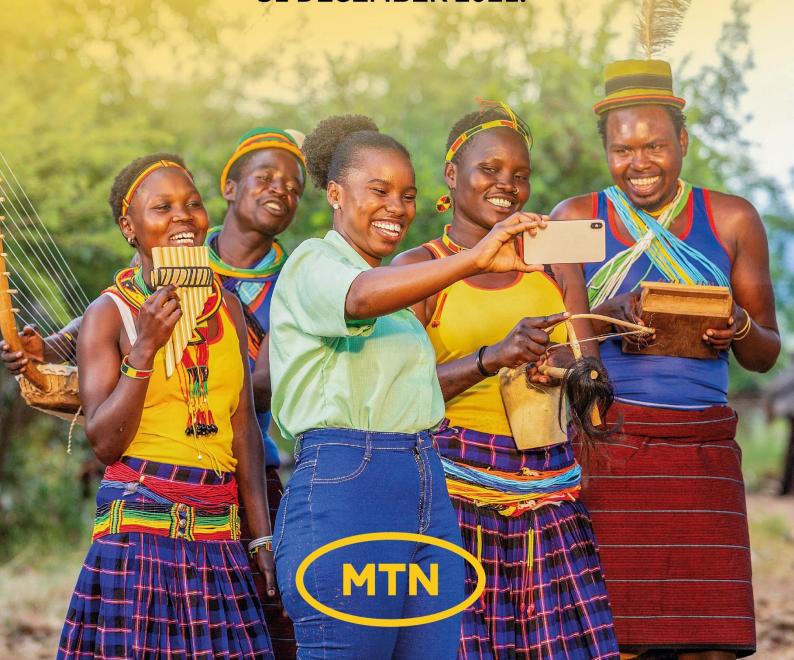
We're taking a Strong March forward...

MTN UGANDA LIMITED ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021.



Audited results for the year ended 31 December 2021



MTN UGANDA RELEASES AUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Kampala, Uganda | Monday 7 March 2022

MTN Uganda Limited (MTN Uganda) today announced its audited results for the financial year ended 31 December 2021.

Key Highlights:

- Mobile subscribers increased by 10.7% to 15.7 million
- Active data subscribers increased by 16.0% to 5.3 million
- Active fintech subscribers increased by 16.3% to 9.9 million
- Service revenue grew by 9.4% to Ush 2.04 trillion
- Earnings before interest, tax, depreciation, and amortization (EBITDA) grew by
 13.8% to Ush 1.06 trillion
- EBITDA margin up by 1.8 percentage points (pp) to 51.3%
- Capital expenditure (IAS 17) for the period increased by 15% to Ush 270.2 billion
- Profit After Tax (PAT) increased by 5.8% to Ush 340.4 billion
- Earnings per share increased by 5.8% to Ush 15.2
- Final proposed dividend for the financial year is Ush 4.706 per share (Final proposed dividend 2021: Ush 105.4 billion)
- Total dividend for the financial year 2021 is Ush 14.99 per share (Total dividend 2021: Ush 335.6 billion)

MTN Uganda CEO, Wim Vanhelleputte comments:

2021 marked a major milestone for MTN Uganda as 20% of the issued shares of the company were offered to the market in an Initial Public Offering (IPO) valued at USD 1.25 billion. The IPO reduced the ownership of MTN Group from 96% to 83.05%, which aligns with MTN's group-wide objective to create shared value, partly through ensuring broadbased ownership in all its operating subsidiaries. This strategic priority also aligns with the Ugandan Communications Commission licensing requirement for a broad-based ownership by Ugandans.

Audited results for the year ended 31 December 2021



The transaction attracted 21,394 applications, with majority of these being Ugandans meeting the National Telecommunications Operators (NTO) license requirements of listing. Also worth noting, the participation of the National Social Security Fund and other local pension funds facilitated more than 2.2 million local investors who became indirect investors in MTN Uganda. In a show of confidence in the company, 65% of our staff also participated in the offer, which is a strong indicator of alignment with the future of MTN Uganda.

I am also pleased to note that the company emerged as the best data and voice network in Uganda having attained the Best Network Performance Score in the year in a countrywide assessment undertaken by Rohde & Schwarz, a leading independent monitoring and network testing firm. This outcome bears out our substantial and continued investment in the network. We remain committed to deliver on our mandate to enable every Ugandan to enjoy the benefits of a modern connected life.

MTN Uganda introduced a low-cost mobile device financing program in the market to make data access more affordable to customers. Device financing has enabled our customers to own a smartphone at an initial cost equivalent to a feature phone price. Smartphone access is a key lever in driving digital inclusion and data growth. With more than 100,000 phones financed both internally and through partners, we see an increasing number of customers adopting data usage. This strategy, coupled with our dynamic data value proposition, supported smart phone penetration of 30.8% (+7.4pp) by the end of the year.

Another success story was the roll out of the first in-country telecom digital loyalty program, MTN Senkyu where we sustainably rewarded our customers for their continued support of MTN Uganda.

In line with our Ambition 2025 strategy, we have invested a total of Ush 270.2 billion in projects targeted at improving our network services all over Uganda. At its core, this strategy sets the context in which MTN Uganda will drive the business forward and capture explosive growth opportunities from digital acceleration trends. It also aims to reveal the inherent value of some of MTN's businesses and assets, such as financial technology and fibre over the medium-term, for the benefit of MTN's shareholders.

For MTN, Uganda is home and to demonstrate this we contributed a total of Ush 3.5 billion into the community through the MTN Foundation in 2021. Through our partnerships with the Ministry of Education, we constructed classroom blocks and IT laboratories for students in the eastern and north-western region. We also partnered with the Ministry of Health through COVID-19 support initiatives and various non-governmental organizations through youth empowerment and refugee support programs.

Audited results for the year ended 31 December 2021



Operational review

Trading conditions in the year remained difficult due to the impact of new COVID-19 variants, which exacerbated an already challenging macro-economic environment. The lockdowns and limitations of movement arising from COVID-19 resulted in significant restrictions on business operations.

Against this backdrop, we delivered a resilient operational performance with overall mobile subscriber base up by 1.5 million (+10.7% YoY) to 15.7 million and maintaining our market leadership. This growth is attributed to our sustained sales engagement and Customer Value Management (CVM) efforts to keep subscriber churn in check.

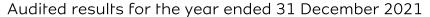
Our active data users increased by 16% to 5.3 million, underpinned by our data growth initiatives targeted at converting incidental users on the base into active users and acquiring new data users through the smartphone growth acceleration program. We also expedited our 4G network roll out by building a total of 664 4G sites in the year which has in turn increased the 4G coverage to 62.7% (+17.7pp YoY).

We were also assigned additional spectrum (1,800MHz and 2,100MHz) resources that we deployed to improve network quality. In addition, we embarked on a spectrum efficiency program, to migrate data traffic from 3G to 4G which has greatly improved the data experience with faster throughputs delivered on the 4G network. The 4G contribution to total data traffic stood at 53% (+13pp YoY).

In fintech, our mobile money active subscribers rose to 9.9 million (+16.3% YoY) underpinned by effective subscriber acquisition and an engaging CVM program. In the broader ecosystem, we grew our active mobile money agents to 173,400 (+47.8% YoY) through our attractive agent incentive program and trade assistance initiatives. We also increased our merchants by 61% to 52,926.

MTN Uganda reported solid service revenue growth of 9.4% YoY, ahead of average annual inflation of 2.2%, driven by double digit growth in key growth segments of data and mobile money. Supported by cost management initiatives through our expense efficiency program, EBITDA rose by 13.8% in the year while our EBITDA margin expanded by 1.8pp to 51.3%.

Overall economic growth momentum is expected to improve in 2022, supported by massive investment in the oil industry which is expected to have a multiplier effect in the economy coupled with continued macroeconomic policy support. We will continue to invest in our network and platforms to drive digital and financial inclusion in Uganda and continue to grow our business.





Key Financial Highlights

				Adjusted	Adjusted	
Ush (in millions)	FY 2021	FY 2020	YoY	FY 2021	FY 2020	YoY
Total Revenue	2,060,087	1,877,779	9.7%	2,060,087	1,877,779	9.7%
Service Revenue	2,040,227	1,865,717	9.4%	2,040,227	1,865,717	9.4%
Voice	1,006,724	971,385	3.6%	1,006,724	971,385	3.6%
Data	412,462	338,267	21.9%	412,462	338,267	21.9%
Digital	4,458	5,463	-18.4%	4,458	5,463	-18.4%
Fintech	525,291	476,868	10.2%	525,291	476,868	10.2%
Other Service Revenue	91,292	73,734	23.8%	91,292	73,734	23.8%
Expenses	1,002,510	948,390	5.7%	991,260	948,390	4.5%
Cost of Sales	447,987	417,948	7.2%	447,987	417,948	7.2%
Operating Expenses	554,523	530,442	4.5%	543,273	530,442	2.4%
EBITDA	1,057,576	929,409	13.8%	1,068,826	929,409	15.0%
EBITDA Margin	51.3%	49.5%	1.8pp	51.9%	49.5%	2.4pp
Depreciation & Amortisation	421,300	330,467	27.5%	370,209	330,467	12.0%
Net Finance Costs	145,333	138,564	4.9%	145,333	138,564	4.9%
Profit Before Tax (PBT)	490,943	460,379	6.6%	553,284	460,379	20.2%
Taxation	150,533	138,697	8.5%	165,985	138,697	19.7%
Profit After Tax (PAT)	340,410	321,682	5.8%	387,299	321,682	20.4%
PAT Margin	16.5%	17.1%	-0.6pp	18.8%	17.1%	1.7pp
CAPEX (IAS 17)	270,196	235,052	15.0%	270,196	235,052	15.0%
CAPEX Intensity (IAS 17)	13.1%	12.5%	0.6pp	13.1%	12.5%	0.6рр
Free Cash Flows (IAS 17)	787,380	694,357	13.4%	798,630	694,357	15.0%
Non-Financials						
Overall Mobile Subscribers	15,716	14,198	10.7%	15,716	14,198	10.7%
Data Subscribers	5,318	4,586	16.0%	5,318	4,586	16.0%
Fintech Subscribers	9,903	8,513	16.3%	9,903	8,513	16.3%

Note:

- Voice revenue includes interconnect and outbound roaming voice
- Data revenue includes outbound roaming, fixed and mobile data, Digital revenue excludes bulk SMS and USSD services
- Fintech revenue includes MTN Xtra-time and mobile financial services
- CAPEX (IAS 17) excludes right of use assets.
- Other service revenue includes inbound roaming data, SMS, USSD, Information and Communications Technology (ICT) & infrastructure and devices
- The adjusted table reflects the effects of factoring back the two one off adjustments of Invesco license termination (Ush 11.3 billion) and the transitional license (Ush 51 billion)

Financial review

Service revenue grew by 9.4% underpinned by growth in data and fintech. Data and fintech contribution to service revenue increased to 20.2% (+2.1pp) and 25.7% (+0.2pp) respectively while voice contribution declined to 49.3% (-2.7pp) in the year. This is anticipated as faster growth areas of the business increase in the revenue mix.

Audited results for the year ended 31 December 2021



Voice revenue increased by 3.6% due to the continued growth of 9.7% YoY in total minutes of use by subscribers. This is attributed to the continued optimization of our segmented offering (MyPakaPaka) and CVM initiatives supported by a sustained subscriber growth of 1.5 million net additions.

Data revenue growth of 21.9% was underpinned by improvements in broadband coverage and growth in active data users. We undertook an aggressive deployment of 3G and 4G sites with a YoY growth of 23% and 55% in number of sites respectively. We registered a 16% growth in active data users while total MBs used increased by 47.2% YoY.

Fintech revenue grew by 10.2% mostly driven by growth in active subscribers on the mobile money services (+16.3%) and basic fintech services. The basic revenues grew by 19.3% YoY while our advanced revenues (revenues from other fintech services) increased by 20% YoY supported by the increased adoption of our customers in using our platforms for bill payments (+58%) and merchant payments (+13%).

Digital revenue contributed 0.2% to overall service revenue. Despite a decline in overall digital performance of 18.4%, we note growth of 47.2% YoY in video streaming services revenue. This aligns with our strategy of migrating from traditional Value-Added Services (VAS) to Rich Media Services (RMS).

In terms of **cost management**, significant progress was made this year with our efficiency initiatives approach on all costs with a total of Ush 42.8 billion recorded in savings compared to Ush 11 billion recorded last year. We note that these continued efforts have improved our operating leverage leading to growth of 13.8% of our EBITDA and the expansion of our EBITDA margin by 1.8pp to 51.3%.

The capital expenditure (CAPEX) in the period increased by 15% to Ush 270.2 billion, as we continued to invest in our network to maintain service quality and aggressively expand our footprint in line with our data performance improvement strategy. Our CAPEX intensity was slightly above target (12.7%) levels at 13.1% in the year. Notwithstanding the increase in CAPEX, we recorded a healthy free cash flow (EBITDAIAS 17 Capex) of Ush 787.3 billion, an increase of 13.4% compared to the prior year.

Our **depreciation and amortisation** rose by 27.5% due to the impact of once off transitional license amortised within the period under review, while **net finance costs** increased marginally by 4.9% to fund our rigorous CAPEX program.

The Profit After Tax (PAT) of Ush 340.4 billion (+5.8% YoY) includes two significant and unusual transactions that are non-recurring in nature. These transactions are:

a) the payment by MTN of transitional license fees of Ush 51 billion (US dollar 14.1 million) to the Uganda Communications Commission for the period 20 October 2018, when MTN's previous second national operator license expired, to 1 July 2020, when the NTO License was issued. This sum was paid by the Company on 9 September 2021; and

Audited results for the year ended 31 December 2021



b) the payment by MTN of a mutually agreed fee of Ush 11.3 billion (US dollar 3 million) to Invesco Uganda Limited in connection with the termination of the Support Services Agreement that was entered into between the Company and Invesco Uganda Limited on 15 May 2013.

The adjusted PAT of Ush 387.3 billion results into a 20.4% YoY increase if the above is excluded and an increase of PAT margins by 1.7pp.

The final dividend recommended to the shareholders for the financial year 2021 is Ush 105.4 billion, which translates to a final dividend per share of Ush 4.706. As such the total dividend for the financial year 2021 will be Ush 335.6 billion, which translates to a total dividend per share of Ush 14.99.

Outlook

The macroeconomic environment is forecast to improve in 2022. MTN Uganda is well-positioned and will continue to invest to benefit from this trend as we continue to drive our objective to lead digital solutions for Uganda's progress.

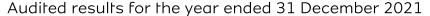
Our capital expenditure program will enable us to fulfil our NTO license obligation, which is targeting 90% landmass coverage by 2024. Our initiatives will continue to support 2G voice to 3G voice traffic offloading which will reduce 2G voice congestion and allow us to create a better customer experience.

We see a significant opportunity for data growth in fixed connectivity through MTN WakaNet, fibre to home and fibre to business, and will continue our investment program in that segment. We are currently progressing with the implementation of a new pricing framework for the fixed data connectivity services to widen our customer catchment area. For mobile data, we plan to continue with our device financing initiatives to drive smart phone penetration and maximize on the spectrum efficiencies which will be a key driver of mobile data usage.

In fintech, our mobile money revenues continue to be impacted by the 0.5% withdrawal tax introduced in July 2018 and increased competition from other fintech platforms. We will focus on growing our advanced services to accelerate revenue growth through attractive propositions in the MoMo-Pay (merchant payments) and MoMo-Advance (overdraft services) products.

Medium term guidance

In line with the recovery of economic fundamentals, we expect low double digit average growth in service revenue over the medium term. In delivering on the service revenue growth guidance, we will continue to focus on cost and capital expenditure efficiencies and target an EBITDA margin in the 52% to 53% range, operating cashflow growth and improving returns to shareholders. The forecasted dividend pay-out ratio is projected to range between 75% to 80%.





MTN Mobile Money Uganda Limited

On Friday, 27 November 2020, MTN established MTN Mobile Money Uganda Limited as a wholly- owned subsidiary to conduct the business of a payment systems operator for electronic money systems and a payment service provider for electronic money issuance in accordance with the National Payment Systems Act 2020, which mandated the segregation of these functions from MTN Uganda's telecommunications operations. MTN Mobile Money Uganda obtained the required licenses from Bank of Uganda on 6 May 2021 and, following an operational transition, started conducting the MTN Mobile Money business autonomously in June 2021.

MTN Mobile Money Uganda Limited annual financial statements were approved by the board on Monday, 21 February 2022. At the meeting of the Board of Directors of MTN Mobile Money Uganda Limited held on Wednesday, 30 November 2021, the board unanimously resolved and authorised the payment of an interim and final dividend Ush 60.1 billion, the amount was paid to MTN Uganda Limited.

Final dividend recommendation

Notice is hereby given that the company's directors will be recommending to the shareholders at the Annual General Meeting (AGM) to be held on Friday, 27 May 2022, the payment of a final dividend of Ush 4.706 per share (Ush 105.4 billion) for the financial year 2021. This is subject to deduction of appropriate taxes. The number of ordinary shares in issue at the date of this declaration is 22,389,044,239.

In compliance with the requirements of USE Listing Rules 2021, the salient dates relating to the payment of the dividend are as follows:

Book Closure Date

Wednesday, 1 June 2022

Dividend Payment Date

Friday, 24 June 2022

In line with the USE Trading Rules 2021, the ex-dividend date will be Thursday, 26 May 2022. Accordingly, an investor who buys MTN Uganda shares before this date will be entitled to the final dividend. Any investor buying MTN Uganda shares after Thursday, 26 May 2022 will not be entitled to the final dividend declared for the year.

On Friday, 24 June 2021 the dividend will be transferred electronically to the bank accounts or mobile money wallets of shareholders.

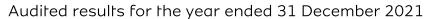
The statement was approved by the Board of Directors on Friday, 4 March 2022 and signed on its behalf by:

Charles Mbire

Board Chairperson

Wim Vanhelleputte

Chief Executive Officer/Executive Director





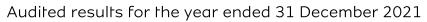
Consolidated financial statements for the financial year ended 31 December 2021

Statement of Comprehensive Income

	2021	2020 Restated
	Shs'000	Shs'000
Revenue from contracts with customers	2,060,086,932	1,877,799,208
Direct network operating costs	(237,846,075)	(235,772,276)
Government and regulatory costs	(53,115,865)	(53,586,590)
Cost of handsets and other accessories sold	(22,613,391)	(15,581,686)
Interconnect and roaming	(62,075,504)	(72,318,584)
Employee benefits	(105,422,345)	(101,211,412)
Selling, distribution and marketing expenses	(358,212,198)	(324,681,593)
(Increase)/ decrease in impairment of trade receivables	(9,230,223)	8,431,783
Other operating expenses	(153,995,224)	(153,669,535)
Depreciation and impairment of property, plant and equipment	(303,600,259)	(279,468,499)
Amortisation of intangible assets	(117,699,567)	(53,613,005)
Operating profit	636,276,281	598,942,522
Finance income	22,501,091	17,234,151
Finance costs	(167,834,272)	(155,797,780)
Profit before tax	490,943,100	460,378,893
Income tax expense	(150,532,726)	(138,696,740)
Profit for the year	340,410,374	321,682,153
Other comprehensive income for the year net of tax		
Total comprehensive income for the year	340,410,374	321,682,153
Basic/diluted earnings per share	15.20	14.37

Note:

- Earnings per share adjusted for 2020 to represent current number of shares (22,389,044,239).
- The restatement in the year 2020 is as a result of a change in asset classification. The major change in the classification and presentation of network software feature licences and hardware activation codes which are integral to the functionality of the network equipment.

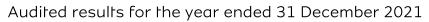




Consolidated financial statements for the financial year ended 31 December 2021

Statement of Financial Position

	2021	2020 Restated
	Shs'000	Shs'000
Assets		
Non-current assets		
Property, plant and equipment	863,704,661	825,418,515
Right-of-use assets	636,870,389	571,232,914
Intangible assets	382,814,913	418,137,155
Receivables and prepayments	53,073,072	50,178,173
Deferred Tax assets	6,456,748	-
Contract assets	9,564,790	8,252,488
	1,952,484,573	1,873,219,245
Current assets		
Current income tax recoverable	2,351,797	-
Inventories	7,810,731	8,164,435
Trade and other receivables	176,992,789	157,548,573
Contract assets	9,949,198	6,569,411
Mobile money deposits	959,991,495	655,351,841
Cash and cash equivalents	188,814,310	59,170,525
	1,345,910,320	886,804,785
Total assets	3,298,394,893	2,760,024,030
Equity		
Ordinary share capital	22,389,044	3,764
Retained earnings	813,769,826	725,950,972
	836,158,870	725,954,736
Liabilities		
Non-current liabilities		
Deferred income tax liability	_	9,865,153
Lease liabilities	627,943,283	555,825,657
Borrowings	165,460,344	254,300,084
Provisions	23,185,594	12,175,353
	816,589,221	832,166,247
Current liabilities		
Borrowings	198,693,425	133,924,864
Lease liabilities	104,276,553	79,711,572
Trade and other payables	351,713,442	300,264,092
Mobile money deposits	959,991,495	655,351,841
Contract liabilities	7,709,821	10,648,572
Provisions	23,262,066	19,227,801
Current income tax payable		2,774,305
	1,645,646,802	1,201,903,047
Total liabilities	2,462,236,023	2,034,069,294
Total equity and liabilities	3,298,394,893	2,760,024,030

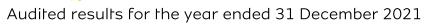




Consolidated financial statements for the financial year ended 31 December 2021 $\,$

Statement of Changes in Equity

	Ordinary Share Capital	Retained Earnings	Total Equity
	Ush'000	Ush'000	Ush'000
Year ended 31 December 2020			
At start of year	3,764	557,275,419	557,279,183
Comprehensive income:			
Profit for the year	-	321,682,153	321,682,153
Other comprehensive income			
Total comprehensive income for the year	-	321,682,153	321,682,153
Transactions with owners:			
Dividends declared		(153,006,600)	(153,006,600)
At end of year	3,764	725,950,972	725,954,736
Year ended 31 December 2021			
At start of year	3,764	725,950,972	725,954,736
Comprehensive income:			
Profit for the year	-	340,410,374	340,410,374
Other comprehensive income			
Total comprehensive income for the year	-	340,410,374	340,410,374
Transactions with owners:			
Bonus share issue	22,385,280	(22,385,280)	-
Dividends paid	-	(230,206,240)	(230,206,240)
	22,385,280	(252,591,520)	(230,206,240)
At end of year	22,389,044	813,769,826	836,158,870





Consolidated financial statements for the financial year ended 31 December 2021

Statement of Cash Flows

	2021	2020 Restated
	Shs'000	Shs'000
Operating activities		
Cash generated from operations	1,092,317,616	868,664,435
Interest received	5,314,139	3,565,949
Interest paid on borrowings	(31,861,851)	(33,650,902)
Interest paid on lease liabilities	(115,043,904)	(98,991,766)
Dividends paid	(230,206,240)	(153,006,600)
Income tax paid	(171,980,729)	(153,631,465)
Net cash generated from operating activities	548,539,031	432,949,651
Cash flow from investing activities		
Payments for property, plant, and equipment	(212,796,427)	(194,200,611)
Proceeds from disposal of property, plant, and equipment	2,942,523	4,499,740
Purchase of intangible assets	(106,618,286)	(422,373,879)
Net cash used in investing activities	(316,472,190)	(612,074,750)
Financing activities		
Repayments of borrowings	(70,777,880)	(153,623,344)
Proceeds from borrowings	50,000,000	348,518,960
Repayments of lease liability	(79,321,500)	(61,867,099)
Net cash used in financing activities	(100,099,430)	133,028,517
Net increase in cash at bank and in hand	131,967,411	(46,096,582)
Movement in cash at bank and in hand		
At start of year	59,170,525	109,387,902
Increase	131,967,411	(46,096,582)
Exchange losses on cash at bank and in hand	(2,323,626)	(4,120,795)
At end of year	188,814,310	59,170,525

Audited results for the year ended 31 December 2021



The above financial statements for the year ended 31 December 2021 were audited by PricewaterhouseCoopers, Certified Public Accountants, who issued an unqualified opinion. A full copy of the audited financial statements can be obtained at the MTN Uganda Limited headquarters on plot 69-71, Jinja Road. The financial statement was approved by the Board of Directors on Friday, 4 March 2022.

Alan.

Charles Mbire Board Chairperson Wim Vanhelleputte
Chief Executive Officer/Executive Director

Contact

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About MTN Uganda

MTN Uganda is one of Africa's largest providers of communications services, connecting approximately 15 million people in communities across the country with each other and the world. Guided by a vision to lead the delivery of a bold new digital world, MTN Uganda's leadership position in coverage, capacity and innovation has remained constant since its launch in 1998. MTN Uganda is part of the MTN Group – a multinational telecommunications group, which operates in 21 countries in Africa and the Middle East.