1,673	1,806
Airtel Tchad S.A.	Fellow subsidiary	2	661
Airtel Tanzania Plc	Fellow subsidiary	277	3
Bharti Airtel (UK) Limited	Fellow subsidiary	22,545	20,205
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	20	-
Bharti Airtel Limited	Intermediate Parent	213	10,884
Bharti Airtel Uganda Holdings B.V.	Holding company	1,031	-
Bharti Hexacom Limited	Fellow subsidiary	2	1
Celtel Niger S.A.	Fellow subsidiary	4	-
Network I2I Limited	Intermediate Parent	3	-
Nxtra Data Limited	Fellow subsidiary	262	-
Singapore Telecommunications Limited	Other related party	79	67
Xtelify Limited	Fellow subsidiary	734	-
Total sales		102,685	108,969

c) Amount due from related parties

Name of related party	Relationship to Company	2025 Ushs millions	2024 Ushs millions
Airtel Congo S. A.	Fellow subsidiary	705	107
Airtel Congo RDC S.A	Fellow subsidiary	19,943	18,058
Airtel Gabon S. A.	Fellow subsidiary	1	1
Airtel Malawi Plc	Fellow subsidiary	639	646
Airtel Networks Kenya Limited	Fellow subsidiary	-	103
Airtel Networks Limited (Nigeria)	Fellow subsidiary	1,239	1,934
Airtel Rwanda Limited	Fellow subsidiary	25,881	25,464
Airtel Tanzania Plc	Fellow subsidiary	1,709	1,633
Airtel Tchad S.A.	Fellow subsidiary	3	5
Bharti Airtel (UK) Limited	Fellow subsidiary	11,119	8,024
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	0	3,710
Bharti Airtel Limited	Intermediate Parent	456	610
Celtel Niger S.A.	Fellow subsidiary	1	1
Nxtra Data Limited	Fellow subsidiary	0	1
Singapore Telecommunications Limited	Other related party	25	44
Total due from related parties		61,721	60,341
Advance paid to Airtel Africa Telesonic Limited	Fellow subsidiary	25,073	-
Total		86,794	60,341

d) Amounts due to related parties

Name of related party	Relationship to Company	2025 Ushs millions	2024 Ushs millions
Airtel (Seychelles) Limited	Fellow subsidiary	5	5
Airtel International LLP	Fellow subsidiary	3,467	-
Airtel Africa Plc	Intermediate Parent	1,458	-
Airtel Africa Services UK Limited	Fellow subsidiary	4,763	19,545
Airtel Africa Telesonic Limited - Dubai Branch	Fellow subsidiary	1,773	2,250
Airtel Madagascar S. A.	Fellow subsidiary	1	1
Airtel Mobile Commerce Uganda Limited	Fellow subsidiary	2,324	34,800
Airtel Networks Kenya Limited	Fellow subsidiary	1,198	-
Airtel Networks Zambia Plc	Fellow subsidiary	62	42
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	673	-
Bharti Airtel Services B.V.	Fellow subsidiary	74	75
Bharti Airtel Uganda Holdings B.V.	Holding company	-	89
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	1,067	0
Emtel Limited	Fellow subsidiary	0	1
Network I2I Limited	Intermediate Parent	1,582	294
Xtelify Limited	Fellow subsidiary	2,416	-
Sub total		20,863	57,102
Borrowing from related party			
Airtel Mobile Commerce Uganda Limited (Refer to note 23)	Fellow subsidiary	50,000	-
Total due to related parties		70,863	57,102

e) Key management compensation

Key Management Persons 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.

	2025 Ushs millions	2024 Ushs millions
Short term employee benefits	11,969	12,864
Long term employee benefits	96	368
Total	12,065	13,232

f) Directors' compensation

Directors' compensation	751	603
Total	751	603

22. SHARE CAPITAL

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

	2025 Ushs millions	2024 Ushs millions
Authorised share capital:		
40,000,000,000 ordinary shares of Ushs 1	40,000	40,000
	40,000	40,000

Ordinary share capital issued and fully paid:

40,000,000,000 ordinary shares of Ushs 1	40,000	40,000
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The shareholding as at 31 December 2025 was as follows:

Name of shareholders	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%
Total	40,000,000,000	100%

The company has only one class of ordinary equity shares and each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.

23. BORROWINGS

	Note	2025 Ushs millions	2024 Ushs millions
Non-current			
Term Loans - unsecured			
• Stanbic Bank		260,000	260,000
• DFCU Bank		-	22,922
• Absa Bank Group		-	10,662
• Diamond Trust Bank		44,040	-
• Bank of Africa		30,000	-
• Debt origination fees		(441)	(1,283)
Less: current maturity of long-term debt		(144,020)	(33,584)
		189,579	258,717
Current			
Bank overdraft	23(a)	186,418	361,189
Term Loans			
• Standard Chartered Bank		75,000	-
• Airtel Mobile Commerce Uganda Limited	23(b)	50,000	-
Current maturity of long-term debt		144,020	33,584
		455,438	394,773
Total borrowings:		645,017	653,490

The movement in borrowings was as follows:

	2025 Ushs millions	2024 Ushs millions
At 1 January	653,490	693,176
Proceeds from term loan	205,000	35,000
Movement in Bank overdraft	(174,771)	29,925
Repayment of term loan	(39,545)	(105,451)
Debt origination cost	843	840
	645,017	653,490

Bank Name	Currency	Drawdown date	Maturity
Stanbic Bank	Ushs	14-Dec-23	14-Jun-27
DFCU Bank	Ushs	11-Dec-20	11-Dec-25
Absa Bank	Ushs	24-Dec-21	24-Dec-25
Diamond Trust Bank	Ushs	31-Mar-25	02-Mar-30
Bank of Africa	Ushs	30-Dec-25	30-Dec-30
Standard Chartered Bank	Ushs	18-Dec-25	18-Mar-26
Airtel Mobile Commerce Uganda Limited	Ushs	31-Mar-25 & 31-Aug-25	28-Feb-30

a) Bank overdraft

The Company utilized the bank overdraft facility from Citi Bank, Standard Chartered Bank, Stanbic bank, Absa bank, UBA bank and Ecobank respectively to meet working capital requirements. The overdraft limit is USD 28.4 million from Citi Bank, USD 8 million from Standard Chartered Bank, Ushs 73.15 billion from Stanbic bank, Ushs 104.5 billion from Absa bank, Ushs 37 billion from UBA bank and Ushs 30 billion from Ecobank. The Overdraft facilities in Citi bank and Standard chartered bank are fungible based on the payment requirements.

b) Airtel Mobile Commerce Uganda Limited

The Company signed an agreement with related party on 5th March 2025 for a facility of Ushs 150,000 million, with the drawdown availability at any time before 29th February 2030. Through the agreement it was agreed that the outstanding loan along with accrued interest will be payable in full by 29th February 2030, unless agreed otherwise between the lender and borrower in writing. During the year ended 31 December 2025 the Company drew down Ushs 50,000 million loan from its related party and paid interest of Ushs 3,875 million to the Company on outstanding amount. The tenure remains 5 years.

Borrowings from Airtel Mobile Commerce Uganda Limited	2025 Ushs millions	2024 Ushs millions
At start of the year	-	40,000
Additions	50,000	35,000
Interest paid	(3,875)	(4,933)
Loan repayment	-	(75,000)
Interest payable*	4,469	4,933
At end of the year	50,594	-

* This includes interest accrued and paid of Ushs 3,875 million and interest accrued but not due of Ushs 594 million.

24. LEASE LIABILITIES

	2025 Ushs millions	2024 Ushs millions
Current	151,537	125,274
Non-current	1,108,508	1,063,657
	1,260,045	1,188,931

During the year, the financing cost relating to lease liabilities was Ushs 106,562 million (2024: 72,211 million).

	2025 Ushs millions	2024 Ushs millions
At 1 January	1,188,931	785,219
Additions	213,239	562,982
Interest	106,562	72,211
Repayment	(239,448)	(216,372)
Unrealised foreign exchange gain	(9,239)	(15,109)
At 31 December	1,260,045	1,188,931

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

Less than one year	270,859	244,360
one year or later	221,322	208,385
Later than two years a but not later than five years	562,540	519,229
Later than five years but not later than nine years	561,665	508,051
Later than nine years	310,254	349,564
Total undiscounted lease liabilities	1,926,640	1,829,589

25. FINANCIAL LIABILITIES – OTHERS

	2025 Ushs millions	2024 Ushs millions
Non-current		
Deferred spectrum liability	133,808	139,851
Dues to employees	221	44
Security deposits	1,949	1,887
	135,978	141,782
Current		
Deferred spectrum liability	1,031	2,563
Dues to employees	3,634	2,175
Equipment supply payables	60,597	37,251
Security deposits	2,437	2,358
Others	3,327	2,658
	71,026	47,005

The movement in deferred spectrum liability was as follows:

Opening	142,414	153,414
Interest	10,083	10,929
Repayment	(15,692)	(17,644)
Foreign exchange gain	(1,966)	(4,285)
Closing balance	134,839	142,414

26. DEFERRED REVENUE

	2025 Ushs millions	2024 Ushs millions
Non-current		
Deferred revenue	8,054	9,534
Current		
Deferred revenue	27,204	29,464

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 35,258 million as at 31 December 2025 (2024: Ushs 38,998 million), of which Ushs 27,204 million will be satisfied over a period of one year and the remaining Ushs 8,054 million over 6 years and 3 months (revenue of Ushs 1,480 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 29,464 million (2024: Ushs 29,085 million).

27. PROVISIONS

	2025 Ushs millions	2024 Ushs millions
Non-current		
Leave encashment	1,743	2,077
Severance pay	252	299
Asset retirement obligation	16	15
	2,011	2,391
Current		
Leave encashment	824	972
Severance pay	60	59
Provision for sub-judice matters	6,575	6,639
Dues to employees	3,162	7,022
	10,621	14,692

(a) Leave Encashment

Opening balance	3,049	3,614
Charge for the year	419	694
Payments for the year	(569)	(1,259)
Transfer to AMCUL	(332)	-
Closing balance	2,567	3,049

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

	2025 Ushs millions	2024 Ushs millions
Opening balance	358	317
Charge for the year	551	145
Transfer to AMCUL	(32)	-
Payments for the year	(475)	(58)
Remeasurements due to changes in assumptions (other comprehensive income)	(89)	(46)
Closing balance	312	358

There's change in assumptions of discount rate to 16.25% against 16.00% which resulted in a gain of Ushs 89 million recorded as other comprehensive income during the year. (2024: Ushs 46 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 demographic assumptions used to determine defined benefit obligations are as follows:

	31-Dec-25	31-Dec-24
Discount rate	16.25% per annum	16.00% per annum
Rate of return on plan assets	Not applicable	Not applicable
Rate of salary increase	5.5% per annum	7.0% per annum
Rate of attrition	11.00%	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:

		31-Dec-25		31-Dec-24	
		Leave encashment Ushs millions	Severance benefits Ushs millions	Leave encashment Ushs millions	Severance benefits Ushs millions
Discount rate	1.00%	2,540	301	3,475	374
	-1.00%	2,670	324	3,282	343
Salary Increase Rate	1.00%	2,664	324	3,289	343
	-1.00%	2,546	301	3,467	373
Withdrawal Rate	1.00%	2,624	299	3,345	377
	-1.00%	2,583	326	3,405	341

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:

	31-Dec-25		31-Dec-24	
	Leave encashment Ushs millions	Severance benefits Ushs millions	Leave encashment Ushs millions	Severance benefits Ushs millions
Within one year	824	60	972	59
Within one-three years	1,206	137	1,455	142
Within three-five years	846	149	1,132	177
Above five years	1,106	379	1,725	533
Total	3,981	725	5,285	911
Weighted average duration in years	3	3	5	5

(c) Provision for subjudice matters

The movement for provision for subjudice matters is as given below;

	2025 Ushs millions	2024 Ushs millions
Opening balance	6,639	6,195
(Adjustment)/additions during the year	36	1,318
Utilisations during the year	(100)	(874)
Closing balance	6,575	6,639

28. TRADE PAYABLES

	2025 Ushs millions	2024 Ushs millions
Trade payables	147,538	123,964
Amounts due to related parties (refer to note 21)	20,862	57,103
	168,400	181,067

29. DERIVATIVE FINANCIAL INSTRUMENTS

The details of derivative financial instruments are as follows:

	2025 Ushs million	2024 Ushs million
Foreign currency forward contracts (assets)	1,433	-
Foreign currency forward contracts (liabilities)	-	3,549

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

30. OTHER NON-FINANCIAL LIABILITIES

	2025 Ushs million	2024 Ushs million
Current		
Taxes payable	63,316	57,618
Others	1,241	1,155
	64,557	58,773

31. 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	
		2025 Ushs millions	2024 Ushs millions	2025 Ushs millions	2024 Ushs millions
Financial assets					
FVTPL					
Derivatives	Level 1	1,433	-	1,433	
Amortised cost					
Cash and cash equivalents		27,199	9,443	27,199	9,443
Trade receivables		74,032	75,235	74,032	75,235
Other financial assets		13,160	10,883	13,160	10,883
		115,824	95,561	115,824	95,561
Financial liabilities					
FVTPL					
Derivatives	Level1	-	3,549	-	3,549
Amortised cost					
Borrowings		645,017	653,490	645,017	653,490
Trade payables		168,400	181,067	168,400	181,067
Lease Liabilities		1,260,045	1,188,931	1,260,045	1,188,931
Other financial liabilities		207,004	188,787	207,004	188,787
		2,280,466	2,215,824	2,280,466	2,215,824

32. COMMITMENTS AND CONTINGENCIES**a. Legal proceedings**

As at 31 December 2025, there were legal proceedings valued at Ushs 650 million (2024: Ushs 976 million) outstanding against the Company.

b. Tax proceedings

As at 31 December 2025, there were tax proceedings valued at Ushs 1,281 million (2024: Ushs 1,489 million) outstanding against the Company

c. Capital commitments

Capital commitments of Ushs 121,559 million (2024: Ushs 110,697 million) represent the unexecuted capital contracts as at 31 December 2025. These are contracts between Airtel Uganda Limited and its vendors for the provision of Capex material.

	2025 Ushs million	2024 Ushs million
Within one year	121,559	110,697

33. DIVIDENDS

The profit for the year amounted to Ushs 446,861 million (2024: Ushs 316,740 million). During the year ended 31 December 2025 the directors recommended interim dividends on 22 May 2025 amounting to Ushs 74,000 million, on 29 August 2025 amounting to Ushs 100,000 million and on 2 1 November 2025 amounting to 130,000 million totalling to Ushs 304,000 million (2024: Ushs 215,000 million).

	2025 Ushs millions	2024 Ushs millions
At 1 January	6	15
Final dividend for previous year	100,000	86,000
Interim dividend	304,000	215,000
Dividend Paid	(404,006)	(301,009)
At 31 December	-	6

Subject to the approval of the shareholders at the AGM, the final dividend will be paid on or before 29 April 2026 to the shareholders on the register at the close of business on 8 April 2026. This final dividend is not included as a liability in the financial statements.

Further, the Directors recommends a final dividend of Ushs 142,000 million at a rate of Ushs. 3.55 per share making a total dividend for the year of Ushs 446,000 million (2024: 315,000 million) at a rate of Ushs 11.15 per share for the year ended 31 December 2025 (2024: Ushs 7.88 per share).

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 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.

	2025	2024
Net profit attributable to ordinary equity holders of the Company (Ushs 'Mn) (a)	446,861	316,740
Weighted average number of shares at 31 December ('000) (b)	40,000,000	40,000,000
Basic and diluted earnings per share (Ushs) (a)/(b)	11.2	7.9

35. OTHER RESERVES

Other reserves include movement in other comprehensive income relating to remeasurement of severance pay.

	2025 Ushs millions	2024 Ushs millions
At 1 January	111	79
Remeasurement gain on defined benefit plans	89	45
Tax impact on above	(27)	(13)
Charge for the year	62	32
At 31 December	173	111

36. SEGMENT REPORTING

Management has determined the operating segments based on the reports reviewed by the Executive management committee that are used to make strategic decisions. The committee considers the business as a single operating segment, being the Uganda operations, as the information reported to the executive management committee for the purpose of strategic decision making is not presented per product line.

The reportable operating segment derives its revenue primarily from the sale of voice and data services to subscribers of the network and to foreign telephone operators when their subscribers utilize the Airtel Uganda network. Other revenue consists of connection and subscription charges and sale of mobile handsets to customers.

The executive management committee measures the performance of the operating segment based on a measure of Earnings before Interest, Tax, Depreciation and Amortisation. Breakdown of revenue from all services is shown in note 7 to the financial statements.

37. SUBSEQUENT EVENTS

There were no material subsequent events for the year ended 31 December 2025. 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 2025, will be convened and held by electronic means on Wednesday 18 March 2026 at 9:00 am to conduct the following business:

Ordinary Business

1. To receive and confirm the minutes of the Annual General Meeting of the Company held on 18 March 2025.
2. To receive, consider and if deemed appropriate, adopt the Company’s audited Financial Statements and the Reports of the Directors and External Auditor for the financial year ended 31 December 2025.
3. To receive, consider and if deemed appropriate, adopt the recommendation of the Directors on the declaration of a final dividend of Ushs 3.55 per share (less withholding tax) for the year ended 31 December 2025.
4. To consider, and if deemed appropriate, confirm the appointment by the Board of Neeraj Jain and Alice Kariuki as non-executive directors of the Company in accordance with Article 152B (j) of the Company’s Articles of Association.
5. Pursuant to the provisions of Rule 14 (6) of Schedule 3 of the USE Listing Rules, and Article 111 of the amended Articles of Association of the Company, to re-elect, by single resolution, Keith Kalyegira and Suzan Kitariko, who retire by rotation, but being eligible, have offered themselves for re-election as independent non-executive directors of the company.
6. To re-appoint M/s Deloitte & Touche as the External Auditor of the Company for the financial year ending 31 December 2026 and authorise the Board of Directors to determine the auditor’s remuneration.
7. To conduct any other business that may be conducted at the AGM, for which due notice will have been given and duly received.

By Order of the Board,

Godfrey Bakibinga
Company Secretary
February 23, 2026

AGM Registration

1. The AGM shall be conducted virtually.
2. Registration shall be done electronically and shall commence on **5 March 2026**, at **8:00 am** and will close on **17 March 2026**, at **12:00 pm**.
3. Shareholders are advised to use any of the options below to register for the AGM:
 - a) Online at **<https://digital.candr.africa>** 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#**.
 - b) The registration link will be circulated to shareholders who have provided valid email addresses we possess.
4. 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.
5. Duly registered shareholders and proxies will be able to follow the AGM proceedings, participate and ask questions using the live stream platform.
6. Duly registered shareholders and/or 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. By registering to attend the AGM, shareholders and/or proxies consent to receive all messages about the AGM.
7. Shareholders and/or proxies may obtain registration on support by dialling the helpline number: **0800334334** between **8.00am** and **4.00pm** from **Monday to Friday** or sending an email to **airtel@candrgroup.co.ug** or **shareholder@candr.africa**.

AGM Information

8. The electronic pack of the AGM consisting of the Notice of the AGM, Minutes of the AGM held on **18 March 2025**, a Proxy Form, Audited Financial Statements and the Annual Report for the year ended **31 December 2025**, 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#**.

Proxies

9. 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/>**.
10. Duly completed proxy forms should be delivered to the Company Secretary at the Company’s physical address or emailed to **airtel@candrgroup.co.ug** or **shareholder@candr.africa** or **investor@ug.airtel.com** at least 48 hours before the scheduled time for the meeting. In default of this, it shall be treated as invalid.

Voting

11. Shareholders may vote prior or during the AGM by:
 - a) Accessing the virtual AGM via a link to the AGM Platform or via **<https://digital.candr.africa>** 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 don menu
 - b) 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.
12. 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.
13. 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**

Shareholder Questions

14. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
- a) 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
 - b) dialling the USSD code ***284*140#** and selecting the option (ask Question) on the prompts or
 - c) sending their written questions by **13 March 2026 at 11:00 am** through the following means:
 - i) by email to airtel@candrgroup.co.ug or shareholder@candr.africa or investor@ug.airtel.com.
 - ii) to the extent possible, by physical delivery or registered post, with a return physical address or email address.
15. Shareholders must provide their full details (full names, ID/Passport Number/SCD Account Number) when submitting their questions.
16. 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.

Book Closure and Dividend

17. The final Dividend, if approved at the AGM, will be paid on or about **29 April 2026**, to shareholders whose names appear on the Share Register of the Company at the close of business on **8 April 2026**.
18. In line with the Uganda Securities Exchange Trading Rules 2021, the ex-dividend date shall be **31 March 2026**. Accordingly, an investor who buys Airtel Uganda shares before this date will be entitled to the final dividend. Any investor buying Airtel Uganda shares on this date and afterwards will not be entitled to the final dividend declared for the year ended **31 December 2025**.
19. The final dividend will be paid (net of withholding tax) electronically to the nominated bank accounts or mobile money wallets of eligible shareholders.
20. 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.
21. Shareholders who have not received their dividends are requested to contact the Share Registrar or email airtel@candrgroup.co.ug or shareholder@candr.africa



PROXY FORM
Airtel Uganda Limited (“the Company”)

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 the 18 day of March 2026 starting at 9:00AM and at any adjournment thereof as follows:

Sn	Resolution	For*	Against*	Withheld*
1.	To receive, consider and if deemed appropriate, adopt the Company's audited Financial Statements for the year and the Reports of the Directors and External Auditor for the Financial Year ended 31 December 2025.			
2.	To receive, consider and if deemed appropriate, adopt the recommendation of the Directors on the declaration on of a final dividend of Ushs 3.55 per share (less withholding tax) for the year ended 31 December 2025.			
3.	To consider, and if deemed appropriate, confirm the appointment by the Board of Neeraj Jain and Alice Kariuki as Non Executive Directors of the Company in accordance with Article 152B (j) of the Company's Articles of Association.			

4.	To re- elect Keith Kalyegira and Suzan Mweheire Kitariko who retire by rotation in terms of Articles 111 of the Company's amended Articles of Association but being eligible have offered themselves for re-election as independent non executive directors.			
5.	To re-appoint M/s Deloitte & Touche as the External Auditor of the Company for the Financial Year ending 31 December 2026 and authorize the Board of Directors to determine their remuneration.			
6.	To receive and confirm the Minutes of the Annual General Meeting of the Company held on 18th March 2025.			

- * 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 2026

Name:Signature:

Address:

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** or **shareholder@candr.africa** or **investor@ug.airtel.com**) 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.

EXPLANATORY NOTES TO RESOLUTIONS PROPOSED FOR THE ANNUAL GENERAL MEETING SCHEDULED FOR 18TH MARCH 2026

We welcome you to the third **Annual General Meeting (“AGM”)** of the Company following its listing on the Uganda Securities Exchange (USE) on **7 November 2023**. Explanatory notes are provided below to the resolutions set out in the notice of the AGM in respect of the year ended **31 December 2025**. At the AGM, the shareholders of the Company will be requested to vote in favour of the proposed resolutions. Please note that if you abstain from voting, you will not be counted in the calculation of the proportion of votes for or against a resolution.

RESOLUTION 1: MINUTES OF THE LAST ANNUAL GENERAL MEETING

“To receive and confirm the Minutes of the Annual General Meeting of the Company held on 18 March 2025”.

Explanatory Note

The event was attended by over **1,219** shareholders holding approximately **99.72%** and representing a total of **53%** of the registered shareholders. The shareholders passed resolutions approving financial statements for the year ended 31 December 2024, declared a final dividend, rotated a third of the existing directors and re-appointed them in compliance with USE Listing Rules, confirmed the appointment of Soumendra Sahu as an executive director, confirmed the appointment of Godfrey Bakibinga as the Company Secretary and re-appointed, Deloitte & Touche, as the external auditor for the financial year ended 31 December 2025.

The minutes of the last Annual General Meeting have been uploaded onto the Company’s website at **https://www.airtel.co.ug/**.

The shareholders are requested to take the minutes as read and confirm them as a true record of the proceedings of the Annual General Meeting held on 18 March 2025.

RESOLUTION 2: 2025 AUDITED FINANCIAL STATEMENTS

“To receive, consider and if deemed appropriate, adopt the Company’s audited Financial Statements and the Reports of the Directors and External Auditor for the Financial Year ended 31 December 2025”.

Explanatory Note

Under **Sections 150, 160, 161 and 162** of the Companies Act, Cap 106 (the “Companies Act”), the directors of the Company are required to prepare and publish audited Financial Statements of the Company for each year of operation along with the directors’ and auditor’s reports on the financial statements. In line with the above statutory obligations, the FY 2025 Financial Statements were prepared, audited, approved by the Board on 20 February 2026, and are included in the Company’s Annual Report for 2025. The Annual Report also contains the reports of the directors and the external auditor on the audited financial statements for the year.

The directors are required by the Companies Act and the USE Listing Rules, 2025 to lay before the shareholders, at the annual general meeting, the audited Financial Statements of the Company for consideration and approval of the same by the shareholders. This provides the shareholders with the opportunity to ask questions on the audited Financial Statements.

The audited Financial Statements are available on the Company’s website at **https://www.airtel.co.ug/** and were circulated to the shareholders whose email addresses are with the Company. The audited Financial Statements are also available on the website of the Uganda Securities Exchange (USE) at: **https://www.use.or.ug**.

We urge you to vote in support of the motion to receive the audited financial statements and the accompanying reports.

RESOLUTION 3: FINAL DIVIDEND FOR 2025

“To receive, consider and if deemed appropriate, adopt the recommendation of the Directors on the declaration of a final dividend of Ushs 3.55 per share (less withholding tax) for the year ended 31 December 2025”.

Explanatory note:

Section 67 of the Companies Act empowers the Company to declare and pay a dividend based upon a recommendation by the directors and with reference to the accounts of the Company. Article 175 of the Company’s Articles of Association provides that the shareholders in a general meeting may declare a final dividend by ordinary resolution, but no dividend shall exceed the amount recommended by the directors acting in accordance with any Company’s prevailing dividend policy.

At the Board Meeting held on 20 February 2026, the directors of the Company recommended a final dividend of Ushs 142 billion at the rate of **Ushs 3.55 per share**, for the year ended 31 December 2025, based on the Company’s cumulative retained earnings as at 31 December 2025. With this, the total dividend for the twelve-month period ended 31 December 2025 will be **Ushs 446 billion** at the rate of **Ushs 11.15** per share compared to **Ushs 7.88** per share in the previous year.

The final dividend, if approved by the shareholders, shall be paid to the shareholders registered in the books of the Company as at close of business on **8 April 2026** and will be paid by or before **29 April 2026** to designated bank accounts or mobile wallets of the shareholders, subject to withholding tax at the prevailing rate.

We urge the shareholders to vote in support of the motion to approve and declare the final dividend of **Ushs 3.55** per share (**Ushs 142 billion**) for the year ended 31 December 2025.

RESOLUTION 4: CONFIRMATION OF THE APPOINTMENT OF ALICE KARIUKI AND NEERAJ JAIN AS NON-EXECUTIVE DIRECTORS REPLACING ALOK BAFNA AND RAMAKRISHNA LELLA

“To consider, and if deemed appropriate, confirm the appointment by the Board of Alice Kariuki and Neeraj Jain as non-Executive Directors of the Company with effect from 27 August, 2025 in accordance with Article 152B (j) of the Company’s Articles of Association to replace Alok Bafna and Ramakrishna Lella”.

Explanatory note:

Article 110 of the Articles of Association of the Company gives the existing directors the mandate to appoint any person who is eligible to fill a vacancy on the Board of Directors. The appointment of a new director by the directors is subject to confirmation by the shareholders at the next AGM. On this basis, the directors, by a resolution dated **26 August 2025** appointed Alice Kariuki and Neeraj Jain, as non-executive directors subject to confirmation by the shareholders with effect from **27 August 2025**. Alice Kariuki and Neeraj Jain replaced Alok Bafna and RamaKrisna Lella, who resigned as non-executive directors from the board.

In line with the Articles of Association, the Board hereby recommends and requests shareholders to confirm the appointment of Alice Kariuki and Neeraj Jain as non-executive directors in replacement of the former directors.

RESOLUTION 5: ROTATION AND RE-APPOINTMENT OF DIRECTORS

“Pursuant to the provisions of Rule 14 (6) of Schedule 3 of the USE Listing Rules and Articles 111 of the amended Articles of Association of the Company, to re-elect, by single resolution, Keith Kalyegira and Suzan Kitariko, who retire by rotation, but being eligible, have offered themselves for re-election as independent non-executive directors”.

Explanatory note:

Rule 14 (6) of Schedule 3 of the USE Listing Rules, 2025 and Articles 111 of the Articles of Association of the Company (as amended) make it mandatory to rotate the directors at every Annual General Meeting. In the case of an existing issuer, the rules require that at least **one third** of the directors (except the executive directors) shall retire from office at every Annual General Meeting and the director(s) so retiring shall be eligible for re-election. On this basis, Keith Kalyegira and Suzan Kitariko, retire by rotation, and being eligible, offer themselves for re-election as independent non-executive directors of the Company.

In compliance with the USE Listing Rules and the amended Articles of Association, we request that you support the motion to rotate and re-elect Keith Kalyegira and Suzan Kitariko as directors of the Company.

RESOLUTION 7: RE-APPOINTMENT OF EXTERNAL AUDITOR

“To consider, and if deemed appropriate, pass an ordinary resolution to approve the re-appointment of Deloitte and Touche as External Auditor of the Company for the Financial Year ending 31 December, 2026 and authorize the Board of Directors to set the External Auditor’s remuneration”.

Explanatory note:

The Company is required by Section 163 of the Companies Act to appoint an external auditor for each year of operation. The auditor should be appointed by the shareholders at the annual general meeting and shall hold office from the conclusion of the general meeting until the conclusion of the next general meeting. The Companies Act further permits the remuneration of the external auditor appointed by the shareholders to be fixed in such manner as the general meeting may determine. Article 152B(i) of the Company’s Articles of Association (as amended) provides that the external auditor shall be appointed by the shareholders and their remuneration decided by the directors.

The Audit and Risk Committee considered management’s request and recommended to the Board, the re-appointment of Deloitte and Touche, as the external auditor for the Financial Year ending 31 December 2026, in accordance with all applicable legal requirements.

In line with the Companies Act and the Company’s Articles of Association, the Directors request the shareholders to support the motion to approve the re-appointment of Deloitte and Touche Uganda as external auditors of the Company, and to authorize the directors to fix their remuneration for the audit of the Company’s accounts for the year ending 31 December 2026. The directors will be guided in this regard by the Audit and Risk Management Committee of the Board.

NOTES

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