MTN 25

Together,
we're unstoppable

ANNUAL REPORT 2023

Doing is never done

MTN

y'ello!

MTN 25

Together, we're unstoppable

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Image: ATC Uganda

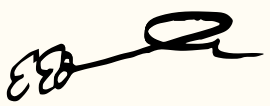
Notice of AGM

NOTICE is hereby given that the Annual General Meeting ("AGM") of MTN Uganda Limited ("MTN" and the "Company") for the year ended 31 December 2023 will be held as a hybrid meeting comprising both physical and electronic means in accordance with Article 62(c) of the Company's Articles of Association on **Wednesday, 22 May 2024** at 10.00 a.m to conduct the following business:

Ordinary Business

1. To receive, consider and if approved adopt the Company's audited accounts for the year ended 31 December 2023, together with the reports of the directors and external auditor thereon.
2. To approve and declare the payment of a final dividend of UGX 6.4 per ordinary share (UGX 143.3 billion) for the year ended 31 December 2023.
3. To elect directors of the Company as follows:
   - (a) Mr. Charles Mbire retires by rotation in accordance with Articles 97, 98 and 99 of the Articles of Association and being eligible, offers himself for re-election;
   - (b) Mr. Sugentharen Perumal retires by rotation in accordance with Articles 97, 98 and 99 of the Articles of Association and being eligible, offers himself for re-election;
   - (c) Ms. Yolanda Cuba retires by rotation in accordance with Articles 97, 98 and 99 of the Articles of Association and being eligible, offers herself for re-election;
   - (d) Ms. Fatima Daniels, having been appointed as a director in accordance with Article 96(b) of the Articles of Association, offers herself for confirmation of appointment; and
   - (e) Mr. Francis Kamulegeya, having been appointed as a director in accordance with Article 96(b) of the Articles of Association, offers himself for confirmation of appointment.
4. To approve the appointment of Ernst & Young Uganda as the external auditor of the Company for the audit relating to the financial year ending 31 December 2024, and to authorise the directors to fix their remuneration for that purpose.
5. To conduct any other business that may be conducted at the AGM, of which due notice has been given.

By Order of the Board,



Ms. Enid Edroma
Company Secretary
30 April 2024

Registration for the AGM

1. The AGM shall be conducted by hybrid means in accordance with Article 62(c) of the Company's Articles of Association. Shareholders will be provided with an option to register to participate in the meeting physically or virtually during registration.
2. Shareholders wishing to participate in the AGM should register by doing the following:
   - a) Dialing ***284*32#** for Uganda telecommunications networks and ***483*816#** for Kenya telecommunications networks and following the various prompts regarding the registration process; or
   - b) Sending a request via email to be registered to **mtnuganda@image.co.ke;** or
   - c) Shareholders with email addresses will receive a registration link via email which can be used to register.
3. To complete the registration process, shareholders will need to provide their national identity card/passport numbers which were used to purchase their shares and/or their Securities Central Depository Account Number. For assistance during registration, shareholders should dial the following helpline number +256 762 260 804 between 9:00 a.m. and 4:00 p.m. from Monday to Friday or send an email to **mtnuganda@image.co.ke.**
4. Registration for the AGM opens on **Tuesday, 30 April 2024** at 10:00 a.m. and will close on **Tuesday, 21 May 2024** at 10.00 a.m. Shareholders will not be able to register after this time.
5. The AGM will be streamed live at the scheduled time and date indicated above to registered shareholders who will receive a link to the AGM 24 hours before the AGM. Registered shareholders will also receive a short message service (SMS/USSD) prompt on their registered mobile numbers 24 hours before the AGM acting as a reminder of the AGM and providing a link to the livestream. A second SMS/USSD prompt shall be sent one hour ahead of the AGM. By registering to attend the AGM, a shareholder consents to receive these messages.

Right of shareholders to ask questions

6. Shareholders have the right to ask questions at the AGM. Shareholders may also ask questions in writing prior to the meeting as follows:
   - a) Sending their written question by email to **mtnuganda@image.co.ke;**
   - b) Shareholders who will have registered to participate in the meeting virtually shall be able to ask questions by SMS by dialing the USSD code above and selecting the option (Ask Question) on the prompts or via the Question Tab on the livestream link during the AGM; and
   - c) To the extent possible, physically delivering their written questions with return physical address or email address to the Company Secretary at the MTN head office at Plot 69/71, Jinja Road, Kampala, Uganda.
7. All questions received in advance will be responded to via email or SMS or via the selected mode by the shareholder. A full list of questions received and the answers provided will be published on the Company's website within 24 hours of the conclusion of the AGM.
8. Shareholders are advised to submit their questions by **Tuesday, 21 May 2024** at 10.00 a.m.

Voting

9. All shareholders of the Company are entitled to vote at the AGM. Every shareholder present at the meeting (in person, virtually or by proxy) shall be entitled to one vote, and on a poll, shall be entitled to one vote for every share held.
10. Shareholders attending electronically will receive an SMS prompt with instructions on their registered mobile phone number alerting them to propose or second the resolutions put forward in the notice. Shareholders attending electronically may follow the AGM proceedings using the livestream platform and vote (when prompted) using the livestream link or using the USSD prompts.
11. In line with the Companies Act 2012 and the Articles of Association, all the resolutions to be passed at the AGM are ordinary resolutions. Ordinary resolutions require the support of more than 50% of the voting rights exercised on each of them by the shareholders.

Attendance of AGM and Proxies

12. As indicated above, only a person whose name appears on the Company's share register on **Tuesday, 21 May 2024** at 10.00 a.m. is entitled to attend the AGM.
13. 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 instead of himself/herself. Such proxy need not be a shareholder of the Company but must be an individual. A proxy form may be downloaded from the Company website **https://www.mtn.co.ug/investors/shareholders/annual-general-meetings/.** The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the AGM and participating and voting in person at the meeting. A proxy form for a corporate shareholder must be accompanied by a power of attorney or other authority issued by the corporate shareholder in favour of the proxy. Shareholders who are unable to attend the AGM are encouraged to use the proxy form to ensure that their votes on the proposed resolutions are taken into account.
14. For the appointment to be valid, duly executed proxy forms must be delivered electronically via email address **Investorrelations.ug@mtn.com** or deposited at any of the following locations not later than **Tuesday, 21 May 2024** at 5.00 p.m:
    a) At the MTN head office at Plot 69/71, Jinja Road, Kampala, Uganda; or
    b) At the offices of the Share Registrar, Uganda Securities Exchange Nominees Limited (SCD Registrars) at Plot 3-5 New Port Bell Road, UAP Nakawa Business Park, Block A, 4th Floor, Kampala, Uganda.

Books closure and dividend payment

15. The books closure date for entitlement to the final dividend is **Tuesday, 4 June 2024.** Only shareholders registered in the books of the Company at close of business on that date are entitled to receive the final dividend.
16. In line with the Uganda Securities Exchange Trading Rules 2021, the ex-dividend date shall be **Friday, 31 May 2024.** Accordingly, an investor who buys MTN Uganda shares before this date will be entitled to the final dividend. Any investor buying MTN Uganda shares on this date and afterwards will not be entitled to the final dividend declared for the year ended 31 December 2023.
17. On **Tuesday, 25 June 2024,** the final dividend will be paid (net of withholding tax) electronically to the nominated bank accounts or mobile money wallets of eligible shareholders.

Annual Report and Audited Financial Statements

18. The electronic version of the Annual Report and audited financial statements is available online for viewing and download from our website at **www.mtn.co.ug/investors.** In addition, shareholders who have provided their email addresses to the Share Registrar will receive the electronic version of the Annual Report and audited financial statements via email.

Explanatory Notes

We welcome you to the third AGM of the Company following its listing on the Uganda Securities Exchange on 6 December 2021. Explanatory notes are provided below to the resolutions set out in the notice of the AGM. At the meeting, you 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 2023 Audited Accounts

"To receive, consider and if approved adopt the Company's audited accounts for the year ended 31 December 2023, together with the reports of the directors and external auditor thereon."

Explanatory note:

Pursuant to the requirements of Section 155 and 170 of the Companies Act 2012 (the "Companies Act"), the directors of the Company are mandated to prepare financial statements for each year. In line with those provisions, the 2023 financial statements have been prepared, audited, approved and included in the 2023 Annual Report. The Annual Report also contains the report of the directors and the Company's external auditor on the audited financial statements.

The directors are required by the Companies Act to lay before the Company in the general meeting for each financial year copies of the financial statements of the Company made up to a date not exceeding nine months prior to the date of the meeting. This provides the shareholders the opportunity to ask questions on the content of the audited financial statements.

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

Resolution 2 Final Dividend

"To approve and declare the payment of a final dividend of UGX 6.4 per ordinary share (UGX 143.3 billion) for the year ended 31 December 2023."

Explanatory note:

Section 69 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 53 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.

The proposed amount of UGX 6.4 per ordinary share (UGX 143.3 billion) constitutes the final dividend for the year ended 31 December 2023.

The proposed final dividend for 2023 is UGX 143.3 billion (UGX 6.4 per share). This follows two interim dividends paid in September and December 2023 of UGX 125.4 billion (UGX 5.6 per share) and UGX 134.3 billion (UGX 6.0 per share) respectively, which translates to a total dividend of UGX 18.0 per share. As such, the total 2023 dividend will be UGX 403 billion. The dividend pay-out translates to 81.7% of profit and total comprehensive income for 2023 and is in line with our dividend policy which provides for a pay-out ratio of at least 60% of distributable income.

We urge you to vote in support of the motion to declare and approve the final dividend of UGX 6.4 per ordinary share (UGX 143.3 billion) for the year ended 31 December 2023.

Resolution 3 Election of Directors

"To elect Mr. Charles Mbire, Mr. Sugenthären Perumal and Ms. Yolanda Cuba, who retire by rotation, directors of the Company, and to confirm the appointment of Ms. Fatima Daniels and Mr. Francis Kamulegeya as a director"

Explanatory note:

With regard to rotation, Articles 97, 98 and 99 of the Articles of Association provide that each director of the Company (other than executive directors) shall retire and be eligible for re-election or re-appointment upon the lapse of an initial three-year term. In addition, at least one third of the non-executive directors shall retire from office at an AGM every three years and the director so retiring shall be eligible for re-election. On this basis, Mr. Charles Mbire, Mr. Sugentharen Perumal and Ms. Yolanda Cuba retire by rotation and being eligible, offers themselves for re-election.

With regard to director independence, the Capital Markets Corporate Governance Guidelines 2003 provide that a board should reflect a balance between independent, non-executive directors and executive directors. Further, the Company's Articles of Association adopt the Code of Corporate Governance (Table F) of the Companies Act, which provides that a sufficient number of the non-executive directors of a board shall be independent directors.

Article 96(b) of the Company's Articles of Association provides that the existing directors may appoint a new director to fill a casual vacancy or as an addition to their number, subject to the directors' appointment being confirmed at the Company's next AGM. On this basis, directors appointed Ms. Fatima Daniels and Mr. Francis Kamulegeya as independent non-executive directors and recommends the confirmation of their appointment.

In line with the Capital Markets Corporate Governance Guidelines, the Companies Act and the Articles of Association, we request that you support the motion to elect Mr. Mbire, Mr. Perumal, Ms. Cuba, Ms. Daniels and Mr. Kamulegeya as directors of the Company.

Resolution 4 External Auditor

"To approve the appointment of Ernst & Young Uganda as the external auditor of the Company for the audit relating to the financial year ending 31 December 2024, and to authorise the directors to fix their remuneration for that purpose."

Explanatory note:

Section 167 of the Companies Act requires the Company to appoint an auditor to hold office from the conclusion of that 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 142 of the Company's Articles of Association provides that the external auditors shall be appointed by the shareholders and their remuneration decided by the directors.

In line with the Companies Act and the Company's Articles of Association, we request that you support the motion to approve the re-appointment of Ernst & Young Uganda as external auditors of the Company, and to authorise the directors to fix their remuneration for the audit of the Company's accounts for the year ending 31 December 2024. The directors will be guided in this regard by the Audit and Risk Management Committee.

...Doing good with our shareholders

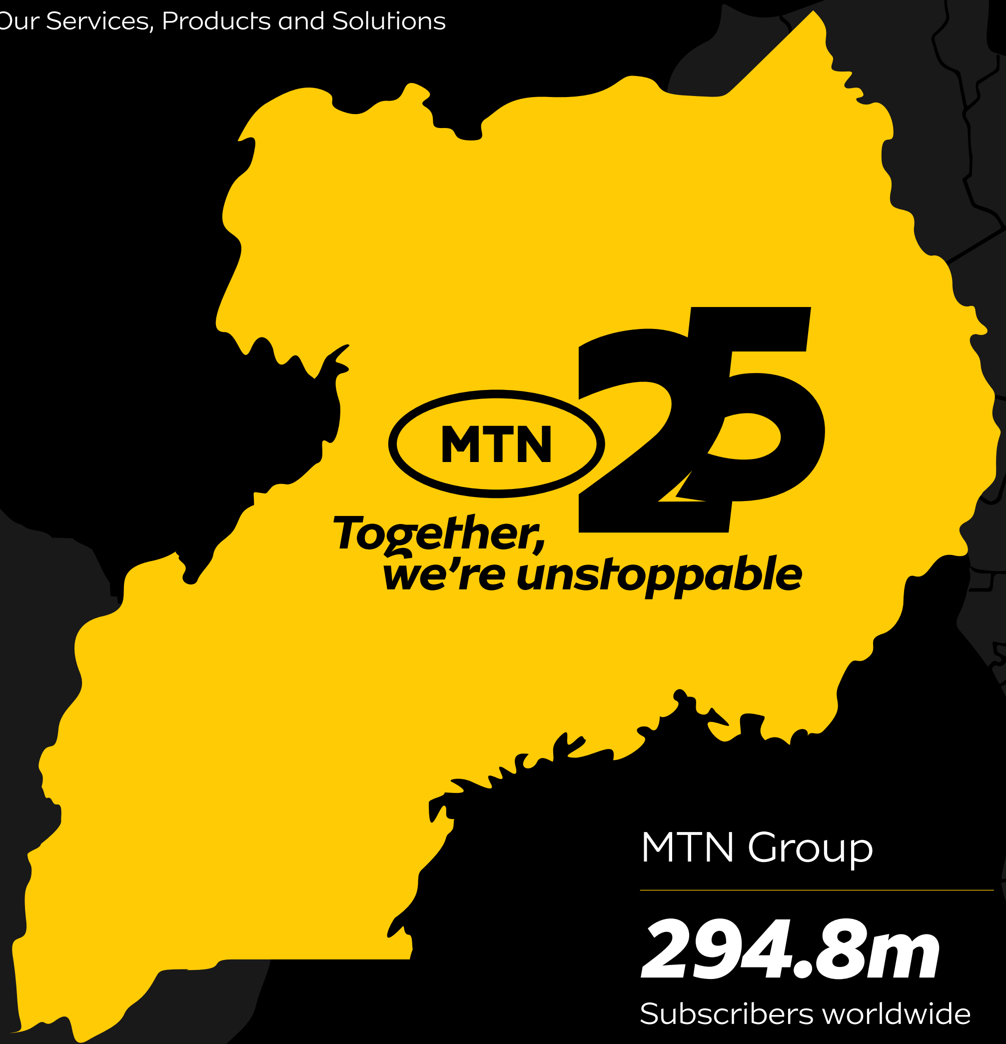
The 2022 AGM was held on Friday, 19 May 2023 at the MTN headquarters in Kampala. This was the second AGM since MTN became the largest listed company in Uganda.

The event was attended by over 2,400 shareholders and regulators both physically and virtually. Resolutions included approving financial statements for the year ended 31 December 2022, declaring a final dividend, appointing non-executive directors and appointing the company's external auditors.

MTN remains committed to creating shared value for all shareholders and other stakeholders.

MTN Uganda shareholders at the 2nd Annual General Meeting

About MTN Uganda



MTN Group

294.8m

Subscribers worldwide

MTN Uganda

19.5m

Subscribers countrywide

About this Report

This Annual Report is MTN's primary communication to all stakeholders and aims to enable them to make an informed assessment of the company's performance and prospects in Uganda. The Annual Report provides a balanced review of the material matters that the company faces: our use of the capital; our key operational, financial, economic, social and environmental performance; how we are governed; our engagement with stakeholders; as well as our risks and opportunities. In short, it is our value-creation story.

Scope and boundary

Our material matters, as well as our strategy, form the anchor of the report and determine its content. The report covers the period 1 January to 31 December 2023, and gives commentary, performance measures and prospects for MTN's operations. The full set of annual financial statements can be accessed at the *'Investors'* page on the MTN website – **www.mtn.co.ug/investors**

Basis for preparation

This report is prepared by the Investor Relations team, reporting to the Chief Financial Officer. In determining its content, we assess the annual business plan ***Ambition 2025***, and the issues that materially impact our ability to create and preserve value. We also draw on our monthly reports prepared by management and submitted to the Board. These reports include details of our operating context, our strategic performance, our stakeholder engagement, as well as risks and opportunities.

Controls and combined assurance

The Board ensures an effective control environment which supports the integrity of our information. We use a combined assurance model which considers the role of management, control functions, internal and external audit and Board committees. For 2023, we assessed our controls to be adequate and effective.

Financial information

We apply IFRS as issued by the International Accounting Standards Board and interpretations as issued by the IFRS Interpretations Committee. We comply with the annual reporting requirements of the USE Listing Rules 2021, as issued by the USE. We also comply with the requirements of the Companies Act 2012.

Non-financial information

We use local and global standards and guidelines to compile non-financial information. These include the GRI Standards, the IIRC, the Companies Act 2012, the Capital Markets Corporate Governance Guidelines 2003 and the USE Listing Rules 2021.

Forward-looking information

Opinions and forward-looking statements expressed in this report represent those of the company at the time. Undue reliance should not be placed on such statements and opinions because by nature, they are subject to known and unknown risk and uncertainties and can be affected by other factors that could cause actual results and company plans and objectives to differ materially from those expressed or implied in the forward-looking statements.

Neither the company nor any of its respective affiliates, advisers or representatives shall have any liability whatsoever for any loss howsoever arising from any use of this report or its contents. The company does not undertake to publicly update or revise any of its opinions or forward-looking statements.

Approval by the Board

The Board is responsible for the Annual Report, and believes that this report addresses all material issues and presents a balanced and fair account of the company's performance for the reporting period, as well as an accurate reflection of our core strategic commitments for the short, medium and long term.

The Board approved the consolidated audited financial statements for the year ended 31 December 2023 on **5 March 2024.**

Purpose Statement

MTN is a Ugandan telecommunications operator with the strategic intent of providing telecommunications and digital solutions for Uganda's progress. Inspired by our belief that everyone deserves the benefits of a modern connected life, we provide a diverse range of voice, data, digital, fintech, wholesale and enterprise services to approximately 19.5 million subscribers. Our industry leadership in coverage, capacity and innovation reflects the steadfast and progressive nature of our customer base.

The opportunity we have been granted to play a role in Uganda's evolution has been our great privilege. A proudly Ugandan company with a rich heritage, we are committed to using our technology and assets to help build a better tomorrow where businesses expand, the economy grows, and people progress. Guided by the principle of shared value which enables shared prosperity, we know that the success and growth of our business are tied to the wellbeing and development of the community where we live and work.

This is why MTN is constantly looking for opportunities and possibilities to make a positive and sustainable impact, and we support our customers and stakeholders by realising the benefits of a modern connected life through the execution of our sustainability framework. Sustainability is at the core of our business strategy as we strive to create shared value for our stakeholders.

***Our strategic** intent is to lead digital solutions for Uganda and Africa's progress*

We are committed to using our technology and assets to help build a better tomorrow.

***Our values** define what is important to us, they guide our conduct and inform our actions*

Our people drive our success and exemplify ***Leadership, Innovation, Relationship, Integrity*** and a ***Can-do Spirit***. In a complex world of constant and rapid change within a dynamic business environment, our organisational values are guiding principles that help shape our culture, inform our decisions and define our company.

***We believe** everyone deserves the benefits of a modern, connected life*

Our dedication to enabling connections that matter – among families, friends and communities – is fueled by this conviction. This commitment, coupled with the support and trust placed in us by our customers, have made our growth and success possible.

Our Journey in Uganda

Our history in Uganda overlaps with significant historical events in the country's telecommunications sector.

MTN was incorporated in 1998 to operate as the second national operator of a telecommunications network in Uganda.

Prior to the launch of the company's GSM services in Uganda, GOU was undertaking targeted telecommunication sector reform in line with its broader program of macroeconomic adjustment, structural reform and economic liberalisation.

Telecommunications services in the country were being provided by a state-owned monopoly, and there were considerable limitations in geographical reach, infrastructure and quality of service.

GOU reorganised the telecommunication sector by enacting a new law (the predecessor to the Communications Act), de-regulating and allowing private sector participation, unbundling and transforming the state telecommunications utility into a private entity and establishing UCC to assume regulatory responsibility for the sector.

Following an open tender process, MTN emerged as the best evaluated bidder for the grant of a second national operator licence in 1998.

The company launched commercially on 21 October 1998. Riding on a demand for mobile telecommunication services that was much higher than anticipated, MTN put in place a cellular network with 36,000 subscribers within the first year of operation.

Since then, we have been central to the growth witnessed in the sector, and remain a leading player in the Uganda telecommunications market.

On 6 December 2021, the company was listed on the USE following the most successful IPO in Uganda's history.

25 years of driving the digital progress of Uganda

Our Journey So Far

1998

- Awarded national operator licence
- Launched with 2G network
- President Yoweri Museveni makes the first call to President Nelson Mandela

2001

MTN completes first fibre optic ring on the African continent.

2004

MTN VillagePhone project, providing access to remote areas

2005

1 million subscribers

2009

Introduced MTN MoMo

2010

Launched 3G network

2014

Launched 4G network

2015

Launched cashless payment solutionto bridge divide between large enterprises and the cash-based informal merchants.

2016

- Introduced MoKash
- Launched MTN *aYo*

2018

- Launched an API in Uganda
- Launched the joint Tidal-MTN music streaming service

2020

- Issued the NTO Licence
- Conducted first commercial 5G trial

2021

- 15 million subscribers
- Conducted Uganda's largest ever initial public offer
- Listed on the USE

2023

- 25 years of operations in Uganda
- First network to launch commercial 5G services
- 19.5 million subscribers

Celebrating 25 years

... of transforming lives

On 21 October 1998, MTN launched commercial services in Uganda.

We have contributed to Uganda's socio-economic development and our journey in shaping the telecommunications and digital economy in the country has been transformative.

We acknowledge that our 25-year journey in Uganda has not been the company's alone. The journey has been a classic case of 'together in progress,' and we are thankful to all Ugandans for standing by us and helping us achieve this milestone.

Everything that the company has achieved over the past 25 years is due to the support and faith of our customers, all our partners who have worked by our side and the thousands of investors who hold our shares.

Our journey reflects our commitment to connecting Ugandans.

We remain inspired by the belief that everyone deserves the benefits of a modern connected life, and we shall continue to change lives by improving digital access, driving financial inclusion and enhancing community development.

16 NV Tuesday, October 31, 2023

COMMENT

Congratulations MTN on 25 years of business in Uganda

THIS week, telecom company MTN commemorates 25 years of doing business in Uganda.

The company exploded the myth that Ugandans cannot afford mobile phones and in so doing opened new possibilities for economic, social and political advancement. Coming to Uganda has been good for MTN because it has used the country as stepping stone into the rest of Africa and the Middle East.

Using a model, it honed in the townships of South Africa, MTN has been able to serve and elevate a forgotten segment of our society.

In 2021, MTN took this a step further by listing its shares on the Uganda Securities Exchange (USE) and has since paid out almost sh600b in dividends to its 20,000 shareholders.

Generally speaking, telecommunications is a major driver of economies, if run well. By liberalising the sector and letting players like MTN to join the race, the Government spared us the inefficiencies of the government operator who had only managed 50,000 lines since independence to 1998.

The new efficiencies that private players like MTN brought have unlocked the individual initiatives of Ugandans, and this has subsequently led to a boom in retail trade, transport and general commerce.

The lesson of the telecomm sector's liberalisation is that, if the Government partners with credible investors, the result can be transformative not only for the economy, but for individual Ugandans.

Beyond the access to bigger funding pools, the technical transfer to our workers, exposure to better management and sharing of the wealth with general public are the result of such productive partnerships.

While there are those, thankfully the minority, who resent the success of companies like MTN, their views should only be tolerated in as far as they are seeking to improve the nature of the partnerships.

The intelligent thing to do is for our leaders to encourage such partnerships while building our internal capacity, so that in future we can negotiate such deals on a more even footing. In the meantime, congratulations to MTN and we hope for many more years of fruitful partnership with the people of Uganda

NEW VISION EDITORIAL
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Member of the Audit Bureau of Circulation (ABC); Company listed on the Uganda Securities Exchange
www.newvision.co.ug

Value Created in 2023

Doing for Growth

- ↑ Overall mobile subscribers **19.5m**
- ↑ Total revenue **UGX 2.7tn**
- ↑ Total investment **UGX 353.5bn**
- ↑ Profit after tax **UGX 493.1bn**

Doing for Society

- ↑ Businesses using MTN MoMo Pay **292,387**
- ↑ Total tax contribution **UGX 1.1tn**
- ↑ Corporate social impact investment **UGX 4.4bn**
- ↑ Percentage of local suppliers **62.3%**

Doing for Shareholders

- ↑ Dividends paid out **UGX 403.0bn**
- Number of shareholders **20,444**
- Percentage of local shareholders **UGX 95%**
- MTN market value **UGX 3.8tn**

Doing for Customers

- ↑ 4G coverage **85.1%**
- ↑ 3G coverage **92.6%**
- ↑ 2G coverage **98.6%**
- ↑ Fibre coverage **12,082 Km**

Doing for Employees

- ↑ Total number of employees **1,278**
- ↑ Women in our workforce **51%**
- ↑ Women in senior management **38%**
- ↑ MTN rating per employee **91%**

Doing for Eco-responsibility

- ↓ Water consumption **49,909m³**
- ↑ Cell-sites upgraded to solar and hybrid power **3,241**
- ↑ Waste recycled out of total waste **3.4%**
- ↓ Carbon emissions **4,643 tCO2**

Doing for Digital Inclusion

- ↑ Data subscribers **8.2m**
- ↑ Fibre-home connections **8,329**
- ↑ Phones sold through smartphone device programme **495,500**
- ↑ Smartphone penetration **39.1%**

Doing for Financial Inclusion

- ↑ Total loans disbursed **UGX 569bn**
- ↑ MoMo interest paid to customers **UGX 44.2bn**
- ↑ MTN MoMo merchants **292,387**
- ↑ MTN MoMo transaction value **UGX 133.2tn**
- ↑ Number of MTN MoMo transactions **3.4bn**
- ↑ MTN MoMo agents **166,232**

Rewards and recognition

Winner

Employer of the Year

Federation of Uganda Employers

We are honoured to have received several awards in 2023, which demonstrate our commitment towards value-based, sustainable and inclusive value propositions which impact our employees and our stakeholders.

At MTN, we believe in ***'Mission First, People Always!'***. These awards underscore the hard work and dedication of our teams and the commitment to delivering value and making a positive societal impact.

Further, these awards inspire and encourage us to continue to drive digital and financial inclusion and create shared value. We believe this work gives Ugandans dignity, hope, and opportunity.

Winner

Financial Services Digital Excellence

Digital Impact Awards Africa

Winner

Digital Brand of the Decade

Digital Impact Awards Africa

First Runner-Up

Consumer and Industrial Products Financial Reporting Category

Institute of Certified Public Accountants of Uganda Financial Reporting Awards

Certification

ISO/IEC 27001 : 2013
Information Security Management Security

Awarded to

MTN Uganda Limited and MTNMobile Money (U) Limited

Interdigicert Europe SA

Spreading the magic of 5G

Launch of the first 5G commercial use case at the Hima Cement plant

We believe that mobile communications technology is a crucial enabler of the information age, connecting individuals, businesses and governments and facilitating improvements in daily life for people everywhere.

We are inspired by the belief that connectivity is the lifeline of modern societies and access to it is a digital human right.

In 2023, we recorded a significant landmark by becoming the first network to launch commercial 5G services in Uganda after UCC awarded MTN additional spectrum. As a result, we continued with our ambitious 5G roll-out programme.

We installed 5G sites in Bugolobi and Lugogo within a month of the spectrum award and by the end of December 2023, we had launched 37 5G sites. 5G delivers increased fibre-like broadband speeds, creating the potential for unlocking many new use cases for consumers and enterprises alike.

Our Services, Products and Solutions

MTN's innovative products and services are delivered across three segments: consumer, enterprise and wholesale. The business service lines covered are voice, data, digital, MTN MoMo, and wholesale and enterprise business. MTN MoMo is conducted through the MoMo Subsidiary.

Our customer segmentation philosophy is anchored on the premise of developing a deeper knowledge of and relationship with these segments, and designing suitable products and engagement platforms to drive growth in each segment.

Consumer

This segment provides us with the unique opportunity to offer tailored products and services to different groups based on needs. The key focus groups are:

High value: Heavy users of our voice, data and or digital services. Key activities include business meetings, connecting with family and friends through calls and high-level entertainment.

Mass-market: Moderate to low users of voice, data and digital services. Key activities include making and receiving calls, social media, remote payment options, and limited time on online entertainment platforms.

Youth: This segment covers the undergraduate and young professionals, with interest towards social networking and entertainment/ infotainment.

Enterprise

Focused on wholesale use of our products (voice and data), this segment addresses the widest variety of customer needs from simple mobile services of small office/ home office and micro enterprises to vertical and bespoke needs of small, medium, large enterprises, and public sector institutions. We have designed an innovative suite of products to meet the various needs of these sub-segments.

Wholesale

To provide high-quality services to wholesale customers, Bayobab Group (previously MTN GlobalConnect) was established to accelerate the procurement of relevant infrastructure, which can be shared among the operating companies and facilitate the routing of the traffic in the markets where MTN operates.

In 2023, we formed and completed the licensing of Bayobab Uganda, our fibre assets vehicle. Bayobab Uganda was granted a national infrastructure provider licence, and a regional service provider licence for Eastern and Central Uganda by UCC, marking a significant leap forward for the company's strategic objectives.

As a neutral fibre-focused business, Bayobab Uganda shall provide digital infrastructure services that give telecommunications operators, hyperscalers and digital infrastructure service companies full control of their networks and allow them to select their preferred transmission technologies through its open access model. Bayobab Uganda shall be the main driver for the consolidation of our international and national major wholesale activities in Uganda, offering reliable solutions for fixed connectivity and international mobile services.

Our Key Service Offerings

Voice

Our comprehensive voice offerings target the full spectrum of subscribers, from high-value to mass market and the youth segment. Some of our flagship products include:

MyPakaPaka, Kigale with MTN, Closed User Groups and ***TalkTime.***

Data

Our data services include all data communication services and technologies, and other value-added services for mobile subscribers. We provide different customer groups with relevant value propositions. Our products include:

MTN WakaNet and ***MTN Business.***

Enterprise

Our enterprise solutions provide mobile and fixed connectivity ICT solutions and services to corporate, wholesale, SMEs and governmental entities, delivering business-adopted end-to-end solutions. These include:

Enterprise Digital, MTN Webphone with Webex, Do Business Better and ***MTN ICT Solutions.***

Digital

We provide our customers with a variety of entertainment, information and lifestyle digital content solutions across music, video, gaming, infotainment and lifestyle. These include:

MyMTNApp, MTN Pulse, Ayoba, Kibanda Xpress, MTN GoGames and ***TIDAL with MTN.***

Fintech

We provide consumers and businesses with innovative digital financial services` across payments, e-commerce, lending and remittance services.

Wesotinge with MoMo is a consolidated savings and credit offering, and includes ***MoKash, MoPesa, MoSente, XtraCash, MoMo Advance*** and ***ClinicPesa***

Chairperson's Statement

CHARLES MBIRE
Board Chairperson

On behalf of the Board, I take great pleasure in presenting to you the Annual Report and Financial Statements of MTN for the year ended 31 December 2023 and look forward to welcoming and interacting with you at the AGM. This will be our third AGM following the listing of the company on 6 December 2021.

In October last year, MTN marked 25 years of operations in Uganda. I am proud of the contribution that we have made in shaping Uganda's telecommunications and digital economy. I am grateful for the contribution of our employees and customers towards this milestone.

On the back of our 25-year legacy of investment in Uganda, we are excited about the future prospects and growth potential of the company and the opportunity to make an even greater contribution to the country's transformation by extending digital and financial inclusion to all areas of Uganda.

We are committed to doing even more in line with our core strategic intent ***'Leading digital solutions for Africa's progress'.***

2023 Dividend

UGX 143.3bn	UGX 403.0bn
Proposed final dividend	Total dividend paid for 2023

Executing our strategy

***Ambition 2025* delivery**

Despite a challenging trading context, we made further strides in building the MTN of the future through the execution of our ***Ambition 2025*** strategy, which is hinged on the primary objective of accelerating growth and unlocking the value of our infrastructure assets and platforms.

Our four strategic pillars are to build valuable platforms; drive industry-leading connectivity operations; create shared value through our sustainability agenda; and to accelerate portfolio transformation.

We reported a strong overall performance across these pillars. We recorded double-digit growth in our mobile subscriber, active data and active fintech users. Our super-app, *Ayoba*, surpassed 1.8 million monthly users in 2023. We are delighted with the progress that we are making in pivoting from 'product' to 'platform' play.

We received an additional allocation of radio spectrum from UCC following a competitive application process, and the awarded spectrum has enabled MTN to enhance its broadband capabilities and pave the way for increased 5G roll-out across Uganda. The ability to deliver on the future promise of 5G requires a robust technical network

***From right:** The Chairperson, CEO with the Ambassador of South Africa to Uganda (middle), the Ministry of ICT Permanent Secretary, and the Minister of ICT*

and roll-out plan. Our network is 5G-ready, and we commit to ongoing investment so as to extend the benefits of mobile broadband and 5G technology to the entire population.

With regard to portfolio transformation, we continue to reveal and crystallise the value of our infrastructure assets and platforms. In 2021, we completed the managed separation of the fintech business from the GSM business following the establishment and licensing of the MTN MoMo subsidiary.

In 2023 and leading into 2024, we will complete the separation of our fibre business with the formation and licensing of Bayobab Uganda.

As a neutral fibre-focused business, Bayobab Uganda shall provide digital infrastructure services that give telecommunications operators, hyperscalers and digital infrastructure service companies full control of their networks.

MTN will stay focused on delivering on ***Ambition 2025*** and remaining a reliable partner to all stakeholders in this journey, driving digital and financial inclusion in the process.

I comment briefly on our sustainability and value creation initiatives.

Uplifting our society

Sustainability and social impact

As I indicated, one of our strategic priorities is to create shared value, with ESG at the core.

Our four-pillar sustainability strategy covers eco-responsibility, sustainable societies, governance and economic value. This sustainability strategy outlines MTN's vision of creating shared value through responsible ESG practices, and our sustainability agenda is integrated across the entire organisation.

↑ UGX **1.1tn** Tax contribution	↑ UGX **4.4bn** CSI contribution

MTN economic contribution

We are proud of our sustainability achievements in 2023, and further details are provided in the Sustainability Report.

Key highlights in this regard are a reduction in direct and indirect greenhouse gas emissions respectively, extending rural broadband coverage and surpassing the 50-50 men-to-women ratio by increasing the complement of women in our workforce from 49.4% to 51%.

In the ever-evolving landscape of technology, we ensured that women and girls have equal opportunities to participate in the digital economy through initiatives such as the ***'MTN@25 Advancing Women Entrepreneurs'*** and ***'MTN Girls in Tech'.*** For social inclusivity, we developed a disability programme that aims to empower and support people with disabilities.

I am both proud and excited about our continuing initiatives to lead digital, financial and social inclusion, creating shared value and a more inclusive and sustainable society.

We contributed to the achievement of national fiscal and economic development goals through taxes in 2023. Over the year, UGX 1.1 trillion was paid to the Uganda Revenue Authority in tax revenue, compared to UGX 927 billion the previous year.

A further statutory contribution of UGX 42.5 billion was made to the Uganda Communications Universal Service and Access Fund to support the development of communications infrastructure in rural Uganda and promote social, economic and regional equity in the deployment of telecommunication services.

We also contributed UGX 4.4 billion to the community through the MTN Uganda Foundation.

We supported the construction of a new girls' dormitory at Salama School for the Blind following a tragic fire incident in 2022, contributed to Glorious Widows, a group that consists of widows, orphans, and women living with HIV/AIDS, and launched the online MTN Skills Academy to empower Uganda's youth and bridge the digital divide.

Business performance

Delivering value to our shareholders

MTN delivered another solid performance in 2023 within an operating context of increased local and global macroeconomic and geopolitical volatility.

Nevertheless, we demonstrated resilience and returned positive results. I express my sincere gratitude to the senior management team and employees for their efforts in the past year.

The Board has proposed a final dividend per share for the financial year of UGX 6.4 (UGX 143.3 billion), with the total dividend per share for 2023 being UGX 18.0 (UGX 403.0 billion).

For 2022, the company paid a total dividend per share of UGX 15.9 (UGX 355.9 billion). At the AGM, the Board will recommend that the shareholders approve the proposed final dividend for 2023.

According to the Ministry of Finance, Uganda's economy is projected to grow at a median of 6.0% – 6.5% over the course of 2024, and at an average of 6.5% – 7.0% per year over the next five years.

This expansion will be supported by reduced global supply chain disruptions, exchange rate stability, moderate inflation and increased foreign direct investment.

I have every confidence in our ability as an organisation to work with our strategic stakeholders to unlock the opportunities that present themselves so as to continually deliver value to our shareholders.

"I am both proud and excited about our continuing initiatives to lead digital, financial and social inclusion, creating shared value and a more inclusive and sustainable society."

Governance

New director appointment and strong governance philosophy

In 2023, Mrs. Winnie Tarinyeba-Kiryabwire and Ms. Fatima Daniels were appointed to the Board, while Mr. Francis Kamulegeya was appointed in 2024.

Their collective experience will be valuable to MTN's strategic objectives. I congratulate Mrs. Tarinyeba-Kiryabwire, Ms. Daniels and Mr. Kamulegeya on their appointment as independent non-executive directors and welcome them to the Board once again.

The Board remains committed to the highest standards of governance and ethics conduct, and we continue to maintain a strong internal control environment and instill a culture of ethical conduct within the company.

Our framework is designed to improve transparency and enhance accountability through a simple, easy-to-understand yet robust and consistent structure that is aligned with industry-leading practices.

I am happy to report that MTN was recognised for governance performance and reporting in 2023. MTN was selected as the first runner-up of the Consumer and Industrial Products Financial Reporting Category at the Institute of Certified Public Accountants of Uganda Financial Reporting Awards, and received commendations for sustainability reporting, presentation and communication and annual reporting by a listed entity.

Strategic partnerships

We recognise that the future is about strategic partnerships and at MTN, we promote partnership models between the public and private sector in support of national development agendas.

In September 2023, we hosted the Uganda-South Africa Trade and Investment Summit in which MTN Group, MTN and the Forum of South African Businesses in Uganda convened key companies in the South African

Mr. Mbire with the MTN Group Senior Vice President - Markets at the Uganda-South Africa Trade and Investment Summit

private sector with operations in Uganda with a view to ***'Accelerate Investments and Trade between Uganda and South Africa'***.

The summit, which was presided over by His Excellency President Yoweri Museveni and attended by senior officials of both the Ugandan and South African governments, was convened in line with our commitment to partnerships in driving sustainable development. The summit provided a valuable platform for discussions and commitments related to bilateral trade and investment across the two countries, and we look forward to championing the summit's resolutions.

To further demonstrate MTN's desire for strategic partnership and collaboration with nation states, we were the connectivity partner to GOU for the Conference of Heads of State or Government of Non-Aligned Countries (the Non-Aligned Movement) and Group of 77 + China summits in Uganda, both of which were hosted in Uganda this year.

We are pleased to have been a partner to GOU, and to have supported meaningful connections and exchange of knowledge among heads of states, policy makers and business leaders. Our support creates the ground on which we can propel further our core belief that everyone deserves a modern connected life on the basis of sustainability for a common future.

"I have every confidence in our ability to work with strategic stakeholders to unlock the opportunities that present themselves ..."

Appreciation

On behalf of the Board, I wish to express my sincere gratitude and appreciation to our executive team and the employees for their efforts over the past year. I am proud of the work that the team has achieved. I also express my appreciation to all shareholders, MTN Group and fellow members of the Board for their dedication, commitment and resilience.

I thank our customers for their continued loyalty and our business partners, the distributors and agents, for enabling us to reach and serve our customers throughout Uganda. I also wish to thank GOU, UCC and BOU for the support and positive engagement throughout the year.

The company has established a sustainable platform for growth, from which we are able to meet the growing and dynamic needs of our customers, the communities in which we operate and our country. We are grateful to all our stakeholders for the opportunity to contribute to Uganda's growth story.

Charles Mbire
Board Chairperson

"Our aspiration is to have 250 female suppliers by 2025..."

SYLVIA MULINGE
Chief Executive Officer

Chief Executive Officer's Statement

2023 was yet another significant year for MTN as we continued to implement our ambitious growth strategy. We grew all our headline numbers and delivered a resilient performance amidst an uncertain and evolving external environment. For this achievement, I could not be prouder of the team at MTN that I lead, our business partners and our valued customers.

2023 also marked my first full calendar year as Chief Executive Officer of MTN. In my letter to you last year, I expressed what a privilege it is to for me lead such a diverse organisation.

A year later, I feel an even stronger sense of both privilege and gratitude, and I pledge to continue to steer the continued growth of MTN through strategic partnerships and leveraging MTN's brand as the most trusted and valued by all consumers and stakeholders in Uganda.

In October 2023, we celebrated 25 years of operations in Uganda. I thank our staff and all our stakeholders for their varied contributions to this milestone. We reiterate our unwavering commitment to you knowing that ***'Together, We Are Unstoppable!'***

Macroeconomic overview

Uganda's economy remains resilient

Uganda experienced a marginal growth in Real GDP from 6.3% in 2022 to 6.5% in 2023 according to the African Development Bank, and this performance is on account of the improved performance of the services, agriculture and industrial sectors. Following GOU's declaration in 2022 of the final investment decision regarding the development of the Albertine Graben oilfields and the East African Crude Oil Pipeline, the oil sub-sector saw an increase in investment activity in 2023, underpinning overall economic growth beyond the medium term.

Bank of Uganda's annual state of the economy update projects that economic growth will be 6.0% – 6.5% in 2024, supported by agriculture, construction and services recovery. Specifically, rising investments in the oil and gas sector, higher exports, resilient remittances and a rebound in tourism will support economic growth.

Inflation eased progressively over the course of the year. Bank of Uganda's annual state of the economy update and monetary policy statement for December 2023 reported that annual and core inflation stood at 2.3% and below the central bank's 5% target, reflecting tight monetary policy and declining imported inflation.

Challenging macroeconomic conditions is one of our top risks to value creation, and we shall deploy our business resilience tools as we monitor evolving conditions.

6.5%
Real GDP for 2023
(African Development Bank)

5.5%
Avg. inflation for 2023

MTN Uganda's executive management team

Operational review

Creating value for our customers and stakeholders

I am delighted to report that MTN maintained a positive growth momentum in 2023 on account of solid commercial execution and an improved macroeconomic environment.

We delivered a strong operational performance across all key metrics. Our mobile subscriber base grew by 13.3% to 19.5 million, our active data users increased by 22.4% to 8.2 million and our active fintech users increased by 10.1% to 12.1 million.

The enhancement of our value proposition and customer value management models has improved customer experience, with the net effect being reflected in the growth of the subscriber base and reduced customer turnover.

One of our key strategic objectives for 2023 was to improve network efficiencies by engaging with UCC for additional spectrum allocation so as to support the expansion of our network infrastructure and improve our customer service proposition.

> ***"The enhancement of our value proposition and customer value management models has improved customer experience..."***

I am delighted to report that following a competitive application process, UCC awarded MTN additional spectrum on the 2600MHz, 2300MHz, 700MHz and e-Band frequencies in July 2023.

MTN's expanded spectrum allocation will bring about several benefits. The increased coverage and network performance will encourage an accelerated and wider adoption of smartphones, fostering digital literacy and helping to close the digital divide.

The increased coverage and quality of service will provide increased customer satisfaction in line with UCC's technical requirements and regulations, leading to a reduction in customer service complaints and building confidence in the industry.

As a result of the additional spectrum allocation, we continued with our ambitious 5G roll-out programme. We have previously pioneered 5G trials in the country: in 2020, MTN and ZTE Corporation conducted a 5G network trial and in early 2023, we partnered with Hima Cement and Huawei Technologies to showcase the first commercial 5G use-case in Kasese.

In July 2023, we deployed our first 5G retail sites at Lugogo and Bugolobi in Kampala, and by December 2023, we had launched 37 5G sites. We plan to have all MTN sites in the cities of Uganda upgraded to 5G by the end of 2025.

We are proud to be the first network to have gone live with a 5G network in Uganda. 5G technology will benefit the country in terms of improved quality of communication between massive numbers of devices, improved speeds, efficiency of service and security in addition to the increase of capacity for digital applications and innovations. This will benefit both businesses and consumers alike and spur economic growth.

We also continued to implement collaborative initiatives to transform and modernise our network towards a Cloud-native 5G-Capable Core network, and we entered a strategic partnership with Huawei Technologies in this regard.

Our network evolution will allow us to have a future-oriented network with greater service agility, innovation, differentiation, improved operational efficiency and better customer experiences. MTN was also recognised as the mobile operator with the fastest internet speed in Uganda in 2023, according to user-initiated tests completed by Ookla, a global leader in mobile and broadband network intelligence.

On the back of these achievements, we launched the ***'Unstoppable Network'*** campaign in November last year to highlight the strength and superiority of our network of an ever-growing base of 19.5 million subscribers who use connectivity every day to cause positive progress in their families, businesses, and in their communities. In this campaign, we will underscore the extent of the investment that we shall commit to support individual and government efforts to drive progress in our communities and country.

To ensure network quality, capacity and resilience, we spent UGX 353.5 billion in capital expenditure in 2023 and increased 4G, 3G and 2G population coverage to 85.1%, 92.6% and 98.6% respectively. Our commitment to extending rural broadband saw MTN contribute UGX 42.5 billion to the Uganda Communications Universal Service and Access Fund for the year 2023, which will be applied towards extending communications services to underserved areas.

↑19.5m	↑8.2m
Mobile subscribers	Active data subscribers

Our home internet solutions such as ***MTN WakaNet*** provide a high-quality internet experience to meet the needs of residential and home office users. In 2023, we registered a 56.8% increase in fibre home subscribers and also introduced the ***MTN WakaNet Pocket MiFi*** to offer affordable internet connectivity to more of our customers.

Our device financing programme ***MTN Kabode*** and our various partnerships have enabled our low-segment customers to own a smartphone; a key lever in driving digital inclusion and data growth.

We registered an increase of 1.6 million smartphones in 2023 and this initiative, coupled with our dynamic data value proposition, supported smart phone penetration of 39.1% in 2023 and drove 26.8% growth in smartphone users.

I am both proud of our continuing initiatives to leading digital and financial inclusion, creating shared value and a more inclusive and sustainable society.

Financial performance

Delivering shareholder value

We achieved service revenue growth of 16.1% to UGX 2.7 trillion which was driven by the continued revenue momentum in the data (21.6%) and fintech (17.6%) segments.

Supported by cost management initiatives through our expense efficiency program and improved macro-economic indicators, EBITDA rose by 16.3% in the year.

This was achieved despite higher network operating costs as a result of price indexation escalations in our telecommunications tower contracts. Our EBITDA margin held steady at 51.4%, resulting in a profit after tax of UGX 493.1 billion, an increase of 21.4% from the UGX 406.1 billion recorded in 2022.

Sustainability

ESG at the core of our business

A key enabler of our ***Ambition 2025*** strategy is something that I hold dear: ESG. We commit to execute our strategy with a view to creating value for our stakeholders through responsible ESG practices and ensuring that we consistently make a broader societal contribution. This aligns with our work to advance the UN SDGs through our business activities and our support of governments, communities and customers.

Our *Project Zero 2040* underlines our target to achieve a 47% average reduction in absolute emissions by 2030. We took steps to reduce our emissions profile by implementing carbon and energy reduction initiatives, transitioning to a low-carbon economy and adopting cleaner energy technologies.

In relation to social equity, we set out to drive gender diversity, ensure gender pay parity, increase rural broadband connectivity and make targeted corporate social investments.

I am especially proud to announce that we surpassed the 50-50 men-to-women ratio and in October 2023, the complement of women in our workforce increased from 49.4% to 51%, and women in senior management increased from 35.6% to 38%.

To foster supply chain opportunities and inclusivity for women, we launched the ***'MTN@25 Advancing Women Entrepreneurs'*** initiative. With our partners, the project aims to empower female entrepreneurs in the technology sector by awarding supply opportunities in technology-focused areas.

Our aspiration is to have 250 female suppliers by 2025, and we and our partners will empower programme participants to achieve this target.

We developed a disability programme that aims to empower and support people with disabilities. The programme focuses on providing access to communication technology, education and employment opportunities, and social inclusion.

Ms. Mulinge receives CEO of the year - 1st runner up award from MTN Group President

In 2023, we hired five people with disabilities in our customer service function. We also launched a priority services offering for customers with special needs.

In 2024, we will implement an extensive rollout of special needs support services to all our retail points across the country. Through our partnerships with disability organizations and other stakeholders, we pledge to continue to provide assistive technology and training to people with disabilities.

"We invested UGX 4.4 billion in corporate social impact activities..."

We invested UGX 4.4 billion in corporate social impact activities and through our ***'MTN Changemakers'*** initiative, we provided financial support of UGX 500 million to impact projects which enhance economic empowerment, education, health, water and environment and agriculture.

Our governance agenda focused on sound internal corporate governance, respect for digital human rights, protecting consumer data privacy, conducting transparent stakeholder management and adopting a no-compromise approach towards ethical business practices.

Appreciation

Embracing the opportunities ahead

As I reflect on the past year and look forward to 2024, I want to express my profound appreciation to our staff and other stakeholders.

We will remain focused on our ***Ambition 2025*** goal to deliver leading digital solutions. Through the ***'Do Business Better with MTN ICT Solutions'*** initiative, we will continue the systemic transformation of our services from telecommunications to technology solutions as we embrace the opportunity to serve the business sector through advanced technology services.

The demand on corporations like MTN to do more to address pressing environmental and social concerns grows significantly.

ESG has become a significant indicator of corporate success, aligning value creation with not just shareholder value, but stakeholder value, including employees, customers and partners.

Creating shared value remains a key focus for us, and we will strengthen our internal and external partnerships in Uganda even further.

Sylvia Mulinge
Chief Executive Officer

Strategy and Business Report

Our Market Context

The environment in which we operate has direct implications for our ability to create value, informing our business strategy and our investment case. By considering our market context, we are better able to determine our material matters; to understand the impact these have on our business model; and to develop and execute on our strategy by leveraging off our competitive advantages, including our scale, brand, skills, presence and financial position. We are also able to better align our priorities to those of our stakeholders as we strive to create greater shared value.

In Uganda, the market environment remains highly competitive and evolving, with new entrants with disruptive business models in financial services. Regulatory scrutiny is growing, and MTN's compliance universe has broadened significantly. Here, we present our operating context:

Our operating context in Uganda

Macroeconomic

- Uganda experienced a marginal growth in Real GDP from 6.3% in 2022 to 6.5% in 2023 according to the African Development Bank. This was on account of improved performance of the services, agriculture and industrial sectors.
- Following GOU's declaration in 2022 of the final investment decision regarding the development of the Albertine Graben oilfields and the East African Crude Oil Pipeline, the oil sub-sector saw an increase in investment activity in 2023, underpinning overall economic growth beyond the medium term.

Socio-political

- Regulations from various regulators are evolving, requiring MTN and other sector players to make procedural changes.
- The Ministry of Security and UCC required operators to deactivate inactive or non-verified SIM-cards which were not associated with national identification numbers. We implemented the directive, and have since re-activated those who have verified their national identification numbers.
- Introduction of new taxes on mobile financial services.

Competitive landscape

- **GSM** – traditional GSM business remains highly competitive with increased pressure on pricing. There is greater substitution between voice and data, with strong growth in data revenue as consumers continue to shift from conventional voice to rich-media communication.
- **Fibre infrastructure** – the opportunity for fibre networks is significant in Uganda, buoyed by the strong growth in data traffic across Africa. Bayobab Uganda has been formed to lead the separation of our fibre business.
- **Fintech** – a number of new entrants providing internet-based alternatives to traditional telephony services are leading to aggressive competitive activity and putting pressure on fintech revenues.
- **5G** – MTN became the first operator to launch 5G in Uganda. We deployed our first 5G retail sites at Lugogo and Bugolobi in Kampala, and by December 2023, we had launched 37 5G sites.

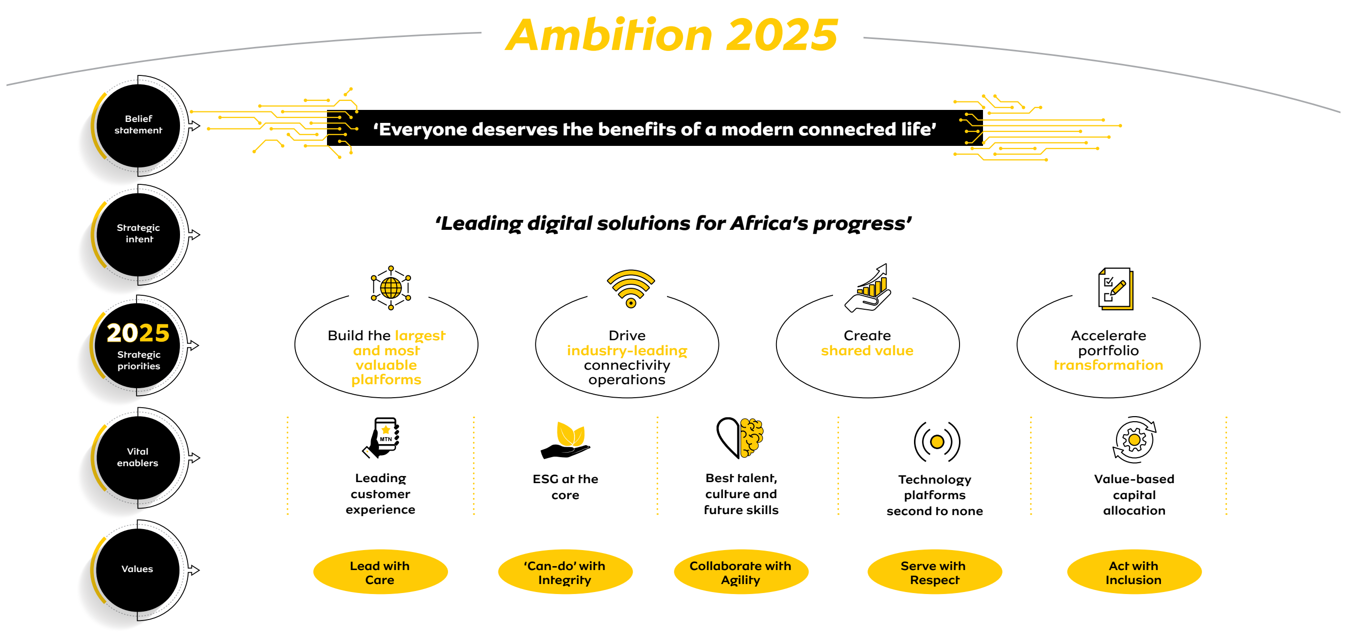
Our Business Model and Strategy

Ambition 2025

Ambition 2025 provides our strategic focus and ensures that we continue to evolve and stay relevant while harnessing opportunities to create and preserve value for our stakeholders. **This strategy is hinged on the primary objective of accelerating growth and unlocking the value of** our infrastructure assets and platforms.

As we reposition for growth through ***Ambition 2025***, our strategy is centred around becoming a fully-fledged digital platform and technology company. This will rest on a scale connectivity and infrastructure business, using both mobile and fixed access networks across the consumer, enterprise, and wholesale segments.

The implementation of this strategy will be accelerated through selective partnerships and leveraging MTN's brand. At the heart of ***Ambition 2025*** is the need to close the technology and digital divide.



The strategic priorities will be underpinned by five vital enablers to assist in operationalising the ***Ambition 2025*** **strategy** – fintech (including MTN MoMo), *Ayoba* with MTN (digital services), enterprise services, NaaS and Chenosis (a marketplace for API).

Fintech solutions	***Digital services***	***Enterprise services***	***Naas***	***API market place***
• Payments • Lending • Insurance • Saving • m-commerce	• Messaging • Social media • User-generated content • Advertising	• Unified communications • Internet of things • Cloud • Software defined wide area network	• Open mobile • Fixed as a service • Edge and data centres • Cloud communication	• Aggregate • Exchange • Monetise

Six Capitals

In implementing our ***Ambition 2025*** strategy, we depend on various resources and relationships known as the Six Capitals, to create value by developing and distributing a range of innovative and reliable communication products and services. The Six Capitals are aligned with 11 of the 17 UN SDGs.

Human

- Increased representation of women in the workforce – surpassed the 50-50 men-to-women ratio by increasing the complement of women from 49.4% to 51%.
- Diversity programme led to 0.32% of workforce being uniquely-abled persons.

↑51% **Complement of women**

Manufactured

- Increasing number of sites expanded total coverage (including rural), which supported manufactured capital and social capital, and lays the foundation for increased financial capital over the medium to long-term.
- Focused our capital investment on rolling out dedicated fibre and enhanced 2G, 3G, 4G and 5G base stations, data and switching centres.

↑37 **5G sites installed**

Financial

- Continued to maintain and improve on our liquidity levels.
- Expense efficiency programme included enhanced oversight of expenditure such as network costs, distribution, information technology and third-party supplier costs. In 2023, we realised UGX 26.6 billion worth of efficiencies and savings across several expense areas.
- Declared total dividend of UGX 18.0 per share in 2023 (increase from UGX 15.9 per share in 2022).

↑UGX 18.0 **Total dividend per share**

Intellectual

- Comprises our strong and established brand, skilled and experienced employees, partnerships and joint ventures and more than 25 years' experience of operating in Uganda.
- Refreshed our brand, leading to 31% growth in brand value.
- Enhanced our customer value management proposition.
- Partnered with experts in various fields, such as technology.

↑31% **Brand value from pre-pandemic period***

Natural

- Capital outlay required to maintain network and spectrum acquisition, resulting in creation of employment opportunities, connecting our customers and thus enhancing financial and social capital.
- Investments in greener economy initiatives create a sustainable positive effect on the stocks of natural and social capital. Continued to invest in efficiencies to ensure our technical infrastructure supports service delivery using the least possible amount of energy.

↑UGX 353.5 bn **Network investments**

Social and relationship

- Our commitment to fostering a diverse and inclusive culture positively impacted social capital, increasing our reputation index to 84% from 81.3%.
- Investment in fintech and digital offerings increases digital and financial inclusion in our communities and transforms society through various skills and enterprise development.
- Driving localisation and preferential procurement builds stocks of social, human, intellectual and financial capital.
- Constructive relationships and engagements with stakeholders, and continuing interactions with GOU and tax authorities.
- Monitored staff morale through annual culture survey.

↑84% **Reputation index***

*** Independent surveys**

Ambition 2025 in Context

Strategic priorities	Objectives	What we did in 2023
Building the largest and most valuable platforms	• Pivot from a "product to a platform" play. • Selective partnerships to accelerate growth. • Fintech, digital, enterprise, NaaS, API marketplace.	• 1.8 million active monthly *Ayoba* users, representing growth of 63.4%. • 12.1 million active MTN MoMo users, representing growth of 10.1%. • Launch of MTN ***'API as a Service'*** to drive digital transformation. • NaaS and API marketplace integration in place.
Drive industry-leading connectivity operations	• Doubling of consumer mobile data. • 'Own the home'. • Leading fibre company in Uganda. • Digital transformation and step-change in efficiencies and service levels.	• 8.2 million data subscribers, representing growth of 22.4%. • Expansion of proprietary owned fibre from 9,418 kilometres to 12,082 kilometres.
Create shared value	• Step-change in ESG positioning. • Broad based ownership and inclusion in Uganda. • Sentiment shift through stakeholder management efforts.	• 20,444 shareholders as of 31 December 2023. • 95% are local shareholders . • Market value or capitalisation at UGX 3.8 trillion. • ESG framework in place to guide strategic and operational activities.
Accelerate portfolio transformation	• Realise and crystallise value of infrastructure assets and platforms.	• Commenced separation of fibre business with the formation and licensing of Bayobab Uganda. • Ongoing structural separation of MTN MoMo as an independent subsidiary regulated by BOU. • As part of asset realisation programme, to assess strategic structural separation of other business assets.

Business Initiatives and Strategic projects

*Our **Ambition 2025** strategy is to harness the power of MTN's leading brand, footprint, connectivity infrastructure and technology platforms to deliver leading digital solutions for Africa's progress.*

5G

5G deployment *Leading the revolution*

MTN is at the forefront of spreading the magic of 5G in Uganda. According to *GSMA Intelligence*, 5G networks bring substantial improvements over other networks, including higher connection speeds, greater capacity and low latency.

With this increased performance, 5G networks can enable new use cases and applications that will positively impact many industry sectors.

Spectrum plays a critical role in realising the full extent of 5G capabilities. In 2023, UCC awarded MTN additional spectrum on the 2600MHz, 2300MHz, 700MHz and e-Band frequencies. As a result, we continued with our ambitious 5G roll-out programme, launching 37 5G sites by December 2023. We plan to have all MTN sites in the cities of Uganda upgraded to 5G by the end of 2025.

We are proud to be the first network to have gone live with a 5G network in Uganda.

We have previously pioneered 5G trials in the country.

In 2020, MTN and ZTE Corporation conducted a 5G network trial and in early 2023, we partnered with Hima Cement and Huawei Technologies to showcase the first commercial 5G use-case in Kasese, Western Uganda.

As *GSMA Intelligence* notes, the benefits of 5G will be widespread and lead to tangible economic development.

Our mid-term ambition is to increase the commercial use of 5G in agriculture, healthcare, mining, manufacturing, logistics and other industries, and to expand the scope of commercial use and drive the digitalisation process across Uganda.

This is in addition to innovative business and consumer-oriented applications such as **360 Live Broadcast and 5G Augmented Reality Glasses.**

As well as the measurable socio-economic impact of mid-band 5G technology and services, further benefits are expected such as increased connectivity, improved customer experiences and enhanced real-time collaboration, communication and virtual experiences.

At a broader level, this will lead to, among others, improved access to healthcare and education, increased public security and response times, safer driving conditions, and reduced pollution.

In 2023, UCC awarded MTN additional spectrum on the 2600MHz, 2300MHz, 700MHz and e-Band frequencies following a competitive application process.

Bayobab Uganda providing fibre connectivity and communications platforms

In 2023, we made advances in our work to structurally separate the fibre business from the GSM business.

This work will continue in 2024, and the separation of fibre assets provides us with the opportunity to leverage key strategic partnerships and accelerate the scaling and growth of this business.

We formed and completed the licensing of Bayobab Uganda, our fibre assets vehicle.

The entity was granted a national infrastructure provider licence, and a regional service provider licence for Eastern and Central Uganda by UCC, marking a significant leap forward for the company's strategic objectives.

As a neutral fibre-focused business, Bayobab Uganda shall provide digital infrastructure services that give telecommunications operators, hyperscalers and digital infrastructure service companies full control of their networks and allow them to select their preferred transmission technologies through its open access model.

Bayobab Uganda shall be the main driver for the consolidation of our international and national major wholesale activities in Uganda, offering reliable solutions for fixed connectivity and international mobile services.

Bayobab Uganda's communication platforms include central interconnection nodes that facilitate secure and scalable global communication traffic between Uganda and the world, supporting voice, signaling, SMS, roaming, cloud numbering and APIs. The company's digital doorway shall be backward integrated with Africa's most complete backbone network, Bayobab Group fibre, with access to the most extensive mobile network infrastructure in Sub-Saharan Africa.

In terms of fibre, our fibre network in Uganda stood at 12,082 kilometres of proprietary fibre as of 2023.

At a Group-wide level, Bayobab partnered with Microsoft to drive digital transformation in Africa, with the two companies partnering to support enterprises and public sector organisations using infrastructure services as well as fibre and mobility. This partnership will see Bayobab provide access to large-scale infrastructure services that will build capacity for Microsoft to drive digital transformation and enable a connected African continent.

MTN Uganda technology team

PACE technology strategy Leading the way with innovation

One of our vital enablers to assist in operationalising our ***Ambition 2025*** strategy includes technology, and building a technology platform that is "second to none". We believe in acceleration as new technologies such as cloud, AI, big data, 5G, open API adoption and network virtualisation become prominent.

We capitalised on these technologies to transform to a platform company by expanding our core services to the areas of ICT, cloud and cybersecurity, as well extending into new assets like fibre, data and infrastructure and launching new frontiers within fintech and e-commerce.

Underpinning this transformation is a paradigm shift to a culture that promotes rapid innovation, agility across the organization, focuses on revamping our technology employee value proposition and leveraging platforms to create an ecosystem with partners.

We recently refreshed our technology strategic framework and operating model, having incorporated findings from deep-dive analysis that we conducted and launched the ***PACE*** framework to accelerate the execution of ***Ambition 2025***.

The four segments anchoring the ***PACE*** strategy are:

- ***Platforms, ecosystems and services:*** enable revenue growth leveraging on platform play and the digital ecosystem;
- ***Agile operating model:*** agility in ways of working, governance and organizational culture;
- ***Connectivity and optimisation of infrastructure:*** best-in-class connectivity across hybrid networks and monetisation of infrastructure; and
- ***Experience, second-to-none:*** deliver superior user experience through connectivity and platform.

These segments are underpinned by 15 strategic pillars and for each of these pillars, we have developed programs to deliver our ambition to transform into a platform company.

In doing so, MTN not only aspires to become fully customer-centric, but also digitally focused for the benefit of our own workforce.

To facilitate this, MTN will invest further in cloud, cybersecurity and software development.

CHENOSIS

API as a Service'

Transforming platforms through collaboration

We launched the ***'API as a Service'*** solution to provide third parties with access to our proprietary software platform. This service enables businesses to create innovative services that will accelerate digital transformation and innovation, positioning us as a digital transformation enabler and partner for businesses in both local and international markets.

The commercialization of APIs has given developers superior ways to satisfy customers. Among other avenues, the open API will ease the process of integrating to MTN MoMo and enhance value for innovators who want to deploy mobile money as a payment solution for their products and services. The exposed API endpoints have been packaged to enable the developer build products related to collections, disbursements and remittances.

The '***API as a Service'*** solution offers additional security controls for customer management processes, reducing the risk of fraud and identity theft and protecting customers' funds. The platform helps businesses optimize their costs through the reduction of payment errors due to wrong identity by ensuring user verification before a payment is completed. Additionally, businesses can use smart innovation through enhanced customer profiling and solution mapping, such as the credit-scoring API and device-type API, to optimize customer engagement and service delivery based on additional knowledge of the customer.

The platform went live with four different APIs, with more under development. These included *MTN Sim Swap API, MTN KYC Lite API, MTN Airtime API* and *MTN Subscription API.*

webex by cisco

Webphone with Webex

Providing innovative, convenient and affordable connectivity

In collaboration with Cisco Broadworks, we re-launched '***MTN Webphone with Webex'***, an innovative communication solution that enables MTN customers in the diaspora to make calls back home at local calling rates.

This platform enables users to enjoy a wide range of communication tools, including chatting, conference calling and seamless file sharing from any location around the world, all at affordable rates.

This aligns with our belief that everyone deserves the benefits of a modern connected life, which extends beyond providing connectivity to also making such connectivity convenient and affordable.

'MTN Webphone with Webex' is a key addition to our Unified Communications and Collaboration Suite, which represents the delivery of solutions with integrated communication capabilities such as voice calling, video and web conferencing, instant messaging and content sharing with the goal of improving user experience and productivity by providing a single interface for all communication needs.

The platform connects formerly excluded communities within and outside Uganda affordably, and addresses the needs of Ugandans in the diaspora who wish to stay in touch with their loved ones back home.

The platform won the prestigious Innovation for Impact Award 2023 at the Africa Tech Festival Awards, held in Cape Town, South Africa.

This award recognizes innovations that have disrupted traditional approaches, introduced novel solutions, and created tangible value for businesses and individuals in Africa.

MTN ICT solutions

Reshaping the landscape for business operations

As we pursue our strategic ambition of pivoting from 'telecommunication' to ' technology' and from 'product' to 'platform', we launched the '***Do Business Better with MTN ICT Solutions'***, an initiative designed to reshape business operations, enhance efficiency, productivity and security and through advanced technology services.

At the heart of the initiative is the introduction of a dynamic portfolio of offerings led by the synergy between MTN Group and Microsoft Cloud Services.

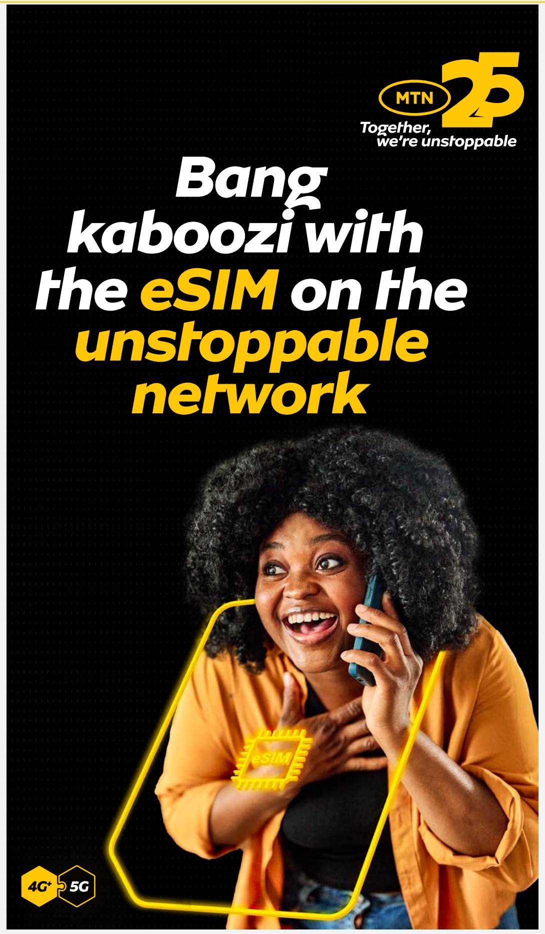
This strategic partnership empowers businesses with Microsoft's industry-leading cloud solutions, enabling them to thrive in an ever-evolving world. With access to Microsoft Cloud services, businesses can boost productivity, foster remote collaboration, and fortify data security, all while enjoying unprecedented scalability and flexibility.

Modern enterprises require more than traditional telecommunications. They demand advanced, integrated ICT solutions. This initiative underlines our commitment to redefine the possibilities for businesses across Uganda by providing access to the transformative power of ICT solutions.

'Do Business Better with MTN ICT Solutions' is a part of MTN's Unified Communications and Collaboration Suite, which represents the delivery of solutions with integrated communication capabilities.

This suite consolidates various enterprise communication tools into a streamlined interface, revolutionizing user experience and augmenting productivity. From voice calls and video conferencing to instant messaging and content sharing, the suite fosters enhanced team collaboration, increased organizational agility, and improved customer service.

By showcasing the benefits of Microsoft Cloud services, we aim to elevate the business landscape and establish MTN as a trusted catalyst for modernization and reinforce our ambition to be at the forefront of Uganda's digital transformation.



eSIM technology

Pioneering digital innovation

We launched embedded SIM technology, redefining the way customers connect and interact with their mobile devices and bringing convenience, flexibility, and security to our customers' digital lives.

eSIM is a revolutionary digital SIM-card that empowers users to seamlessly connect to their mobile service provider without the need for a physical SIM card.

This functionality is remotely programmed and seamlessly integrated into the latest generation of smartphones, tablets, smartwatches. The eSIM eliminates the need for physical SIM cards and opens up a world of possibilities, allowing users to effortlessly switch carriers, add plans, and manage multiple phone numbers on a single device.

Our customers can enjoy a host of benefits that transform the way they stay connected and manage their mobile plans, taking advantage of this innovation to enhance convenience, security and connectivity.

Outlook and Investment Case

Ambition 2025 highlights MTN's key differentiators as well as our plan to take advantage of the opportunities in Uganda. Among these are an emerging market with a youthful population (with approximately 75% of the population being under 25 according to the Uganda Bureau of Statistics), our established leading brand with a solid infrastructure base, our strong management and our leading market position. We are also optimising efficiencies, Capex and cash flow, which will all ultimately translate into attractive returns and shared value for all stakeholders.

Underscoring the step change in our approach to ESG, we also articulate ***'committed to create shared value, with ESG at the core'*** in our investment case. Our sustainability report provides comprehensive detail of our sustainability approach.

In our ***Ambition 2025*** outlook, we want to build a full-scale platform businesses on top of a strong connectivity network. The platforms are at different levels of maturity, with the fintech platform being relatively mature, and the API marketplace and Chenosis in growth stages.

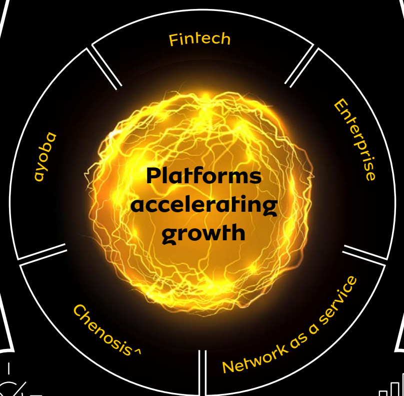
Growth ambition - building a five-scale platform business

Uganda's leading and scale connectivity & infrastructure business

- #1 subscriber share
- Technology platforms 'second to none'
- enterprise, wholesale, own the home and infrastructure opportunities

Exciting demographic opportunity

- Fast-growing, youthful population
- Low data, fintech and digital adoption
- Partner in our socio-economic development of our regions



Well positioned for the long term

- Accelerated digitisation agenda
- Portfolio transformation enhances risk/return profile
- Exposing value in infrastructure assets and platforms

Attractive return profile

- Accelerating growth outlook
- Attractive cash flow and equity return profile
- Balance sheet flexibility, faster deleveraging

Disciplined capital allocation

Enhanced risk and regulatory framework

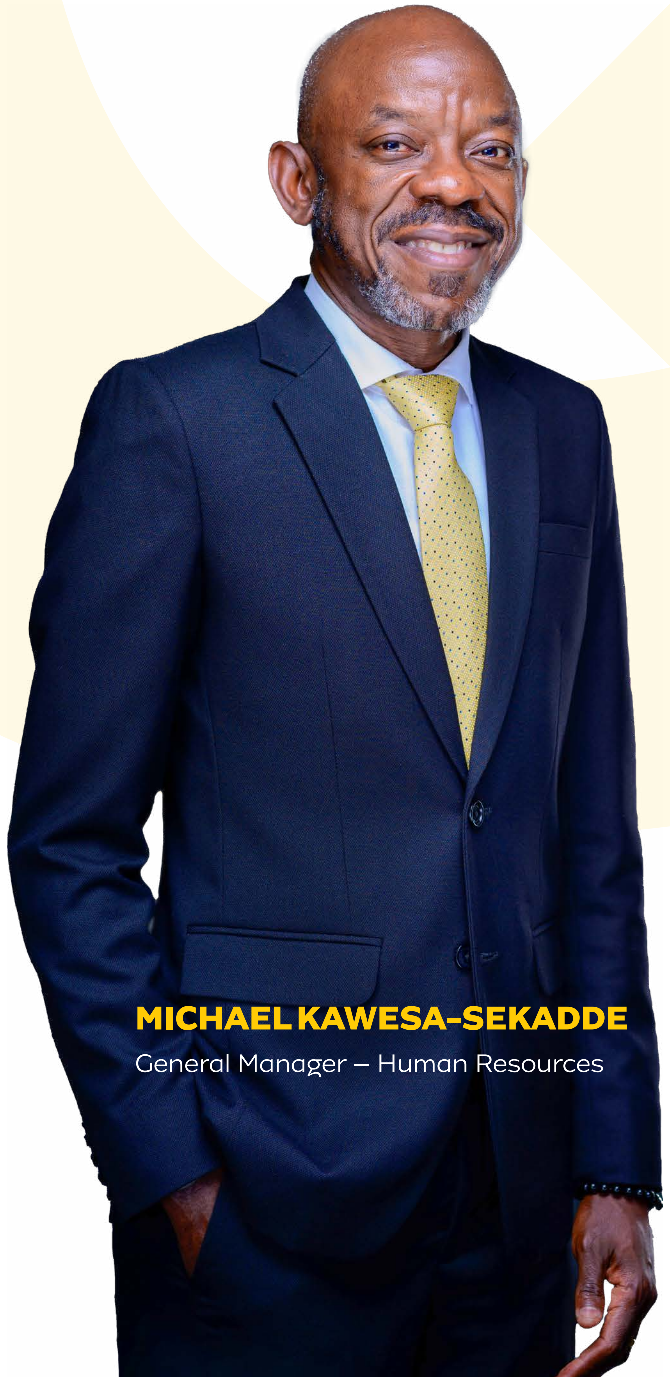
Committed to create shared value, with ESG at the core

Our People and Culture

Creating a future-ready workforce for a future-fit business

MTN operates in a rapidly-evolving human resource environment. Michael Kawesa-Sekadde, the General Manager - Human Resources, is ensuring that we stay ahead of the curve.

Q&A



MICHAEL KAWESA-SEKADDE
General Manager – Human Resources

Q

Talk to us about MTN's people value proposition?

A

We recognise that to achieve our strategic objectives and deliver on the strategic intent to lead digital solutions for Africa's progress, we need appropriately skilled, culturally diverse employees who are motivated by and enjoy their work. This will help us to create a distinct customer experience, drive sustainable growth, transform our operating model and create and manage stakeholder value through innovation and best practice.

We strive to be an employer of choice and retain key skills. The external operating environment in Uganda is highly competitive and as the business evolves towards a broader service offering, our philosophy is to employ experienced individuals who share and relate to MTN's values.

Q

MTN frequently talks about the "future-fit" employee. Explain your broad thinking around this issue?

A

MTN is rapidly evolving to a technology company, and our position is that a future-fit business needs a future-ready workforce.

Empowering, enabling and supporting our workforce requires agility and flexibility to ensure they adapt and thrive in a rapidly changing environment. Work trends have changed, and there has been a major shift in the way people engage, connect and work. To align our people strategy to the future of work, our employee value proposition ***'Live Inspired'*** seeks to drive agility, flexibility and future fit skills for our workforce.

Our people goal is to create an inspiring environment where our employees and our extended ecosystem partners are empowered to activate and realise their full and true potential. Our employee value proposition considers trends in globalisation, disruptive forces in technology and business models, balancing dynamics of our multi-generational and cultural workforce, and the need for a transformative and self-driven culture in the workplace.

Our employee value proposition also seeks to revitalise our cultural ecosystem, powered by genuine inclusion, respect for diversity, fair rewards, true recognition and personal flexibility to enable our employees to lead happy, healthy and productive lives at work and beyond.

Q

Please explain MTN's approach towards diversity and inclusion, which is an important theme in the workplace today

A

We recognise the value of diverse and inclusive teams where people can bring their uniqueness. Diversity of thought, skills and experience drives innovation, which is essential to achieving our business strategy and supports our purpose to build a connected future so everyone can thrive. We are passionate about creating an inclusive, accessible and supportive environment, a place where everyone can be themselves and feel a sense of belonging.

At MTN Group-level, we committed to achieving workforce gender equality by 2030 and I am delighted that in Uganda, we attained 51%-49% workforce gender division in favour of women in 2023.

In addition, we are committed to gender pay parity as a key strategic measure to enhance the quality of diversity, equity and inclusion. We conduct gender pay parity reviews to evaluate the gaps between the pay for women compared to men at the same levels of work every year. As a result of these corrective actions, the gender pay gap has reduced from 15.5% in 2021 to 9.2% in 2022. We have recently concluded the gender pay parity audit exercise for 2023.

We are also committed to attaining deliberate gender representation in our strategic programmes across the business and in the mid-term, we aim to achieve a minimum target of 30% women representation in business transformations, upskilling programmes and specialised initiatives that form part of ***Ambition 2025***.

Q

What are your broad aspirations as move closer to 2025?

A

We will create a people ecosystem that propels MTN towards ***Ambition 2025***.

Our core focus areas will be talent convergence as an enabler for business convergence, agile performance and talent to drive collaboration and shared purpose to foster a digital mindset.

As technology exponentially moves forward and our business converges, we need to do the same with our capabilities by activating technical, functional and leadership capability. This includes enhancing cloud and and software engineering, AI and machine learning and cybersecurity skills.

We will promote an agile and performance-based talent framework which creates responsibly-shared targets, and we will enable digitisation to improve efficiencies and maximise productivity in what is now the new-normal.

"Our employee value proposition considers trends in globalisation and the need for a transformative and self-driven culture in the workplace."

MTN Employee Value Proposition

Talent highlights

Our workforce
1,278
(2022: 1,262)

Women in our workforce
51%
(2022: 49.4)

Women in executive management team
38%
(2022: 35.6%)

Uniquely abled workforce
5
(2022: nil)

Employee sustainable engagement index
91%
(2022: 90%)

Live Inspired

Empowering our employees to "Live Inspired"

At MTN, we believe in ***'Mission First, People Always!'***. Our employees are the greatest assets that drive the growth of the company, and they are the fulcrum of what we do. We strive to invest and empower our people to drive our ***Ambition 2025*** and *'business unusual'* strategy.

We are proud to have built a business that is overseen, managed and operated by Ugandans. We have built a culture that empowers our employees, values inclusivity and hard-work and instils responsibility.

Two years ago, we adopted a refreshed, organisation-wide approach which involves a move away from older, conventional ways of working and into what is now considered the new-normal. Our new employee value proposition ***'Live Inspired'*** captures the essence of our people mission.

'Live Inspired' drives inspiration and creates an environment where employees harness their talents and skills. We have an open culture that allows employees to connect and engage professionally to achieve their personal career objectives and the company's strategic objectives.

This employee value proposition capitalises on the organic movement towards a digital-adopter mindset and flexi-workforce. We acknowledge that as technology moves forward and our business converges, we need to do the same with our employee capabilities.

"Live Inspired" – Work with meaning

'Work with meaning' is the first of our four pillars of inspiration. We believe that our people must be empowered, enabled and inspired to create our future and realise our ambitions. Our goal is to create a work environment which holistically brings meaning to our mission as a company and to empower our people to bring their best to work everyday.

Ambition 2025 for our people

Business and technology convergences need people capabilities that are transformational, flexible and highly adaptable. Having an energised, right-skilled and connected workforce is as important as having the best network. Our approach to employee engagement supports ***Ambition 2025*** and enables the realisation of our belief that everyone deserves to live a modern, connected, purpose-driven life.

In 2023, we continued with our objective of creating awareness to ensure that each of our staff in Uganda is immersed in our strategy.

Workplace digitisation

We embarked on our journey to define our future of workplace as the world moved closer to a post-pandemic work environment. To support this journey, we aimed to capitalise on the organic movement towards a digital-adopter mindset and the need for a flexible work environment.

Some of the initiatives introduced in this regard was the roll-out of the digital canteen service solution, which allows staff to access and pay for meals digitally. In line with similar initiatives at MTN Group, we are also exploring the launch of a digital workplace access application to make office workspaces easy, accessible and safe. The application will be integrated with health and safety protocols to promote safety-first office spaces supported with paperless and contactless workplace experiences.

"Live Inspired" – Connect to develop

'Connect to develop' is our second pillar of inspiration. This ideal is premised on the belief that being connected is the essence of human progress and development. We believe that connections promote organic collaboration, create shared value and in doing so, push the boundaries of human innovation.

At MTN, our people are connected by our shared beliefs and goals, supported by common outcomes, shared risks and rewards, strongly anchored by authentic leadership.

In line with our ***Ambition 2025*** priorities, we shifted towards a team-based performance model and aligned our efforts, ways of work and rewards to a shared collective purpose. In addition, we continued to build on our refreshed agile performance framework through active team-based goal cascades, engagements and frequent conversations. We also redefined our performance incentives to reflect our commitment and purpose beyond business and profit.

"Live Inspired" – Thrive in positivity

'Thrive in positivity' is our third pillar of inspiration, which aims to build a mindful, caring, fair, balanced and inclusive work environment for our staff. This is because our employee value proposition focuses on the value and power of happy, healthy and engaged staff. Our goal is to create a work environment which welcomes, recognises, cares and holistically promotes a balanced work and life for every individual.

Diversity and inclusion

We embrace diversity, recognising that Uganda is a multi-cultural and multi-ethnic country. MTN has a diversity and inclusion programme which promotes equal opportunities for all its employees.

The key strategic highlights of our commitments in this regard include attaining workforce gender equality by 2030, committing to gender pay parity and gender representation in our strategic programmes across the business.

We have a remuneration philosophy which is non-discriminative based on gender. The company pays competitive salary and benefits to all staff based on their levels of work, specializations and equity benchmarks across the board.

Further, to promote gender pay parity, we conduct gender pay parity reviews to evaluate the gaps between the pay for women compared to men at the same levels of work every year.

'Women-in-Tech' is one of our key diversity and inclusion programmes. We have partnered with the United Nations Entity for Gender Equality and the Empowerment of Women [United Nations Women] and the ***'He-For-She'*** alliance in a drive to enhance our gender equality efforts and upskill women and girls to ensure they can actively participate in the digital economy.

These initiatives are in line with MTN Group's commitments under the United Nations Women Empowerment Principles, in which MTN pledged its collective commitment to the advancement of gender equality and the empowerment of women.

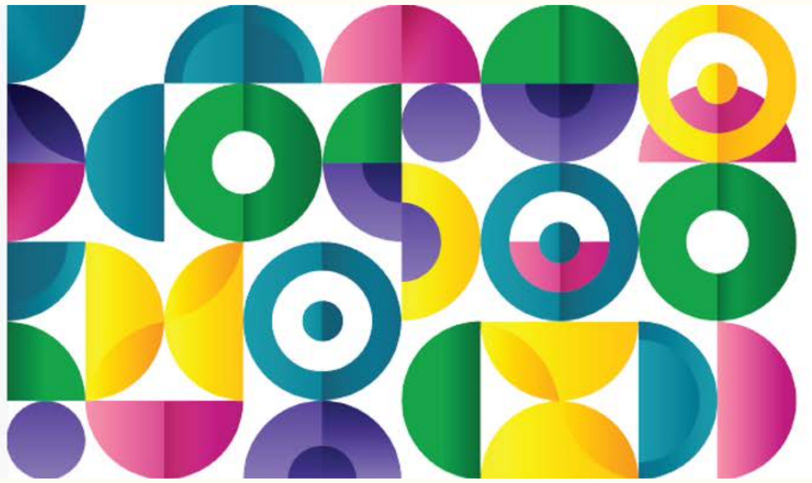
Strengthening our women leadership talent pool is a key focus area for us. We continue our focus on building a strong pipeline of women in leadership and executive succession. We launched our flagship women leadership programme, ***'Rising Leaders'***, at MTN Group-wide level and we have continually expanded this initiative to achieve our highest-ever reach of women for leadership development.

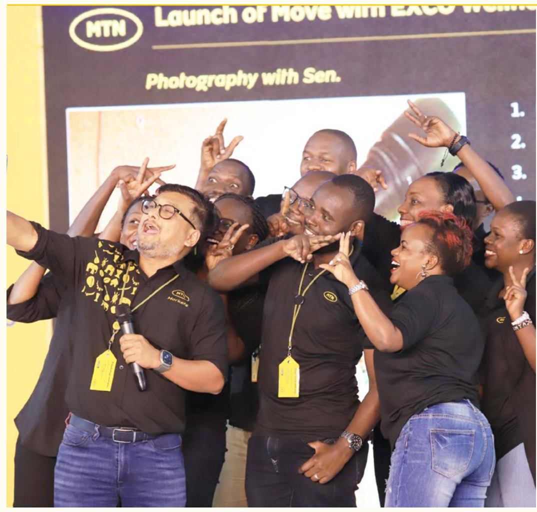
Female staff from MTN in Uganda joined their counterparts across the MTN Group to undergo training that is designed to create a holistic and inclusive leadership pipeline.

We developed a disability programme that aims to empower and support people with disabilities. We are committed to giving equal employment opportunities to persons with disabilities because we believe in providing equal employment opportunities to all individuals, including those with disabilities. The programme focuses on providing access to communication technology, education and employment opportunities and social inclusion.

In 2023, we hired five uniquely-abled people in our customer service function, comprising 0.32% of our workforce. Our strategic ambition is to have uniquely-abled persons comprise 1% of our workforce.

Lead with **Care**
Can-do with **Integrity**
Collaborate with **Agility**
Serve with **Respect**
Act with **Inclusion**





Promotion of employee well-being

MTN has a high-performance culture, but we ensure the employees balance their professional work with their personal lives. We have created various initiatives to support staff health and well-being.

We launched the ***'anywhere, anytime work'*** flexibility policy to support our employees' work and life priorities. This policy is focused on empowering staff to self-manage. As part of our wellness programmes for employees, we launched an employee wellbeing application ***'MTN Move'***. The application aims to help our staff to 'get fit, feel calm, eat better, be heard and get connected'.

Our existing programmes include the wellness application ***'Afya Pap'***, a patient centered platform that leverages artificial intelligence and behavioral science to improve management and prevention of chronic health conditions, and supports our employees to prevent, manage and control diabetes and hypertensive conditions. ***'Afya Pap'*** is administered in collaboration with Baobab Circle.

Culture of recognition

Recognition for excellence is part of our culture. We recognize and reward our top performers for their contribution to the achievement of the company's results. This is done through competitive reward approaches like annual performance-based salary increases, short-term incentives, quarterly team recognition awards, long-service awards and notional share options incentives.

Our employees are also encouraged to celebrate the contribution of their co-workers to making the MTN brand and customer experience brighter. We also have a digital recognition programme called the ***'MTN Shine'*** where employees can recognize their peers across the company for strong performance and excellence.

People health and safety first

We have a responsibility to ensure our workplaces are guided by the highest standards of health and safety. We continue to enhance our health and safety policies, procedures, and processes ensuring that they are continuously implemented, understood, periodically reviewed and communicated throughout the organisation. In addition to internal protocols, we also follow GOU regulations and guidance on public health and occupational health and safety issues.

Harassment and discrimination

We have a zero-tolerance approach to harassment and discrimination. This is supported by proactively creating awareness of what harassment and discrimination look like. The senior leadership at MTN constantly promotes awareness of the central themes of this policy.

Acting on our inclusive culture priorities, we drove our ***'Speakup'*** framework to embed a culture of safety, openness and honesty in our work environment. This framework aims to strengthen our commitment towards an inclusive global organisation, which proactively detects, prevents and acts upon any form of discrimination and harassment.

*The MTN Uganda **Y'ello Care** campaign won 1st place at the MTN Group awards*

"Live Inspired" – Grow in purpose

'Grow with purpose' is the fourth pillar of inspiration. This value proposition aims to re-instil, promote and inspire traits of innovation, customer-centricity, ownership and excellence in all that we do for our customers, communities and societies. We create opportunities for individuals to explore innovative aspirations, where they can acquire future skills and meaningfully use it to impact the communities we serve.

Training and development and employee mentorship

MTN believes in the development and investment of talent. The company has created a learning organization to equip employees with the necessary skill, knowledge and capabilities for the future.

We ensure that we develop the best talent, culture and future skills. This has been done through the implementation of agile training programmes where employees are equipped with futuristic skills like business analytics, business intelligence, digital, fintech and information security.

Our learning and development strategy is built around the 70-20-10 learning model, which provides that individuals obtain 70% of their knowledge from job-related experiences, 20% from interactions with others, and 10% from formal educational events. Our online learning platform ***'MTN Learn'*** boasts of over 150,000 courses.

Group Culture Audit

The sustainable engagement index of employees is measured through the annual GCA, where we evaluate the overall satisfaction of employees with the company's working conditions and processes. This is also measured through the NPS, where we evaluate the employee's satisfaction with the company as a place to work.

We also administer quarterly rapid pulse surveys called the Sentimeter surveys which measure employees' views about the workplace at a particular time in the year. These metrics measure human resource experience, customer satisfaction score, leadership, communication and strategy engagement, rewards and recognition, and diversity and inclusion. This employee feedback is important for MTN to identify the areas that require improvement.

Key achievements in the GCA 2023 and Sentimeter surveys were a 91% GCA sustainable engagement index score, while the overall e-NPS score increased from 76% to 81%.

↑ **91%** **Employee engagement**

↑ **81%** **Employee NPS**

MTN Mobile Money Business Report

Managing Director's Statement

In October last year, MTN marked 25 years of operations in Uganda. In his letter to you, the Board Chairperson underlined just how significant MTN's role has been in shaping Uganda's telecommunications and digital economy, a journey characterised by both innovation and transformation. I share this sentiment, and I am proud of MTN MoMo's unique contribution to this milestone as our collective fintech offering has had a profound economic, social and even cultural impact on millions of Ugandans.

In line with our ***Ambition 2025*** strategy, our fintech business is critical to building the largest and most valuable platforms in Uganda and underpins our long-term growth outlook. We are focused on building a long-term scale fintech platform ecosystem, and in driving users, agents, merchants, and advanced services that continue to grow strongly.

Our motivation

Financial and digital inclusion

In 2023, we continued to drive MTN MoMo as a fintech platform providing consumers and businesses with a host of innovative digital financial services.

I wish to comment yet again on our key drivers – financial and digital inclusion. In Uganda, financial services and e-commerce penetration remains marginal, and we see a valuable opportunity to accelerate digital disruption within financial services, insurance, lending, remittances, payments and e-commerce.

MTN MoMo is core to Uganda's financial inclusion agenda. In November last year, GOU and BOU launched the second ***National Financial Inclusion Strategy 2023-2028***, which aims to reduce poverty and promote economic growth by promoting affordable and quality financial services.

We embrace the strategy's objectives to reduce exclusion and access barriers to formal financial services, broaden the usage of affordable and quality formal financial products and promote gender inclusive finance. The strategy notes that Uganda has made progress in reducing exclusion barriers to formal financial services, but at 34%, the formal exclusion rate remains high.

At MTN MoMo, addressing this imbalance is a primary motivation for us. Since 2009, MTN MoMo has transformed the face of financial services in Uganda as the harnessing of technology provided the opportunity to leap-frog traditional financial service solutions.

Historically, mobile financial services included basic money transfer solutions. Today, we support digital economies and marketplaces, connecting consumers and businesses in multiple ways and we plan to promote and accelerate these vast opportunities.

We currently have 12.1 million active fintech users, an increase of 10.1% from 2022. Our platform accounted for a 3.4 billion transactions in 2023, trading a total transaction value UGX 133.2 trillion (compared to UGX 92.3 trillion in 2022).

MTN MoMo executive management team

As we grow our service offering, we aim to create a marketplace that supports cashless and digital economies through affordable, inclusive, understandable, and comprehensive financial services. In doing so, we are becoming the largest fintech platform in Uganda in line with our ***Ambition 2025*** strategy.

> ***"MTN MoKash disbursed averagely 8,707 loans per day, totaling up to... UGX 321.7bn"***

Operational review

Shared value through innovation

We continued to innovate and capitalise on our existing products to create and increase shared value.

MTN MoMoPay has revolutionised merchant transactions, simplifying and streamlining the process of making payments to vendors and offering reduced customer transaction fees. MTN MoMoPay provides two distinct benefits: it empowers both mid- and micro-entrepreneurs through the digitisation of their transactions, thus deepening their financial inclusion, and it drives greater mobile money use and engagement among customers. Over the course of 2023, our active MTN MoMoPay merchants increased from 173,315 to 292,387.

MTN MoKash, which was the first mobile micro-saving and micro-lending service of its kind in Uganda, continues to record rapid uptake. In 2023, ***MTN MoKash*** disbursed averagely 8,707 loans per day, totalling up to UGX 321.7 billion for the year. About 20.7% of fintech users saved approximately UGX 471.0 billion through the product.

As the United Nations Capital Development Fund notes, the benefits of ***MTN MoKash*** have extended across all socio-economic spheres: to the rural woman who wishes to incrementally save small amounts of money for her family's monthly expenses, to micro-entrepreneurs who aspire to grow their business, to students who must pay their school fees, and to farmers who need capital to boost their crop inputs.

Our recently launched ***'Wesotinge with MTN MoMo'*** campaign will promote the collective benefit of our MTN MoMo loans and savings marketplace, providing a one-stop solution for our customers' loan and saving needs in collaboration with partners such as NCBA Bank, KCB Bank, PostBank and JUMO.

Last year, we ran the MTN MoMo open API Hackathon to drive financial inclusion and innovation. This event provided an opportunity for Ugandan-based developers to showcase their creativity by leveraging the MTN MoMo API platform to create innovative mobile applications.

The Hackathon embodies one of the key elements of MTN MoMo's ethos – to transcend barriers through collaboration. I congratulate all the participants and the three award-winners ***Kabokisi App, EchoKash App, and SharePay App***.

↑ UGX **133.2tn**
MoMo transaction value

↑ **3.4bn**
Number of MoMo transactions

Strategic partnerships

Enhancing shared value through collaboration

The future is about strategic partnerships. At MTN MoMo, we promote partnership models to support national development agendas. I am proud of the work that we did in 2023 in this respect.

In a pioneering innovation, and in partnership with Uganda Breweries [Diageo], we launched the ***'FMCG Digital Suite'***, a mobile-based supply chain platform that allows businesses in the fast-moving consumer goods industry to place orders, generate invoices for deliveries, and pay and collect returns in real-time using MTN MoMoPay.

This platform automates the distribution of products and services, and allows payment for delivered goods via MTN MoMo, eliminating the use of cash in the supply chain and risks associated with payment defaults and revenue leakage.

The ***'FMCG Digital Suite'*** represents a significant step in our mission to empower businesses, enhance operational efficiency, and enable cashless payments within the consumer goods ecosystem.

As a result of our strategic MTN Group-wide collaboration with Mastercard Inc., we will deploy a Mastercard virtual payment solution linked to MTN MoMo wallets, and consumers and merchants can engage with brands and businesses abroad through digital commerce, extending their reach to an international marketplace.

We partnered with the West Nile Rural Electrification Company to make electricity tokens easily available to the consumers in the West Nile region. This partnership facilitates energy access by consumers in a region which has been historically energy-underserved as a result of delays in the extension of the national grid.

In collaboration with PostBank, we launched ***'Wendi'***, an innovative mobile wallet platform designed to support GOU in the seamless disbursement of Parish Development Model funds. To support the initiative further, PostBank and MTN distributed 170 smartphone devices to 170 savings and credit cooperative organisations in Bukedea, Eastern Uganda.

We also have a commercial partnership with Xeno, a digital saving and investment fintech and licensed fund manager, that allows our subscribers to conveniently save and invest for financial goals via USSD, while our collaborations with TECNO Mobile and M-KOPA to make high-quality smartphones more accessible to a broader range of consumers underline our commitment to ensuring technology reaches every corner of Uganda. Our partnership with aYo Uganda has enabled the distribution of micro-insurance products to subscribers.

As part of our consistent commitment to excellent customer service, we recruited agent and merchant quality management teams that manage the agent and merchant trade.

> ***"The 'FMCG Digital Suite' represents a significant step in our mission to empower businesses..."***

We have also leveraged our internal business and AI capabilities to create solutions that enable us to anticipate customer needs and tailor our products to meet the exact customer requirements through unique social network analysis studies.

Performance overview

Delivering value

MTN MoMo reported considerable year-on-year growth across all key pillars. Fintech revenue grew by 17.6%, while our subscribers increased by 10.1% to 12.1 million.

The improved annual customer growth is attributed adoption of the MTN MoMoPay platform, with merchants' growth of 68.7% to 292,387. The adoption of cashless payments has driven our transaction value up by 44.2% to UGX 133.2 trillion. Our lending and remittances portfolio contributed 24.7% to overall fintech revenue.

In terms of segment performance, revenue from wallet-based transactions grew by 17.0%; revenue from payments and e-commerce grew by 20.5%; revenue from bank-tech transactions grew by 31.2%; revenue from savings and lending grew by 46.1% ; and revenue from remittances grew by 56.0%.

Fintech contribution to MTN's overall service revenue increased to 29.3% (*2022: 29.0%*). I extend my congratulations and gratitude to all my team members.

Risk management

Safeguarding our customers

Risk management is a crucial aspect of our business. Continually evolving factors, including the rise of cyber security attacks, have greatly altered the risk landscape and informed our risk assessments and mitigation measures.

In addition to improving the security of our MTN MoMo platform and offering cyber security training, we rolled out anti-fraud awareness campaigns.

Mr. Yego with Digital and Financial Inclusion awards

We partnered with the media fraternity, the Ministry of ICT and National Guidance and UCC to launch the ***'Beera Steady - Be Better'*** campaign. This behavioural campaign will raise awareness about digital security and financial literacy, and will leverage the influence of trusted media figures to educate the public and promote responsible behaviour in using digital tools. The campaign aims to raise awareness on the safe and responsible use of communications technology.

In 2023, MTN MoMo was awarded the ***ISO/ IEC 27001:2013*** certification by ISO, which lays out the requirements for maintaining and continually improving an information security management system. I congratulate my team for the work put in to secure this certification. We will continue monitoring our risk environment to ensure the safety and reliability of transactions on our platform.

Appreciation

A future where all are "included"

The projected growth of the economy and the population in the medium-term, coupled with increased access to financial services and uptake of digital channels, will present opportunities for MTN MoMo to diversify and build economically sustainable and socially impactful business models.

Our commitment to pioneering innovation and driving economic progress remains unwavering.

Our 25-year journey in Uganda has mirrored the spirit of innovation, and we will continue shaping the nation's technological and economic future. The Ministry of ICT's *Digital Uganda Vision 2040* is an aspiration we are committed to; and one where GOU can count on our support.

Our people are at the heart of our strategy. At MTN MoMo, it is ***'Mission First, People Always!'*** I am grateful to all our MTN MoMo employees for their dedication and engagement throughout the year. Indeed, the success of the business reflects their efforts.

To our customers, our ambition is for MTN MoMo to be a way of life, and we will listen to you as we position MTN MoMo as a financial solution aimed at driving digital and financial inclusion and boosting economic growth in Uganda. We look forward to walking this journey in-step with you for ***'Together, We Are Unstoppable!'***

Richard Yego
Managing Director

MTN MoMo Value Proposition

At MTN MoMo, our core value and strategy proposition is to unlock economic growth through financial and digital solutions for consumers and businesses of all sizes. As we progressively grow our MTN MoMo service offering, we aim to create a marketplace that supports cashless and digital economies through affordable, inclusive, understandable and comprehensive financial services.

MTN MoMo was launched as an innovative solution to assist in "banking the unbanked" against a backdrop where banking infrastructure could not reach certain areas, but cellular phone technology was fairly extensive.

MTN MoMo aspires to be at the forefront of answering the evolving needs of the Ugandan population, and our service offering includes mobile money wallet services, bulk payments, insurance, mobile savings, loans, and investments; a B-O-L-D strategy where MTN MoMo is the biggest platform that operates like a fintech.

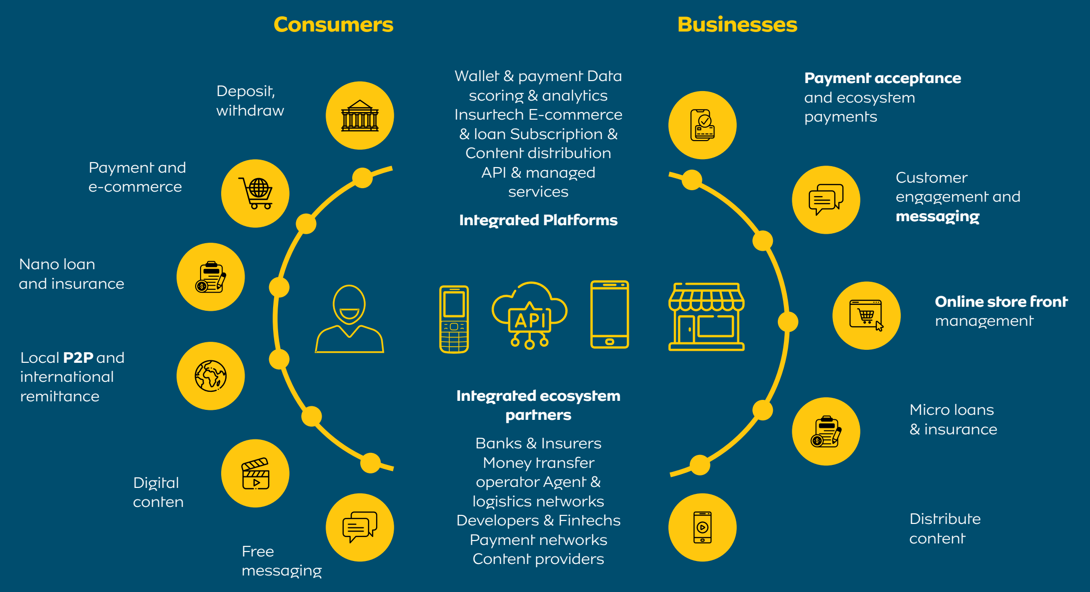
In this regard the five key pillars or unicorns of our consolidated service offering are: wallet, payment/e-commerce, remittance, insure-tech and bank-tech.

MTN MoMo's rapid progress and growth is hinged on responding to the needs of the Ugandan population. Initially, the biggest concern was the transfer of money from one person in one part of the country to another in a different part.

This necessitated the establishment of a countrywide agent network to enable the cash-in, person-to-person transfer and cash-out of funds. The agent network is facilitated by MTN dealers, partner banks and microfinance institutions, which ensure that the agents have adequate cash and float (e-money) to service our customers. The availability of these basic services immediately brought millions of previously un-banked or underbanked Ugandans into the financial services ecosystem.

MTN MoMo's proposition was clear: fast, secure, simple financial services off the most basic phone utilizing USSD. This democratized access and usage of MTN MoMo.

Our aspiration at MTN MoMo is that in addition to extending financial services to the poor, MTN MoMo should improve productivity by lowering the cost of transactions, generate employment opportunities and create a platform on which other businesses can grow.



MTN MoMo Strategic Focus and Goals - BOLD

MTN MoMo continues to unlock or innovate more services to boldly venture into new areas to further accelerate financial and digital inclusion. We are focused on developing merchant and agent lending, rolling out consumer digital assets such as the MTN MoMo App, enhancing village savings and lending clubs' solutions, savings and credit co-operative societies solutions, e-commerce and micro-insurance, and easier and more seamless payments methods such as static and dynamic machine-readable codes [QR codes].

To this end, our strategy is founded on MTN Group's four strategic pillars ***B-O-L-D:***

B O L D

B	O	L	D
Biggest fintech and digital platform in Uganda	**Operate like an OTT**	**Leverage MTN's core business and assets**	**Deliver five unicorns**
• Increase in MTN base • Accelerate payment • Compliance focus • Rapid growth through strategic • Partnerships	• Create independent MTN MoMo to realise value • Evolved technology • OTT operating model • Acquire new talents • Acquire non-MTN customers	• Digitize distribution • Enable device lending • Accelerate prepaid airtime payments • Airtime as a reward • Rapid OTT adoption with free data	• Wallet • Payment and e-commerce • Bank-tech • Insure-tech • Remittance

Our strategy in 2023 was to continue accelerating MTN MoMo by delivering innovative products and services such as investment, short-term lending, e-commerce, MTN MoMo Pay and social protection payments to meet the changing needs of our customers.

Our market pioneering initiatives have included the launch of bill payments for electricity and water, the first mobile loan service, international remittances, paying for retail purchases via MTN MoMoPay, paying school fees via MTN MoMo and provision of loans for health care.

We have focused on businesses as we seek to support cashless and digital economies. The ***MTN MoMo Business*** solution, for example, is a payments system that enables businesses invoice, receipt, receive and make payments. With these and other initiatives, MTN MoMo strives to become the largest fintech platform in Uganda, accelerating economic and social development through positive digital disruption.

Sustainability Report

Report Overview

I am delighted to present our sustainability report, which encompasses a balanced, accurate and accessible overview of our performance with regard to our sustainability approach in Uganda in 2023. We are pleased with the progress we made in continuing to establish MTN as a responsible and transparent organisation.

The unique role we play to drive Uganda's socio-economic progress goes hand-in-hand with sustainable growth. I invite you to read about our sustainability framework in the pages ahead and how we are '***Doing More for Tomorrow, Today'***. This report also includes the MTN MoMo subsidiary and the MTN Foundation.

In October last year, MTN marked 25 years of operations in Uganda and an integral part of our motivation – and success story – is sustainability. Sustainability has become increasingly critical for corporate entities to remain relevant and competitive today.

Uganda presents unique sustainability-related challenges and opportunities. As the rest of the world transitions to a green economy focusing on low-carbon status, Uganda grapples with gaps in infrastructure, education, healthcare and energy security.

ENID EDROMA
General Manager - Corporate Services

We are determined to be a part of the solution. Our sustainability vision is to create and protect shared value for MTN and our stakeholders through responsible economic, environmental and social practices. However, our framework goes beyond traditional models of focusing on ESG matters.

We also include economic value that is shared with our stakeholders and which in turn provides broader socio-economic benefits to society. In this regard, sound corporate governance, ethical conduct, robust risk management and regulatory compliance are the foundations of our shared-value approach and our long-term sustainability.

This message is embraced across our entire business operation. We believe that by combining our core connectivity and mobility strengths with emerging technologies such as 5G, AI, cloud computing and machine learning, we are laying the groundwork for a thriving digital economy in Uganda and helping to solve many of the challenges facing our communities.

As we do, sustainability underpins this ambition and we continually focus on doing the right thing for our customers, people and the communities in Uganda. We embrace this responsibility, and our stakeholders expect us to report transparently about our operations.

Disclosures within this report are guided by MTN and MTN Group's signatory membership of the *United Nations Global Compact*, the *Global Reporting Initiative Standards*, the *United Nations Guiding Principles on Business and Human Rights*, a set of guidelines for companies to prevent, address and remedy human rights abuses committed in business operations and the ***Carbon Disclosure Project***, an international non-profit organisation which fosters environmental reporting and risk management.

We believe that this report helps us strengthen stakeholder confidence, enhance corporate reputation and maintain social goodwill. We view this report as an opportunity to share our non-financial progress and communicate our sustainability vision, which entails creating shared value for our stakeholders and strengthening the company's long-term competitiveness.

Our Sustainability Framework

In alignment with our ***Ambition 2025*** strategy, we have placed creating shared value as a strategic priority supported by the vital enabler of 'ESG at the core'.

Our sustainability strategy framework outlines our vision of creating shared value and broader socio-economic benefits to society through responsible ESG practices. In addition to ESG, our framework includes creating economic value.

Our integrated sustainability strategy is embedded within the organisation across four pillars: **eco-responsibility**, **sustainable societies**, **sound governance** and **economic value-add**. Each pillar is complemented by policies and procedures to reinforce our commitment and facilitate implementation.

This framework brings responsible business to life for our people and stakeholders and enables us to maintain oversight of key sustainability issues, risks and opportunities. The framework guides how we interact with our customers and stakeholders, the role we play in expanding the digital economy, and how we manage and minimise our impact on our planet.

Strategic intent

***Ambition 2025:* Leading digital solutions for Africa's progress**

Belief

Everybody deserves the benefits of a modern connected life

Commitments

Eco-responsibility	Sustainable societies	Sound governance	Economic value added
One of the most significant ways that MTN fosters its sustainability agenda is through energy use and contribution to climate change mitigation. As a result, we take responsibility for environmental impacts arising out of activities within our business.	As an emerging market operator, addressing social challenges is an inherent part of our business. We can flourish only when the communities and ecosystems in which we operate are healthy. We strive to operate ethically, transparently and accountably by addressing all the concerns relevant to our stakeholders and balancing them, while still meeting our NTO Licence obligations.	A strong governance framework fosters sustainability, establishes sustainable values and enables a value-driven organisational culture. Good governance promotes accountability and transparency, underpinning efficient management of human, natural, economic and financial resources.	Mobile technologies and services contribute significantly to Uganda's Real GDP. Our success is closely linked to inclusive socioeconomic growth and development in Uganda. Connectivity provides access to fintech and digital solutions that pave the way for participation in economic activities and education, enhancing lives and strengthening communities in the process.

Metrics and actions

Eco-responsibility	Sustainable societies	Sound governance	Economic value added
• **Project Zero** Reduce greenhouse gas emissions • **Efficiency** Improve energy efficiency • **Water and waste management** Reduce our impact	• **Generational equality** Increase women representation • **Increase access** • **Reduce cost to communicate** • **Increase financial inclusion** • **Contribution through information and communication technologies (ICT)** Digital education, skills and jobs	• **Responsible policies and practices** business ethics, enterprise-wide risk management, Board effectiveness and diversity • **Responsible reputation and trust with stakeholders** • **Digital Human Rights (DHR)** • **Responsible procurement and supply chain**	• **Tax contribution across markets** • **Network infrastructure investment** • **Localisation** • **Support to local enterprises**

UNSDGs

Our Sustainability Impact

Our Year at a Glance

Eco-responsibility

We are committed to protecting our planet and achieving Net Zero emissions by 2040

- Energy consumption — 130,862 (2022: 125,138)
- Carbon emissions (Scope 1 and Scope 2), which is targeted towards reduction in GHG emissions targeting 47% reduction by 2030 and Net Zero by 2040 — 4,643 tCO2 (2022: 4,814 tCO2)
- Water consumption — 49,909 m³ (2022: 54,043 m³)
- Energy sites upgraded with renewable energy sources — 3,241 (2022: 2,649)
- Waste management — 53,751 tonnes (2022: 74,284 tonnes)
- Waste recycled or repurposed out of total waste collected — 3.4% (2022: 3.2%)

Sustainable societies

We are committed to driving digital and financial inclusion and diverse society

- Data subscribers — 8.2 million (2022: 6.7 million)
- Fibre-home & office connections — 8,120 (2022: 4,000)
- Fibre coverage — 12,082 kilometres (2022: 9,418 kilometres)
- Smartphones distributed through device finance collaboration — 495,500 (2022: 178,400)
- Smartphone penetration — 39.1% (2022: 35.0%)
- MTN MoMo subscribers — 12.1 million (2022: 11.0 million)
- MTN MoMo transaction value — 133.2 trillion (2022: 92.3 trillion)
- MTN MoMo transactions — 3.4 billion (2022: 2.7 billion)
- MTN MoMo merchants — 292,387 (2022: 173,300)
- MTN MoMo agents — 166,232 (2022: 166,200)
- Number of employees: — 1,278 (2022: 1,262)
- Percentage of women in our workforce: — 51.0% (2022: 49.4%)
- Percentage of women in senior management: — 38.0% (2022: 35.6%)
- Broadband coverage – 5G — 0.3% (new rollout in 2023)
- Broadband coverage – 4G — 85.1% (2022: 80.0%)
- Broadband coverage – 3G — 92.6% (2022: 91.5%)
- Broadband coverage – 2G — 98.6% (2022: 98.1%)
- Rural broadband coverage – 3G — 92.6% (2022: 91.5%)
- Active monthly Ayoba users: — 1.8 million (2021: 1.1 million)

Sound governance

We are committed partners to stakeholders to create and protect value

- Award recognition:
  - **First Runner-Up** – Consumer and Industrial Products Financial Reporting Category at the Institute of Certified Public Accountants of Uganda 2023 Financial Reporting Awards
  - **Winner** – Chief Financial Officer of the Year, 7th Edition of the Association of Chartered Certified Accountants and Deloitte Uganda Chief Financial Officer Awards
  - **Winner** – Federation of Uganda Employers' Employer of the Year 2023

Economic value-add

- Tax contribution: — UGX 1.1 trillion (2022: UGX 927 billion)
- MTN Foundation / CSI investment: — UGX 4.4 billion (2022: UGX 3.9 billion)
- Expansion of proprietary owned fibre: — 12,082 kilometres (2022: 9,418 kilometres)

UN SDGs - Driving Positive Outcomes

In 2015, the mobile industry became the first industry to commit to the 17 UN SDGs through its representative body, the *GSM Association*. As the association notes, with billions of people relying on mobile as their primary means of accessing the internet, it has enabled engagement with a multitude of life-enhancing services. Mobile services act as the pivot of the digital economy, propelling innovation and acting as a catalyst for transformation across different sectors, providing access to critical information and services such as education, healthcare and financial services as well as income-generating opportunities. Mobile services also serve as a crucial component in combating climate change, with MTN itself making rapid advances in our own de-carbonisation efforts while offering valuable solutions to other industries. MTN is playing its part to contribute towards the UN SDGs, recognising its direct and indirect impact.

Providing economic opportunities by supporting SMEs and increasing access to financial services in underserved areas and reducing poverty.

UGX 4.4 billion MTN Foundation commitment to improve quality of life among Ugandan communities.

Through the MTN Foundation, supporting community-based agricultural projects that provide training to farmers, particularly women and youth, on sustainable farming practices.

Using digital platforms and 4G and 5G technology and to improve agriculture and food security.

Promoting healthy living, physical activity and good nutrition through our *'MTN Move'* wellness app.

The wellness application *'Afya Pap'*, in collaboration with Baobab Circle, leverages artificial intelligence and behavioral science to improve management and prevention of chronic health conditions, and supports our employees to prevent, manage and control diabetes and hypertensive conditions.

Advancing a wide range of educational activities through the MTN Foundation – ***'MTN Skills Academy'***, ***'MTN ACE'*** and ***'MTN Girls In Tech'***, among others.

Invested UGX 1.4 billion in training and upskilling MTN staff.

'MTN Learn' platform deployed to support employees' skilling and re-skilling.

Board has 55.5% female representation.

Women comprise 51.0 % of our workforce.

Women comprise 38.0% of our senior management .

Gender pay gap has reduced from 15.5% in 2021 to 9.2% in 2022, and a further gender pay parity audit was conducted in 2023.

Diversity and inclusion programmes targeted towards women such as ***'Advancing Women Entrepreneurs'***, ***'Rising Leaders'***, ***'Women in Tech'*** and ***'He-For-She'.***

Implemented *Project Zero*, our energy efficiency and carbon emission sustainability program.

Upgraded 3,241 cell sites to solar and hybrid clean power (comprising 92% of total sites).

Converted 2,320 sites to grid power from diesel generators (comprising 67% of total sites).

Introducing smarter, greener infrastructure technologies including batteries, direct current power systems and uninterrupted power supply.

1,278 total employee headcount.

Paid UGX 134 billion in staff costs.

Supported SMEs through our enterprise business division and MTN MoMo, which provide ICT solutions and services to help these businesses grow and create jobs.

UGX 1.1 trillion in total tax contribution.

Widespread reach of mobile networks, investments in 5G and infrastructure and the growing uptake of mobile internet services.

37 5G sites to support innovation and improve the quality and accessibility of communication services.

Increased 4G, 3G and 2G coverage to 85.1%, 92.6% and 98.6% respectively.

Invested Capex of UGX 353.5 billion, an increase of 5.5% from 2022.

8.2 million active data users.

3.4 billion transactions processed through MTN MoMo, with aggregate transaction value of 133.2 trillion.

Contributed UGX 42.5 billion to the Uganda Communications Universal Service and Access Fund, which will be applied towards extending communications services to underserved areas.

Increased rural broadband coverage to 92.6%.

Provided access to mobile financial services to 12.1 million active MTN MoMo users.

Improving affordability with strategic reductions in the blended cost of data in underprivileged communities.

Implemented *Project Zero*, our energy efficiency and carbon emission sustainability program.

Reduced Scope 1 and Scope 2 carbon emissions by 3.6%.

Reduced water consumption by 13.9% .

Took delivery of a 100% test electric car from Motorcare Uganda as we work towards our long-term target of replacing the company's fossil fuel fleet.

At head office premises, made tactical interventions to minimize power consumption (for example, efficient office cable management) and have in place an innovative water recycling and reuse initiative.

3.4% of waste recycled or repurposed, up from 3.2% in 2022 .

Reduced fuel consumption from 80,000 litres a month to below 55,000 litres a month.

Promoted strategic partnerships with both public and private sector players in support of the national development agenda.

Partnerships with various start-ups and technology companies help to improve access to education, healthcare and financial services in underprivileged communities.

Connected over 8,329 home and office broadband users, an increase of 103% from 2022.

Driving development of the local capital markets through localisation policies (strategic intention to sell 7% shareholding, subject to market conditions).

Executed policies on data privacy and protection, digital human rights, digital inclusion and financial inclusion.

MTN Foundation investments geared towards economic independence and community empowerment.

True Value Review

MTN is steadfast in its mission to drive inclusive economic growth in Uganda. In the succeeding sections of this sustainability report, we will demonstrate the deployment of our sustainability strategy across the four pillars of eco-responsibility, sustainable societies, sound governance and economic value-add.

Defining MTN's concept of value

Value means different things to different people at various times. However, MTN has a very clear, consistent definition of value as "progress in achieving our strategic intent and delivering on our purpose to enable the benefits of a modern connected life for everyone in our footprint".

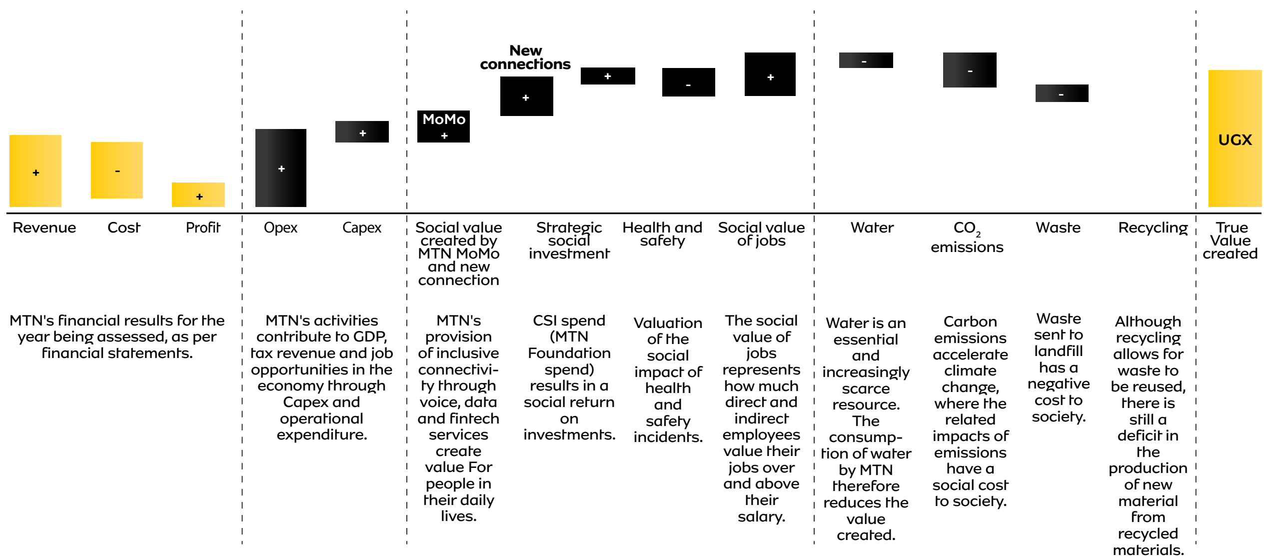
We have taken an additional step to ensure that our contribution is measurable in real terms. This is important so that we can understand and demonstrate the social, environmental and economic value that we create for the Ugandan society through our operations.

In 2021, using KPMG's ***True Value Methodology,*** we started identifying the most material socioeconomic and environmental impacts and quantifying them in financial terms so that we show both where we can reduce our negative impacts, as well as find guidance on where we add positive impact to society. We completed the assessment for the period 2020 to 2021, and we undertake to share the results for the 2023 assessment in next year's report.

Our first objective is to contribute towards Uganda's economic contribution. Our second objective is to promote inclusive connectivity. Our third objective is to reduce negative environmental impacts. In terms of value impact, we measure GDP contribution, tax contribution, employment opportunities, social value of jobs, MTN MoMo value-added, MTN new connections and reduction in carbon emissions.

The *True Value* outcomes, together with stakeholder insights, inform our efforts to prioritise Capex spend with local suppliers, enhance innovative products and services and explore creative initiatives that reduce environmental impacts.

True Value methodology



Assessment for the period 2020 to 2021 indicated that our GDP contribution increased from UGX 4.1 trillion (2.3% of GDP) to UGX 4.3 trillion (2.5% of GDP), MTN MoMo value added grew from UGX 2.7trillion to UGX 2.8 trillion and the value of carbon emissions eroded made a significant jump from UGX 8billion to UGX 71 billion.

Our Stakeholder Engagement Values

We strive to be the partner of choice to our nation-state hosts, communities, suppliers and stakeholders in Uganda. Informed consultation and stakeholder participation are vital enablers for our value-creation efforts.

MTN appreciates the interdependence between effective stakeholder management and organisational performance. We place great importance on the *"social license to operate"* – which we at MTN define as a concept used to describe the importance of having broad-based stakeholder consent or support for our business. The failure to manage stakeholder concerns, hence losing stakeholder support, can result in severe disruption to our business operations.

Therefore, one of our most important business imperatives is standardised, consistent and well-governed stakeholder engagement that creates and preserves value. Our stakeholder management policy brings about greater inclusion of stakeholder needs, interests and expectations in corporate decision-making in recognition of the critical fact that best practice requires MTN to have a stakeholder engagement policy in place to guide our approach to communicating, working and interacting with stakeholders. Within the framework of this policy, we map key stakeholders, plan engagement proactively and keep a record of official engagements.

Nation States Agenda: Uganda-South Africa Business Summit

Our ***Ambition 2025*** strategy is anchored on aligning to the development agenda of nation states. In September 2023, we hosted the Uganda - South Africa Trade and Investment Summit in which MTN Group, MTN and the Forum of South African Businesses in Uganda convened key companies in the South African private sector with operations in Uganda with a view to ***'Accelerate Investments and Trade between Uganda and South Africa'***.

The summit was convened in line with our commitment to partnerships in driving sustainable development. The summit provided a valuable platform for discussions and commitments related to bilateral trade and investment across the two countries, and we look forward to championing the summit's resolutions.

H.E The President of Uganda with the MTN delegations and partners at the Uganda-South Africa Trade and Investment Summit

Our 2023 Stakeholder Engagement Matrix

Stakeholder	Key engagement issues in 2023	Our response
GOU and regulators	• A positive impact on socioeconomic development. • Allocation of additional spectrum. • Network performance. • Strong business performance and financial results. • Compliance with legislation and regulations. • A constructive contribution to industry.	• Hosted the Uganda-South Africa Trade and Investment Summit with a view to ***'Accelerate Investments and Trade between Uganda and South Africa'***. • Successfully participated in competitive spectrum application administered by UCC. • Successfully attained annual compliance certificate from UCC. • Involved GOU in efforts to enhance network performance and create shared value. • Partnered on matters of national and business interest and honoured our obligations as a reliable partner. • Paid UGX 1.1 trillion in taxes and added economic value • .
Subscribers & consumers	• Network performance (speed of data connection and network quality). • Customer service. • Ability to resolve queries or requests. • Overall rates and prices. • Pricing being easy to understand.	• Invested UGX 353.5 billion in our networks in 2023. • Reduced the cost to communicate through innovative and tiered pricing. • Zero-rated some transactions through MTN MoMo. • Advanced financial inclusion through our mobile financial services offerings, with MTN MoMo transactions increasing from 2.7 billion in 2022 to 3.4 billion in 2023.
Investment community	• Strong business performance and financial results. • Compliance with legislation and regulations. • Good corporate governance. • Network performance. • Customer services. • Sustainability and ESG.	• Sustained MTN's financial and operational performance, with dividend per share increasing from UGX 15.9 in 2022 to UGX 18.0 in 2023. • Executed ***Ambition 2025*** strategy with a focus on accelerating growth and unlocking value for our stakeholders. • Focused on ensuring that our enterprise-wide risk management systems are continuously strengthened and remain resilient. • Took step change in our approach to ESG. • Further implementation of MTN MoMo / fintech separation strategy. • Formed Bayobab Uganda to unlock value in fibre assets. • Prioritised communication with investors .
Civil society	• A positive impact on socioeconomic development. • Network performance. • Strong business performance and financial results. • Good customer service. • A constructive contribution to industry.	• Invested UGX 4.4 billion in corporate social impact activities, including in programmes to empower youth to access decent work and become economically active. • Supported programmes that are aligned with GOU's NDP and *Vision 2040.* • Advanced programmes to ensure girls and women have the skills and knowledge to advance economically.
Employees	• Positive impact of leadership, communication and diversity actions. • Their belief and connection to the goals and objectives of MTN. • Safeguarding their health and wellbeing.	• Winner of the Federation of Uganda Employers' Employer of the Year 2023 award. • Entrenched our employee value proposition ***'Live Inspired'*** to drive agility, flexibility and future fit skills for our workforce. • Implemented various programmes to capitalise on the movement towards a digital-adopter mindset and flexi-workforce. • Encouraged employees to explore their career options and learning paths to ensure their skillsets remain relevant. • Provided learning opportunities to employees through access to our online learning platform. • Offered a programme to help employees find their own individually stylised work and life balance.

H.E The Vice President of Uganda with MTN Uganda executive and senior management team following a stakeholder engagement meeting

Environmental Sustainability

Energy Consumption and Climate Change

Uganda faces environmental challenges related to biodiversity loss, extreme vulnerability to climate change, land degradation and deforestation. Our use of environmental resources and our impact on the environment in Uganda is a key driver of our ESG framework.

The activities of telecommunications companies have a significant impact on the environment, and we acknowledge that the industry has a collective duty to minimize the negative impact of our activities and promote eco-friendliness.

At MTN, we take responsibility for our environmental impacts and manage the aspects within our control.

Specifically, we recognise climate action is imperative to secure future socioeconomic development in Uganda. We recognise the importance of balancing the reduction of our impact on the environment with the need to connect more people since every additional connected person, represents a potential increase in energy used.

MTN's approach to reducing our impact aims to increase efficiencies, reuse infrastructure and invest in renewable energy sources.

Project Zero

We manage the need for urgent action on climate change through *Project Zero*, which is aligned with the Paris Climate Agreement to limit global temperature rise to 1.5°C above pre-industrial levels, as well as UN SDG 7 (*Affordable and clean energy*) and UN SDG 13 (*Climate action*). We have set out to achieve Net Zero GHG emissions by 2040.

The increased global demand for energy has an undeniable negative impact on the climate, yet complexities exist around driving progress while reducing negative environmental impacts. One of the main challenges in Uganda is limited access to clean energy, and many communities still rely on traditional sources of energy. Investment in renewable energy remains costly.

We recognise the importance of balancing the reduction of Uganda's carbon footprint with the need to connect more people. As the economy and population grows, every additional connected person, device or data transmitted represents a potential increase in energy used. However, we believe that our digital networks and technologies can play a key role in mitigating climate change while uplifting and empowering local communities.

Project Zero was introduced as an energy efficiency and carbon emission sustainability program. The project seeks to leverage the latest technologies and service partners to enable business sustainability through greater energy efficiencies, low carbon emissions, risk reduction and cost control.

Project Zero's vision is to promote environmentally conscious business and reduce GHG emissions across our footprint. The initiative includes energy management solutions, monitoring and measurements.

ROAD TO ZERO

Reduce energy usage by improving energy efficiency through the rollout of initiatives such as swapping energy intense infrastructure for more efficient options.

Substitute non-green energy sources by replacing fossil fuel-based energy with renewable energy as offerings mature in each market.

Invest in certified climate protection projects with high environmental and social standards to offset the emissions that cannot be avoided. This lever will be implemented post-2030 once we exhaust all other substitute activities.

Project Zero - what are we doing today?

Electric Vehicle

We have taken a significant step towards a greener future by receiving a test electric vehicle from Motorcare Uganda.

The introduction of a test electric vehicle into MTN's fleet represents a crucial advancement in reducing GHGs and contributing to the global fight against climate change.

Recognizing the urgency of transitioning from fossil fuel-based vehicles in the face of rising temperatures and their consequences, we currently have three electric cars and plan to gradually replace the company's entire fleet with electric vehicles, subject to the success of the test phase.

Tower Sites

In 2023, we registered a 60.5% reduction in carbon emissions in line with our *Project Zero* goal. We have cumulatively upgraded 3,241 cell sites, representing 92% of total sites to solar and lithium-ion battery storage as the primary power source. We also connected 2,329 sites, representing 67% of total sites, to grid power from diesel generator, reducing the reliance on fossil fuel.

Reduction of carbon emissions

We are committed to ensuring sustainability and have reduced GHG emissions by deploying targeted energy-saving initiatives. These include migrating off-grid sites to the grid, installing new low carbon sites powered by solar energy and lithium-ion batteries, replacing fluorescent lights with energy saving LED lights, upgrading the air conditioning systems on sites and data center to more efficient models and having solar modules integrated into MTN's head office roofing.

What we are doing to achieve Net Zero – emissions reductions and energy efficiency

Emissions profile

Over the course of 2023, we implemented carbon and energy reduction initiatives which contributed to the reductions in direct (Scope 1) and indirect (Scope 2) GHGs, and we are constantly undertaking materiality assessments to better understand the emissions across our value chain. We achieved an aggregate 3.5% reduction in Scope 1 and Scope 2 emissions, respectively.

Scope 3 emissions are the result of activities from assets not owned or controlled by MTN. Through our supplier engagement programme, we are focused on reducing our Scope 3 emissions. We are engaged with our tower company partners and other partners to educate and encourage them to set their own emission reduction targets in line with the guidance of the Science Based Targets Initiative.

We consider that this sensitisation initiative is pivotal. By starting supplier dialogues and encouraging supplier commitment to climate science, we indirectly drive Scope 3 emission reductions as suppliers improve their knowledge and start deploying emission reduction strategies and projects.

We are encouraging our suppliers to sign a pledge to join MTN's road to Net Zero to reduce Scope 3 emissions and are asking them to work beside us to set a science-based carbon-reduction target and publicly communicate this commitment, report progress on reducing carbon emissions, embed GHG emission reductions at both a product development and service delivery level and ensure downstream suppliers are aware of this call to action.

This will enable the message to cascade through the supply chain, actively building the capacity of local suppliers in the process.

Image: ATC Uganda

Energy efficiency

We have employed strategies to extract greater efficiencies from our infrastructure and facilities and replaced inefficient and old products with more efficient solutions. We deploy a circular economy programme aimed at keeping resources in use for as long as possible, extracting the maximum value from them while in use, then recovering and regenerating products and materials at the end of each service life. We continue to focus on ensuring our base stations and data centre sites are as efficient as possible and where possible, are powered by renewable energy sources.

Managing our environmental impact

We recognise that enormous potential exists for MTN to contribute to sustainable development in Uganda through conscious environmental policies. Our approach is informed by international best practice and applicable national laws and environmental regulations. The main areas in which we manage our environmental impact include:

Water consumption

Even though MTN does not currently hold any water use licence, reducing water use forms part of our sustainability strategic framework to reduce the company's environmental impact. As part of a water conservation initiative, we embarked on using water from a natural spring that is stored in an underground tank and pumped for use within sanitary facilities and in other sections.

Waste

Our waste management strategy is to reduce, reuse and recycle.

In 2023, there was a reduction of 27.9% in tonnage of waste collected Of the waste collected, 3.40% was recycled. MTN also operates in a paperless environment where all documents are signed digitally. This is intended to minimize paper usage which in turn conserves trees that are crucial in the absorption of carbon-dioxide from the atmosphere.

Biodiversity impact management

Our impact on biodiversity is managed through adherence to environmental laws. We undertake sustained practices that seek to protect biodiversity such as ensuring the conduct of environmental assessments and monitoring audits before new activities and working with site roll-out partners, tower providers and base transmission station operating partners to maintain environmentally-friendly ecosystems.

Green office programme

The green office programme helps our operations and office environments to identify how to conserve resources, reduce consumption and ensure responsible waste, recycling and upcycling management practices. At our office premises, compact fluorescent lamp bulbs have been replaced with light emitting diodes to minimize power consumption and carbon dioxide emission into the atmosphere.

Our Commitment to the Society

We believe that everyone deserves the benefits of a modern connected life, and Ugandans who are not digitally connected are at risk of being excluded from life-enhancing online services.

UCC estimates that approximately 50% – 60% of Ugandans have no access to broadband, and the Ministry of ICT and National Guidance's *National Broadband Baseline Survey and Infrastructure Blueprint* sets out a number of interventions that need to be implemented to extend broadband access and use to all Ugandans.

Understanding why people and households do not use the internet is critical for designing effective targeted interventions. The main reasons cited for not using the internet are the lack of affordability, awareness, relevance and digital literacy skills.

Specific categories of people show the greatest delays in adopting digital technologies. These groups include women, people with disabilities, children and youth, older persons, those with low incomes and people living in remote areas.

Gender gaps also exist in women's access to and use of mobile money services, which can increase their economic independence. The last decade saw the transformative power of mobile money in providing a pathway to financial inclusion.

To ensure no one is left unbanked, MTN has launched several mobile money services through our MTN MoMo platform, which allows customers to transfer money, pay bills and access other financial services via their mobile phones. This is particularly important in Uganda, where many people do not have access to traditional banking services.

The mobile economy in Uganda is growing rapidly and MTN is focused on driving digital and financial inclusion. This includes building and upgrading infrastructure, as well as offering our customers affordable handsets and data plans. Additionally, MTN is partnering with GOU and private sector organisations to promote digital literacy and skills training. To ensure everyone is included on our growth journey, we want to make certain our services are accessible to people of all backgrounds and abilities and are committed to promoting gender and ethnic diversity within our workforce.

We are focused on providing inclusive connectivity and accelerating financial inclusion. Access to affordable means of communication has the power to change lives and bridge inequalities, and MTN is determined to provide increased access, reduce the cost of communication of voice and data services and advance digital inclusion.

MTN Foundation digital literacy initiatives impacted over 1,340 beneficiaries in 2023

Accelerating digital inclusion

Connectivity is the gateway to the digital world, which creates numerous opportunities. We want these opportunities to be universal, contributing as a positive force to transforming individuals, companies and society. To achieve this, MTN works to expand access to voice and data services, reduce costs and increase digital inclusion.

Voice connectivity

Voice services continue to provide a lifeline to customers where coverage gaps hinder the adoption of data-enabled services, even though demand for voice services may drop in the medium-term as industry dynamics change towards data. Our voice strategy focuses on voice user growth, voice revenue substitution for data, mobile termination rates regime impact, and price elasticity of usage.

Data connectivity

Our CHASE framework (detailed further below) addresses the five key barriers to mobile internet adoption by providing affordable solutions and tailored products and services to enable digital inclusion. The development and implementation of this method demonstrates our dedication to providing reasonably priced data and phone services.

Digital inclusion

Leveraging our established customer base, local knowledge, presence and customer insight, we have built a digital ecosystem spanning OTT services in messaging, media and advertising that aims to bring more people into the digital world. Our *Ayoba*-specific ecosystem comprises channels, micro-apps and payment options. The super-app also enables MTN MoMo financial services and innovation from third parties. Through *Ayoba*, MTN provides greater value to the larger ecosystem of enterprises, users and local developers and optimises local community experiences.

As mentioned above, we continued our efforts to connect the unconnected in Uganda through the C-H-A-S-E framework:

C	H	A	S	E
Coverage	**Handsets**	**Affordability**	**Service bundling**	**Education**
Ensure sufficient and affordable coverage in rural and low-income areas	Increase affordability and access to data-enabled devices	Increasing data service affordability	Create service offerings that are relevant, simple and meaningful to customers	Enhance digital literacy and ease with which data can be accessed

Our digital inclusion impact

Doing, today	Our value proposition
Increased fibre coverage and rural connectivity	With a considerable portion of Uganda's population living in rural areas, we are committed to expanding our network to underserved communities. We extended fibre coverage from 9,418 kilometres to 12,082 kilometres. We also increased 4G coverage from 80.0% to 85.1%, 3G coverage from 91.5% to 92.6% and 2G coverage from 98.1% to 98.6%. We launched 37 5G sites between June and December 2023, recording 5G coverage increase of 0.01% in the process.
Supported device financing	Owning a mobile phone impacts positively on people's lives by providing access to information, financial services, connectivity and economic opportunities. This is especially empowering in Uganda, where access to these resources can be limited. In collaboration with our device financing partners, 495,500 phones were sold in 2023 (up from 178,400 in 2022). We are working to make smart devices more accesible by collaborating with manufacturers to produce more affordable devices by providing subsidies for data plans. Additionally, financing options such as device instalment plans can help to make devices more affordable by spreading the cost over time. To ensure our customers can access low-cost smartphones, we are developing specifications for the minimal viable product which would be optimal for a new user. With a deep understanding of what our customers need, we are requesting device partners to provide quotes for developing or sourcing devices to meet a specific price point. To continue offering MTN customers a range of affordable devices, we increased the number of vendors from which we procure handsets and have agreements in place to ensure our customers can access after-sales services. Through these partnerships, we also provide onboarding data bundles for three to six months to encourage customers to explore the functionality of their new smartphones, thereby reducing the overall cost of ownership of a new smartphone.
Tailored bundles pricing to meet customers' needs	According to the United Nations Broadband Commission's affordable internet target, the price of 1GB of mobile broadband data should cost 2% or less of gross national income *per capita*. For this purpose, we have developed a score based on price, income and elasticity to determine if data pricing across our operation meets affordability requirements. Although we face competitive and regulatory pressure, we have improved on data pricing. In addition, we developed and implemented an MTN Group-wide data pricing governance framework that provides formal affordability guidance. We remained within the affordability range advised by the United Nations Broadband Commission. Our ongoing affordability assessments allow us to pinpoint opportunities such as segmenting price alterations in specific consumer markets. We also offered microbundles, social media bundles, peer-to-peer social data and digital products such as *Ayoba* to add tailored value to the lives of our customers. Providing different customer groups with relevant value propositions drives down the cost of communicating and ensures new data users do not experience price shock.

Doing, today	Our value proposition
Increased the availability of digital literacy content	Our digital literacy programmes are based on the GSMA's Mobile Internet Skills Training Toolkit and are designed to improve people's basic understanding of mobile internet and applications. In addition, MTN, through the MTN Foundation, launched of the ***'MTN Skills Academy'*** in partnership with the Ministry of ICT, the National ICT Innovation Hub, ATC Uganda and Huawei Technologies. The ***'MTN Skills Academy'*** aims to provide access to digital and financial skills training for youth in Uganda as a catalyst for job creation and increased employment opportunities. We continued our collaboration with the *GSMA* to source innovative solutions for rural connectivity, resulting in five sites launched in Northern Uganda and providing connectivity to almost 30,000 people. We also continued our partnership with Maendeleo Uganda to promote a digital literacy program aimed at spreading digital literacy across Uganda, introducing digital skills to rural schools, ICT capacity-building for teachers and empowering communities with relevant digital skills. Through these initiatives, we continue to strive to bridge the digital divide and empower individuals and communities through technology.
Ayoba - driving digital inclusion in local contexts	The availability of online content and services that are accessible and relevant to the local population is a key enabler of mobile internet adoption and usage. Over-time, we have observed that "localising" services provide a compelling reason for our customers to invest time and financial resources in online applications. *Ayoba* is our advanced communications application localised for our customers' needs. We also meet the diverse need of our customers through segmented offers compatible with 2G, 3G and 4G devices. We have developed *Ayoba* from a messaging app to a super-app platform offering localised third-party content through channels and micro-apps. As of December 2023, *Ayoba* had an average of 1.8 million active channel users (up from 1.1 million in 2022) and approximately 37,000 active gaming users. *Ayoba* provides connectivity, access to information, economic empowerment, job creation and education. By enabling businesses to reach new customers and access new markets, *Ayoba* has the potential to drive economic growth and create new job opportunities. We also offer customers free data allocation to use *Ayoba* features including messaging, gaming, and listening to music. During the year, we also brought a renewed focus to the *Ayoba* music offering to highlight African musical artists more prominently. *Ayoba* receives strong support in terms of content localisation and business development, and our digital trade tool programme enables *Ayoba* agents to earn a commission for new signups to the application, providing a customer acquisition drive while also enabling education of the app and its functionalities. *Ayoba* is on track to support the realisation of the huge opportunity in mobile commerce.

Driving financial inclusion

We believe that financial service solutions enabled through digital channels have the potential to stimulate socio-economic development and economic growth. The second *National Financial Inclusion Strategy 2023-2028*, which aims to reduce poverty and promote economic growth by promoting affordable and quality financial services, notes that millions of Ugandans remained unbanked in 2023 and without access to safe, secure and affordable financial services.

At MTN, we embrace the *National Financial Inclusion Strategy's* objective to reduce exclusion and access barriers to formal financial services, broaden the usage of affordable and quality formal financial products and promote gender inclusive finance. Through MTN MoMo, we connect millions of users to the formal financial system, providing a significant pathway to financial inclusion across communities in Uganda.

In a country where financial services and e-commerce penetration are marginal, our objective is to be Uganda's leading digital platform, unlocking economic growth through financial and digital solutions for consumers and businesses of all sizes.

We see an opportunity to accelerate digital disruption within financial services, insurance, lending, remittances, payments and e-commerce. Our MTN MoMo platform is focused on enabling consumers and businesses to access a full range of financial services. Already, our platform serves as a gateway for thousands of innovative businesses to interact and transact with millions of customers in the country.

Over the last 15 years, MTN has played a critical role in the evolution of mobile financial services to a mobile financial platform in Uganda. As we grow our service offering as part of our ***Ambition 2025*** strategy, we aim to create a digital marketplace that supports cashless and digital economies through affordable, inclusive, understandable and comprehensive financial services.

12.1m	292,387	166,232	UGX 133.2tn	3.4bn
Mobile financial services customers	*MTN MoMo merchants*	*MTN MoMo agents*	*Value MTN MoMo transactions*	*Number of MTN MoMo transactions*
(2022: 10.9m)	*(2022: 173,315)*	*(2022: 166,229)*	*(2022: UGX 92.3tn)*	*(2022: 2.7bn)*
		*(*Implementation of agent rationalisation programme)*		

Our financial inclusion impact

Doing, today	Our value proposition
MTN MoMo API	To accelerate the development of MTN MoMo financial solutions and services, we are collaborating with developers and service providers to leverage the scale of our platform. Our MTN MoMo API platform allows partners and vendors to seamlessly integrate MTN MoMo into their applications. In 2023, we launched the ***'API as a Service'*** solution to provide third parties with access to our proprietary software platform. This service enables businesses to create innovative services that will accelerate digital transformation.
Supporting SMEs	Through MTN MoMoPay and MoMo Business, we offer small businesses a secure, convenient and efficient payment method that can be tailored to meet their unique needs. Our MTN MoMo API platform also allows partners and vendors to integrate the MTN MoMo platform into their own applications seamlessly.
Loans and savings	We continuously supported our customers in meeting their financial demands through ***MTN MoKash*** saving and lending facilities. In 2023, ***MTN MoKash*** disbursed 8,707 loans per day, totalling up to UGX 321.7 billion for the year.
Bank-tech	We invested in enriching our MTN MoMo ecosystem and platform capabilities, and scaled the adoption of our banktech products like loans and savings, payments, and e-commerce. We launched ***MTN MoMo Advance*** with more than 300,000 customers opting into the service. Through the service, qualifying MTN MoMo customers can complete their transactions when they have insufficient funds in their MTN MoMo wallet through a revolving credit mode.
Insurance	Micro-insurance can have a transformative impact as it can shield our customers from economic shocks that would otherwise keep essential medical services out of reach. ***aYo***, our micro-insurance partner, offers low-cost, mobile-enabled hospital and life insurance to low and middle-income to MTN subscribers via two products which offer a hospital cash insurance benefit and a life cover benefit.
Remittances	MTN recognises the transformative impact that remittances have across Uganda on poverty reduction and access to basic services at the household level in rural areas and for the diaspora population. Our ***MTN MoMo Remittance*** is a digital fintech service that enables all registered MTN MoMo customers to send and receive funds globally.
Security	MTN remains aware of the risks associated with mobile financial services and continues to pursue an integrated approach to anti-money laundering, counter-terrorist financing, and fraud. As a result, we focus on detection, prevention, education, partner collaboration and certification. In 2023, we received the *ISO 27001 Information Security Management System* certification.

Our Commitment to Governance and Ethics

As a leading telecommunication company in Uganda, we have a responsibility to ensure the safety and wellbeing of our customers, communities and employees, both at our business premises and when using our digital services.

Sound governance practices are a key aspect of this effort as these ensure we conduct our business in an ethical and socially responsible manner. This is essential for building trust with customers and other stakeholders and making certain that we contribute positively.

As part of our approach to responsible corporate citizenship, MTN endeavours to "do the right thing" and abide by a culture of compliance, ethical behaviour and respect for human rights.

From MTN's perspective, this ethos is built on a solid foundation of responsible business practices and disclosure.

Robust ethics, governance, compliance, and risk management are the pillars that drive progress in our business and society. Through our strong corporate governance practices, we position the business for long-term success while also creating value to enhance people's lives. We take a no-compromise approach in our efforts to ensure a strong ethical culture.

We are committed to adhering to all relevant laws and regulations, including those related to data privacy, anti-corruption, 5G frequencies and consumer protection.

Our code of conduct outlines the ethical standards that all employees are expected to adhere to and includes guidance related to issues such as bribery and corruption and discrimination. We are also committed to responsible procurement practices that drive sustainability across its supply chain.

Customer privacy and data security

This past decade has witnessed a considerable increase in the depth and scale of communication services. The very nature of these services means that we gain access to important information about our users including their identity, with whom they communicate and their location, and insight into their personal interests via the sites and services they access.

Data privacy and protection is at the heart of our business success in an age when personal data is key to honing a competitive edge. We take proactive steps to protect and respect our customers' privacy interests and enable them to make informed choices about what data is collected and how their data is used. Our key objective in protecting customer privacy is to build trust and confidence in our customers that their personal data is being adequately protected according to applicable privacy regulations and requirements.

At MTN, we have adopted digital governance practices which are aligned with both local law and internationally-accepted standards. Our data privacy and protection policy guides our employees in complying with privacy principles and regulations to the letter and in the spirit of data protection. To protect customer privacy and enhance data security, we have taken steps to enhance information and cybersecurity, increase the safety of mobile services, respect digital human rights, and promote health, safety and wellbeing.

Protecting privacy and securing customer data

Protecting networks and devices to keep communications secure

Protecting consumers from illegal activity and anti-social behaviour

Protecting public health and safety and meeting legal obligations

Over the course of last year, we implemented *Project Guardian*. The project aims to develop minimum data privacy and data protection controls to be implemented in Uganda as part of an MTN-Group wide initiative.

The programme comprises of 12 workstreams, such as governance and operating model, third-party risk management, privacy notices and policies, security for privacy, and change management, among others. The programme provides a blueprint for privacy management and guides compliance across all our operations.

We also paid specific attention to third party security risk. As part of our refreshed security strategy, we enhanced the security annexures included in all vendor contracts, and this requires vendors to provide a self-assessment of their compliance with agreed information security requirements, at least on an annual basis. Vendor compliance is also validated through annual independent compliance audits on a selection of vendors.

Data protection and privacy - our principles	
Openness, transparency and notice	Responsible persons shall be open and honest with users and will ensure users are provided with clear, prominent and timely information regarding their identity and data privacy practices. Users shall be provided with information about persons collecting personal information about them, the purposes of an application or service, and about the access, collection, sharing and further use of users' personal information, including to whom their personal information may be disclosed, enabling users to make informed decisions about whether to use an application or service.
Security	Personal information must be protected using reasonable safeguards appropriate to the sensitivity of the information.
Accountability & enforcement	Responsible persons shall ensure compliance with applicable data protection laws and internal policies and procedures.
Purpose and use	The access, collection, sharing, disclosure and further use of users' personal information shall be limited to meeting legitimate business purposes such as providing applications or services as requested by users, or to otherwise meeting legal obligations.
Children and adolescents	An application or service directed at children and adolescents shall ensure the collection, access and use of personal information are appropriate in all given circumstances and in conformity with the law.
Data minimisation and retention	Only the minimum personal information necessary to meet legitimate business purposes and to deliver, provision, maintain or develop applications and services shall be collected and otherwise accessed and used. Personal information must not be kept for longer than necessary for those legitimate business purposes or to meet legal obligations and should subsequently be deleted or rendered anonymous.
Respect user rights	Users shall be provided with information about and an easy means to exercise their rights over the use of their personal information.
User choice and control	Users shall be given opportunities to exercise meaningful choice and control over their personal information.

Partnering for a responsible supply chain

Sustainable supply chain and supplier code of conduct

Base	2023		2022	
	Number	%	Number	%
Total number of suppliers	**1,796**	**100%**	1,590	100%
Total number of local suppliers	**1,117**	**62.2%**	990	62.3%
Women-owned (50%) suppliers	**186**	**10.4%**	73	4.6%
Total local spend	**UGX 804 billion**	**73.9%**	UGX 630 billion	72.1%
Women-spend – UGX	**UGX 42 billion**	**3.9%**	UGX 46 billion	5.4%

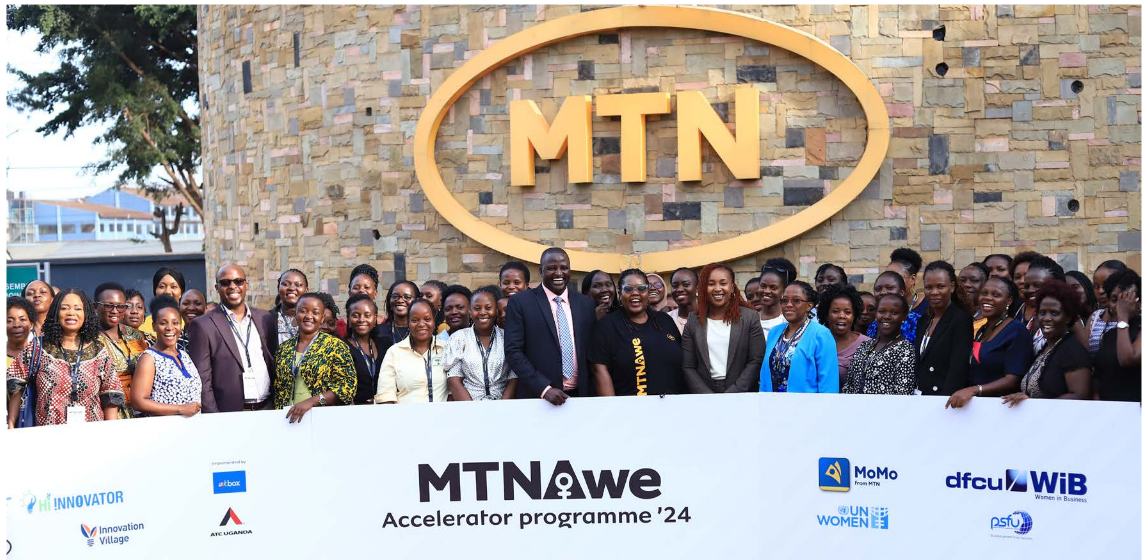
To provide affordable and reliable products and services to our customers, we rely on both a local and global supply chain. We manage our local purchasing and supply chains by enhancing local content and local supplier partnerships.

In 2023, locally registered Ugandan suppliers formed approximately 62.2% of our supplier database, delivering on our commitment to enhance national content participation in our procurement chain.

Further, UGX 804.7 billion of supplier procurement was purchased locally.

To ensure continuity of supply, we proactively manage different legal, social, ethical, and environmental risks and we require all our suppliers to have sustainable business practices in place and adhere to our supplier code of conduct.

The supplier code of conduct sets out our approach to ethical and sustainable business practices and aims for the highest ethical conduct. The code outlines MTN's commitment to respect and promotes human rights and fair workplace practices, including equal opportunities and environmentally sustainable business activities.



MTN AWE program partners include UN Women, dfcu Bank (Women in Business), Private Sector Foundation Uganda, National Social Security Fund Hi-Innovator, American Tower Corporation (ATC), Innovation Village and Outbox

AWE - Advancing Women Entrepreneurs

To foster supply chain opportunities and inclusity for women, we launched the ***'MTN@25 Advancing Women Entrepreneurs'*** initiative in collaboration with MTN MoMo, ATC Uganda, UN Women, dfcu Bank, Innovation Village, Outbox and the National Social Security Fund for a three-year period. Our aspiration is to have 250 female suppliers by 2025, and we and our partners will empower programme participants to achieve this target.

'Advancing Women Entrepreneurs' project goals

Goals	Aspiration	Vital enabler
Grow base of female supplier	Increase the participation of women owned businesses . Increase the spend to women owned businesses.	• Market access and networks. • Provision of business opportunities . • Develop tools and approaches to expand market opportunities . • Policy advocacy to promote women entrepreneurship. • Promotion of women suppliers adopting *'Buy Uganda-Build Uganda'* GOU policy .
Power of partnerships	Build a market inclusive platform that attracts women owned businesses in technology.	• Technology adoption . • In house technical training and support . • Digital upskilling. • Entrepreneur marketing strategies . • Promote utilization of e-platforms . • Support access to devices.
Build capacity	Promote access to financial solutions. Business development support.	• Access to financial solutions . • Establish alternative funding instruments to support affordable financing . • Financial literacy and management support. • Provision of capital (equity) to participants. • Business skills development. • Investment in women entrepreneur business. • Regulatory compliance support.
Sustainable business eco-systems	Mentorship and coaching programs.	• Connect to create. • Project partners support to run the mentorship programmes.

Embedding sustainability

We maintain end-to-end oversight of our supply chain to mitigate ESG risks within our supplier base. To foster MTN's sustainability agenda, we took delivery of a 100% test electric car from Motorcare Uganda as we work towards our long-term target of replacing the company's fossil fuel fleet. We reduced fuel consumption from 80,000 litres a month to below 55,000 litres a month.

In terms of stakeholder engagement, we strengthened relationships with suppliers through supplier visits so as to improve collaboration and third-party processes. The supply chain management policy was reviewed and refreshed to ensure consistence with the industry's best practices. In 2023, we were awarded the *ISO 9001* certification for quality management in relation to our supply chain practices.

Our Commitment to Economic Growth

At MTN, we are committed to boosting inclusive economic growth in Uganda. Economic growth is vital for Uganda's long-term sustainability as it can lead to increased job opportunities, higher living standards and improved social services. A growing economy also attracts investment, which leads to further economic development.

Access to connectivity is essential for economic growth and development. By investing in infrastructure and networks, MTN is helping to improve connectivity in rural areas and other underserved regions. This enhanced participation in the digital economy which leads to increased economic opportunities and growth.

Our contribution to tax

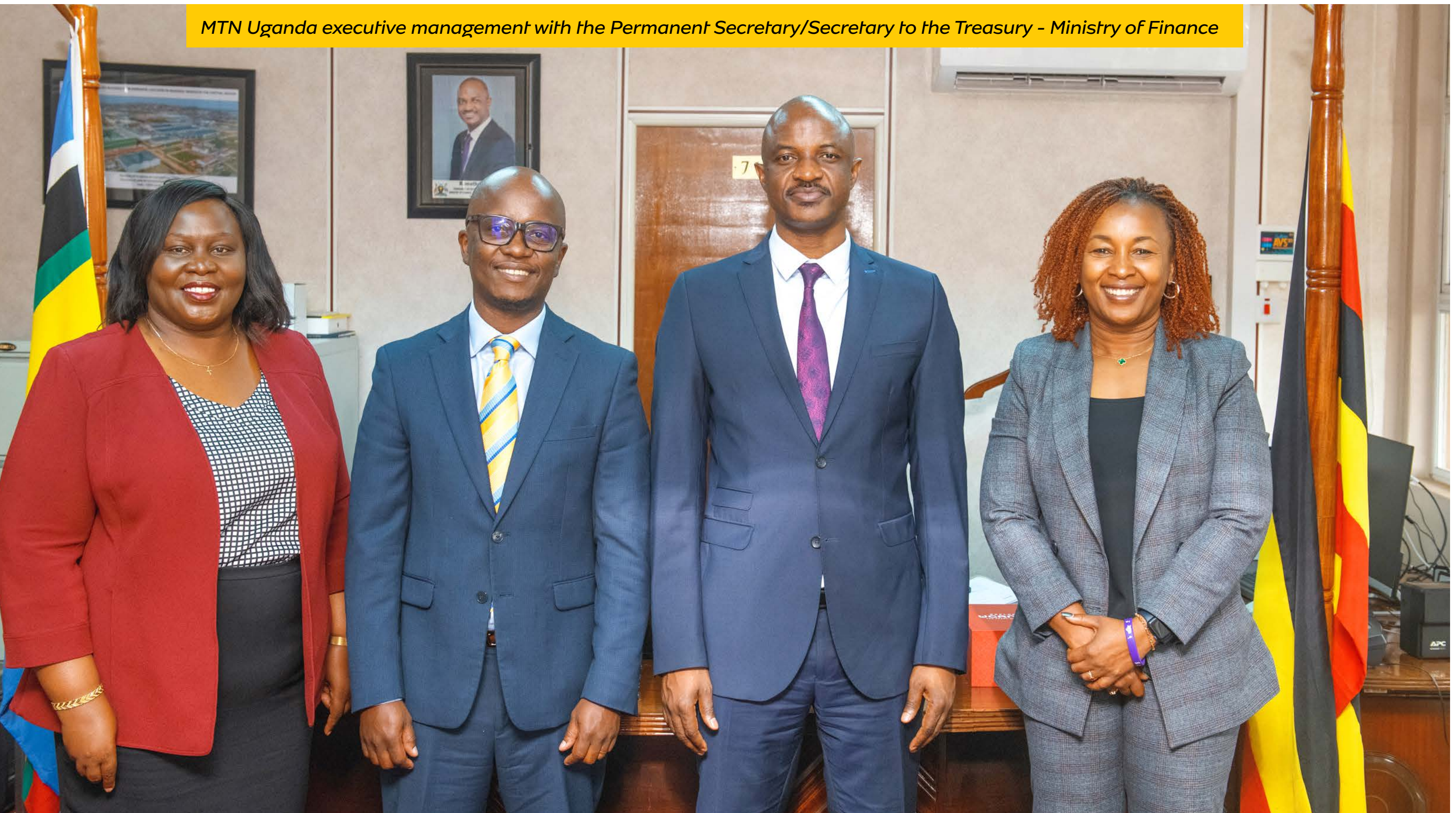
We consider tax to be an instrument to create socioeconomic cohesion, environmental value-creation and long-term prosperity.

The MTN Board understands and takes accountability for all risks that potentially affect the achievement of its strategic priorities, including tax risk. We have developed a systematic approach to tax risk.

The principles governing MTN's approach to tax are:

- *it is important that the company's tax affairs are managed in such a manner so as not to cause a detrimental effect on the reputation or brand of MTN;*
- *we seek to create and manage shareholder value by undertaking legitimate and responsible tax planning;*
- *we are committed to transparent and constructive relationships with revenue authorities that are based on open and honest communication;*
- *we are committed to ensuring that there is necessary resource capacity and capability to manage tax affairs in an efficient manner, including investing in tax knowledge and training; and*
- *tax is integrated into all business processes supported by adequate and robust controls, clear lines of communication, defined roles and responsibilities and financial systems that are adequately configured for specific tax requirements and controls.*

MTN Uganda executive management with the Permanent Secretary/Secretary to the Treasury - Ministry of Finance



Digital innovation for SMEs

The SME sector is Uganda's current and future economic growth engine. SMEs are entrepreneurial and agile by nature and are often at the forefront of digital innovation.

MTN supports SMEs by creating a digitally inclusive environment that helps them overcome the challenges of day-to-day operations. In 2023, we continued to develop SMEs through various initiatives. These included MTN MoMo products to enable SMEs access banking and enterprise development services, and providing skilling and general business advice through masterclasses to help SMEs pivot from traditional to more digitally-savvy business models.

Our SME assistance model

Access to finance to manage cashflow	Access to markets	Skills development	Tailored business connectivity and productivity solutions
We support SMEs in accessing finance to better manage their cash flows in the face of reduced revenues.	We support SMEs in reaching their customers and creating awareness around their brand, products and services through digital marketing.	We provide skills development to SMEs to pivot from traditional business models to digitally savvy business models able to use various digital business solutions and marketing.	We offer tailored products and services to cater to the needs of SMEs.

Beyond our support of SMEs, we support digital innovation through our centre of excellence, which drives our ICT enterprise strategy. In addition, we facilitate digital innovation through Chenosis, our cross-industry sector API marketplace for developers, start-ups and businesses.

In 2023, the MTN Foundation, in partnership with the National ICT Innovation Hub and Centenary Technology Services, implemented the MTN Innovation Program, the ***'Ace Tech'*** initiative. The program is delivered by Refactory, a local technology academy, whose focus is on skilling work ready talent for software engineering and related disciplines.

In addition, the MTN MoMo subsidiary, in an effort to optimize the growth potential of the digital economy and social economic transformation of Uganda, ran the MTN MoMo open API Hackathon to drive financial inclusion and innovation. This event provided an opportunity for Ugandan-based developers to showcase their creativity by leveraging the MTN MoMo API platform to create innovative mobile applications.

Value distribution

Our activities drive economic value in Uganda. This value is distributed to our stakeholders in a multitude of ways only some of which are measurable. This includes:

Value base	Amount – 2023	Amount – 2022
Taxes	**UGX 1.1 trillion**	UGX 927 billion
Business – amount spent on local suppliers and contractors	**UGX 804 billion**	UGX 630 billion
Social – employee staff costs	**UGX 134 billion**	UGX 125 billion
Social – employee learning and development	**UGX 1.4 billion**	UGX 1.4 billion
Social – corporate social investment	**UGX 4.4 billion**	UGX 3.9 billion

Our Corporate Social Investment Impact

Doing through the MTN Foundation

In July 2007, MTN established the MTN Foundation as an incorporated trust for the purpose of focusing the company's corporate social investment initiatives that are aimed at contributing to the reduction of poverty and fostering sustainable development in Uganda. The MTN Foundation is a channel through which all our impact activities align with the digital transformation strategy for Uganda and leverage our position within the ICT ecosystem, in line with ***Ambition 2025***.

The main objective of the MTN Foundation is to improve the quality of life in communities across the country by supporting and implementing sustainable projects in four thematic areas: Youth Empowerment, Education, Health, National Priorities and ***Y'ello*** Hope Support. The foundation's objectives are strategically tailored to address national challenges aligned with the NDP as well as the global targets set through the UN SDGs.

The MTN Foundation is funded annually by an endowment of 1% of MTN's profit after tax and partnerships with credible public and private non-profit organizations to execute sustainable projects in each of the chosen focus areas.

Education	Health	Youth Empowerment	*Y'ello* Hope (National Priority Areas)
Meet the needs of communities by enabling GOU NDP and UN SDG goals on education by enabling digital literacy	Meet the needs of communities by enabling GOU NDP and UN SDG goals on health by enabling access to healthcare	Provide the youth with the tools, skills, access, knowledge and opportunities to become economically active citizens	Provide micro-level support in disaster/ humanitarian/ pandemic prevention, relief and recovery

MTN Foundation Pillars

Youth empowerment

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

Uganda has the world's youngest population with over 75% of its population below the age of 30 according to the Uganda Bureau of Statistics. In addition, Uganda also has one of the highest youth unemployment rates in Sub-Saharan Africa.

As indicated in the *National Youth Action Plan 2016*, GOU has prioritized implementing programs that strengthen the entrepreneurship skills of the youth with the view of making them job creators through the development of viable and sustainable enterprises while ensuring increased female participation in male-dominated trades. In line with this objective, the MTN Foundation contributes towards the skilling of girls in male-dominated trades as well as sponsoring initiatives geared towards improving digital literacy among the youth.

Education

The MTN Foundation has made significant contributions to improving literacy in Uganda through its support of education initiatives in the country. These efforts have focused on improving the quality of education in marginalized communities across various regions of Uganda. As a result, the MTN Foundation has played a key role in helping to increase literacy levels in the country.

Projects implemented have been anchored on the provision of financial support for infrastructural aid in schools and vocational institutions, provision of furniture and equipment, refurbishment of dilapidated structures, and offering of scholarships to underprivileged students. MTN Foundation has taken initiatives to actively promote the adoption of digital learning and skilling aimed at improving learning outcomes and results in schools. These interventions have been able to contribute to an increase in the availability of learning facilities through construction and refurbishment of related infrastructure, an improvement in student performance, and an improved learning environment that facilitates ICT integration in youth skilling.

Health

UN SDG 3 (*Good Health and Well-being*) fosters healthy lives and promote well-being for all at all ages.

UN SDG 3 has nine goals and targets, of which MTN Foundation chose to implement the goals related to the reduction of the global maternal mortality ratio; end preventable deaths of newborns and children under five years of age; end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.

MTN Foundation also implements the goals related to strengthening the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol and ensuring universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes.

Y'ello Hope (National Priority Areas)

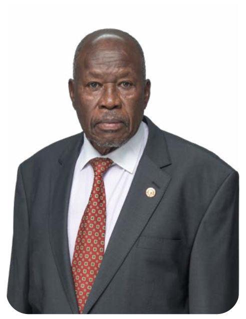
Uganda is the third-largest refugee-hosting country in the world and the largest refugee-hosting country in Africa. The country's progressive refugee policy enables refugees to enjoy access to asylum, freedom of movement, the right to work and own a business, and access services such as healthcare and education.

However, despite Uganda's welcoming policy, refugee women, men, girls, and boys of diverse backgrounds face numerous challenges to accessing social and economic opportunities, and services such as healthcare, education, and food assistance.

MTN Foundation governance

Board of Trustees

The MTN Foundation is governed by a Board of Trustees made up of eminent members of society. The execution of approved strategy and the day-to-day running of the Foundation is entrusted to a senior management team led by the General Manager - Corporate Services.



George William Egaddu

George Egaddu is the current chairperson of the Board of Trustees.

He is a chartered accountant with a wealth of experience spanning 40 years in financial, audit, strategic and risk management.

He previously served as a partner with PricewaterhouseCoopers.

Professor William Bazeyo

Professor William Bazeyo William is a physician, public health specialist, academic researcher and administrator.

He is the Lab Director and Chief of Party of Resilient Africa Network. He previously served as the Dean and Deputy Vice Chancellor at Makerere University Kampala for 20 years.

Lulama Marytheresa Xingwana

Lulama Marytheresa Xingwana currently serves as the South Africa High Commissioner to Uganda.

She previously served the Government of South Africa as a Member of Parliament and Deputy Minister of Minerals, among other roles.

Onapito Ekomoloit

Onapito Ekomoloit served at Nile Breweries as the Corporate Affairs Director.

He is a corporate affairs, governance and risk professional with extensive experience in both the public and private sector. He is currently the Chairperson of the Board at Nile Breweries.

Case Studies

New dormitory and computer laboratory at Salama School for the Blind

Pillar: Education and ***Y'ello*** Hope

MTN Foundation, in collaboration with the Ministry of Education and Sports, commissioned a state-of-the-art dormitory at Salama School for the Blind in Mukono District. Salama School for the Blind tragically lost 11 students in 2022 after a fire incident, underscoring the pressing need for improved facilities to ensure the safety and well-being of its pupils.

The newly constructed dormitory, built with a 70-bed capacity, was fully furnished with beds and mattresses.

The facility includes self-contained units and caretaker quarters, providing a comfortable and secure living space for the school's 72 boys and girls.

Safety measures include state-of-the-art firefighting equipment, security cameras, and fire detection systems. In addition to the dormitory, the school was equipped with a cutting-edge computer library designed specifically for visually impaired children.

MTN Skills Academy

Pillar: Youth Empowerment and National Priority Areas

MTN Foundation launched the ***'MTN Skills Academy'*** to develop young professionals and entrepreneurs as producers, consumers and innovators of digital technologies.

The academy provides vital access to digital and financial skills, and will be implemented in collaboration with the Ministry of ICT, the National ICT Innovation Hub, ATC Uganda and Huawei Technologies.

The ***'MTN Skills Academy'*** focuses on solutions to digital challenges facing the youth in Uganda in the wake of the Fourth Industrial Revolution.

Young people can obtain career guidance counselling, receive free online training in digital and financial skills, build work readiness to boost employment prospects and be exposed to public and private sector-wide job opportunities to enhance job placement possibilities. We have over 931 beneficiaries of the project.

Therefore, by bridging the gap between high demand and low supply, we aim to increase digital skills among young Ugandans and increase employment opportunities.

MTN ACE Programme

Pillar: Education and Youth Empowerment

MTN Foundation launched a digital skills initiative known as ***'MTN ACE Tech'***.

The programme is aimed at skilling work-ready talent for software engineering and related disciplines, providing training for both entry-level and experienced digital innovators.

The programme was launched in 2022 in partnership with the Ministry of ICT, the National ICT Innovation Hub, Centenary Technology Services, Refactory, a local technology academy, the Makerere University Business School Entrepreneurship Innovation and Incubation Centre, as well as MTN MoMo.

In 2023, 410 youths were selected to participate in the inaugural cohort of the programme, with 333 graduating. The programme targets Ugandans with innovative ideas to solve real-life problems across all sectors, with a specific focus on Uganda's NDP and *Vision 2040* development priorities.

MTN Changemakers

Pillar: Education, Health and Youth Empowerment

MTN Foundation selected 25 projects for the inaugural ***'MTN Changemakers'*** initiative through which technical and financial assistance will be provided to third-party projects or programmes that fall within the foundation's focus areas of economic empowerment, education and health, and which demonstrate a direct community impact.

After a competitive evaluation process, 25 projects were selected across five sub-regions: Northern (West Nile, Lango, Acholi, and Karamoja); Eastern (Busoga, Teso, Bugisu, and Bukedea); Greater Central (Luwero, Mpigi, Masaka, and Mukono); Central (mainly Kampala) and Western (Kigezi, Bunyoro, Ankole, and Tooro).

The selected projects were implemented in 2023, and their impact will be profiled over the course of 2024.

Girls in Tools / Tech

Pillar: Youth Empowerment and National Priority Areas

MTN Foundation sponsored the MTN ***'Girls with Tools'*** programme. In collaboration with the Smart Girls Foundation, the foundation set up a facility in Kitetika, Gayaza, Wakiso District with the capacity to train 400 young women annually. The training is within traditionally male-dominated vocational skills, and last year, 90 participants were passed out at two graduation ceremonies held at the MTN ***'Girls with Tools'*** Skilling Centre.

The facility features a modern computer laboratory, a vehicle servicing station, and a washing bay. With a focus on developing skillsets such as mechanics, computer application, electrical installation, welding, carpentry, tailoring and house painting skills, this female-focused economic empowerment programme puts the wellbeing of young women at the forefront, giving them the chance to gain control over their own lives.

A key aspiration of this programme is to ensure girls and women have the necessary skills and knowledge to participate fully in ICT-tools.

MTN *Y'ello* Care Campaign

Pillar: National Priority Areas

MTN Foundation and its partners marked the annual 21 Days of ***Y'ello*** Care, an economic and social empowerment initiative designed to provide financial and non-financial support to underserved businesses and communities. ***Y'ello*** Care is an opportunity for MTN employees to volunteer their time and resources to support their communities.

In 2023, the initiative ran for 25 days to mark MTN's 25 years of operations.

Each year, the campaign focuses on a different theme, reflecting MTN's multifaceted approach to social responsibility and last year, the theme was "Empowering entrepreneurs to unlock growth and job creation for communities". This theme was chosen because of the role that SMEs play in driving economic development in Africa.

Collaborating partners included the Uganda Small Scale Industries Association, Maendeleo Foundation, Centenary Technical Services, Centenary Foundation and Tunaweza Foundation.

MTN's 21 Days of ***Y'ello*** Care campaign was named the overall winner at the MTN Group 2023 ***Y'ello*** Care Awards.

Risk Management Report

Delivering robust data privacy and data protection controls

Samuel Gitta, the General Manager - Risk and Compliance oversees the effort to identify and manage risks to the business.

Q&A

SAMUEL GITTA
General Manager – Risk and Compliance

Q

How would you characterise MTN's risk environment and your view of it?

A

We operate in a complex, dynamic and fluid environment commonly termed "VUCA" [volatility, uncertainty, complexity and ambiguity], and organisations must design risk models that are forward-looking and agile in response. However, response alone is reactive. It is equally critical to mitigate against the occurrence of risks as the related impact could significantly destroy value.

The other aspect is getting the whole organization to operate with a risk mindset because everyone is a risk manager in their own execution domain. This level of maturity is necessary to achieve enterprise-wide risk management, which entails the use of a focused principal risk universe. We have one in place at MTN and we continually review this universe to reflect changes in strategy, regulation and industry or market innovations.

The key risk areas that we cover are strategic, governance, financial, technology, operational and external risk.

"The whole organization operates with a risk mindset because everyone is a risk manager in their own execution domain."

Q

Talk us through the key risks that you have had to contend with over the past year?

A

I will cover four bases: data privacy, cybersecurity and consumer fraud, taxation, regulatory policy predictability and market competition.

With regard to data privacy and consumer fraud, we have taken a proactive approach without necessarily waiting on prescriptive regulation because we believe that there is more to personal data privacy than regulatory compliance.

One of our initiatives has been *Project Guardian*, which was officially launched in July 2022. *Project Guardian* is a three-year programme aimed at implementing minimum data privacy and data protection controls across the MTN footprint (including our third-party stakeholders) and provides a blueprint for privacy management and compliance.

With regard to cybersecurity and consumer fraud, the rapid technological innovation we have witnessed in the last decade has of course been exciting and presented wonderful opportunities, but this evolution has also increased malicious attacks on information technology systems and infrastructure. We have focused on improving our information security resilience through the implementation of security capabilities and controls to protect customer data and business information.

We also partnered with media fraternity, the Ministry of ICT and UCC to launch the ***'Beera Steady - Be Better'*** campaign. This behavioural campaign will raise awareness about digital security and financial literacy.

We received the *ISO 27001 Information Security Management System* certification. This certification demonstrates MTN's commitment to data confidentiality, integrity and availability of services our customers. This is of course in addition to our existing system and security standards certification by National Information Technology Authority for our key technology platforms.

We did not have any significant cyber breach in 2023 and are proud that our controls were externally validated.

We operate a tax risk management framework aimed at ensuring that tax risks are properly identified, prioritised and managed in accordance with MTN's integrated risk management process. We also conduct regular engagements on new tax policies with the Ministry of Finance and the Uganda Revenue Authority to ensure that tax policy proposals meet both MTN and GOU's agenda of social economic transformation.

For regulation, the regulatory environment in Uganda is varied and ever evolving, with increasing compliance requirements placed on telecommunications and mobile money operators. We monitor developments across our local footprint to ensure response readiness.

In terms of competition, we face aggressive competitor activity on all core services. We have focused on defining our competitive advantage in the digital world, investing in network capacity and other core enterprise areas to maintain coverage and quality of existing services and to position ourselves as a future-proof operator.

Q

What is your 2024 aspiration, and how do you perceive the changing role of risk managers?

A

We expect the risk landscape to remain similar in 2024 and as we detail further ahead in this report, our approach will continue to align risk management, compliance and corporate governance. To achieve a successful implementation of our risk management objectives, setting the right tone and robust monitoring of risk bases is crucial.

Risk management is not the same as it was ten or even five years ago. As data, technology and AI evolve, it is also important that risk and compliance processes grow with them, but there must still be respect for traditional models because risk management requires a holistic approach that combines human expertise and technological capabilities.

Risk Management Approach

Material matters framework

Our material risk matters are those that could substantially affect our ability to create and preserve value in the short, medium and long term. In 2023, we continued to progressively review our materiality determination process, endeavouring to make it more thorough, inclusive and integrated. Material risk matters that were noted over the year resulted in the enhancement of our strategy, and are influenced by stakeholder concerns, company risks and the operating environment across Uganda.

Managing material risk matters - at MTN, we manage material matters by identifying, prioritising, responding and reporting on them

Identify

We determine our material matters by considering matters of significant importance to our stakeholders and factors that receive the most management and Board attention during the year.

Prioritise

These central themes then form the basis of discussion at internal workshops at which representatives of key departments participate. They prioritise MTN's material matters by considering the scale and nature of their impact on business operations, financial performance and interest of our stakeholders.

Respond

We respond to our material matters by putting in place appropriate management actions to capitalise on those factors that offer opportunity for greater value creation, as well as interventions to mitigate those which have the potential to disrupt it.

Report

We report on the material matters identified to all our stakeholders, both internal and external.

Our overarching risk management principle is to take calculated or balanced risk within the guardrails of compliance and institutional sustainability. The Board sets the thresholds within which management takes risk, and on a quarterly basis (or as and when necessitated), the risk status dashboard is reported to the Board as the topmost governance platform for oversight.

Our risk management practice is based on the *ISO 31000* risk management guidelines, the Committee of Sponsoring Organizations' ERM framework and the King Report (IV) on Corporate Governance.

This is complemented by other discipline-specific standards like *ISO 27001* on Cybersecurity, *ISO 370301* on Compliance and *ISO 22301* on Business Continuity. The framework ensures accountability for risk management across the value chain.

Internal assurance approaches and our key matters

MTN is committed to continuous improvement of its risk management as a cornerstone for sustainable success.

The risk management processes are, therefore, subjected to regular reviews and benchmarking.

Our risk management involves a comprehensive approach that encompasses the following key elements: risk assessment, risk mitigation, contingency planning, insurance coverage, regulator monitoring, employee training, collaboration with key stakeholders like regulators, customer communications (especially in cases of service disruptions) and continuous audits and reviews.

Our risk and compliance division uses different risk management techniques like regular involvement and inquiry in business operations, automation and deep data mining informing, weekly *"Risk Heartbeat"* reporting to the executive committee, and quarterly risk reports to the Audit and Risk Management Committee.

These reports cover changing risk exposures, timely risk escalation and the general risk management status across the organization.

The risk and compliance function also oversees the discharge of all regulatory compliance responsibilities. The function monitors, assesses and reports quarterly to the Audit and Risk Management Committee on the status of our regulatory compliance obligations.

The process of compliance risk management encompasses:

- *identifying all primary and secondary laws that are applicable to the telecommunication sector and prioritizing them;*
- *incorporating regulatory requirements into our processes, procedures, policies and controls;*
- *2nd line assurance to ascertain the level of compliance with all regulatory requirements and recommending corrective measures to ensure compliance; and*
- *escalating to the Audit and Risk Management Committee in the unlikely event that there is a material non-compliance risk identified.*

The regulatory environment is changing constantly, and the division updated its compliance universe and executed a compliance risk management plan.

This represents a structured approach that MTN uses to manage compliance related risks. The plan aims to proactively address any potential issues whilst maintaining a culture of compliance.

Material compliance changes in 2023

SIM-card registration

The Ministry of Security issued the Regulation of Interception of Communications Regulations 2023, which were published on 12 May 2023. These regulations gave legislative force to the UCC's Operational Guidelines on SIM-card Registration 2020. The purpose of the regulations is to:

- prescribe specific requirements for the different categories of SIM-card customers;
- set requirements for verification of information provided;
- harmonize the different UCC directives on SIM-card registration; and
- create sanctions and offences for persons in breach of SIM-card registration processes.

The regulations require telecommunication service providers to suspend the provision of services to every consumer who would not have fully registered or regularized their registration details. Accordingly, on 12 November 2023 some of our customers were impacted as a result of this compliance obligation. This affected less than 1% of the customer base. The suspended customers were provided a 90-day period to regularize their SIM-card registration for restoration of service.

Taxation

We recognize the significance of tax risk management as well as the need to uphold the highest standards of ethical tax practices. Our approach to handling tax risks is grounded in a commitment to compliance and transparency which in turn has been fundamental in establishing a good relationship with the Uganda Revenue Authority.

There were no new tax heads with direct impact on our operations in 2023. To mitigate potential tax risks, the risk and compliance division conducts regular internal risk assessments. This proactive approach enables us to provide assurance on our compliance to the different tax obligations. We continue to engage with the Uganda Revenue Authority on open tax reviews, especially in relation to our historical tax return filings.

In 2023, the revenue authority issued a formal assessment on historical tax filings related to excise duty on over-the-top media services. MTN has sought judicial determination with the tax appeals tribunal.

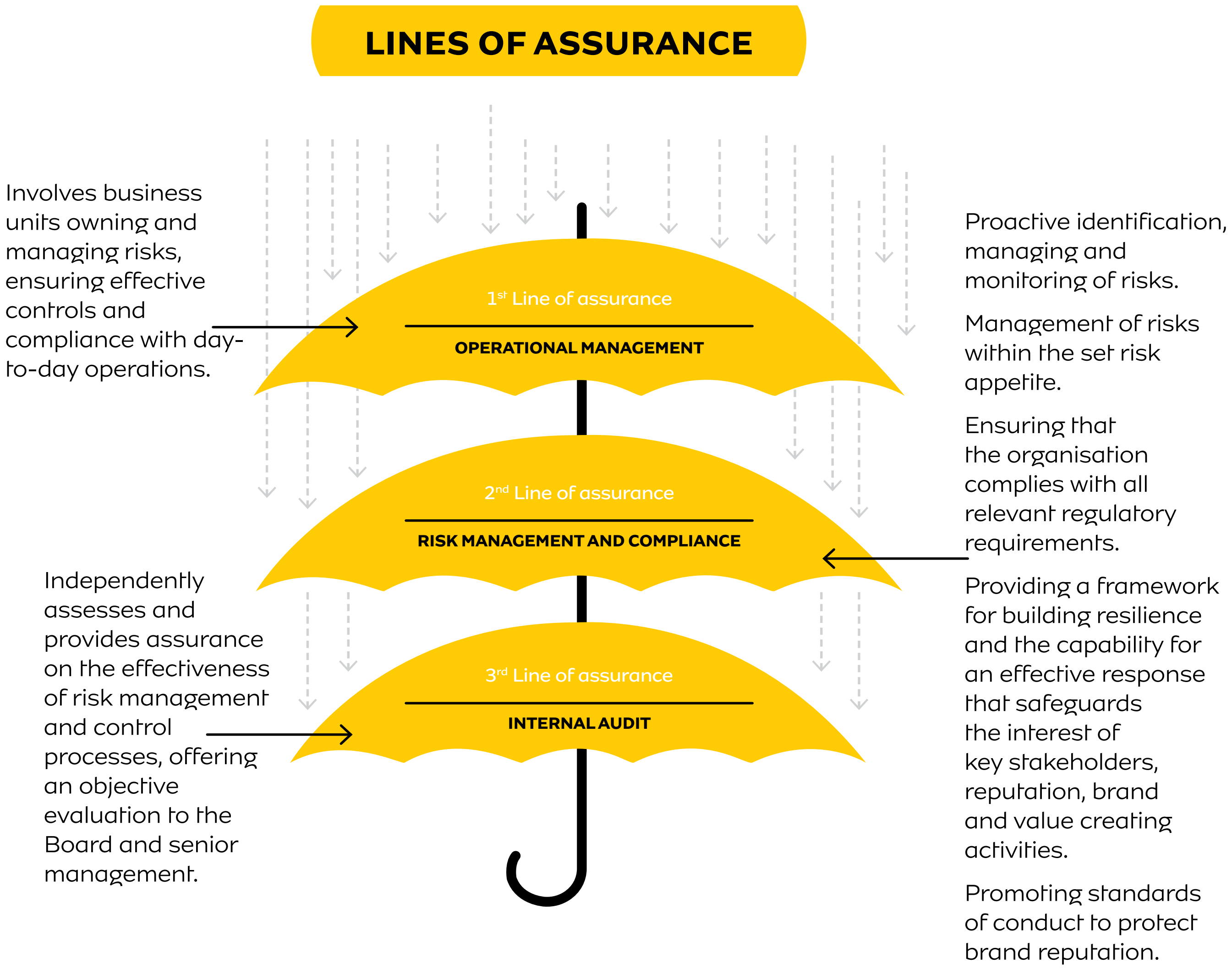
Data protection and privacy

MTN has a low-preference level for data privacy risks. In collaboration with MTN Group, and as part of the *Project Guardian* initiative, we engaged a consultant [KPMG] to carry out a groupwide assessment of our data privacy control environment and propose areas of improvement. Following this initiative, a number of data privacy and data protection controls have been implemented across MTN with the main aim of ensuring that we maintain a high standard of data privacy controls.

MTN is also registered with the Personal Data Protection Office as a data collector, data processor and data controller in accordance with the Data Protection and Privacy Act 2019. In 2023, MTN held several consultative and collaborative engagements with the data protection office to drive up the level of awareness and compliance on data privacy for all players within the MTN ecosystem.

Three lines of defence strategy

To ensure the effectiveness of our risk management process, the company relies on the *'Three Lines of Defence'* model, which provides a clear allocation of responsibilities for the ownership and management of risk to avoid overlaps or gaps in risk governance.



Risk management governance structure

Board	The Board sets our overall risk appetite, approves our risk management strategy and is ultimately responsible for the effectiveness of the risk management process and system of internal control within the company. The Board oversees risk management through the Audit and Risk Management Committee. The Board, through the committee, reviews the framework for the identification, measurement, and management of risks; reviews quarterly risk management reports and directs appropriate actions to be taken by senior management. The Board also periodically evaluates the company's risk profile and action plans to manage the identified risks and progress on the implementation of these plans.
Governance Committee (Management)	The risk governance committee serves as the risk management committee at management level. It comprises key divisional executives with responsibility for providing risk oversight, co-ordination, facilitation, monitoring and challenging the effectiveness and integrity of our risk management processes. The governance committee reviews risk exposure reports and recommends appropriate mitigation actions, and reviews and recommends appropriate policies and standards for the management of risks faced by the company.
Risk and Compliance Division	The risk and compliance division oversees the day-to-day risk management activities within MTN. The division provides central co-ordination and oversight for all risk management activities in the company to ensure that the full spectrum of risks is identified, measured, monitored and controlled. The risk and compliance division coordinates the development of risk management policies, procedures and standards to assist in the effective management of risks; monitors the overall risk profile; collaborates with other divisions to redesign controls that mitigate deficiencies noted in the internal and external audit reports; and reports on aggregate risk profile, control effectiveness and mitigation actions taken.
Internal and External Audit	The company's internal audit and fraud management division provides independent and objective evaluation of the effectiveness of our risk management and internal control system. The internal audit and fraud management division provides independent assessment and evaluation on the adequacy and effectiveness of the ERM, and provides assurance on the company's compliance with risk policies. The external auditors report on risk management, internal control and compliance issues that come to their notice during their statutory audit.

2023 Risk Profile

In our commitment to transparency and stakeholder engagement, we present a comprehensive risk profile that reflects our proactive approach to identifying, assessing, and managing potential risks. Our risk profile is aligned to our strategic imperatives and maintained on MTN's risk dashboard. To provide the appropriate level of governance and oversight for effective management of these risks, we categorized the risks faced by MTN into six broad (***Level 1***) risks which are further split into 28 principial risks (*Level 2*) and whose ownership is assigned to either one or multiple executives within MTN.

Material risks to creating value

The principal risks that the company faces, and the mitigation actions taken are explained below:

Taxation Risk

Risk Issues and Opportunity

MTN is subject to tax related scrutiny and that is influenced by old and new legislation.

Opportunity:

Proactive tax readiness through self-initiated tax health-checks.

Continuous stakeholder engagement on new tax proposals.

Mitigating Strategies

- Engagement on tax policy and collaboration with tax authorities.
- Proactive assurance checks that are complemented with external advisory.
- Implementation of internal tax management control protocols.

Regulatory and Compliance Risk

Risk Issues and Opportunity

MTN operates in a volatile regulatory landscape. The regulatory environment is varied and ever evolving, with increasing compliance requirements. We monitor developments to ensure response readiness.

This is majorly influenced by the Communications Act, UCC directives, the NPS Act, the Regulation of Interception of Communications Regulations 2023, the Data Protection and Privacy Act 2019, the Anti-Money Laundering Act 2013, the Companies Act, the USE Listing Rules 2021 and our NTO Licence.

Opportunity:

Our environment allows us to proactively engage regulators and other industry stakeholders on emerging issues. This improves our ability to comply with regulatory requirements and work closely with regulators and policy-makers.

Mitigating Strategies

- Instilling a culture of no-tolerance for non-compliance within MTN and its partners, and demonstrable strict enforcement of compliance programs.
- Customer-centred targeted and proactive stakeholder engagement to ensure rationality and predictability of emerging changes.
- Regular oversight and assessment of MTN's executions against the company's compliance universe, and the MTN Group compliance management maturity standards.

Competition Risk

Risk Issues and Opportunity

There is aggressive competitor activity on all core services often price-based. This is driven by traditional players, and traditional and new players in the fintech space.

Opportunity:

Leverage cross-product modelling to customers, and improve customer experience to create a differentiating factor.

Consolidate brand/product trust, customer experience and culture.

Mitigating Strategies

- Customer-centred delivery from product innovation and service delivery.
- Regular commercial performance monitoring and agility in interventions, including product and price reviews.
- Efficient technology investments, for example network capacity and coverage expansion, optimization through refarming, and deployment of additional spectrum.
- Scenario planning and testing to ensure readiness.

Information Security Risk

Risk Issues and Opportunity

Cybersecurity remains a top priority as the related attack vector is widened by the MTN's decentralized digital distribution and a MTN MoMo ecosystem comprising of partners at varying cyber maturity levels. The threat of cybersecurity breaches is a challenge that we continuously assess and mitigate. The digital safety of our customers and their data is critical.

Opportunity:

Implementation of the information security control improvement masterplans aimed at a holistic approach to cybersecurity control at all layers.

Mitigating Strategies

- Implementation of cybersecurity control enhancement program, including to third parties in the operational ecosystem.
- Regular cybersecurity reviews .
- Cybersecurity governance and operational structures.
- Heighten monitoring, reporting and response on threats to cybersecurity.
- Upgrades to the cybersecurity environment.
- Cybersecurity awareness campaigns.
- Enhance controls to continually improve the safety of customer data.
- Combined assurance approach at all transactional levels.

Macroeconomic Risk

Risk Issues and Opportunity

Global and regional macroeconomic volatility has had a cross-border impact. The war in Ukraine triggered imported inflation pressures, which in turn affected consumer disposable income and increased network operational expenditure.

Due to the above, BOU issued stringent monetary policy interventions and lending rate adjustments that could affect debt servicing and foreign currency obligations.

Opportunity:

Implementation of our business continuity contingency plans, demonstrating business resilience in the process.

Mitigating Strategies

- Pursue our growth ambitions, leveraging greater balance sheet flexibility.
- Progressive financial performance monitoring to inform agile commercial interventions.
- Successful liquidity management and company debt restructuring.
- Successful cost efficiency implementation in the technology space (for example, renewable energy as energy source for upcountry cell-sites).

Material events report: regulatory report for 2023

MTN received no regulatory sanctions in 2023. The company also successfully secured the annual compliance certificate from UCC in accordance with the requirements of the NTO Licence.

Doing ethically everyday

At MTN, we have created a working environment where all employees and organisational stakeholders who interact with us understand the depth and breadth of ethical behaviour and have the tools to act appropriately in the face of ethical challenges and opportunities.

We uphold the highest standards of ethical and professional conduct. Our corporate governance practices are in line with various regulatory standards. Our employees and service providers are required to strictly adhere to our codes of ethics and anti-corruption policies, among other policies that require the maintenance of high ethical standards.

All these controls are in place to protect the company, its employees, and affiliates from inadvertently running afoul of laws and regulations. We have created the *MTN Conduct Passport,* which emphasizes our commitment to our operations and demonstrates the standard of ethics and conduct to be met by individuals employed by MTN, or entities that are engaged in business with MTN.

Over the last two years, we enhanced our ethics landscape by addressing areas identified for improvement in the ethics risk assessment. The risk assessment is conducted regularly to monitor our ethics risk profile and the maturity of our ethical culture. We have carried out a number of activities including dedicated staff training and staff communications which are designed to drive a high standard of ethical behaviour in line with the *MTN Conduct Passport*.

The following were some of the outcomes:

- Increased awareness around general conduct and key ethics themes for employees through the *MTN Conduct Passport*
- Held MTN supplier engagement forums where the Supplier Code-of-Conduct was disseminated to all suppliers
- Held company-wide ethics messaging by executives on the *MTN Conduct Passport*, acceptable usage, disciplinary code of conduct, insider trading, fair recruitment and digital human rights
- Conducted policy awareness on gifts declarations and conflict of interest declarations by way of staff communication

Accountability, transparency, fairness, responsibility, and integrity are at the core of our values.

We have zero tolerance for fraud. MTN ensures that all employees, suppliers and partners are made aware of our fraud policies and procedures which we communicate via various internal and external communication channels. Our Board members and management demonstrate openness, honesty, and integrity as role models who influence ethical behaviour.

Principles that govern our ethical behaviour

Conduct Passport

The *MTN Conduct Passport* is the foundation for setting the tone regarding our code of conduct. Our values lead to success and underpin our relationships and trust with employees, customers, business partners, shareholders, communities and society. The *MTN Conduct Passport* emphasizes our commitment to our operations and demonstrates the standard of ethics and conduct to be met by individuals employed by MTN, or entities that are engaged in business with MTN.

Anti-bribery and corruption policy

MTN considers violations of anti-corruption and anti-bribery laws and regulations to be a grave matter due to the negative impact of these violations on social and economic growth and undermining of rule of law and public trust. This leads to distortion of the economy, restricting access to basic human rights and undermining labour standards; all of which can potentially cause serious damage to MTN's reputation. This policy communicates MTN's stance towards the prevention of bribery and corruption and provides guidance on recognizing and dealing with these issues. The policy also articulates MTN's commitment to prohibiting bribery and corruption.

Conflict of interest policy

MTN recognises that the management of conflicts of interest is of high importance in promoting ethical conduct. The declaration of conflicts of interest is essential in protecting the integrity and objectivity of MTN's decision-making process and strengthens confidence among stakeholders in MTN's procedural and governance structures.

Gifts, hospitality and entertainment policy

MTN adopts a "no gift" stance. MTN is committed to fair dealing when conducting its business and strives to always act with due skill, care, and diligence. MTN adopts a zero-tolerance attitude towards fraud, bribery, corruption, or any other associated act within the public or private sector. No employee may accept any gift, entertainment, hospitality, or form of gratuity from any third party of MTN. Similarly, no employee should offer any gift or gratuity to any third party without the required governance authorizations.

Supplier Code of Conduct

We conduct business with suppliers who share our commitment to high ethical standards and operate in a responsible and ethical manner. Ethical requirements include:

- demonstrating a zero-tolerance policy prohibiting any and all forms of corruption and bribery;
- never offering or promising any personal or improper advantage in order to obtain or retain a business;
- avoiding the appearance of or actual improprieties or conflicts of interests; and
- avoiding giving gifts to MTN employees.

We regularly apprised suppliers of the requirements of this code of conduct through our supplier fora.

Customer data protection and safety

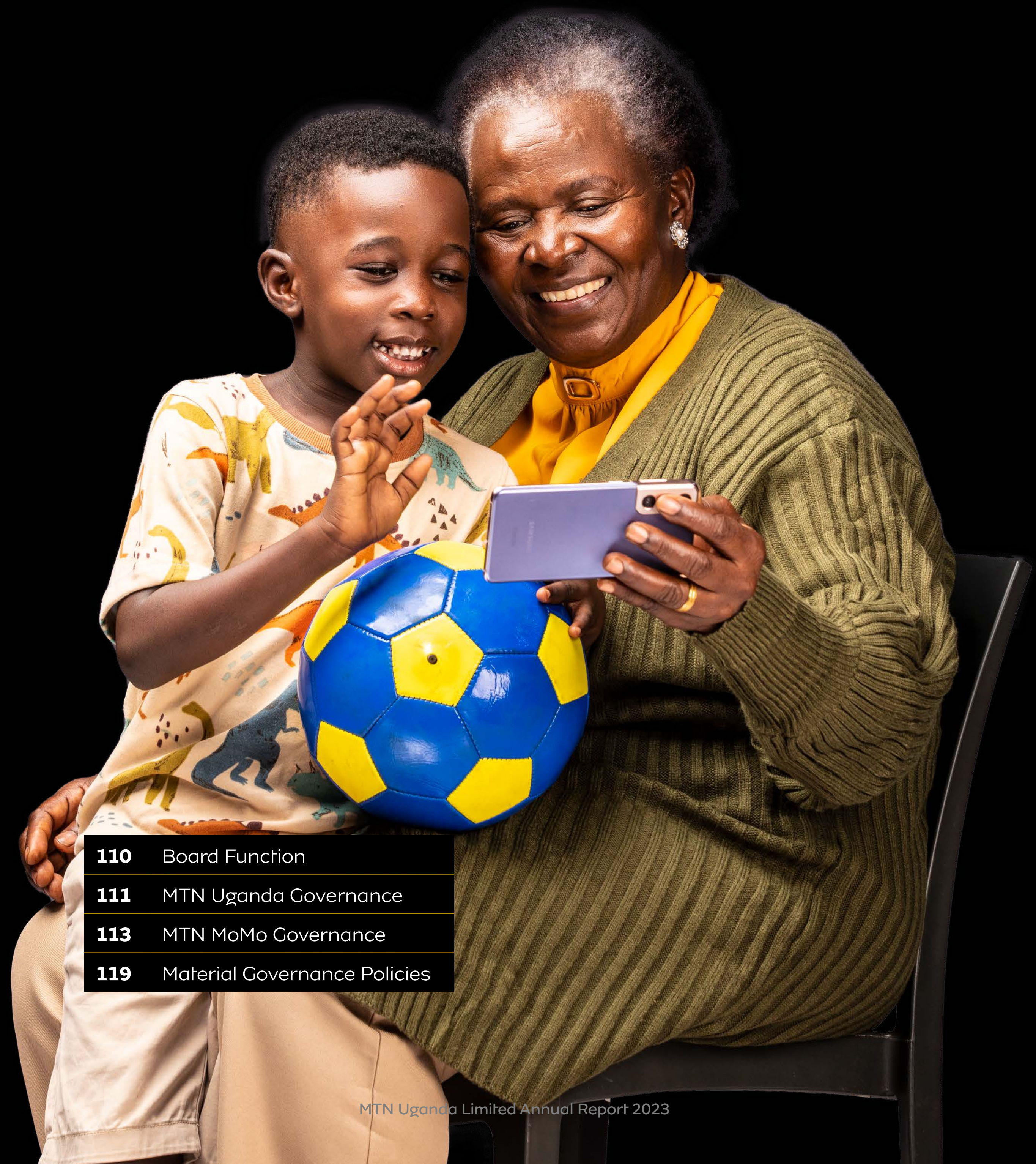
Protecting customer data and privacy in communications are crucial for telecommunication services. MTN believes that data privacy is a digital human right, and we have adopted a data privacy and protection policy designed to ensure that our clients' data is handled appropriately and in line with the regulatory expectation of a registered and accountable person.

Our data protection and privacy controls are routinely tested by both internal and external reviewers. From a technology and cyber security perspective, MTN received the ***ISO 27001 Information Security Management System*** certification.

Corporate Governance Report

doing drops jaws

MTN



Our Corporate Governance Philosophy

MTN is committed to the highest standards of governance, business integrity, ethics and professionalism.

Corporate governance is the cornerstone of the company's approach to doing business and ensures that the company always operates responsibly at all times. We believe that good governance enables us to live our values through enhanced accountability, corporate responsibility, transparency and effective leadership.

The Board provides oversight using a combined assurance model which considers the role of management, control functions, internal and external audit and Board committees.

The Board uses a simplified governance approach in a complex environment as it strives to create shared value with the company's key stakeholders.

To remain in line with best practice in the dynamic environment in which we operate, we continually evaluate our governance architecture and philosophy.

MTN continually aspires to achieve value creation through robust governance and our governance philosophy and ecosystem is grounded on the core elements of good governance, including transparency, integrity, sound policy, stakeholder participation, accountability and anti-corruption.

We deliver on our belief and ensure the relevance and sustainability of our business by monitoring the macro environment, the availability of appropriate capital inputs and our impact on these, as well as the needs of our stakeholders . Our governance processes ensure that we are a sustainable business and that we create and preserve value for ourselves and our stakeholders.

MTN governance ecosystem

MTN's governance ecosystem reflects the connection in establishing sound governance principles and practices, which serve as a foundation for ***Ambition 2025***

- Remuneration philosophy
- Human resources practices and employment equity
- Organisational ethics
- Ethical and effective leadership
- Strategic direction and stewardship

- Board composition
- Board and committee effectiveness
- Governance risks and opportunities
- Internal controls and assurance
- Stakeholder inclusivity
- Technology governance

Board Function

As a core element of our corporate governance philosophy, we recognise that an effective Board must have the expertise and competence to promptly and appropriately address current and emerging issues.

We continually aspire to achieve value creation through robust governance. The Board is committed to good governance and international standards of best practice, and to ensuring an unequivocal tone from the top that requires a commitment by all directors and employees to the values of integrity, transparency and oversight.

We operate a unitary board structure where the roles and duties of the Board Chairperson and Chief Executive Officer are separate and clearly defined so as to conform with corporate governance best practices with regard to the independence of the board from management. The Chief Executive Officer reports directly to the Board and her performance is reviewed on an annual basis.

The Board has non-executive, executive and independent directors serving collectively, which ensures effective monitoring and oversight whilst achieving balance of power and diversity of viewpoints and perspectives.

The Board establishes the strategic objectives and the corporate values of the company. In addition, the Board provides oversight of the company's business, operations, practices, performance and policies. The Board has a charter which sets out the following key responsibilities:

01 Delegating the management of the company to a competent executive management team

02 Ensuring that management defines and executes a robust strategy process

03 Ensuring MTN's compliance with applicable laws and rules and appropriate best practices

04 Governing disclosures so that stakeholders can assess the performance of the company

05 Protecting the interests of the company's stakeholders and ensuring fair, responsible and transparent people practices

06 Overseeing the combined assurance and control functions

In addition to these core responsibilities, the Board has other obligations under applicable law, specifically the Companies Act, which sets out the duties of directors, and has in place arrangements to ensure directors are updated on new laws and changes in legislation.

Board Composition

The Board comprises directors with diverse skills and competencies, extensive international and local experience and insight of the business areas in which MTN operates.

The Board is comfortable that it has the requisite skills and experience across its committees to discharge its responsibilities.

The Board acknowledges the importance of board balance and the need to have a sufficient number of independent directors. Independent directors bring immense value: an independent and objective view; new skills, knowledge and experience with positive impact on strategy development and oversight; safeguarding the interests of minority shareholders and other stakeholders; and providing reassurance to external shareholders that the company's affairs are being run in an effective manner.

The Board currently has four independent directors and three non-executive directors, a balance that is in line with the requirements of the Capital Markets Corporate Governance Guidelines 2003 and the Companies Act.

MTN Uganda Governance

Board of Directors

Date appointed
25 Feb 1998

Charles Mbire
Chairperson

Qualifications
BA (Economics), MBA

Skills
Economics, Finance, Investment, Business Strategy, Governance

Committees
ARM, RHSE

Date appointed
25 Feb 2021

Yolanda Cuba
Non-executive director

Qualifications
BCom (Accounting and Statistics), MCom

Skills
Accounting, Finance, Business Strategy, Executive Leadership

Committees
ARM, RHSE

Date appointed
1 April 2021

Karabo Nondumo
Independent non-executive director

Qualifications
BCom (Accounting and Statistics)

Skills:
Accounting, Finance, Governance, Business Strategy

Committees:
Chair - ARM

Date appointed
5 August 2019

Sugentharen Perumal
Non-executive director

Qualifications
BCom (Accounting and Managerial Accounting)

Skills
Accounting, Finance, Audit and Assurance, Business Strategy

Committees
Chair - RHSE, ARM

Date appointed
3 March 2023

Winnie T Kiryabwire
Independent non-executive director

Qualifications
LLB, PGDip (LDC), LLM, JSD

Skills
Law, Financial Services Regulation, Governance, Risk

Committees
RHSE

Date appointed
1 November 2023

Fatima Daniels
Independent non-executive director

Qualifications
BSc (Accounting), ACCA, CA (South Africa)

Skills
Accounting, Finance, Governance, Risk

Committees
ARM

Date appointed
5 March 2024

Francis Kamulegeya
Independent non-executive director

Qualifications
BSc (Agriculture), FCCA, CTA (United Kingdom)

Skills
Tax, Accounting, Finance, Governance, Risk, Business Strategy

Committees
ARM, RHSE

Date appointed
1 October 2022

Sylvia Mulinge
Executive director

Qualifications
BSc (Food Science and Technology), MBS

Skills
Strategy, Business Development, Commercial Execution

Date appointed
2 Nov 2020

Andrew Bugembe
Executive director

Qualifications
BCom (Accounting), MCom, FCCA

Skills
Accounting, Finance, Commercial Strategy, Risk

Date appointed
23 February 2019

Enid Edroma
Company Secretary

Qualifications
LLB, PGDip (LDC)

Skills
Law, Governance, Risk

RHSE	Remuneration, Human Resource, Social and Ethics Committee
ARM	Audit and Risk Management Committee

MTN Uganda Executive Team

Joined
MTN: 2022
ExCo: 2022

Sylvia Mulinge
Chief Executive Officer

Joined
MTN: 1998
ExCo: 2020

Andrew Bugembe
Chief Financial Officer

Joined
MTN: 2018
ExCo: 2018

Ali Monzer
Chief Technology Information Officer

Joined
MTN: 2019
ExCo: 2019

Sen Somdev
Chief Marketing Officer

Joined
MTN: 2019
ExCo: 2019

Enid Edroma
General Manager, Legal and Corporate Services

Joined
MTN: 2019
ExCo: 2019

Joseph Bogera
General Manager, Sales and Distribution

Joined
MTN: 1999
ExCo: 2009

Michael Kawesa-Sekadde
General Manager: Human Resources

Joined
MTN: 2020
ExCo: 2020

Samuel Gitta
General Manager: Risk and Compliance

Joined
MTN: 2004
ExCo: 2015

Dorcas Muhwezi
General Manager: Customer Experience

Joined
MTN: 2019
ExCo: 2019

Ibrahim Senyonga
General Manager: Enterprise Business Unit

Joined
MTN: 2008
ExCo: 2019

Juliet Nsubuga
General Manager, Wholesale and Carrier Services

Joined
MTN: 2005
ExCo: 2012

Nicholas Beijuka
General Manager: Capital Projects

Joined
MTN: 2007
ExCo: 2019

Kenneth Kiddu
General Manager: Business Intelligence

Joined
MTN: 2005
ExCo: 2023

Carol Akimanzi
Ag. General Manager: Growth and New business

Joined
MTN: 2007
ExCo: 2023

John Kamanyire
Ag. General Manager: Internal Audit and Forensics

MTN MoMo Governance

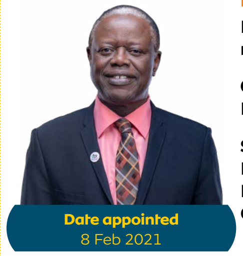
Board of Directors

Date appointed
1 Oct 2022

Sylvia Mulinge
Chairperson

Qualifications
BSc (Food Science and Technology), MBS

Skills
Strategy, Business Development, Commercial Execution



Date appointed
8 Feb 2021

Prof. Wasswa Balunywa
Independent non-executive director

Qualifications
BCom, MBA, PhD

Skills
Economics, Finance, Entrepreneurship, Governance

Date appointed
8 Feb 2021

Evelyn Namara
Independent non-executive director

Qualifications
BSc (Computer Science)

Skills
Digital Technology, Social Entrepreneurship, Governance

Date appointed
3 Oct 2023

Adekunle Awobodu
Non-executive director

Qualifications
BSc (Finance and Banking), MSc (Finance)

Skills
Finance, Business Strategy, Risk, Governance

Date appointed
27 Nov 2020

Serigne Dioum
Non-executive director

Qualifications
BSc (Engineering)

Skills
Digital, Financial Services, Business Strategy

Date appointed
27 Nov 2020

Andrew Bugembe
Non-executive director

Qualifications
BCom (Accounting), MCom, FCCA

Skills
Accounting, Finance, Commercial Strategy, Risk

Date appointed
19 Jan 2022

Richard Yego
Executive director

Qualifications
BA (Economics)

Skills
Economics, Business Strategy, Commercial Execution

Date appointed
15 Dec 2023

Sara Bateta Okwi
Executive director

Qualifications
BCom (Accounting)

Skills
Accounting, Finance, Risk

MTN MoMo Executive Team and Trustees

Joined
MTN: 2022
ExCo: 2022

Richard Yego
Chief Executive Officer

Joined
MTN: 2013
ExCo: 2022

Sara Bateta Okwi
Chief Financial Officer

Joined
MTN: 2002
ExCo: 2020

Stephen Mutana
Chief Regulatory and Administration Officer

Joined
MTN: 2000
ExCo: 2022

Albert Gitta
Chief Information Officer

Joined
MTN: 2023
ExCo: 2023

Alex Nabuyaka Wekoye
Chief Commercial Officer

Joined
MTN: 2023
ExCo: 2023

Jemima Kariuki Njuguna
Chief Products Officer

Joined
MTN: 2007
ExCo: 2022

Peter Ochen
General Manager, Financial Operations

Joined
MTN: 2017
ExCo: 2021

Sheila Kawooya
Head of Legal and Regulatory Affairs

Joined
MTN: 2008
ExCo: 2021

Joachim Masagazi
Head of Human Resource

Joined
MTN: 2019
ExCo: 2022

Israel Mayengo
Head of Risk and Compliance

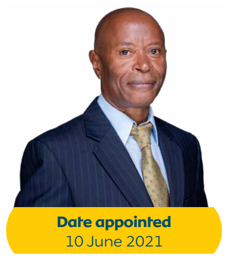
Joined
MTN: 2016
ExCo: 2022

Stephen Wakhula
Head of Internal Audit and Forensics

Joined
MTN: 2017
ExCo: 2021

William Senfuma
Head of Business Intelligence and Analytics

Board of Trustees

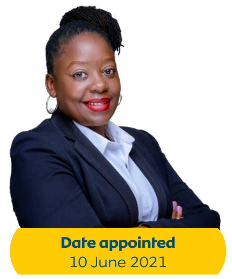


Date appointed
10 June 2021

James Mugabi
Chairperson

Date appointed
10 June 2021

Martin Owiny
Trustee



Date appointed
10 June 2021

Annette Rumanyika Mulira
Trustee

Board Operations

The Board's operations are guided by the Articles of Association of the company and a Board charter. In line with its charter, the Board meets regularly to consider matters within its mandate. In addition to meeting at least once every financial quarter, the Board meets as and when the needs of the business require it. The deliberations of the Board are recorded in minutes that are approved by the Board. The record of attendances for 2023 are as set out below:

	Attendance
Charles Mbire	6/6
Yolanda Cuba	4/6
Karabo Nondumo	6/6
Sugentharen Perumal	5/6
Winnie T. Kiryabwire*	5/6
Sylvia Mulinge	6/6
Andrew Bugembe	5/6

** – appointed on 3 March 2023*

Board Committees, Membership and Attendances

The Board has delegated its authority to well-structured committees of directors with the mandate to deal with certain governance issues and report to the Board on their activities on a quarterly basis. Each committee operates under terms of reference which set out its roles and responsibilities, composition and scope of authority. The Board has reserved certain powers to itself including establishing other committees for the better discharge of its mandate.

Annually, we review each committee's terms of reference to consider prevailing governance trends, international standards and best practices. Towards the end of 2022, as part of our ongoing efforts to elevate the Board's performance, we assessed the membership of the committees, considering the skills and knowledge required by each, as well as the need for the cross-referencing of information across all committees. The Board is satisfied that the committees effectively executed their obligations in 2023.

Audit and Risk Management Committee

The Audit and Risk Management Committee is established to assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate financial systems and control processes, and the preparation of financial statements and related financial reporting in compliance with all applicable legal requirements and accounting standards.

The committee is not to perform any management functions or assume any management responsibilities. Rather, the committee provides a forum for discussing business risk and internal control issues and for developing relevant recommendations for consideration by the Board.

The committee has no executive power and its decisions require Board approval where appropriate. The membership, resources, responsibilities, authority and other terms of reference of the committee to perform its role effectively are stipulated in a committee charter, which may be amended by the Board from time to time. The committee has complied with its mandate and terms of reference for 2023.

The members of the committee consist of not less than one independent non-executive director, and the committee chairperson is an independent non-executive director. Members of the committee are required to have a financial background and appropriate expertise and experience with regard to accounting risk management and auditing matters.

The committee convenes a minimum of four times a year but may meet on other occasions where the business of the company so requires. Executive directors and other relevant business managers attend all committee meetings but are not committee members. The record of attendances for 2023 are as set out below:

	Attendance
Karabo Nondumo	4/4
Charles Mbire	4/4
Yolanda Cuba	3/4
Sugentharen Perumal	4/4
Sylvia Mulinge	4/4
Andrew Bugembe	4/4

MTN MoMo Uganda Board of Directors

Remuneration, Human Resource, Social and Ethics Committee

The Remuneration, Human Resources, Social and Ethics Committee is established to improve the efficiency of the Board in discharging its duties relating to the selection and appointment of senior managers as well as the formulation of a remuneration philosophy and human resources strategy that ensure that the company attracts and retains the best human capital possible relevant to its business needs, and maximises the potential of its employees while ensuring that sound corporate governance principles are adhered to.

The committee also discharges a residual nominations mandate to make recommendations to the Board on suitable candidates for the appointment to the Board and its committees, ensuring that all have an appropriate balance of expertise and ability.

The committee also has oversight of sustainability strategic ambitions, progress and milestones. The management of the company tracks ESG progress and oversees the effective implementation of agreed initiatives, programmes and policies across environmental, social, governance, employment and labour, social security, human rights and anti-corruption parameters.

The members of the committee are appointed by the Board from among its non-executive directors with relevant experience and who have a good knowledge of the company's structures and its executive management; in addition to a strong understanding of cross-cutting stakeholder concerns.

The committee convenes a minimum of four times a year but may meet on other occasions where the business of the company so requires. Executive directors and other relevant business managers attend committee meetings, but are not committee members. The record of attendances for 2023 are as set out below:

	Attendance
Sugentharen Perumal	4/4
Charles Mbire	4/4
Yolanda Cuba	3/4
Winnie T. Kiryabwire*	3/4
Sylvia Mulinge	4/4
Andrew Bugembe	4/4

** – appointed on 3 March 2023*

Board Effectiveness

Delegation of Board's authority through Decision Making Framework

The Board has ultimate responsibility for and control over the way the company is run. In line with its constitutional power to delegate some of its functions, there is a Decision Making Framework in place by which the Board delegates part of its authority to the Board committees and the company's executive management.

The Board believes that appropriate delegation of authority is fundamental to the efficient management and operation of the company. MTN's Decision Making Framework assigns powers and authority to ensure that decisions are made, and actions taken, at appropriate levels within the company's governance chain.

The framework also facilitates distribution of the workload at Board and senior management levels; moves responsibility closer to the point of contact; supports a sound internal control environment; facilitates timely decision making; maintains fiscal integrity and ensures that transactions are executed as intended and under applicable law, regulations, and company policy.

The Board retains overall control over, and responsibility for, strategy, financial affairs, risk, governance and certain corporate matters.

The executive management team, led by the Chief Executive Officer, is responsible for a defined set of everyday operational matters that are to be executed within the overarching strategic mandate approved by the Board. The Decision Making Framework for the executive management team provides clear thresholds for the exercise of authority, and there is an extensive monitoring mechanism in place for this aspect.

The Board regularly reviews its delegated authority framework to ensure that it is appropriate for the size and scope of the company's operations and consistent with evolving best practice.

Diversity

We embrace diversity at the Board level and understand that the diverse perspectives of directors allow for effective strategic oversight as well as robust deliberation during Board meetings. Therefore, it is the firm intention of the Board to continually review and focus on its diversity, and this includes improving the representation of women on the Board and ensuring that a complementary combination of age profiles and skills are represented on the Board.

Long-serving directors ensure that there is an appropriate mix of institutional knowledge and experience on the Board, while the regular review of board composition and appointment of new directors introduces new perspectives and ensures that there is a young and dynamic leadership to complement the experience and institutional knowledge of the seasoned directors. Finding an appropriate balance is crucial, and the Board is constantly reviewing its composition to ensure that an optimum balance is attained.

Currently, the Board has 55.5% female representation.

Induction, training and development

The Board recognises that in order to remain effective, it must induct, develop and train its members from time to time in line with the company's evolving needs. Accordingly, we have a structured induction and development programme that seeks to equip new directors with understanding of the culture, strategy and complexities of the business.

The programme also includes ongoing training for all directors on various matters related to their role to assist them to act with due care, skill and diligence. Particular upskilling focus areas include financial technology and digital, regulatory, ESG and climate change priorities.

Evaluation

The performance of the executive directors is evaluated regularly and in line with the Company's performance review cycles.

Annual remuneration decisions relating to executive directors are based on the results of the performance evaluation. In line with best practices on Board performance evaluation, the Board has also developed a framework for the evaluation of the Board, its committees, the chairperson and individual directors to ensure that the directors remain accountable and the Board as a whole remains effective.

A comprehensive Board evaluation was completed in 2023, and the Board is committed to swiftly resolving all the key issues that were raised to ensure that we have an appropriate and compliant governance structure in place. The Board also examines its own processes and procedures on an annual basis to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role.

Management of conflict of interest

The management of conflicts of interest is important in promoting ethical conduct and in protecting the integrity of MTN's decision-making processes.

Accordingly, the Board and employees are encouraged to act in a responsible, transparent and ethical manner, taking into consideration the company's best interests and are required to complete a declaration of any declarable interest at the start of each year in addition to routine disclosures in the course of discharging their obligations.

The company's conflict of interest policy provides guidance and mechanisms for the identification of conflicts of interest and provides measures for the disclosure, mitigation, and management of such conflicts.

The policy also regulates the relationship between MTN and its employees, directors, suppliers and service providers. There has been significant improvement in the understanding of the process, and this has been as a result of the extensive internal awareness campaigns and the guidance framework provided to employees and rolled out in all operational areas.

Access to information and advice

In line with their duties to access information necessary for them to discharge their duties and responsibilities, the Board has access to all company information it requires.

In addition to receiving information on the company's business and affairs through Board meeting packs, the Board and its committees can request information from senior management as and when they need it. Where appropriate, the Board seeks and obtains independent advice from consultants and other advisors at the company's expense.

Audit and combined assurance

The Board recognises the crucial role of the internal audit function and the external auditor within the context of its risk management framework. Accordingly, the Board (through its Audit and Risk Management Committee) regularly receives and considers reports from the internal audit function. On an annual basis, the Board receives and considers the management letter issued by the external auditor. The remedial actions from the reports are tracked for closure.

The Board is focused on embedding a combined assurance approach which leverages and optimises all assurance services and functions within the company. The ultimate objective is an effective control environment and reliability of information relied on by the Board for decision-making and reporting to regulators and other key stakeholders.

Company Secretary

The Board is assisted by a competent and suitably qualified Company Secretary, Ms. Enid Edroma. The Company Secretary is the chief governance advisor to the Board and operates with an appropriate level of independence from the Board.

The Company Secretary's performance is assessed on an annual basis, and the Board is satisfied that she has the competence, qualifications and experience to provide the Board with sound governance advisory and stewardship.

Material Governance Policies

Insider trading and share dealings

MTN is obliged by the Uganda Securities Exchange Insider Trading Rules 2008 to require that the Board and other employees with inside information do not abuse or place themselves under suspicion of abusing sensitive information that they may have or be reasonably perceived to have.

We have adopted an insider trading policy which, amongst other aspects, prohibits trading in the company's shares by the Board, prescribed officers, senior executives and employees during "closed" periods in accordance with the terms of the policy. The standard closed periods are effective two months before the interim and annual financial reporting dates until the financial statements are published and during any period when the company is trading under a cautionary announcement. The policy also requires disclosure by the directors and certain employees of intended and concluded trading in the company's shares.

To ensure compliance, the company communicates closed periods for trading in its shares to its directors and employees on an ongoing basis. The Board and other persons affected by the policy will continue to be made aware of their obligations in these terms.

Anti-bribery and corruption

MTN's brand is one of the country's most recognisable and our success depends on the trust and confidence of our customers, suppliers and other third-party stakeholders. Therefore, we are committed to conducting business in accordance with the highest ethical standards and maintain a policy of zero tolerance to all forms of bribery and corruption.

The policy articulates the general prohibitions regarding gifts, hospitality and corporate expenses, facilitation payments, political donations, charitable donations and sponsorship, third party due diligence and procurement practices. The objective of the policy is to outline the company's risks related to bribery and corruption, to highlight each relevant person's responsibilities under both the applicable anti-corruption laws and company policies, and to provide affected persons with the tools and support necessary to identify, mitigate and manage bribery and corruption risks.

Any violation of the company's policy in this regard attracts grave sanctions, in addition to civil and criminal liability that may be imposed by the state.

AML/CFT

MTN is committed to acting with integrity in all its business dealings and conducting its activities in accordance with applicable laws and regulations relating to prevention of financial crime at national level and on the global scale. The company's AML/CFT policy ensures that we are compliant with the law and other regulatory requirements prohibiting the use of our products and services for the facilitation of money laundering, the financing of terrorism and other financial crimes.

The policy is also aimed at safeguarding MTN against legal and reputational risk, and shielding the company, our employees and our partners against becoming vehicles for financial crime and other illicit activities.

MTN has appointed a money laundering control officer who is responsible for the day-to-day management of the financial crime compliance program. Appropriate separation of roles and segregation of duties parameters have also been put in place.

Whistle-blowing

As we have re-affirmed above, MTN is committed to a culture of zero-tolerance to fraud, bribery, corruption, misappropriation and illegal activity throughout the organisation. In this regard, MTN recognises the importance of having procedures and a facility in place whereby employees and other stakeholders can safely report actual or suspected incidents of fraud, misconduct, illegal activity, or other irregularities.

Whistleblowing has the potential to be seen as an adverse activity as individuals who speak up against suspected fraud, misconduct or any illegal activity may be branded as trouble-makers.

We see whistleblowing differently, regarding it as a positive practice that assists the organisation to detect incidents of fraud, misconduct and illegal activity early. It enables us to prevent financial and reputational damage to the company, provides us the opportunity to prevent future occurrences and take corrective measures against the individuals involved in illegal activities.

Through speedy identification, investigation, resolution and mitigation of fraud incidents, we can ensure that our profitability and revenue streams, as well as our business reputation, are safeguarded.

We encourage employees to report any incidents of fraud, misconduct, bribery, corruption, misappropriation or illegality by any internal or external party. This is done through the utilisation of available reporting procedures and facilities, including a fraud hotline. Employees or individuals that report such incidents to the company in good faith and without malicious intent are able to do so without fear of reprisal.

Data protection and privacy

In addition to compliance with data protection and privacy legislation in Uganda, which the company is complying with, we have adopted data protection, information security and privacy policies that govern MTN's collection, processing, control and use of the personal information of our customers, employees and other individual partners received in the normal course of business operations. The processes and systems underlying these policies are audited regularly.

Communication

Our business communications are honest, accurate and timely and are governed by a communication policy. We do not comment unfavourably on our competitors' products, management or operations.

At all governance levels, confidentiality of Board deliberations and other company-sensitive information is emphasized. As a listed company, we have an obligation to ensure that all our shareholders have access to the same information and at the same time and that insiders (including substantial shareholders and directors) do not use price-sensitive non-public information in a manner that distorts trading in the company's shares or otherwise prejudices the interests of non-insiders.

Stakeholder Inclusivity

We are heavily invested in the health of our relationships, and the Board oversees the implementation of a structured and inclusive approach to stakeholder management which is in line with corporate governance best-practice.

Our relationship with our stakeholders is based on a set of non-negotiable principles: integrity, competence, responsibility, accountability, fairness and transparency. MTN has adopted a stakeholder management policy which sets out our approach and strategy with respect to stakeholder engagements, ensuring that the approach considers corporate governance guidelines.

Our stakeholder management policy promotes greater inclusion of stakeholder needs, interests and expectations in corporate decision-making. This is designed to drive the company's reputation by managing the gap between stakeholder expectations and company performance, invest in healthy and long-term relationships with priority stakeholders to build stakeholder trust and focus on the quality of our engagement, especially our responsiveness to stakeholder issues and concerns.

Our main stakeholders are our shareholders and the investment community, our employees, the community and environment in which we operate, our suppliers and service providers, and GOU and regulatory bodies. The expectations of these stakeholders are considered in all aspects of the Board's decision-making processes, and we believe that effective communication with shareholders and other stakeholders is fundamental in maintaining MTN's reputation as a responsible partner.

Remuneration Philosophy

Our remuneration philosophy is part of an interlinked, holistic and people-oriented approach, aiming to support current and evolving business priorities. The philosophy aims to attract, motivate, retain and engage the desired talent to execute business strategy in a sustainable manner.

The company's pay is benchmarked against peers in the industry and within the MTN Group. In addition, we have a combination of short-term incentives and long-term incentives through participation of eligible employees in the Group Share Incentive Scheme and contributions to the MTN Uganda Staff Provident Fund.

Our remuneration policies guide the decision-making process, and it is our intent to deliver a legislatively-compliant and market-competitive system aligned with the future strategic objectives of the company.

Directors' Remuneration

The remuneration of the non-executive directors is governed by the Articles of Association, which provide that the directors are entitled to remuneration for their services.

The reasonable expenses incurred in attending meetings of the Board and of the company and otherwise in the course of performing their duties are payable by the company.

The remuneration payable to the Board has been approved by shareholders of the company. The fees payable to the non-executive directors are reflective of their roles and responsibilities in a listed company and have regard to the findings of a remuneration survey that was conducted by the company and considered by the Remuneration, Human Resource, Social and Ethics Committee.

Total director's emoluments – 2023	
Non-executive directors	UGX 395,170,000

Ms. Mulinge and Mr. Bugembe, who serve as executive directors, hold fixed-term employment contracts with the company and are remunerated in accordance with their contracts of employment.

Under their service contracts, Ms. Mulinge and Mr. Bugembe are entitled to a combined gross basic salary and a number of company-funded benefits, including participation in a medical scheme which covers family members, performance bonuses conditional on achieving targets as prescribed by the company's performance bonus policy, share options in MTN Group under the staff share incentive schemes (which apply to MTN as a subsidiary) and participation in the MTN Contributory Provident Fund Scheme. Ms. Mulinge and Mr. Bugembe are not entitled to or paid additional remuneration for their service on the Board.

Directors' Interest in Shares

As of 31 December 2023, the following directors held a direct interest in the company's issued share capital:

Director	Number of ordinary shares
Charles Mbire	895,561,810
Andrew Bugembe	1,072,500

MTN Group Relationship Agreement

MTN has entered into a Group Relationship Agreement with MTN Group to record the relationship between MTN Uganda and MTN Group.

In the agreement, MTN Group undertakes that it will treat all unpublished information that it receives from MTN which is of a price sensitive nature with appropriate confidentiality. In addition, each of MTN Uganda and MTN Group acknowledge there may be circumstances where a conflict of interest could arise or be perceived to arise. In such circumstances, both parties will liaise with each other to ensure that appropriate arrangements are put in place to deal with the situation.

MTN and MTN Group undertake to promptly disclose any real or potential conflict of interest that a director may have regarding any matters that may come before the Board or its committees, and to abstain from discussions and voting on any matter in which a director has or may have a conflict of interest.

Financial Review

Chief Financial Officer's Statement

In challenging trading conditions, our results were resilient. We delivered a robust set of results which were largely in-line with set targets and underlined our business resilience and execution strength.

As outlined by the Chairperson and Chief Executive Officer in their letters to you, we are delighted to have delivered a solid performance that was driven by commercial momentum and execution. We continued to strengthen our commercial, operational and financial position while focusing on the resilience of our network and our expense efficiency programme.

Value creation is a key motivation for us. Our objective at MTN is to position the finance function as a centre for "value creation" within the business operation.

The finance function understands and communicates how the company creates and protects value today, and how it will do so in the future. At MTN, we believe that steering a business involves being involved in the business itself as an active operational participant, and taking into account a broad range of stakeholder interests and several other non-balance sheet factors which impact financial performance and shareholder value.

'Creating shared value' is one of the key objectives of our ***Ambition 2025*** strategy, and we pledge to work actively towards attaining a sustainable society that benefits all Ugandans.

In October 2023, I was awarded the Chief Finance Officer of the Year accolade at the 7th Edition of the Association of Chartered Certified Accountants and Deloitte Uganda Chief Financial Officer Awards. I was also awarded the Strategy Execution Award and the Compliance and Governance Award.

These awards are an endorsement of the spirit of collaboration and a demonstration of one of core values at MTN: ***Can-do with Integrity***. I wish to express my sincere gratitude to my team members and other MTN employees for their contribution.

Revenue performance

Strong performance driven by data and fintech growth, and competitive voice performance

Voice revenue grew by 11.6% to UGX 1.1 trillion, recovering from a marginal decline in 2022 as a result of the residual impact of the COVID-19 pandemic and macroeconomic pressures impacting customers' spending power.

The growth of 11.6% in 2023 was supported by the increased adoption of our attractive bundle offering and aggressive subscriber growth initiatives. The strong revenue growth was also boosted by improving macroeconomic conditions and better weather patterns, which principally impact our customer base in the upcountry markets where we are dominant.

In addition, our revamped regional structure strategy has continued to yield positive results with subscriber numbers in 2023 growing by 2.3 million.

Voice contribution to service revenue reduced slightly to 42.5% (*2022: 44.2%*) with increased contributions from higher growth segments, which is in line with our medium-term strategy.

CFO with the senior management team of the Finance Department

Data revenue increased by 21.6% to UGX 621.9 billion, maintaining a positive growth momentum that was supported by incremental improvements in our network quality and data value packages. Due to these investments, our active data users grew by 22.4% to 8.2 million, while our MB per active user increased in tandem by 21.4%.

We sustained our investment in 4G leading to an increase in 4G population coverage to 85.1% (*2022: 78.4%*) and new investments in 5G technology with 37 sites set up in high-usage clusters focused primarily on our home broadband and enterprise proposition.

The improved user experience resulted 50.8% growth in data traffic, with 65.9% carried on 4G (*2022: 55.9%*) and new traffic carried on 5G. In line with our ***'Own the Home'*** strategy, we tripled our home broadband subscribers in 2023 to 172,000 (*2022: 48,000*).

On the mobile data front, efforts to accelerate smartphone adoption continue with penetration in 2023 at 39.1% (*2022: 35.0%*) reinforced by increased uptake of the ***MTN Kabode Supa*** flagship product and other smartphone sale partnerships following improvements in pricing and value proposition. Data contribution to service revenue increased to 23.7% (*2022: 22.6%*).

Fintech revenue grew by 17.6% to UGX 771 billion with notable growth in our basic revenues (peer-to-peer and money transfers) with increased acceptance of mobile money. Our fintech subscribers increased by 10.1% to 12.1 million.

The improved annual customer growth is attributed to customer adoption to our MoMo Pay platform, with merchants' growth of 68.7% to 292,387. The adoption of cashless payments has driven our transaction value (including zero rated transaction) up by 44.2% to UGX 133.2 trillion (*2022: UGX 92.3 trillion*). Our advanced revenues grew steadily with a contribution of 24.7% (***2022: 23.3%***) to overall fintech revenue as our lending and remittances portfolio continue to perform. Fintech contribution to service revenue held steady at 29.3% (*2022: 29.0%*).

Digital revenue grew by 100.4% supported by growth in our content value added services and enterprise digital solutions open API as customers leverage MTN's network assets to enrich their product and service.

Profit after tax for 2023 was UGX 493.0 billion, an increase of 21.4% from the UGX 406.1 billion recorded in 2022.

Resilient operational efficiency and improved profitability

Our EBITDA increased by 16.5% to UGX 1.4 trillion underscored by growth in service revenue and a combination of realised efficiencies through cost discipline and subsiding inflationary pressures. The lower inflationary environment enabled stability in our EBITDA margin at 51.4%, above our medium-term target of 50%.

That said, our EBIT, which is a key metric to monitor our operational efficiency, improved with a stronger margin of 33.8% in 2023 compared to 33.3% in 2022. This is a testament to our expense efficiency programme and planning.

This in turn has resulted in stronger profitability metrics for our shareholders this year, with an improvement in our return on assets at 10.5% (*2022: 10.2%*). Our return on equity increased to 48.6% (*2022: 44.9%*), while return on capital employed increased to 21.5% (*2022: 19.4%*).

Expense efficiency programme

Our expense efficiency programme includes enhanced oversight of expenditure such as network costs, distribution, information technology and third-party supplier costs.

In 2023, we realised UGX 26.6 billion worth of efficiencies and savings across several expense areas, and this frees up more resources for Capex outlay and shareholders' distributable income.

We are pleased with the execution of the programme and the manner it has aided us to contain overall costs across the entire value chain. We will continue to drive efficiencies in network and information technology costs, and sales and distribution. In addition, as we accelerate our ESG initiatives, we will also realise savings through greater energy efficiency.

↑ UGX **353.5bn** **Capital Expenditure**

↑ UGX **26.6bn** **Expense efficiency**

Sustained capital investment

Capex in 2023 was 5.5% higher at UGX 353.5 billion with investment focusing on the 5G network, fibre deployment and 4G LTE network enhancements following additional spectrum allocation by UCC in July 2023. This investment is in line with our strategic plan to deploy UGX 1 trillion in the network over a three-year period ending in 2024. With increased revenues, our Capex intensity further declined to 13.2%, well within our target range.

Dividend per share for 2023 up 13.2% to UGX 18.0 per share from UGX 15.9 per share for 2022

Shareholder returns and dividends

We are committed to improving performance and creating long-term shared value for our shareholders in line with our Ambition 2025 strategy.

The proposed final dividend for 2023 is UGX 143.3 billion (UGX 6.4 per share). This follows two interim dividends paid in September and December 2023 of UGX 125.4 billion (UGX 5.6 per share) and UGX 134.3 billion (UGX 6.0 per share) respectively, which translates to a total dividend of UGX 18.0 per share.

As such, the total 2023 dividend will be UGX 403.0 billion. The dividend pay-out translates to 81.7% of profit and total comprehensive income for 2023 and is in line with our dividend policy which provides for a pay-out ratio of at least 60% of distributable income.

In 2022, we declared a final dividend of UGX 15.9 per share. The dividend of UGX 18.0 per share for 2023 represents 13.2% growth year-on-year, providing a combination of yield and consistent dividend growth and underlining our solid investment case.

Tax policy and approach

MTN is the largest taxpayer in Uganda. In 2023, we contributed UGX 1.1 trillion in tax revenue compared to UGX 927 billion in 2022.

In 2023, we embarked on full system integration and automation of our tax computation throughout the value chain with the tax authority to ensure transparency of our business operations. This collaboration shows our commitment to Uganda's inclusive economic growth as we embrace our duty of being a responsible and transparent taxpayer.

We recognise the meaningful impact that our tax contribution makes to uplifting communities across Uganda in terms of poverty alleviation, value creation and long-term prosperity. We take our responsibility to be a compliant and transparent taxpayer seriously. In light of this, we have developed a systematic approach to manage tax obligations and tax risk.

A compelling business case

Looking ahead and appreciation

MTN presents a compelling business case. ***Ambition 2025*** highlights our differentiators as well as our plan to take advantage of the opportunities available to us.

Among these are an emerging market with a youthful population, an established leading brand with a solid infrastructure base and our strong management. This will translate into attractive returns and shared value for all stakeholders.

Building financial resilience in managing and mitigating the risks in our trading environment will remain a key focus area. Our multi-faceted approach to achieving this objective entails expense efficiencies, working capital initiatives and liability management to bolster our balance sheet.

We will execute our plan to accelerate our revenues in data and fintech and further consolidate our voice positions while executing disciplined operational efficiency to improve our margins.

Managing our working capital will also be key as we preserve our balance sheet and liquidity position in challenging operating conditions. This will provide us with the financial flexibility to execute our strategic priorities.

Mr. Bugembe with awards recieved from the ACCA and Deloitte Uganda CFO Awards

We will remain guided by our value-based capital allocation strategy as we invest in our connectivity and platform businesses and, in parallel, aim to fulfill our NTO Licence commitments.

For 2024, we project to maintain mid-double digit service revenue growth, stable EBITDA margins above 50% and Capex intensity to remain within our target range.

In terms of liability management, the tenor of our current syndicated debt is winding down and we will assess refinancing options this year on terms which ensure that our balance sheet is appropriately leveraged.

We will invest in the continued skilling of our people as we recognise that the continually evolving finance function requires fact-based data analytics and the ability to deploy AI tools, giving us the insight and ability to handle risk and compliance, identify financial disruptions, gain lines of sight across finance and inform objective decision-making.

Localisation remains key as we prioritise creating shared value, broadening local participation and deepening the Uganda capital markets.

Over the course of 2024, we shall explore a further sell-down of 7% shareholding to the public to comply with our NTO Licence obligations, to broaden Ugandan shareholding and provide an opportunity to Ugandan investors to own a stake in the company.

I wish to thank our employees and all our other business partners for their interest and support in 2023 and look forward to continuing to work together in 2024.

Andrew Bugembe
Chief Financial Officer

Three-Year Financial Review

UGX' billion	**2023**	**2022**	**2021**
Total revenue	**2,669,146**	**2,286,252**	**2,060,087**
Service revenue	**2,629,863**	**2,265,928**	**2,040,227**
Voice	1,117,244	1,001,510	1,006,724
Data	621,982	511,346	412,462
Digital	9,370	4,676	4,458
Fintech	771,643	656,123	525,291
Other service revenue	109,624	92,273	91,292
Expenses	1,299,054	1,107,687	1,002,510
EBITDA	**1,371,202**	**1,179,392**	**1,057,576**
EBITDA margin	***51.4%***	***51.6%***	***51.3%***
Depreciation and amortisation	442,179	407,115	421,300
EBIT	929,023	772,277	636,276
Net finance costs	222,696	181,248	145,333
Profit before tax	**706,327**	**591,029**	**490,943**
Taxation	213,251	184,979	150,533
Profit after tax	**493,077**	**406,050**	**340,410**
Profit after tax margin	***18.5%***	***18.8%***	***16.5%***
Ordinary dividend (paid & proposed)	403,002	355,985	335,569
Ordinary dividend per share	18.0	15.9	14.99
Earnings per share	22.0	18.1	15.2

Directors' Report

The directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2023 which disclose the state of affairs of MTN Uganda Limited and its subsidiary, MTN Mobile Money (U) Limited and its dormant subsidiaries, MTN Publicom (Uganda) Limited and MTN Village Phone (Uganda) Limited (together "the Group").

Principal activity

The principal activity of the Group is to provide telecommunication and mobile financial services.

Staffing

The number of persons employed by the Group at 31 December 2023 was 605 (2022: 563 employees), excluding contract employees.

Results and dividends

The Group made a net profit for the year ended 31 December 2023 of Shs 493,077 million (2022: Shs 406,050 million). During the year ended 31 December 2023, the Group declared and paid a dividend of Shs 382,855 million (2022: Shs 338,212 million). The directors recommend the payment of a final dividend of Shs 6.4 per share amounting to Shs 143,290 million (2022: Shs 5.5 per share, Shs 123,140 million).

Directors

The directors who held office during the period and to the date of this report were:

Charles Mbire	Chairman
Karabo Nondumo	Director
Sylvia Mulinge	Director
Sugentharem Perumal	Director
Andrew Bugembe	Director
Yolanda Cuba	Director
Winnie Tarinyeba Kiryabwire	Director *(Appointed 19 May 2023)*
Fatima Daniels	Director *(Appointed 1 Nov 2023)*

Auditor

The Group's auditor, Ernst & Young Certified Public Accountants – who was appointed during the year – has expressed willingness to continue in office in accordance with Section 167(2) of the Companies Act, 2012 of Uganda.

By order of the Board,

Enid Edroma
Secretary
05 March 2024

Statement of Directors' Responsibilities

The Companies Act, 2012 of Uganda requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its profit or loss. It also requires the directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2012 of Uganda. The directors are of the opinion that the financial statements, which have been prepared in accordance with International Financial Reporting Standards and the Companies Act, 2012 of Uganda, give a true and fair view of the Group's state of the financial affairs and its profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as responsibility for such internal control that the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

The Group operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Group.

Ernst & Young Certified Public Accountants have audited the Group's financial statements, and their report is presented on pages 131 to 136. The financial statements set out on pages 137 to 197 were approved for issue by the Board of Directors on 05 March 2024 and are signed on its behalf by:

Chairman **Director**

Independent auditor's report to the shareholders of MTN Uganda Limited

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of MTN Uganda Limited and its subsidiaries (the "Group") set out on pages 137 to 197 which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the ***Auditor's responsibilities for the audit of the consolidated financial statements*** section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ***International Code of Ethics for Professional Accountants (including International Independence Standards)*** (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Uganda, and we have 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.

Other matter

The consolidated financial statements of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – complexity of products and systems	
The occurrence and accuracy of amounts recorded as revenue is an inherent industry risk due to the complexity of the billing systems arising from changes in products and plans – including multiple element arrangements, the number of products sold, and the tariff structure changes during the year. The application of the revenue recognition accounting standard IFRS 15: ***Revenue from contracts with customers***, requires the use of complex rating, billing, and accounting systems. The complexity is compounded by the significant number of revenue transactions that are accounted for on a monthly basis. We therefore considered revenue recognition to be a matter of most significance to our current year audit. The accounting policies and detailed disclosures on revenue recognition are included in Note 2B – Revenue recognition, Note 5A – Revenue from contracts with customers and Note 5B – Contract liabilities disclosures.	Our procedures to address this key audit matter included: • We understood and tested the design and operating effectiveness of management's controls over the transfer of revenue information between the multiple systems involved in recording revenue; • We tested the controls in place over the authorisation of rate changes and a review of the new products recorded in the billing systems; • We involved our internal IT audit specialists to test the IT general controls of the rating and billing environments, as well as assessed the completeness of the relevant revenue reports utilised for audit purposes; • We tested the end-to-end reconciliation from rating and billing systems to the journals processed in the general ledger; • We performed analytical review procedures over significant revenue streams by identifying the drivers that resulted in changes year on year to establish detailed monthly and annual expectations. Where movement were outside our precision level set, we performed substantive audit procedures; • We performed correlation analysis between revenue, deferred revenue, trade receivables and cash; • We reviewed the reconciliation of the aggregate of the prepaid and hybrid customers per the charging system to the deferred revenue balance;

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – complexity of products and systems	
	• We selected and tested a sample of enterprise revenue contracts and assessed, in line with the requirements of IFRS 15 Revenue from contracts with customers, that contracts with customers were valid, that performance obligations were agreed by both parties and that revenue was appropriately recognised; • We tested the stand-alone selling prices as input into the system and agreed the logic behind the stand-alone selling prices to the relevant IFRS 15 Revenue from contracts with customers requirements; • We tested management reconciliations for interconnect/roaming revenue and agreed the balances to third party confirmations; • We tested a sample of journal entries, processed in relation to non-standard revenue including Oracle journals by reviewing supporting documentation to ensure that the journals were supported by an underlying business rationale, were accounted for correctly, in the correct period and appropriately authorised; and • We examined and assessed the accounting policies applied and disclosures in terms of the recognition of revenue for compliance with IFRS 15: *Revenue from contracts with customers* and industry guidance.
Recognition of lease liabilities in accordance with IFRS 16 Leases	
As disclosed in Note 18 of the consolidated financial statements, the Group's lease liabilities at 31 December 2023 amounted to Uganda Shillings 1,257 billion. This liability is recognized in line with the Group's accounting policy described in Note 2G. The lease liability is recognised at the present value of the future minimum lease payments under the contract.	Our procedures to address this key audit matter included: • We evaluated management's processes, systems, and financial controls for identifying and accounting for leases; • We checked management's basis for determining and excluding non-lease components in the computation of lease liabilities and obtained support documentation for the non-lease components;

Key audit matter	How our audit addressed the key audit matter
Recognition of lease liabilities in accordance with IFRS 16 Leases	
The significant judgements applied in the recognition of the lease liabilities include: • Identifying and applying escalation clauses that could impact payments under the contract in future periods. The escalation clauses are based on external factors for which information may not be available currently, such as inflation rates in future periods; • Identifying and excluding cash flows for non-lease components in the derivation of the lease liability; • Determining the applicable lease terms for each lease including estimating the lease term implied in the renewal clauses in the lease contracts, and the application of extension clauses in the contract; • Determining the appropriate incremental borrowing rate for discounting lease liability cash flows; • Identifying and recognizing lease liabilities for lease modifications. We considered the recognition of lease liabilities as a key audit matter on account of the significant judgements involved and because lease liabilities are a material item representing 35% of total liabilities.	• We traced a sample of lease additions, disposals, and repayments, and lease cash flows to the lease model and to supporting documents; • We checked the reasonableness of the incremental borrowing rate applied in discounting lease cash flows; • We performed analytical procedures to check the reasonableness of the interest charge on lease liabilities; • We evaluated management's conclusions on whether there are any lease modifications arising during the year; • We checked the reasonableness of exchange rates used to account for lease contracts that are not denominated in Uganda Shillings. For a sample of these contracts, we recomputed the expected carrying amount at the closing rate; • We evaluated the basis for application of extension clauses and assessed the reasonableness of these assumptions based on decisions taken previously and management's long-term strategy; • Where applicable, we tested management's assessment for restoration of site areas and the basis for recognition of an asset retirement obligation; • We recomputed the lease amortization expense and the depreciation schedule for a sample of the leases; • We assessed the adequacy of the lease liability disclosures in the Group's consolidated financial statements for alignment with IFRS 16 Leases.

Other information included in the Group's 2023 Annual Report

Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 AND REGULATORY REQUIREMENTS

As required by the Companies Act, 2012 of Uganda, we report to you, based on our audit, that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

ii. In our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books; and,

iii. The consolidated statement of financial position and the consolidated statement of comprehensive income are in agreement with the books of account.

The Engagement Partner on the audit resulting in this independent auditor's report is CPA Geoffrey Byamugisha – P0231.

Ernst & Young

Certified Public Accountants
of Uganda, Kampala

26 March 2024

Geoffrey Byamugisha

Partner

Consolidated Statement of Comprehensive Income

	Note	2023 Shs'000	2022 Shs'000
Revenue from contracts with customers	5	**2,669,145,697**	2,286,251,974
Other Income[1]		**1,110,147**	30,799,414
Direct network operating costs	7	**(338,159,012)**	(284,343,020)
Government and regulatory costs	8	**(65,780,091)**	(57,935,672)
Cost of handsets and other accessories sold		**(41,562,051)**	(23,878,564)
Interconnect and roaming		**(69,200,852)**	(49,455,209)
Employee benefits expenses	9	**(135,309,708)**	(126,574,477)
Selling, distribution and marketing expenses	10	**(461,829,997)**	(414,176,823)
Increase in impairment of trade receivables	22	**(7,038,379)**	(7,797,794)
Other operating expenses[1]	11	**(180,174,309)**	(173,497,928)
Depreciation of property, equipment, and right-of-use assets	18	**(350,545,448)**	(330,505,073)
Amortisation of intangible assets	19	**(91,632,699)**	(76,609,606)
Operating profit		**929,023,298**	**772,277,222**
Net foreign exchange losses[2]	12	**(1,776,253)**	(17,782,115)
Finance income[2]	12	**54,548,122**	28,046,232
Finance costs[2]	12	**(275,467,751)**	(191,512,274)
Profit before tax		**706,327,416**	**591,029,065**
Income tax expense	13	**(213,250,640)**	(184,978,704)
Profit for the year		**493,076,776**	406,050,361
Other comprehensive income for the year net of tax		**-**	-
Total comprehensive income for the year		**493,076,776**	**406,050,361**
Basic / diluted earnings per share	14	**22.02**	**18.14**

[1]Refer to note 11 for reclassifications made.
[2]Refer to note 12 for reclassifications made.

Consolidated Statement of Financial Position

	Note	2023 Shs'000	2022 Shs'000
Assets			
Non-current assets			
Property and equipment	18 (a)	**1,086,547,617**	949,189,267
Right-of-use assets	18 (b)	**1,091,713,853**	949,357,815
Intangible assets	19 (a)	**429,636,764**	357,716,576
Deferred tax assets	17	**21,609,312**	14,615,302
Contract assets	5 (b)	**23,424,082**	10,702,428
Prepayments and advances to business partners	20	**66,552,945**	55,876,044
		2,719,484,573	**2,337,457,432**
Current assets			
Inventories	21	**12,745,207**	27,432,437
Current investment	28	**12,265,000**	-
Income tax recoverable	13	**1,976,045**	429,270
Contract assets	5 (b)	**21,716,960**	10,585,068
Trade and other receivables	22	**187,243,059**	185,363,265
Mobile money deposits	23	**1,488,546,693**	1,207,758,423
Cash and cash equivalents	24	**238,562,937**	200,772,719
		1,963,055,901	**1,632,341,182**
Total assets		**4,682,540,474**	**3,969,798,614**
Equity			
Ordinary share capital	15	**22,389,044**	22,389,044
Retained earnings		**991,829,855**	881,608,509
		1,014,218,899	**903,997,553**
Liabilities			
Non-current liabilities			
Borrowings	27	**17,651,546**	82,897,391
Lease liabilities	18 (b)	**1,107,020,973**	965,891,796
Other financial liability	19 (b)	**97,446,644**	-
Deferred revenue – indefeasible right-of-use assets	20 (c)	**12,395,428**	12,215,045
Employee share-based payment liability	26 (a)	**10,135,073**	19,513,613
		1,244,649,664	**1,080,517,845**
Current liabilities			
Trade and other payables	25	**510,052,772**	460,430,472
Other financial liability	19 (b)	**24,192,394**	-
Contract liabilities	5 (b)	**31,960,239**	16,507,615
Income tax payable	13	**2,534,440**	4,323,181
Borrowings	27	**184,736,253**	166,675,565
Lease liabilities	18 (b)	**149,728,208**	106,595,075
Mobile money deposits	23	**1,488,546,693**	1,207,758,423
Employee share-based payment liability	26 (a)	**4,629,720**	5,446,593
Provisions	26 (b)	**27,291,192**	17,546,292
		2,423,671,911	**1,985,283,216**
Total liabilities		**3,668,321,575**	**3,065,801,061**
Total equity and liabilities		**4,682,540,474**	**3,969,798,614**

The financial statements on pages 137 to 197 were approved by the board of directors on 05 March 2024 and signed on its behalf by:

Chairman

Director

Consolidated Statement of Changes in Equity

	Ordinary share capital Shs'000	Retained earnings Shs'000	Total equity Shs'000
Year ended 31 December 2022			
At start of year	22,389,044	813,769,826	836,158,870
Comprehensive income:			
Profit for the year	-	406,050,361	406,050,361
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	**406,050,361**	**406,050,361**
Transactions with owners:			
Dividends paid (note 16)	-	(338,211,678)	(338,211,678)
	-	(338,211,678)	(338,211,678)
At end of year	**22,389,044**	**881,608,509**	**903,997,553**
Year ended 31 December 2023			
At start of year	**22,389,044**	**881,608,509**	**903,997,553**
Comprehensive income:			
Profit for the year	-	**493,076,776**	**493,076,776**
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**493,076,776**	**493,076,776**
Transactions with owners:			
Dividends paid (note 16)	-	**(382,855,430)**	**(382,855,430)**
	-	**(382,855,430)**	**(382,855,430)**
At end of year	**22,389,044**	**991,829,855**	**1,014,218,899**

Consolidated Statement of Cash Flows

	Note	2023 Shs'000	2022 Shs'000
Operating activities			
Cash generated from operations	29	**1,401,051,062**	1,237,180,299
Interest received		**53,283,122**	28,046,231
Interest paid on Mobile Money deposits	12	**(42,366,940)**	(20,706,131)
Interest paid on borrowings	27	**(32,229,116)**	(29,191,791)
Interest paid on lease liabilities	18 (b)	**(185,140,944)**	(141,072,847)
Interest on financial liability		**(10,042,824)**	-
Dividends paid	16	**(382,855,430)**	(338,211,678)
Income tax paid	13	**(223,580,166)**	(186,891,550)
Net cash generated from operating activities		**578,118,764**	**549,152,533**
Cash flow from investing activities			
Purchase of property and equipment	18(a)	**(319,028,000)**	(295,573,672)
Proceeds from disposal of property and equipment		**1,143,792**	4,832,840
Purchase of intangible assets	19	**(33,365,283)**	(42,085,919)
Net cash used in investing activities		**(351,249,491)**	**(332,826,751)**
Financing activities			
Repayments of borrowings	27	**(108,419,269)**	(120,451,228)
Proceeds from borrowings	27	**60,000,000**	-
Payment of principal portion of lease liability	18 (b)	**(129,004,180)**	(79,680,325)
Payment for financial liability	19 (b)	**(10,210,078)**	-
Net cash used in financing activities		**(187,633,527)**	(200,131,553)
Net increase in cash at bank and in hand		**39,235,746**	**16,194,229**
Movement in cash at bank and in hand			
At start of year		**200,772,719**	188,814,310
Increase		**39,235,746**	16,194,229
Exchange losses on cash at bank and in hand		**(1,445,528)**	(4,235,820)
At end of year	24	**238,562,937**	**200,772,719**

Notes to the Consolidated Financial Statements

1 General information

MTN Uganda Limited is incorporated in the Republic of Uganda under the Companies Act, 2012 and is domiciled in Uganda. MTN Uganda Limited is listed on the Uganda Securities Exchange. The address of its registered office and the registration number are:
Plot 69–71, Jinja Road
P.O. Box 24624
Kampala
Uganda
Reg. No: 37058

MTN Uganda Limited is a subsidiary of MTN International (Mauritius) Limited. MTN Group Limited is the Group's ultimate parent and holding company, which is incorporated in the Republic of South Africa and is listed on the Johannesburg Stock Exchange Limited.

For the Companies Act, 2012 of Uganda reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of comprehensive income in these financial statements.

2 Summary of material accounting policy information

The principal accounting policies applied in the preparation of these financial statements are set out below and in the related notes to the Group financial statements. The principal accounting policies applied are consistent with those adopted in the prior year.

A Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with the requirements of the Companies Act, 2012 of Uganda. The Group has adopted all new accounting pronouncements that became effective in the current reporting period.

The financial statements have been prepared on the historical cost basis, except otherwise stated in the accounting policies below. Amounts are rounded to the nearest thousand with the exception of the number of ordinary share capital (note 15), earnings per share (note 14) and dividends per share (note 16). The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 4.

Changes in accounting policies and disclosures

i) Standards that became effective during the year

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information' and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

Replacement of the term 'significant' with 'material'

In the absence of a definition of the term 'significant' in IFRS, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have also been added.

Disclosure of standardised information

Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed. The amendments to the PS also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.

Disclosure of immaterial information

The amendments to IAS 1 require that if an entity decides to disclose accounting policy information that is not material, it needs to ensure that this immaterial information does not obscure material information.

Transition and impact

Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed. The amendment impacted the accounting policy disclosures of the Group. Determining whether accounting policies are material or not requires use of judgement. Therefore, the Group is required to revisit accounting policy information disclosures to ensure consistency with the amended standard. The Group carefully considered whether 'standardised information, or information that only duplicates or summarises the requirements of the IFRSs' is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

The standards disclosed below that also became effective during the year did not have an impact on the financial statements of the Group:

- IFRS 17 Insurance Contracts.
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred tax related to Assets and Liabilities arising from a Single Transaction
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

(ii) Standards that are not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The standards issued but not yet effective that are not expected to have a material impact on the Group's financial statements:

- ***Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.*** The amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. It is effective for annual periods beginning on or after 1 January 2024.
- ***Lease Liability in a Sale and Leaseback – Amendments to IFRS 16.*** These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. It is effective for annual periods beginning on or after 1 January 2024.
- ***Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 7 and IFRS 7.*** The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. It is effective for annual periods beginning on or after 1 January 2024.
- ***Lack of Exchangeability – Amendments to IAS 21***. The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
- ***Sale or Contribution of Assets between an Investor and its Associate of Joint Venture – Amendments to IFRS 10 and IAS 28***. The amendments address the conflict between IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. In December 2015, the IASB decided to defer the effective date of the amendments until such a time as it has finalised any amendments that result from its research project on the equity method.

B Revenue recognition

The Group principally generates revenue from providing mobile telecommunications services, such as network services (comprising voice, data, and SMS), digital services (which include mobile financial services and other digital offerings), interconnect and roaming services, as well as from sale of mobile devices. Products and services may be sold separately or in bundled packages. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or services to a customer. For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e., if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the list prices at which the Group sells mobile devices and network services separately.

The Group sells mobile devices to customers on credit. The credit arrangement exists for a maximum period of eight months. Management has therefore assessed that there is no significant financing component from the sale of these devices due to the short credit period, which does not exceed one year.

Network services and digital and fintech services

The Group provides mobile telecommunication services, including network services and digital and fintech services. Network services (comprising voice, data, and SMS) are considered to represent a single performance obligation as all are provided over the MTN network and transmitted as data representing a digital signal on the network. The transmission of voice, data and SMS all consume network bandwidth and therefore, irrespective of the nature of the communication, the subscriber ultimately receives access to the network and the right to consume network bandwidth. Network services are, therefore viewed as a single performance obligation represented by capacity on the MTN network.

Digital and fintech services include value-added services, rich media services, mobile money, insurance, airtime lending and e-commerce. Mobile money revenues mainly relate to wallet services (withdrawal, P2P transfers), remittance services (Intra Africa and rest of the world), Banktech services (these include savings and lending products and wallet to bank) and payment services (comprising of commissions from third parties that transact using the mobile money platform).

Customers either pay in advance for these services or pay monthly in instalments over the contractual period.

A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of network services/digital and fintech services provided during the reporting period as a proportion of the total units of network services/digital and fintech services to be provided. The customer receives and uses the benefits of these services simultaneously. Units of network services/digital and fintech services outside of post-paid contracts are recognised as the service is provided.

When the Group expects to be entitled to breakage (forfeiture of unused value or network services), the Group recognises the expected amount of breakage in proportion to network services provided versus the total expected network services to be provided. Any unexpected amounts of breakage are recognised when the unused value of network services expire or when usage thereof becomes remote. Assessment of breakage is updated each reporting period and any resulting change is accounted for prospectively as a change in estimate in accordance with of IAS 8 *Accounting policies, changes in accounting estimates and errors.*

Interconnect and roaming

The Group provides interconnect and roaming services. The Group recognises interconnect and roaming revenue and debtors as the service is provided unless it is not probable (based on historical information) on transaction date that the interconnect revenue will be received, in which case interconnect revenue is recognised only when the cash is received or where a right of set-off exists with interconnect parties in settling amounts.

Payment for interconnect and roaming is generally received on a monthly basis. Some interconnect and roaming debtors have a historical pattern of late payment due to economic challenges in their operating environments.

The Group has continued to provide services to these debtors where the recovery of principal is significantly delayed beyond the contractual terms. The Group has considered historical payment patterns (i.e. customary business practice) in assessing whether the contract contains a significant financing component. For contracts containing a significant financing component, the Group reduces interconnect and roaming revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

Other income

Other income is recognised when the related services are provided to the customers and payment is generally due on a monthly basis.

Capitalisation of subscriber acquisition costs

The Group expects that incremental subscriber acquisition costs for obtaining and renewing contracts are recoverable. These costs include agents' commission on post-paid contracts and SIM activation costs on prepaid contracts. The Group has therefore capitalised these costs as contract costs. Capitalised contract costs are amortised on a systematic basis over the average customer life and included in selling, distribution and marketing expenses in profit or loss.

In terms of a practical expedient, the Group has elected to recognise the incremental costs of obtaining contracts as a selling, distribution and marketing expense in profit or loss, when incurred, if the amortisation period of the assets that the Group otherwise would have recognised is 12 months or less.

Contract costs are assessed for impairment in accordance with IFRS 9 ***Financial Instruments.***

C Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency that best reflects the primary economic environment in which the Group operates (the functional currency). The Group financial statements are presented in Uganda Shillings, which is the functional and presentation currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

D Property and equipment

Property and equipment are measured at historical cost less accumulated depreciation and impairment losses. Property and equipment acquired through business combinations are initially shown at fair value and are subsequently carried at the initially determined fair value less accumulated depreciation and impairment losses.

The cost of property and equipment includes expenditure that is directly attributable to the acquisition or construction of the assets, any other costs directly attributable to bringing the assets to the location and condition for their intended use and the present value of estimated decommissioning costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The Group capitalises general and specific borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset as part of the cost of that asset. A qualifying asset is deemed to be an asset which takes more than 12 months to acquire, construct or produce.

Borrowing costs include general and specific borrowings directly attributable to the acquisition, construction, or production of qualifying assets. Other borrowing costs are expensed in profit or loss.

Property and equipment acquired in an exchange transaction is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received, nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up. Any consideration paid or payable is included in the cost of the asset received.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Depreciation is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives. In determining residual values, the Group uses historical sales and management's best estimate based on market prices of similar items.

Useful lives of property and equipment are based on management estimates and take into account historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets.

The estimated useful lives of property and equipment are as follows:

Buildings leased	Over the period of the lease
Leasehold improvements	Over the period of the lease
Building owned	2%
Telecommunications equipment	5 % to 33.3%
Mobile phones	33.3 %
Computer equipment	20% to 33.3%
Furniture and equipment	14.3 %
Motor vehicles	20 %

Useful lives and residual values are reviewed on an annual basis and the effects of any changes in estimates are accounted for on a prospective basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the expected term of the relevant lease.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is included in operating profit.

E Impairment of non-financial assets

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

F Intangible assets with finite useful lives

Intangible assets are measured at historical cost less accumulated amortisation and impairment losses. The Group annually reviews the carrying amounts of its property and equipment and intangible assets with finite useful lives in order to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss.

Amortisation is calculated on a straight-line basis to write off the cost of intangible assets over their estimated useful lives. The estimated useful lives are as below:

Network licenses	Over the period of the licence
Network software licenses	Over the period of the licence
Ericsson software license[1]	5 years
Software	3 years
Other intangible assets	3 years

[1]This includes Mobile Money Platform software licence, deployment and migration costs that relate to Fintech services.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the proceeds from the disposal and the carrying amount of the asset and is included in profit or loss. Costs associated with maintaining intangible assets are recognised as an expense as incurred.

Expenditure that enhances or extends the performance of intangible assets beyond their original specifications is recognised as a capital improvement and added to the original cost of the assets. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

G Leases

The Group leases various network sites, offices, motor vehicles and other property. Rental contracts are typically made for fixed periods of 2 years to 10 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date; and
- Amounts expected to be payable by the Group under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Group:

i. where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; and

ii. makes adjustments specific to the lease, e.g., term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at historical cost less accumulated depreciation and accumulated impairment. Cost comprises of the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

Extension and termination options are included in several property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Indefeasible right of use (IRU) arrangements

The Group applies the principles of IFRS 16 in order to assess whether its IRU arrangements constitute or contain leases. The requirements to be met in order to conclude that an IRU arrangement constitutes or contains a lease are as follows:

- the provision of a service in terms of the IRU arrangement should be dependent on the use of one or more specific assets; and
- the IRU arrangement must convey the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies its principal accounting policies for leases to account for IRU arrangements which constitute or contain leases. All other IRU arrangements that do not constitute or contain leases are treated as service level agreements; the costs are expensed as incurred.

The IRU assets are amortised on a straight-line basis to write off the cost of assets over their contract period.

H Inventories

Inventories mainly comprises items of handsets, SIM cards and accessories held for sale and consumable items. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where appropriate, an impairment provision is raised in respect of obsolete and defective inventories and the inventory carrying value will be net of this provision.

I Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in (W) below.

J Income tax

The tax expense for the period comprises current, deferred tax and withholding tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity. For these items the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generate taxable income, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements for financial reporting purposes. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred tax is measured at tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply to temporary differences when they reverse.

K Borrowings

Borrowings are accounted for as financial liabilities. Fees paid on the establishment of loan facilities are recognised as transaction costs and capitalised to the extent that it is probable that some or all of the facilities will be drawn down. When the draw down is made, the transaction costs are amortised to profit or loss using the effective interest method. To the extent that it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

L Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call and investments in money market instruments, net of bank overdrafts, all of which are available for use by the Group. Bank overdrafts are included within current liabilities on the statement of financial position, unless the Group has a legally enforceable right to set off the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

M Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

Bonus provision

The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group performance with regard to a set of predetermined key performance measures. Bonuses are payable annually after the Group annual results have been approved.

Provision for cash-settled share-based payments

For the accounting policy on cash-settled share-based payments, refer to V (Employee benefits).

N Dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's directors. Proposed dividends are shown as a separate component of equity until declared.

O Trade payables

Trade payables are accounted for as financial liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Other payables are stated at their nominal values.

P Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new ordinary shares or share options are recognised in equity as a deduction net of tax from the proceeds.

Q Finance income and costs

Finance income

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and interest expense on lease liabilities. All borrowing costs are recognised in profit or loss using the effective interest method, unless the borrowing costs are directly attributable to the acquisition, construction, or production of qualifying assets, in which case the directly attributable borrowing costs are capitalised.

R Contingent liabilities

Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities also represent present obligations that arise from past events but are not recognised because an outflow of resources is not probable, or a reliable estimate cannot be made. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised.

S Consolidation

The Company has prepared consolidated financial statements which incorporate the results of its subsidiaries, all of which are wholly owned. These subsidiaries are: MTN Mobile Money (U) Limited and the dormant entities, MTN Publicom (Uganda) Limited and MTN VillagePhone (Uganda) Limited. The Company directly holds 100% of the ordinary shares and the voting rights of the aforementioned subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Business combinations

The Group accounts for business combinations using the acquisition method when control is obtained by the Group. A business is defined as an integrated set of activities and assets that are capable of being conducted and managed for the purposes of providing a return directly to investors or other owners, members or participants. The consideration transferred is measured at the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are recognised in profit or loss. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests. For business combinations under common control – where control is not transitory - the Group applies predecessor accounting, transferring the assets and liabilities at the carrying book values, accounting for this prospectively.

T Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged. For the purposes of defining related party transactions with key management, key management has been defined as directors and the Group's executive committee and includes close members of their families and entities controlled or jointly controlled by these individuals.

U Employee benefits

(i) Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is expensed in that reporting period. A liability is recognised for accumulated leave when there is a present legal or constructive obligation as a result of past service rendered by employees.

(ii) Share-based payment transactions

MTN Group Limited, the Group's ultimate holding company, operates two staff share incentive schemes, the MTN Group share and the MTN Group Share Appreciation Rights scheme which applies to MTN Uganda Limited as a subsidiary of MTN Group Limited.

These schemes are accounted for as cash settled share-based payments to employees at subsidiary level. Cash settled share-based payments are measured at fair value (excluding the effect of no-market-based vesting conditions) at valuation date which is each financial year end.

Each NSO (Notional Share Option) may only be exercised by a participant as a factor of continuous employment with MTN Uganda Limited with the following time frame for allocations granted before 2014:

- up to 20% after two years;
- up to 40% after three years;
- up to 70% after four years; and
- up to 100% after five years of granting the notional options.

Each allocation of NSO's granted remains in force for a period of 10 years from the date of offer. Exercising refers to the decision by the participant to cash out any net realisable increase in value over and above the NSO's offer price of vested NSO's.

For allocations granted after 2014, these are granted annually, with 100% vesting after 3 years and expiring after 5 years.

The fair value is expensed over the vesting period on a straight-line basis based on the Group's estimate of the shares that will eventually vest.

(iii) Retirement benefit obligations

The Group operates a defined contribution plan. A defined contribution plan is a post-employment benefit plan (such as a pension plan) under which the Group pays a fixed percentage of employees' remuneration as contributions into a separate entity (a fund) and will have no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense when they are due.

(iv) Termination benefits

Termination benefits may be payable when an employee's employment is terminated before the normal retirement date due to retrenchment or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the Group recognises costs for a restructuring that are within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

V Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

W Financial instruments

Accounting for financial instruments

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. 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 or loss.

Financial assets and liabilities are classified as current if expected to be realised or settled within 12 months; if not, they are classified as non-current.

Offsetting financial instruments

Offsetting of financial assets and liabilities arises when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The net amount is reported in the statement of financial position.

Financial instrument classification

The Group classifies its financial instruments into the following categories:

- Financial assets at amortised cost; and
- Financial liabilities at amortised cost.

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The classification is dependent on the purpose for which the financial instruments were acquired. Management determines the classification of financial instruments at initial recognition. Financial instruments comprise trade and other receivables, cash and cash equivalents, borrowings and trade and other payables.

Subsequent measurement

Subsequent to initial recognition, financial instruments are measured as described below.

Financial assets

Financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities

Financial liabilities comprise trade and other payables, bank overdrafts, borrowings, and other non-current liabilities (excluding provisions).

All financial liabilities are subsequently measured at amortised cost using the effective interest method

Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other liabilities

Other liabilities include the Mobile Money Platform liability.

It is initially measured at its fair value, which is the present value of the payments in respect of the minimum commitment. The entity will account for the interest expense and decrease the financial liability over the course of the licensing agreement as and when the liability is settled.

An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A portion of the cash flows varies according to changes in foreign currency. The economic characteristics and risks of these cashflows are however closely related to the fixed minimum commitments.

Derivative financial liabilities are measured at fair value through profit or loss. Gains or losses on derivative liabilities are recognised in the statement of profit or loss.

De-recognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

Impairment of financial assets

The Group's trade and other receivables are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. The simplified approach measures a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been analysed based on shared credit risk characteristics and the days past due.

The loss allowances for trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

X Mobile Money deposits

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward looking information to the extent that there is a strong correlation between the forward-looking information and the expected credit losses.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Mobile Money (MoMo) deposits are balances that are held with banks for and on behalf of MoMo customers. MoMo regulations require that these balances with banks are held in a manner to ensure that they are not co-mingled with the Group's cash and cash equivalents and that these are ring-fenced to settle MoMo customers' obligations. The deposits held are accounted for at amortised cost.

Upon recognition of the MoMo financial asset, the Group recognises a corresponding current liability, in the ordinary course, to refund MoMo customers for the deposits made.

The Group earns transactional fees on these MoMo balances and recognises transactional fees as part of digital and fintech services revenue. Transactional fees are recognised over time as the transactions occur. The Group accounts for fees paid to agents as a commission expense in selling, distribution, and marketing expenses.

Cash flows that relate to the principal MoMo deposit balances and corresponding liabilities are reflective of customer transactions, but only interest received and paid to customers in relation relating to these balances is recorded on the Company's statement of cash flows.

Y Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board has appointed an Executive Committee which assesses the financial performance and position of the Group and makes strategic decisions. The executive committee, has been identified as being the chief operating decision maker.

Z Direct Network Costs

These are costs incurred by the business in maintaining the network and telecommunications equipment.

AA Government and Regulatory Fees

These are costs relating to the annual gross revenue levy and spectrum fees paid to the regulator.

AB Handset and Accessories costs

These are costs relating to the handsets, data devices and accessories sold by the company.

AC Interconnect and Roaming costs

Interconnect costs are charges resulting from MTN Uganda customers making calls to another operator and roaming costs result from MTN Uganda customers using another network when they travel and leave our network.

AD Earnings per Share

The Group calculates basic earnings per share by dividing the profit or loss after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period. On the other hand, dilutive EPS are calculated by adjusting profit or loss attributable to ordinary equity holders of the Group and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (foreign exchange and interest rate risk). This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Market risk

(i) Foreign exchange risk

The Group 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 recognised assets and liabilities.

The Group aims to manage exposure to fluctuations in foreign currency exchange rates by keeping a proportion of its cash balance in foreign currency. As a policy, the Group does not utilise forward contracts or other methods of hedging foreign exchange risk that are speculative in nature.

At 31 December 2023, if the Shilling had weakened/strengthened by 5% (2022: 5%) against the US dollar with all other variables held constant, the pre-tax profit for the year and the Group's equity would have been Shs 2,320 million lower/higher (2022: Shs 2,480 million) and Shs 1,624 million lower/higher (2022: Shs 1,736 million) respectively, mainly as a result of US dollar receivables, payables, borrowings and bank balances. The Group's exposure to the US Dollar currency risk expressed in Ugandan shillings, is as follows:

	2023 Shs'000	2022 Shs'000
Trade and other receivables	**47,758,392**	60,847,265
Cash and cash equivalents	**32,900,370**	28,655,771
Trade and other payables	**(34,943,286)**	(39,902,096)
	45,715,476	**49,600,940**

Financial risk management *(Continued)*

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings and leases. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group regularly monitors financing options available to ensure optimum interest rates are obtained.

At 31 December 2023, an increase/decrease of 5% in the interest rate would have resulted in a decrease/increase in the Group's equity of Shs 1,710 million (2022: Shs 1,196 million) and the pre-tax income by Shs 2,443 million (2022: Shs 1,709 million), respectively.

The Group's exposure to interest rate risk is as follows:

	2023 Treasury bill rate Shs'000	2022 Treasury bill rate Shs'000
Current borrowings	**(184,736,253)**	(166,675,565)
Non-current borrowings	**(17,651,546)**	(82,897,391)
	(202,387,799)	**(249,572,956)**

Credit risk

The Group does not have any significant concentrations of credit risk. The Group credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

i) Risk management

Credit risk on financial assets with banking institutions is managed by dealing with institutions with strong balance sheets and a proven track record.

The Group does not have any significant concentrations of credit risk. The Group credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

ii) Impairment of financial assets

Trade receivables are subject to the expected credit losses (ECL) model. Details of impairment of trade and other receivables are included in note 22. While contract assets, Mobile money deposits and cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial since they are considered very low risk.

Financial risk management *(Continued)*
Credit risk *(Continued)*

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The ECL for trade receivables, which comprise post-paid debtors, dealer debtors, mobile money debtors, interconnect debtors and roaming debtors is arrived at as a product of the probability of default, loss given default and exposure at default. The expected loss rates are based on the payment profiles of sales over a period of 12 months to December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. adjusts the historical loss rates based on expected changes to the inflation rate.

The Group identified the inflation rate to be the most relevant factor, and accordingly related party receivable balances are assessed for impairment based on the counterparty's ability to settle on demand. The ECL for contract assets is arrived at as a product of the probability of default, loss given default and exposure at default.

Cash and cash equivalents and Mobile money deposits have been assessed for credit loss based on the credit rating of the financial institutions holding the assets.

The amount that best represents the Group's maximum exposure to credit risk at 31 December 2023 is made up as follows:

	2023 Shs'000	2022 Shs'000
Cash at bank and deposits on call (note 24)	**238,562,937**	200,772,719
Mobile money deposits (note 23)	**1,488,546,693**	1,207,758,423
Trade receivables (note 22)	**57,580,754**	71,942,929
Other receivables (note 22)	**51,278,562**	23,879,077
Non-current trade receivables (note 20)	**5,410,318**	6,554,173
Receivables from related companies (note 22)	**45,483,044**	52,465,661
Current investment	**12,265,000**	-
	1,899,127,308	**1,563,372,982**

Financial risk management *(Continued)*
Credit risk *(Continued)*

Set out below is the information about the credit risk exposure on the Company's trade receivables and contract assets using a provision matrix:

31 December 2023	Trade receivables						
	Days past due						
	0–30 days Shs '000	31–60 days Shs '000	61–90 days Shs '000	91–120 days Shs '000	120–180 days Shs '000	>180 days Shs '000	Total Shs '000
Corporate customers (a)	9,347,819	8,953,822	4,968,575	3,792,134	5,096,536	14,637,319	46,796,205
Expected credit loss rate	0.9%	0.3%	0.3%	0.5%	0.3%	85.8%	
Other receivables (b)	6,372,559	9,756,909	2,148,741	2,730,648	4,855,307	11,886,560	37,750,724
Expected credit loss rate	0.9%	0.3%	0.3%	0.5%	0.3%	96.0%	
Estimated total gross carrying amount at default [(a)+(b)]	15,720,378	18,710,731	7,117,316	6,522,782	9,951,843	26,523,879	84,546,929
Expected credit loss	(380,339)	(41,115)	(48,523)	(55,994)	(366,974)	(26,073,230)	(26,966,175)
Net carrying amount	**15,340,039**	**18,669,616**	**7,068,793**	**6,466,788**	**9,584,869**	**450,649**	**57,580,754**

31 December 2022	Trade receivables						
	Days past due						
	0–30 days Shs '000	31–60 days Shs '000	61–90 days Shs '000	91–120 days Shs '000	120–180 days Shs '000	>180 days Shs '000	Total Shs '000
Corporate customers (a)	12,459,529	5,138,202	4,378,498	2,115,528	3,574,302	16,340,153	44,006,212
Expected credit loss rate	1.6%	1.8%	1.9%	2.1%	2.3%	95.4%	
Other receivables (b)	30,591,258	7,943,884	188,989	5,341,348	351,629	4,398,472	48,815,580
Expected credit loss rate	1.6%	1.8%	1.9%	2.1%	2.3%	97.4%	
Estimated total gross carrying amount at default [(a)+(b)]	43,050,787	13,082,086	4,567,487	7,456,876	3,925,931	20,738,625	92,821,792
Expected credit loss	(313,710)	(204,173)	(174,733)	(368,227)	(115,105)	(19,702,915)	(20,878,863)
Net carrying amount	**42,737,077**	**12,877,913**	**4,392,754**	**7,088,649**	**3,810,826**	**1,035,710**	**71,942,929**

Financial risk management *(Continued)*
Credit risk *(Continued)*

iii) Security

With the exception of post-paid and dealer trade receivables, no collateral is held for any of the above assets. Some post-paid subscribers are required to pay a security deposit before being connected onto the Group's network. Dealer debtors are also required to present post-dated cheques and bank guarantees before being granted credit. The Group does not grade the credit quality of receivables. The fair value of security deposits held was Shs 2,984 million (2022: Shs 2,984 million). In case of default, the security deposit is used to clear the receivable balance.

iv) Definition of default

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Liquidity risk

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

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

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

Financial risk management *(Continued)*

Liquidity risk *(Continued)*

	0–30 days Shs'000	31–90 days Shs'000	90 days to 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	More than 5 years Shs'000	Total Shs'000
At 31 December 2023							
Trade and other payables	**136,582,300**	**240,489,928**	**-**	**-**	**-**	**-**	**377,072,228**
Mobile money deposits	**1,488,546,693**	**-**	**-**	**-**	**-**	**-**	**1,488,546,693**
Borrowings	**-**	**55,362,229**	**144,231,669**	**18,393,938**	**-**	**-**	**217,987,836**
Financial liability	**2,811,694**	**5,623,387**	**25,305,244**	**43,036,188**	**98,181,504**	**-**	**174,958,017**
Lease liabilities	**58,228,182**	**25,325,097**	**248,580,968**	**330,047,836**	**763,990,509**	**627,249,577**	**2,053,422,169**
	1,686,168,869	**326,800,641**	**418,117,881**	**391,477,962**	**862,172,013**	**627,249,577**	**4,311,986,943**

	0–30 days Shs'000	31–90 days Shs'000	90 days to 1 year Shs'000	Between 1 and 2 years Shs'000	Between 2 and 5 years Shs'000	Between 2 and 5 years Shs'000	Total Shs'000
At 31 December 2022							
Trade and other payables	134,336,430	215,050,043		-	-	-	349,386,473
Mobile money deposits	1,207,758,423	-		-	-	-	1,207,758,423
Borrowings	-	57,192,331	142,396,553	101,516,324	16,130,792	-	317,236,000
Lease liabilities	50,519,825	16,109,813	200,505,321	265,086,341	720,373,798	579,530,248	1,832,125,346
	1,392,614,678	**288,352,187**	**342,901,874**	**366,602,665**	**736,504,590**	**579,530,248**	**3,706,506,242**

Financial risk management *(Continued)*

Liquidity risk *(Continued)*

The trade payables balances in the liquidity risk disclosure exclude tax and regulatory fees accruals amounting to Shs 132,981 million (2022: Shs 111,044 million).

	2023 Shs'000	2022 Shs'000
Financial assets at amortised cost		
Cash and bank balances (note 24)	**238,562,937**	200,772,719
Mobile money deposits (note 23)	**1,488,546,693**	1,207,758,423
Non-current trade receivables and other receivables (note 20)	**5,410,318**	6,554,173
Trade and other receivables (note 22)	**154,342,360**	148,287,667
	1,886,862,308	**1,563,372,982**
Financial liabilities at amortised cost		
Trade and other payables	**377,072,228**	349,386,473
Mobile money deposits (note 23)	**1,488,546,693**	1,207,758,423
Borrowings (note 27)	**202,387,799**	249,572,956
Lease liabilities (note 18 (b))	**1,256,749,181**	1,072,486,871
	3,324,755,901	**2,879,204,723**
Financial liability at fair value through profit or loss		
Other financial liability (note 19 (b))	**121,639,038**	-

Fair value

The Group adopted the amendment to IFRS 7 for financial instruments that are measured at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group measures its financial liability in respect of payments under the Ericsson contract at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

Financial risk management *(Continued)*

Fair value *(Continued)*

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial liability disclosed measured at fair value (note 19 (b)) is held at level 3 of the fair value hierarchy.

The carrying amounts of the Group's financial assets and liabilities measured at amortised cost, that is trade receivables, mobile money deposits, cash and cash equivalents, trade payables and mobile mobile money deposit liabilities is a reasonable approximation of the carrying amounts disclosed in notes 22, 23, 24, 25, and 23, respectively. The fair values of these instruments approximate their carrying amounts largely due to their short-term maturities.

The fair values of the above instruments were determined using level 3 techniques by discounting cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair-value related disclosures for the financial liability measured at fair value is summarised under note 19 (b). The fair value is determined using level 3 techniques by discounting future cash flows using the Company's incremental borrowing rate.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide 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 Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Total capital is calculated as equity plus net debt. The Group does not have a target gearing ratio or externally imposed capital requirements.

Financial risk management *(Continued)*

Capital management *(Continued)*

The gearing ratios at 31 December 2023 and 2022 were as follows:

	2023 Shs'000	2022 Shs'000
Total borrowings and lease liabilities (note 27 and 18 (b))	**1,459,136,980**	1,322,059,827
Financial liability held at fair value	**121,639,038**	-
Less: cash and cash equivalents (note 24)	**(238,562,937)**	(200,772,719)
Net debt	**1,342,213,081**	**1,121,287,108**
Total equity	**1,014,218,899**	903,997,553
Total capital	**2,356,431,980**	**2,025,284,661**
Gearing ratio	**57%**	**55%**

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumption could require a material adjustment to the carrying amount of the asset or liability affected.

(i) Critical accounting estimates and assumptions

Property and equipment

Critical estimates in determining the useful lives of property and equipment are made by the directors in determining depreciation rates for property and equipment. The rates used are set out in 2(D) above. The directors have established over the lifetime of the business that the depreciation rates have been consistent with the useful lives of the Group's assets. As at 31 December 2023, an increase/decrease in the annual depreciation rate of 5% would have resulted in an increase/decrease in the net book value of approximately Shs 17,576 million (2022: Shs 9,708 million).

(ii) Critical judgements in applying the Group's accounting policies

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

Critical accounting estimates and judgements (Continued)

- Otherwise, the Group considers other factors including historical lease durations, the costs and business disruption required to replace the leased asset and the business planning horizon, which is 5 years.
- Extension options have been included in the lease liability to the extent that they are within the Group's current business plan.

As at 31 December 2023, potential future cash outflows of Shs 2,053,422 million (undiscounted) have been included in the lease liability because it is reasonably certain that the leases will be extended (or not terminated) (2022: Shs 1,828,299 million).

5 Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major service and product lines:

	2023 Shs'000	2022 Shs'000
Revenue earned over time		
Network services	**1,683,056,310**	1,472,553,328
Interconnect and roaming	**108,576,298**	90,333,606
Digital and fintech services	**781,012,656**	660,799,119
Information technology infrastructure services	**57,216,453**	42,241,720
Revenue earned over time	**2,629,861,717**	**2,265,927,773**
Mobile devices	**39,283,980**	20,324,201
	2,669,145,697	**2,286,251,974**

Network services, interconnect and roaming, digital services and other revenue are recognised over time, whereas mobile devices are recognised at a point in time. Network services revenues relate to outgoing voice revenue, outgoing sms revenue and mobile data revenues. Other revenue primarily relates to ICT revenue and IT services provided to MTN Zambia and MTN Swazi. The revenue is recognised based on the output method in consideration of actual minutes called, SMSes sent or bytes utilised. This is most appropriate as these are concluded within short periods of time. Network services are earned within the consumer business segment (CBU) (Shs 1,508,589 million), Enterprise Business Unit (EBU) (Shs 165,526 million) and Wholesale and Carrier (Shs 8,941 million). Interconnect revenue is recognised within wholesale and carrier services. Mobile devices revenue is primarily within the consumer business segment. Digital and fintech services are within mobile financial services (MFS) (Shs 771,643 million), the consumer business segment (Shs 8,733 million) and Enterprise Business Unit (Shs 637 million). Other revenue is within EBU sales (Shs 36,558 million), CBU (Shs 4,986 million), Wholesale (Shs 14,840) and MFS (Shs 832 million).

(b) Assets and liabilities related to contracts with customers

	2023 Shs'000	2022 Shs'000
Trade receivables and receivables from related parties	**130,029,973**	145,287,453
Loss allowance (note 22)	**(26,966,175)**	(20,878,863)
Total trade receivables (note 22)	**103,063,798**	**124,408,590**
Contract liabilities - deferred revenue	**31,960,239**	**16,507,615**

Deferred revenue represents unused activated airtime subscriber balances for prepaid products, as well as the cash equivalent of any unused bonus points on the 1-4-1 customer loyalty promotion.

Revenue is recognised in profit or loss as calls are made, SMSes sent and data used on the unused activated airtime. Revenue in relation to the customer loyalty program is recognised when the points are redeemed through calls or when they expire 12 months after the initial sale.

(i) Significant changes in trade receivables and contract liabilities

The increase in trade receivables and other receivables was primarily driven by the increase in amounts due from related parties especially Bayobab Africa (Formely "MTN Global Connect Solutions") and MTN Management Services. The Group has related payables that will be used to settle the bulk of these receivables. Refer to Note 22 for further information on loss allowances recognised. The increase in contract liabilities is as a result of an increase in outstanding airtime and data balances on account of the increase in subscribers.

(ii) Revenue recognised in respect of contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2023 Shs'000	2022 Shs'000
Revenue recognised that was included in deferred revenue at start of year	**16,507,615**	**7,709,821**

Revenue from contracts with customers *(Continued)*

(iii) Assets recognised from costs to fulfil a contract

The incremental subscriber acquisition costs are capitalised as contract costs and are amortised on a systematic basis over the average customer life of 3 years.:

The movement of the contract assets is as below:

	2023 Shs'000	2022 Shs'000
At start of year	**21,287,496**	19,513,988
Additions	**39,428,464**	10,691,895
Amortised as costs in the year	**(15,574,918)**	(8,918,387)
At end of year	**45,141,042**	**21,287,496**
Current contract assets	**21,716,960**	10,585,068
Non-current contract assets	**23,424,082**	10,702,428
	45,141,042	**21,287,496**

6 Segment reporting

Operating segments reflect the Group's management structure, and the way financial information is regularly reviewed. The Group has identified reportable segments that are used by the Executive Committee (EXCO) to make key operating decisions, allocate resources and assess performance. The EXCO primarily focuses on revenue at the segment level. The structure of the business is such that the assets and liabilities are primarily utilised across the segments, so are reviewed for the entire Group. The reportable segments are identified as below:

i. Telecommunications services

ii. Mobile Financial services This relates to Digital and Fintech services.

Nature of operations:	Telecommunications Shs'000	Mobile Financial services Shs'000	Total Shs'000
2023 Revenue	**1,897,503,066**	**771,642,631**	**2,669,145,697**
2023 Profit after tax	**289,615,452**	**203,461,324**	**493,076,776**
2023 Total assets	**2,882,355,929**	**1,800,184,545**	**4,682,540,474**
2023 Total liabilities	**1,968,760,538**	**1,699,561,037**	**3,668,321,575**
2022 Revenue	1,663,241,262	623,010,712	2,286,251,974
2022 Profit after tax	237,957,259	168,093,102	406,050,361
2022 Total assets	2,583,596,125	1,386,202,489	3,969,798,614
2022 Total liabilities	1,774,309,163	1,291,491,898	3,065,801,061

Segment reporting *(Continued)*

The EXCO also focuses on revenue by customer segment for internal revenue reporting. The structure of the business is such that the assets and liabilities are primarily utilised across the segments, so are reviewed for the entire Group. The reportable segments are identified as below:

i. **Consumer –** This comprises prepaid subscriber revenue.

ii. **Enterprise Business Unit –** This comprises revenue earned from corporate customers, SMEs, governments, and post-paid customers.

iii. **Wholesale and Carrier services –** This relates to revenue earned from other telecommunication companies that provide support services such as Interconnect, roaming and leased lines services.

iv. **Mobile Financial services –** This relates to revenue earned from Digital and Fintech services.

Customer segments:	Consumer Shs'000	Enterprise Business Unit Shs'000	Wholesale & Carrier services Shs'000	Mobile Financial services Shs'000	Total Shs'000
2023 Revenue	**1,558,264,935**	**208,388,565**	**130,849,566**	**771,642,631**	**2,669,145,697**
2023 Costs	**(832,589,357)**	**(36,918,159)**	**(3,638,989)**	**(425,907,896)**	**(1,299,054,401)**
2023 Other income	**1,110,147**	**-**	**-**	**-**	**1,110,147**
2023 EBITDA	**726,785,725**	**171,470,406**	**127,210,577**	**345,734,735**	**1,371,201,443**
2022 Revenue	1,383,783,191	172,948,870	106,509,201	623,010,712	2,286,251,974
2022 Costs	(731,141,264)	(16,722,626)	(3,964,443)	(385,831,154)	(1,137,659,487)
2022 Other income	30,799,413	-	-	-	30,799,413
2022 EBITDA	683,441,340	156,226,244	102,544,758	237,179,558	1,179,391,900

7 Direct network operating costs

	2023 Shs'000	2022 Shs'000
Leased line costs	**23,749,583**	15,883,248
TowerCo related costs	**181,905,980**	150,784,226
Network and IT maintenance	**132,503,449**	117,675,546
	338,159,012	**284,343,020**

8 Government and regulatory fees

	2023 Shs'000	2022 Shs'000
Spectrum fees	**24,300,373**	19,361,833
Regulatory fees and levies	**41,479,718**	38,573,839
	65,780,091	**57,935,672**

9 Employee benefits expenses

	2023 Shs'000	2022 Shs'000
	106,924,763	80,752,780
Salaries and wages	**3,023,810**	2,787,233
MTN Uganda Limited Provident Fund contributions [note 32 (vii)]	**6,793,143**	6,050,453
Contributions to National Social Security Fund	**3,373,425**	11,736,465
Notional share options (note 26)	**15,194,567**	25,247,546
Other staff costs		
	135,309,708	**126,574,477**

Remuneration for the Group's permanent employees is disclosed under salaries and wages. Staff welfare costs together with costs for the Group's contract personnel are disclosed under other staff costs.

10 Selling, distribution and marketing expenses

	2023 Shs'000	2022 Shs'000
Commissions	**397,649,169**	360,581,578
Marketing	**56,721,060**	46,601,170
Content costs	**7,459,768**	6,994,075
	461,829,997	**414,176,823**

11 Other operating expenses*

	2023 Shs'000	2022 Shs'000
Professional and consulting	**8,071,620**	4,739,778
Auditor's remuneration	**2,851,591**	2,958,250
Directors' fees	**972,299**	367,772
General expenses	**40,847,020**	51,915,116
Motor vehicle and insurance	**13,261,532**	10,645,396
Security costs	**1,165,399**	1,112,422
Communication costs	**1,133,583**	2,533,685
Management fees	**84,702,995**	72,424,185
MTN Foundation [note 32 (viii)]	**2,769,746**	5,755,342
Travel and entertainment	**4,461,442**	3,589,451
Electricity and diesel – non network	**9,457,025**	8,380,956
Other utilities – non network	**19,000**	51,907
Information technology fees	**7,404,457**	4,959,564
Office building and maintenance	**3,056,600**	4,064,104
	180,174,309	**173,497,928**

*In the prior year, the gain on disposal of property, plant and equipment was presented as part of other operating expenses. This has been reclassified to other income.

12 (a) Net foreign exchange losses*

	2023 Shs'000	2022 Shs'000
Foreign exchange gains	11,025,689	9,877,689
Foreign exchange losses	(12,801,942)	(27,659,804)
Net foreign exchange losses	(1,776,253)	(17,782,115)

(b) Finance income / (costs)

Interest income calculated using the effective interest method:		
Interest income on mobile money deposits	42,366,940	20,706,131
Other Interest income	12,181,182	7,340,101
	54,548,122	28,046,232
Interest expense calculated using the effective interest method:		
Interest expense and other charges on borrowings (note 27)	(33,463,228)	(29,091,127)
Interest expense on lease liabilities (note 18 (b))	(187,003,962)	(141,072,847)
Interest expense on mobile money deposits	(42,366,940)	(20,706,131)
Other interest expenses	(2,590,797)	(642,169)
	(265,424,927)	(191,512,274)
Interest expenses not calculated using the effective interest method:		
Interest on financial liability (note 19 (b))	(10,042,824)	-
	(275,467,751)	(191,512,274)

12 (b) Finance income / (costs) (continued)

*For the year ended 31 December 2022, interest income and interest expense calculated using the effective interest rate was not presented separately in the financial statements. To comply with IFRS, interest income and interest expense that is calculated using the effective interest rate has been presented separately in the financial statements for the year ended 31 December 2023. Therefore, the comparative information has been aligned for consistency in presentation.

13 Income tax expense

	2023 Shs'000	2022 Shs'000
Current income tax	220,244,650	193,137,258
Deferred tax credit (note 17)	(6,994,010)	(8,158,554)
	213,250,640	184,978,704

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2023 Shs'000	2022 Shs'000
	Shs'000	Shs'000
Profit before income tax expense	706,327,416	591,029,065
Tax calculated at a rate of 30% (2022: 30%)	211,898,225	177,308,719
Tax effect of:		
Expenses not deductible for tax purposes	4,446,304	3,494,189
Prior year (over) / under provision of current income tax	(1,104,578)	4,715,072
Prior year over provision of deferred tax asset	(1,989,311)	(539,276)
Income tax expense	213,250,640	184,978,704

The effective tax rate for the year ended 31 December 2023 was 30.2% (2022: 31.3%)

The movement in current income tax recoverable is as follows:

At start of year	3,893,911	(2,351,797)
Income tax charge	220,244,650	193,137,258
Tax paid	(223,580,166)	(186,891,550)
At end of year	558,395	3,893,911

The current income tax recoverable relates to:

	2023 Shs'000	2022 Shs'000
Income tax (recoverable) / payable - Company	(1,976,045)	4,323,181
Income tax payable / (recoverable) - Subsidiary	2,534,440	(429,270)
At end of year	558,395	3,893,911

14 Earnings per share

The Group calculates basic earnings per share by dividing the profit or loss after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period. On the other hand, dilutive EPS is calculated by adjusting profit or loss attributable to ordinary equity holders of the Group and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

	2023 Shs'000	2022 Shs'000
Weighted average number of shares at 31 December	**22,389,044,239**	22,389,044,239
Profit from continuing operations attributable to shareholders (Shs '000)	**493,076,776**	406,050,361
Basic/ diluted earnings per share (Shs / Share)	**22.02**	**18.14**

At the reporting date, the basic and diluted earnings per share were the same. There are no outstanding shares with a potential dilutive effect on the weighted average number of ordinary shares in issue.

15 Share capital

	2023			2022		
	Number of shares	Par Value	Ordinary share capital Shs'000	Number of shares	Par Value	Ordinary share capital Shs'000
Authorised:						
Ordinary shares	**28,000,000,000**	**1**	**28,000,000**	28,000,000,000	1	28,000,000
Issued and fully paid:						
Ordinary shares	**22,389,044,239**	**1**	**22,389,044**	22,389,044,239	1	22,389,044

The holders of ordinary shares are entitled to participate in dividends and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

16 Dividends

	2023 Dividend		2022 Dividend	
	per share Shs'000	Total Shs'000	per share Shs'000	Total Shs'000
Dividends declared and paid	**17.1**	**382,855,430**	15.1	338,211,678
Dividends for the year				
Interim dividend	**11.6**	**259,715,687**	10.4	232,848,836
Final dividend	**6.4**	**143,289,883**	5.5	123,139,743
Dividends for the year (paid and proposed)	**18.0**	**403,005,570**	15.9	355,988,579

Payment of dividends is subject to withholding tax at rates depending on the residence of the respective shareholders. The directors recommend the payment of a final dividend of Shs 143,290 million (2022: Shs 123,140 million.).

17 Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the tax losses can be utilised. Deferred tax assets can be utilised for a period of seven years. Effective from 1 July 2023, Uganda tax laws were revised such that tax losses can be carried forward for seven years, following which, only 50% of the income tax losses are allowed. The Company had no tax losses as at 31 December 2023 (31 December 2022). The directors have made an assessment that the deferred tax losses which arise from short-term differences will be utilised during the normal course of business. Therefore, the net deferred tax assets have been fully recognised on the statement of financial position.

Deferred tax is calculated using the enacted income tax rate of 30% (2022: 30%). The movement on the deferred income tax account is as follows:

Deferred tax assets (*Continued)*

	2023 Shs'000	2022 Shs'000
At start of year	**14,615,302**	6,456,748
Credit to profit or loss	**6,994,010**	8,158,554
At end of year	**21,609,312**	14,615,302

Deferred tax assets and liabilities and the deferred tax charge in profit or loss are attributable to the following items:

	1 January 2023 Shs'000	Credit to profit or loss Shs'000	31 December 2023 Shs'000
Year ended 31 December 2023			
Deferred tax liabilities:			
Accelerated tax depreciation	**(13,741,292)**	**1,310,315**	**(12,430,977)**
Deferred tax assets:			
Provisions	**22,286,154**	**1,859,472**	**24,145,626**
Net unrealised foreign exchange	**827,761**	**(785,321)**	**42,440**
Deferred income	**5,242,680**	**4,609,543**	**9,852,223**
	28,356,595	**5,683,694**	**34,040,289**
Net deferred tax assets	**14,615,303**	**6,994,009**	**21,609,312**

	1 January 2022 Shs'000	Credit to profit or loss Shs'000	31 December 2022 Shs'000
Year ended 31 December 2022			
Deferred tax liabilities:			
Accelerated tax depreciation	(13,280,008)	(461,284)	(13,741,292)
Deferred tax assets:			
Provisions	17,817,978	4,468,176	22,286,154
Net unrealised foreign exchange	(601,609)	1,429,370	827,761
Deferred income	2,520,387	2,722,292	5,242,679
	19,736,756	8,619,838	28,356,594
Net deferred tax assets	**6,456,748**	**8,158,554**	**14,615,302**

18 (a) Property and equipment

	Land and buildings Shs'000	Leasehold improvements Shs'000	Tele-communications equipment Shs'000	Furniture, computers and other equipment Shs'000	Motor vehicles Shs'000	Work in progress Shs'000	Total Shs'000
Year ended 31 December 2023							
Opening net book amount	**45,646,352**	**7,069,056**	**843,931,243**	**41,740,921**	**1,099,532**	**9,702,163**	**949,189,267**
Additions	**2,463,935**	**2,019,994**	**283,950,151**	**19,006,562**	**8,944**	**11,578,414**	**319,028,000**
Transfers*							
cost	**333,640**	**790,475**	**5,466,529**	**1,895,315**	**-**	**(8,485,959)**	**-**
accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposals:							**-**
- cost	**-**	**(416,325)**	**(10,609,159)**	**(4,275,889)**	**(2,950,375)**	**-**	**(18,251,748)**
- accumulated depreciation	**-**	**416,325**	**10,578,430**	**3,961,504**	**2,802,426**	**-**	**17,758,685**
Reallocations**	**67**	**(1,067)**	**(51,430)**	**84,125**	**-**	**1,631,880**	**1,663,575**
Impairment	**-**	**-**	**(294,976)**	**-**	**-**	**-**	**(294,976)**
Depreciation charge	**(3,023,292)**	**(3,273,406)**	**(158,358,021)**	**(17,751,984)**	**(138,483)**	**-**	**(182,545,186)**
Closing net book amount	**45,420,702**	**6,605,052**	**974,612,767**	**44,660,554**	**822,044**	**14,426,498**	**1,086,547,617**
At 31 December 2023							
Cost	**55,189,176**	**32,117,239**	**2,452,505,943**	**224,665,156**	**9,644,887**	**14,426,498**	**2,788,548,899**
Accumulated amortisation	**(9,768,474)**	**(25,512,187)**	**(1,477,893,176)**	**(180,004,602)**	**(8,822,843)**	**-**	**(1,702,001,282)**
Net book amount	**45,420,702**	**6,605,052**	**974,612,767**	**44,660,554**	**822,044**	**14,426,498**	**1,086,547,617**

*Transfers are WIP capitalised

**Reallocations are movements between PPE and intangible assets

(a) Property and equipment *(Continued)*

	Land and buildings Shs'000	Leasehold improvements Shs'000	Tele-communications equipment Shs'000	Furniture, computers and other equipment Shs'000	Motor vehicles Shs'000	Work in progress Shs'000	Total Shs'000
At January 2022							
Cost	49,882,647	30,166,226	1,982,671,880	204,329,810	13,619,129	7,408,779	2,288,078,471
Accumulated amortisation	(4,270,112)	(24,433,592)	(1,218,348,099)	(164,892,661)	(12,429,346)	-	(1,424,373,810)
Net book amount	**45,612,535**	**5,732,634**	**764,323,781**	**39,437,149**	**1,189,783**	**7,408,779**	**863,704,661**
Year ended 31 December 2022							
Opening net book amount	45,612,535	5,732,634	764,323,781	39,437,149	1,189,783	7,408,779	863,704,661
Additions	1,971,766	4,750,591	257,541,772	23,165,761	140,135	8,003,647	295,573,672
Transfers							-
cost	537,186	1,226,744	969,296	752,672	-	(3,485,898)	-
accumulated depreciation	-	-	-	-	-	-	-
Disposals:							
cost	-	(6,437,339)	(41,677,905)	(20,245,320)	(1,172,946)	-	(69,533,510)
accumulated depreciation	-	5,146,782	40,851,790	16,870,642	1,124,859	-	63,994,073
Reallocations**	-	18,961	(7,711,474)	43,492	-	(2,224,365)	(9,873,386)
Impairment	-	-	(509,391)	-	-	-	(509,391)
Depreciation charge	(2,475,135)	(3,369,317)	(169,856,626)	(18,283,475)	(182,299)	-	(194,166,852)
Closing net book amount	**45,646,352**	**7,069,056**	**843,931,243**	**41,740,921**	**1,099,532**	**9,702,163**	**949,189,267**
At 31 December 2022							
Cost	52,391,599	29,725,183	2,191,793,569	208,046,415	12,586,318	9,702,163	2,504,245,247
Accumulated amortisation	(6,745,247)	(22,656,127)	(1,347,862,326)	(166,305,494)	(11,486,786)	-	(1,555,055,980)
Net book amount	**45,646,352**	**7,069,056**	**843,931,243**	**41,740,921**	**1,099,532**	**9,702,163**	**949,189,267**

**Reallocations relate to reclassifications between property and equipment at the time when management confirms that intangible asset was integral / not integral to the operation of the tangible asset.

18 (b) Leases

i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2023 Shs'000	2022 Shs'000
Right-of-use assets		
Network sites	**1,072,990,725**	930,780,307
Offices and services centres	**1,217,741**	5,006,339
Motor vehicles	**17,505,388**	13,571,169
	1,091,713,853	**949,357,815**
Lease liabilities		
Current	**149,728,208**	106,595,075
Non-current	**1,107,020,973**	965,891,796
	1,256,749,181	**1,072,486,871**
ii) Amounts recognised in profit or loss		
Depreciation charge for right-of-use assets		
Network sites	**156,826,012**	128,929,090
Offices and services centres	**4,747,150**	4,027,981
Motor vehicles	**6,427,100**	3,381,150
	168,000,262	**136,338,221**
iii) The movement in right-of-use assets is as follows:		
At 1 January 2023	**949,357,815**	636,870,389
Additions	**221,072,079**	616,998,075
Remeasurements	**90,185,199**	31,071,924
Depreciation	**(168,000,262)**	(136,338,221)
Disposal	**(900,978)**	(199,244,352)
At end of year	**1,091,713,853**	**949,357,815**
At end of the year		
Cost	**1,580,262,768**	1,272,590,629
Accumulated depreciation	**(488,548,915)**	(323,232,814)
Net right-of-use asset	**1,091,713,853**	**949,357,815**
iv) The movement in lease liabilities is as follows:		
As at 1 January	**1,072,486,871**	732,219,836
Additions	**222,192,985**	616,998,075
Remeasurements	**90,185,199**	31,071,924
Interest expense	**187,003,962**	141,072,847
Payment of interest portion of lease liabilities	**(185,140,944)**	(141,072,847)
Payment of principal portion of lease liabilities	**(129,004,180)**	(79,680,325)
Foreign exchange losses	**330,725**	1,093,788
Disposal	**(1,305,437)**	(229,216,427)
As at 31 December	**1,256,749,181**	**1,072,486,871**

See note 2 (g) for the accounting policies relevant to leases.

19 (a) Intangible assets

	License fee Shs'000	IT software Shs'000	Total Shs'000
Year ended 31 December 2023			
Opening net book amount	**301,582,965**	**56,133,611**	**357,716,576**
Additions	**-**	**165,214,399**	**165,214,399**
Amortisation	**(31,744,904)**	**(59,887,795)**	**(91,632,699)**
Reallocation	**(6,371)**	**(1,657,204)**	**(1,663,575)**
Impairment reversal	**-**	**2,063**	**2,063**
Disposal:			
cost	**(50,001)**	**(1,799,500)**	**(1,849,501)**
accumulated depreciation	**50,001**	**1,799,500**	**1,849,501**
Closing net book amount	**269,831,690**	**159,805,074**	**429,636,764**
At 31 December 2023			
Cost	**380,938,857**	**357,571,074**	**738,509,931**
Accumulated amortisation	**(111,107,167)**	**(197,766,000)**	**(308,873,167)**
Net book amount	**269,831,690**	**159,805,074**	**429,636,764**
Year ended 31 December 2022			
Opening net book amount	333,344,537	49,470,376	382,814,913
Additions	-	42,085,919	42,085,919
Amortisation	(31,761,572)	(44,848,034)	(76,609,606)
Reallocation		9,873,386	9,873,386
Disposal:			
- cost	-	(9,702,762)	(9,702,762)
- accumulated depreciation	-	9,254,726	9,254,726
Closing net book amount	**301,582,965**	**56,133,611**	**357,716,576**
At 31 December 2022			
Cost	380,988,858	194,154,112	575,142,970
Accumulated amortisation	(79,405,893)	(138,020,501)	(217,426,394)
Net book amount	**301,582,965**	**56,133,611**	**357,716,576**

License fee

The Group's initial license to operate as a telecommunications company in Uganda expired on 20 October 2018 after 20 years. Uganda Communications Commission (UCC) granted MTN Uganda Limited a formal long-term licence in July 2021 for a period of 12 years.

Software

Software that is separately identifiable from components of the Group's plant and equipment has been recognised as an intangible asset. This software is amortised over its useful life which is considered to be 3 years. The additions to IT software include software charges arising from the new contract signed with Ericsson during the year. The additions were acquired by assuming directly related liabilities and therefore, there was no cash movement. The Ericsson software is amortised over a period of five years. The movement in the intangible asset arising from the Ericsson contract is summarised below:

	2023 Shs'000	2022 Shs'000
At 1 January	**-**	-
Additions	**131,849,116**	-
Amortisation	**(26,369,823)**	
At 31 December	**105,479,293**	**-**

19 (b) Other financial liability

The financial liability arising from the Ericsson software contract is disclosed below. The financial liability is measured at fair value through profit or loss:

	2023 Shs'000	2022 Shs'000
Financial liability measured at fair value		
Current	**24,192,394**	-
Non-current	**97,446,644**	-
	121,639,038	**-**

The movement in the financial liability is disclosed below:

	2023 Shs'000	2022 Shs'000
At 1 January	**-**	-
Additions	**131,849,116**	-
Interest accrued (note 12)	**10,042,824**	-
Interest paid on financial liability	**(10,042,824)**	-
Payments made during the year	**(10,210,078)**	-
	121,639,038	**-**

(b) Other financial liability *(Continued)*

Annual maintenance charges arising from the new contract of Ushs 6,005 million were expensed to profit of loss during the year ended 31 December 2023. The fair value of the financial liability is determined using level 3 techniques by discounting future cash flows using the Group's incremental borrowing rate. The significant unobservable inputs in the fair value measurement are the long-term growth rate for the Group's service revenue, the annual movement in the foreign exchange rate and the incremental borrowing (discount) rate. A 1% increase in the discount rate results into a Ushs 2,865 million decrease in the fair value of the financial liability. A 1% increase in the foreign exchange rate and the service revenue results in an increase of Ushs 1,390 million and Ushs 1,685 million in the fair value of the financial liability, respectively.

20 Prepayments and advances to business partners

	2023 Shs'000	2022 Shs'000
(a) Indefeasible right-of-use ("IRU") assets		
At start of year	**57,624,020**	50,289,239
Additions	**35,554,502**	21,797,425
Charge for the year	**(21,339,022)**	(14,462,644)
At end of year	**71,839,500**	57,624,020
IRU assets – current	**10,696,873**	8,302,149
IRU assets – non–current	**61,142,627**	49,321,871
Total indefeasible right-of-use assets	**71,839,500**	**57,624,020**
(b) Non-current receivables and prepayments		
IRU non-current receivables	**61,142,627**	49,321,871
Advances to dealers	**5,410,318**	6,554,173
Net book amount at end of year	**66,552,945**	**55,876,044**

The other non-current receivables are the amounts due from the dealers that the Group expects to collect within two to three years from the end of the reporting period. These amounts are guaranteed by banks. The fair value of the receivables is not significantly different from their carrying amount. The prepaid site and lease rentals primarily relate to indefeasible right of use arrangements with Africa Bayobab (formerly, "MTN Global Connect") on undersea cables.

	2023 Shs'000	2022 Shs'000
(c) Deferred revenue from sub lease arrangements – current	**1,002,623**	1,043,005
Deferred revenue from sub lease arrangements – non-current	**12,395,428**	**12,215,045**

21 Inventories

	2023 Shs'000	2022 Shs'000
Sim cards, phones, and accessories	**16,301,595**	29,189,912
Provision for obsolete stock	**(3,556,388)**	(1,757,475)
	12,745,207	27,432,437
Inventories expensed during the year	**(41,562,051)**	(23,878,564)
Increase in impairment provision during the year	**(2,089,993)**	**(69,724)**

22 Trade and other receivables

	2023 Shs'000	2022 Shs'000
Trade receivables	**84,546,929**	92,821,792
Loss allowance	**(26,966,175)**	(20,878,863)
Trade receivables – net	**57,580,754**	**71,942,929**
Receivables from related parties - net (Note 32 (iv) a)	**45,483,044**	52,465,661
Prepayments[1]	**32,900,699**	37,075,598
Other receivables	**51,278,562**	23,879,077
	187,243,059	**185,363,265**

[1]Included under prepayments is an amount of Ushs 10,697 million (2021: Ushs 8,302 million) relating to the current portion of IRU assets.

The carrying amount of the above receivables balances approximates their fair value. The closing loss allowances for trade receivables as at 31 December reconciles to the opening loss allowances as set out below.

Trade and other receivables *(Continued)*

	2023 Shs'000	2022 Shs'000
As at start of year	**22,432,807**	16,170,196
Increase in loss allowance recognised in profit or loss	**7,038,379**	7,797,794
Receivables written off during the year as uncollectible	**(1,701,068)**	(1,535,183)
At end of year	**27,770,118**	**22,432,807**
Consisting of:		
	26,966,175	20,878,863
Trade receivables	**803,943**	1,553,944
Other receivables	**27,770,118**	**22,432,807**

Trade receivables are written off when there is no reasonable expectation of recovery.

23 Mobile money deposits

	2023 Shs'000	2022 Shs'000
MoMo customers' balances (held on escrow accounts)	**1,478,832,194**	1,207,758,423
Add: Interest on customer deposits received but not allocated	**6,106,744**	-
Add: Interest on customer deposits accrued but not received	**3,607,755**	-
	1,488,546,693	**1,207,758,423**
Less amounts due to, and allocable to subscribers (liabilities)	**(1,488,546,693)**	**(1,207,758,423)**
	-	**-**

The Group recognises MoMo balances based on its assessment of the risks and rewards relating to the underlying financial asset. The Group's exposure to credit risk on the financial assets held with the various banks was considered a key factor in the overall evaluation as any credit risk assumed potentially exposed the Group to refund MoMo customers in the event of any bank failure.

As a result of the uncertain and evolving legal and regulatory environment, this assessment has become increasingly complex and dependent on legal interpretations that are largely untested. The Group has however noticed that, as the MoMo products mature and the regulatory and legal positions are codified, the underlying exposure to its MoMo customers is clarified ultimately resulting in the MoMo balances being recorded on the statement of financial position. Given that the legal and regulatory positions relating to MoMo have not yet been fully clarified, in 2019, the Company reviewed and changed its accounting policy as set out below.

The Group recognises MoMo balances held by the respective banks and the customers' rights to these balances as an obligation (financial liability) in the ordinary course to repay the balances to the MoMo customers and a right to claim the corresponding amounts from the relevant banks (financial asset). Cash flows that relate to the principal MoMo deposit balances and corresponding liabilities are reflective of customer transactions and, consequently, are not recorded in the Group's statement of cash flows.

24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held on call, all of which are available for use by the Group. Below is breakdown of cash and cash equivalents:

	2023 Shs'000	2022 Shs'000
Cash at bank	**238,469,448**	191,872,549
Cash at hand	**-**	42,186
Deposits on call (mobile money)	**93,489**	8,857,984
	238,562,937	**200,772,719**

25 Trade and other payables

	2023 Shs'000	2022 Shs'000
Financial liabilities		
Trade payables	**203,739,408**	174,203,551
Payables to related parties [note 32 (iv) b]	**24,069,950**	39,885,901
Sundry creditors	**149,262,870**	135,297,021
	377,072,228	**349,386,473**
Non-financial liabilities		
Statutory taxes due*	**132,980,544**	111,043,999
	510,052,772	**460,430,472**

This includes the current portion of the IRU liability disclosed in note 20 (c). Trade and other payables are unsecured and usually paid within 45 - 60 days of recognition. The carrying amounts of the above trade and other payables approximate their fair values. Other creditors and accruals mostly relate to accruals for goods received but not invoiced, statutory deductions and other payables

26 Other liabilities

	2023 Shs'000	2022 Shs'000
Non-current		
Deferred revenue from IRU sub lease arrangements (note 20 (c))	**12,395,428**	12,215,045
Employee share-based payment liability (note 26 (a))	**10,135,073**	19,513,613
	22,530,501	**31,728,658**
Current		
Deferred revenue from IRU sub lease arrangements (note 20 (c))	**1,002,623**	1,043,005
Employee share-based payment liability (note 26 (a))	**4,629,720**	5,446,593
Provisions (note 26 (b))	**27,291,192**	17,546,292
Total provisions and other liabilities	**55,454,036**	**55,764,548**

26 (a) Employee share-based payment liability

	At start of year Shs'000	Additional provisions Shs'000	Utilised/ reversed Shs'000	At end of year Shs'000	Non-current provision Shs'000	Current provision Shs'000
Year ended 31 December 2023						
Notional share options	**24,960,206**	**3,373,425**	**(13,568,838)**	**14,764,793**	**10,135,073**	**4,629,720**
Year ended 31 December 2022						
Notional share options	25,788,684	11,736,465	(12,564,943)	24,960,206	19,513,613	5,446,593

Employee share-based payment liability *(Continued)*

The Board approved a share incentive scheme to eligible employees effective 1 April 2004. The first vesting under the terms of this scheme was due on 1 April 2007 and specific amounts vest annually over a four-year period. The value of the notional share options is based on MTN Group Limited's share price and performance of the Group (note 2 (U)).

The following table illustrates the number, and movements in, share options during the year ended 31 December 2023:

	2023		2022	
	Locally aligned NSOs	Group aligned NSOs	Locally aligned NSOs	Group aligned NSOs
Outstanding at 1 January	**376,540**	**584,440**	483,997	845,292
Granted during the period;	**101,040**	**190,770**	88,560	93,800
Forfeited during the period;	**(38,000)**	**(39,460)**	(111,937)	(169,592)
Exercised during the period;	**(74,240)**	**(125,220)**	(84,080)	(185,060)
Expired during the period;	**-**	**-**	-	-
Outstanding at the end of the period; and	**365,340**	**610,530**	**376,540**	**584,440**
Exercisable at the end of the period.	**81,600**	**124,060**	**95,670**	**76,782**

26 (b) Provisions

	At start of year	Additional provisions	Utilised/ reversed	At end of year	Non-current provision	Current provision
Year ended 31 December 2023						
Bonus provision[1]	**12,654,012**	**15,203,663**	**(10,304,174)**	**17,553,501**	**-**	**17,553,501**
Other provisions[2]	**4,892,280**	**4,845,411**	**-**	**9,737,691**	**-**	**9,737,691**
	17,546,292	**20,049,074**	**(10,304,174)**	**27,291,192**	**-**	**27,291,192**
Year ended 31 December 2022						
Bonus provision[1]	9,827,567	13,175,994	(10,349,549)	12,654,012	-	12,654,012
Other provisions[2]	-	4,892,280	-	4,892,280	-	4,892,280
	9,827,567	**18,068,272**	**(10,349,549)**	**17,546,292**	**-**	**17,546,292**

Bonus provisions represent a performance incentive paid to employees based on the achievement of key performance indicators. The provision for the year is based on an estimate of a percentage of each of the employees' annual basic salary. The bonus payment is expected in March 2024.

Other provisions relate to tax matters and litigation.

27 Borrowings

Borrowings comprise a syndicated loan facility broken down below:

	Currency	2023 Shs'000	2022 Shs'000
Loan facility A	Shs	**34,874,905**	62,900,321
Loan facility A – Stanbic Bank	Shs	**-**	12,550,685
Loan facility B – Revolving credit	Shs	**113,489,640**	77,577,000
Loan facility D (Amalgamated)	Shs	**55,002,497**	97,785,634
Interest bearing loans		**203,367,042**	250,813,640
Capitalised transaction costs		**(979,243)**	(1,240,684)
Total borrowings		**202,387,799**	**249,572,956**

None of the facilities is secured against assets of the Group.

The movement in borrowings is as follows:		
At start of year	**249,572,956**	364,153,769
Proceeds from borrowings	**60,000,000**	-
Interest expense	**33,174,757**	28,468,677
Amortisation of transaction costs	**288,471**	622,450
Principal repayments	**(108,419,269)**	(120,451,228)
Interest repayments	**(32,229,116)**	(29,191,791)
Unrealised foreign exchange (loss)/ gain	**-**	5,971,079
At end of year	**202,387,799**	**249,572,956**

The maturity profile of the above borrowings is as follows:

More than one year but not exceeding two years	**17,651,546**	66,858,140
More than two years but not exceeding five years	**-**	16,039,251
Non - current borrowings	**17,651,546**	82,897,391
Current borrowings	**184,736,253**	166,675,565
	202,387,799	**249,572,956**

Borrowings *(Continued)*

The Group's borrowings are in respect of an unsecured syndicated loan facility that the Group obtained from Stanbic Bank Uganda Limited, Standard Bank, Standard Chartered Bank, Absa and Citibank on 4 February 2016. This facility was refinanced on 25 February 2020, and the values reported are the carrying amounts which approximate their fair value. The Group also has an unsecured loan facility from Stanbic Bank which run from 21 December 2018. The facilities denominated in USD were extinguished in December 2022 and converted to a Uganda Shillings facility which runs from 31 December 2022. There were no penalties at conversion.

None of the borrowings was in default at any time during the year.

Capitalised transaction costs relate to costs that are directly attributable to the acquisition of the above facilities.

(i) Loan facility A

This facility has a limit of Shs 110,000 million. At 31 December 2023, the principal loan outstanding in respect of this facility amounted to Shs 34,875 million. The loan is repayable in 16 quarterly instalments starting May 2021 with the final payment due in February 2025. The rate of interest on this facility is the aggregate of the Ugandan Government 182-day Treasury Bill rate plus a margin of 3.25%. The average interest rate for the year was 14.39% (2022: 13.09 %).

(ii) Loan facility A – Stanbic Bank

This facility had a limit of Shs 50,000 million. The loan, repayable in 16 quarterly instalments started in March 2020 and was fully repaid at 31 December 2023. The rate of interest on this facility is the aggregate of the Ugandan Government 182-day Treasury Bill rate plus a margin of 2.5%. The average interest rate for the year was 14.47% (2022: 12.25%)

(iii) Loan facility B – Revolving credit

This facility has a limit of Shs 110,000 million. At 31 December 2023, the principal loan outstanding in respect of this facility amounted to Shs 113 billion. The loan is repayable in either 3, 6, 9, or 12 months with an option to re-draw any amounts paid to a maximum of Shs 110 billion depending on the cash requirements. The rate of interest on this facility is the aggregate of the Ugandan Government 182-day Treasury Bill rate plus a margin of 3.5%. The average interest rate for the year was 14.72% (2022: 13.01%).

(iv) Loan facility D – Club Deal. Stanbic Bank and ABSA

This facility has a limit of Ush 97,703 million. At 31 December 2023, the principal loan outstanding in respect of this facility amounted to Ush 55 billion. The loan is repayable in 9 quarterly instalments, which started in February 2023 with the final payment due in February 2025. The rate of interest on this facility is the aggregate of the Ugandan Government 182-day Treasury Bill rate plus a margin of 1.85%. The average interest rate for the year was 12.86% (2022: 11.14%).

Unutilised facilities

The Group had an unutilised overdraft and short-term loan facilities of Shs 49,142 million (2022: Shs 37,236 million). These facilities are unsecured. The overdraft interest rate is the aggregate of the Ugandan Government 90-day Treasury Bill rate plus a margin of 3.25%.

Bonds and Guarantees

The Group had letters of credit facilities of Shs 5,419 million with Standard Chartered Bank as of 31 December 2023 (2022: Shs 32,792 million).

Compliance with covenants

The Group complied with the financial covenants of its borrowing facilities during the 2023 and 2022 reporting periods.

The section below sets out an analysis of net debt and the movements in net debt.

Net debt

	2023 Shs'000	2022 Shs'000
Cash and cash equivalents (note 24)	**244,669,681**	200,772,719
Borrowings	**(202,387,799)**	(249,572,956)
Lease liabilities [note 18 (b)]	**(1,256,749,181)**	(1,072,486,871)
At end of year	**(1,214,467,299)**	**(1,121,287,108)**

Net debt reconciliation

	Cash Shs'000	Leases Shs'000	Borrowings Shs'000	Total Shs'000
Year ended 31 December 2022				
At 1 January 2022	188,814,310	(732,219,836)	(364,153,769)	(907,559,295)
Cash flows	16,194,229	220,753,172	149,643,019	386,590,420
Foreign exchange losses	(4,235,820)	(1,093,788)	(5,971,079)	(11,300,687)
Other changes	-	(559,926,419)	(29,091,127)	(589,017,546)
Net debt at 31 December 2022	**200,772,719**	**(1,072,486,871)**	**(249,572,956)**	**(1,121,287,108)**
Year ended 31 December 2023				
At 1 January 2023	**200,772,719**	**(1,072,486,871)**	**(249,572,956)**	**(1,121,287,108)**
Cash flows	**80,333,703**	**314,145,124**	**140,648,383**	**535,127,210**
Foreign exchange losses	**(1,436,741)**	**(330,724)**		**(1,767,465)**
Other changes	**-**	**(498,076,709)**	**(93,463,227)**	**(591,539,936)**
Net debt at 31 December 2023	**279,669,681**	**(1,256,749,180)**	**(202,387,800)**	**(1,179,467,299)**

Other changes in the net debt reconciliation above include amortisation of transaction costs, the net of interest accruals and payments as well as additions and disposals of leases.

28 Current investments

The Group's current investments consist of a fixed deposit held at Standard Chartered Bank Limited. The fixed deposit is held at amortised cost.

Set out below are the carrying amounts of the fixed deposit and the movements during the period.

	2023 Shs'000	2022 Shs'000
As at 1 January	**-**	-
Additions	**11,000,000**	11,000,000
Accretion of interest	**1,265,000**	1,265,000
Maturity of investment	**-**	(12,265,000)
	12,265,000	**-**

The investment will mature within a period of one year and accrues interest at a rate of 11.5%.

The carrying amount of the above investment approximates the carrying amount due to the short-term nature of its maturity period.

29 Cash generated from operations

	2023 Shs'000	2022 Shs'000
Reconciliation of profit before income tax to cash generated from operations:		
Profit before tax	**706,327,416**	591,029,065
Adjustments for:		
Depreciation and amortisation (notes18 (a) and 18(b))	**350,545,448**	330,505,073
Amortisation of intangible assets (note19)	**91,632,699**	76,609,606
Impairment of property and equipment	**294,976**	509,391
(Gain) / loss on sale of property and equipment	**(650,729)**	706,597
Loss on disposal of intangible assets	**-**	448,036
Reversal of impairment on intangible assets (note19)	**(2,063)**	-
Interest and other changes in borrowings (note 27)	**33,463,228**	35,062,206
Interest and other changes in lease liabilities (note 18 (b))	**188,124,868**	142,166,635
Gain on disposal of right of use asset and lease liabilities	**(404,459)**	(29,972,075)
Interest expense on mobile money deposits (note 12)	**42,366,940**	20,706,131
Interest income (note 12)	**(54,548,122)**	(28,046,231)
Interest on financial liability (Note 19 (b))	**10,042,824**	-
Other foreign exchange movements	**1,776,253**	4,235,820
Changes in working capital:		
Decrease / (increase) in inventories	**14,687,230**	(19,621,706)
Increase in trade and other receivables	**(12,556,695)**	(11,173,448)
Increase in contract assets	**(23,853,546)**	(1,773,508)
Increase in current investments	**(11,000,000)**	-
Increase in contract liabilities	**15,633,007**	8,797,794
Increase in trade and other payables	**39,426,887**	108,717,030
Increase in provisions	**9,744,900**	8,273,883
Cash generated from operations	**1,401,051,062**	**1,237,180,299**

30 Capital commitments

Capital commitments at the balance sheet date not recognised in the financial statements are as follows:

	2023 Shs'000	2022 Shs'000
Property and equipment		
Authorised and contracted for	**66,466,915**	64,813,671
Authorised but not contracted for	**267,297,936**	193,999,603
	333,764,851	**258,813,274**
Intangible assets - software		
Authorised and contracted for	**1,409,397**	1,544,463
Authorised but not contracted for	**85,028,752**	70,578,203
	86,438,149	72,122,666
	420,203,000	**330,935,940**

31 Contingent liabilities

i) Following a tax audit conducted by the Uganda Revenue Authority (URA) covering the financial years of 2003 to 2009, the URA disallowed certain expenses and issued revised income tax assessments in December 2011 for those periods. The impact of this would be Shs 10,500 million. The Company did not agree with these assessments and declared a dispute, following which the matter was referred to the court mediation process stipulated in the Uganda Income Tax Act. The key tax issues referred to mediation included the treatment of brand expense and management fees. The matter is still under discussion and the final exposure has not been confirmed as at the date of these financial statements.

ii) Uganda Revenue Authority is undertaking a comprehensive tax audit and has issued an assessment in regard to OTT tax amounting to Shs 33,911 million. MTN Objected to the ruling and the matter is currently with the Tax Appeals Tribunal (TAT).

32 Related party transactions

The Group is controlled by MTN International (Mauritius) Limited incorporated in Mauritius. The ultimate parent and ultimate controlling party of the Company is MTN Group Limited, incorporated in South Africa. The other related party companies whose transactions are disclosed below are sister companies controlled by MTN Group Limited except for Nilecom that is majority owned by a shareholder who has influence on the entity. The following transactions were carried out with related parties, with whom the Group has common shareholdings or common directorships:

i) Sale of goods and services

	2023 Shs'000	2022 Shs'000
Nilecom (U) Limited	**2,363,280**	1,252,517
MTN Rwandacell (sister company)	**45,747**	180,326
MTN Zambia (sister company)	**429,754**	828,525
MTN Swaziland (sister company)	**343,593**	339,951
Global Connect Fibre Kenya (sister company)	**266,857**	488,811
MTN South Sudan (sister company)	**-**	28,065
Africa Bayobab (Formerly, "MTN Global Connect Solutions Limited") (sister company)	**75,021,359**	75,103,530
MTN Management Services (sister company)	**28,178**	107,126
	78,498,768	**78,328,851**

ii) Purchase of goods and services

	2023 Shs'000	2022 Shs'000
MTN Rwandacell (sister company)	**106,663**	180,767
Interserve Overseas Ltd (BVI)	**29,735**	-
Africa Bayobab (Formerly "MTN Global Connect Solutions Limited") (sister company)	**50,699,989**	43,150,014
	50,836,387	**43,330,781**

Purchases and sales of goods relate to sim card sales and accessories as well as interconnect and roaming charges amongst the various partners and interest paid.

iii) Management, technical and other fees

	2023 Shs'000	2022 Shs'000
MTN Group Fintech - Holding Company	**23,406,038**	-
MTN International (Mauritius) Limited (Parent company)	**57,486,907**	70,642,773
Global Trading Company (sister company)	**3,810,051**	1,781,412
	84,702,996	**72,424,185**

iv) Outstanding balances arising from sale and purchase of goods/services

	2023 Shs'000	2022 Shs'000
a) Receivables from related parties (note 22)		
MTN Management Services Company (sister company)	**3,814,539**	4,287,019
MTN Rwandacell (sister company)	**-**	34,251
MTN Swaziland (sister company)	**417,956**	540,360
MTN South Sudan (sister company)	**512,274**	18,062
MTN Zambia (sister company)	**6,454,517**	7,589,359
MTN Botswana (sister company)	**-**	-
MTN Iran (sister company)	**-**	2,795
MTN Nigeria (sister company)	**151,071**	18,618
MTN Ghana (sister company)	**21,293**	20,974
MTN Guinea Bissau (sister company)	**45,797**	45,110
MTN South Africa (sister company)	**942,521**	855,984
MTN Global Connect Fibre Kenya Limited (sister company)	**1,730,330**	1,788,453
MTN Liberia (sister company)	**-**	117,679
MTN Conakry (sister company)	**424,478**	352,723
MTN Congo Brazzaville (sister company)	**307,130**	308,256
MTN Global Connect Solutions Limited (sister company)	**25,082,516**	36,479,997
MTN Afghanistan Limited (sister company)	**6,113**	6,021
MTN Liberia Mobile Money (sister company)	**30,389**	-
MTN Dubai Limited	**74,583**	-
MTN Group Fintech - Holding Company	**5,322,608**	-
MTN Afghanistan Limited (sister company)	**144,929**	-
Receivables from related parties - net	**45,483,044**	**52,465,661**
Unamortised IRU Prepayments		
MTN Global Connect Solutions Limited (sister company) *	**63,683,699**	35,146,093
MTN Dubai Limited (sister company)	**-**	16,712,322
	63,683,699	**51,858,415**

*IRU arrangements with Dubai have been transferred to Africa Bayobab (Formerly, "MTN Global Connect Solutions Limited"). The Group.

b) Payables to related parties (note 25)	2023 Shs'000	2022 Shs'000
MTN International (Mauritius) Limited - management fees	**4,690,063**	6,402,081
MTN Dubai Limited (Sister company)	**-**	911,102
MTN South Africa (sister company)	**15,627**	15,392
MTN Group Management Services Company (sister company)	**10,682,119**	7,117,299
MTN Rwandacell (sister company)	**-**	43,564
MTN Global Trading Company	**1,917,631**	149,293
MTN Zambia (sister company)	**9,281**	9,142
MTN Swaziland (sister company)	**7,042**	6,937
Interserve BV (sister company)	**1,383,156**	1,362,455
MTN Afghanistan Ltd (sister company)	**18,633**	18,356
MTN Irancell (sister company)	**205,986**	205,698
MTN Global Connect Solutions Limited (sister company)	**3,564,468**	23,639,231
MTN Congo Brazzaville (sister company)	**-**	5,351
MTN Holdings (Sister company)	**50,394**	-
MTN Group Fintech - Holding Company	**1,525,550**	-
	24,069,950	**39,885,901**

32 Related party transactions (continued)

v) Key management compensation	2023 Shs'000	2022 Shs'000
Short term employee benefits	**9,191,010**	10,746,732
Notional share options	**86,074**	197,066
	9,277,084	10,943,798
vi) Directors' remuneration		
Directors' remuneration	**972,299**	367,772
vii) Contributions to the MTN Uganda Limited Staff Provident Fund		
Employer contributions	**3,023,810**	2,787,233
viii) Contributions to the MTN Foundation		
Contributions	**2,873,537**	5,755,342
ix) Dividends paid		
MTN International (Mauritius) Limited	**317,954,185**	280,878,124
Other shareholders	**64,901,245**	57,333,554
	382,855,430	**338,211,678**

33 Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current funding levels.

After making enquiries and in spite of the current liabilities exceeding the current assets, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

34 Retirement benefit plans

The Group set up a defined contributory provident fund scheme for its employees in 1999. The provident fund is a defined contribution fund and is designed to provide a lump sum on retirement and not a guaranteed pension. The lump sum is dependent upon the investment performance of the fund. Both employees and the Group contribute to the provident fund on a fixed contribution basis.

Under this plan, the Group does not have any legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees' benefits relating to the employee service in the current or prior period. Consequently, no actuarial valuation of the fund is required.

35 Interest rate benchmarks and reference interest rate reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as the USD LIBOR and other inter-bank offered rates ('IBORs') has become a priority for global regulators. There remains some uncertainty around the timing and precise nature of these changes. The IASB 'phase 2' amendments address issues arising during interest rate benchmark reform. They require that for financial instruments measured using amortised cost, measurement changes to the basis for determining the contractual cash flows are reflected by adjusting their effective interest rate. For lease liabilities where there is a change to the basis for determining the contractual cash flows, as a practical expedient, the lease liability is remeasured by discounting the revised lease payments using a discount rate that reflects the change in the interest rate where the change is required by IBOR reform.

The alternative benchmark that the Group has transitioned to is the Secured Overnight Financing Rate (SOFR). At the time of reporting, all the management was in the early stages of managing the transition, considering changes to processes, risk management and valuation models, as well as managing any related tax and accounting implications.

The Group's borrowing contracts previously denominated in USD which referenced the USD LIBOR and extend beyond 2021 were fully repaid and new facilities obtained in Uganda Shillings. The Company also has USD lease liabilities now discounted at SOFR. These contracts are disclosed within the table below:

	2023 Shs'000	2022 Shs'000
Measured at amortised cost:		
Lease liabilities	**10,401,108**	13,243,020
Total liabilities exposed to USD LIBOR	**10,401,108**	**13,243,020**

36 Events after the reporting period

There were no adjusting or non-adjusting subsequent events that would have an impact on the financial statements as at 31 December 2023.

Supplementary Information

Shareholder Analysis

The Company's top 20 shareholders as of 31 December 2023 were:

	Shareholder	Number of shares	% shareholding
1	MTN International (Mauritius) Limited	18,593,811,989	83.04%
2	National Social Security Fund	1,980,000,000	8.84%
3	Mbire Charles Michael	895,561,810	4.00%
4	National Social Security Fund (2)	88,611,352	0.38%
5	Bank of Uganda Defined Benefits Scheme (1)	42,000,000	0.18%
6	Duet Africa Opportunities Master Fund IC	30,000,000	0.13%
7	BNYMSANV- BHF Asset Management	29,565,125	0.13%
8	EFG Hermes Oman LLC	26,855,500	0.11%
9	First Rand Bank Limited	22,000,000	0.09%
10	Westlands Triangle Properties Limited	21,817,000	0.09%
11	National Social Security Fund (Kenya)	19,905,113	0.08%
12	National Social Security Fund (Kenya) (2)	19,905,112	0.08%
13	Uganda Revenue Authority Staff Benefit Scheme	18,900,000	0.08%
14	Centenary Rural Development Group Staff Defined Contribution Scheme	17,640,000	0.07%
15	Patel Baloobhai and Patel Amarjeet Baloobhai	15,750,000	0.07%
16	Sanlam Africa Equity Fund	13,980,000	0.06%
17	National Social Security Fund Staff Provident Fund	13,650,000	0.06%
18	Bank of Uganda Defined Benefits Scheme (2)	12,862,500	0.06%
19	Central Bank of Kenya Pension Fund	12,440,000	0.05%
20	National Social Security Fund (3)	10,560,300	0.05%
21	Other shareholders	503,295,038	2.27%
	Total	**22,389,044,239**	**100%**

Analysis by size of holding			
Volume	**Number of shares**	**%**	**Holders**
1 – 1000	4,902,891	0.02%	9,035
1,001 – 5,000	11,340,670	0.05%	6,503
5,001 – 10,000	11,565,602	0.05%	1,948
10,001 – 1,000,000	184,893,823	0.83%	2,842
Above 1,000,001	3,582,529,264	16.01%	115
* MTN International (Mauritius) Limited	18,593,811,989	83.04%	1
Register totals	**22,389,044,239**	**100%**	**20,444**

Proxy Form

MTN Uganda Limited ("the Company")

Plot 69/71, Jinja Road, Kampala

I/We____

(Name in block letters)

of ____

(Address in block letters)

being a member(s) and the holder(s) of ____________ ordinary shares of UGX 1 each in the Company and entitled to vote hereby appoint:

1.________________________ or, failing him/her;

2.________________________ or, failing him/her;

3.the Chairperson of the annual general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting to be held on **Wednesday, 22 May 2024** at **10.00 a.m** as a hybrid meeting comprising both physical and electronic means, and at any adjournment thereof as follows:

	Number of votes for*	***Number of votes against****	***Abstain****
Adoption of audited financial statements for the year ended 31 December 2023:			
Approval and declaration of a final dividend of **UGX 6.4** per ordinary share (UGX 143.3 billion) for the year ended 31 December 2023:			
Approval of the appointment of **Mr. Charles Mbire**, **Mr. Sugentharen Perumal** and **Ms. Yolanda Cuba**, who retire by rotation, as directors of the company, and to confirm **Ms. Fatima Daniels** and **Mr. Francis Kamulegeya** as directors:			
Approval of the re-appointment of Ernst & Young Uganda as the external auditor of the Company for the audit relating to the financial year ending 31 December 2024, and to authorise the directors to fix the auditor's remuneration:			

* Insert a cross or tick or number of votes. If no options are marked, the proxy can vote as he/she deems fit.

Dated ____________________ 2024 Full name:____________________

Capacity: ____________________________

Please provide contact details:

E-mail: ________________________ Tel: ________________________

NOTES

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided. The person whose name stands first on the proxy form and who is present at the general meeting first will be entitled to act as proxy to the exclusion of those whose names follow.
2. For the appointment to be valid, duly executed proxy forms must be delivered electronically via email address **Investorrelations.ug@mtn.com** or deposited at any of the following locations not later than **Tuesday, 21 May 2024** at 5.00 p.m:
    - At the MTN Uganda head office at Plot 69/71, Jinja Road, Kampala, Uganda; or
    - At the offices of the Share Registrar, Uganda Securities Exchange Nominees Limited (SCD Registrars) at Plot 3-5 New Port Bell Road, UAP Nakawa Business Park, Block A, 4th Floor, Kampala, Uganda.
3. The completion and lodging of this form of proxy will not prevent the shareholder from attending the general meeting and speaking and voting in person at the general meeting instead of the proxy.
4. The chairperson of the general meeting may accept or reject any proxy form which is completed and/or received other than in compliance with these notes.
5. The signatories must initial any alteration to this proxy form, other than the deletion of alternatives.
6. If the appointer of a proxy is a corporate entity, the proxy form must be executed under the seal of the corporate entity or under the hand of a director or an officer or attorney duly authorised by that corporate entity.
7. Documentary evidence establishing the authority of a person signing the proxy form in a representative capacity must be attached to this proxy form. In the case of a company or an unincorporated body or association, a resolution of the board or equivalent body shall be required.
8. Where there are joint holders of ordinary shares any one holder may sign the proxy form; and the vote of the senior shareholder (for that purpose seniority will be determined by the order in which the names of the shareholders who tender a vote (whether in person or by proxy) appear in the Company's register) will be accepted as to the exclusion of the vote(s) of the other joint shareholders.

Glossary

2G	Second generation mobile
3G	Third generation mobile
4G/LTE	Fourth generation of long-term evolution mobile communications
5G	Fifth generation mobile
AI	Artificial Intelligence
AGM	MTN Uganda's annual general meeting for 2024 (relating to the year ended 31 December 2023)
AML/CFT	Anti-money laundering and combating the financing of terrorism
API	Application Programming Interface
ARPU	Average revenue per user
BOU	Bank of Uganda
Board	Board of directors of MTN
Capex (IAS 17)	Capital expenditure (International Accounting Standard 17) (excluding NTO Licence fees)
Chenosis	A pan-African API marketplace that enables developers and businesses to discover and subscribe to a library of open APIs
Communications Act	Uganda Communications Act 2013 (as amended)
CVM	Customer value management
EBIT	MTN earnings before interest and tax
EBITDA	MTN earnings before interest, tax, depreciation and amortisation
e-NPS	Employee Net Promoter Score
ERM	Enterprise Risk Management
EVP	Employee Value Proposition
Fintech	includes MTN MoMo, e-commerce, insurance, airtime lending and data monetization streams
FY	Financial Year
ESG	Environment, social and governance
GCA	Group Culture Audit
GDP	Gross Domestic Product
GHG	Greenhouse gas emissions
GOU	Government of Uganda

GRI	Global Reporting Initiative
GSM	Global system for mobile communication
ICT	Information and communication technologies
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IPO	Initial public offering
ISO	International Organisation for Standardisation
KYC	Know your customer; a process to identify and verify customer identity
MoMo Subsidiary	MTN Mobile Money Uganda Limited
MTN and MTN Uganda	MTN Uganda Limited
MTN MoMo	MTN Mobile Money
NaaS	Network as a Service
NDP	Third Uganda National Development Plan 2020-2025
NPS	Net Promoter Score
NPS Act	National Payment Systems Act 2020
NTO Licence	national telecommunications operator licence issued to MTN Uganda by UCC for MTN Uganda to provide telecommunications services as a designated national telecommunication operator in Uganda for the period 1 July 2020 to 30 June 2032
OTT	Over-the-top services
Real GDP	Real Gross Domestic Product, an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year.
SIM-card	Subscriber identity module-card
SME	Small-and-medium enterprises
SMS	Short message service
UCC	Uganda Communications Commission
UGX/Shs	Uganda Shilling, the official currency of Uganda
UN	United Nations
UN SDGs	The United Nations Sustainable Development Goals formulated by the United Nations General Assembly.
URA	Uganda Revenue Authority
USD	United States Dollar, the official currency of the United States of America
USE	Uganda Securities Exchange
USSD	Unstructured Supplementary Service Data, a communications code (*1234#) used by mobile telephones to communicate with the mobile network operator

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MTN Uganda Corporate Information

Registered Business Address	Plot 69/71, Jinja Road Kampala
Directors	Mr. Charles Mbire
	Ms. Karabo Nondumo
	Ms. Yolanda Cuba
	Mr. Sugentharen Perumal
	Mrs. Winnie Tarinyeba Kiryabwire
	Ms. Fatima Daniels
	Mr. Francis Kamulegeya
	Ms. Sylvia Mulinge
	Mr. Andrew Bugembe
Company Secretary	Ms. Enid Edroma
Auditors	Ernst & Young Uganda Plot 18, Clement Hill Kampala
Share Registrars	Uganda Securities Exchange Nominees Limited / SCD Registrars Plot 3-5 New Port Bell Road, UAP Nakawa Business Park, Block A, 4th Floor Kampala

What are we doing today?

MTN UGANDA LIMITED
Plot 69/71, Jinja Road, Kampala, Uganda

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