



MTN Uganda | ITF presentation

5 October 2021

Leading digital solutions for Africa's progress



Welcome & Introduction

Anne Juuko | Facilitator

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Today's presenters

Yolanda Cuba



MTN Group VP, SEA Region

- Joined MTN Group in 2020
- As Vice President of Southern & East Africa (SEA), she oversees Uganda, Zambia, Rwanda, South Sudan & Eswatini
- Formerly Vodacom Group Chief Strategy Officer and also CEO of Vodafone Ghana

Wim Vanhelleputte



Chief Executive Officer

- Appointed CEO in 2016
- Has over 20 years experience in the telecommunications industry across Africa
- Former CEO of MTN Ivory Coast, CEO of Millicom in Senegal and CEO of Orascom in Chad and Gabon

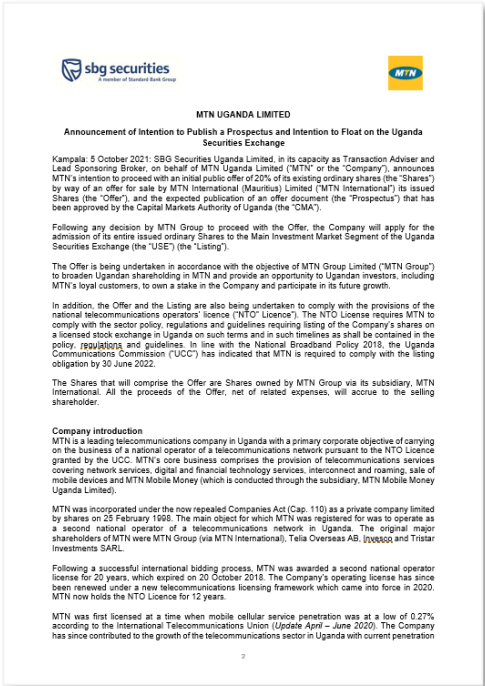
Andrew Bugembe



Chief Financial Officer

- Appointed as CFO in April 2020
- Has over 22 years as Finance Executive in Telco industry
- Former CFO of MTN Congo Brazzaville and MTN Liberia

Intention to Float | Introductory comments



MTN announced it's intention to float on 5 October



SBG Securities Uganda Limited is the Transaction Advisor



IPO on the Ugandan Stock Exchange in full compliance with the National Broadband Policy 2018



Targeting a secondary sale of shares of 20% of existing share capital



Broad-based IPO for Uganda, including the first-ever mIPO offering for Sub Saharan Africa

Agenda

- 1** ***MTN Group at a glance***
- 2** ***MTN Uganda at a glance***
- 3** ***Strong position in attractive market***
- 4** ***Well positioned for the long term***
- 5** ***Attractive returns profile***
- 6** ***Looking ahead***
- 7** ***Q&A***





MTN Group at a glance

Yolanda Cuba | MTN Group VP, SEA Region

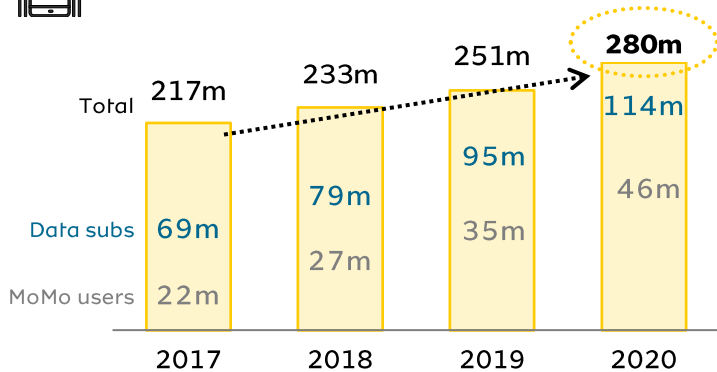
MTN Group | The journey of progress over the last 4 years



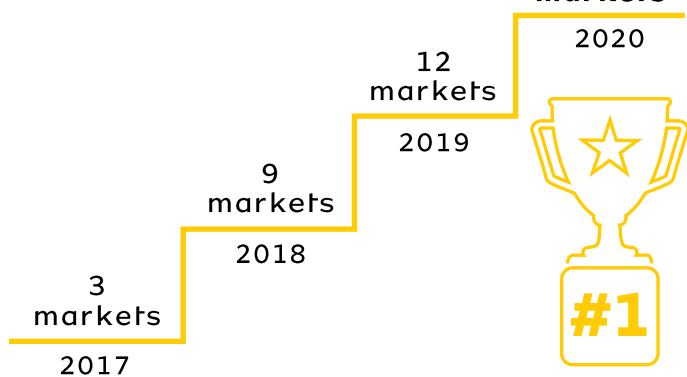
A foundation of commercial and operational excellence



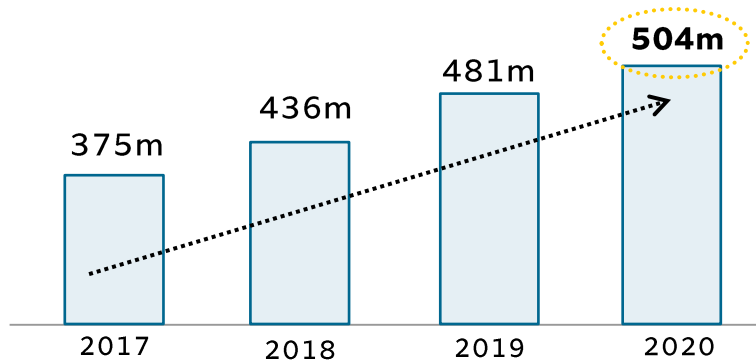
Growing subscribers



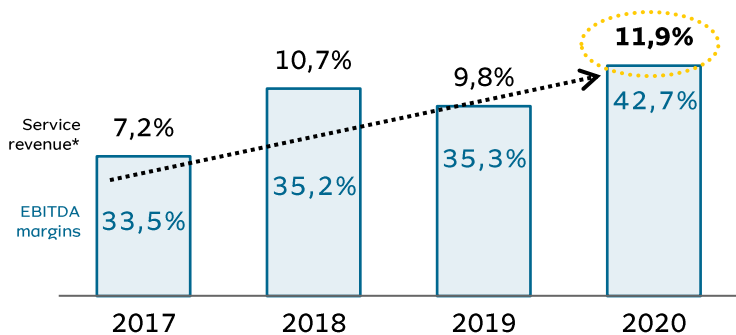
NPS improvement: #1 in



Expanding data coverage



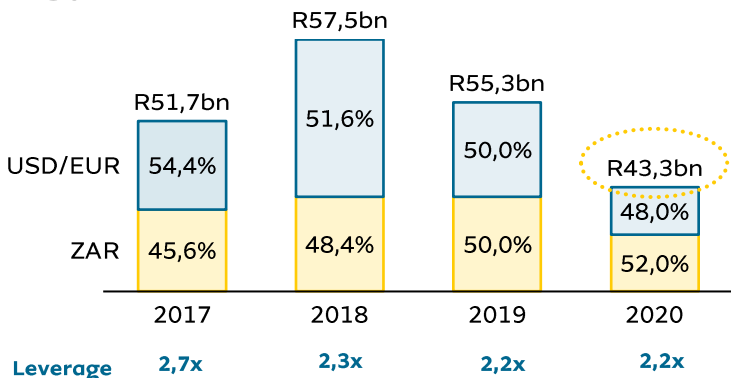
Financial performance



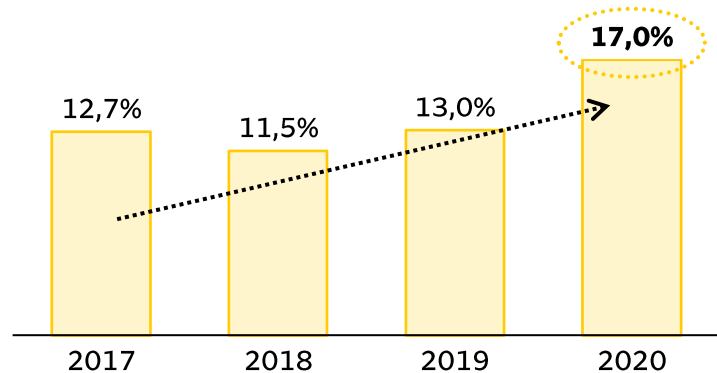
*Constant currency, ^constant currency on IAS 17 basis for 2017-2019

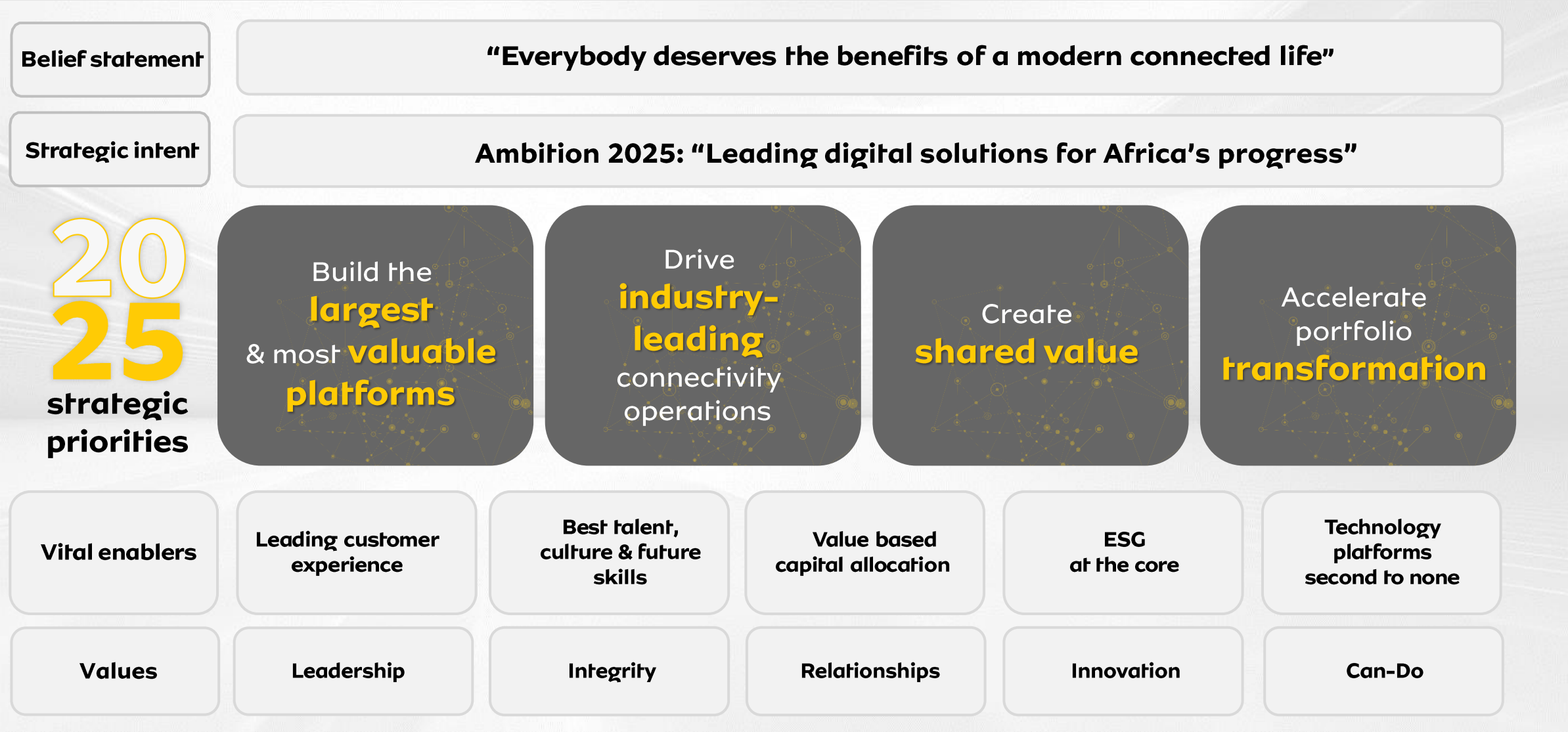


Holdco leverage progression



ROE progression





MTN Group | Creating shared value

Significant economic value added across our markets | Cash taxes paid of R7.2bn, up 47% YoY



Eco-
responsibility

- Reduce GHG emissions
- Improve energy efficiency
- Water management



Sustainable
societies

- Increase access and reduce cost to communicate
- Increase financial inclusion
- Diversity & inclusion

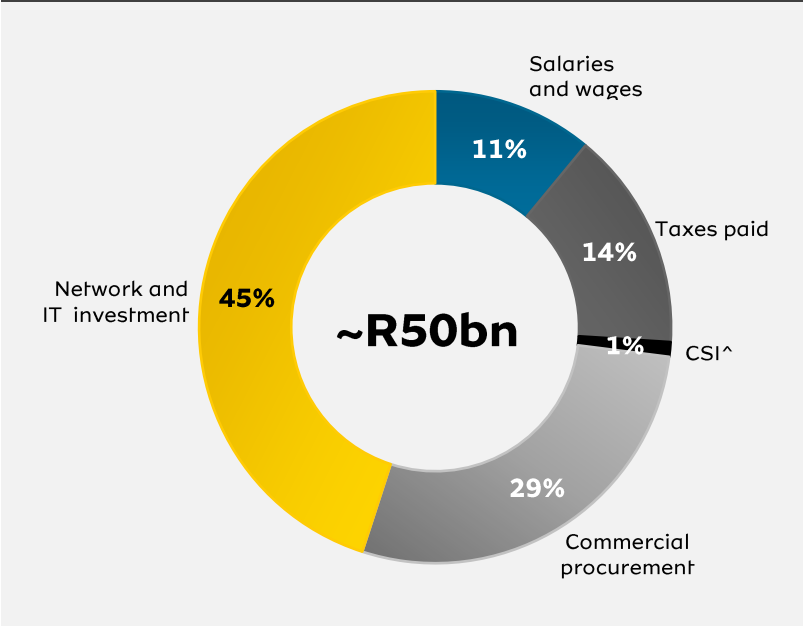


Governance

- Enhance reputation and trust with stakeholders
- Digital human rights
- Responsible procurement and supply chain



Economic
value-added



Sustaining ~5m jobs across the value chain

Data as at 30 June 2021
CSI: Corporate social investment
^Includes ~US\$32m in donations to AU and CACOVID

MTN Uganda | An IPO for the Ugandan people

Developing and facilitating the equity ownership culture in Uganda to create a broad-based shareholder base for MTN's IPO through mIPO

IPO goals: quantifying success

Company goals

The first mobile operator to achieve a successful IPO on the USE in-line with the new UCC license renewal requirements

Achieve broad-based Ugandan ownership

Provide a platform to maximise post-IPO aftermarket trading liquidity

Capital markets initiatives

First-ever green, paper-free IPO

First-ever mobile subscription IPO for EAC

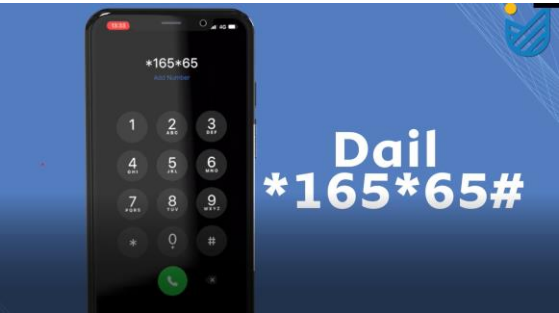
Electronic subscription channels

Multiple IPO payment channels

Prioritise Ugandans

Share incentives

mIPO: disrupting IPO subscription



IPO subscription accessible to more Ugandan's via mobile phones

Paper-free Ugandan retail IPO subscription (a first-ever)

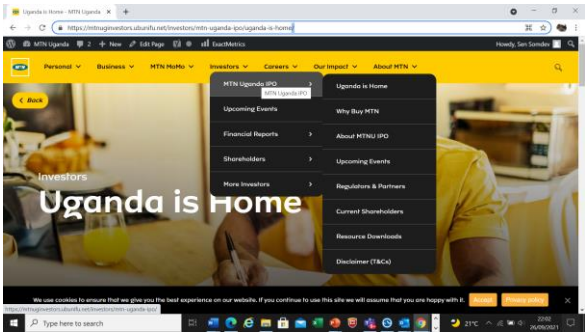
Retail subscription through mIPO app, developed with the USE

eChannels at MTN branches and banks

eDividends for MoMo applications

Provide foundations for sustained aftermarket trading liquidity

A green "paper free" IPO



All IPO materials accessed online on a dedicated MTN IPO portal



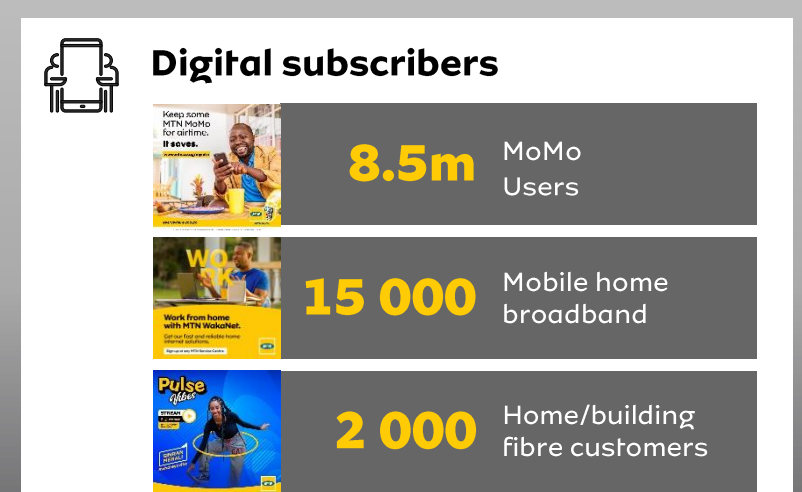
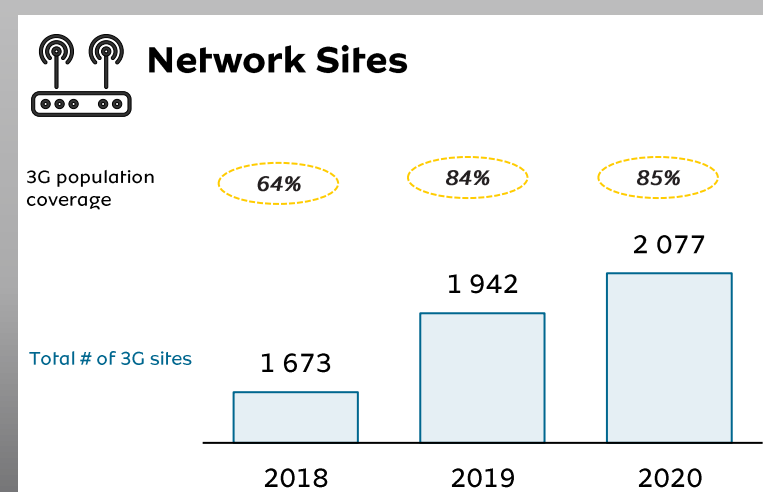
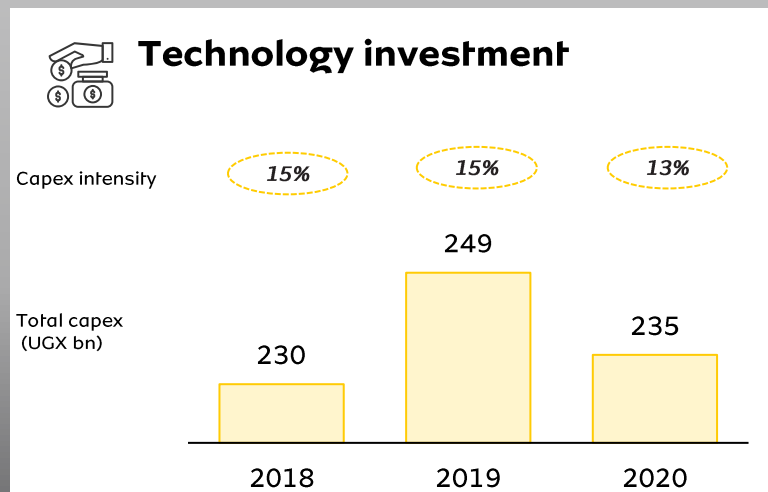
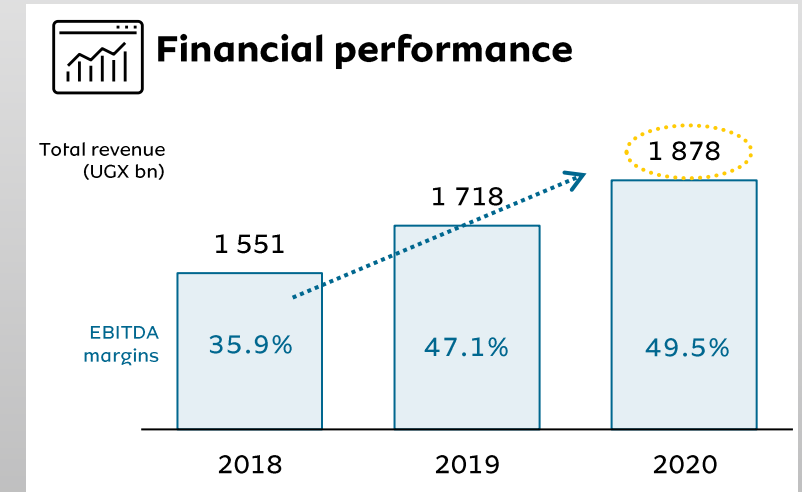
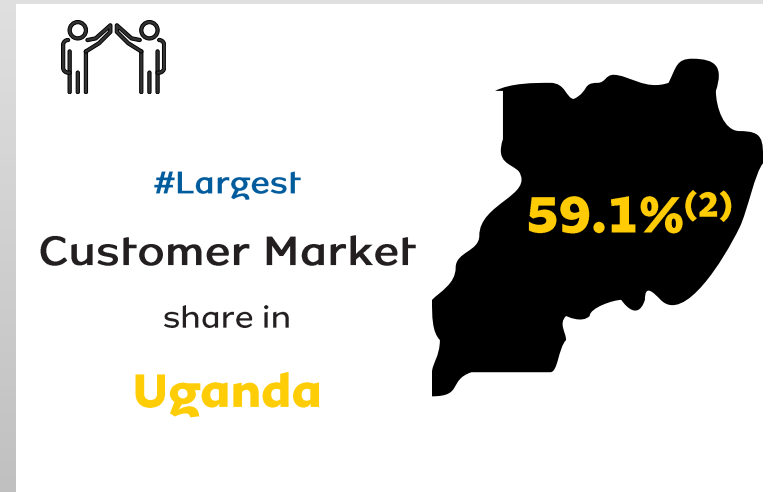
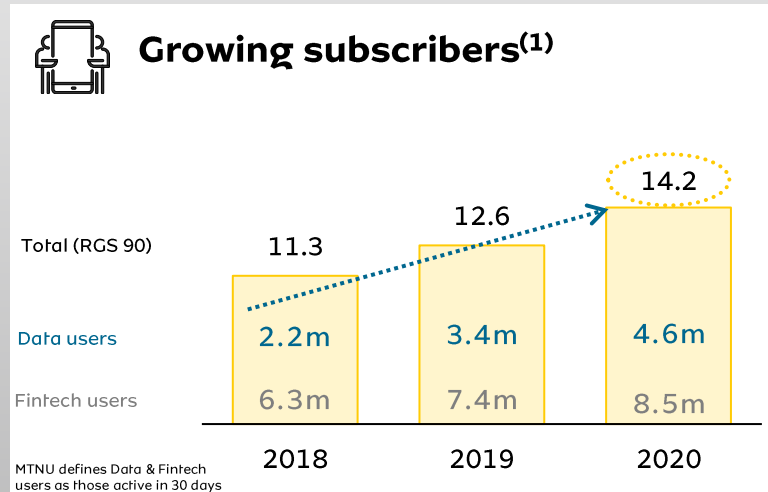
Commitment to restore 220 Hectares of forest cover



MTN Uganda at a glance

Wim Vanhelleputte | Chief Executive Officer

MTN Uganda | Leading mobile operator in Uganda

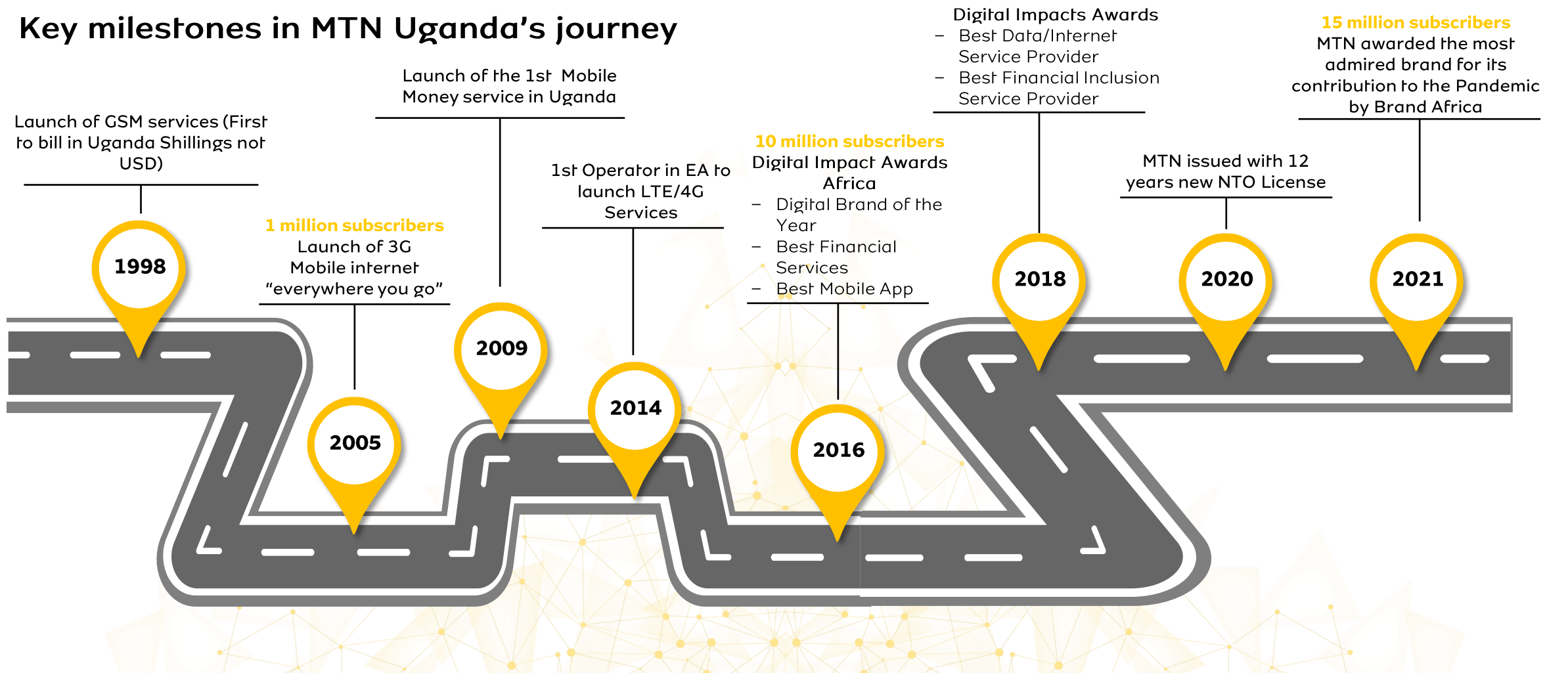


Source: MTN Uganda

Notes: (1) As at 30 June 2021 subscriber numbers are as follows total RGS 90: 14.9m, data users: 4.7m and fintech users: 8.6m; (2) Based on MTN Group reported numbers as at 30 June 2021

MTN Uganda | The journey from inception

Key milestones in MTN Uganda's journey



Source: MTN Uganda

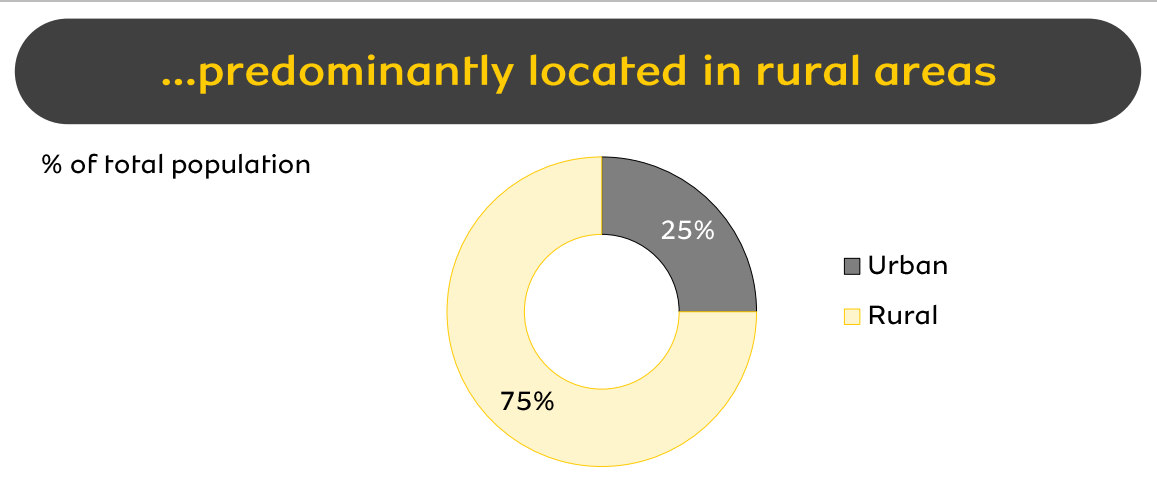
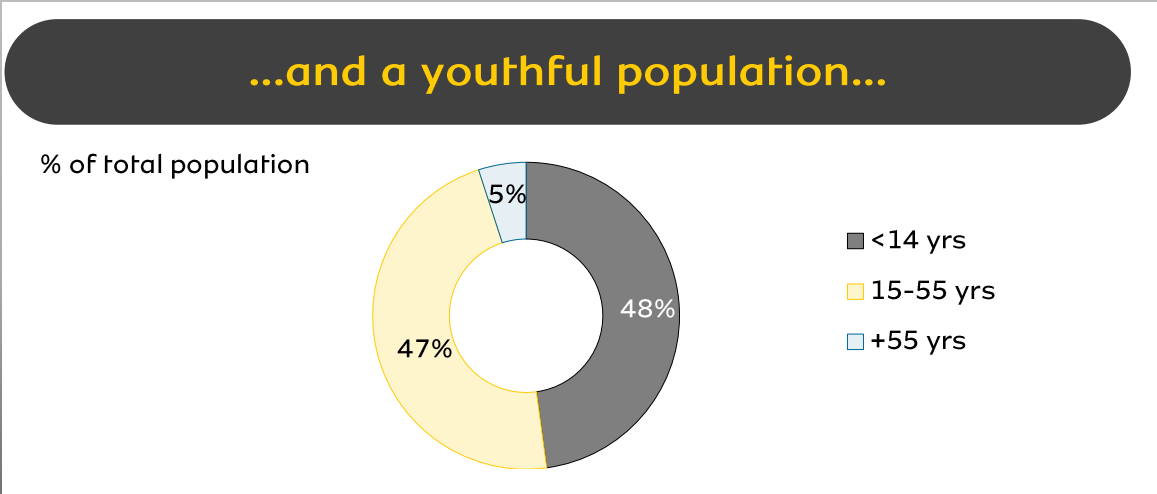
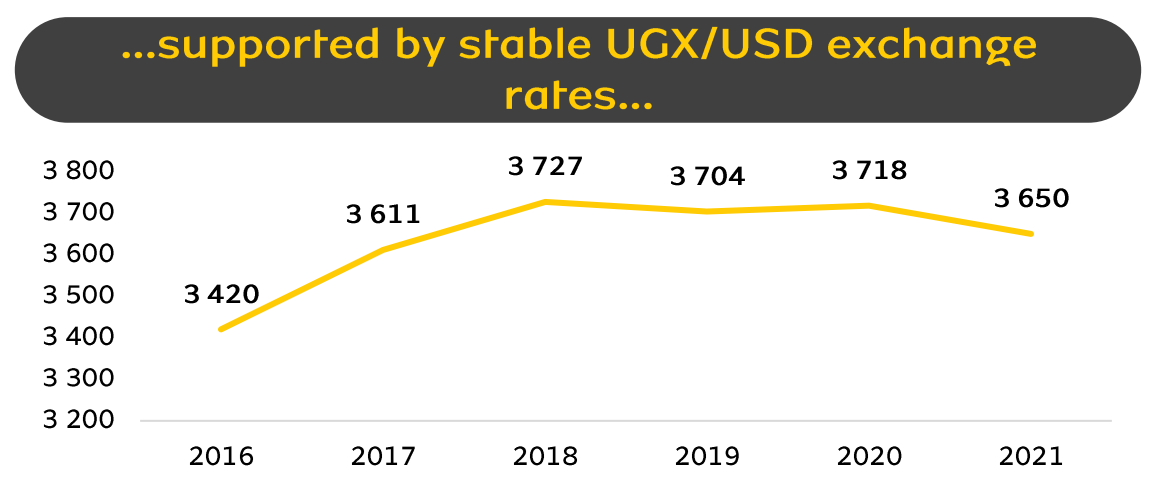
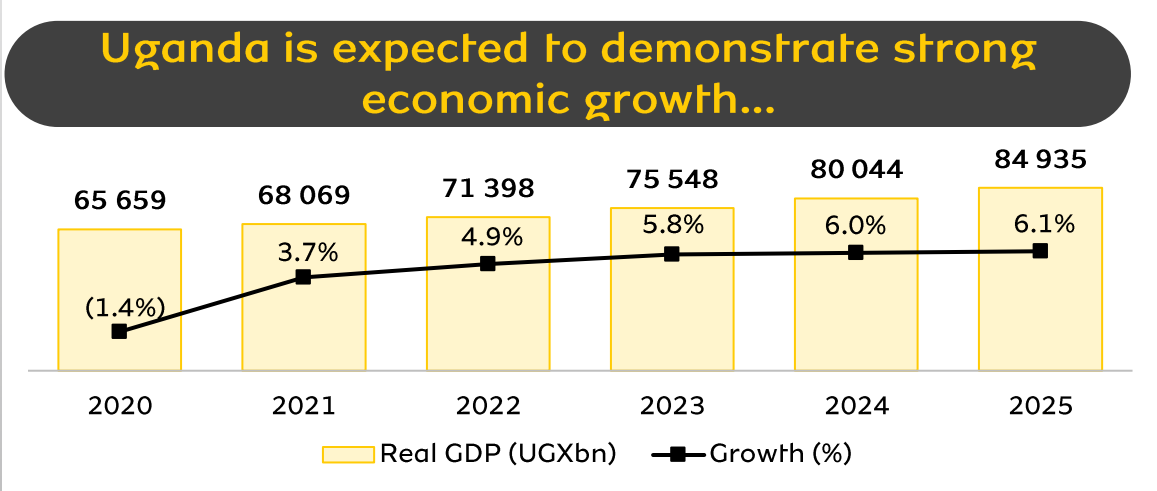


Strong position in attractive market

Wim Vanhelleputte | Chief Executive Officer

Strong position in attractive market | Economic snapshot

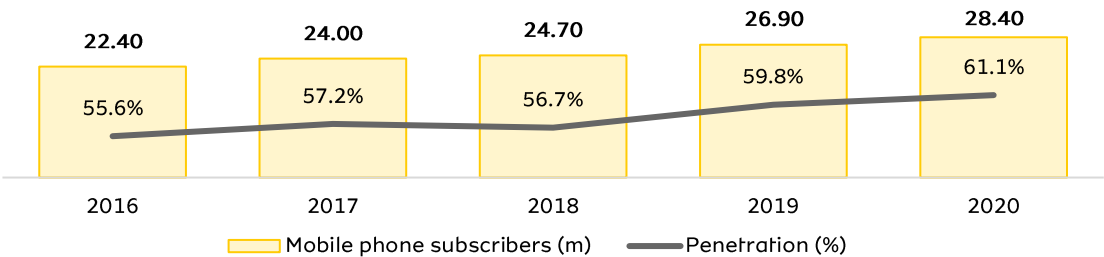
Uganda's economy and growth outlook is underpinned by substantial natural resources, including minerals & oil



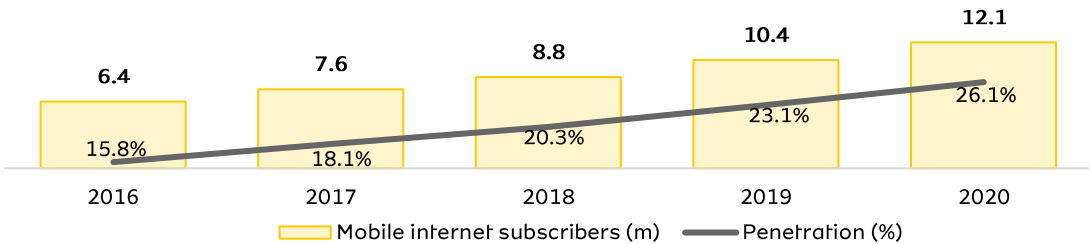
Strong position in attractive market | Industry overview

Uganda's telecom market has substantial growth runway

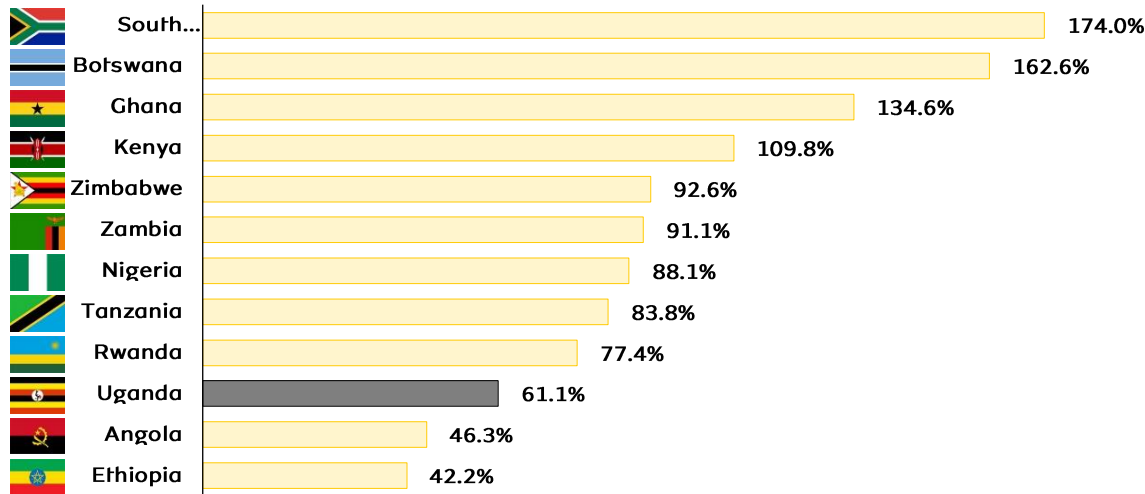
Uganda has a low mobile phone penetration rate...



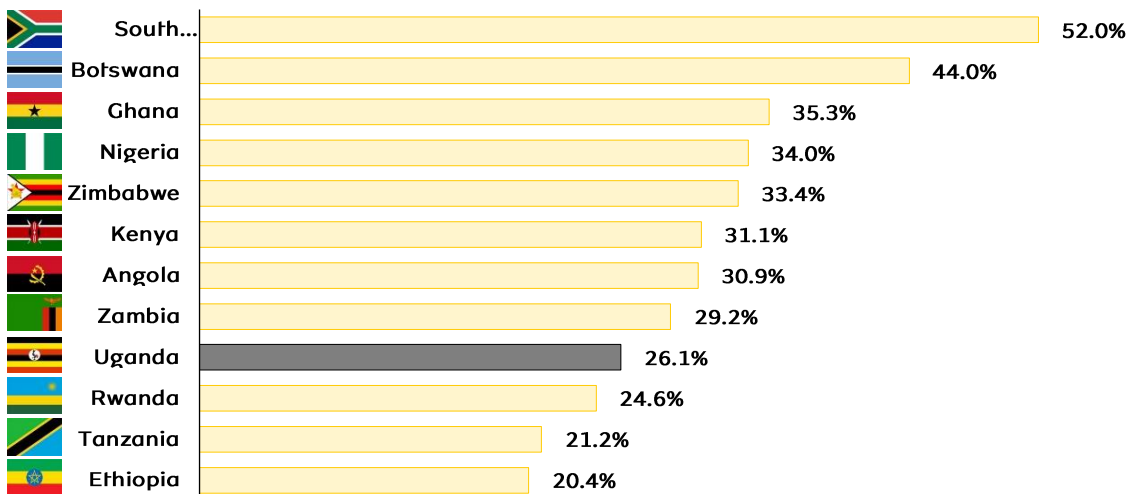
...but with a rapidly growing internet penetration.



Mobile phone penetration lags Uganda's peers...



...and together with low mobile internet penetration provides growth opportunities



Strong position in attractive market | Key government agencies & regulators

Uganda Communications Commission



- Monitors, inspects, licenses, supervises, controls and regulates communications services in Uganda
- Monitors spectrum use and allocation to ensure access to spectrum for all communications industries and technologies
- Spectrum in Uganda is administratively allocated by the UCC under the Spectrum Management Regulations and Guidelines, on a need basis. It is subject to a "use it or lose it" policy. The UCC has legislated a formulae by which spectrum fees are calculated

Bank of Uganda



BANK OF UGANDA

- Responsible for the supervision and regulation of individual supervised financial institutions to ensure safe and sound financial institutions
- Mobile Financial Services are regulated by the Bank of Uganda under the National Payments Services Act and regulations thereunder. Under the NPS ACT, MTN have incorporated a separate company that licensed as a Mobile Money business

Uganda Regulators

Ministry of ICT & National Guidance



MINISTRY OF ICT & NATIONAL GUIDANCE
A Knowledge and Productive Society driven by ICT & National vision

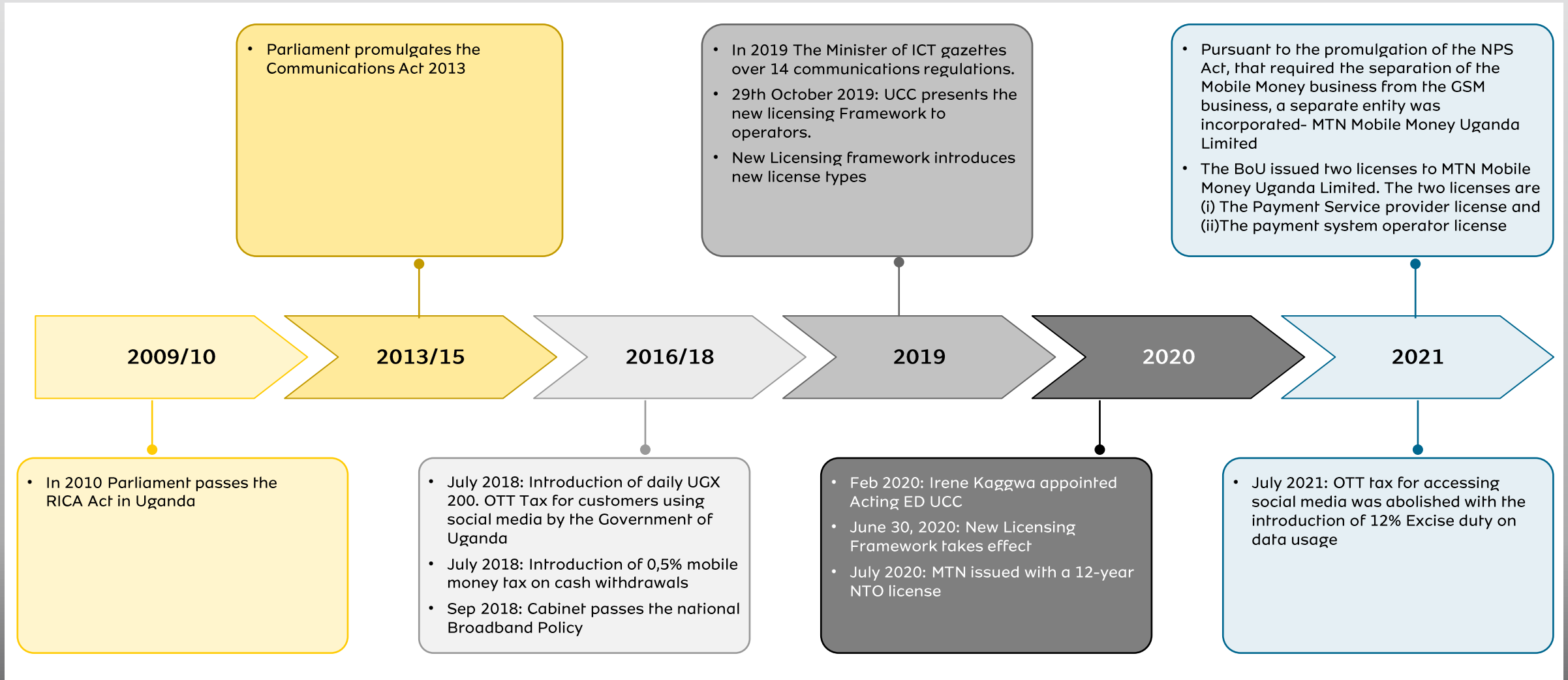
- Provides strategic and technical leadership, overall coordination, support and advocacy on all matters of policy, laws, regulations and strategy for the ICT sector
- Enables the country to achieve its national development goals

Uganda Revenue Authority



- Assesses, collects and accounts for Central Government Tax Revenue (includes Non-Tax Revenues) and to provide advice to government on matters of policy relating to all revenue sources

Strong position in attractive market | Key market development over the last 10 years



Strong position in attractive market | Licenses

Licensed by both UCC and BoU

Type	Issuer	Date of Issue	Duration	Expiry Date
National Telecommunications Operator (NTO) License	UCC	1 July 2020	12 Years	30 June 2032
Payment Systems Operator License Class A(I) ⁽¹⁾	BoU	6 May 2021	Indefinite	N/A
Payment Service Provider License Class A (I) ⁽¹⁾	BoU	6 May 2021	Indefinite	N/A

- MTN Uganda is assigned spectrum in the 900mhz (2G/3G), 1800mhz (2G/4G) , 2100mhz (3G) and 2600mhz (4G) bands
- The Payment Service Provider and Payment Systems Operator licenses were issued to MTN Mobile Money Uganda Limited, the fintech subsidiary of MTN Uganda Limited
- MTN Uganda paid US\$114m to renew its license for the period 2018-2032. The fee is based on the standard formula applicable to all telecom operators

Source: MTN Uganda
Notes: (1) License issued to MTN Mobile Money Uganda Limited



Strong position in attractive market | Uganda spectrum analysis

MTN Uganda has spectrum across 4 of 5 major bands used for telecommunication services, with significant spectrum in the 900, 1,800 2,100 and 2,600 bands

Frequency Range	MTN	Airtel	UT	Africell	Smile	Lyca	Total Allocated	Not Allocated
700 MHz (LTE)	0	0	0	0	0	0	0	30
800 MHz (LTE)	0	0	0	10	10	10	30	0
900 MHz (2G/3G)	10	10	5	5	0	0	30	5
1800 MHz (2G/LTE)	20	20	10	10	0	10	70	5
2100 MHz (3G)	20	20	5	10	0	0	55	5
2600 MHz (FDD) (LTE)	10	20	10	10	10	10	70	0
2600 MHz (TDD) (LTE)	0	0	0	0	0	0	0	50
	60	70	30	45	20	30	255	95

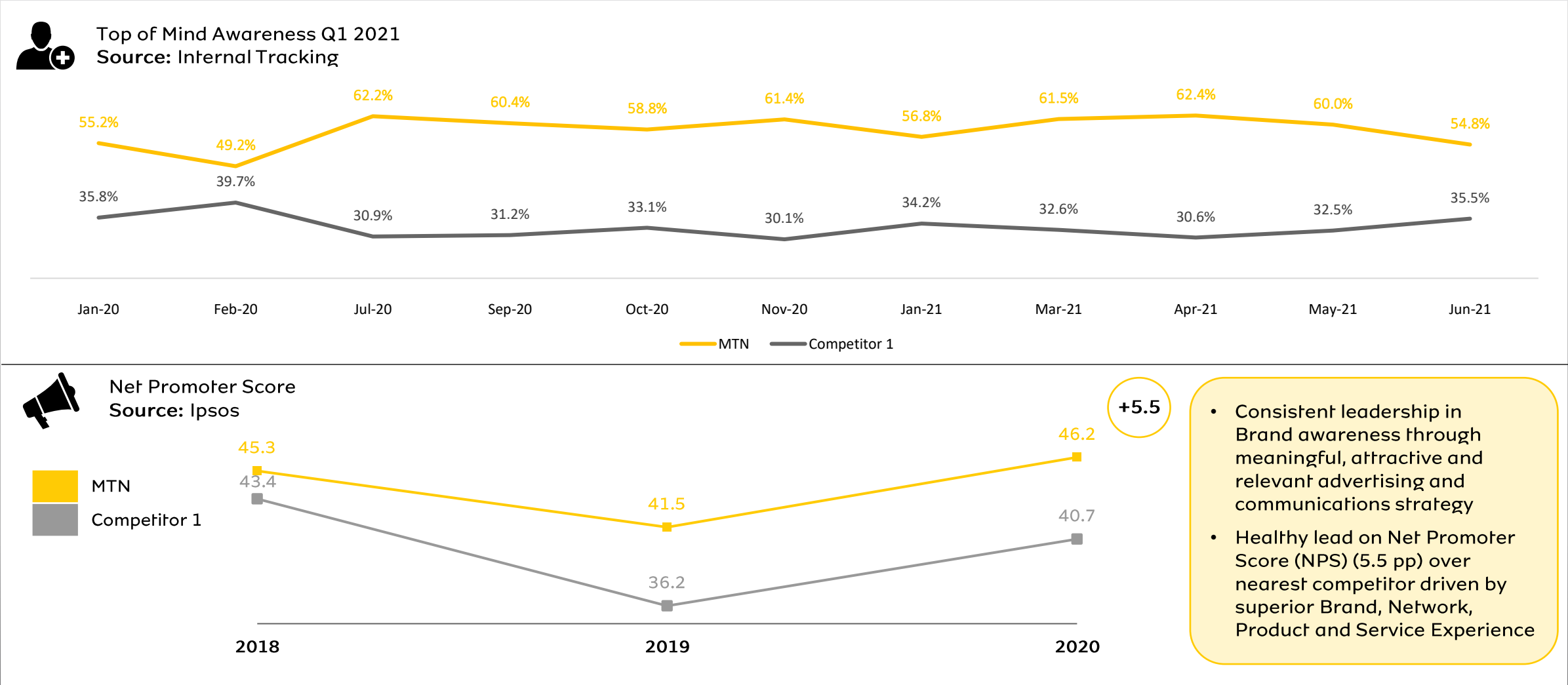
- 2600 MHZ (TDD) has not been allocated yet by UCC
- 3500 MHZ is dedicated for WIMAX, reframing to open for 5G is in progress
- 700 MHZ : spectrum not opened yet by UCC and discussion is ongoing
- Spectrum is allocated within the operating licence as needed, on a use it or lose it basis



Well positioned for the long term

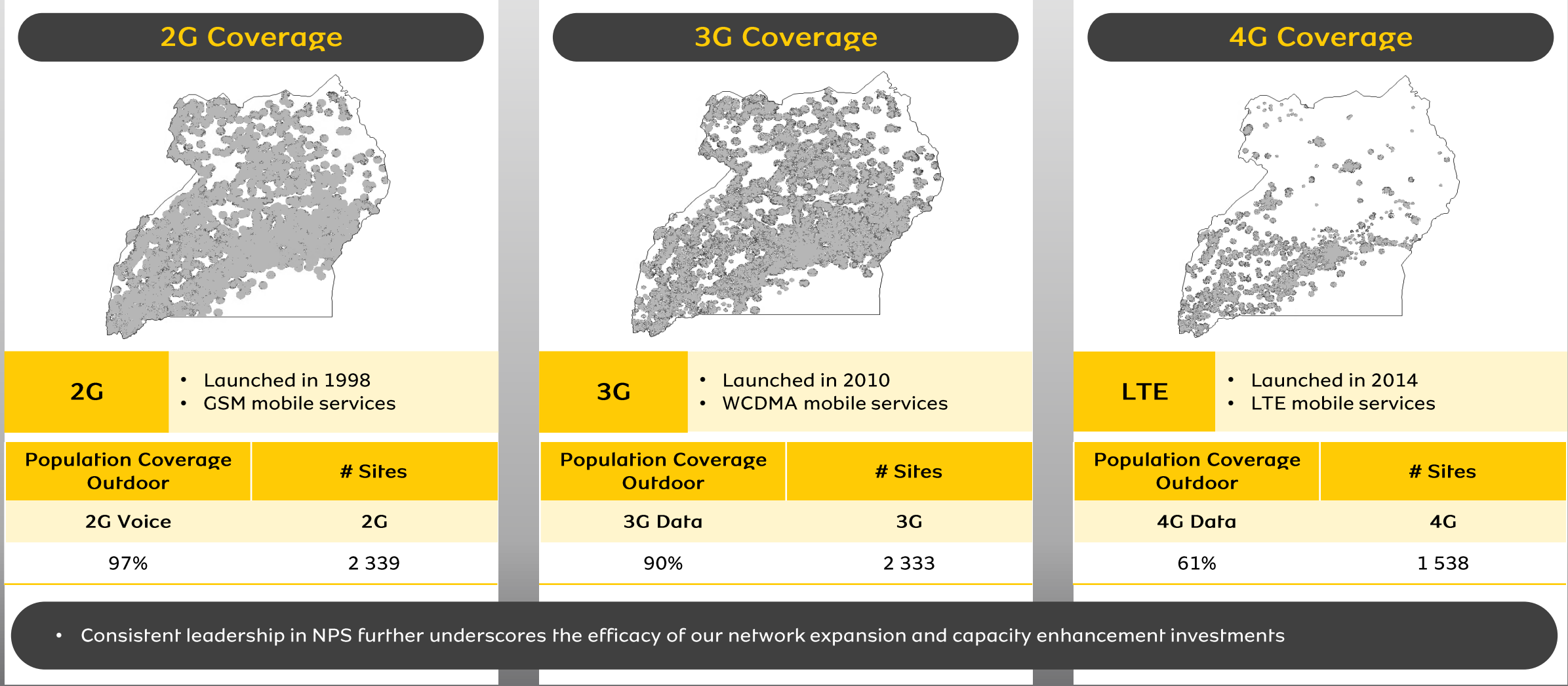
Wim Vanhelleputte | Chief Executive Officer

Well positioned for the long term | MTN Uganda brand performance highlights



Well positioned for the long term | MTN's network coverage

MTNU has a well-invested, 'second to none' network



Source: MTN Uganda
Notes: Figures as at June 2021

Well positioned for the long term | Disruptive data strategy

Disruptive growth in Mobile Data Penetration

- Affordable and quality Smartphones for all through Device Financing Partnerships
- Data Bundles that suits the needs of all segments of customers
- Aggressive rollout of high speed 4G data network across the length and breadth of Uganda



High Speed Internet Solution for Home / Office

- Connecting Homes and Offices through **Wakanet Max & Wakanet Pro** the high-speed wireless and fiber connectivity solutions
- Future ready Smart Homes and Offices with digital services which enable streaming, gaming, education, securities and utilities

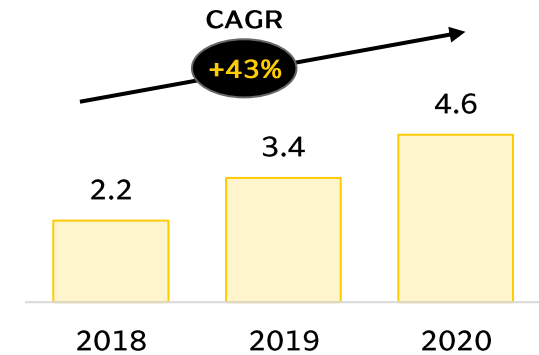


Digitizing local and international Infotainment

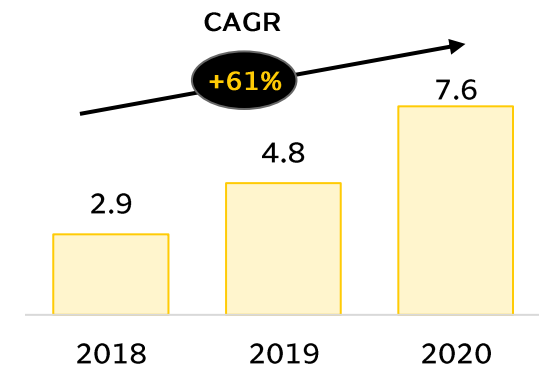
- Digitizing local music and entertainment industries through High quality digital applications on smartphones
- Bringing the excitement of local and international gaming and sports content through apps and microsites
- The first of its kind Instant Connection super app made by Africa for Africa



Active data users (millions)



Data traffic (GB millions)



Well positioned for the long term | Enterprise Business & Wholesale Business Unit

Enterprise

Voice & Messaging



- Talk time & Corporate Top up
- Combo & Kazi Bundles
- MTN CUG
- Bulk SMS & USSD
- MTN Fixed lines

Connectivity Solutions



- MTN Internet for Business
- MTN Leased Lines
- MTN API Solutions

Hosted Services



- MTN Colocation
- Managed Firewall
- Hosted PABX & Contact centre
- E-Presence & Easy Accounting



MoMo for Business

- Collection Accounts
- Remittance & Bulk Payments
- Open API



Leveraging the countrywide fibre and LTE technology to boost Enterprise uptake, fixed voice, data and ICT solutions (Technology as service solutions like Remote work solutions, SDWAN, Unified Communications, APNs), Enterprises with API integration

Wholesale

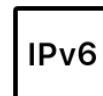
Roaming & Interconnect Services



- Roaming services
- Interconnect services
- International & National SMS services



IP & Capacity



- IP Transit services to MNOS, ISPs and enterprises
- FTTx : dedicated Fibre connectivity to other Telcos, ISPs and Enterprises
- Backbone :National and regional connectivity in metros and borders

Co-location & Hosting



- Data Centre
- Interconnections and Cross-connect Partnerships
- Floor space & Rack space 24/7 technical support

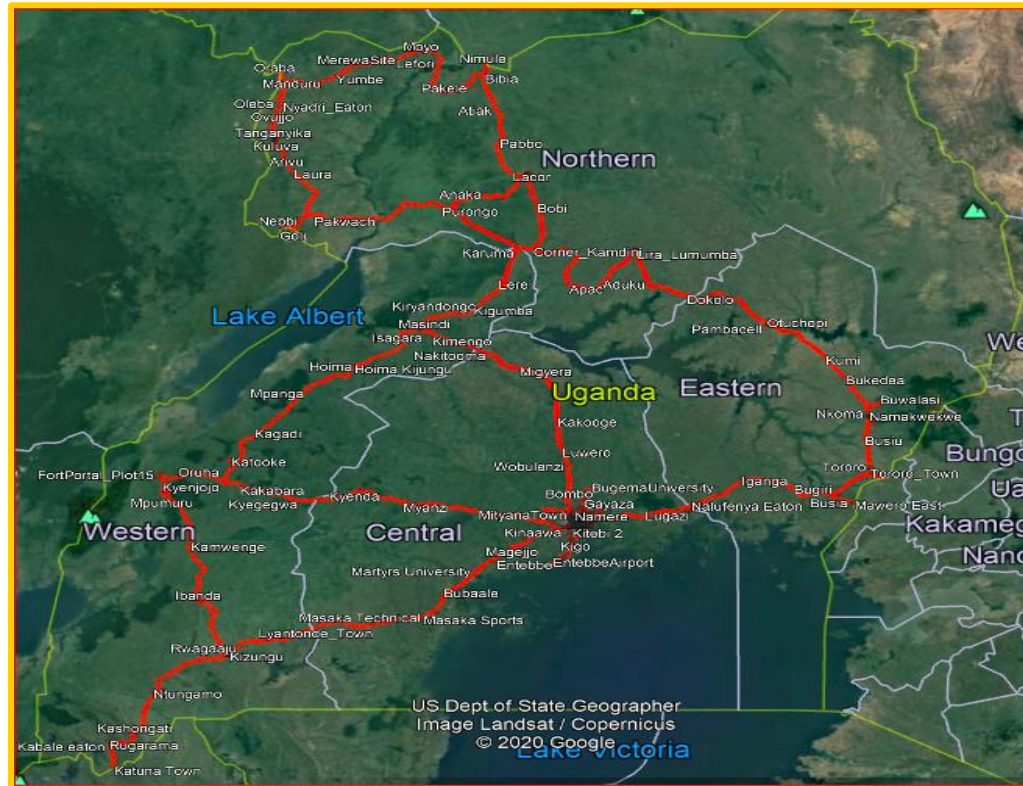


Passive sharing – existing offers backhaul on fibre or wireless
National roaming opportunities to be explored
Wholesale, equitable access

Well positioned for the long term | MTN's fibre network footprint

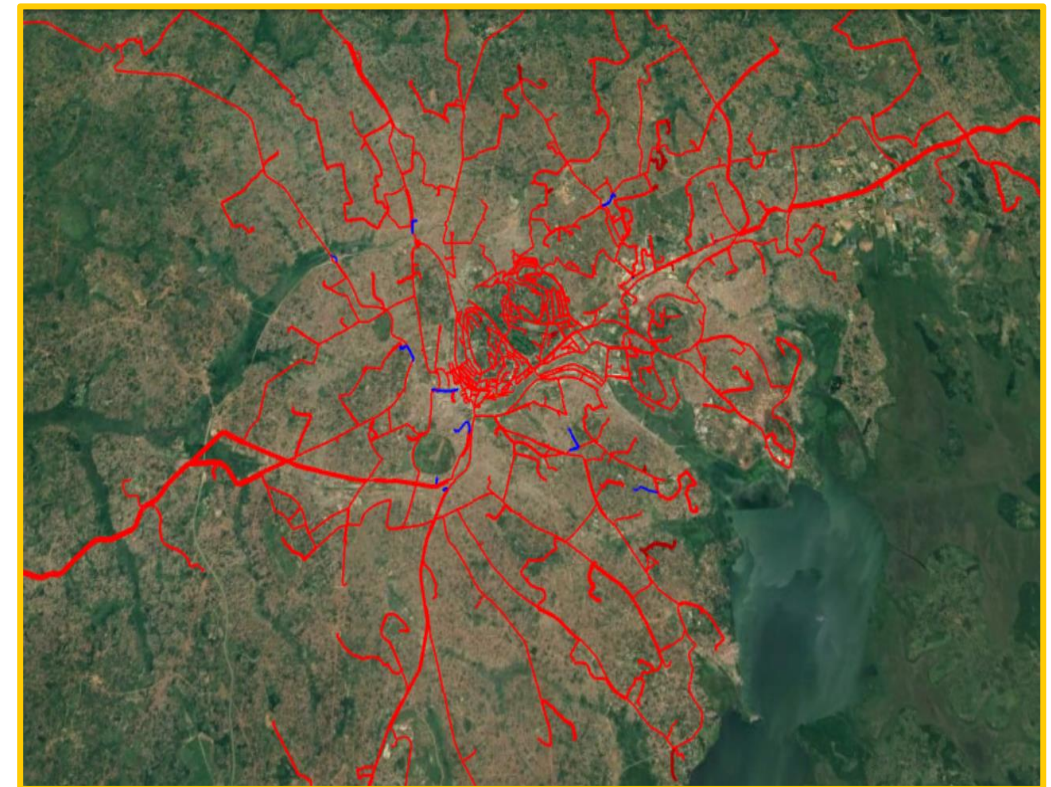
The largest fibre network in Uganda with over 5,000 km connecting the biggest towns in the country

Current MTN fibre network footprint



Fibre network

- 2,780 km of national backbone




Fibre network

- 2,730 km of metro


Well positioned for the long term | The leading high-growth fintech opportunity in Uganda

Strong foundations to drive accelerated growth into high value fintech segments

MTN Mobile Money at a glance



100%



Incorporated as 100% owned separate standalone subsidiary in November 2020, in full compliance with the Ugandan National Payment Systems Regulation Act





Highly developed mobile money market and infrastructure, MTN's mobile money business commenced operations in 2009

Leading mobile money platform in Uganda with market share ahead of customer market share, 65% customer penetration







Established and well-understood MoMo financial infrastructure, rules and guidelines, customer interest sharing etc

Enhanced fintech products already in the market: MoKash launched in Uganda in 2016, MoMoPay in 2018

MoMo today

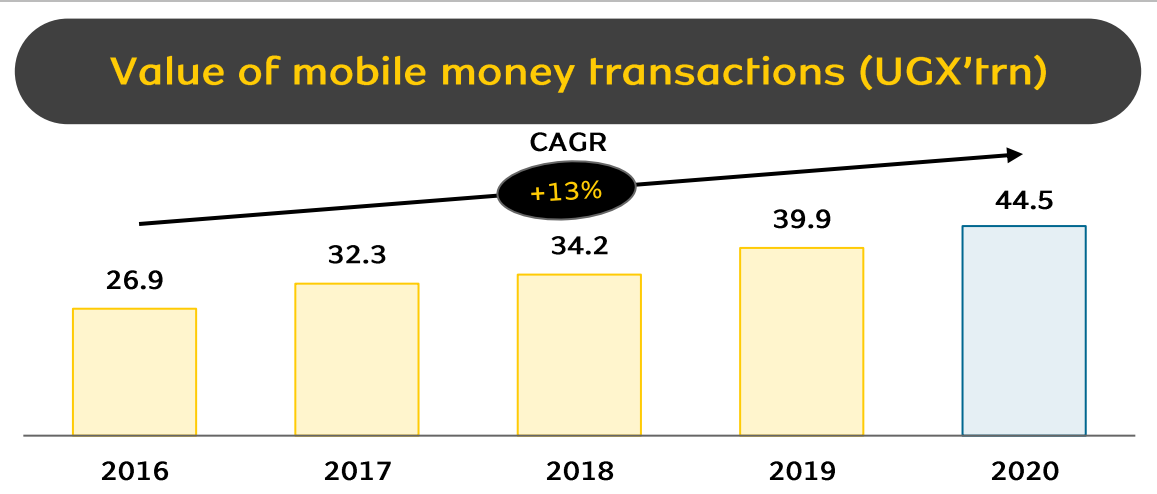
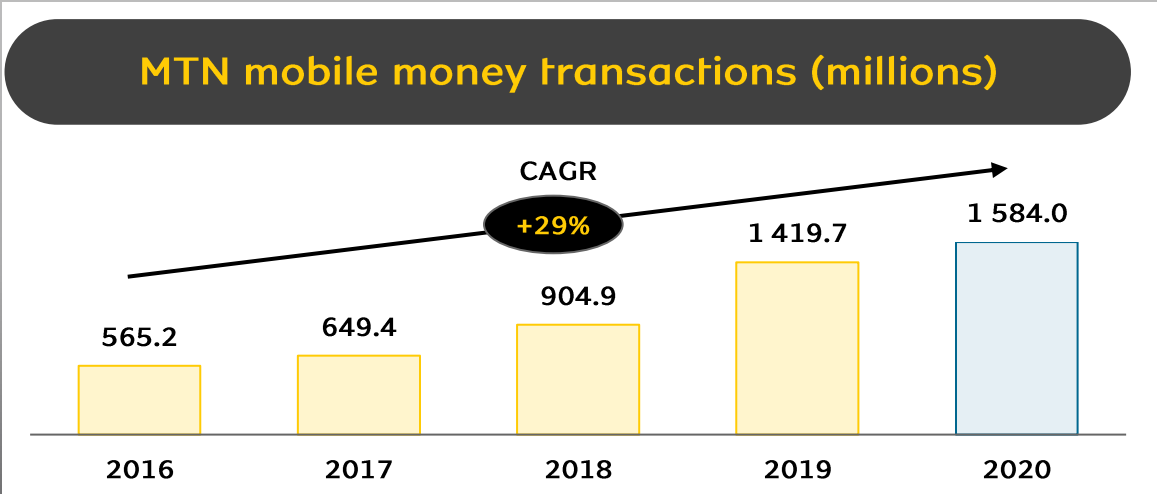
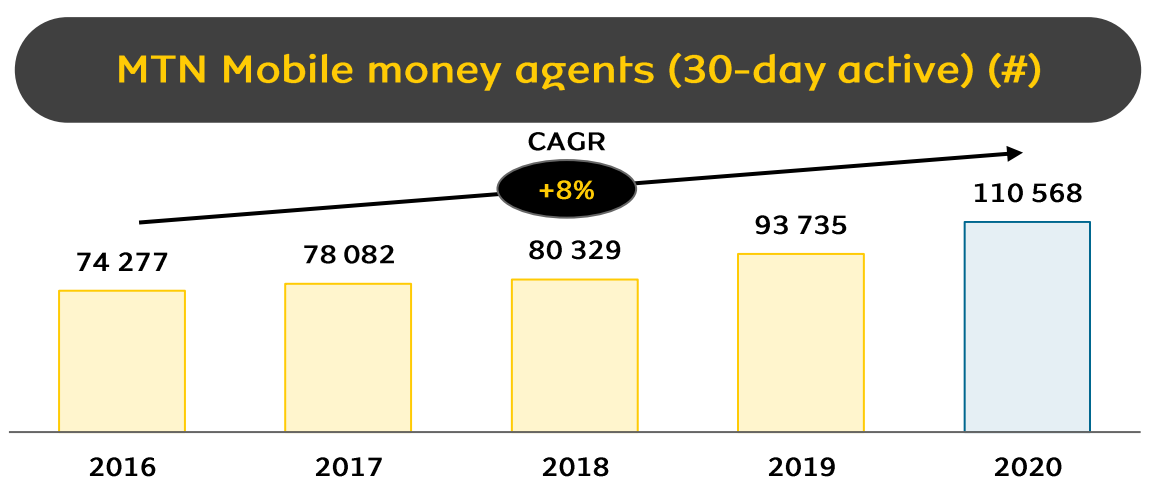
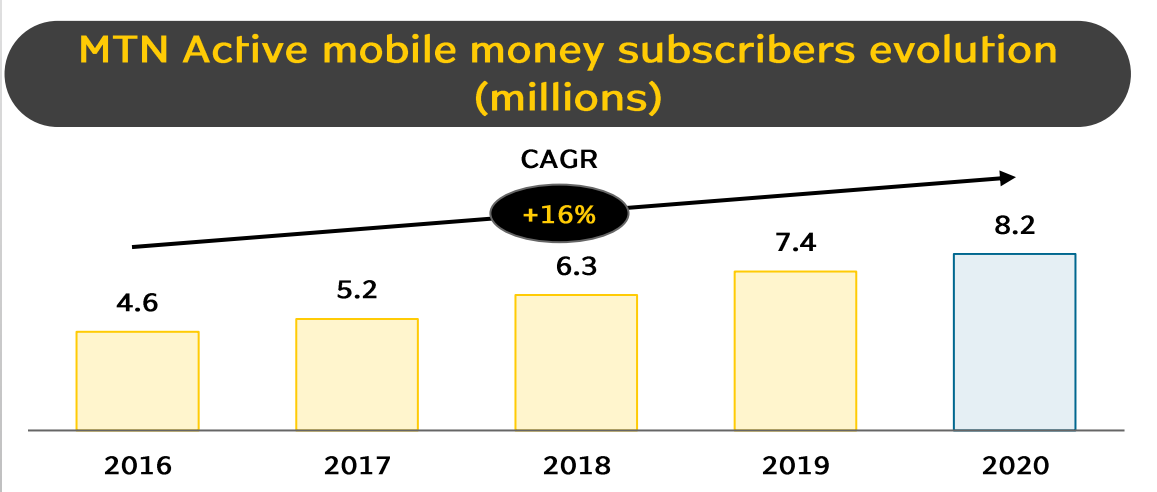
 Users	MoMo / telco = 65% penetration
 Usage	Basic services = cash-in P2P transfer, cash-out
 Velocity	Low = money is transacted once and leaves the eco-system
 Margins	Low

Fintech evolution opportunity

 Users	MoMo / telco = 100% penetration
 Usage	<div>Accelerate advanced services</div> <div><p>MoMoPay: bulk payment & collections</p><p>Mokash: saving & lending marketplace, Credit scoring</p></div>
 Velocity	High = money is transacted multiple times before leaving the eco-system
 Margins	High

Well positioned for the long term | Mobile money market opportunity

MTN's mobile money platform has grown substantially over the past 3-4 years



Well positioned for the long term | Accelerating fintech platform

Strong momentum in fintech KPIs during H1 2021 | Solid growth metrics

Wallet



8.6m MoMo Users **+17.5% YoY**
145.4k MoMo Active Agents **+50.3% YoY**
71.4% of MTN airtime sales **+7.9pp YoY**

Payment & e-commerce



35.6k Active Merchants **+61.3% YoY**
UGX 294.0bn GMV **+142% YoY**
236.0k Active Users **+126% YoY**

MoKash Loans



327k active Mokash RGS
(Average monthly transactions of 342k with an average monthly value of UGX 30bn)

Keep some
MTN MoMo
for Yaka.
It saves.

Dial ***165#**



Remittance

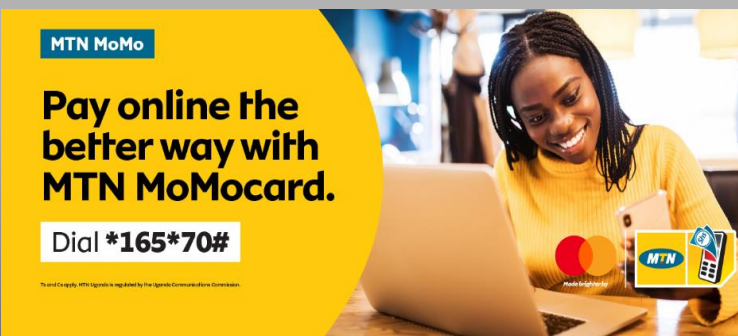


US\$0.2bn **+123.0% YoY**

Insurtech



7.7k active aYo policies
(Average monthly transactions of 10.7k with an average monthly value of UGX 298m)



[^]MTN airtime where we have MFS in the markets

Well positioned for the long term | Best-in-class Board of directors

Board Directors

Charles Mbire

Non –Executive
Chairperson

Since 1998



Sugentharen Perumal
Non-Executive
Director

Since 2019



Karabo Nondumo
Independent,
Non-Executive Director

Since 2021



Yolanda Cuba
Non-Executive
Director

Since 2020



Wim Vanhelleputte
Executive
Director

Since 2016



Andrew Bugembe
Executive
Director

Since 2020



Board Committees

Audit and Risk Committee

Remuneration, Human Resource and Social
and Ethics Committee

Commentary

- MTN Uganda operates a unitary board structure whereby the roles and duties of the Chairman and Chief Executive Officer are separate and clearly defined
- The Board comprises non-executive and executive directors which ensures a balance of power at the Board
- MTN Group representation on the Board affirms commitment to MTN Uganda and reflects the importance of MTN Uganda to MTN Group
- The Board evaluates its own performance and its processes and procedures on an annual basis to ensure its effectively fulfilling its role

Well positioned for the long term | Experienced management team

A highly capable management team with extensive industry knowledge and over 100 years of combined experience



Wim Vanhelleputte⁽¹⁾
Chief Executive
Officer



Andrew Bugembe⁽¹⁾
Chief Financial
Officer



Enid Edroma
General Manager,
Corporate Services



Monzer Ali
Chief Information &
Technical Officer



Nicholas Beijuka
General Manager,
Capital Projects



Somdev Sen
Chief Marketing Officer



Joseph Bogera
General Manager,
Sales & Distribution



Kenneth Kiddu
General Manager,
Business Intelligence



Ibrahim Senyonga
General Manager,
Enterprise Business Unit



Juliet Nsubuga
General Manager, Wholesale
& Carrier Services



Judith Namugenyi
General Manager,
Audit and Forensics



Michael Sekadde
General Manager,
Human Resources



Samuel Gitta
General Manager,
Risk and Compliance



Dorcas Muhwezi
General Manager,
Customer Experience



Steven Mutana
Acting CEO,
Mobile Financial Services

- MTN Uganda has over 1 000 staff with 520 full-time employees supporting the management team

Source: MTN Group; MTN Uganda

Notes: (1) The CEO and CFO are also Executive Directors of the Board; (2) Separate, standalone subsidiary in full compliance with the Ugandan National Payment Systems Regulation Act

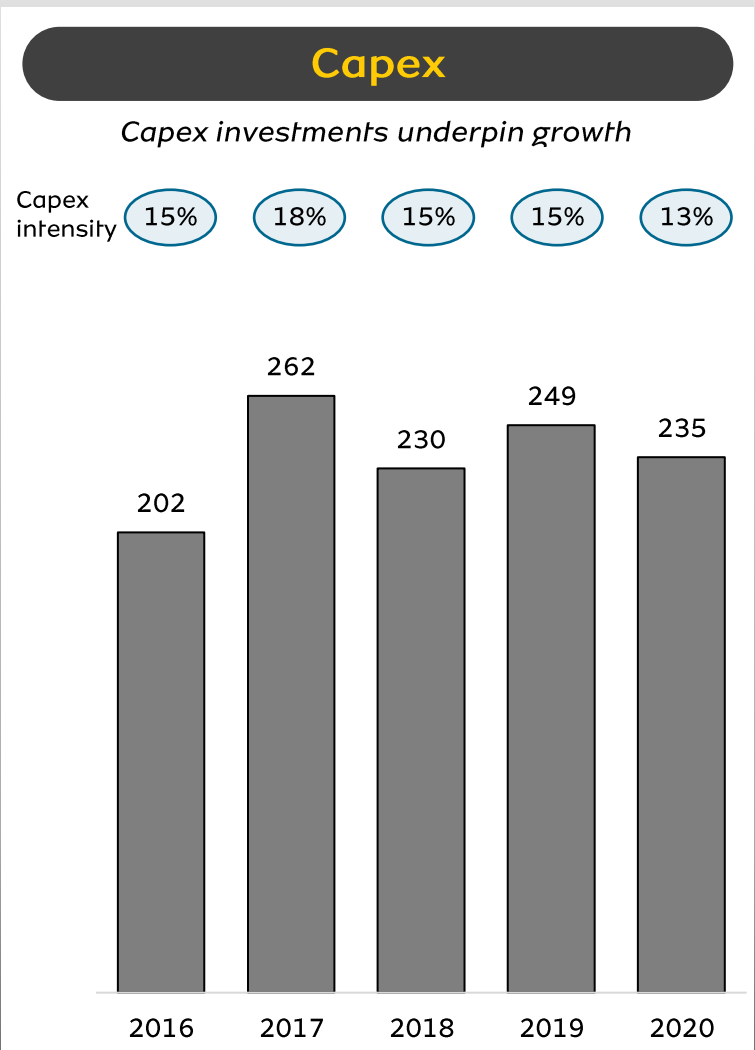
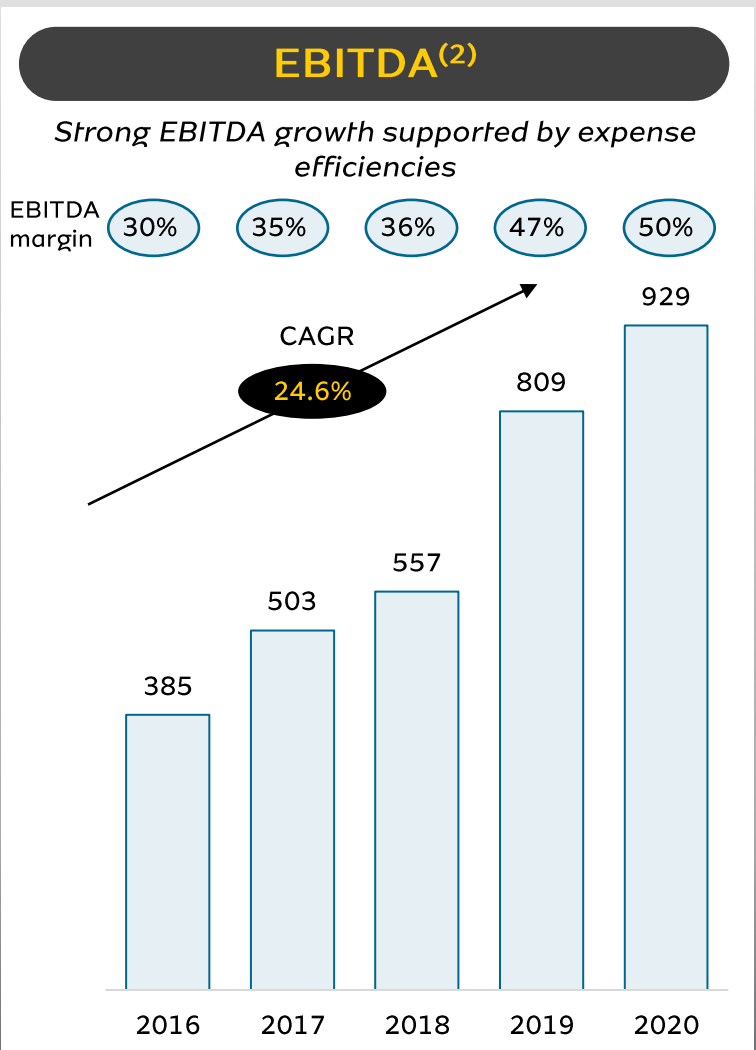
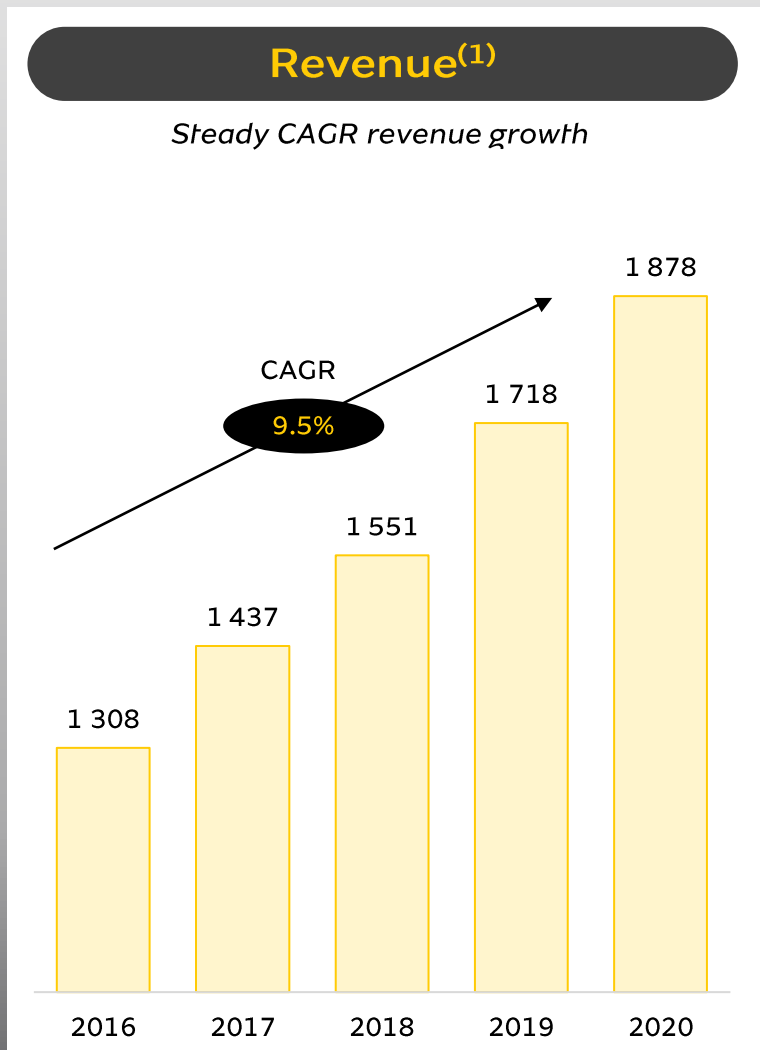


Attractive returns profile

Andrew Bugembe | Chief Financial Officer

Attractive returns profile | Strong financial performance

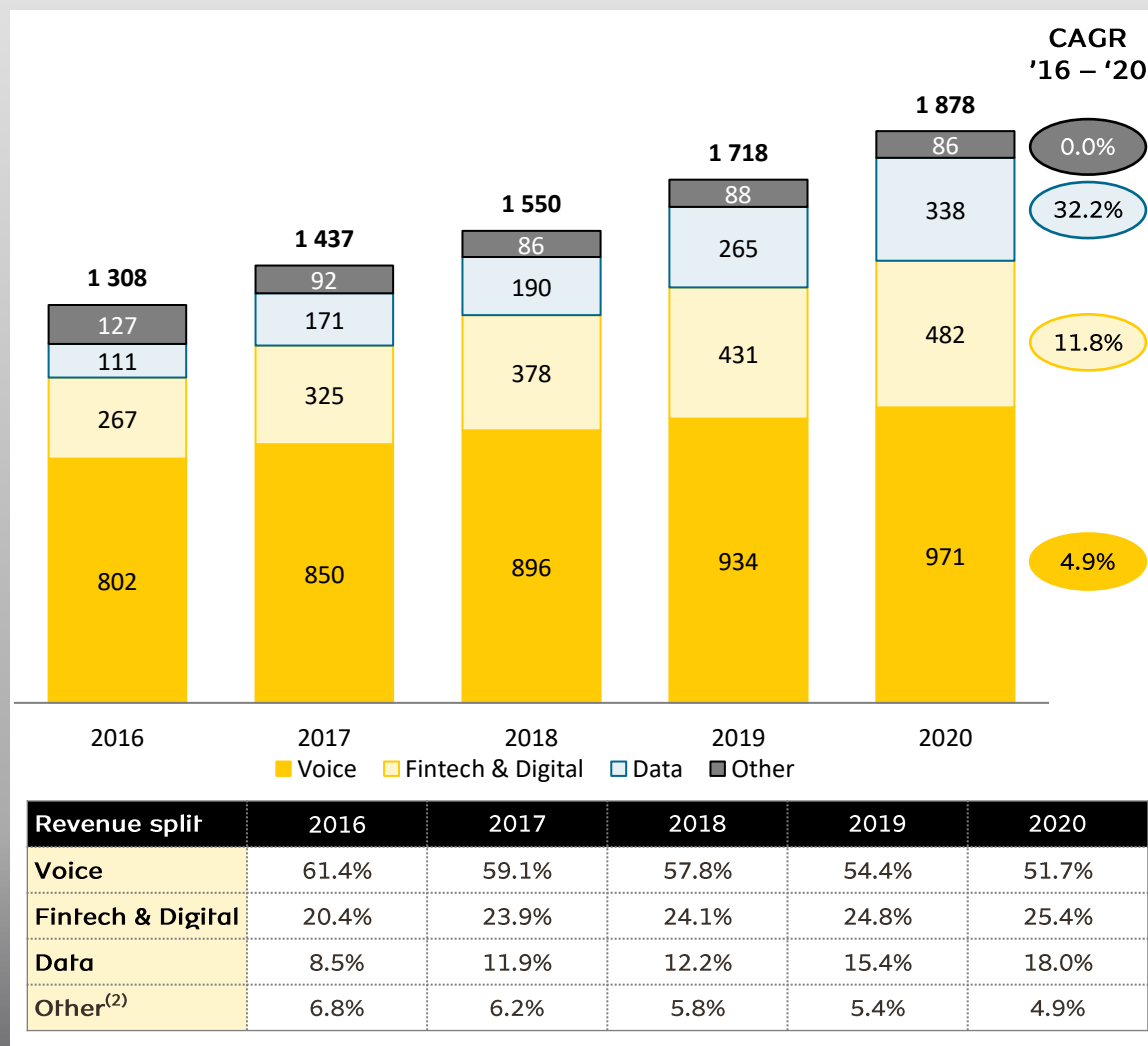
(UGX'bn)



Source: MTN Uganda
Notes: (1) Historic revenue CAGR impacted by changes in the tax regime (introduction of the OTT tax) which affected both Fintech and data revenue in 2018; (2) Increase in EBITDA between 2019 and 2020 is as a result of a change in accounting policy from IAS 17 to IFRS 16

Attractive returns profile | Total Revenue

(UGX'bn)



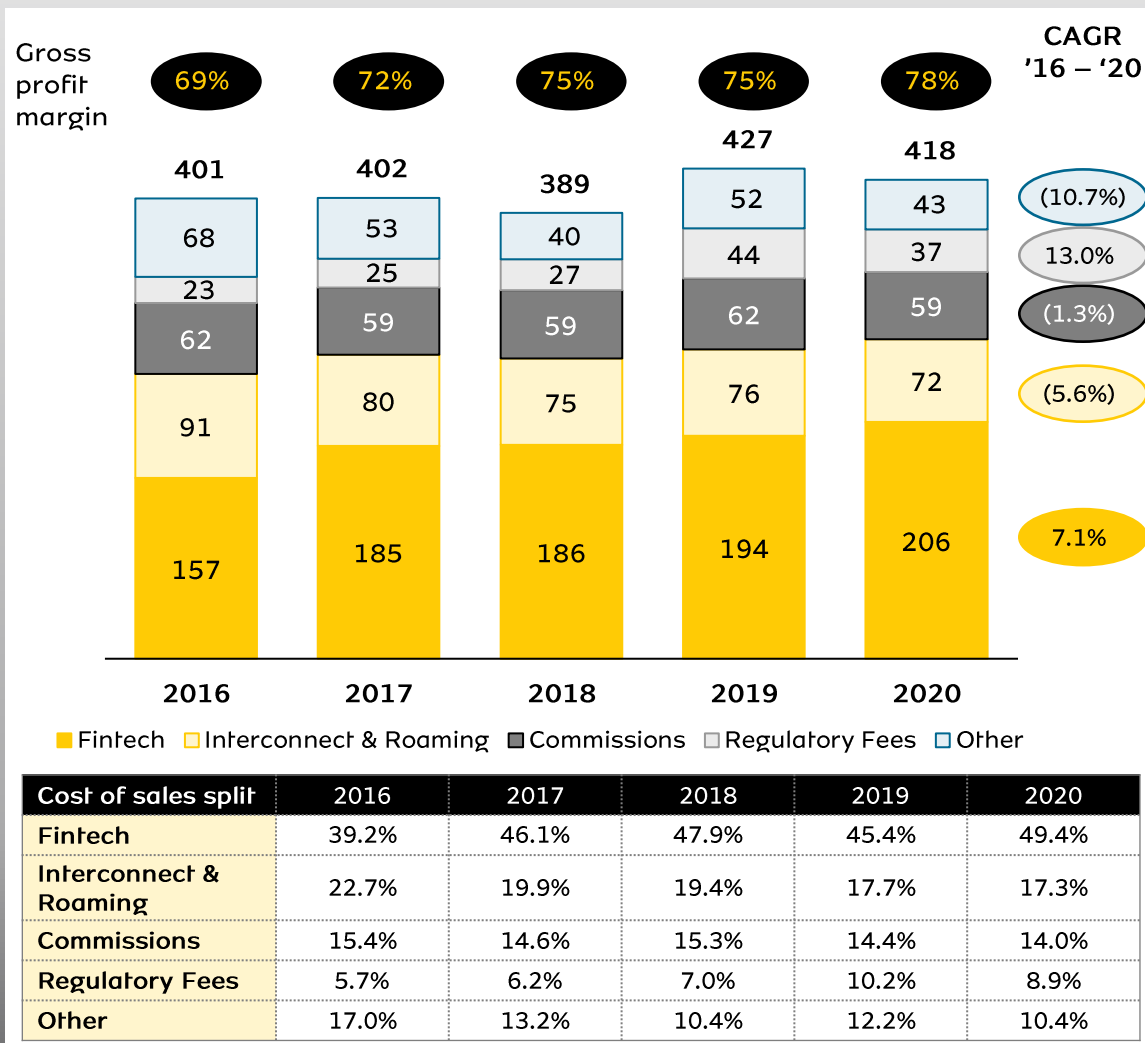
Source: MTN Uganda

Comments

- **Voice:** continue to protect and grow revenue driven by subscriber growth (up 12.3% YoY in 2020) and supported by CVM campaigns. In 2020 voice revenues grew by 4% YoY
- **Fintech & digital:** contributes over 25% to revenue with solid growth driven by increasing user base and expanding active agent and merchant network. P2P revenues affected by lockdown in Q2-20. Advanced services (30% of Fintech revenues) grew by 33% YoY in 2020
- **Data:** revenue increased by 28% YoY in 2020, benefitting from increased demand and traffic which has been accelerated by COVID-19. Active data RGS 30 grew by 35% YoY in 2020

Attractive returns profile | Cost of Sales

(UGX'bn)

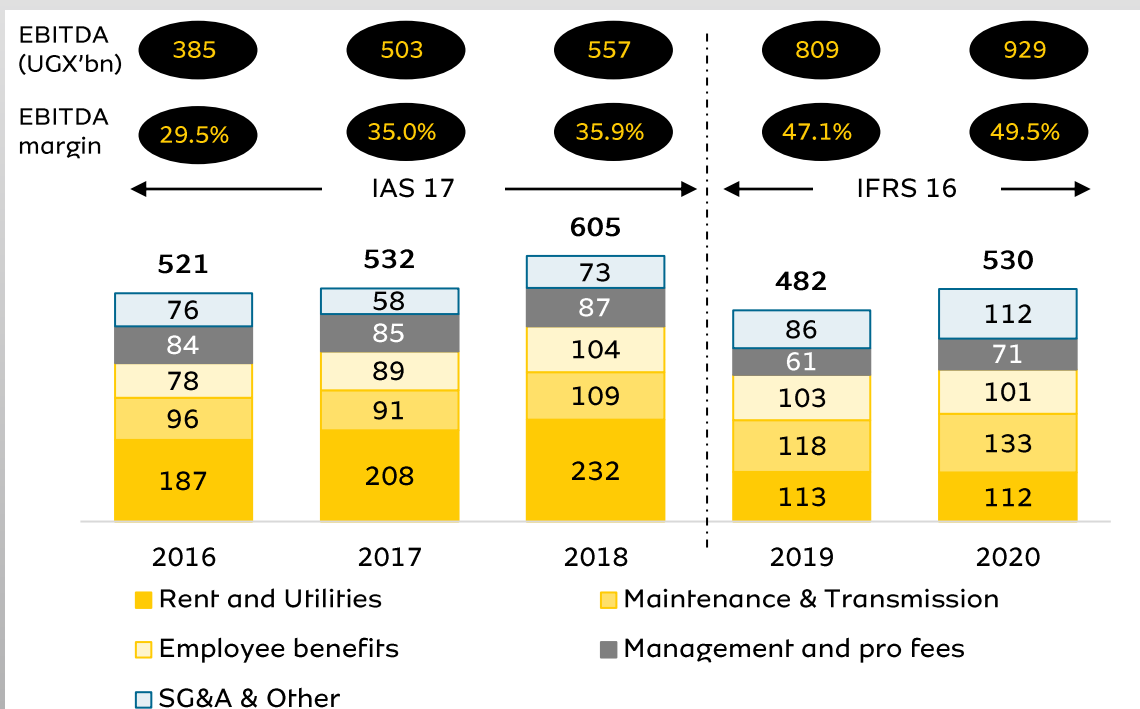


Comments

- MTN Uganda retains a keen focus on expense efficiencies
- **Fintech:** costs driven by RGS 30 subs growth, increased transaction volumes & VAT restriction. Cost/income ratio enhanced through reduced agent commission rates
- **Commission & distribution:** 2020 YoY reduction driven by new commission structure implemented in Q1 20 and reduced sales in March/April during lockdown
- **Interconnect & roaming:** savings from implementation of out of bundle calling for roaming in EAC, which reduced the ONA MT cost. Roaming costs lower due to restricted customer movements (COVID-19 lockdowns)
- **Regulatory fees:** 2020 YoY decrease driven by prior year regulatory fee changes that previously included fintech. Regulatory fees charged at 2% of revenue
- **Other Costs:** (device, subscriber acquisition and VAS costs) subscriber acquisition costs increased due to the additional costs spent on gross adds and while devices and VAS costs dropped slightly due to COVID restrictions

Attractive returns profile | Operating Expenses

(UGX'bn)

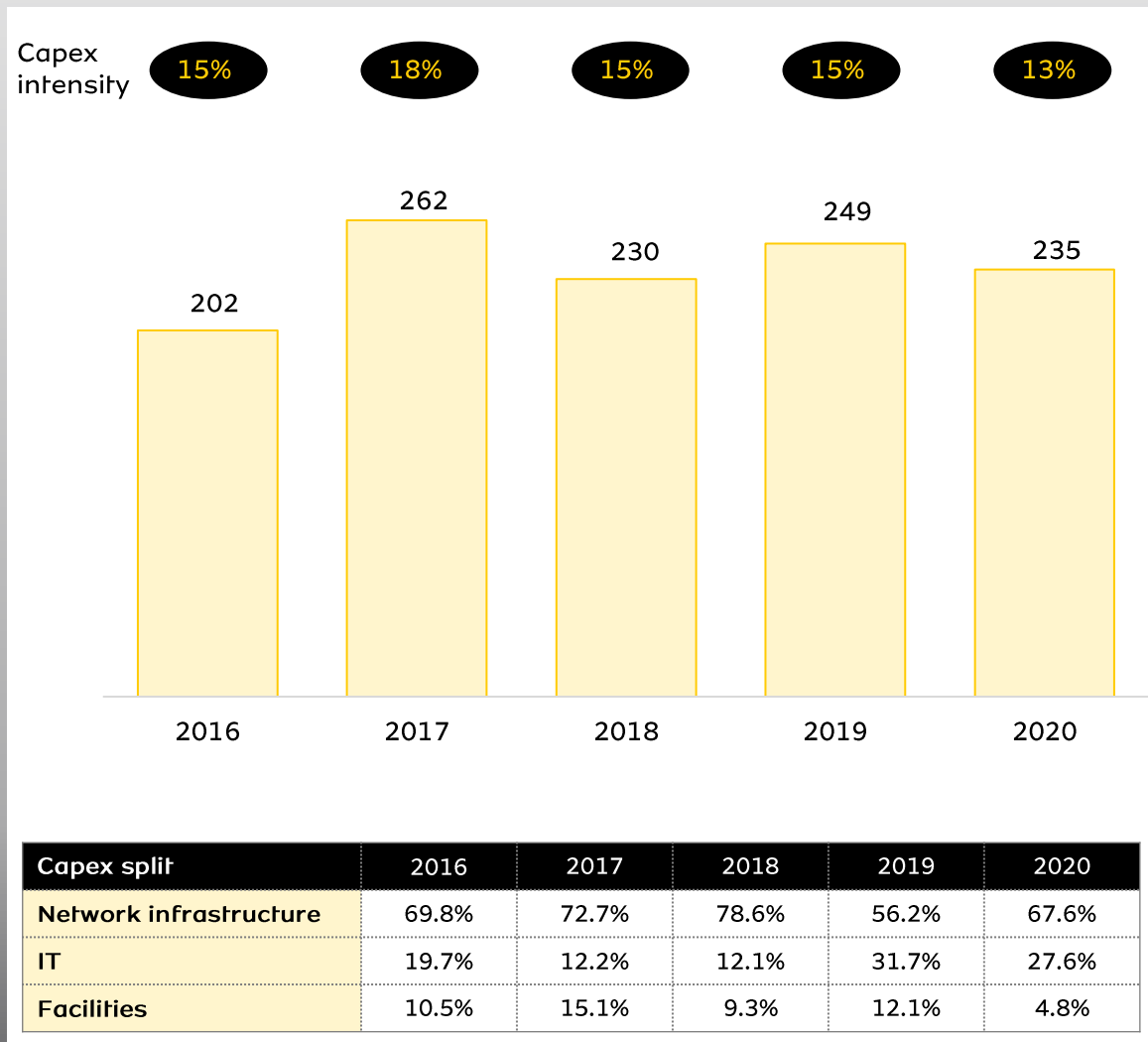


Opex split	2016	2017	2018	2019	2020
Rent and Utilities	36%	39%	38%	24%	21%
Maintenance & Transmission	18%	17%	18%	25%	25%
Employee benefits	15%	17%	17%	21%	19%
Management and pro fees	16%	16%	14%	13%	13%
SG&A & Other	15%	11%	12%	18%	21%

Comments

- **Rent & utilities:** 2019 impacted by IFRS 16 adoption, flat in 2020 on expense efficiencies
- **Maintenance & transmission:** benefit from IT expense efficiencies, savings from discontinued services and supplier contract renegotiations. Transmission cost increased in 2020 due to acquisition of additional bandwidth in Dec 2019
- **Employee benefits:** savings in 2020 from lower staff recruitment, impacted by COVID-19
- **Management & professional fees:** ~3% of service revenue. Professional fees savings in 2020 from reduction in legal fees and consultancy
- **SG&A & other:** marketing cost savings in 2020 due to the suspension of activities during COVID-19 lockdowns. 2020 includes:
 - Once-off tax settlement of UGX39bn relating to prior year matters
 - Increase in bad debt provisions on OVID-19 risks
 - Benefit from suspension of travel and training (apart from online) activities due to COVID-19

Attractive returns profile | Capital Expenditure



Source: MTN Uganda

Comments

- MTN Uganda has continuously invested in Capex for expansion and to improve the network and data coverage to deliver superior service-quality to customers
- The Capex investment is also to continuously improve network quality and also fulfil license coverage and quality conditions
- Capex investment is mainly focused on increasing capacity for (3G and 4G), coverage in areas commercially viable
- Focus on Fibre to homes (FTTH) and continue to build fibre to high traffic microwave hub sites (FTTS)
- The license fee is excluded from the Intangible assets in 2020
- In 2020 MTN Uganda reclassified software license fee from network infrastructure costs to IT costs

Attractive returns profile | Free cash flow

(UGX'bn)

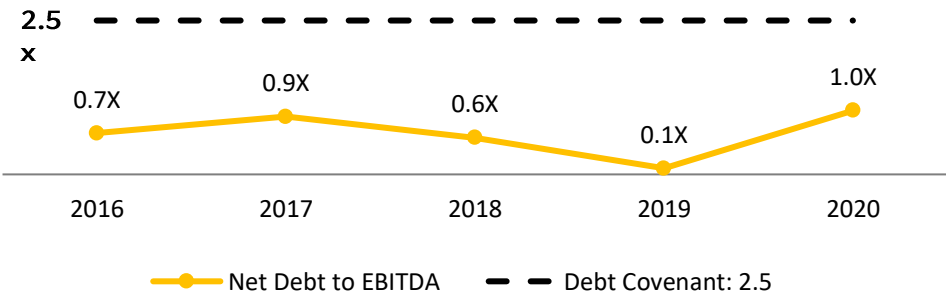
Description	2016	2017	2018	2019	2020	CAGR
EBITDA	385	503	557	809	929	24.6%
Capex	(202)	(262)	(230)	(249)	(235)	
Free cash flow	587	766	787	1,058	1,164	18.7%
Change in working capital	(174)	67	(30)	22	(55)	
Net interest paid	(19)	(42)	(21)	(121)	(129)	
Income tax paid	(41)	(74)	(89)	(110)	(139)	
Equity free cash flow	536	957	975	1,408	1,536	30.1%

Attractive returns profile | Capital structure

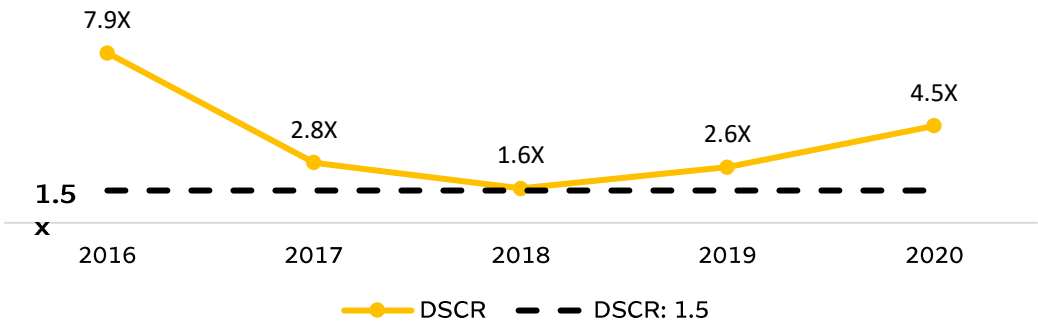
Overview and financing strategy

- MTN Uganda has traditionally maintained modest leverage; remains in a good position relative to covenants on existing metrics
- The current level of debt-equity ratio is at a level management is comfortable with and gives enough room for borrowing in future as and when needed

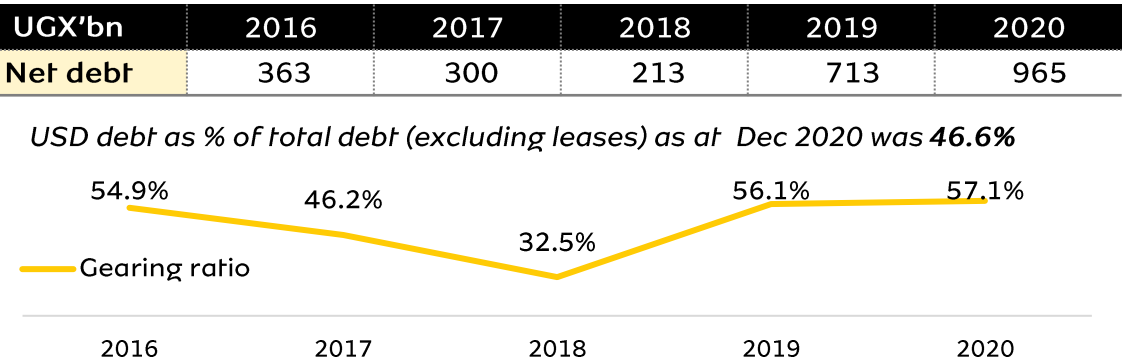
Net debt to EBITDA: <2.5x



Debt Service Coverage Ratio: > 1.5x



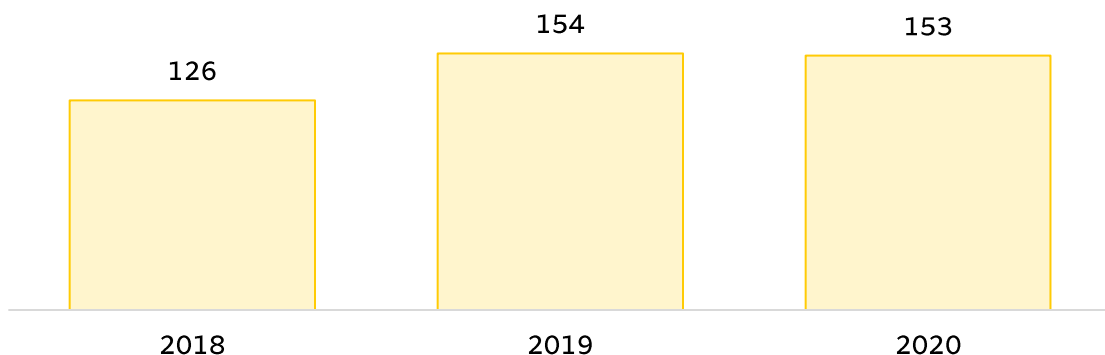
Gearing ratio



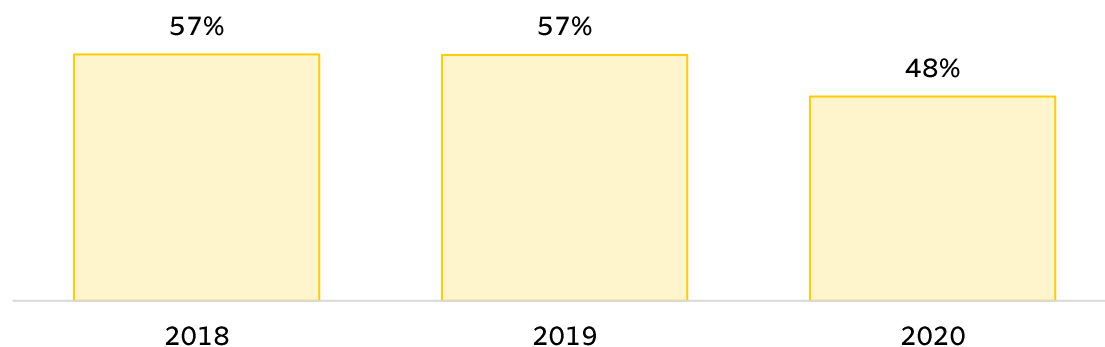
Attractive returns profile | Dividend policy

(UGX'bn)

Historical dividends declared



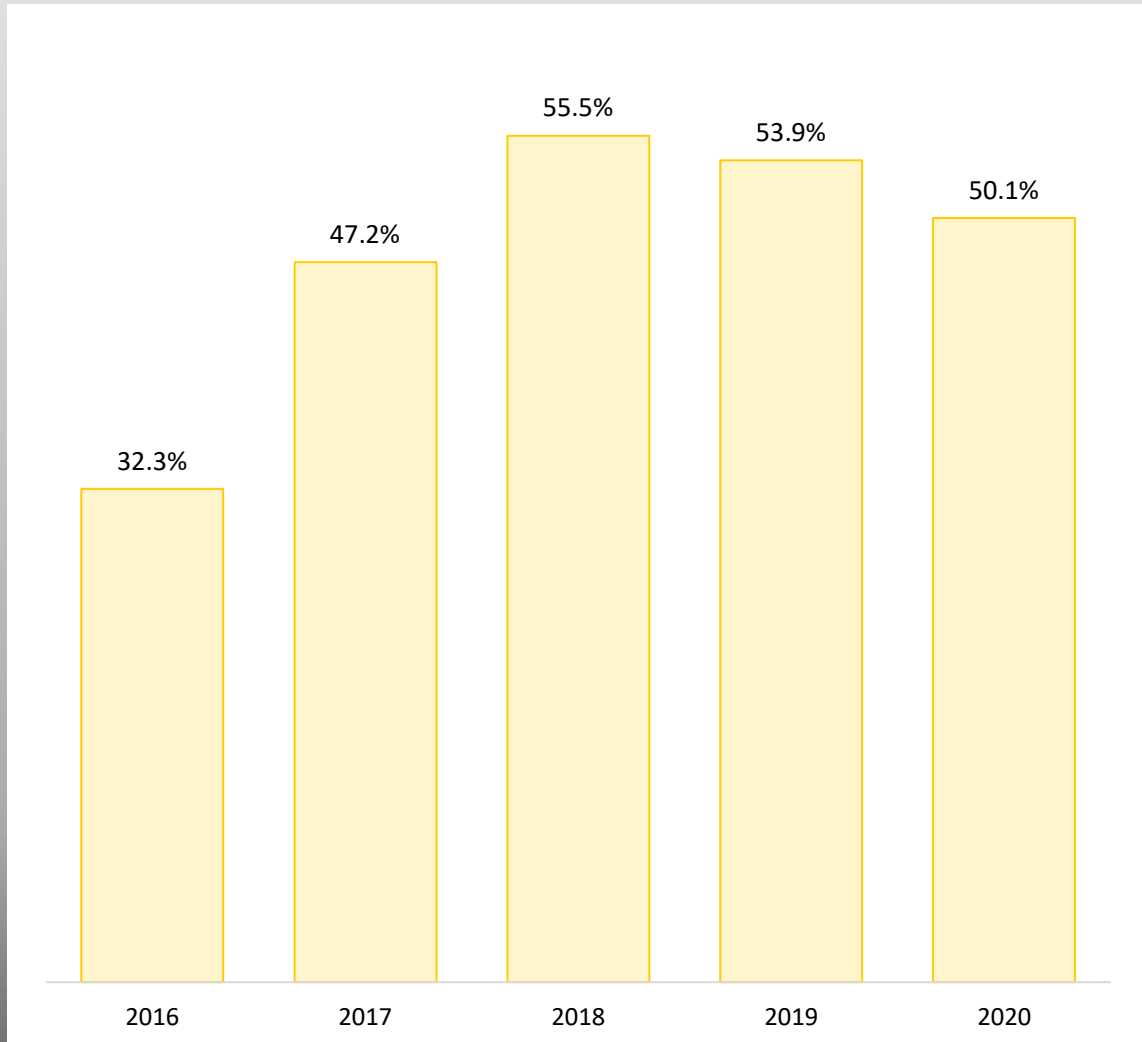
Payout ratio



Dividend outlook

- MTN Uganda will target in the medium term a dividend **pay-out ratio of at least 60%** of annual profits after tax
- Dividends are subject to board discretion considering MTN Uganda's cash projections, business outlook, investment plans, capital market conditions, tax regulations and funding facility covenants
- Notwithstanding the above, the Board may vary the dividend pay-out ratio in a year, if the accumulated reserves can accommodate same extra payment above the set ratio subject to cash availability and without breaching the debt covenants
- In 2020, the pay-out ratio dropped due to the conclusion of the required additional funding for both the license (USD 100m) and continued Capex investment to upgrade the network
- MTN Uganda has placed emphasis on investing for growth and sustainability of the organisation. This trend is expected to continue for the next 2 -3 years after which extra capex will focus more on capacity and less on coverage

Attractive returns profile | Return on Equity



Source: MTN Uganda

Comments

- From 2019 MTN Uganda increased its Capex investment to support capacity growth for data, voice and also increase the network coverage country wide with focus on 3G and 4G. This was key to improve the network quality and improve the customer experience too
- The minimal reduction of ROE in 2019 as such was driven by the above circumstances, including the increased IFRS 16 lease finance costs
- In 2020 the increased amortisation due to the acquisition of the license (USD 100m, effective July 2020) and increased financing costs due to the USD 100m medium term financing concluded in February 2020 led to a lower ROE

**ONE
MORE
PUSH**

everywhere you go









Looking ahead

Wim Vanhelleputte | Chief Executive Officer

Medium-term guidance

Continuous Capex investment, Fintech and Data growth, Expense Efficiency Program (EEP)

 KPI	 Target
 Revenue	Low double-digit growth
 Accelerate Fintech growth	Mid-teen growth in revenue
 EBITDA Margin	Stable margins
 Dividend pay out	At least 60% of annual profits after tax

Investment Case

Strong position in attractive market

- #1 player with 59.1% market share
- Attractive demographics
 - One of the fastest growing youth populations in the region
 - Average Real GDP growth rate of 6.3% between 2017 – 2019
- Relatively low mobile penetration of 61.1% | Low data and digital penetration | Low smartphone penetration



Attractive return profile

- Consistent double-digit revenue and EBITDA growth with stable margins
- Well-invested, 'second to none' network
- Strong cash generation capabilities
- Diversified business with strong expected growth from data and mobile money businesses



Well positioned for the long term

- Clear market leader
- Attractive products and services offerings
- Leading the high growth fintech opportunity and digital acceleration of Uganda
- Second to none network in the country with robust distribution network of over 170 000 agents
- Highly capable management and leadership and brand



Clear strategy, strong group support

- Accelerate fintech margin growth through innovative product offerings
- Strong, supportive shareholder applying best in class practices in 21 businesses across Middle East and Africa
- Access to leading technical and operational expertise with over 22 years experience operating across Africa and in Uganda specifically



Enhanced risk and regulatory framework

Disciplined capital allocation

Platforms accelerating growth

MoMo

ayoba

Xtra time

Enterprise

Data



Q & A



Thank You



Appendix

Income statement

Income Statement (UGX'm)	2016	2017	2018	2019	2020
		401,991	388,756	427,287	417,948
Revenue	1,307,540	1,437,195	1,550,767	1,717,574	1,877,799
Cost of Sales	401,301	401,991	388,756	427,287	417,948
Gross Profit	906,229	1,035,204	1,162,011	1,290,287	1,459,851
Operating expenditure	520,892	531,864	604,989	481,640	530,442
EBITDA	385,337	503,340	557,022	808,646	929,409
Depreciation, amortisation and goodwill impairment	193,389	229,039	221,633	301,666	330,467
Profit (Loss) from Operations	191,948	274,302	335,388	506,981	598,943
Finance Costs	54,278	47,208	27,238	127,529	138,564
Profit (Loss) before taxation	137,671	227,093	308,151	379,452	460,379
Taxation	41,340	74,429	88,624	110,202	138,697
Profit (Loss) after taxation	96,331	152,664	219,527	269,250	321,682
Key metrics					
Revenue growth	(1.9%)	9.9%	7.9%	10.8%	9.3%
Gross profit margin	69.3%	72.0%	74.9%	75.1%	77.7%
EBITDA margin	19.5%	35.0%	35.9%	47.1%	49.5%
EBIT margin	14.7%	19.1%	21.6%	29.5%	31.9%
NPAT margin	7.4%	10.6%	14.2%	15.7%	17.1%

Source: MTN Uganda

Comments

- **Revenue:** steady revenue growth in 2020 driven mainly by data 27.6% up YoY, Fintech up 12.1% YoY (Mobile money revenue was affected by the lockdown in Q2 where P2P was zero rated for a couple of weeks) and voice up 4.0% YoY
- **COS:** below by 2.2% driven by cost saving initiatives and the key areas contributing to reduction in 2020 were commissions, handsets and regulatory fees
- **Opex:** 10% growth YoY in 2020 driven mainly by once off tax settlement costs and prior tax receivable written off (UGX 39bn) and when excluded YoY growth was only 2%. This performance was driven by various cost saving initiatives. The COVID-19 pandemic restricted various commercial activities with lower marketing and distribution cost. Maintenance and transmission costs were up YoY to support the continuous network upgrades that continued despite the pandemic
- **EBITDA:** 14.9% growth YoY in 2020 driven by the above revenue performance and Expense Efficiency Program (EEP), this initiative focuses on sustainable cost savings, in line with the cost leadership strategy
- **Depreciation, amortisation and Financing Costs:** these were up YoY driven by amortisation of the new license fee effective July 2020 (USD 100m) and financing costs related to the new Medium Term Loan (USD 100m) concluded in Feb 2020
- **PAT:** above 19.5% YoY driven by the above EBITDA, dep, amortisation and financing costs

Cash flow statement

Cash flow statement (UGX'm)	2016	2017	2018	2019	2020
Operating activities					
Cash generated from operations	201,696	574 419	536 982	818 875	868 664
Net Interest paid on borrowings and on lease liabilities	(19,265)	(41,727)	(20,563)	(120,510)	(129,077)
Dividends paid	(261,598)	(101 628)	(126 094)	(154 324)	(153 007)
Income tax paid	(78,598)	(90 414)	(64 134)	(114 195)	(153 631)
Net cash generated from operating activities	(148,765)	340 650	326 192	429 846	432 950
Cash flow from investing activities					
Payments for property, plant and equipment and additions to right of use assets	(138,388)	(187 224)	(205 157)	(170 204)	(170 114)
Proceeds from disposal of property, plant and equipment	2,858	1 512	687	2 148	4 500
Increase in prepayments	(10,968)	(14 315)	0	0	0
Purchase of intangible assets	(63,180)	(75 022)	(27 823)	(79 733)	(446 461)
Net cash used in investing activities	(209,678)	(275 050)	(232 292)	(247 789)	(612 075)
Financing activities					
Repayments of borrowings	0	(56 945)	(156 370)	(171 521)	(153 623)
Proceeds from borrowings	387,610	0	115 000	60 063	348 519
Principal elements of lease payments	0	0	0	(48 779)	(61 867)
Net cash used in financing activities	387,610	(56 945)	(41 370)	(160 237)	133 029
Net increase in cash at bank and in hand	29,167	8 655	52 530	21 820	(46 097)
Movement in cash at bank and in hand					
At start of year	18,635	39 891	45 090	92 558	109 388
Increase	29,167	8 655	52 530	21 820	(46 097)
Exchange losses on cash at bank and in hand	(7,912)	(3 456)	(5 062)	(4 990)	(4 121)
At end of year	39,891	45 090	92 558	109 388	59 171

Source: MTN Uganda

Comments

- **Net cash from operating activities:** In 2019 affected by introduction of IFRS-16, with the increase in 2020 driven by increased network sites YoY. The cash generated from Operations increased mainly driven by the EBITDA performance. The increase in interest in 2020 is related to the new medium facility of USD 100m concluded in Feb 2020
- **Net cash used in investing activities:** Increased YoY driven mainly by the USD 100m license, the Capex for 2020 was flat driven by the pandemic where some Capex was deferred to the following year
- **Net cash used in financing activities:** This was majorly driven by the new 5 year medium term loan of USD 100m to finance both capex and working capital, this included refinancing the existing old debt. The increase in lease repayments is related to 152 new sites for 2020

Financial position analysis

Financial position (UGX'm)	2016	2017	2018	2019	2020
Non-current assets					
Property, plant and equipment	662,107	680,270	701,780	713,880	727,131
Intangible assets	133,240	147,205	129,717	750,001	1,087,657
Other non-current assets	22,297	29,181	38,371	39,714	58,430
Total Non-Current Assets	817,644	856,656	869,868	1,503,595	1,873,218
Current assets					
Trade and other receivables	343,516	235,732	219,274	177,762	172,283
Cash and cash equivalents	39,891	45,090	92,558	109,388	59,171
Mobile Money Deposits	0	315,088	407,945	450,355	655,352
Total assets	1,201,051	1,452,566	1,589,645	2,241,100	2,760,024
Capital and reserves					
Total equity	297,884	348,920	442,353	557,279	725,955
Liabilities					
Borrowings	402,386	344,856	305,601	192,429	388,225
Lease liabilities	0	0	0	629,838	635,538
Trade and other liabilities	500,781	443,702	433,746	411,199	354,954
Mobile Money Deposits	0	315,088	407,945	450,355	655,352
Total liabilities	903,167	1,103,646	1,147,292	1,683,821	2,034,069
Total equity and liabilities	1,201,051	1,452,566	1,589,645	2,241,100	2,760,024

Source: MTN Uganda

Comments

- **Non-current assets:** Property, plant & equipment increased in 2020 driven mainly by further increased investments in technology to support data and voice growth. As such capacity and coverage sites were added to the network. (152 physical sites added, 486 4G sites and 150 3G sites upgraded). The increase in Intangible assets relates to the USD 100m license
- **Current assets:** The main increase is driven by the mobile money deposits. The pandemic had a positive mindset change as many customers adopted Mobile Money services. The increase in inventory relates to 4G devices sourced at the end of the year to support data growth
- **Non current and current liabilities:** Increase in 2020 is mainly driven by the new five year medium term loan, increased additional sites acquired in relation to lease liabilities and increase in mobile money deposits as explained above