



***Together,  
we're  
unstoppable.***



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**MTN UGANDA LIMITED ANNUAL REPORT  
AND FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2022**

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***What  
are we  
doing  
today?***



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# Glossary

## DEFINITIONS

<b>2G</b>	Second generation mobile
<b>3G</b>	Third generation mobile
<b>4G/LTE</b>	Fourth generation of long-term evolution mobile communications
<b>5G</b>	Fifth generation mobile
<b>AI</b>	Artificial Intelligence
<b>AGM</b>	MTN's annual general meeting for 2023 (year ended 31 December 2022)
<b>AML/CFT</b>	Anti-money laundering and combating the financing of terrorism
<b>API</b>	Application Programming Interface
<b>ARPU</b>	Average revenue per user
<b>BOU</b>	Bank of Uganda
<b>Board</b>	Board of directors of MTN Uganda
<b>Capex</b>	Capital expenditure
<b>Chenosis</b>	A marketplace that gives developers and businesses access to open APIs
<b>Communications Act</b>	Uganda Communications Act 2013 (as amended)
<b>Company</b>	MTN Uganda Limited
<b>COVID-19</b>	The novel coronavirus
<b>CVM</b>	Customer value management
<b>EBITDA</b>	MTN Uganda's earnings before interest, tax, depreciation and amortisation
<b>e-NPS</b>	Employee Net Promoter Score
<b>ERM</b>	Enterprise Risk Management
<b>EVP</b>	Employee Value Proposition
<b>ESG</b>	Environment, social and governance
<b>Fintech</b>	MTN MoMo, e-commerce, insurance, airtime and data monetization streams
<b>FY</b>	Financial Year
<b>GCA</b>	Group Culture Audit
<b>GDP</b>	Gross Domestic Product
<b>GHG</b>	Greenhouse gas emissions
<b>GOU</b>	Government of Uganda

<b>GRI</b>	Global Reporting Initiative
<b>GSM</b>	Global system for mobile communication
<b>ICT</b>	Information and communication technologies
<b>IFRS</b>	International Financial Reporting Standards
<b>IIRC</b>	International Integrated Reporting Council
<b>IPO</b>	Initial public offering
<b>ISO</b>	International Organisation for Standardisation
<b>KYC</b>	Know your customer; a process to identify and verify customer identity
<b>MoMo Subsidiary</b>	MTN Mobile Money Uganda Limited
<b>MTN and MTN Uganda</b>	MTN Uganda Limited
<b>MTN MoMo</b>	MTN Mobile Money
<b>NaaS</b>	Network as a Service
<b>NPS</b>	Net Promoter Score
<b>NPS Act</b>	National Payment Systems Act 2020
<b>NTD Licence</b>	National telecommunications operator licence issued by UCC
<b>OTT</b>	Over-the-top services
<b>PSO</b>	Payment systems operator, as defined by the NPS Act
<b>PSP</b>	Payment service provider, as defined by the NPS Act
<b>SIM-card</b>	Subscriber identity module-card
<b>SME</b>	Small-and-medium enterprises
<b>SMS</b>	Short message service
<b>UCC</b>	Uganda Communications Commission
<b>UGX</b>	Uganda Shilling, the official currency of Uganda
<b>UN SDGs</b>	The United Nations Sustainable Development Goals
<b>URA</b>	Uganda Revenue Authority
<b>USD</b>	United States Dollar, the official currency of the United States of America
<b>USE</b>	Uganda Securities Exchange
<b>USSD</b>	Unstructured Supplementary Service Data, a communications code (*1234#)
<b>YoY</b>	Year-on-Year





**Every Ugandan deserves the benefits of a modern connected life.**

## Notice of AGM

Notice is hereby given that the Annual General Meeting ("AGM") of MTN Uganda Limited (the "Company") will be held using electronic means in accordance with Article 62(b) of the Company's Articles of Association, on **Friday, 19 May 2023 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 2022, together with the reports of the directors and external auditor thereon.
2. To approve and declare the payment of a final dividend of UGX 5.5 per ordinary share (UGX 123.1 billion) for the year ended 31 December 2022.
3. To confirm the appointment of Ms. Winnie Tarinyeba Kiryabwire as a director in accordance with Article 96 of the Company's Articles of Association.
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 2023, 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  
27 April 2023



## Notes

### REGISTRATION FOR VIRTUAL AGM

1. The Company will conduct the AGM as a virtual meeting using electronic means in accordance with Article 62(b) of the Articles of Association.
2. Shareholders wishing to participate in the AGM should register by doing the following:
  - a) Dialing \*284\*481# for Uganda telecommunications networks and \*483\*481# 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](mailto: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](mailto:mtnuganda@image.co.ke)
4. Registration for the AGM opens on **Thursday, 27 April 2023 at 10:00 a.m.** and will close on **Thursday, 18 May 2023 at 10.00a.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 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 not only at the AGM, but also in writing prior to the meeting as follows:
  - a) Sending their written question by email to [mtnuganda@image.co.ke](mailto:mtnuganda@image.co.ke)
  - b) Shareholders who will have registered to participate in the meeting 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;
  - c) To the extent possible, physically delivering their written questions with return physical address or email address to the Company Secretary at the MTN Uganda head office at Plot 69/71, Jinja Road, Kampala, Uganda.
7. All questions received 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 **Thursday, 18 May 2023 at 10.00 a.m.**

### VOTING

9. All shareholders of the Company are entitled to vote at the AGM. Every shareholder present electronically (in person or by proxy) at the meeting 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 of using the USSD prompts.

11. In line with the Companies Act 2012, all the resolutions to be passed at the AGM are ordinary resolutions. Ordinary resolutions require the support of more than 50% (fifty percent) of the voting rights exercised on each of them by the shareholders.

### ATTENDANCE OF AGM AND PROXIES

12. Only a person whose name appears on the Company's share register at the close of business on **Thursday, 18 May 2023 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/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](mailto:investorrelations.ug@mtn.com) or deposited at any of the following locations not later than **Tuesday, 16 May 2023 at 5.00 p.m.**
  - a) At the MTN Uganda 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 **Thursday, 1 June 2023**. 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 **Monday, 29 May 2023**. 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 2022.
17. On **Thursday, 22 June 2023**, 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](http://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 second 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: 2022 AUDITED ACCOUNTS

*To receive, consider and if approved adopt the Company's audited accounts for the year ended 31 December 2022, 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 2022 financial statements have been prepared, audited, approved and included in the 2022 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 5.5 per ordinary share (UGX 123.1 billion) for the year ended 31 December 2022.*



### 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 5.5 per ordinary share (UGX 123.1 billion) constitutes the final dividend for the year ended 31 December 2022.

The proposed final dividend for 2022 is UGX 123.1 billion (UGX 5.5 per share). This follows two interim dividends paid in September and December 2022 of UGX 111.9 billion (UGX 5.0 per share) and UGX 120.9 billion (UGX 5.4 per share) respectively, which translates to a total dividend of UGX 15.9 per share. As such, the total 2022 dividend will be UGX 355.9 billion. The dividend pay-out translates to 87.6% of profit and total comprehensive income for 2022 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 5.5 per ordinary share (UGX 123.1 billion) for the year ended 31 December 2022.

## Resolution 3: CONFIRMATION OF THE APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

*To confirm the appointment of Ms. Winnie Tarinyeba Kiryabwire as a director in accordance with Article 96 of the Company's Articles of Association*



### Explanatory Note:

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 any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by a decision of the directors to fill a casual vacancy or as an addition to their number, subject to the directors' appointment of a director being confirmed at the Company's next annual general meeting. Accordingly, the Board of the Company appointed Ms. Winnie Tarinyeba Kiryabwire, and recommends the confirmation of her 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 confirm the appointment of Ms. Tarinyeba Kiryabwire, who is appointed as an independent non-executive director 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 2023, 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 conformity with corporate governance best practice regarding the rotation of external auditors, Ernst & Young Uganda has been nominated to replace PricewaterhouseCoopers Uganda as the Company's external auditor.

In line with the referenced provision of the Companies Act and the Company's Articles of Association, we request that you support the motion to approve the 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 2023. The directors will be guided in this regard by the Audit and Risk Committee.





**Shareholders at the 2022 Annual General Meeting (AGM) of MTN Uganda Limited held on Friday 27th May 2022, at the MTN Headquarters.**



## About MTN Uganda



**This**  
**is our value**  
**creation**  
**story**

### ABOUT THIS REPORT

This Annual Report is our primary communication to all stakeholders and aims to enable them to make an informed assessment of the Company's performance and prospects in Uganda. It provides a balanced review of the material matters that the Company faces: our use of 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.



## Scope And Boundary



Our material matters, as well as our strategy, form the anchor of the report and determine its content. It covers the period 1 January to 31 December 2022, 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](http://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 2022, 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 filings 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 Global Reporting Initiative Standards, the International Integrated Reporting Council, 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, and do not undertake to publicly update or revise any of its opinions or forward-looking statements whether to reflect new information or future events or circumstances otherwise.

## 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 Audit and Risk Committee ensures the integrity of the Annual Report and has applied its collective mind to its preparation and presentation.

The Board approved the consolidated audited financial statements for the year ended 31 December 2022 on **Thursday, 9 March 2023**.

**CHARLES MBIRE**  
Board Chairperson

**SYLVIA MULINGE**  
Chief Executive Officer





# Our 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, the Company provides a diverse range of voice, data, digital, fintech, wholesale and enterprise services to approximately 17.2 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. As 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 is 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.

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### 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 & 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.

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### We Believe

everyone deserves the benefits of a modern, connected life.

Our dedication to enabling connections that matter - among families, friends and communities is fuelled by this conviction.

This commitment, coupled with the support and trust placed in us by our customers, has 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 as a private company limited by shares on 25 February 1998, and the main object for which the Company was incorporated was to operate as a 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 GOU's 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 exponential 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.

## OUR JOURNEY SO FAR

1998

2001

2004

2005

2009

On 15 April 1998, MTN is awarded national operator licence.

Launched with 2G network and on 21 October 1998, President Yoweri Museveni makes the first commemorative call on the MTN network to President Nelson Mandela of South Africa.

MTN completes first fibre optic ring on the African continent.

Introduced MTN VillagePhone project, which provided access to telecommunications to remote areas.

MTN marks 1 million subscribers.

Introduced MTN MoMo, the revolutionary mobile telephone-based banking product.

Awarded Best Solution for Rural Services award at the second AfricaCom Award.

# Value Created In 2022

## OUR JOURNEY SO FAR

continued

2010

Launches 3G network.

Launches 4G network, becoming the first operator to use the technology in Uganda.

MTN becomes a network partner in the East Africa One Network Area Agreement to improve regional connectivity and telecommunication affordability.

2014

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

2015

Introduced MoKash in partnership with Commercial Bank of Africa (now NCBA Bank).

Launched MTN aYo.

2016

Launched an API in Uganda. Through free access to our proprietary software platform, the open API enables developers and programmers to innovate on our platform.

Launched the joint Tidal-MTN music streaming service.

2018

Issued the NTO Licence for the period 1 July 2020 to 30 June 2032.

Conducted 5G trial in collaboration with ZTE Corporation, making MTN the first operator in East Africa to carry out a 5G trial.

2020

MTN marks 15 million subscribers.

Awarded Most Admired Brand by Brand Africa 100 for being helpful during the COVID-19 pandemic.


Listed on the USE on 6 December 2021 following Uganda's largest ever IPO.

2021


MTN marks 17 million subscribers.

2022


### Doing for our Growth




Overall mobile subscribers **grew** from 15.7 million to **17.2 million**



Total revenue **grew** from UGX 2.06 trillion to UGX **2.28 trillion**




Total investment **grew** from UGX 271.2 billion to UGX **331.0 billion**




Profit after tax **grew** from UGX 340.4 billion to UGX **406.1 billion**


### Doing for our Society




Businesses using MTN MoMoPay **increased** from 53,426 to **173,315**



Government tax revenue **grew** from UGX 839 billion to UGX **927 billion**




Corporate social impact investment **grew** from UGX 3.5 billion to UGX **3.9 billion**




Local supplier percentage of supplier base (Buy Uganda, Build Uganda) is at **62%**


### Doing for our Shareholders




Dividends paid out **grew** from UGX 335.6 billion to UGX **355.9 billion**



Local shareholders as of 31 December 2022 at **19,923**




Percentage of local USE market capitalisation at **56%**




Percentage of total market activity in 2022 **grew** to **19.9%**


### Doing for our Customers




4G coverage **increased** from 62.7% to **78.4%**




3G coverage **increased** from 90.5% to **91.4%**



2G coverage **increased** from 97.8% to **98.1%**



Fibre coverage **widened** from 7,821 km to **9,418 km**



**Best** Performing Network (Voice & Data) **by Rohde & Schwarz**

### Doing for our Employees



Number of employees **grew** from 1,049 to **1,262**



Women in our workforce **increased** from 47% to **49.4%**



Women in senior management **increased** from 31% to **35.7%**



MTN rating per employee **increased** to **90%**



Doing for our  
**Eco-responsibility**



Water consumption **reduced** from 65,110 m3 to **57,824 m3**



Upgraded **2,620** sites to solar and hybrid power cell



Energy consumption at **10,371 GJ**



Carbon emissions **reduced** from 11,882 tCO2 to **4,814 tCO2**

Doing for our  
**Digital Inclusion**



Data subscribers **increased** from 5.3 million to **6.7 million**



Fibre-home connections **increased** from 1,433 to **4,000**



Fibre coverage **widened** from 7,821 km to **9,418 km**



Smartphone penetration **increased** from 30.8% to **35.0%**

Doing for our  
**Financial Inclusion**



Phones sold through smartphone device programme **increased** from 72,409 to **178,361**



MTN MoMo subscribers **grew** from 9.9 million to **11.0 million**



MTN MoMo merchants **grew** from 53,426 to **173,315**



MTN MoMo transaction value **grew** from UGX 66 trillion to UGX **92.3 trillion**



Number of MTN MoMo transactions **grew** to **2.7 billion**



MTN MoMo agents **decreased** from 173,400 to **166,229**

\* Implementation of agent rationalisation programme to create more value for agents.

# Rewards And Recognition In 2022



MTN Uganda Chief Technology and Information Office, **Ali Monzer**, receives International Standards Certifications - ISO 27001 on Information Security Management Systems from Certi-Trust Group



**AWARD**



**AWARDING BODY**

**Africa's Best Brand - Winner**

**Brand Africa 100**; a leading consumer-led survey that seeks to establish brand preferences across Africa.

**Financial Services Digital Excellence - MTN Mobile Money**

**Digital Impact Awards (HiPipo Foundation)**; a leading digital age organisation.

**Digital Brand of the Year and Technology Services Digital Excellence - MTN & MTN Mobile Money**

**Digital Impact Awards (HiPipo Foundation)**; a leading digital age organisation.

**Best Performing Network - Winner**

**Rohde & Schwarz**; an internationally recognised mobile network benchmarking organisation.

**Mobile Operator - Fastest Internet Speed in Uganda**

**Ookla**; a global leader in network intelligence and connectivity insights.

**Consumer and Industrial Products Financial Reporting Category - Winner**

**Institute of Certified Public Accountants of Uganda Financial Reporting Awards.**

**Chairperson of Listed Company Award - Nominated**

**League of East African Directors**; a highly-respected not-for-profit organisation which advances training of directors.

# Our Services, Products and Solutions

MTN Uganda'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

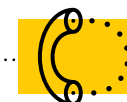


To provide high-quality services to wholesale customers, MTN GlobalConnect was established to accelerate the procurement of relevant infrastructure, which can be shared among the operating companies and facilitate the routing of the traffic in the markets where MTN operates.

MTN GlobalConnect provides services to MTN Uganda related to the management of wholesale activities (by defining commercial strategy, pricing, key performance indicators, products, services and custody of wholesale financial budgets and targets), providing a commercial interface with third parties, acting as the centre of excellence for wholesale and assuming responsibility for wholesale/carrier accounts (including managing the requirements of wholesale customers/carriers).

This enables us to make available our infrastructure to third parties, including other telecommunications and technology companies and to resell excess capacity.

# Our Key Service Offerings



## VOICE



### myPAKA PAKA

An innovative voice offering from MTN that was developed using customer's usage behaviour and average spend to create various bundles suited to each users' affordability.



### FIXED VOICE

Fixed voice calling service, offered with prepaid plans, post-paid plans or voice bundles.



### FIXED VOICE - KIGALE WITH MTN

This starter pack enables businesses to make uninterrupted free calls for six months. This offering is targeted towards SME businesses.



### CLOSED-USER GROUPS

A unique service that provides multi-user environments with convenience and cost savings, as each user in the pre-defined group can make calls at preferential rates.



### TALKTIME

With MTN TalkTime Standard, clients have a flexible solution that keeps them connected at preferential prices.



## DATA



### BUNDLES

MTN provides different customer groups with relevant data value propositions. These include super bundles, freedom bundles, roaming bundles, business bundles, shared bundles (MTN Tugabane) and TikTok bundles.



### MTN WAKANET

WakaNet provides affordable internet solutions that are focused exclusively on home connectivity through fiber optic cable or Wi-Fi. A mobile pocket-size 4G WakaNet MiFi is part of the service offering.



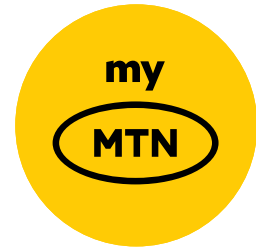
### MTN BUSINESS

MTN Business Internet is a fixed internet solution delivered using fiber optic cable directly to businesses.





## DIGITAL



**MyMTN APP**

MyMTN App is a free, all-in-one, self-care tool enabling customers to self-serve online. It is available for all MTN postpaid and prepaid customers.



**MTN PULSE**

MTN Pulse is a youth platform created by MTN to provide discounted products like data and voice bundles, as well as, various interactive activities and services.



**AYOBA**

Ayoba is a simple, secure, and seamless messaging service, and has been updated to include music, gaming, channels and money transfer services.



**YOTV CHANNELS**

YOTV Channels is a streaming service that allows customers watch a variety of the best of Uganda's TV and radio content on a smart phone and computer.



**KIBANDA XPRESS**

MTN partnered with Pearlwood, a private local film hub, and YOTV Channels to create a video-on-demand channel to promote local Ugandan movies.



**MTN GOGAMES**

Go Games is a mobile portal that allows customers to enjoy world-class games from thousands of categories ranging from sports, puzzles, action and adventure.



**TIDAL WITH MTN**

TIDAL, a global entertainment platform, partnered with MTN to provide access to exclusive HQ music, videos, concerts and more as part of their mobile plan.



## ENTERPRISE



**ENTERPRISE DIGITAL**

Digital solutions which enable businesses connect with customers e.g. bulk SMS & USSD.



**DATA CENTRES**

Specialist colocation for businesses, providing access to networks and security.



**LEASED LINES**

Data circuits providing secure and high-speed transmission of data to connect businesses.



**ACCESS POINT NAME**

Enables businesses have traffic sent from mobile devices to application servers.



## MTN MoMo



**MoMo AGENT**

Agents effect MoMo transactions through cash-in and cash-out. They also help to educate customers on how to use mobile financial services.



**MoMo MERCHANT**

MoMo Merchants receive payment for goods and services. They also sell airtime, earn commission, pay suppliers and salaries.



**MoMo CORPORATES**

MTN's corporate mobile payments solutions offers bulk payments and collection accounts.



**MoMo ADVANCE**

This service is available to qualifying MTN MoMo customers to complete transactions when they have insufficient funds in their mobile wallets.



**PAY MPOLA MPOLA**

This is a payment model that enables MTN customers to buy the smartphones of their choice and pay installments over time.



**MoKASH**

This service provides customers the ability to save using MTN MoMo and to take loans on a short-term basis.



**XENO INVESTMENT**

This partnership with Xeno allows subscribers to save and invest for any financial goal via USSD.



**MoSENTE**

This is a convenient way for MTN customers to access credit facilities at terms that fit their personal circumstances or earning cycles.



**MoMo API**

This functionality allows business systems to integrate directly with the MTN MoMo system, giving access to a range of services.



**MoMoCARD**

This is a virtual card available to MTN customers that enables them to perform online transactions with funds from their MTN MoMo wallet.



**CLINIC PESA**

This is a healthcare financing solution targeting the uninsured individuals through micro loans, savings, payments and value creation.



**MoMo REMITTANCES**

Using MTN MoMo, a subscriber can send money to a bank account in another country.



## Our Chairperson's Statement



**“MTN's  
IPO and  
listing is a  
transaction  
we look back  
upon with  
pride”**

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 2022 and look forward to welcoming and interacting with you at the AGM. On 6 December 2022, MTN marked its first anniversary as a listed company. At the beginning of that journey, MTN committed to drive business growth to return value to all our shareholders. I am excited to report that we have delivered on our promise in our first year of listing.

We remain alive to the enhanced responsibility that comes with being a listed entity, and we are excited about the future prospects and growth potential of MTN and the opportunity to make an even greater contribution to our shareholders and the country's transformation by extending digital and financial inclusion in line with our core strategic intent 'Leading digital solutions for Africa's progress'.



## LEADERSHIP CHANGE

Ms. Sylvia Mulinge assumed office as the Chief Executive Officer (CEO) on 1 October 2022. She became the first-ever female CEO at MTN, bringing with her an impressive track record of executive business experience spanning over 20 years. The Board is confident that Sylvia's experience will be beneficial to MTN, particularly given her alignment with our strategic objective of playing a more considered role in ensuring that digital technologies and online platforms become fundamental to everyday life.

The former CEO, Mr. Wim Vanhelleputte, left the Company to take up a new position within MTN Group where he will oversee operations in certain West and Central African markets. Wim spent six memorable years with MTN and guided the Company through significant events such as the renewal of the NTO Licence and the IPO. The Board is grateful to Wim for his exceptional service and contribution during that period and wish him every success in his current role.

## EXECUTING OUR STRATEGY

**Ambition 2025** was officially launched at the beginning of 2021, providing our strategic focus for the next three years and ensuring that we continue to evolve and stay relevant while harnessing opportunities to create and preserve value for our stakeholders. **Ambition 2025** is hinged on the primary objective of accelerating growth and unlocking the value of our infrastructure assets and platforms. This strategic path will position our business to capture opportunities within Uganda.

Our four strategic pillars are to build valuable platforms (financial technology, mobile financial services, interactive applications and enterprise services); drive industry-leading connectivity operations (voice and data solutions, expansion of the fibre network and expense efficiency programs); create shared value through our sustainability agenda and a notable step-change in our approach to ESG matters; and to accelerate portfolio transformation through implementing our asset realisation and de-leveraging programme which started in 2021 with the separation of the mobile financial services business from the telecommunications business following the establishment and licensing of the MTN MoMo subsidiary.

We reported a strong overall performance across these pillars, details of which appear in this report. MTN will stay focused on delivering on Ambition 2025 and remaining a reliable partner to all stakeholders in this journey.

## BUSINESS PERFORMANCE AND SHAREHOLDER RETURNS

2022 presented a challenging business environment. The telecommunications sector had to contend with increasing operational costs from high fuel prices, depreciation of the Uganda Shilling and inflationary pressures. Nevertheless, we demonstrated resilience and returned positive results. I express my sincere gratitude to the Board, the senior management team and employees for their efforts in the past year.



## UPLIFTING OUR SOCIETY - SUSTAINABILITY AND SOCIAL IMPACT

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, and outlines MTN's vision of creating shared value through responsible environmental, social and governance practices. Our sustainability agenda is integrated across the entire organisation, and sustainability performance is monitored by the Board Remuneration, Human Resource, Social and Ethics Committee.

We are proud of our sustainability achievements in 2022. Key highlights in this regard are an 8.9% and 96.4% reduction in direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions respectively, extending rural broadband coverage between 2021 and 2022 by 0.3% for 2G, 0.9% for 3G and 15.7% for 4G and achieving a representative balance of 49.4% women in our workforce. We appreciate that there is more work to be done and will continue to work aggressively towards meeting our baseline targets.

We contributed to the achievement of national fiscal and economic development goals through taxes in 2022. Over the year, UGX 927 billion was paid to the Uganda Revenue Authority in tax revenue, compared to UGX 839 billion the previous year.

A further statutory contribution was made to the Rural Communications Development Fund to support the development of a commercially viable communications infrastructure in rural Uganda and promote social, economic and regional equity in the deployment of telecommunication services. We also contributed a total of UGX 3.9 billion to the community through the MTN Uganda Foundation.

## GOVERNANCE

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 corporate governance framework is evaluated by both internal audit and evaluation tools and external reviewers such as the Capital Markets Authority, and the Board is committed to swiftly resolving all the key issues that are raised from time to time to ensure that we have an appropriate and compliant governance structure in place.

I am happy to report that MTN was recognised for governance performance and reporting in 2022. MTN was selected as the winner of the Consumer and Industrial Products Financial Reporting Category at the Institute of Certified Public Accountants of Uganda Financial Reporting Awards, while the

League of East African Directors nominated MTN for the Chairperson of Listed Company award.

## 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 the GOU particularly the Ministry of ICT and National Guidance and our principal regulators, UCC and BOU, for the support and positive engagement throughout the year.

We are excited about the prospects and growth potential of MTN and the opportunity to make a contribution to Uganda's transformation. We will continue to play our part in ensuring a more sustainable and equitable future.

**CHARLES MBIRE**  
Board Chairperson



## Our Chief Executive Officer's Statement



***"I have received a warm Ugandan welcome"***

It is a privilege to lead such an ambitious and diverse organisation that is in many ways an essential part of the Ugandan cultural fabric. I joined MTN on 1 October 2022, and it is such an exciting time to be taking over the leadership of the Company! I am grateful to everyone at MTN and our external stakeholders for the warmth and hospitality that I have encountered since day-one.

MTN is in a wonderful place, and my priority is 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. It is clear to me, though, that while the telecommunications and technology industry remains an attractive sector, it is in the middle of a period of significant change bringing both challenges and opportunities. While volatile macro-economic and market conditions remain an area of concern, there are boundless possibilities to look forward to as Uganda embraces a digitalization journey.





**AMBITION 2025:**

MTN is focused on delivering the reality of making digital technologies a fundamental part of our customers' everyday life.



**ESG - A KEY ENABLER:**

At MTN, we are strong proponents of protecting the environment we operate in, and we commit to execute our strategy in creating value for our stakeholders through responsible ESG practices and ensuring that we consistently make a societal contribution.

### MACRO-ECONOMIC OVERVIEW – HOPE AMIDST UNCERTAINTY

2022 was a year of marginal economic growth amidst considerable volatility in both the international and domestic markets. As both BOU and the World Bank observe in their year-end country economic analysis, as the shock of the COVID-19 pandemic receded, Uganda gradually returned to its pre-pandemic path to growth, with economic recovery boosted by the strong performance of the services and industrial sectors, increased private consumption and an uptick in private investment.








On the basis of these trends, sustained recovery driving real GDP growth to 5.5% in 2022-2023 (from 4.7% in 2021-22) is forecasted. However, structural economic challenges remain present.

BOU reported in its monetary policy statements for the year that annual headline and core inflation for Uganda was high due to high food and energy prices, stunted global growth due to high interest rates, the depreciation of the Uganda Shilling against the United States Dollar and moderate demand. As internal and external shocks subside, increased external demand for exports, a rebound in foreign direct and private investment and improvements in supply-chain conditions should drive projected growth in 2023.

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.

### OPERATIONAL REVIEW – CREATING VALUE FOR OUR CUSTOMERS AND STAKEHOLDERS

I am delighted to report that we delivered a strong operational performance in 2022 across all key metrics.

	Mobile Subscriber base <b>grew</b> by 1.5 million to <b>17.2 million</b>
	Active Data Users <b>increased</b> by 1.4 million to <b>6.7 million</b>
	Market Leadership was <b>maintained</b> in Voice
	Value Proposition <b>and</b> Customer Value has <b>improved</b>
	Mobile Money Active Subscribers <b>rose</b> from 9.9 million to <b>11.0 million</b>
	Active MTN MoMo agents <b>reduced</b> from 173,400 to <b>166,229</b>
	Active MTN MoMo merchants <b>increased</b> from 53,426 to <b>173,315</b>

We have commenced an ambitious program to transform and modernise our network towards a Cloud-native 5G-Capable Core network, and we have entered a strategic partnership with Huawei Technologies in this regard. Our network evolution into an All-Cloud Core network will allow MTN to have a future-oriented network with greater service agility, innovation, differentiation, improved operation efficiency and better customer experiences with higher data speeds and reduced latency (the time it takes for a signal to travel to its destination and back).

This modernisation of our network is also a forerunner of the 5G capabilities which Uganda is going to experience soon, and for which MTN is the market pioneer.

It further accelerates our **Ambition 2025** of leading digital transformation in Africa through innovation that will step-change businesses in Uganda.

In 2022, MTN was recognised as the mobile operator with the fastest internet speed in Uganda, according to user-initiated tests completed by Ookla, a global leader in mobile and broadband network intelligence. MTN was also ranked as having the best network in Uganda for both data and voice following an independent network test from Rohde & Schwarz, an internationally recognised mobile network benchmarking organisation. I am both proud and excited about our continuing initiatives to lead digital and financial inclusion, creating shared value and a more inclusive and sustainable society.

To ensure network quality, capacity and resilience, we spent UGX 331.0 billion in capital expenditure in 2022 and increased 4G, 3G and 2G population coverage by 15.7, 0.9 and 0.3 percentage points respectively. Our commitment to extending rural broadband will see MTN invest over UGX 1 trillion in network expansion over the period 2021 – 2024 with the aspiration to expand our geographical network coverage to at least 90% countrywide.

Our home Internet solutions such as MTN WakaNet provides a high-quality Internet experience to meet the needs of residential and home office users. In 2022, we registered a 181% increase in fibre home connections. In addition, our device financing 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 146% smartphones sold through this programme and this initiative, coupled with our dynamic data value proposition, supported smart phone penetration of 35.0% in 2022 compared to 30.8% in 2021.

### FINANCIAL PERFORMANCE – DELIVERING SHAREHOLDER VALUE

We continue to demonstrate commendable resilience despite a challenging economic environment, and I am grateful for the dedication and commitment of our team. We achieved service revenue growth of 11.1% to UGX 2.27 trillion which was driven by the continued revenue momentum in the data and financial technology segments, which both posted strong double-digit growth. Supported by cost management initiatives through our expense efficiency program, EBITDA rose by 11.5% in the year while our EBITDA margin expanded to 51.6%. This resulted in a profit after tax of UGX 406.1 billion, an increase from the UGX 340.4 billion recorded in 2021.

### SUSTAINABILITY – ESG AT THE CORE OF OUR BUSINESS

At MTN, we believe that technology and connectivity provide transformative solutions, acting as the cornerstone for economic growth in our modern connected world. We strive to create socio-economic value using our institutional capabilities while adding value to each aspect of the Ambition 2025 strategy. Our sustainability vision creates and protects shared value for MTN and our stakeholders through responsible ESG practices. In addition to ESG, our framework includes creating economic value.


MTN underlined its commitment to adopting sustainable business practices in 2022. In relation to the environment, we took steps to reduce our emissions profile by implementing carbon and energy reduction initiatives. Cell tower site locations, which are a large contributor of emissions as they utilise a significant amount of electricity and diesel, will continue to be a focus area for us through our supplier engagement programme.


**Our Project Zero 2040 underlines our target to achieve a 47% average reduction in absolute emissions by 2030.**

At MTN, we are transitioning to a low-carbon economy and adopting cleaner energy technologies that include integrating hydro electric energy, solar and lithium-ion battery storage. In 2022, we upgraded 2,620 cell sites to solar and hybrid power. At our head office premises, we have made a number of interventions to minimize power consumption and carbon-dioxide emission into the atmosphere, and also put in place waste recycling and reuse initiatives.

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.

#### Women in our workforce

  
**49.4%**  
women in our workforce

  
**35.7%**  
women in senior management



In support of the government's national content agenda, 62% of our supplier database comprised Ugandan registered entities. We invested UGX 3.9 billion in corporate social impact activities. We extended fibre coverage from 7,821 kilometres to 9,418 kilometres.

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

### RISK – RISK MANAGEMENT AT THE HEART OF OPERATIONAL EXCELLENCE

Our robust risk management and compliance approach confirms MTN's agility and strong risk culture. We take a holistic approach to risk management, and our enterprise risk management framework defines the processes and practices in place across the Company to proactively identify and manage risks and opportunities that may impact our ability to achieve our objectives, in line with our strategy, risk appetite and risk preferences.

We view risk management as a core competence by embedding a risk culture supported by top-down and bottom-up processes, ensuring completeness, proportionality to our business and the robustness of mitigating control actions. In addition to core business or commercial risks, our compliance universe has also broadened significantly. Our principal compliance obligations are contained in the NTO Licence, the Communications Act, and guidelines and directives issued by UCC from time to time. The NPS Act contains the compliance obligations for the MTN MoMo subsidiary.

As a listed company, we comply with the regulatory regime of the Capital Markets Authority and the Uganda Securities Exchange. We also comply with critical ancillary legislation relating to SIM-card registration, AML/CFT and KYC, data protection and privacy, and taxation. Our legal, regulatory compliance and risk teams conduct rigorous risk management review procedures to ensure appropriate stakeholder management and the Company's compliance on a timely basis.

### CONCLUSION – LOOKING FORWARD AND APPRECIATION

Our outlook for 2023 will focus on two key themes: improving the network and cost efficiencies. In relation to the network, we will undertake continuous engagement with the regulator for more spectrum following the grant of additional spectrum resources in October 2021 so as to support the expansion of our network infrastructure and improve our customer service proposition. We will make additional 4G investments to continue driving data speeds to improve customer experience, while, in parallel, transforming our system towards a 5G-Capable Core network. We will also increase our customer value management proposition to drive voice revenue.



Our **cost efficiency** initiatives will focus on **energy-saving** and enhancing specific **cost strategies**.

Creating shared value remains a key focus for us and we will strengthen our partnerships in Uganda even further. We will deepen our co-operation with governmental, private and cultural institutions in various projects touching millions of Ugandans. We are excited about the potential to combine the power of our network and our innovative technology solutions with the passion that Ugandans have for their culture and country.

I wish to express my appreciation to our shareholders for demonstrating trust and confidence in MTN, and to all our business partners and stakeholders. I look forward to the year ahead walking in-step with you.



**SYLVIA MULINGE**  
Chief Executive Officer



**Now a proud family of  
17.2 million Ugandans.**







# 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. 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 in Uganda has broadened significantly.



## Our Operating Context In Uganda

### Macro-Economic

- 2022 was a year of marginal economic growth amidst considerable volatility.
- As the shock of the COVID-19 pandemic receded, Uganda gradually returned to its pre-pandemic path to growth, with economic recovery boosted by the strong performance of the services and industrial sectors, increased private consumption and an uptick in private investment.
- However, inflationary pressures due to high food and energy prices, high interest rates and the depreciation of the Uganda Shilling presented a challenge and negatively affected consumer spending power.
- Continued high levels of macro-uncertainty brought about by the recent invasion of Ukraine by Russia.

### Socio-Political

- Regulations from various regulators are evolving, requiring MTN and other sector players to make procedural changes.
- Outbreak of the Ebola virus disease in parts of Central and Western Uganda disrupted business value chains.

### Competitive Landscape

- 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.
- 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.

## Our Business Model And Strategy

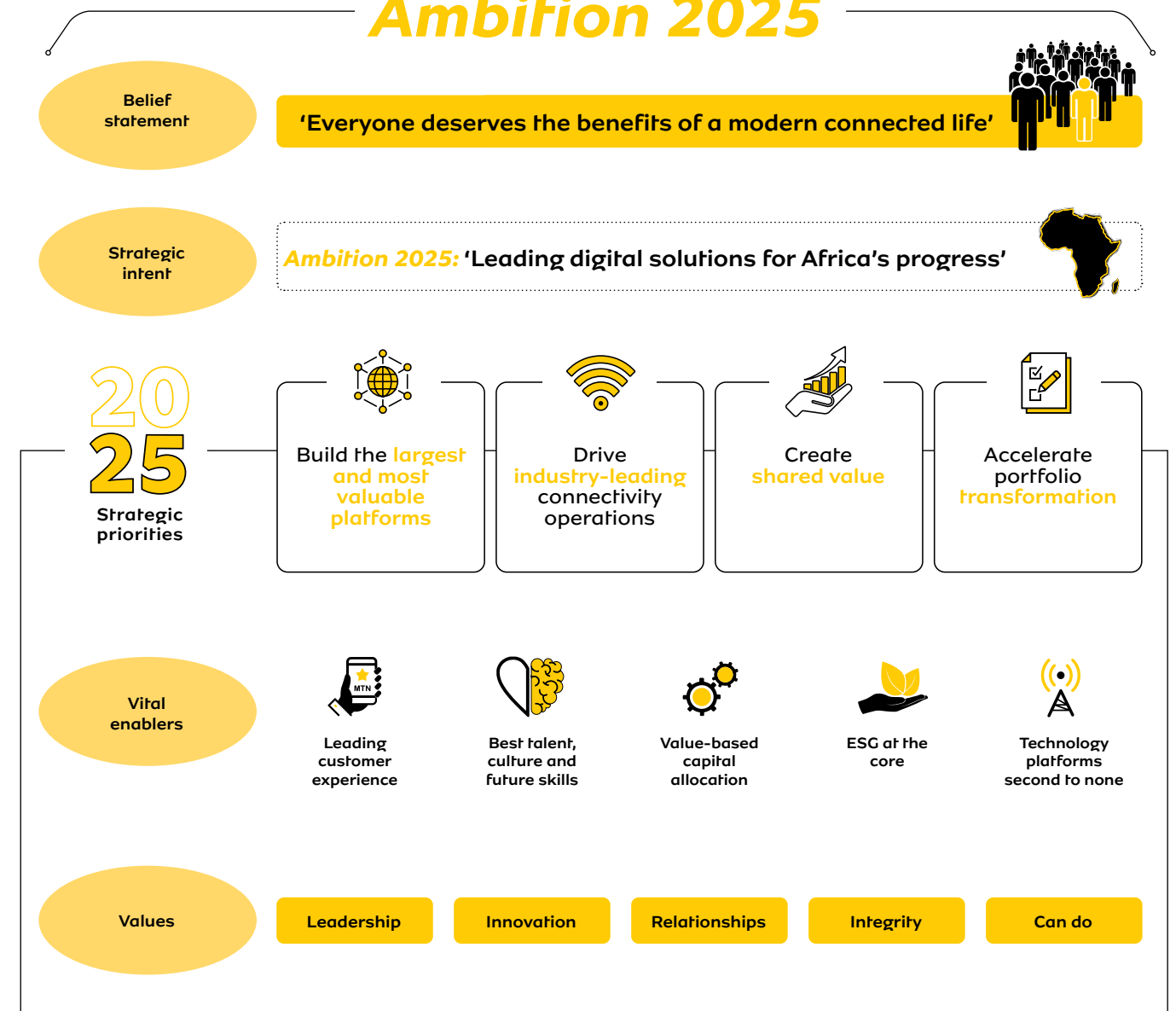
### AMBITION 2025

**Ambition 2025** provides MTN's strategic focus and ensures that we continue to evolve and stay relevant while harnessing opportunities to create and preserve value for our stakeholders. **Ambition 2025** is hinged on the primary objective of accelerating growth and unlocking the value of our infrastructure assets and platforms. This strategic path will position our business to capture opportunities within Uganda. Our four strategic pillars are to build valuable platforms; drive industry-leading connectivity operations; create shared value and accelerate portfolio transformation.

As we reposition for growth through **Ambition 2025**, our strategy is centred around becoming a fully-fledged digital platform and technology company. **Ambition 2025** extends our focus beyond core mobile and fixed connectivity infrastructure to building the largest and most valuable platform business. 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, while it will be supported and funded through enhanced cost efficiencies and value-based capital allocation. In the past, our strategies have delivered impressive results and **Ambition 2025** is designed to build on these foundations, driving growth and exploring new opportunities.

At the heart of **Ambition 2025** is the need to close the technology and digital divide. At MTN, we recognise that our success is a function of the prosperity of the communities that we serve. This mindset is the anchor for our **Ambition 2025** strategic priorities.

## Ambition 2025



### 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**, which are aligned with 11 of the 17 UN SDGs are: human capital, manufactured capital, financial capital, intellectual capital, social and relationship capital and natural capital.

Capitals	Key Capital Inputs And Strategic Approach
<b>Human</b> largest our	<ul style="list-style-type: none"> <li>• Human capital consists of accumulated knowledge and skills, and it allow the company to grow.</li> <li>• MTN has a total staff complement of 1,262 employees – one of the largest employers in Uganda.</li> <li>• Invested in targeted training and development.</li> <li>• Attractive remuneration packages, including performance bonuses.</li> <li>• Encouraged diversity, so the workforce understands the needs of our subscribers.</li> </ul>
<b>Manufactured</b>	<ul style="list-style-type: none"> <li>• By expanding our networks, we increase the stock of manufactured capital and reduce our stock of financial capital in the short term.</li> </ul>



Capitals	Key Capital Inputs And Strategic Approach
	<ul style="list-style-type: none"> <li>● Focused our capital investment on rolling out dedicated fibre and enhanced 2G, 3G and 4G base stations, data and switching centres.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>● By applying financial capital, we are able to grow our business, positively impacting manufactured, human and intellectual capital, as well as social and relationship capital.</li> <li>● Continued to maintain and improve on our liquidity levels.</li> <li>● Expense efficiency programme included enhanced oversight of expenditure such as network costs, distribution, information technology and third-party supplier costs. In 2022, we realised UGX 33.7 billion worth of efficiencies and savings across several expense areas.</li> <li>● Declared total dividend of UGX 15.9 per share in 2022 (increase from UGX 14.99 per shares in 2021).</li> </ul>
Intellectual	<ul style="list-style-type: none"> <li>● Comprises our strong and established brand, skilled and experienced employees, partnerships and joint ventures and more than 20 years' experience of operating in Uganda.</li> <li>● Refreshed our brand.</li> <li>● Enhanced our customer value management proposition.</li> <li>● Partnered with experts in various fields, such as technology.</li> <li>● Creating and maintaining joint ventures and partnerships to expand new revenue streams.</li> </ul>
Natural	<ul style="list-style-type: none"> <li>● Currently, MTN's radio spectrum allocation covers the 900, 1800, 2100, 2600 and 3500 frequency bands.</li> <li>● Ensured resilience to change in climate or increase in extreme weather events on critical infrastructure through business continuity processes.</li> <li>● Continued to invest in efficiencies to ensure our technical infrastructure supports service delivery using the least possible amount of energy.</li> </ul>
Social & Relationship	<ul style="list-style-type: none"> <li>● Constructive relationships and engagements with stakeholders, and continuing interactions with GOU and tax authorities.</li> <li>● Enhanced management structure to support regulatory compliance.</li> <li>● Monitored staff morale through annual culture survey.</li> <li>● Extended MTN MoMo services to more people</li> <li>● Percentage price reduction of 13.4% in the blended cost of data.</li> </ul>

## AMBITION 2025 IN CONTEXT

Strategic Priorities	Objectives	What We Did In 2022
Building the largest and most valuable platforms	<ul style="list-style-type: none"> <li>● Pivot from a "product to a platform" play</li> <li>● Selective partnerships to accelerate growth</li> <li>● Fintech, digital, enterprise, NaaS, API marketplace</li> </ul>	<ul style="list-style-type: none"> <li>● 1.1 million active monthly Ayoba users</li> <li>● 11.0 million active MTN MoMo users</li> <li>● NaaS and API marketplace integration in place</li> </ul>
Drive industry-leading connectivity operations	<ul style="list-style-type: none"> <li>● Doubling of consumer mobile data</li> <li>● 'Own the home'</li> <li>● Leading fibre company in Uganda</li> <li>● Digital transformation and step-change in efficiencies and service levels</li> </ul>	<ul style="list-style-type: none"> <li>● 6.7 million data subscribers</li> <li>● Expansion of proprietary owned fibre from 7,821 kilometres to 9,418 kilometres</li> </ul>
Create shared value	<ul style="list-style-type: none"> <li>● Step-change in ESG positioning</li> <li>● Broad based ownership and inclusion in Uganda</li> <li>● Sentiment shift through stakeholder management efforts</li> </ul>	<ul style="list-style-type: none"> <li>● 19,923 local shareholders as of 31 December 2022</li> <li>● 56% of USE local market capitalisation</li> <li>● 19.9% of secondary market trading activity</li> <li>● ESG framework in place to guide strategic and operational activities.</li> </ul>
Accelerate portfolio transformation	<ul style="list-style-type: none"> <li>● Realise and crystallise value of infrastructure assets and platforms</li> </ul>	<ul style="list-style-type: none"> <li>● Managed separation of MTN MoMo as an independent subsidiary regulated by BOU</li> </ul>

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 Chensis (a marketplace for API).



FINTECH SOLUTIONS	DIGITAL SERVICES	ENTERPRISE SERVICES	NaaS	API MARKET PLACE
<ul style="list-style-type: none"> <li>● Payments</li> <li>● Lending</li> <li>● Insurance</li> <li>● Saving</li> <li>● m-commerce</li> </ul>	<ul style="list-style-type: none"> <li>● Messaging</li> <li>● Social media</li> <li>● User-generated content</li> <li>● Advertising</li> </ul>	<ul style="list-style-type: none"> <li>● Unified communications</li> <li>● Internet of things</li> <li>● Cloud</li> <li>● Software-defined wide area network</li> </ul>	<ul style="list-style-type: none"> <li>● Open mobile</li> <li>● Fixed as a service</li> <li>● Edge and data centres</li> <li>● Cloud communication</li> </ul>	<ul style="list-style-type: none"> <li>● Aggregate</li> <li>● Exchange</li> <li>● Monetise</li> </ul>



## Our Outlook And Investment Case

**Ambition 2025** highlights MTN's key differentiators as well as our plan to take advantage of the opportunities. 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), established leading brand with a solid infrastructure base and our strong management. 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.

Our outlook as part of **Ambition 2025**, we want to build five scale platform businesses on top of a very strong connectivity network. The platforms are at different levels of maturity, with – **at one end** – the fintech platform, which is relatively mature, and – **at the other end** – the API marketplace, Chenosis, which we launched last year.

### Growth Ambition - Building A Five-Scale Platform Business

<b>Fintech Solutions</b>	<ul style="list-style-type: none"> <li>We are building a scale fintech business, but we have ambitions to double the size of the platform and broaden the product proposition, moving from payments to lending to insurance to savings.</li> <li>We will take advantage of a leading subscriber share in Uganda, our 'second to none' and well-invested networks and enterprise, wholesale and infrastructure sharing opportunities.</li> </ul>
<b>Digital Services</b>	<ul style="list-style-type: none"> <li>We see the opportunity for mobile commerce where the fintech business intersects with our Ayoba business. We will interact with our payment systems regulator, BOU, to cover the regulatory issues.</li> <li>Attractive return profile - digital platforms stand to accelerate growth, and provide an attractive cash flow, return of equity profile and balance sheet flexibility.</li> </ul>
<b>Enterprise Services</b>	<ul style="list-style-type: none"> <li>Focus on connectivity by building and indexing up on enterprise. With increasing industrial internet-of-things and workloads moving to the cloud, we see opportunity to create a significant and scale enterprise business.</li> </ul>
<b>NaaS</b>	<ul style="list-style-type: none"> <li>Opportunity to improve the economics of our business</li> <li>Drive digital acceleration of Uganda</li> <li>Portfolio optimisation to enhance risk/return profile</li> <li>Realise value in infrastructure assets and platforms</li> </ul>
<b>API</b>	<ul style="list-style-type: none"> <li>Look to aggregate APIs and ultimately monetise them over time</li> <li>Exciting demographic opportunity in Uganda - fast-growing, youthful population coupled with low data, fintech and digital adoption.</li> </ul>





## Our People And Culture

In line with our strategic ambition, our employees believe in a better future and work hard to bring the benefits of a modern connected life to everyone in Uganda.

Empowering, enabling and supporting our workforce requires agility and flexibility to ensure they adapt and thrive in the rapidly changing environment. The COVID-19 pandemic accelerated the future of work trends, catalysing a major shift in the way people engage, connect and work. Aligning our people strategy to the future of work and our new strategic framework **Ambition 2025**, 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 mission is to attract, empower and retain our talent while enabling the achievement of our **Ambition 2025**. 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.

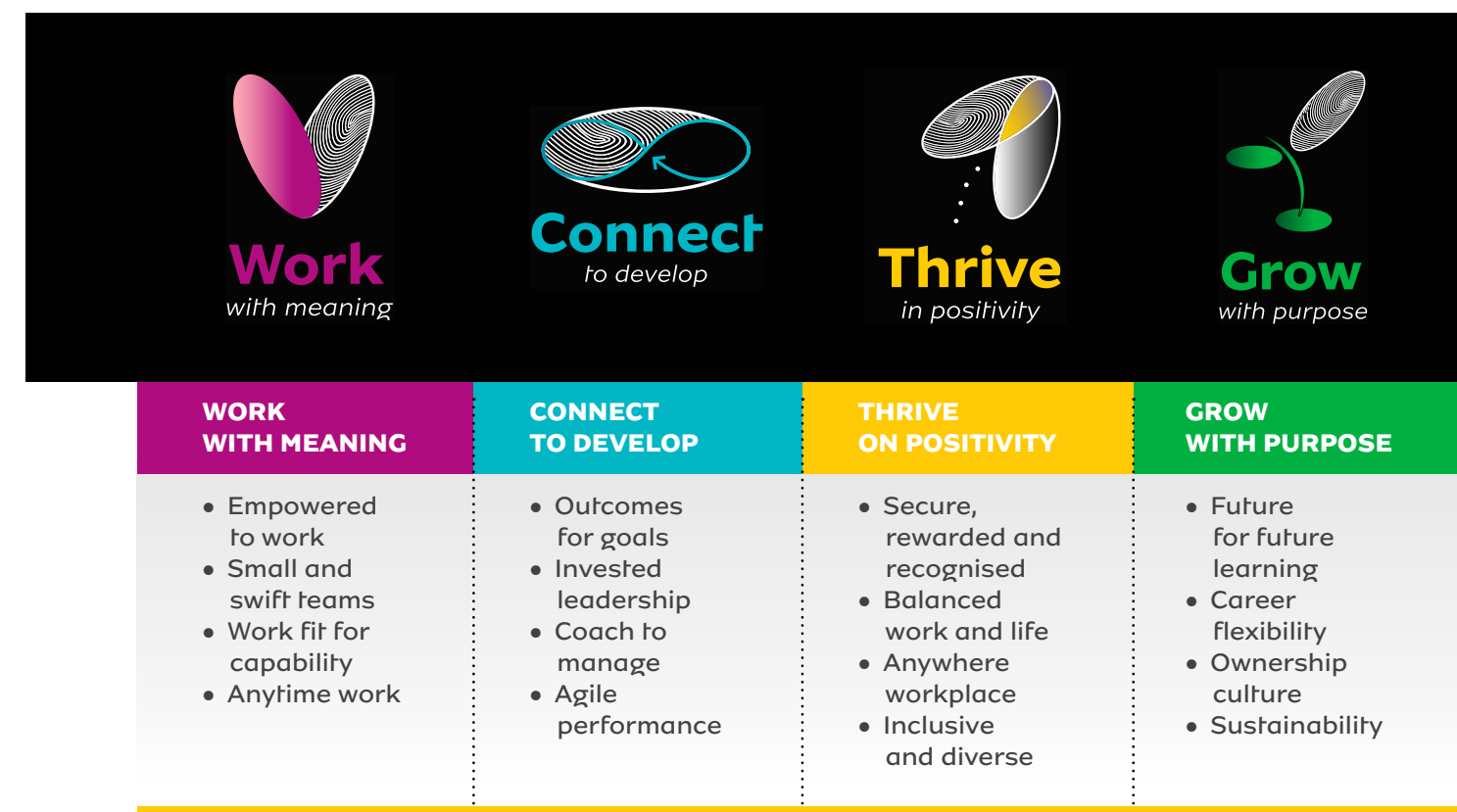
KEY INDICATORS	
Workforce	1,262 (2021: 1,049)
Women in our workforce	49.4% (2021: 47%)
Women in executive management team	35.7% (2021: 31%)
Employee sustainable engagement index	90% (2021: 87%)



## EMPOWERING OUR EMPLOYEES TO "LIVE INSPIRED"

Our employees are our greatest asset, and we maintain a dedicated and consistent level of investment in our people. We strive to provide an enabling environment as well as hire and develop the best talent, and we are proud to have built an incredible 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 for our customers and our communities. Our people continually demonstrate our core values and vital behaviour.

The workplace is under constant evolution and the COVID-19 pandemic underlined the fact that organisations need to think differently about the employee dynamic. In 2021, 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. To this end, our new employee value proposition **"Live Inspired"** is defined by our four "Pillars of Inspiration" which captures the essence and our people mission for the future of MTN.



**"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.

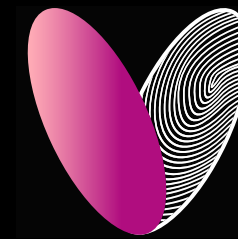
**"Live Inspired"** capitalises on the organic movement towards a digital-adopter mindset and flexi-workforce. We acknowledge that as technology moves forward and our business converges, we need to do the same with our employee capabilities, and this initiative underscores our reputation for innovation, customer-centricity and being a Company that is driven by people who bring personal commitment and a range of skills and experience together for the benefit of our customers. We have also entrenched smart-working through principles such as 'anywhere, anytime work' and 'balanced work-life'.

We recognise that as technology moves forward and our business converges, we need to do the same with our employee capabilities, for having the best talent is equally as important as having the best network. Therefore, our focus will be to create an inspiring environment for everyone to 'activate one's whole self', and this will be powered by genuine inclusion, respect for diversity, fair rewards, true recognition and personal flexibility to contribute most productively.





**Our people  
drive our  
success.**



**Work**  
*with meaning*

**PILLAR ONE**

We believe that our people must be empowered, enabled and inspired to create our future and realise our ambitions. Work with meaning is aimed at people strategies which transform the way MTN staff work with purpose in our environment. 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 every day.

**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 2022, we continued with our objective of creating awareness of **Ambition 2025** to ensure that each of our staff in MTN Uganda is immersed in our strategy. Specifically, our executive management team cascaded **Ambition 2025** to all employees and other stakeholders.

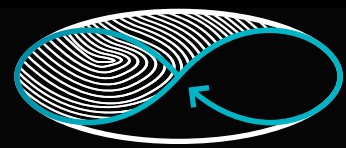
**WORKPLACE DIGITISATION**

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 in Uganda is the roll-out of the digital canteen service solution, which allows staff to access and pay for meals digitally. In line with the initiative 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 contact less workplace experiences.

In 2021, one of the key initiatives that we launched is “anywhere, anytime work” flexibility policy to support our employees’ work and life priorities, considering personal work-style preferences, operational business needs and the team culture. This enabled our employees to responsibly exercise choice of workplace and time so as to achieve a desirable work-life balance. We continue to constantly review and assess this model. Our overall objective is to attain a hybrid work model that achieves a ‘best-of-both’ worlds philosophy – recognising the necessity for flexibility for our diverse workforce while at the same time recognising the importance for physical work interactions.

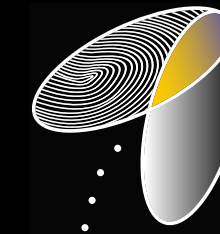




## Connect to develop

### PILLAR TWO

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, pushes 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.



## Thrive in positivity

### PILLAR THREE

This pillar 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.



### 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 at work. 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'. In addition to standard medical insurance, we also partnered with Rocket Health to provide a virtual telemedicine service to all staff. This scheme also encourages staff to seek medical attention/treatment remotely.

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 hypertension conditions. 'Afya Pap' is administered in collaboration with Baobab Centre.

Through our employee assistance programmes, we have also partnered with external health experts to organize quarterly virtual webinar sessions on mental health and nutrition to educate employees on the mental health and nutrition issues that affect them to prevent mental stress for the employees. Our health and wellness programme also supports the employees' mental wellbeing and work-life balance through weekly physical fitness sessions.

### 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. We believe in equality for everyone despite their differences and our mission is to accelerate full inclusion to attract, retain and enable the best talent and to increase leadership diversity.



**The Key Strategic Highlights of our commitments in this regard include:**

- In line with the wider MTN Group commitment, achieving workforce gender equality by 2030, and in doing so, strengthening our ambition for the sustainability agenda;
- Committing to gender pay parity as key strategic measure to enhance diversity, equity and inclusion;
- Attaining deliberate gender representation in our strategic programmes across the business.

Further, to drive the diversity and inclusion programme, we have selected individuals from different departments as champions to create awareness and educate other employees on the diversity and inclusion programme. We also have diversity and inclusion e-learning programmes on the 'MTN Learn' platform to enable employees take courses to enhance their knowledge and skills on the importance of inclusion. These diversity and inclusion programmes include Women-in-Tech diversity and inclusion the workplace and diversity and inclusion for managers.

The 'He-For-She' initiative aims at supporting all female employees to grow into leadership roles and meeting specific needs of the Company's female employees. We also previously launched the Women's Resource Group among MTN Women to drive empowerment and collaboration among female employees.

These initiatives are in line with the 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.

The principles provide guidance on how businesses in all sectors can advance and empower women in the workplace by, among others, establishing high-level corporate leadership for gender equality, treating all women and men fairly at work, promoting education, training and professional development for women and implement enterprise development, supply chain and marketing practices that empower women.

To accommodate working mothers, MTN also launched the 'MTN Crèche'. We acknowledge that access to childcare services is essential to a woman's ability to participate in the workforce. Therefore, to create a fair and inclusive culture, MTN put in place a viable working solution that saw the launch and provision of a crèche at the workplace to aid breastfeeding mothers and create a conducive environment that has enabled them to thrive. The nursery receives infants who are below one and a half years of age.

**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 Uganda brand and customer experience brighter; to recognise their colleagues' ability to support other team members; to shine a spotlight on our people and their spirit leadership; as well as to acknowledge everyday heroes in the group who go to extraordinary lengths to care for our communities.

We have an 'employee of the year' award which recognises the best employees across all departments and the 'appreciate initiative' where staff are appreciated and recognised by fellow staff every last Thursday of the month. We also have a digital recognition programme called the 'MTN Shine' where employees can recognize their peers across the Company for good performance and excellence.

The recognized employee accumulates recognition points which can then be redeemed after a period of time for a reward in form of vouchers for prizes of their choice.

This has increased the collective spirit of going the extra mile and seeking performance 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. MTN is aware of most of the hazards and risks facing our employees in their work environment that vary in terms of location, processes, activities, size and complexity.

In addition to internal protocols, we also follow GOU guidance on public health and occupational health and safety issues. Compliance requirements for employees are carefully outlined and communicated to ensure alignment in execution.

**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.

**HE  
4  
SHE  
INITIATIVE**

'He-For-She' is a social movement campaign launched by the **United Nations Entity for Gender Equality and the Empowerment of Women** and seeks to provide a systematic approach and targeted platform for gender equality.







**PILLAR FOUR**

This staff value proposition aims to re-instil, promote and inspire traits of innovation, customer-centricity, ownership as well as excellence in all that we do for our customers, communities and, also, 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 have been equipped with futuristic skills like business analytics, business intelligence, digital, fintech and information security. The programmes are diverse, ranging from digital transformation, leadership, health and safety, stakeholder management, service management and personal development. These programs imbue our employees with the capacity and capabilities to face market challenges, develop cutting-edge solutions, forge new ways of collaboration, and build leadership skills, among other positive outcomes for the organization.

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. This approach promotes learning from experiences, social interactions with others, and formal training. We leverage our online learning platform, 'MTN Learn', to support employees' skilling and re-skilling with both current and future skills. The platform boasts of over 150,000 courses. In 2022, over 31,000 learning activities were completed. Over 35 instructor-led trainings were also deployed, and our employees spent a total of 5,800 hours on training.

**OUR BESPOKE TALENT UPSKILLING AND DEVELOPMENT PROGRAMMES INCLUDE:**

**• Internal Resourcing:**

An internal resourcing programme which is designed to give competent internal employees the opportunity to vie for vacant positions as part of career development. When a position falls vacant, we consider internal competent employees as first priority to compete for the positions through interviews and assessments before we source for potential candidates externally. This includes giving opportunities to contract staff.

**• Experiential Learning:**

Experiential learning which provides employees with an opportunity to gain exposure in other areas of the business which they believe they can grow into. Employees learn on the job and get acquainted with the technical and operational requirements in these areas, equipping them with the formative experience to take advantage of entry opportunities in these areas. In 2022, 32 employees participated in this programme.

**• Inter-company Secondment:**

MTN runs a secondment programme where talented and experienced employees are seconded to work in other MTN Group operations on short or long-term expatriate contracts to gain further exposure as part of career growth and development. We currently have approximately 13 local Ugandan employees working across the MTN Group.

**• Global Graduate Development Programme:**

For prospective employees, our Global Graduate Development Programme provides graduates with an accelerated career path and the opportunity to genuinely make a difference. Through this programme, we grant graduates high-level business exposure where they will have an opportunity to experience rotations in different areas of MTN. The programme combines both formal development in partnership with the MTN Group Global Leadership and Career team, as well as on-the-job development through placement into strategically aligned roles. The formal component includes modules at MTN's three regional learning centres, located in South and East Africa, West Africa, and the Middle East. The blended learning experiences include technical education coupled with coaching and mentorship. About 14 trainee graduates have been integrated as MTN staff.

**• Tuition Reimbursement:**

Approximately eight employees benefitted from our tuition reimbursement programme upon completion of their academic qualification. This program supports eligible employees in their pursuit of further professional academic qualifications.

**• Career Fair:**

We run an annual career fair that is aimed at providing employees with information about the opportunities that are available within the business, and have engagements from our senior executives where insights are shared about how staff can realize career growth. In 2022, we held a three-day career fair where all of MTN's core departments showcased various career opportunities and skill requirements within their departments, while the senior management executives also shared expectations from a strategic point of view. External exhibitors from various tertiary institutions were also present and provided information on academic programs and funding options. Over 700 staff attended the fair.

**• Future Skills Build:**

In collaboration with MTN Group, we have embarked on an initiative to build future-fit skills and emerging technology capabilities across the business. This is to ensure that MTN has the right skills in place to help the business realize its strategic objectives. Through this programme, in 2022, about 15 employees were accredited with data science skills and another set of employees is undergoing the same up-skilling process.

**MTN LEARN**

- 70% job-related
  - 20% inter-personal
  - 10% educational events
- Boasts of over **150,000** courses
  - **31,000** learning activities completed
- **5,800 hours** on training
  - Over **35** instructor-led trainings deployed



## 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 great place to work, recommending their supervisors as people to work for and recommending the Company's products and services to external people.

Further, we 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 the Company to identify the areas that are lacking and need improvement.

### Key Achievements in the GCA 2022 and Sentimeter surveys included:

- Increase in overall GCA sustainable engagement index score from 87% in 2021 to 90% in 2022.
- Overall e-NPS score remained high at 75% in 2022 compared to 76% in 2021.





# MTN Mobile Money Report



## 2022 The 2nd Year of MTN MoMo

### OUR MTN MoMo MD STATEMENT

2022 marked the second year of operation of MTN MoMo as an independent MTN subsidiary. It was a phenomenal year marked with many wins, partnerships, and growth opportunities. I am delighted to share the MTN MoMo success story with you.



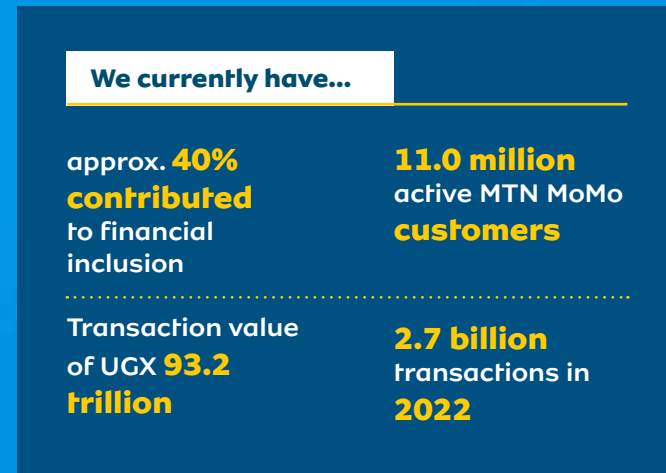
## FINANCIAL INCLUSION IMPERATIVE

Following the enactment and implementation of the NPS Act in 2020, the MTN MoMo business was separated from the GSM [telecommunications] business as a stand-alone business with a separate governance and operational structure. In that regard, the MTN MoMo Subsidiary was incorporated on 27 November 2020 to conduct the MTN MoMo business. We view MTN MoMo as not only being a key aspect to the achievement of MTN's **Ambition 2025** strategy, but also core to Uganda's financial inclusion agenda. The World Bank's Mobile Money for Financial Inclusion report notes that mobile money, in general, is key to delivering a critical financial inclusion imperative.

In many developing countries, millions of households lack an account with a financial institution, while small firms frequently cite difficulty in accessing and affording financing as a key constraint on their growth. Uganda is no exception and, therefore, finding innovative models to extend financial services to the poor continues to be an urgent challenge, and part of our excitement around our MTN MoMo offering is because we view it as an effective way to provide access to finance to underserved communities.

Under **Ambition 2025**, MTN intends to lead digital and financial inclusion across Uganda over the long term, creating shared value and a more inclusive and shared tomorrow. Access and usage of appropriate financial services continues to play an integral role in the realization of inclusive and sustainable growth in the country.

Indeed, mobile money service providers are recognised as a key player in the National Financial Inclusion Strategy (2017-2022), which seeks, among others, to reduce barriers of access to financial services and to build digital infrastructure.

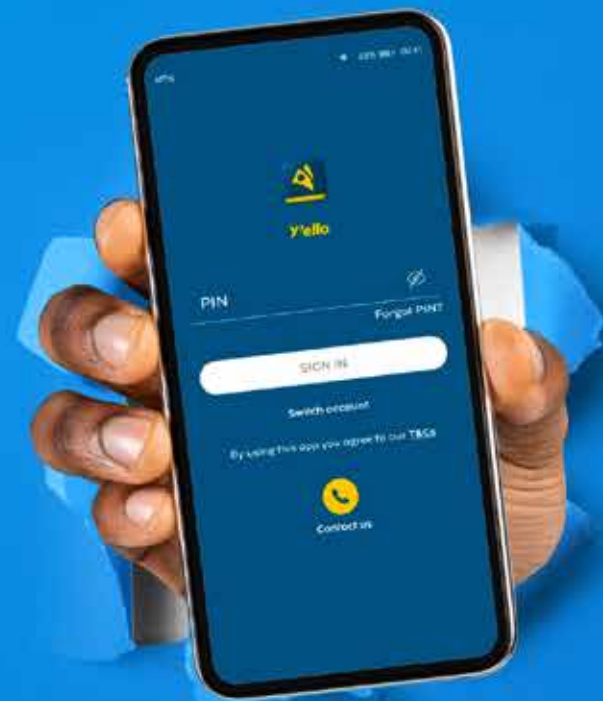


## MACRO-ECONOMIC OVERVIEW – OPTIMISM AMIDST A CHALLENGING ECONOMIC OUTLOOK

According to the World Bank, global growth is projected to decline to 1.7% from the 3% growth predicted in July 2022 in light of increased inflation, elevated geopolitical tensions, reduced investments and the disruptions caused by the Russia-Ukraine war.

In its monetary policy statement for February 2023, Bank of Uganda maintained the central bank rate at 10% and projected economic growth for the financial year 2022 to 2023 to even at about 5.0 - 5.6%. This projection is higher than the previous 5.0% - 5.3% estimate and is attributed to the increased external demand for exports, a significant rebound in foreign direct and private investment and better supply chain conditions. Further, headline and core inflation are expected to average between 6.5% and 5.6% respectively in 2023.

The projected economic growth is particularly important to us in light of the recent reduction in sending rates for transactions to MTN customers, other networks and other countries, and the resulting reduction in revenues despite increased traffic on the network.



Uganda has a young fast growing population that thrives on connectivity and convenience in digital transactions. In light of this, we retain a cautious optimism on the economic outlook and hope to register a strong performance considering the ongoing innovations and improvements to the MTN MoMo service offering.

## OPERATIONAL REVIEW – SHARED VALUE THROUGH INNOVATION

2022 was a year of innovation and capitalisation on our existing products to create and increase value amidst a challenging macroeconomic environment. I am pleased to report that our MTN MoMo active subscriber base grew from 9.9 million to 11.0 million. As of December 2022, the mobile money sector registered 25 million customers transacting on a 90 day basis and processed approximately UGX 120 trillion, of which 60% were made through MTN MoMo.

We revised our agent onboarding model, which in turn reduced our active mobile money agents from 173,400 to 166,229 in a bid to create more sustainable and profitable business for our agents. We also increased our active MTN MoMo merchants from 53,426 to 173,315 in support of cashless payments. Usage of our savings and loan products also continued to grow progressively.

A new feature – MTN MoMo Reverse – was also introduced to reverse erroneous mobile money transactions between individuals. Following its introduction, we have registered significant success with a 10% reduction in call centre traffic attributed to wrong transactions and an improved maximum turnaround of 48 hours. Our extraordinary teams continue to work tirelessly to innovate and improve the MTN MoMo user experience for our customers.

## PERFORMANCE OVERVIEW

MTN MoMo reported considerable year-on-year growth across all key pillars. Overall revenue grew by 24.9% to UGX 656.1 billion. Wallet-based transactions grew by 13.5%; while our advanced revenues grew by 95.7% supported by strong growth in our Payment Services, Remittances and Bank Interface platforms.

Revenue from the insure-tech pillar declined as we review the range of our service offering in this aspect. A performance improvement in the short-term is expected as MTN MoMo and a leading continental insurance company work towards implementing a strategic alliance to market and distribute insurance and investment products across Uganda through the insurance platform, aYo.

## RISK MANAGEMENT

Risk management is a crucial aspect of our business, and continually evolving internal and external factors, including the rise of cyber security attacks, have greatly altered the risk landscape and informed our risk assessments and mitigation measures for 2022.

Mitigating cyber risk is particularly important considering the nature of our business, the vulnerability of our systems to emerging threats as technology continues to evolve and the recent fraud incidents that have affected the mobile money sub-sector. In response to this, we have deployed a multifaceted approach that involves actions at both the organisational and sectoral level.

In addition to improving the security of our MTN MoMo platform and offering cyber security training to our third party partners, we have rolled out an anti-fraud awareness campaign that encourages our customers to keep their MTN MoMo personal identification numbers confidential.

The MTN MoMo application has been reconfigured to only authorise withdrawal transactions where the application and the SIM-card are located in the same device. Sectorally, we are partnering with the other industry players to run an anti-fraud awareness campaign.

Since SIM-card swapping is one of the avenues through which fraud is perpetuated, we have integrated our SIM-card swap application with some bank systems to ensure that SIM-card swap notifications are received by the bank timeously. We will continue monitoring our risk environment to ensure the safety and reliability of transactions on our platform.



**CONCLUSION  
– OUTLOOK**

As a key contributor to Uganda’s economic growth, MTN MoMo continues to position itself as an invaluable development partner in the achievement of Uganda’s National Development Plan III and Vision 2040. We will, for example, work to partner with commercial banks to have funds that are disbursed under GOU’s Parish Development Model digitised through MTN MoMo so as to bring more money into the economy.

Also core to this aspiration is the innovation of new products to support seamless merchant and agent lending, e-commerce, micro-insurance, increased use of consumer digital assets and an enhancement of existing lending solutions for savings and co-operative societies and lending clubs.

To achieve this, MTN MoMo will be bold and ensure that everyone derives the benefit of a connected life through the provision of clear, fast, secure, and simple financial services!



**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. In line with our Ambition 2025 strategic goal to build the largest platforms, we are playing a key role in the evolution of mobile financial services to interconnected mobile financial platforms.

MTN MoMo was launched in partnership with Stanbic Bank in 2009 as the inceptive mobile money service in Uganda and the flagship mobile money service within MTN Group. It 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.

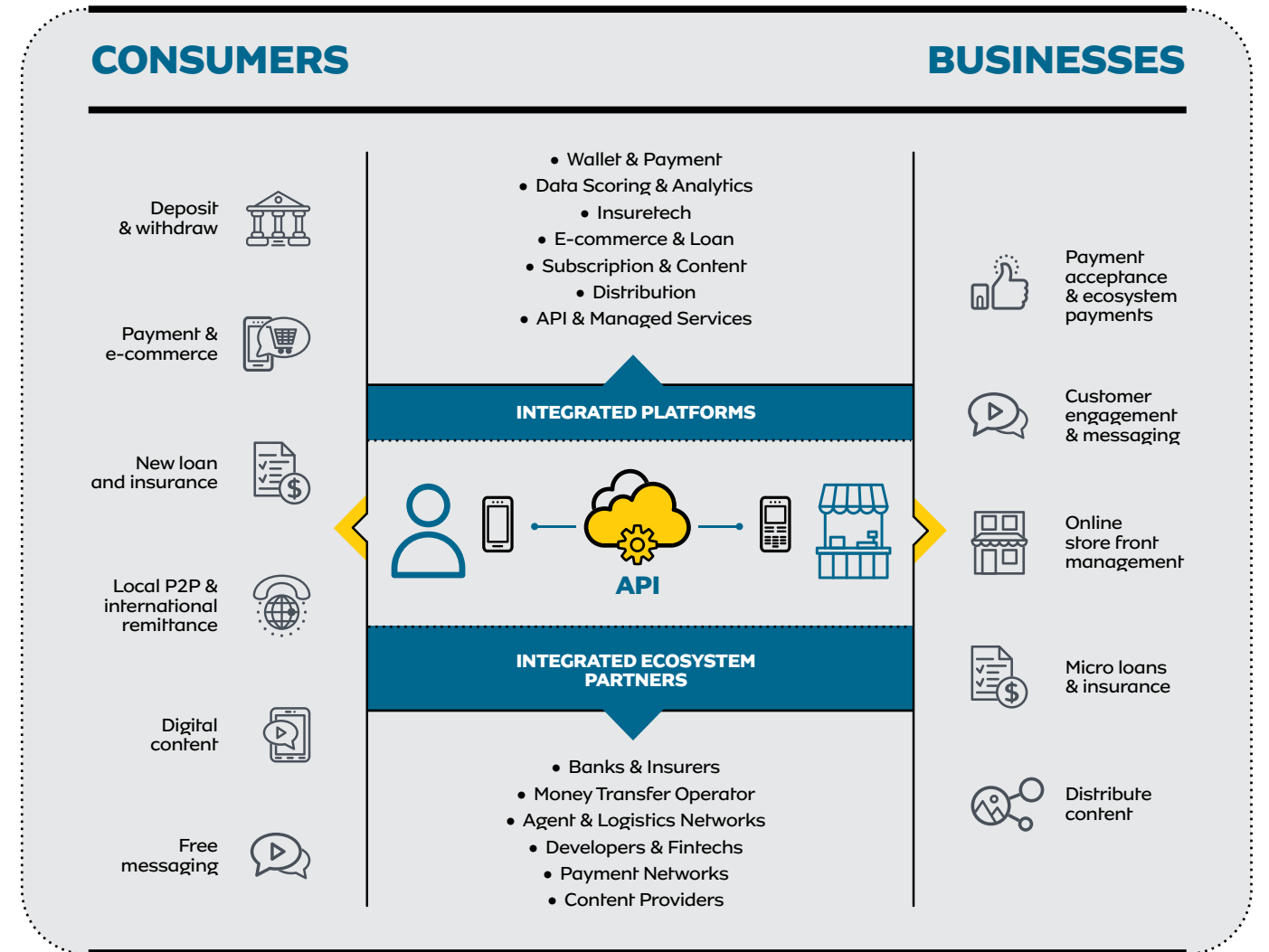
MTN MoMo aspires to be at the forefront of answering the evolving needs of the Ugandan population and is led by MTN’s vision **“Leading digital solutions for Africa’s progress”** and belief statement **“Everybody deserves the benefits of a modern connected life”**. The MTN MoMo service offering includes mobile money wallet services (deposit and withdrawal), bulk payments, insurance, mobile savings, loans, and investments.

MTN MoMo operates a bold strategy where it seeks to become the biggest platform in Uganda, that operates like a fintech by offering in-store payments, remittances, prepaid services, mobile wallets, micro-loans and micro-insurance. 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 that currently stands at 166,229 to enable the cash-in, person-to-person transfer and cash-out of funds.

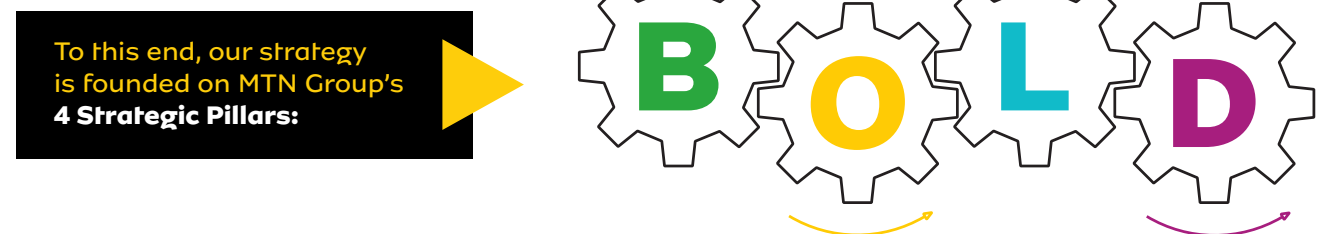
The agents network is facilitated by MTN dealers, partner banks and microfinance institutions, which ensure that the agents have adequate cash and float (e-money) to service our customers. The availability of these basic services (person-to-person transfer and cash-out) immediately brought millions of people in the towns and villages of Uganda, all previously non-banked or underbanked, 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 increasing the efficiency and lowering the cost of transactions, generate employment opportunities and create a platform on which other businesses can grow.

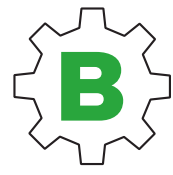


**MTN MoMo Strategic Focus And Goals  
– BOLD**

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 club solutions, savings and credit co-operative societies solutions, e-commerce and micro-insurance, and easier and more seamless payment methods such as static and dynamic machine-readable codes [QR codes].

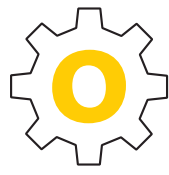






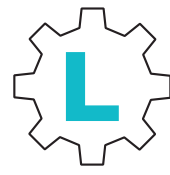
### BIGGEST FINTECH AND DIGITAL PLATFORM IN UGANDA

- Increase in MTN base
- Accelerate payment
- Compliance focus
- Rapid growth through strategic partnerships



### OPERATE LIKE AN OTT

- Create independent MTN MoMo to realise value
- Evolved technology
- OTT operating model
- Acquire new talents
- Acquire non-MTN customers



### LEVERAGE MTN'S CORE BUSINESS AND ASSETS

- Digitize distribution
- Enable device lending
- Accelerate prepaid airtime payments
- Airtime as a reward
- Rapid OTT adoption with free data



### DELIVER FIVE UNICORNS

- Wallet
- Payment and e-commerce
- Bank-tech
- Insure-tech
- Remittance

Our strategy in 2022 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.

In line with the vision of providing digital solutions for consumers and businesses in Uganda, MTN MoMo has had a single-minded focus on further meeting the evolving needs of Ugandan society. Our market pioneering initiative have included the launch of bill payments for electricity and water; the first mobile loan service in 2016 (MTN MoKash); the receipt of value from abroad (international inbound and outward remittances) in conjunction with partners; paying for retail purchases via MTN MoMoPay, hence taking away the need for carrying cash and its attendant risks; paying school fees via MTN MoMo, provision of loans for health care (clinicPesa); and a strategic partnership with Xeno, a digital saving and investment fintech and licensed fund manager, that allows subscribers to save and invest for any financial goal via USSD.

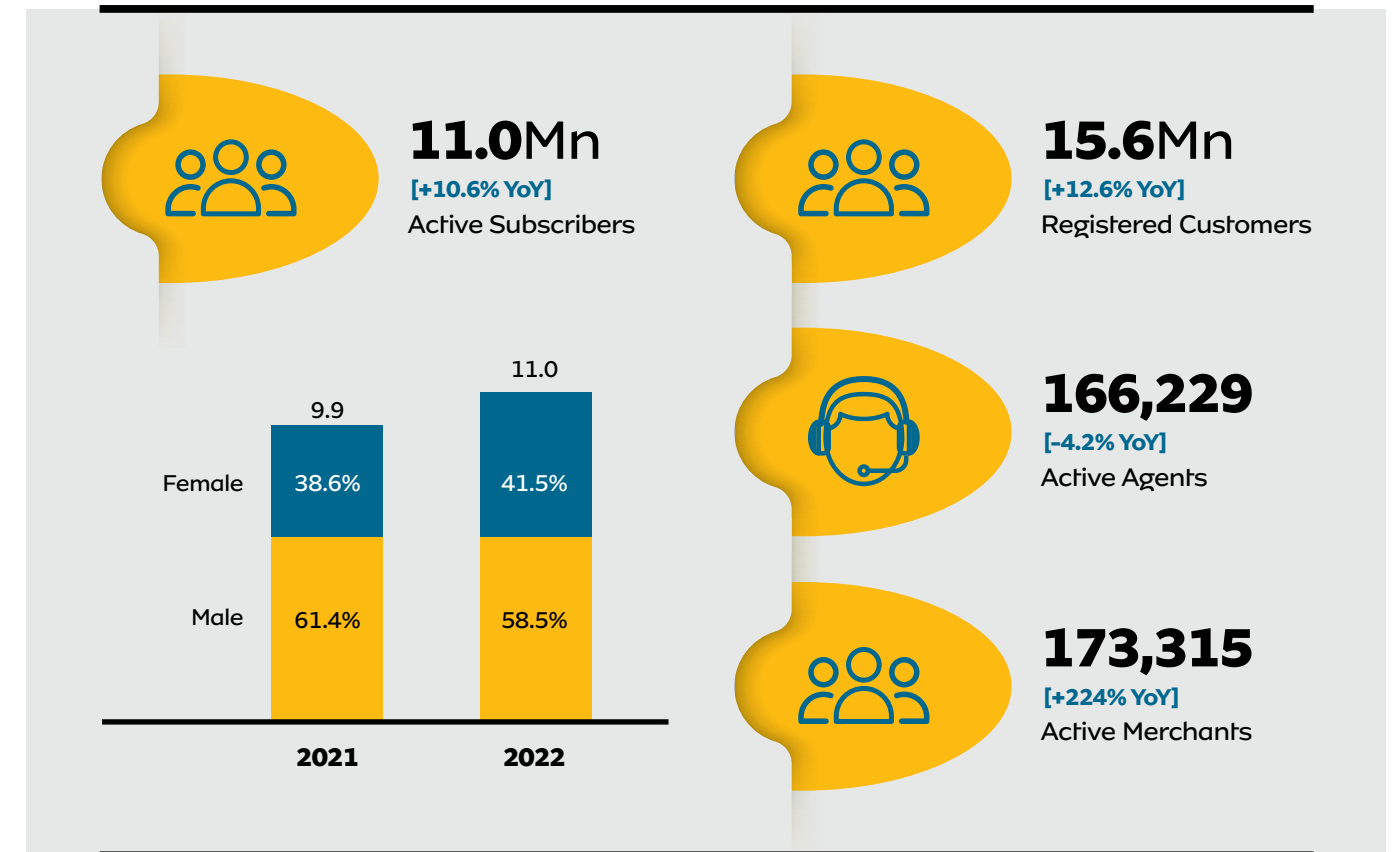
We have focused on businesses as we seek to support cashless and digital economies. We launched bulk payment services which enable both public and private sector organizations to pay salaries, allowances and social relief; our payment collection services are utilised by various organizations such as religious institutions, insurance companies, schools, banks, manufacturing and service firms and the MTN MoMo Business solution 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.

## Doing For Our Subscribers - 2022 At A Glance

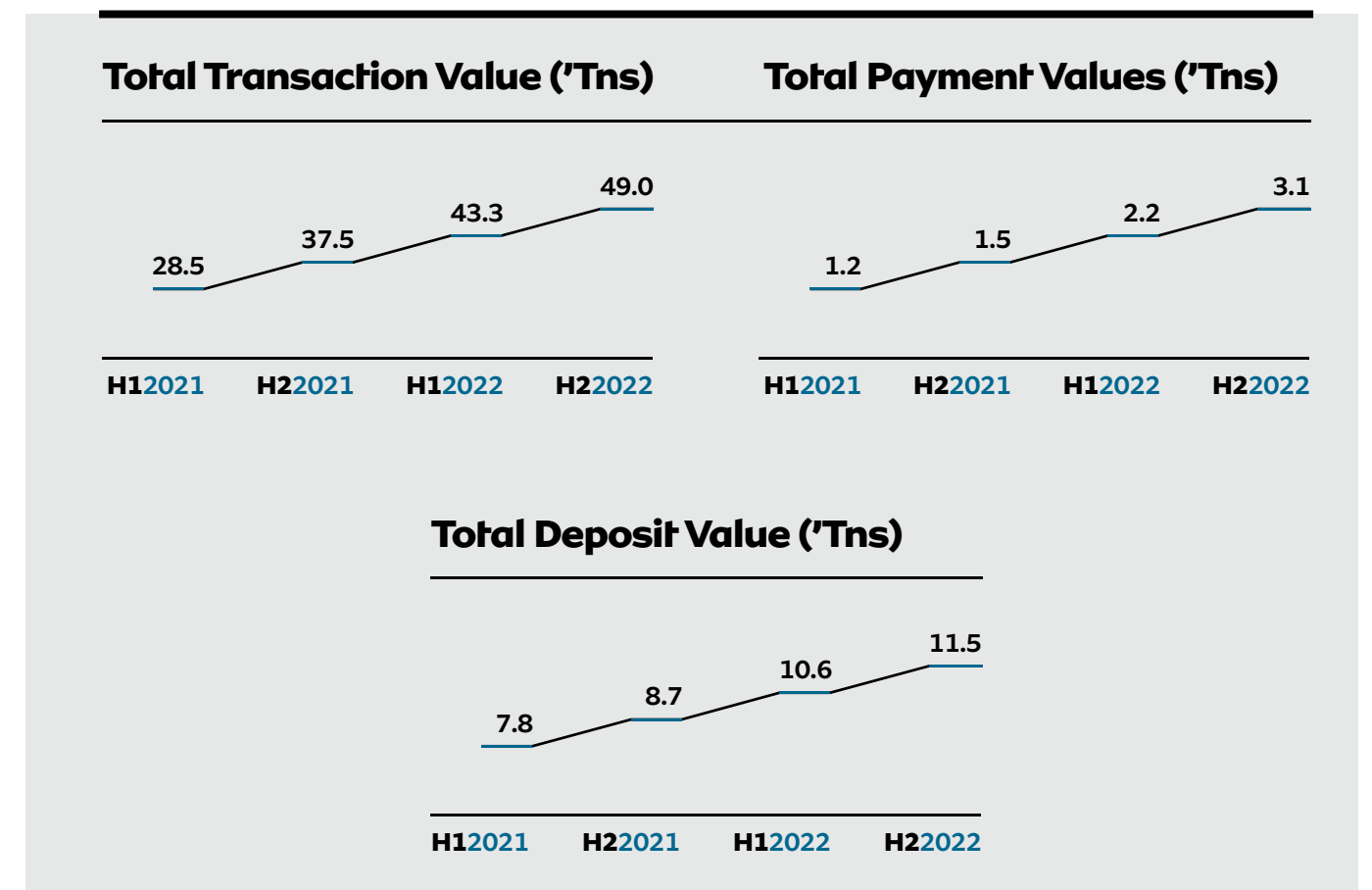
### DOING IN 2022

<b>11.0 million</b>	MTN MoMo subscribers (2021: 9.9 million)
<b>2.7 billion</b>	Number of MTN MoMo transactions (2021: 2.0 billion)
<b>92.3 trillion</b>	MTN MoMo transaction value (2021: UGX 66.0 trillion)
<b>173,315</b>	Businesses using MTN MoMo Pay (2021: 53,429)
<b>166,229</b>	MTN MoMo agents (2021: 173,400). * Implementation of agent rationalisation programme to create more value for agents.

### MoMo PERFORMANCE HIGHLIGHTS - 2022



### MoMo PERFORMANCE HIGHLIGHTS - TRANSACTION VALUES 2022





# MTN MoMo Governance

## BOARD OF DIRECTORS



**MS. YOLANDA CUBA**  
CHAIRPERSON AND  
NON-EXECUTIVE DIRECTOR

Ms. Cuba is a seasoned executive with experience in diversified industries including telecommunications, finance and fast-moving consumer goods. She currently serves as the Group Regional Vice President (Southern and East Africa) at MTN Group.

**Date appointed:**  
27 November 2020



**PROFESSOR WASSWA BALUNYWA**  
INDEPENDENT  
NON-EXECUTIVE DIRECTOR

Professor Balunywa is a highly-renowned scholar in management, leadership and entrepreneurship. He is also an academic administrator, who serves as the Principal of Makerere University Business School.

**Date appointed:**  
8 February 2021



**EVELYN NAMARA**  
INDEPENDENT  
NON-EXECUTIVE DIRECTOR

Ms. Namara is a technology entrepreneur with over 10 years of leading systematic change in the fields of social entrepreneurship, digital technology, and driving innovation for small businesses.

**Date appointed:**  
8 February 2021



**SERIGNE DIOUM**  
NON-EXECUTIVE DIRECTOR

Mr. Dioum is the Chief Digital and Fintech Officer at MTN Group. He is responsible for driving MTN MoMo and related mobile financial services products and services across the MTN footprint.

**Date appointed:**  
27 November 2020



**SYLVIA MULINGE**  
NON-EXECUTIVE DIRECTOR

Ms. Mulinge is the Chief Executive Officer of MTN, and she is a seasoned business and corporate executive with a passion for transforming customers' lives using technology. Prior to joining MTN, she served as the Chief Consumer Business Officer at Safaricom PLC.

**Date appointed:**  
1 October 2022



**ANDREW BUGEMBE**  
NON-EXECUTIVE DIRECTOR

Mr. Bugembe is a highly-experienced telecommunications finance executive. As Chief Financial Officer, Mr. Bugembe's key roles are to drive the Company profitability mandate, with a focus on service revenue growth and margin expansion.

**Date appointed:**  
27 November 2020



**RICHARD YEGO**  
MANAGING DIRECTOR

Mr. Yego serves as the Managing Director of the MTN MoMo subsidiary, where he is responsible for deploying commercial and operational strategy to shape and direct the fintech business

**Date appointed:**  
19 January 2022



His Excellency the President of Uganda engages with MTN group CEO, Ralph Mupita and MTN Uganda leadership.







## Sustainability Report



*This report presents  
our **Sustainability Approach**  
and shows our commitment  
to implementing **ESG**  
practices*



**INTRODUCTION:  
SCOPE OF SUSTAINABILITY REPORTING**

MTN Uganda supports its customers and stakeholders by realising the benefits of a modern connected life through the execution of our sustainability framework in Uganda. Sustainability is at the core of our business strategy as we strive to create shared value for our stakeholders. We realise the importance of driving economic value sharing through responsible ESG practices as outlined within our sustainability framework. This sustainability report provides an overview of the Company's sustainability performance for the period from 1 January 2022 to 31 December 2022. This report presents insights into our sustainability approach and provides evidence of our commitment to implementing the most sustainable ESG practices. This report covers operations in Uganda and includes the MTN MoMo subsidiary and the MTN Foundation.

Disclosures within this report are guided by MTN and MTN Group's signatory membership of the United Nations Global Compact, a non-binding United Nations pact to encourage businesses to adopt sustainable and socially responsible policies, the Global Reporting Initiative Standards, an international independent standards organization that provides global sustainability reporting 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, the Carbon Disclosure Project, an international non-profit organisation which fosters environmental reporting and risk management, and the King Report (IV) on Corporate Governance.

Our sustainability report is a practical, transparent, and effective way of communicating with our stakeholders while also helping them understand the impact of our business on critical sustainability issues such as climate change, social justice, diversity and partnership, among other areas. The 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.

Information sourced from various internal information management systems has been used to compile this report. The accountable person for our sustainability reporting is *Ms. Enid Edroma, the General Manager – Corporate Services.*

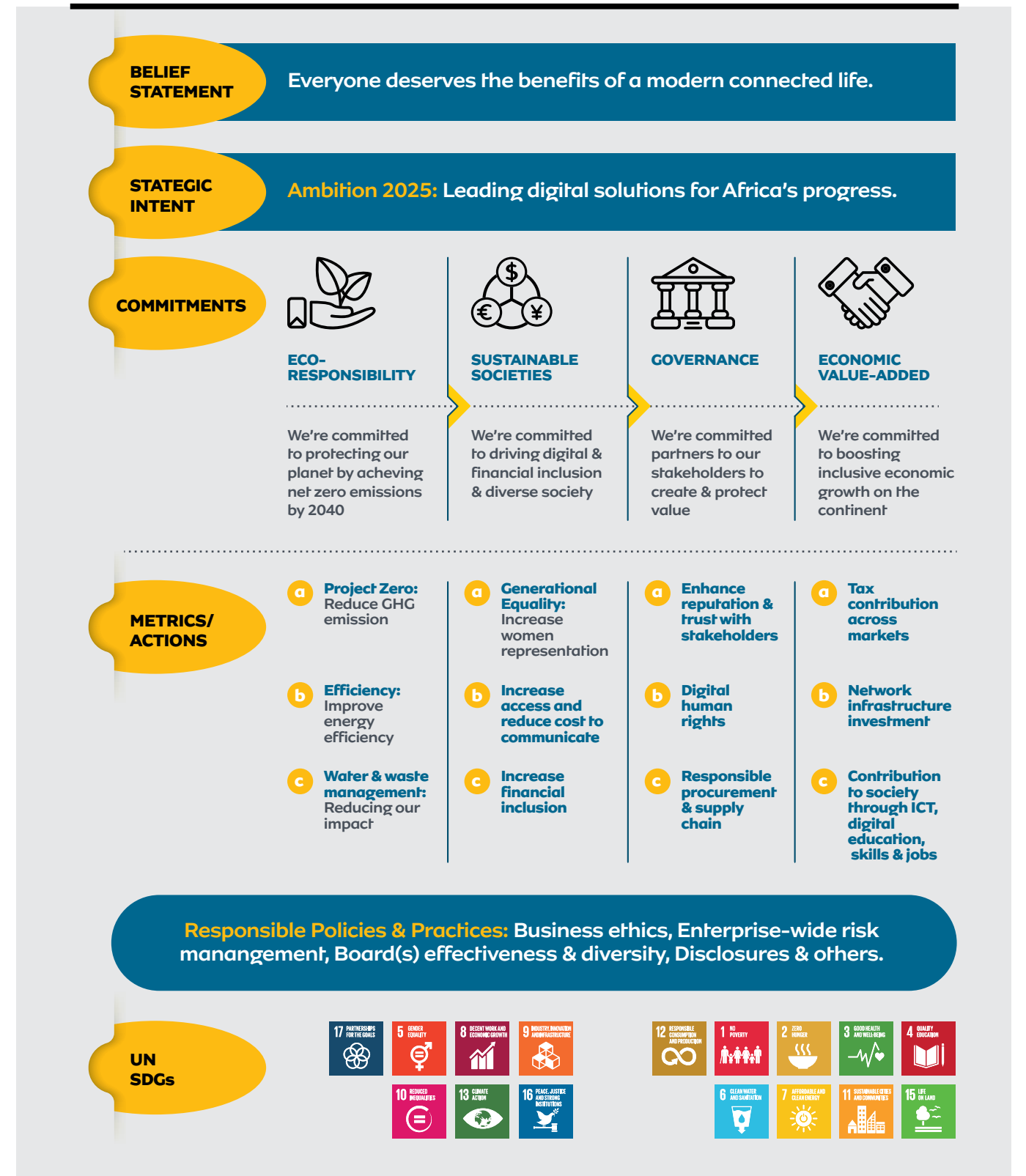


**Ms. ENID EDROMA**  
GENERAL MANAGER  
- Corporate Services

## Our Sustainability Framework

In alignment with our **Ambition 2025** strategy, MTN has placed creating shared value as a strategic priority supported by vital enabler of 'ESG at the core'. Our four-pillar 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 **Ambition 2025** goals and targets support our role as an UN SDG enabler. We believe that due to the significance of our position and reach, we have both the power and the responsibility to make a difference, improving lives and livelihoods across our operational footprint in Uganda.





**The principles underlying our sustainability commitments are:**

**Eco-Responsibility**



One of the most significant ways that MTN fosters its sustainability agenda is through energy use and contribution to climate change. As a result, we take responsibility for our environmental impacts and manage the aspects within our respective business divisions.

**Sustainable Societies**



As an emerging market operator, addressing social challenges is an inherent part of our business. MTN can flourish only when the communities and ecosystems in which it operates 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.

**Governance**



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.

**Economic Value-Add**




Mobile technologies and services contribute significantly to Uganda's gross domestic product. 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.

**Our Sustainability Impact: Our Year At A Glance**

<b>Doing for our Planet</b> 	Reduction in GHG emissions (targeting 47% reduction by 2030 and net zero by 2040):	4,814 tCO2 (2021: 11,882 tCO2)
	Suppliers who have pledged to join MTN's road to net zero:	314 suppliers
	Energy sites upgraded with renewable energy sources:	2,620
	General waste reduced / recycled:	2.4 tonnes recycled (out of 23.9 tonnes collected)
<b>Doing for our Society</b> 	Percentage of women in our workforce:	49.4% (2021:47%)
	Percentage of women in senior management:	35.7% (2021:31%)
	Number of Ugandans educated in digital literacy (MTN Internet Bus):	1,043 beneficiaries
	Total disbursement value through MTN MoMo lending products:	UGX 279.7 billion
	Smartphones distributed through device finance collaboration:	178,361 (2021: 72,409)
	Smartphone penetration:	35.0% (2021: 30.8%)
	Broadband coverage:	4G coverage up to 78.4% (2021: 62.7%) 3G coverage up to 91.4% (2021: 90.5%) 2G coverage up to 98.1% (2021: 97.8%)
	Percentage price reduction in the blended cost of data to improve affordability:	13.4%
Active monthly Ayoba users:	1.1 million (2021: 625,153)	
<b>Doing it Right</b> 	Award recognition:	Consumer and Industrial Products Financial Reporting Category at the Institute of Certified Public Accountants of Uganda Financial Reporting Awards
	No of suppliers who have signed the supplier code of conduct as a prerequisite for conducting business with MTN:	179 suppliers





<b>Doing for Growth</b> 	MTN Foundation / CSI investment:	UGX 3.9 billion (2021: UGX 3.5 billion)
	Tax contribution:	UGX 927 billion (2021: UGX 839 billion)
	Supported through job creation and skills development:	1,123 beneficiaries
	Expansion of proprietary owned fibre:	9,418 kilometres (2021: 7,821 kilometres)

## Our Sustainability Governance

Our sustainability governance is led by the Board, which is responsible for setting the tone-at-the-top. At committee level, MTN's Remuneration, Human Resources, Social and Ethics Committee 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.

The Company management also shares key learnings with key staff, aligns strategy with responsibilities, and reports to the Board.

<b>Workplace</b>	<ul style="list-style-type: none"> <li>Remuneration philosophy</li> <li>Human resources practices and employment equity</li> <li>Organisational ethics</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>Economic development</li> <li>Fraud and corruption</li> <li>Ethical and transparent business practices</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Environmental impact</li> <li>Pollution</li> <li>Waste disposal</li> <li>Biodiversity</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>Balance between economic and social goals</li> <li>Stakeholder relations</li> <li>Consumer relationships (including advertising)</li> <li>Sponsorships and donations</li> </ul>

## Our Stakeholder Engagement Values

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, or discontinuation of, the Company's investments.

Therefore, an MTN business imperative 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 MTN's approach to communicating, working and interaction with stakeholders. Within the framework of this policy, we map key stakeholders, plan engagement proactively and keep record of official engagements.

### OBJECTIVES

**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 – the foundation of strong relationships.

**Focus on the quality of our engagement**

Especially our responsiveness to stakeholder issues and concerns.





Stakeholder	Key Engagement Issues	Our Response
<b>GOU and Regulators</b>	<ul style="list-style-type: none"> <li>• Network performance.</li> <li>• A positive impact on socioeconomic development.</li> <li>• Strong business performance and financial results.</li> <li>• Compliance with legislation and regulations.</li> <li>• A constructive contribution to industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Engaged UCC on technical matters related to the issue of the annual compliance certificate.</li> <li>• Involved government in efforts to enhance network performance and create shared value.</li> <li>• Partnered on matters of national and business interest and honoured our obligations as a reliable partner.</li> <li>• Maintained a stringent compliance regime.</li> <li>• Monitored the strategic intent behind emerging policy and regulatory trends.</li> <li>• Engaged regulators for enhanced mutual understanding on what may appear to be conflicting positions on matters material to government and business sustainability.</li> <li>• Contributed to tax base and added economic value.</li> </ul>
<b>Subscribers and Consumers</b>	<ul style="list-style-type: none"> <li>• Network performance (speed of data connection and network quality).</li> <li>• Customer service.</li> <li>• Ability to resolve my queries or requests.</li> <li>• Overall rates and prices.</li> <li>• Pricing being easy to understand.</li> </ul>	<ul style="list-style-type: none"> <li>• Invested UGX 331.0 billion in our networks.</li> <li>• Reduced the cost to communicate through innovative and tiered pricing.</li> <li>• Zero-rated some transactions through MTN MoMo.</li> <li>• Advanced financial inclusion through our mobile financial services offerings.</li> </ul>
<b>Investment Community</b>	<ul style="list-style-type: none"> <li>• Strong business performance and financial results.</li> <li>• Compliance with legislation and regulations.</li> <li>• Good corporate governance.</li> <li>• Network performance.</li> <li>• Customer services.</li> <li>• Sustainability and ESG.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustained MTN's financial and operational performance.</li> <li>• Executed on strategy with a focus on accelerating growth and unlocking value for our stakeholders.</li> <li>• Focused on ensuring that our enterprise-wide risk management systems are continuously strengthened and remain resilient.</li> <li>• Took step change in our approach to ESG.</li> <li>• Execution of MTN MoMo / fintech separation</li> <li>• Prioritised communication with investors.</li> </ul>
<b>Civil Society</b>	<ul style="list-style-type: none"> <li>• A positive impact on socioeconomic development.</li> <li>• Network performance.</li> <li>• Strong business performance and financial results.</li> <li>• Good customer service.</li> </ul>	<ul style="list-style-type: none"> <li>• Invested in programmes to empower youth to access decent work and become economically active.</li> <li>• Supported programmes aligned to GOU's NDP and Vision 2040.</li> <li>• Advanced programmes to ensure</li> </ul>

	<ul style="list-style-type: none"> <li>• A constructive contribution to industry.</li> </ul>	<p>girls and women have the skills and knowledge to advance economically.</p>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Positive impact of leadership, communication and diversity actions.</li> <li>• Their belief and connection to the goals and objectives of MTN.</li> <li>• Safeguarding their health and wellbeing.</li> </ul>	<ul style="list-style-type: none"> <li>• Entrenched smart-working through principles such as 'anytime work, anywhere workplace' and 'balanced work-life'. Our programmes capitalise on the movement towards a digital-adopter mindset and flexi-workforce.</li> <li>• Encouraged employees to explore their career options and learning paths to ensure their skillset remains relevant.</li> <li>• Provided learning opportunities to employees through access to our online learning platform.</li> <li>• Offered a programme to help employees find their unique work and life balance.</li> </ul>

## 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. We believe that the growth and success of any business should not come at the expense of the future of our planet.

The activities of telecommunications companies have a significant impact on the environment, and the industry has a collective duty to minimize the negative impact of our activities on the environment 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. Increased global demand for energy has an undeniable negative impact on the climate, yet complexities exist around driving progress on the continent while reducing negative environmental impacts. As the economy and the population grows, we face a unique challenge since every additional connected person, device or data transmitted represents a potential increase in energy used. MTN's approach to reducing our impact aims to increase efficiencies, reuse infrastructure and components 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 as well as UN SDG 7 (Affordable and clean energy) and UN SDG 13 (Climate action).

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 Ugandan footprint. We at MTN have committed to achieve net zero GHG emissions by 2040.



## WHY?

MTN environmental management commitments are at the heart of sustainability

- Commit to environmental protection and management.
- Commit to use natural resources and energy more efficiently.
- Commit to reduce emissions, releases and waste.
- Commit to monitor and report MTN environmental performance.

## HOW?

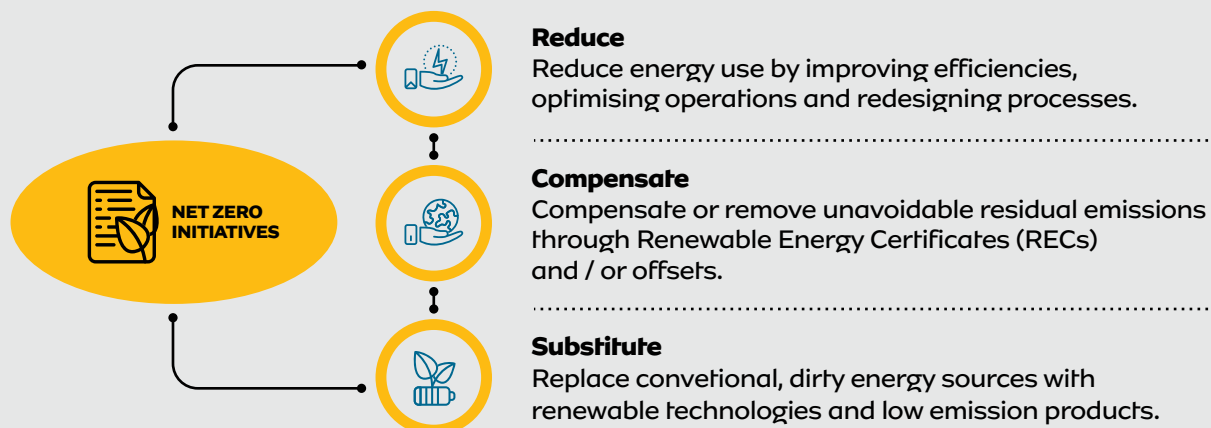
Actively pursue the reduction of our carbon footprint via the setting of science-based targets (in line with SBTi business ambition for the 1.5°C campaign) and carbon off-setting

- Scope 1**  
Emissions are direct emissions from owned or controlled sources
- Scope 2**  
Emissions are indirect emissions from the generation of purchased energy
- Scope 3**  
Emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions
- Scope 3**  
Activity that compensates for the emission of CO<sub>2</sub> and other GHG e.g. renewable energy projects.

Global warming remains one of the most urgent threats faced by humanity. However, with the identification of critical enablers in achieving significant emission reduction as well as employing cleaner renewable technologies to power growth and expansion, we can achieve our periodic targets and remain on course to achieve net zero emissions by 2040.

This will require the incorporation of three climate actions in business processes:

### Reduce, Substitute & Compensate



## WHAT WE ARE DOING TO ACHIEVE NET ZERO?

### Emissions profile:

We implemented carbon and energy reduction initiatives which contributed to the reductions in direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions, and we are constantly undertaking materiality assessments to better understand the emissions across our value chain.




We achieved an 8.9% and 96.4% 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 improving our Scope 3 emissions.

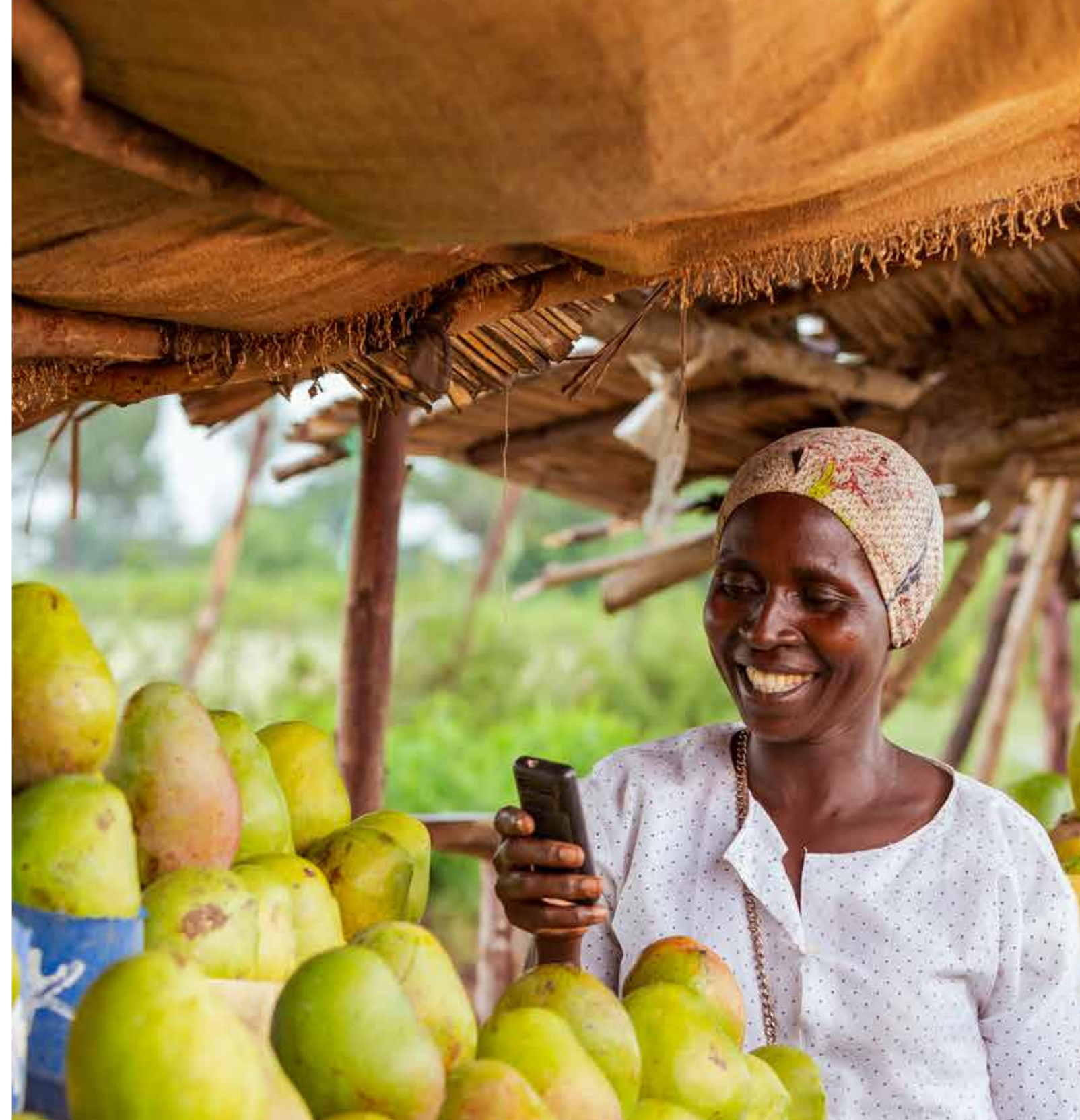
Category	Emission Sources	2021 GHG Emissions (tCO <sub>2</sub> e)	2022 GHG Emissions (tCO <sub>2</sub> e)	Difference (tCO <sub>2</sub> e)
<b>SCOPE 1</b>	Fuel combustion for electricity generation at Data centres	1,180	872	308
	Fuel combustion for electricity generation at BTS sites	998	778	220
	Combustion of fuel in Vehicles / Forklifts	1,568	1,933	365 <i>Increase in fuel prices</i>
	Fuel combustion for electricity generation at buildings	215	328	112
	Fuel combustion for electricity generation at stores	498	481	17
	Refrigerant refilling (Fugitive emissions)	554	177	377
	<b>Total Scope 1 Emissions</b>		<b>5,014</b>	<b>4,568</b>
<b>SCOPE 2</b>	Purchased electricity at BTS sites	108	5	103
	Purchased electricity at Data centres	5,998	205	5793
	Purchased electricity at buildings	530	27	503
	Purchased electricity at stores	231	8	223
	<b>Total Scope 2 Emissions</b>		<b>6,867</b>	<b>246</b>



## 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 station and data centre sites are as efficient as possible and where possible, are powered by renewable energy sources.

Categories	Initiatives
<b>BTS</b> 	<ul style="list-style-type: none"> <li>• Use of features of RAN software for optimizing energy demand.</li> <li>• Auto-shutdown in non-peak hours.</li> <li>• Sharing of active infrastructure with other telecom players.</li> <li>• Power factor correction i.e. installing more efficient rectifiers on 239 sites.</li> <li>• Hybrid gensets i.e. installing gensets which use solar / wind energy in conjunction with traditional gensets on about 147.</li> <li>• Battery swaps (485)</li> </ul>
<b>Data Centres</b> 	<ul style="list-style-type: none"> <li>• Server virtualization at 78%</li> <li>• Running servers on eco-mode when utilization is low.</li> <li>• Increasing DC temperature by 2C across all 6 datacenters.</li> <li>• Installed over 5000 blanking panels over last 2 years.</li> <li>• Cold aisle - hot aisle arrangement and cold aisle containment across 2 of our data centers.</li> <li>• Installing variable speed fan drives in the regional switching centers currently at 75%</li> <li>• Air-side economizer i.e. using air to maintain temperature in Data centers.</li> <li>• Installed voltage stabilizers in 4 /6 Data centers.</li> <li>• Replaced old Acs with new efficient ones in 5 of the Data centers.</li> </ul>
<b>Buildings</b> 	<ul style="list-style-type: none"> <li>• Using power management features on office IT equipment.</li> <li>• Timer installed ACs that switch off when staff are out of office.</li> <li>• Replace CFI with efficient LED lights and augment with smart sensors MTN HQ standing at 75%</li> </ul>



*The trust placed in us  
by our customers has made our  
growth and success possible.*



## 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:

### Green Office Programme



The 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 the MTN office premises, compact fluorescent lamp bulbs have been replaced with light-emitting diodes to minimize power consumption and carbon dioxide emission into the atmosphere.

### Biodiversity Impact Management



Our impact on biodiversity is, in principle, managed through adherence to environmental laws and regulations within Uganda. We 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.

### Water Consumption



Even though MTN does not currently hold any water use licence (and therefore does not have any direct legal obligations in terms of water use or management), reducing water use forms part of our sustainability strategic framework to reduce the Company's environmental impact. In 2022, MTN also 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 (minimize the amount of waste we create), reuse (repurpose old items or reuse them again) and recycle (create new products from waste). In 2022, 10.5 tonnes of waste was collected, and 1.48 tonnes 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, combating climate change in the process.

## Our Commitment To The Society

MTN is 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.

### DOING FOR INCLUSIVE CONNECTIVITY

We continued our efforts to connect the unconnected in Uganda through the a framework called: **CHASE**



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.

### THE FOLLOWING ACHIEVEMENTS WERE RECORDED:

<b>Increased Population Coverage</b>	Increased 4G, 3G and 2G coverage to 78.4%, 91.4% and 98.1%.
<b>Increased Fibre Coverage and Rural Connectivity</b>	Extended fibre coverage from 7,821 kilometres to 9,418 kilometres.
<b>Used New Technologies To Find Coverage Solutions</b>	Advanced network automation using Telecom Infra Project Disaggregated Cell Site Gateway and commenced an ambitious program to transform and modernise our network towards a Cloud-native 5G-Capable Core network.
<b>Supported Device Financing</b>	In collaboration with M-KOPA Solar, sold 178,361 phones through smartphone device program (up from 72,409 in 2021).
<b>Benchmarking Affordability</b>	As a continuation of the data price benchmarking, we continued to monitor the affordability of our data on a quarterly basis through a price, income, elasticity score to determine whether data pricing for the Uganda market meets the affordability guidelines.
<b>Tailored Bundles Pricing to Meet Customers' Needs</b>	MTN 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 bill shock.
<b>Increased the Availability of Digital Literacy Content</b>	Our digital literacy programmes are based on the Global System for Mobile Communications Association's Mobile Internet Skills Training Toolkit designed to improve people's basic understanding of mobile internet and applications. MTN, through the MTN Foundation and in partnership with Maendeleo Uganda, embarked on 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.








**Driving Digital Inclusion**

We have developed Ayoba from messaging app to a super-app platform offering localised third-party content through channels and micro-apps. As of December 2022, Ayoba had an average of 1.1 million active channel users and 37,000 active gaming users. We offer customers free data allocation to use ayoba features including messaging, gaming, and listening to music. Ayoba is on track to support the realisation of the huge opportunity in mobile commerce.

**DOING FOR FINANCIAL INCLUSION**

We believe that financial service solutions enabled through digital channels have the potential to stimulate socioeconomic development and economic growth. MTN played a critical role in the evolution of mobile financial services to a mobile financial platform in Uganda by offering services including in-store payments, remittances, prepaid services, mobile wallets, micro-loans, and microinsurance.

These services are available to individuals and several services are accessible to small and medium enterprises through MTN MoMo Business. As we grow our service offering, we aim to create a digital marketplace that supports cashless and digital economies through affordable, inclusive, understandable and comprehensive financial services in Uganda.

				
<b>UGX 11.0 Million</b>	<b>173,315</b>	<b>166,229</b>	<b>UGX 93.2 Trillion</b>	<b>UGX 2.7 Billion</b>
Mobile Financial services customers	MTN MoMo merchants	MTN MoMo Agents	MTN MoMo transaction value	Number of MTN MoMo transactions
(2021: 9.9 million)	(2021: 53,426)	(2021: 173,400) <i>*Implementation of agent rationalisation programme</i>	(2021: UGX 66.0 trillion)	(2021: UGX 2.0 billion)

**The Following Achievements Were Recorded:**

<b>Developing Solutions For High-Potential Industry Verticals</b>	We continued our efforts in developing solutions through e-commerce and transport platforms.
<b>Supporting SMEs Through MTN MoMoPay and MoMoBusiness</b>	Through MTN MoMoPay, 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 allows partners and vendors to integrate the MTN MoMo platform into their own applications seamlessly.
<b>Offering Access to Loans and Savings Through MTN MoMo</b>	We continuously supported our customers in meeting their financial demands through MoKash saving and lending facilities.
<b>Providing Affordable Insurance Through Ayo</b>	Through the Ayo insurance solution for MTN subscribers, we provided our customers in Uganda with access to simple, flexible and affordable hospital and life products.
<b>Supporting Remittances Across Africa</b>	Through MTN Homeland, subscribers living in Uganda receive money and airtime from their relatives in select countries abroad through an instant, reliable and affordable service.
<b>Developed A Suite of Revolving Credit Products Through Banktech</b>	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 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.
<b>Increasing The Safety of Mobile Financial Services</b>	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. Following an assessment process in 2022, the Global System for Mobile Communications (GSMA) granted the MTN MoMo subsidiary the GSMA Mobile Money Certification.





## Our Commitment To Governance And Ethics

In 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 good corporate governance practices, we position the business for long-term success while also creating value to enhance people’s lives. MTN shall always take a no-compromise approach in our efforts to ensure a strong ethical culture within the Company.

DOING FOR GOOD GOVERNANCE	
<b>Access To Internet</b>	Access to the internet has been recognised by the United Nations Human Rights Council as a human right, which may offer the opportunity to reduce inequalities within Uganda as well as enabling people to fully participate online in activities that have broader economic and social impact such as education, learning, health, government services and business. MTN Uganda continues to expand its network coverage so that no one is left behind. We have also introduced device financing to enable our customers to purchase smart phones at an affordable cost.
<b>Managing Risk</b>	Our enterprise risk management framework covers corporate governance, information security and business continuity risk, as well as risks related to governance and ethics, and social and environmental. These are grouped as sustainability risks.
<b>Committing To Compliance</b>	MTN’s compliance universe has also broadened significantly. Our approach to compliance is embedded in a solid Group-wide governance framework underpinned by sound policies, principles, and practices consistent with internationally recognised frameworks.
<b>Access To Information</b>	MTN provides customers with easy access to information about its services and tariffs, allowing them to make informed decisions about their usage.
<b>Freedom Of Expression</b>	MTN respects the right of its customers to express themselves freely and responsibly and does not censor or restrict access to online content.
<b>Ethical Behaviour</b>	We have created a working environment where all employees understand the depth and breadth of ethical behaviour and have the tools to act appropriately in the face of ethical challenges and opportunities. Our ethics policies include anti-bribery and corruption policy, data privacy and protection policy, anti-harassment and discrimination policy, grievance policy, disciplinary policy and political contributions policy. For employees, a new mandatory ethics and anti-bribery and corruption e-learning programme was launched for employees.
<b>Ethics Training For Suppliers</b>	Over 170 supplier participants associated participated in our supplier ethics-awareness training programme through our supplier forum meeting. In addition, we have collaborated with our sourcing and supply chain division to conduct fraud awareness training.
<b>Respect For Human Rights</b>	We were deeply committed to respecting digital human rights. We take a programmatic approach to human rights guided by a Group-wide framework, while improving opportunities for building and leveraging strengths across the organisation. Our response to digital human rights is underpinned by a sound policy and due diligence framework.

### DOING FOR GOOD GOVERNANCE

<b>Managing Our Customers' Data Privacy Rights</b>	MTN’s data privacy and protection policy guides our employees in compiling regulatory requirements to the letter and in the spirit of data protection. We have registered with the Uganda Personal Data Protection Office, established a data protection office and officer and implemented a comprehensive data privacy and protection programme to support the policy.
<b>Enhancing Information and Cybersecurity</b>	Our information and cybersecurity programme has strengthened our governance and controls across key aspects of the information security risk landscape. Continuous improvement and performance management is, however, vital as the information and cybersecurity threat landscape continues to evolve. Our approach is to embed security by design in everything we deploy.

### SUSTAINABLE SUPPLY CHAIN AND SUPPLIER CODE OF CONDUCT

To provide affordable and reliable products and services to our customers, MTN Uganda relies on both a local and global supply chain. We manage our local purchasing and supply chains by enhancing local content and local supplier partnerships, while the Company’s global sourcing and supply chain arm procures products and services within four broad categories namely network, information technology, commercial, and indirect.

In 2022, locally registered Ugandan suppliers formed 62% of our supplier database, delivering on our commitment to enhance national content participation in our procurement chain. Further, 7% of the local vendors were female-owned businesses and 30% of supplier procurement was purchased from local vendors.

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 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 Uganda’s commitment to respect and promote human rights and fair workplace practices, including equal opportunities, environmentally sustainable business activities, and a zero-tolerance policy to bribery and corruption.

The code covers the following key themes:



As of 2022, 179 suppliers had signed the code of conduct. MTN further requires its suppliers to embrace this commitment to integrity by complying with and training its employees and subcontractors on the supplier code of conduct. MTN Uganda may verify a supplier’s compliance with this code by performing audits or other assessments of the supplier’s facilities, records and business processes. In appropriate circumstances, violation of the code may result in the disqualification and the termination of the business relationship between the supplier and MTN.



# Our Commitment to Economic 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.

Considering an increasingly complex tax legislation environment, multiple regulatory requirements, and the focus of revenue authorities in protecting their tax revenues through the tightening of rules, increased enforcement and improvement of their approach to tax collection, there is an increased focus on tax risk and controls that will mitigate tax risk to an acceptable level. We have developed a systematic approach to manage tax obligations and tax risk.

### The principles governing MTN's approach to tax are:

- 1 It is paramount 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. The Company's commitment is to act responsibly and in an accurate, transparent and timely manner in respect of its tax affairs by fulfilling all compliance, disclosure and reporting obligations, in accordance with the prevailing tax laws.
- 2 We seek to create and manage shareholder value by undertaking legitimate and responsible tax planning within the tax laws and regulations Uganda.
- 3 We are committed to transparent and constructive relationships with revenue authorities. These are based on open and honest communication. The need to foster strong relationships with revenue authorities is critical to ensuring the management of tax risk.
- 4 We are committed to ensuring that there is necessary resource capacity and capability to manage tax affairs in an efficient and effective manner, including investing in tax knowledge and training of tax resources to ensure they have the requisite skills and knowledge.
- 5 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.

In July 2022, MTN was granted the prestigious authorised economic operator status by the Uganda Revenue Authority. The authorised economic operator program is a trade initiative that facilitates trade and promotes the security of the international trade supply chain. Under the program, businesses that consistently comply with customs laws benefit from customs preferential treatment and simplified procedures in the clearance process. MTN was awarded this status due to our demonstrable history of tax transparency and compliance.

### Due to this status, MTN is able to enjoy the following benefits:

- 1 Expedited cargo release due to minimal checks at the frontier office.
- 2 Lower storage costs due to faster release of cargo.
- 3 Reduced transit time due to faster release of cargo at transit points and fewer road blocks.
- 4 Easy access of information from customs for authorised economic operator-assigned relationship manager.
- 5 First consideration for participation in any programs in the course of improving customs services delivery.

## WE SUPPORT DIGITAL INNOVATION

The SME sector, which spans various industries ranging in size, 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 Uganda supports SMEs by creating a digitally inclusive environment that helps them overcome the challenges of day-to-day operations and enables them to challenge the status quo of traditional business models. We also prioritise the inclusion of SMEs as part of our supply chain enabling inclusive, sustainable economic growth that ultimately enables job creation.



### ACCESS TO FINANCE TO MANAGE CASHFLOW

We support SMEs in accessing finance to better manage their cash flows in the face of reduced revenues.

### ACCESS TO MARKETS

We support SMEs in reaching their customers and creating awareness around their brand, products and services through digital marketing.

### SKILLS DEVELOPMENT

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.

### TAILORED BUSINESS CONNECTIVITY & PRODUCTIVITY SOLUTIONS

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 2022, we:

- 1 MTN Foundation, in partnership with the National ICT Innovation Hub and Centenary Technology Services, implemented the MTN Innovation Program, dubbed the Ace Tech program. The program is delivered by Refactory, a local technology academy, whose focus is on skilling work ready talent for software engineering and related disciplines.
- 2 The MTN MoMo subsidiary, in an effort to optimize the growth potential of the digital economy and social economic transformation of Uganda, partnered with Outbox, an innovation hub and launched another edition of the famous MTN MoMo Hackathon that called for entrepreneurs, software developers, and innovators to participate in developing payment solutions hosted on the MTN MoMo platform.



## VALUE DISTRIBUTION

Our activities drive economic value within each of the jurisdictions in which we operate. This value is distributed to our stakeholders in a multitude of ways only some of which are measurable.

This includes:





Value Base	Amount (2022)	Amount (2021)
Taxes	<b>UGX 927 billion</b>	UGX 839 billion
Business - amount spent with suppliers and contractors	<b>UGX 839 billion</b>	UGX 1,005 billion
Social - employee staff costs	<b>UGX 127 billion</b>	UGX 105 billion
Social - employee learning and development	<b>UGX 1.4 billion</b>	UGX 357 million
Social - corporate social investment	<b>UGX 3.9 billion</b>	UGX 3.5 billion

## Investing In Communities - 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 CSI activities align with the digital transformation strategy for Uganda Africa 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 from MTN of 1% of MTN's profit after tax and partners with credible public and private non-profit organizations to execute sustainable projects in each of the chosen focus areas.

CSI Strategic Framework			
 <p><b>EDUCATION</b></p> <p>Meet the needs of communities by enabling GOU NDP and UN SDG goals on education by enabling digital literacy.</p>	 <p><b>HEALTH</b></p> <p>Meet the needs of communities by enabling GOU NDP and UN SDG goals on health by enabling access to healthcare.</p>	 <p><b>YOUTH EMPOWERMENT</b></p> <p>Provide the youth with the tools, skills, access, knowledge and opportunities to become economically active citizens.</p>	 <p><b>Y'ELLO HOPE (NATIONAL PRIORITY AREAS)</b></p> <p>Provide micro-level support in disaster / humanitarian / pandemic prevention, relief and recovery.</p>

## MTN FOUNDATION GOVERNANCE

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.

### TRUSTEES:



**GEORGE WILLIAM EGADDU**

Mr. George Egaddu is the current Chairperson of the Board of Trustees at MTN Uganda Foundation. He is a chartered accountant with a wealth of experience spanning 40 years in financial, audit, strategic and risk management.



**PROFESSOR WILLIAM BAZEYO**

Professor William Bazeyo William is a Ugandan physician, public health specialist, academic researcher, and academic 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**

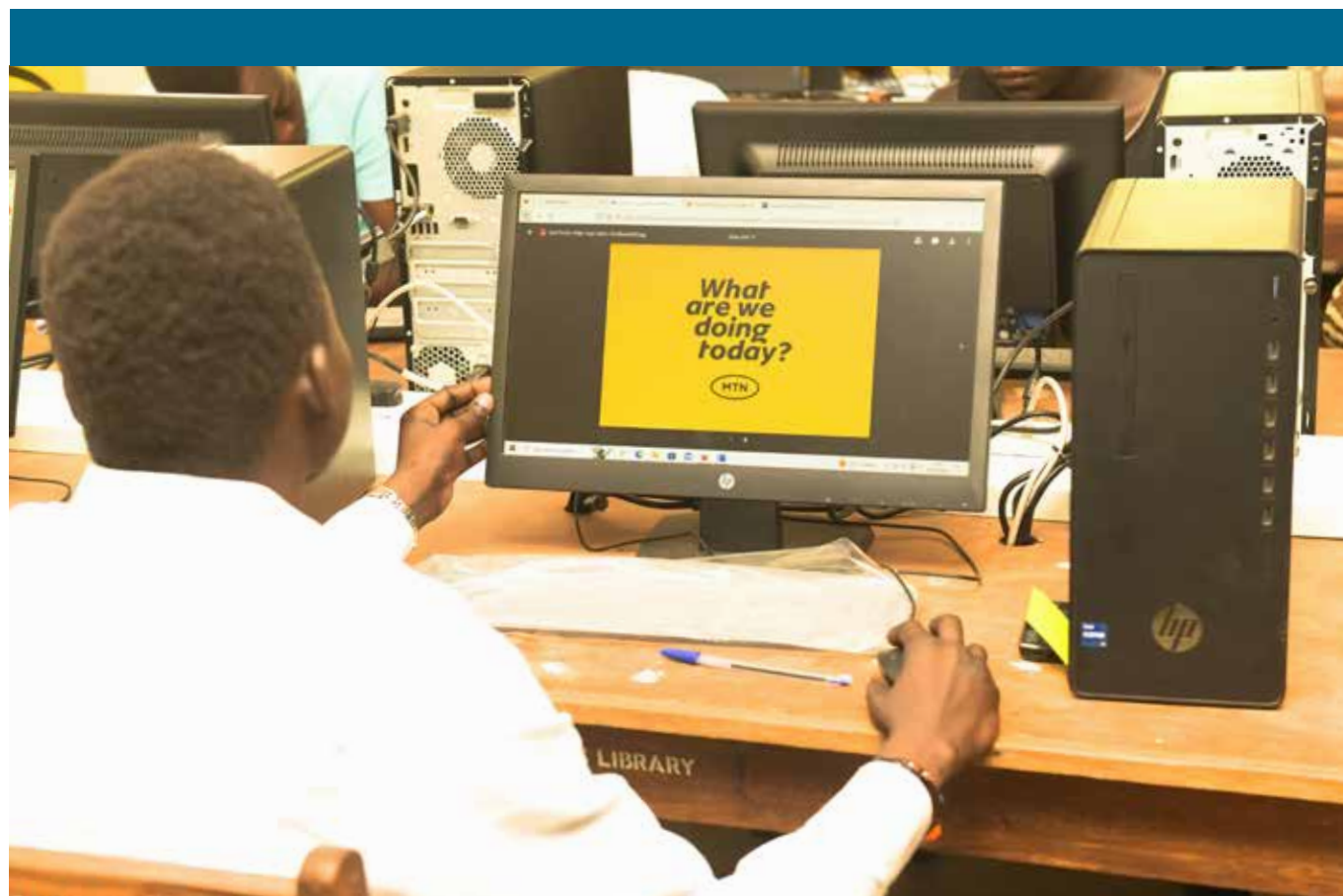
Ms. Lulama Marytheresa Xingwana currently serves as the South Africa High Commissioner to Uganda. She previously served the Government of South Africa as a Member of Parliament and Deputy Minister of Minerals, among other roles.



**ONAPITO EKOMOIT**

Mr. Onapito Ekomoit has served at AB InBev since 2006 as the Corporate Affairs Director. He is currently the Legal and Corporate Affairs Director at Nile Breweries Limited.





## EDUCATION

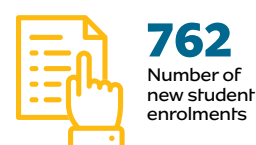
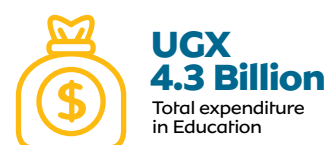
The MTN Foundation has made significant contributions to improving literacy in Uganda through its support of education initiatives in the country. These efforts have focused on improving the quality of education in marginalized communities across various regions of Uganda. As a result, the MTN Foundation 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. With the effects of COVID-19 on students' learning, 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 the following outcomes.

- Increase in the availability of learning facilities through construction and refurbishment of related infrastructure.
- Improvement in student performance.
- Improvement in the learning environment.
- Increased student enrolment.
- An improved learning environment that facilitates ICT integration in youth skilling.
- Increased classroom attendance.

An independent impact assessment study commissioned by the foundation enumerated the unique and positive impact arising out of the Foundation's activities on the student beneficiaries, teachers, parents and the surrounding community members. Interactions with school beneficiaries recorded positive changes in attitude towards school and higher satisfaction with services rendered.



### CONTRIBUTION AND PROJECTS SUPPORTED FROM 2020 - 2022

Education Pillar Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
Digital literacy / MTN Internet Bus, in partnership with Maendeleo Foundation.	Provide access to basic digital skills to youth in marginalized communities through the MTN Internet Bus.  The initiative is managed by Maendeleo Foundation and targets to train 1,000 young adults and women in rural areas.	Ensuring youth have relevant skills, including digital literacy, for employment, decent jobs and entrepreneurship.	UN SDG 4	UGX 561 million
Digital access.	The project focused on creating avenues for the last mile Ugandan to have access to the internet through provision of computers and an internet connection.	Ensuring youth have relevant skills, including digital literacy, for employment, decent jobs and entrepreneurship.		UGX 278 million
MTN School Infrastructure, in partnership with promoting equality in African schools (PEAS)	MTN and PEAS are aligned in their commitment to improving people's quality of life in Uganda's most underprivileged rural communities, through the expansion of access to quality education.  PEAS is constructing three three-classroom blocks in Luwero, Bugiri and Isingiro district, and one four-classroom in Serere district. This will create 780 new conducive fully furnished spaces for learners.	Building and upgrading education and providing effective learning environments.	UN SDG 4	UGX 904 million
Refurbishment of School Sick Bay.	Contribution towards the construction of the school sick bay/dispensary at Kashaka Girls Secondary School, 1,000 girls and 200 community members.	Provide a conducive learning environment.	UN SDG 4	UGX 86 million
Njogera Francais School	Supported French school competition to enhance French students interest in the language.	Ensuring youth have relevant skills for employment, decent jobs and entrepreneurship.	UN SDG 4	UGX 24 million



Education Pillar Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
Koboko Resource Centre.	To set up an ICT laboratory (10 computers, four batteries, uninterrupted power supply and internet connectivity) at Koboko Resource Centre.	Creating a platform for ICT training and educational research to enable youth empowerment in West Nile.	UN SDG 4	UGX 55 million
Busia Secondary School.	Supporting access to secondary education through refurbishment of a 3-classroom block, science laboratory and art room.	Provide an ample and conducive learning environment for learners and teachers.	UN SDG 4	UGX 75 million
Buwolya Primary School.	Construct a 3-classroom block and a nine-stance sanitary facility.	Provide a conducive learning environment.	UN SDG 4	UGX 227 million
Loreng Primary School.	Improve enrolment of female learners through construction of a girls' dormitory.	Enhance access to quality education provided at Loreng Primary School.	UN SDG 4	UGX 209 million
Buhandagazi C.O.U Primary School.	Provide access to quality education through construction of two 3-classroom blocks.	Increased enrolment of learners at Buhandagazi C.O.U Primary School.	UN SDG 4	UGX 120 million
FAWE Girls Scholarship.	Supporting disadvantaged girls acquire professional ICT education through providing full support e.g. tuition, accommodation, meals, scholastic materials, and mentorship for 10 girls through the university	Enabling women participation in the ICT sector thus contributing towards national development.	UN SDG 4	UGX 313 million
Stanbic Bank National School Championship	Nurture young people to develop positive attitudes, values and coping skills which prepares them for the future.	The championship trains and empowers students across the country in entrepreneurship, financial literacy and life skills.	UN SDG 4	UGX 50 million

#### BENEFICIARY TESTIMONY

I am grateful to MTN Foundation for the new girls' dormitory. We have been able to keep the girls at school and successfully complete two school terms. The school has never had a girl completing Primary Seven as a result of succumbing to early marriages. However, with this intervention, we will be able to retain the girls in school to ensure they complete and sit their primary leaving education exams.

**Akan John Bosco**  
Head Teacher - Loreng Primary School

#### BENEFICIARY TESTIMONY

The opening of the computer laboratory at the Resource Centre has had a positive impact on my reading and research skills. It has allowed me to complete coursework and access information more efficiently, reducing the need to visit internet cafes. As a result, I have seen an improvement in my performance at university.

**Ismael Mawatabaka**  
University Student - Degree in Public Education Management (3rd Year)  
Uganda Christian University (Arua) using Koboko Resource Centre



MTN Foundation trustees at the ground breaking ceremony for a new dormitory at the Salama School for the Blind





## HEALTH

Investing in the health system not only saves lives but is also a crucial investment in the wider economy. This is because ill-health impairs productivity, hinders job prospects and adversely affects human capital development. There has been a strong political and historical commitment to treating health as a social goal either through legislation or mandating and prioritizing expenditure on health. The 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 following:

- By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births.
- By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births.
- By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable disease.
- Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.
- By 2030, ensure 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.



**UGX 2.5 Billion**  
Total expenditure in Health



**41,710**  
Direct beneficiaries  
(Number of Live Births)



**43,800**  
Direct beneficiaries  
(Mothers Accessing Health Care)



**50**  
Number of children with disabilities operated



**10**  
Number of health facilities supported

### CONTRIBUTION AND PROJECTS SUPPORTED FROM 2020 - 2022

Health Pillar Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
Bitature Foundation Fundraiser, in partnership with Bitature Foundation.	Support children's brain surgeries at CURE Hospital Mbale.	Ending preventable deaths of new-borns and children under 5 years of age.	UN SDG 3	UGX 10 million
Access to healthcare Initiative in partnership with Stanbic Bank.	Support equipping the maternal ward at Kawempe National Referral Hospital.	Improving maternal and new-born health outcomes in Uganda.	UN SDG 3	UGX 103 million
Maternal health Fundraiser in partnership with Stanbic Bank.	Provide welfare kits for Kawempe Hospital health workers complete.	Improving maternal and newborn health outcomes in Uganda.	UN SDG 3	UGX 15 million
Celebrations of World AIDS Day 2022 in partnership with Uganda AIDS Commission.	Purchased red ribbons in celebration of the World AIDS Day.	Initiative towards ending the AIDS epidemic.	UN SDG 3	UGX 1 million
MTN Foundation in partnership with United Nations Population Fund (UNFPA)	Contribute to the reduction in maternal and newborn related morbidities and mortalities.  Increased access to reproductive, maternal, neonatal, child and adolescent health services	Improving maternal and newborn health outcomes in Uganda.	UN SDG 3	UGX 331 million
MTN Foundation in partnership with Comprehensive Rehabilitation Services for People with Disabilities in Uganda.	To mobilize, clinically and socially assess 50 children living with disability with the aim of facilitating access to specialized surgery, treatment and rehabilitation.  To provide quality therapies, surgeries and hospital stay of up to 30	Improving the quality of life for children with disabilities in Uganda.	UN SDG 3	UGX 187 million



Health Pillar Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
	patients requiring surgical services, 10 patients requiring rehabilitation services and 10 patients requiring assistive devices.			
Mama Rescue Project - Babies and Mothers Alive.	<p>Increase the percentage of births that take place in health facilities under skilled care.</p> <p>Improve timely referral for women with complications in labor and immediate postpartum period.</p> <p>Improve the quality of care by reducing delays in delivery of emergency obstetric care.</p> <p>Increase awareness for maternal newborn and child health services leading to increased demand and skilled attendance at birth.</p>	For dramatic reductions in maternal and newborn mortality.	UN SDG 3	UGX 54 million
Mother Kevin Health Centre III, Mbulamuti.	<p>Refurbishment of the existing maternity ward</p> <p>Equipping of the medical facility with medical equipment in partnership with Joint Medical Stores</p> <p>Facilitating training of the medical staff at the health facility.</p>	Improve maternal and newborn healthcare delivery.	UN SDG 3	UGX 122 million
Bwiizi Health Centre.	Construction of a general ward to ease access to health care services.	Improve health care services in Kamwenge district.	UN SDG 3	UGX 630 million
Butabika Project RHCF.	Building eco-friendly bio-digester toilets.	Improvement in sanitary hygiene.	UN SDG 3	UGX 335 million

### BENEFICIARY TESTIMONY

During our visit to Karugutu Health Centre IV in Ntoroko, we spoke with a mother who had just delivered her first child the day before. She praised the midwives at the hospital for the excellent care she received during her stay and mentioned that she had undergone a caesarean procedure in the refurbished theatre. She commended the healthcare staff for the high quality of their services, but also requested that donors consider supporting the expansion of the maternity ward and providing storage drawers for mothers to use.

**Esther Thungu**  
Accountant







## YOUTH EMPOWERMENT

Uganda has the world's youngest population with over 78% of its population below the age of 30. With just under eight million youth aged 15-30, the country also has one of the highest youth unemployment rates in Sub-Saharan Africa. As indicated in the National Youth Policy, 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, the MTN Foundation contributed towards the skilling of girls in male-dominated trades as well as sponsoring initiatives geared towards improving digital literacy among the youth.



### CONTRIBUTION AND PROJECTS SUPPORTED FROM 2020 - 2022

Youth Empowerment Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
MTN Ace Tech	<p>The program is focus is on skilling work-ready talent for software engineering and related disciplines. It trains both entry level and experienced digital innovators that are looking to upskill both their programming and entrepreneurial skills.</p> <p>The partnership focuses on business development and advisory service, capacity building and incubation of innovations.</p>	Enhance scientific research and upgrade the technological capabilities of graduates in Uganda.	UN SDG 9	UGX 904 million

Youth Empowerment Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
MTN Ace Career	<p>The initiative provides a 3-month soft skills training and internship placement for selected participating fresh graduates. A total of 50 recent graduates will be shortlisted to participate.</p> <p>Graduates who successfully go through the program will be placed at MTN Uganda for internship.</p>	Enhance scientific research and upgrade the technological capabilities of graduates in Uganda.	UN SDG 9	UGX 507 million
MTN Ace Skilling	The program is aimed at designing and delivering practical knowledge, skills experience for youth and young adults in preparation for the Fourth Industrial Revolution.	Enhance scientific research and upgrade the technological capabilities of graduates in Uganda.	UN SDG 9	UGX 303 million
MTN Youth Skilling Programme	Equipping the youth with the right practical knowledge and skills that will enable them to provide innovative ICT solutions to solve community problems in an evolving digital world.	Drive co-creation of innovative digital products and solutions to solve Uganda's biggest problems in education, youth empowerment, health and agriculture.	UN SDG 9	UGX 552 Million
MTN Girls with Tools	<p>Equipping and training young girls and ladies in leadership skills, life skills and healthy living.</p> <p>To inspire and empower girls and ladies through our mentorship program. Equipping girls with life, entrepreneurship and employable skills.</p> <p>Empowering girls by promoting innovation and initiative.</p>	Creating the social change that supports girls to fully develop their confidence through the use of life skills that encourages them to realize their potential.	UN SDG 9	UGX 240 million
MTN ICT for Vocational Institutes	Equip students in vocational training Institutes with the necessary skills for the job market.	Build digital skills for digital jobs in alignment to the Company's Ambition 2025 strategy.	UN SDG 9	UGX 212 million



**BENEFICIARY  
TESTIMONY**

As a multi-passionate person, I always wanted to kick-start a career in software engineering with an intention of solving problems using technology. It would not happen soon or even forever if I did not join the youth skilling program computer skills certification modules. It is because of them that I managed to kick start my career as a software engineer currently enrolled at Clarke International University.

**Nicholas Edgar Kiwanuka**  
*Certified Spiritual Life Coach and Biblical Counselor,  
Founder of La-Vie Coffee Shop*

**BENEFICIARY  
TESTIMONY**

I have always been interested in becoming an electrical engineer. This desire was inspired by a female electrician who assisted with and managed our electrical repairs after a faulty connection shocked my mother. At the time, I felt helpless because no one was able to help. However, this lady was able to fix the electrical wiring and restore our power for safe use. Her expertise and determination left a lasting impression on me and motivated me to pursue a career in the field.

**Lynette Nansamba**  
*Electrical Installation (1st Year)  
MTN Girls with Tools Centre*

**BENEFICIARY  
TESTIMONY**

I have been using the new ICT laboratory to carry out research for the coursework and assignments provided while actively engaging in group work discussions. Previously, the institution did not have enough computers with congestion in the old lab which hindered self-learning and carrying out of research conveniently. However, with the new laboratory, I am able to access a computer thrice a week to study, which has enhanced my learning.

**Ambrose Olule**  
*Electrical Engineering (4th Year)  
MTN ICT for Vocational Institutions*



**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. Its 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 health care, education, and food assistance.

As a private sector actor, MTN Foundation aligned its corporate social responsibility with the government's objective of creating a conducive working environment for refugees by improving maternal health interventions in refugee settlements. Additionally, Uganda often experiences disasters by natural calamities leading to the loss of life, property as well as productive assets. The foundation donated items to the persons affected by floods to enable them to recover from the disaster.





**CONTRIBUTION AND PROJECTS SUPPORTED FROM 2020 - 2022**

National Priority Areas Project Name	Aims And Objectives	Outcome And Impact	SDG Impact	Spend
Support to Kisoro flood victims through Uganda Red Cross Society.	Support 100 families with relief kits to kickstart their livelihood.	Improving the lives of the communities within which MTN operates by supplementing government efforts in priority areas including disaster responses.	UN SDG 11	<b>UGX 51.2 million</b>
Support to Mbale flood victims through Uganda Red Cross Society.	Support 100 families with relief kits to kickstart their livelihood.		UN SDG 11	<b>UGX 50 million</b>
Support to Kasese flood victims through Uganda Red Cross Society.	Provide victims with urgent relief aid.		UN SDG 11	<b>UGX 41 million</b>
Support to Bundibugyo flood victims through Uganda Red Cross Society.	Provide victims with urgent relief aid.		UN SDG 11	<b>UGX 31 million</b>
Support completion of Christ the King expansion.	Contribution towards the fundraising campaign to complete the construction of the church.		UN SDG 11	<b>UGX 10 million</b>
United Nations High Commissioner for Refugees Project - Ibakwe Health Centre II.	Construction and equipping of the maternity ward to enhance delivery of quality health care in the refugee communities.	Improve maternal and newborn healthcare delivery in refugee communities.	UN SDG 11	<b>UGX 403 million</b>



**Proud to be recognised as Uganda's best performing network.**







## Risk Management Report



### **Risk Management Approach**

#### **MATERIAL MATTERS FRAMEWORK**

Our material risk matters are those that could substantially affect MTN's ability to create and preserve value in the short, medium and long term. In 2022, 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	Prioritise	Respond	Report
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.	<p>These central themes then form the basis of discussion at internal workshops at which representatives of key departments participate.</p> <p>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.</p>	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.	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 (appetite and tolerance) 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 apex 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 appropriate ownership and accountability for risk management by all stakeholders in the value chain.

### INTERNAL AND EXTERNAL ASSURANCE

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 on maturity. Based on the MTN Group risk and compliance maturity frameworks, both risk and compliance management processes have been assessed with a "mature" rating. Reviews have also been performed by our internal audit function as well as external reviewers.

Two external assessments towards ISO standard certification commenced in 2022 in the risk management areas of compliance and cybersecurity. These ratings attest to the successful entrenchment of a risk and compliance management culture across all levels within MTN, with strong direction and tone at the top, active collaboration, strong accountability for risk management, and the utilization and adoption of risk management tools to manage existing and emerging risks.

Our risk and compliance function plays a vital role using different risk management tools like regular involvement and inquiries in business operations, automation and deep data mining informing weekly "Risk Heartbeat" reporting to the MTN executive committee, and quarterly risk reports to the Board Audit and Risk Committee on changing risk exposures, timely risk escalation and the general risk management status across the organization for guidance and direction.

### CRISIS MANAGEMENT PROTOCOLS

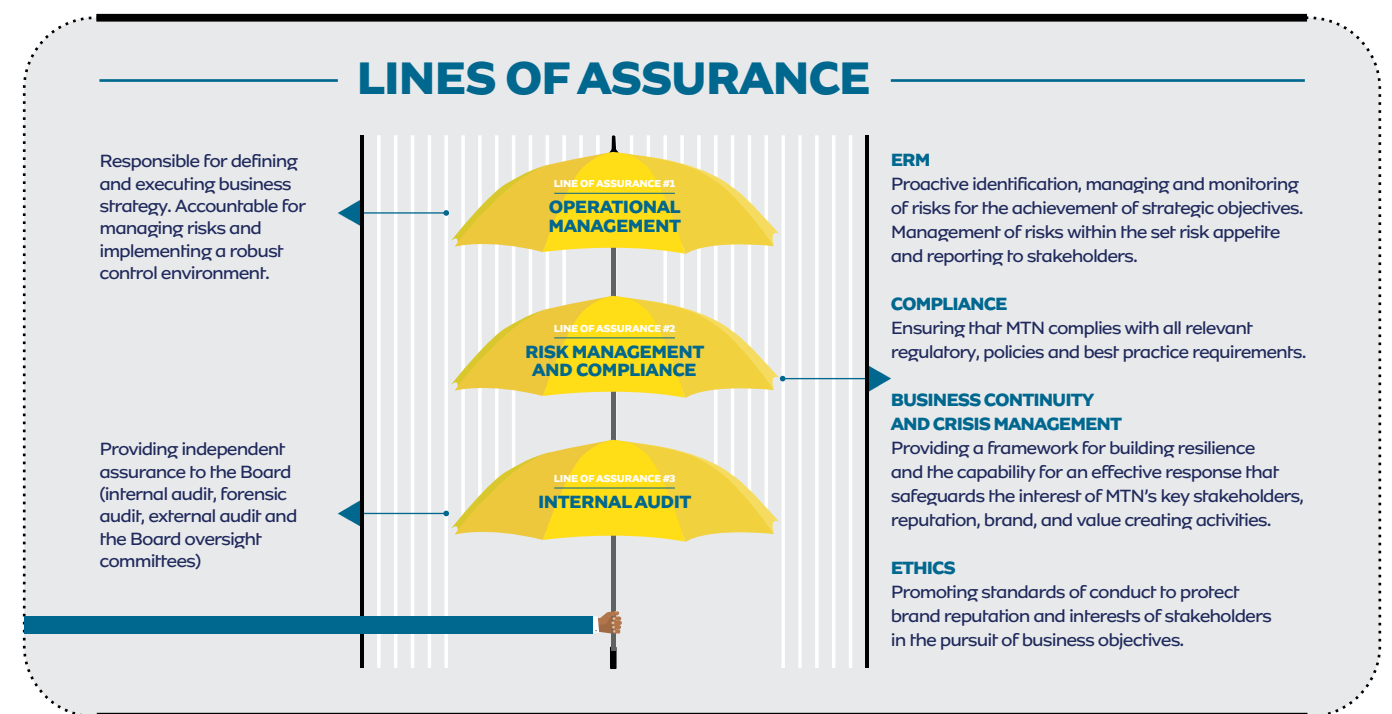
Our crisis management team continued to assess how the COVID-19 pandemic was evolving, to determine the appropriate responses, which included, enforcing all recommended protocols, and continuing the telecommuting arrangement to ensure the well-being of our workforce, whilst not failing in our mission towards delivering value to our stakeholders. The impact of the Ebola virus disease epidemic on the organization was also promptly addressed by the crisis management team in September to November 2022, enabling the continuity of telecommunication services in the most impacted districts of Central and Western Uganda.

We continue to actively monitor the war in Ukraine including cyber security threats, global oil and food price inflation and sanctions compliance to ensure our risk mitigation strategies can withstand any adverse conditions. To boost our readiness to survive and thrive in the event of a crisis, simulations were performed on various scenarios, for example, a massive cybersecurity ransomware incident with notable learnings/ actions adopted to improve readiness.

As part of our focus on ensuring we are continuously fortifying our risk management culture, we conducted a series of training sessions for our staff, executives, and Board members on various aspects of risk management and compliance.

## Three Lines Of Defence Strategy

To ensure the effectiveness of our risk management process, the Company relies on adequate line functions, including monitoring and assurance functions. Consequently, MTN adopts the principles of 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 Board Audit, Risk and Compliance 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; and 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 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 challenge of 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 including risk trends from internal and external market changes; 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.

# 2022 Risk Profile

We continue to conduct periodic assessments of our principal risks to fully understand and monitor our risk landscape. As our process flow for managing and identifying material risk has demonstrated, the identification and prioritization of risks are performed through discussions and workshops with executive management and other members of senior management, facilitated by the risk management function. 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 Uganda into 6 broad (Level 1) risks which are further split into 28 principal broad (Level 2) risks 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:

Principal Risk	Risk Issues And Opportunity	Mitigating Strategies
<p><b>#1</b> Regulatory &amp; Compliance Risk</p>	<p>MTN operates in a volatile regulatory landscape and has no appetite for non-compliance. This is majorly influenced by:</p> <ul style="list-style-type: none"> <li>Uganda Communications Act and regulations, guidelines and directives.</li> <li>NTO Licence obligations</li> <li>Personal data protection and privacy (Data Protection and Privacy Act 2019)</li> <li>NPS Act and regulations.</li> <li>Payment Service Provider and Payment Systems Operator (PSP/PSO) NPS licenses.</li> <li>Anti-Money Laundering Act and Regulations</li> <li>Capital Markets Authority Act and Regulations, and USE Listing Rules.</li> </ul> <p><b>OPPORTUNITY:</b></p> <p>Our environment allows us to proactively engage regulators and other industry stakeholders on traditional and emerging issues. This improves our ability to comply with regulatory requirements and facilitates relationships to work more closely with regulators and policy-makers.</p>	<ul style="list-style-type: none"> <li>Instilling a culture of no-tolerance for noncompliance within MTN and its partners, and demonstrable strict enforcement of compliance programs.</li> <li>Customer-centered targeted and proactive stakeholder engagement to ensure rationality and predictability of emerging changes.</li> <li>Regular oversight and assessment MTN's executions against the Company's compliance universe, and the MTN Group compliance management maturity standards.</li> <li>Customer-centered delivery from product innovation service delivery, especially self-service in design and responsiveness.</li> </ul>
<p><b>#2</b> Competition Risk</p>	<p>There is aggressive competitor activity on all core services of voice, data, and MTN MoMo, often price-based. This is largely driven by traditional players in the telecommunications market and, a combination of traditional and new players in the FinTech space for MoMo.</p> <p><b>OPPORTUNITY:</b></p> <p>Leverage cross-product modelling to customers, plus the economies of scale on OTT, and improve customer experience</p>	<ul style="list-style-type: none"> <li>Regular commercial performance monitoring and agility in interventions, including product and price reviews.</li> <li>Efficient technology investments, for example network capacity and coverage expansion, optimization through refarming, and pursuit/use additional spectrum.</li> <li>Scenario planning and testing to ensure readiness.</li> </ul>

Principal Risk	Risk Issues And Opportunity	Mitigating Strategies
	<p>to create a unique differentiating factor. Consolidate on brand/product trust (especially MTN MoMo), customer experience and culture to maintain an edge over competition.</p>	
<p><b>#3</b> Taxation Risk</p>	<p>MTN continues to be subject to tax related uncertainty, and scrutiny that may be influenced by old and new legislation.</p> <p><b>OPPORTUNITY:</b></p> <p>Proactive tax readiness through self-initiated tax health-checks.</p> <p>Continuous stakeholder engagement on new tax proposals.</p>	<ul style="list-style-type: none"> <li>Regular and deliberate engagement on tax policy and collaboration with tax authorities</li> <li>Proactive combined assurance checks that complemented with external advisory on major executions.</li> <li>Continuous implementation of internal tax management control reinforcements.</li> </ul>
<p><b>#4</b> Macroeconomics Impact (Financial Performance &amp; Returns)</p>	<p>Challenging macroeconomic environment that impacts returns:</p> <p>The war in Ukraine triggered imported inflation pressures, primarily visible in oil, public transport, and food prices, and in turn shrunk consumer wallet and increased network operational expenditure, especially fuel to power-up upcountry sites.</p> <p>Due to the above, the Central Bank continuously issued stringent monetary policy interventions and lending rate adjustments that could have affected debt servicing and forex obligation fulfilments.</p> <p><b>OPPORTUNITY:</b></p> <p>Implementation of our business continuity contingency plans, demonstrating business resilience in the process.</p>	<ul style="list-style-type: none"> <li>Progressive financial performance monitoring to inform agile commercial interventions.</li> <li>Successful cost efficiency program implementation and company debt restructuring (dollar to shilling currency)</li> </ul>
<p><b>#5</b> Information Security Risk</p>	<p>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.</p>	<ul style="list-style-type: none"> <li>Continued cybersecurity control enhancement program implementation and standardization to drive MTN MoMo third party platforms towards best practice.</li> <li>Regular cybersecurity reviews and monitoring extended to incident detection.</li> </ul>



Principal Risk	Risk Issues And Opportunity	Mitigating Strategies
	<p><b>OPPORTUNITY:</b></p> <p>Implementation of the information security control improvement master plans (Projects Marshal and Aspire) aimed at a holistic approach to cybersecurity control improvement at all layers.</p>	<ul style="list-style-type: none"> <li>Combine assurance approach at technical and extended to commercial transactions monitoring where money may be involved.</li> <li>Proactive scenario-based testing and awareness</li> <li>Capacity building for a fast detection and response to minimize the impact in an unlikely successful breach/compromise.</li> <li>Adequate cyber risk insurance cover.</li> </ul>


## Material Events Report

### REGULATORY REPORT FOR 2022

MTN received no regulatory sanctions in 2022. The Company successfully secured the Annual Compliance Certificate from UCC in accordance with the requirements of the NTO Licence.

Due to MTN's status as one of pioneer organisations that registered with the Personal Data Protection Office in the National Information Technology Authority following the introduction of data privacy and protection legislation in Uganda, the Personal Data Protection Office conducted a regulatory audit to assess the extent of MTN's compliance with Data Protection and Privacy Act 2019 and the Data Protection and Privacy Regulations 2021. A final report is yet to be issued.





### INTERNATIONAL ACREDITATION AND AWARDS

Identify	Prioritise
<p><b>Awards</b></p> 	<p><b>ENTERPRISE RISK MANAGEMENT (ERM) TEAM OF THE YEAR:</b></p> <p>MTN Uganda was recognised as having the best ERM within the MTN Group.</p>
<p><b>International Accreditations</b></p> 	<p><b>GSMA MOBILE MONEY CERTIFICATION:</b></p> <p>Groupe Speciale Mobile Association (GSMA) is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundation to positive business environments and societal change. More than 750 mobile operators are full GSMA members and a further 400 companies in the broader mobile eco system are associate members.</p> <p><b>ISO 27001:2013 - CERTIFICATION OF MTN UGANDA'S INFORMATION SECURITY MANAGEMENT SYSTEMS (ISMS):</b></p> <p>ISO is important because it certifies that a management system, process or service has all the requirements for standardisation and quality assurance.</p>

### UPCOMING KEY RISK MANAGEMENT IMPROVEMENT INITIATIVES

#### Data Privacy:

MTN processes large volumes of customer personal information as part of its business operations. In order for us to conduct our business in accordance with the law, we must drive a culture of protecting personal information. Following a gap assessment by an international firm, MTN has commenced a journey to further enhance the data privacy and data protection controls and standards. Our vision for Data Privacy and Protection at MTN revolves around the following pillars.

 TRUSTED	 CONSISTENT	 STREAMLINES	 VALUE ADDING
MTN should be a trusted custodian of data, inspiring confidence and provide peace of mind to all stakeholders.	Have one programme with consistent data privacy and security controls that sets minimum standards across the MTN Group.	Straight forward privacy and protection guidelines and processes that are simple to adopt, use and enabled through innovation and automation.	Ultimately, this programme should add value for our partners and customers, contributing to our commercial success and move MTN ahead of the curve.

#### Internal Controls Improvement Programme:

This programme is aimed at improving the overall internal control environment through the adoption and consistent application of a framework of internal controls across the MTN group. The programme will run from May 2023 – September 2024.



ICT Parliamentary committee during a visit to the MTN Uganda Headquarters



# Ethics And Ethical Business

## 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.

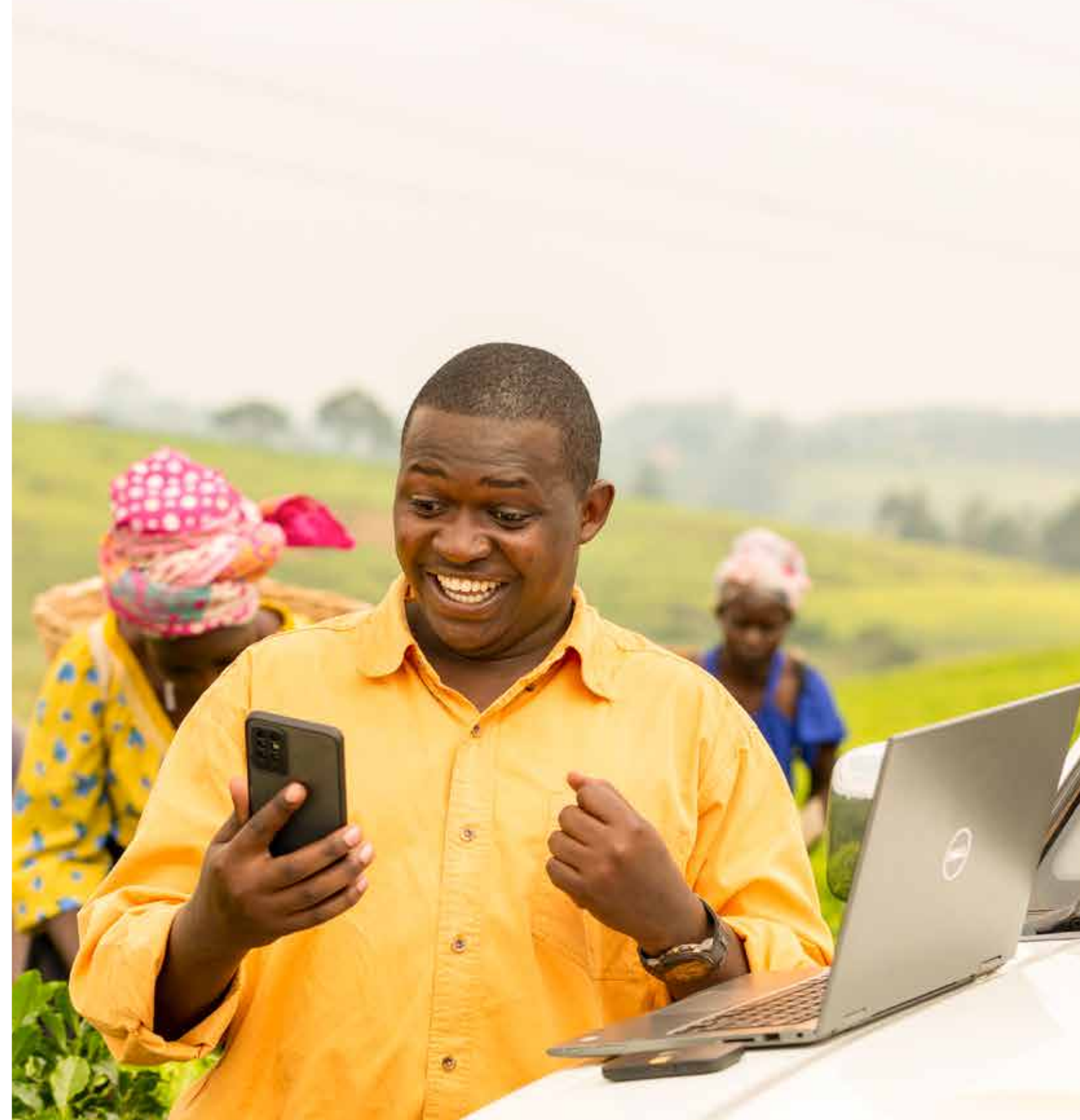
We uphold the highest standards of ethical and professional conduct. Our corporate governance practices are in line with various regulatory standards. Our employees and service providers are required to strictly adhere to our codes of ethics and anti-corruption policies, among other policies that require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

In 2022, 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. In view of this, MTN carried out a number of activities including dedicated staff training and staff communications which were 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 the MTN supplier engagement forum in 2022 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 communications and screen savers on all desktops. These awareness sessions resulted in increased declarations and consultations to the **Ethics Office**.

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.



*We're committed to using our technology to help build a better tomorrow.*



## Principles That Govern Our Ethical Behaviour

<p>MTN Conduct Passport</p>	<p>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.</p> <p>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.</p>
<p>MTN Uganda Anti-Bribery &amp; Corruption Policy</p>	<p>MTN considers violations of anti-corruption and anti-bribery laws and regulations to be a grave matter due to the negative impacts on the social and economic growth, undermines rule of law and public trust, leads to distortion of the economy, restricts access to basic human rights, undermines labour standards and can cause serious damage to the reputation of MTN.</p> <p>This policy formally communicates MTN's stance towards the prevention of bribery and corruption and provides guidance on recognizing and dealing with bribery and corruption issues. It also articulates MTN's commitment to prohibiting bribery and corruption, and the need to be in compliance with anti-bribery and anti-corruption laws and regulations.</p>
<p>MTN Uganda Conflict Of Interest Policy</p>	<p>MTN recognises that the management of conflicts of interest is of high importance in promoting ethical conduct. The declaration of conflicts of interest is therefore essential in protecting the integrity and objectivity of MTN's decision-making process and strengthens confidence among stakeholders in MTN's business activities and its procedural and governance structures.</p>
<p>MTN Uganda Gifts, Hospitality &amp; Entertainment Policy</p>	<p>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 a third party without the required governance authorizations. The gift policy outrightly bars cash and cash-equivalent form of gifts.</p>
<p>Supplier Code Of Conduct</p>	<p>MTN strives to conduct business with suppliers who share our commitment to high ethical standards and operate in a responsible and ethical manner. Ethical requirements include the following aspects:</p> <ul style="list-style-type: none"> <li>• Demonstrate a zero-tolerance policy prohibiting any and all forms of corruption and bribery;</li> <li>• The supplier must never, directly or through intermediaries, offer or promise any personal or improper advantage in order to obtain or retain a business, or other advantage from a third party, whether public or private;</li> <li>• The supplier shall avoid the appearance of or actual improprieties or conflicts of interests; and</li> <li>• The supplier shall avoid giving gifts to MTN employees.</li> </ul> <p>MTN took the suppliers through the Supplier Code of Conduct at the first supplier forum held in September 2022.</p>

### Customer Data Protection & Safety

Protecting customer data and privacy in communications are crucial for telecommunication services. MTN believes that data privacy is a digital human right, and this resulted into MTN adopting 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. MTN is registered with the Personal Data Protection Office as a data collector, data processor and data controller.

In 2022, the data protection and privacy controls were subjected to reviews by both internal audit and the Personal Data Protection Office regulatory of which MTN was among the pioneer entities that underwent a review by the regulator.

From a technology and cyber security perspective, MTN received the ISO 27001: 2013 – Certification of MTN's Information Security Management Systems.

## CONTINUOUS IMPROVEMENT PROCESSES AND ASSURANCE

### Ethical Culture Assessment:

MTN retained Ethisphere LLC to evaluate and report on employees' perceptions of ethical culture inside the organization. The survey results showed that the Ethical Culture Quotient for MTN Uganda improved from 70 in 2016 to 82 in 2022. Recommendations aimed at further improvement of our ethical culture were adopted as part of the 2023 ethics strategy.

### Ethics Officer Certification:

As part of capacity building towards the creation of an ethical organization, we enrolled our ethics officer into the ethics officer certification programme offered by the Ethics Institute of South Africa. The Ethics Institute is an independent public institute producing original thought leadership, services and products related to organisational ethics. Successful students receive accreditation from the University of Stellenbosch Business School. Our ethics officer was successfully certified, thereby enhancing our skillsets in maintenance and improvement of the ethics culture quotient at MTN.









## Corporate Governance Report

# Ambition 2025



## Our Philosophy

Enhanced Accountability • **Corporate Responsibility** • Strong Risk & Performance Management • **Culture** • Transparency • **Effective Leadership**



## Corporate Governance Philosophy

MTN Uganda 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, a strong risk and performance management culture, 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.

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. All of these inform our strategy. This strategy enables MTN to maintain operational focus and deliver on our targets. Our governance processes ensure that we are a sustainable business and that creates and preserves value for ourselves and our stakeholders.

## MTN Governance Ecosystem

### 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.

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>● Remuneration philosophy</li> <li>● Human resources practices and employment equity</li> <li>● Organisational ethics</li> <li>● Ethical and effective leadership</li> <li>● Strategic direction and stewardship</li> </ul> | <ul style="list-style-type: none"> <li>● Board composition</li> <li>● Board and committee effectiveness</li> <li>● Governance risks and opportunities</li> <li>● Internal controls and assurance</li> <li>● Stakeholder inclusivity</li> </ul> |
|--|--|

## Board Function

The Company acknowledges that an effective Board must have the expertise and competence to promptly and appropriately address current and emerging issues to ensure the delivery of its strategy. 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 uninhibited oversight of the Company's affairs and operations. This is to ensure that all governance issues are identified, monitored and addressed.

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 on one board, 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, it provides oversight of the Company's business, operations, practices, performance and policies and does this by defining and ensuring delivery on the Company's purpose by management, relevance and sustainability of the business model, adequacy and optimisation of all forms of capital inputs and the meeting of stakeholder expectations.

### THE BOARD HAS A CHARTER WHICH SETS OUT THE FOLLOWING KEY RESPONSIBILITIES:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>🎯 Delegating the management of the Company to a competent executive management team.</li> <li>🎯 Ensuring that management defines and executes a robust strategy process.</li> <li>🎯 Ensuring MTN Uganda's compliance with applicable laws and rules and appropriate best practices.</li> </ul> | <ul style="list-style-type: none"> <li>🎯 Governing disclosures so that stakeholders can assess the performance of the Company.</li> <li>🎯 Protecting the interests of the Company's stakeholders and ensuring fair, responsible and transparent people practices.</li> <li>🎯 Overseeing the combined assurance and control functions.</li> </ul> |
|---|--|

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.





## Our Board Of Directors



**CHARLES MBIRE**  
CHAIRPERSON AND  
NON-EXECUTIVE DIRECTOR

Mr. Mbire is a leading businessman, entrepreneur and industrialist in Uganda. Mr. Mbire's investments are in telecommunications, finance, energy, real estate, oil and gas and mining.

**Date appointed:**  
**25 February 1998**



**YOLANDA CUBA**  
NON-EXECUTIVE DIRECTOR

Ms. Cuba is a seasoned executive with experience in diversified industries including telecommunications, finance and fast-moving consumer goods. She currently serves as the Group Regional Vice President (Southern and East Africa) at MTN Group.

**Date appointed:**  
**16 March 2021**



**KARABO NONDUMO**  
INDEPENDENT  
NON-EXECUTIVE DIRECTOR

Ms. Nondumo is an entrepreneur with major interests in industrials and has extensive experience in the telecom, financial and mining sectors. She serves as the chair of the audit and risk committees of the MTN Group entities in Eswatini, Zambia, Uganda and Rwanda.

**Date appointed:**  
**1 April 2021**



**SUGENTHAREN PERUMAL**  
NON-EXECUTIVE DIRECTOR

Mr. Perumal is a highly accomplished finance professional with experience in strategic and operational planning, as well as management of telecom companies in the Middle East and Africa. He's is currently the Group Executive, Finance at MTN Group.

**Date appointed:**  
**5 August 2019**



**WINNIE TARINYEBA KIRYABWIRE**  
INDEPENDENT  
NON-EXECUTIVE DIRECTOR

Mrs. Tarinyeba-Kiryabwire is a lawyer and academic with over 20 years' professional experience and expertise in corporate law, banking, securities regulation and corporate governance. She is also a certified director and a member of the British Institute of Directors, and currently serves as an independent director with various organizations in the private, public and not-for profit sectors.

**Date appointed:**  
**3 March 2023**



**SYLVIA MULINGE**  
CHIEF EXECUTIVE OFFICER AND  
EXECUTIVE DIRECTOR

Ms. Mulinge is the Chief Executive Officer of MTN, and she is a seasoned business and corporate executive with a passion for transforming customers' lives using technology. Prior to joining MTN, she served as the Chief Consumer Business Officer at Safaricom PLC.

**Date appointed:**  
**1 October 2022**



**ANDREW BUGEMBE**  
CHIEF FINANCIAL OFFICER AND  
EXECUTIVE DIRECTOR

Mr. Bugembe is a highly experienced telecommunications finance executive. As Chief Financial Officer, Mr. Bugembe's key roles is to drive the Company profitability mandate, with a focus on service revenue growth and margin expansion.

**Date appointed:**  
**2 November 2020**



**ENID EDROMA**  
COMPANY SECRETARY

Ms. Edroma serves as the General Manager: Corporate Services and Company Secretary. She has extensive experience in corporate and legal affairs, commercial transactions, corporate governance, regulatory compliance and risk advisory.

**Date appointed:**  
**23 February 2019**



## Our Executive Management Team - MTN Uganda

The execution of Board approved strategy and the day-to-day running of the Company's business are entrusted to a senior management team of diverse skills, experiences and expertise. In addition to the Chief Executive Officer, the Chief Financial Officer and the Company Secretary / General Manager: Corporate Services, our senior leadership team comprises:



**MONZER ALI**

**Position:**  
Chief Technical and Information Officer  
**Joined MTN:** July 2018  
**Joined Executive Management:** September 2018



**JOSEPH BOGERA**

**Position:**  
General Manager, Sales and Distribution  
**Joined MTN:** September 2005  
**Joined Executive Management:** September 2019



**SEN SOMDEV**

**Position:**  
Chief Marketing Officer  
**Joined MTN:** February 2019  
**Joined Executive Management:** February 2019



**NICHOLAS BEJUKA**

**Position:**  
General Manager: Capital Projects  
**Joined MTN:** November 2005  
**Joined Executive Management:** November 2012



**SAMUEL GITTA**

**Position:**  
General Manager: Risk and Compliance  
**Joined MTN:** July 2020  
**Joined Executive Management:** July 2020



**JULIET NSUBUGA**

**Position:**  
General Manager: Wholesale and Carrier Services  
**Joined MTN:** January 2008  
**Joined Executive Management:** January 2019



**DORCAS MUHWEZI**

**Position:**  
General Manager: Customer Experience  
**Joined MTN:** July 2004  
**Joined Executive Management:** September 2015



**IBRAHIM SENYONGA**

**Position:**  
General Manager: Enterprise Business Unit  
**Joined MTN:** October 2019  
**Joined Executive Management:** October 2019



**MICHAEL KAWESA-SEKADDE**

**Position:**  
General Manager: Human Resources  
**Joined MTN:** December 1999  
**Joined Executive Management:** April 2009



**JUDITH NAMUGENYI**

**Position:**  
General Manager: Internal Audit and Forensics  
**Joined MTN:** June 2009  
**Joined Executive Management:** June 2012



**KENNETH KIDDU**

**Position:**  
General Manager: Business Intelligence  
**Joined MTN:** December 2007  
**Joined Executive Management:** February 2019



## Our Executive Management - MTN MoMo

The execution of Board approved strategy and the day-to-day running of the Company's business are entrusted to a senior management team of diverse skills, experiences and expertise. In addition to the Chief Executive Officer, MTN MoMo's senior leadership team comprises:



**RICHARD YEGO**

**Position:** Managing Director  
**Joined MTN:** January 2022  
**Joined MTN MoMo Executive Management:** January 2022



**STEPHEN MUTANA**

**Position:** Chief of Strategy & Stakeholder Mgt  
**Joined MTN:** January 2006  
**Joined MTN MoMo Executive Management:** November 2020



**SARA BATEA OKWI**

**Position:** Chief Financial Officer  
**Joined MTN:** June 2013  
**Joined MTN MoMo Executive Management:** May 2022



**ALBERT GITTA**

**Position:** Chief Information Officer  
**Joined MTN:** January 2013  
**Joined MTN MoMo Executive Management:** January 2022



**DENNIS MUSINGUZI**

**Position:** Acting Chief Products Officer  
**Joined MTN:** January 2006  
**Joined MTN MoMo Executive Management:** November 2020



**ADAMS KIBET**

**Position:** Acting Chief Commercial Officer  
**Joined MTN:** July 2022  
**Joined MTN MoMo Executive Management:** December 2022



**PETER OCHEN**

**Position:** General Manager, Financial Operations  
**Joined MTN:** October 2007  
**Joined MTN MoMo Executive Management:** May 2022



**SHEILA KAWOoya**

**Position:** Head of Legal and Regulatory Affairs  
**Joined MTN:** October 2017  
**Joined MTN MoMo Executive Management:** June 2021



**ISRAEL MAYENGO**

**Position:** Head of Risk and Compliance  
**Joined MTN:** December 2019  
**Joined MTN MoMo Executive Management:** May 2022



**JOACHIM MASAGAZI**

**Position:** Head of Human Resource  
**Joined MTN:** October 2008  
**Joined MTN MoMo Executive Management:** December 2021



**WILLIAM SENFUMA**

**Position:** Head of Business Intelligence and Analytics  
**Joined MTN:** September 2017  
**Joined MTN MoMo Executive Management:** December 2021



**STEPHEN WAKHULA**

**Position:** Head of Internal Audit  
**Joined MTN:** November 2016  
**Joined MTN MoMo Executive Management:** April 2022





**A proudly Ugandan company  
that aims to provide communication  
solutions for Uganda's progress.**

## Board Composition

The Company acknowledges that an effective Board must have the expertise and competence to promptly and appropriately address current and emerging issues to ensure the delivery of its strategy.

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 uninhibited oversight of the Company's affairs and operations. This is to ensure that all governance issues are identified, monitored and addressed.

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 on one board, 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, it provides oversight of the Company's business, operations, practices, performance and policies and does this by defining and ensuring delivery on the Company's purpose by management, relevance and sustainability of the business model, adequacy and optimisation of all forms of capital inputs and the meeting of stakeholder expectations.

Director	S	Age	Date Of Appointment	Classification
Charles Mbire	M	63	25 February 1998	Non-executive director
Yolanda Cuba	F	45	25 February 2021	Non-executive director
Karabo Nondumo	F	45	1 April 2021	Independent non-executive director
Sugentharen Perumal	M	43	5 August 2019	Non-executive director
Winnie Tarinyeba Kiryabwire	F	46	3 March 2023	Independent non-executive director
Sylvia Mulinge	F	46	1 October 2022	Executive director
Andrew Bugembe	M	49	2 November 2020	Executive director

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 three 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.



## 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 on an ad hoc basis as and when the exigencies of the Company and its business require it. The deliberations of the Board are recorded in minutes that are approved by the Board.

The record of scheduled meetings and attendances for 2022 are as below:

	MARCH 2022	MAY 2022	AUGUST 2022	NOVEMBER 2022
CHARLES MBIRE	Y	Y	Y	Y
YOLANDA CUBA	Y	Y	Y	Y
KARABO NONDUMO	Y	Y	Y	Y
SUGENTHAREN PERUMAL	Y	Y	Y	Y
WIM VANHELLEPUTTE	Y	Y	N/A	N/A
SYLVIA MULINGE	N/A	N/A	N/A	Y
ANDREW BUGEMBE	Y	Y	Y	Y

*Winnie Tarinyeba Kiryabwire was 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.

In 2022, we re-examined our committees' mandates and terms of reference in light of current governance trends, worldwide standards and best practices. We carefully assessed committee membership, considering the skills and knowledge required by each committee, as well as the need for cross-referencing of information across all committees. After an exhaustive evaluation, the Board was satisfied that the committees effectively executed their obligations in 2022.

### AUDIT AND RISK COMMITTEE

The Audit and Risk 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 FY 2022.

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.

In 2022, the committee met on the following occasions:

	MARCH 2022	MAY 2022	AUGUST 2022	NOVEMBER 2022
KARABO NONDUMO	Y	Y	Y	Y
YOLANDA CUBA	Y	Y	Y	Y
SUGENTHAREN PERUMAL	Y	Y	Y	Y
CHARLES MBIRE	Y	Y	Y	Y
WIM VANHELLEPUTTE	Y	Y	N/A	N/A
SYLVIA MULINGE	N/A	N/A	N/A	Y
ANDREW BUGEMBE	Y	Y	Y	Y

*Winnie Tarinyeba Kiryabwire was appointed on 3 March 2023*

### 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 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 good 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.



In 2022, the committee met on the following occasions:

	MARCH 2022	MAY 2022	AUGUST 2022	NOVEMBER 2022
SUGENTHAREN PERUMAL	Y	Y	Y	Y
YOLANDA CUBA	Y	Y	Y	Y
CHARLES MBIRE	Y	Y	Y	Y
WIM VANHELLEPUTTE	Y	Y	N/A	N/A
SYLVIA MULINGE	N/A	N/A	N/A	Y
ANDREW BUGEMBE	Y	Y	Y	Y

Winnie Tarinyeba Kiryabwire was appointed on 3 March 2023



MTN Uganda directors and senior executive team in regulatory engagement meeting Uganda Communications Commission

## Board Effectiveness

### DELEGATION OF BOARD'S AUTHORITY

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 delegation of authority 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 delegation of authority 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 delegation of authority 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 the delegation of 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 an appropriate mix 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 ensure 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.



### 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, the Company has 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, 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 the 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 is scheduled for the second quarter of 2023. The Board will also examine 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

We recognise that the management of conflicts of interest is of high importance 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/or 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.

## 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 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 assistance.



## 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 they require. 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.



## 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 certain other employees with inside information do not abuse or place themselves under suspicion of abusing inside information that they may have or be reasonably perceived to have.

The Company has 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 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

We recognise that 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 in respect of 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, its employees and its 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 been put in place.

### WHISTLEBLOWING

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 limit or 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, MTN can ensure that our profitability and revenue streams, as well as our business reputation, are safeguarded. Through relevant policies, we encourage employees to report any incidents of fraud, misconduct, bribery, corruption, misappropriation or illegality against MTN 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 who have reported such incidents to the Company in good faith and without malicious intent may 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, the Company has adopted data protection, information security and privacy policies that govern its collection, processing, control and use of the personal information of its customers, employees and other individual partners received in the normal course of its 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.

## Governance Audit

In compliance with corporate governance best practice, our corporate governance framework is assessed by both internal audit and evaluation tools, and external reviewers such as the Capital Markets Authority. We recognise the value of governance audits as being a critical component of ensuring that MTN attains the objective of realizing shareholders' long-term value while taking into account the interests of stakeholders.

The Board undergoes an annual internal governance audit across the following six areas:



In addition to the Capital Markets Corporate Governance Guidelines 2003, the Board's discharge of its mandate is also assessed against the King IV Code on Corporate Governance, the Deloitte Governance Framework and Governance Capability Maturity Assessment, which is aligned to the principles of COSO 2017 Internal Control – Integrated Framework published by the Committee of Sponsoring Organisations of the Treadway Commission.

The last governance audit returned a positive rating, with the Board's structure and performance being classified as "advanced". Externally, the Company underwent a corporate governance assessment by the Capital Markets Authority, and the areas of assessment covered Board operations and control, the roles of the Chief Executive Officer and the Chief Financial Officer, and internal audit and risk management.

The Board is committed to swiftly resolving all the key issues that were raised by both the internal governance audit and the external assessment conducted by the Capital Markets Authority to ensure that we have compliant governance structures and operations in place at all times.



## 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. MTN's relationship with all its 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 engagement, ensuring that the approach takes into account 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

MTN's remuneration philosophy is part of an interlinked, holistic and people-oriented talent 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 over the longer term. The competitive talent landscape demands a differentiated reward system, capable of competitively matching pay for results, delivered fairly without bias, and flexible yet compliant across all markets. In our efforts to achieve our talent objectives, we apply various approaches, including the following:

- For competitiveness and affordability: regular market benchmarking of reward components and linking short and long-term incentives to various performance indicators.
- For differentiation and flexibility: establishing performance as the basis for employee reward and the ability to customise reward, considering the varied needs and lifestyles of employees.
- For compliance and sustainability: continuously striving to apply full regulatory and legislative compliance in our markets, and regularly auditing and assessing risks, benefits and compliance of reward.

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 (bonus) 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, which are endorsed by management and governed by the Remuneration, Human Resource, Social and Ethics Committee, guide the decision-making process. 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 ordinary resolution 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 – 2022 (Ugx '000)

DIRECTORS FEES AND EXPENSES	367,772
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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, subject to certain monetary limits, 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 2022, the following directors held a direct interest in the Company's issued share capital as reflected in the table below:

Director	Number Of Shares
CHARLES MBIRE	895,561,810 ordinary shares
ANDREW BUGEMBE	1,072,500 ordinary shares

## MTN Group Relationship Agreement

MTN has entered into a Group Relationship Agreement with MTN Group (the Relationship Agreement) to record the relationship between MTN Uganda and MTN Group following the Company's listing in 2021. The Relationship Agreement is governed by Ugandan law.

In the Relationship 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 and acknowledges that, it shall at all times ensure that it will treat and procure the treatment of the information disclosed to it as insider information/unpublished price sensitive information.

On the other hand, MTN undertakes to provide MTN Group with all operational and financial information reasonably requested by MTN Group to enable MTN Group to comply with its legal and contractual obligations, and to treat all unpublished information that it receives from MTN Group which is of price sensitive nature with appropriate confidentiality. The Company further acknowledges that it will ensure that it treats and procures the treatment of the information disclosed to it as inside information.

Each of MTN and MTN Group acknowledge that, because of the nature of their relationship and the holding by certain individuals of directorships of both companies and the existence of minority shareholders in MTN, 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.



## Our Chief Financial Officer's Statement



**“We are pleased with the Company's performance in 2022”**

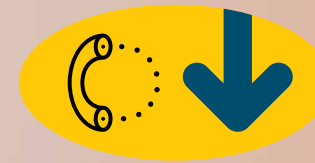
MTN is inspired by our belief that everyone deserves the benefits of a modern connected life. We acknowledge our position as one of Uganda's leading companies and we work actively towards attaining a sustainable society that benefits all Ugandans. 'Creating shared value' is one of the key objectives of our **Ambition 2025** strategy.

Amidst a challenging macro-economic environment, we delivered a robust set of results which were largely in-line with set targets and underlined our business resilience and execution strength. Beyond managing various material business risks, we continued to strengthen our commercial, operational and financial position while focusing on the resilience of our network and our expense efficiency programme.





## STRONG REVENUE PERFORMANCE DRIVEN BY DATA AND FINTECH GROWTH AND COMPETITIVE VOICE PERFORMANCE



Voice revenue declined marginally by 0.5%. However, despite this decline, **voice remained our highest revenue line, contributing 44.2%** to total service revenue. The reduction is broadly attributed to the impact of the COVID-19 pandemic at the start of 2022 and continued macroeconomic pressures (including inflation) impacting customers' spending power. However, the **positive momentum** recorded in the second half of 2022 offset the performance challenges in the first half of the year. The overall recovery of the voice service line is also attributed to a **1.4 million increase in our subscribers**, improved network quality supported by continued subscriber re-profiling and price optimisation strategies. These initiatives have driven recovery in engagement and usage.



Data revenue **increased by 24.0%** to UGX 511.4 billion supported by growth in our active data users to 6.7 million and a **26.9% growth** in data usage (MB per active user). We **added** a total of **1.2 million smartphones** to our network supported by increased investment in the 4G network, thereby **increasing** our smartphone penetration **to 34.9% (2021: 30.8%)**. In line with our **'Own the Home'** strategy, we **added** over **48,000** home broadband **subscribers** in 2022, translating to a **58% growth** in revenues.



Fintech revenue **grew by 24.9%** as a result of solid performance of our basic revenues due to **increased transactional activities** in the economy following the complete removal of all COVID-19 restrictions. Our advanced revenue portfolio (revenues from other fintech services) recorded notable growth in the payments, bank interface and remittance lines as we see many businesses adopt to cashless payment models. The MTN MoMo Pay platform has gained significant market traction, with our merchant numbers growing threefold to 173,315, while our agent numbers declined to 166,229 as a result of rationalisation of our agent model. This has also seen our MTN MoMo transaction value **increase by 39.8% to UGX 92.3 trillion** and the number of transactions on our platform **increase by 27.8% to UGX 2.7 billion**.

## RESILIENT OPERATIONAL EFFICIENCY



Our EBITDA **grew by 11.5% to UGX 1.18 trillion** this year underpinned by **improved growth** in service revenue and continued realised operational efficiencies as a result of digitisation of our process and solid execution of our expense efficiency programme. This translated in an improvement in our EBITDA margin to **51.6%** in the year (**up 0.3 percentage points**), above our medium-term guidance of 50%.

## SUSTAINED CAPITAL INVESTMENT



Capex (excluding Right of Use assets) in 2022 was **22.5% higher at UGX 331.0 billion** with a focus on investment in the 4G network, which will go a long way in sustaining our network performance and ensuring a better experience for our customers. Our Capex intensity was maintained at mid-teen levels at **14.7%** in accordance with recommended guidance, reflecting an efficiency approach.



## SHAREHOLDER RETURNS AND DIVIDENDS

**UP 6.1%**

2022 Dividend per share is UGX 15.9 from UGX 14.99 per share in 2021

The Board remains committed to improving performance and creating long-term shared value for our shareholders in line with our Ambition 2025 strategy.



### Proposed Dividend Per Share - 2022

UGX **5.5** per share — UGX **123.1** billion

### Total Dividend Per Share - 2022

UGX **15.9** per share — UGX **355.9** billion

### Dividend Pay-Out - 2022

**87.6%**  
Profits & Total Comprehensive Income

## 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 2022, we realised UGX 33.7 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.

In 2023, 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.

## TAX POLICY AND APPROACH

MTN is the largest taxpayer in Uganda. In 2022, we contributed UGX 927 billion in tax revenue compared to UGX 839 billion in 2021.

We are committed to Uganda's inclusive economic growth, and 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 also acknowledge that there is an expectation by all stakeholders for corporate entities like MTN to operate ethically and transparently from a tax perspective.

The way that we manage our tax affairs is directly relevant to our shareholders, and other internal and external stakeholders. There is also an increased focus on tax risk and controls to mitigate tax risk to an acceptable level in view of an increasingly complex tax legislation environment, multiple regulatory requirements and government's general approach to tax collection. In light of this, MTN has developed a systematic approach to manage tax obligations and tax risk. 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.

Our tax management principles encompass transparency, responsibility, accuracy and constructive engagement with Uganda's tax policymakers and revenue authorities. Currently, MTN does not have significant contingent tax disputes or exposures in Uganda.

In 2022, MTN was granted the prestigious authorised economic operator status by the Uganda Revenue Authority. The authorised economic operator program is a trade initiative that facilitates trade and promotes the security of the international trade supply chain. Under the program, businesses that consistently comply with customs laws benefit from customs preferential treatment and simplified procedures in the clearance process. MTN was awarded this status due to our demonstrable history of tax transparency and compliance. We are extremely proud of this achievement for it underlines the integrity and execution of our tax management principles.



Andrew Bugembe receiving the Authorised Economic Operator certificate from the Commissioner General of the Uganda Revenue Authority

## LOOKING AHEAD AND APPRECIATION

We consider that we are well-positioned for the medium to long term, with an enhanced return profile underpinned by a strong risk and regulatory framework as well as a disciplined capital allocation framework. Our capital allocation framework guides our financial discipline at MTN, and it prioritises investment in the growth of our core connectivity businesses and platforms. We will position the business to capture the exciting market opportunities that we have identified in Uganda and will invest in our network, fintech and digital services platforms in 2023.

We will continue to demonstrate the resilience of our business model in the midst of a tough and evolving macro-economic environment with a 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 the Company with the financial flexibility to execute our Ambition 2025 priorities.

In terms of guidance, we expect our service revenue growth to be within the low double digits with a focus on EBITDA expansion through operational efficiency. We expect our EBITDA margin to remain above 50% with Capex (excluding Right of Use assets) intensity to remain at similar levels as we invest to meet our NTO Licence coverage obligations. I wish to thank our stakeholders, management, the Board, and employees, who all supported us. Their confidence in our leadership to steer the Company is highly appreciated.

**ANDREW BUGEMBE**  
Chief Financial Officer



## Key Performance Highlights



## Three Year Financial Review

UGX' Billion	2022	2021	2020
Total revenue	2,286,252	2,060,087	1,877,799
Service revenue	2,265,928	2,040,227	1,865,717
Voice	1,001,510	1,006,724	971,385
Data	511,346	412,462	338,267
Digital	4,676	4,458	5,463
Fintech	656,123	525,291	476,868
Other service revenue	92,273	91,292	73,734
Expenses	1,107,687	1,002,510	948,390
EBITDA	1,179,392	1,057,576	929,409
EBITDA margin	51.6%	51.3%	49.5%
Depreciation and amortisation	407,115	421,300	330,467
Net finance costs	181,248	145,333	138,564
Profit before tax	591,029	490,943	460,379
Taxation	184,979	150,533	138,697
Profit after tax	406,050	340,410	321,682
Profit after tax margin	17.8%	16.5%	17.1%
Ordinary dividend per share	15.9	14.99	6.83*

\*Dividend per share for 2020 adjusted to reflect 22,389,044,239 ordinary shares



## Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 December 2022 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 2022 was 563 (2021: 543 employees), excluding contract employees. The average number of persons employed by the Group for the year ended 31 December 2022 was 549 (2021: 527 employees).

### RESULTS AND DIVIDENDS

The Group made a net profit for the year ended 31 December 2022 of Shs 406,050 million (2021: Shs 340,410 million). During the year ended 31 December 2022, the Group declared a dividend of Shs 338,212 million (2021: Shs 230,206 million). The directors recommend the payment of a final dividend of Shs 123,140 million (2021: Shs 105,363 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	Appointed 1 October 2022
Wim Vanhelleputte	Director	Resigned 31 July 2022
Sugentharem Perumal	Director	
Andrew Bugembe	Director	
Yolanda Cuba	Director	

### AUDITOR

The Group's auditor, PricewaterhouseCoopers, Certified Public Accountants, will in the next financial year be replaced by Ernst & Young, Certified Public Accountants in office in accordance with Section 167(1) of the Ugandan Companies Act.

By order of the Board,



**ENID EDROMA**

Secretary  
9 March 2023

## Statement of Directors' Responsibilities

The Ugandan Companies Act 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 Ugandan Companies Act. The directors are of the opinion that the financial statements, which have been prepared in accordance with International Financial Reporting Standards and the Ugandan Companies Act, 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.

PricewaterhouseCoopers Certified Public Accountants have audited the Group's financial statements and their report is presented on pages 162 to 167. The financial statements set out on pages 168 to 216 were approved for issue by the Board of Directors on 9 March 2023 and are signed on its behalf by:



**CHAIRMAN**



**DIRECTOR**





## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MTN UGANDA LIMITED

### Report on the audit of the consolidated financial statements

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of MTN Uganda Limited and its subsidiary, MTN Mobile Money (U) Limited, (together the "Group") as at 31 December 2022, and of its consolidated profit and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been prepared in the manner required by the Ugandan Companies Act.

#### What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("the IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in Uganda, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's consolidated financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the Group's consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MTN UGANDA LIMITED (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Recognition of revenue from contracts with customers.</i></p> <p>As disclosed in notes 2 (B) and 5 of these consolidated financial statements, the Group earned its Shs 2,286 billion revenue from disparate revenue streams each driven by different contractual arrangements with customers.</p> <p>We considered revenue recognition as a key audit matter because the Group's revenue recognition process relies on the use of multiple, and in some cases complex, information technology systems to apply distinct tariff structures and pricing models to the Group's products and services.</p> <p>The variations in and the complexity of the Group's revenue recognition systems and processes heightened the risk of revenue misstatement.</p>	<p>Our procedures to address this key audit matter included:</p> <ul style="list-style-type: none"> <li>• evaluating the Group's revenue recognition accounting policies for alignment with IFRS 15 – Revenue from Contracts with Customers.</li> <li>• testing the design and operating effectiveness of controls over the integrity of key revenue Information Technology systems, including the general and application controls applicable to revenue billing systems.</li> <li>• for selected revenue streams, performing substantive analytical procedures that involve comparing actual revenues to expected revenues.</li> <li>• tracing revenue amounts on a sample basis to source systems and other supporting documents.</li> <li>• checking the adequacy of the relevant disclosures for revenues in the Group's consolidated financial statements.</li> </ul>
<p><i>Recognition of lease liabilities in accordance with IFRS 16 Leases.</i></p> <p>As disclosed in note 18 (b) of these financial statements, the Group's lease liabilities at 31 December 2022 amounted to Shs 1,072 billion. This liability is recognized in line with the Group's accounting policy described in note 2 (G).</p> <p>Management applied a number of judgments and estimates in deriving the Group's lease liability. The significant judgements applied include:</p>	<p>Our procedures to address this key audit matter included:</p> <ul style="list-style-type: none"> <li>• evaluating the Group's lease liability accounting policies for alignment with IFRS 16 – Leases.</li> <li>• evaluating management's processes, systems and controls for identifying and accounting for leases.</li> <li>• checking management's basis for determining and excluding non-lease components in the computation of lease liabilities, and where applicable, tracing managements conclusions to supporting documentation.</li> </ul>



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MTN UGANDA LIMITED (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Recognition of lease liabilities in accordance with IFRS 16 Leases (continued)</i></p> <ul style="list-style-type: none"> <li>- identifying and excluding cash flows for non-lease components in the derivation of the lease liability.</li> <li>- determining the applicable lease terms for each lease including estimating the lease term implied in the renewal clauses in the lease contracts.</li> <li>- determining the appropriate incremental borrowing rate for discounting lease liability cash flows.</li> <li>- identifying and recognizing lease liabilities for lease modifications.</li> </ul> <p>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.</p>	<p>Our procedures to address this key audit matter included:</p> <ul style="list-style-type: none"> <li>• for a sample of lease additions, disposals, and repayments, tracing lease cash flows to the lease model and to supporting documents.</li> <li>• checking the reasonableness of the incremental borrowing rate applied in discounting lease cash flows.</li> <li>• performing analytical procedures to check the reasonableness of the interest charge on lease liabilities.</li> <li>• evaluating management's conclusions on whether there are any lease modifications arising during the year.</li> <li>• checking the adequacy of the lease liability disclosures for in the Group's consolidated financial statements.</li> </ul>

#### Other information

The Directors are responsible for the other information. The other information comprises the Directors' Report and the Statement of Directors' Responsibilities which we obtained prior to the date of this auditor's report, and additional sections of the Group's annual report which are expected to be made available to us after that date, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the additional sections of the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MTN UGANDA LIMITED (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Responsibilities of the directors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act, 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.

The directors are responsible for overseeing the Group's financial reporting process.

#### 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 scepticism 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.



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MTN UGANDA LIMITED (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MTN UGANDA LIMITED (continued)

### Report on other legal and regulatory requirements

The Ugandan Companies Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- in our opinion proper books of account have been kept by the Group, so far as appears from our examination of those books; and
- 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 Cedric Mpobusingye - P0213.



Certified Public Accountants

Kampala

Date: 25<sup>th</sup> April 2023



CPA Cedric Mpobusingye



## Financial Statements and Notes






## Consolidated Statement of Comprehensive Income

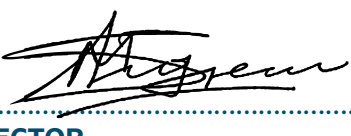
	Notes	2022 Shs'000	2021 Shs'000
Revenue from contracts with customers	5	2,286,251,974	2,060,086,932
Other Income		827,339	-
Direct network operating costs	7	(284,343,020)	(237,846,075)
Government and regulatory costs	8	(57,935,672)	(53,115,865)
Cost of handsets and other accessories sold		(23,878,564)	(22,613,391)
Interconnect and roaming		(49,455,209)	(62,075,504)
Employee benefits expenses	9	(126,574,477)	(105,422,345)
Selling, distribution and marketing expenses	10	(414,176,823)	(358,212,198)
Increase in impairment of trade receivables	22	(7,797,794)	(9,230,223)
Other operating expenses	11	(143,525,853)	(153,995,224)
Depreciation: property and equipment and right of use assets	18	(330,505,073)	(303,600,259)
Amortisation of intangible assets	19	(76,609,606)	(117,699,567)
<b>Operating profit</b>		<b>772,277,222</b>	<b>636,276,281</b>
Finance income	12	37,923,920	22,501,091
Finance costs	12	(219,172,077)	(167,834,272)
<b>Profit before tax</b>		<b>591,029,065</b>	<b>490,943,100</b>
Income tax expense	13	(184,978,704)	(150,532,726)
Profit for the year		<b>406,050,361</b>	<b>340,410,374</b>
Other comprehensive income for the year net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>406,050,361</b>	<b>340,410,374</b>
Basic/ diluted earnings per share	14	18.14	15.20

## Consolidated Statement of Financial Position

	Notes	2022 Shs'000	2021 Shs'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	18(a)	949,189,267	863,704,661
Right-of-use assets	18(b)	949,357,815	636,870,389
Intangible assets	19	357,716,576	382,814,913
Deferred Tax assets	17	14,615,302	6,456,748
Contract assets	5(b)	10,702,428	9,564,790
Receivables and prepayments	20	55,876,044	53,073,072
		<b>2,337,457,432</b>	<b>1,952,484,573</b>
<b>Current assets</b>			
Inventories	21	27,432,437	7,810,731
Current income tax recoverable	13	429,270	2,351,797
Contract assets	5(b)	10,585,068	9,949,198
Trade and other receivables	22	185,363,265	176,992,789
Mobile money deposits	23	1,207,758,423	959,991,495
Cash and cash equivalents	24	200,772,719	188,814,310
		<b>1,632,341,182</b>	<b>1,345,910,320</b>
<b>Total assets</b>		<b>3,969,798,614</b>	<b>3,298,394,893</b>
<b>Equity</b>			
Ordinary share capital	15	22,389,044	22,389,044
Retained earnings		881,608,509	813,769,826
		<b>903,997,553</b>	<b>836,158,870</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	27	82,897,391	165,460,344
Lease liabilities	18(b)	965,891,796	627,943,283
Provisions	26	31,728,658	23,185,594
		<b>1,080,517,845</b>	<b>816,589,221</b>
<b>Current liabilities</b>			
Trade and other payables	25	460,430,472	351,713,442
Contract liabilities	5(b)	16,507,615	7,709,821
Current income tax payable	13	4,323,181	-
Borrowings	27	166,675,565	198,693,425
Lease liabilities	18(b)	106,595,075	104,276,553
Mobile money deposits	23	1,207,758,423	959,991,495
Provisions	26	22,992,885	23,262,066
		<b>1,985,283,216</b>	<b>1,645,646,802</b>
<b>Total liabilities</b>		<b>3,065,801,061</b>	<b>2,462,236,023</b>
<b>Total equity and liabilities</b>		<b>3,969,798,614</b>	<b>3,298,394,893</b>

These financial statements were approved by the Board on 9 March 2023 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
<b>Year ended 31 December 2021</b>			
At start of year	3,764	725,950,972	725,954,736
<b>Comprehensive income:</b>			
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
<b>Transactions with owners:</b>			
Bonus share issue	22,385,280	(22,385,280)	-
Dividends paid (note 16)	-	(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
<b>Year ended 31 December 2022</b>			
At start of year	22,389,044	813,769,826	836,158,870
<b>Comprehensive income:</b>			
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
<b>Transactions with owners:</b>			
Bonus share issue	-	-	-
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

## Consolidated Statement of Cash Flows

	Notes	2022 Shs'000	2021 Shs'000
<b>Operating activities</b>			
Cash generated from operations	28	1,237,180,299	1,092,317,616
Interest received	12	28,046,231	5,314,139
Interest paid on Mobile Money deposits	12	(20,706,131)	-
Interest paid on borrowings	27	(29,191,791)	(31,861,851)
Income tax paid	13	(186,891,550)	(171,980,729)
Net cash generated from operating activities		1,028,437,058	893,789,175
<b>Cash flow from investing activities</b>			
Purchase of property and equipment	18(a)	(295,573,672)	(212,796,427)
Proceeds from disposal of property and equipment		4,832,840	2,942,523
Purchase of intangible assets	19	(42,085,919)	(106,618,286)
Net cash used in investing activities		(332,826,751)	(316,472,190)
<b>Financing activities</b>			
Repayments of borrowings	27	(120,451,228)	(70,777,880)
Proceeds from borrowings	27	-	50,000,000
Repayments of lease liability	18(b)	(220,753,172)	(194,365,454)
Dividends paid	16	(338,211,678)	(230,206,240)
Net cash used in financing activities		(679,416,078)	(445,349,574)
<b>Net increase in cash at bank and in hand</b>		16,194,229	131,967,411
<b>Movement in cash at bank and in hand</b>			
At start of year		188,814,310	59,170,525
Increase		16,194,229	131,967,411
Exchange losses on cash at bank and in hand		(4,235,820)	(2,323,626)
At end of year	24	200,772,719	188,814,310



# Notes

## 1 GENERAL INFORMATION

MTN Uganda Limited is incorporated in the Republic of Uganda under the Companies Act and is domiciled in Uganda. 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 Ugandan Companies Act 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 SIGNIFICANT ACCOUNTING POLICIES

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 Ugandan Companies Act. The Group has adopted all new accounting pronouncements that became effective in the current reporting period, none of which had a material impact on the Group.

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 policy and disclosures

#### i) New and amended standards adopted by the Group

The following standards and amendments have been applied by the Group for the first time for the financial year beginning 1 January 2022, with no material impact.

- IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment - provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. It is effective for annual periods beginning on or after 1 April 2021. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

- Annual improvements cycle 2018-2020 - these amendments include minor changes to: IFRS 1, 'First time adoption of IFRS', IFRS 9, 'Financial Instruments' IFRS 16, 'Leases' and IAS 41, 'Agriculture'. These are effective for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts - Cost of Fulfilling a Contract - clarifies which costs an entity includes in assessing whether a contract will be loss-making. These are effective for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use - prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. These are effective for annual periods beginning on or after 1 January 2022.
- Amendment to IFRS 3, 'Business combinations' - refer to the 2018 Conceptual Framework for Financial Reporting; adding a new exception in IFRS 3 for liabilities and contingent liabilities; and clarifying that the acquirer should not recognise contingent assets. It is effective for annual periods beginning on or after 1 January 2022.

#### (ii) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been applied in preparing these financial statements. These standards, which are not expected to have a significant effect on the financial statements of the Group, are set out below:

- IFRS 17, 'Insurance contracts'. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. It is effective for annual periods beginning on or after 1 January 2023.
- IFRS 17, Insurance contracts Amendments. In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway. It is effective for annual periods beginning on or after 1 January 2023.
- Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current. 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 2023.
- Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. It is effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.
- Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates. It is effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.



## 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.

### 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. 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 terms of IAS 8 Accounting policies, changes in accounting estimates and errors.

### Mobile devices

The Group sells a range of mobile devices. The Group recognises revenue when customers obtain control of mobile devices, being when the customers take possession of the devices. For mobile devices sold separately, customers pay in full at the point of sale. For mobile devices sold in bundled packages, customers usually pay monthly in equal instalments over agreed upon periods.

### 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 terms of IAS 36, Impairment of Assets when there is an indication of impairment.

## 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.

Property and equipment under construction are measured at initial cost and depreciated from the date the assets are available for use in the manner intended by management over their estimated



useful lives. Assets are transferred from capital work-in-progress to an appropriate category of property and equipment when commissioned and ready for their intended use.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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.

Asset exchange transactions are transactions where one or more items of property and equipment are acquired in exchange for non-monetary assets, or a combination of monetary and non-monetary assets. In circumstances whereby the Group enters into an asset exchange transaction, the Group determines whether such an exchange has commercial substance. Commercial substance depends on the extent to which the Group's future cash flows are expected to change as a result of the transaction. A transaction has commercial substance if the difference in either of the points below is significant relative to the fair value of the assets exchanged:

- the configuration of the cash flows of the asset received differs from the configuration of the cash flows of the asset given up; or
- the entity-specific value of the part of the operations affected by the transaction changes as a result of the exchange.

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.

In instances whereby the Group receives assets for no consideration, the Group accounts for these at cost in accordance with IAS 16 Property, Plant and Equipment, being zero value.

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	25% to 33.3%
Furniture and equipment	14.3 %
Motor vehicles	25 %

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

### *Intangible assets with an indefinite useful life or not yet available for use.*

Intangible assets with an indefinite useful life or not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

### *Property and equipment and 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
Software	3 years
Other intangible assets	3 years



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.**

Costs that are directly associated with the production of identifiable intangible assets controlled by the Group, and that will probably generate economic benefits, are capitalised when all the criteria for capitalisation are met.

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 payment 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 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.

### iii) Modification on Network sites leases

With the initial adoption of IFRS 16 Network site costs were split into lease (78%) and non-lease (22%) where lease represented the Right of use costs and non-lease was the maintenance and power bills from the lessor. This resulted into 22% of tower rent for ATC to be allocated as maintenance and fluctuating lease costs for Eaton because of the single bill which included power.

ATC lease contracts have been modified to align with current operations and provide a more realistic allocation of costs between lease and non-lease costs based on the detailed cost simulations done during contract review. All tower rent costs will be lease costs and all power and maintenance costs will be non-lease costs.

The new contract for ATC Blue required a disposal of the old leases on 31 August 2022 and new leases were added commencing 01st September 2022. Effective 01st January 2022, all new sites for ATC Red will have all tower use assigned to lease and the power and maintenance costs assigned to non-lease.

The impact on 2022 financial statements has been a transfer of an additional portion of tower use costs from OPEX to leases which resulted into increase of ROU additions by Ush 51.5 billion, depreciation by Ush 1.9 billion and Finance costs by Ush 3.2billion. The change in Eaton Contract resulted into increase in ROU additions by Ush 389.2billion depreciation by US\$ 0.75billion and Finance costs by Ush 8.8 billion.

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 a right to use these assets.

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

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Inventory 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 inventory 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

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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

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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

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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

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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

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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 shall be 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

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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

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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 Village Phone (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. Inter-company 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 Group, operates two staff share incentive schemes, the MTN Group share and the MTN Group Share Appreciation Rights scheme which applies to MTN Uganda Ltd as a subsidiary of the Group.

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 will remain 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.

Interconnect and roaming balances have been presented on a net basis and the net impact to Trade receivables and payables is Shs 17,966 millions ( 2021: Shs 18,638 millions)

##### **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.

##### **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 which uses 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.

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.



## X. Mobile Money Deposits

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 our customers making calls to another operator and roaming costs result from our 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 2022, if the Shilling had weakened/strengthened by 5% (2021: 5%) against the US dollar with all other variables held constant, post-tax profit for the year would have been Shs 1,736 million lower/higher (2021: Shs 5,931 million), 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:

	2022 Shs'000	2021 Shs'000
Trade and other receivables	60,847,265	38,587,153
Cash and cash equivalents	28,655,771	51,091,159
Trade and other payables	(39,902,096)	(78,870,876)
Current borrowings	-	(46,674,513)
Non-current borrowings	-	(91,085,344)
	49,600,940	(126,952,421)

#### (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 2022, an increase/decrease of 5% in the interest rate would have resulted in a decrease/increase in post-tax profit impact of Shs 1,022 million (2021: Shs 1,115 million).

The Group's exposure to interest rate risk is as follows:

	2022 LIBOR Shs'000	T-Bill rate Shs'000	2021 LIBOR Shs'000	T-Bill rate Shs'000
Current borrowings	-	(166,675,565)	(47,120,729)	(151,572,696)
Non-current borrowings	-	(82,897,391)	(91,085,344)	(74,375,000)
	-	(249,572,956)	(138,206,073)	(225,947,696)

## Credit Risk

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 Loss (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.

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 24 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. The Group identified the inflation rate and the impact of the COVID-19 pandemic to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. 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 2022 is made up as follows:

	2022 Shs'000	2021 Shs'000
Cash and cash equivalents (note 24)	200,730,533	188,812,485
Mobile money deposits (note 23)	1,207,758,423	959,991,495
Trade receivables (note 22)	71,942,929	94,090,935
Other receivables (note 22)	23,879,077	15,807,193
Non-current trade receivables (note 20)	6,554,173	9,030,717
Receivables from related companies (note 22)	52,465,661	28,123,009
	<b>1,563,330,796</b>	<b>1,295,855,834</b>

### 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 deposit held was Shs 2,984 million (2021: Shs 3,033 million). In case of default, the security deposit is used to clear the receivable balance.

All receivables that are neither past due nor impaired are within their approved credit limits. The dealer debt's terms were renegotiated, increasing the term over which it is to be repaid. None of the above assets are past due or impaired except for the following amounts in trade receivables (which are due within 30 days of the end of the month in which they are invoiced):

	2022 Shs'000	2021 Shs'000
Past due, but not impaired (Trade receivables)	48,026,980	40,098,177
Impaired (Trade receivables)	20,878,863	15,366,253

*This excludes the impairment provision for intercompany and other receivables of Shs 1,554 million (2021: Shs 804 million).*

### 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.

	Less than 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
<b>At 31 December 2022:</b>					
• trade and other payables	349,386,474	-	-	-	349,386,474
• mobile money deposits	1,207,758,423	-	-	-	1,207,758,423
• borrowings	199,588,884	101,516,324	16,130,792	-	317,236,000
• lease liabilities	267,134,959	265,086,341	720,373,798	579,530,248	1,832,125,346
	<b>2,023,868,740</b>	<b>366,602,665</b>	<b>736,504,590</b>	<b>579,530,248</b>	<b>3,706,506,243</b>
	Less than 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
<b>At 31 December 2021:</b>					
• trade and other payables	245,874,202	-	-	-	245,874,202
• mobile money deposits	959,991,495	-	-	-	959,991,495
• borrowings	227,045,752	110,380,674	84,692,188	-	422,118,614
• lease liabilities	217,384,708	164,987,411	316,202,232	446,604,347	1,145,178,698
	<b>1,650,296,157</b>	<b>275,368,085</b>	<b>400,894,420</b>	<b>446,604,347</b>	<b>2,773,163,009</b>



The trade payables balances in the liquidity risk exclude tax and regulatory fees accruals amounting to Shs 111,044 million (2021: Shs 105,839 million).

	2022 Shs'000	2021 Shs'000
<b>Financial assets at amortised cost</b>		
Mobile Money deposits	1,207,758,423	959,991,495
<b>Financial liabilities at amortised cost</b>		
Mobile Money deposits	1,207,758,423	959,991,495
	<b>Shs'000</b>	<b>Shs'000</b>
<b>Financial assets at amortised cost</b>		
• Cash and cash equivalents (note 24)	200,772,719	188,814,310
• Mobile money deposits (note 23)	1,207,758,423	959,991,495
• Non-current trade receivables and other receivables (note 20)	6,554,173	9,030,717
• Trade and other receivables (note 22)	148,287,667	138,021,137
	<b>1,563,372,982</b>	<b>1,295,857,659</b>
	<b>Shs'000</b>	<b>Shs'000</b>
<b>Financial liabilities at amortised cost</b>		
• Trade and other payables	349,386,474	245,874,202
• Mobile money deposits (note 23)	1,207,758,423	959,991,495
• Borrowings (note 27)	249,572,956	364,153,769
• Lease liabilities (note 18(b))	1,072,486,871	732,219,836
	<b>2,879,204,724</b>	<b>2,302,239,302</b>

## 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 had no financial instruments measured at fair value as at 31 December 2022 and 31 December 2021. As such, there were no movements between levels in 2022 and 2021. Since most of the financial assets are current assets, there is no significant non-current exposure therefore most of the carrying amount of other financial assets is a reasonable approximation of their fair value.

Financial liabilities that are measured at amortised cost. Non-current borrowings and leases have their fair values disclosed in the liquidity risk assessment.

## 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. The gearing ratios at 31 December 2022 and 2021 were as follows:

	2022 Shs'000	2021 Shs'000
Total borrowings and lease liabilities (note 27 and 18(b))	1,322,059,828	1,096,373,605
Less: cash and cash equivalents (note 24)	(200,772,719)	(188,814,310)
Net debt	1,121,287,109	907,559,295
Total equity	903,997,553	836,158,870
Total capital	2,025,284,662	1,743,718,165
Gearing ratio	55%	52%

## 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 2022, 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 9,708 million (2021: Shs 9,622 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).

- 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 2022, potential future cash outflows of Shs 758,197 million (undiscounted) have been included in the lease liability because it is reasonably certain that the leases will be extended (or not terminated) (2021: Shs 321,101 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:

	2022 Shs'000	2021 Shs'000
<b>Revenue earned over time</b>		
Network services	1,472,553,328	1,381,281,155
Interconnect and roaming	90,333,606	91,297,270
Digital and fintech services	660,799,119	529,748,593
Other revenue	42,241,720	37,900,183
Revenue earned over time	2,265,927,773	2,040,227,201
Mobile devices	20,324,201	19,859,731
	2,286,251,974	2,060,086,932

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, sms' 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 (Shs 1,331 million), Enterprise Business Unit (EBU) (Shs 133,118 million) and Wholesale and Carrier (Shs 7,940 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 (Shs 664,550 million), the consumer business segment (Shs 3,907 million) and Enterprise Business Unit (Shs 155 million). Other revenue is within EBU sales (Shs 42,242 million).

### (b) Assets and liabilities related to contracts with customers

	2022 Shs'000	2021 Shs'000
Trade receivables	92,821,792	109,457,188
Loss allowance (note 22)	(20,878,863)	(15,366,253)
Total trade receivables (note 22)	71,942,929	94,090,935
Contract liabilities - deferred revenue	16,507,615	7,709,821

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, sms's 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 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.

	2022 Shs'000	2021 Shs'000
Revenue recognised that was included in deferred revenue at start of year	7,709,821	10,648,572

### (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:

	2022 Shs'000	2021 Shs'000
At start of year	19,513,988	14,821,899
Additions	10,691,895	18,174,081
Amortised as costs in the year	(8,918,387)	(13,481,992)
<b>At end of year</b>	<b>21,287,496</b>	<b>19,513,988</b>
Current contract costs	10,585,068	9,949,198
Non-current contract costs	10,702,428	9,564,790
	21,287,496	19,513,988

## 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
<b>2022 Revenue</b>	<b>1,663,241,262</b>	<b>623,010,712</b>	<b>2,286,251,974</b>
2021 Revenue	1,534,661,090	525,425,842	2,060,086,932
<b>2022 Profit After Tax</b>	<b>237,957,259</b>	<b>168,093,102</b>	<b>406,050,361</b>
2021 Profit After Tax	215,162,632	125,247,742	340,410,374
<b>2022 Total Assets</b>	<b>2,583,596,125</b>	<b>1,386,202,489</b>	<b>3,969,798,614</b>
2021 Total Assets	2,223,312,173	1,075,082,720	3,298,394,893
<b>2022 Total Liabilities</b>	<b>1,774,309,163</b>	<b>1,291,491,898</b>	<b>3,065,801,061</b>
2021 Total Liabilities	1,458,737,655	1,003,498,368	2,462,236,023

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.

Nature Of Operations	Consumer Shs'000	Enterprise Business Unit Shs'000	Wholesale & Carrier services Shs'000	Mobile Financial Services Shs'000	Total Shs'000
<b>2022 Revenue</b>	<b>1,383,783,191</b>	<b>172,948,870</b>	<b>106,509,201</b>	<b>623,010,712</b>	<b>2,286,251,974</b>
2021 Revenue	1,289,503,971	142,135,119	103,022,000	525,425,842	2,060,086,932
<b>2022 EBITDA</b>					<b>1,179,391,901</b>
2021 EBITDA					1,057,576,107
<b>2022 Profit After Tax</b>					<b>406,050,361</b>
2021 Profit After Tax					340,410,374

**7 DIRECT NETWORK OPERATING COSTS**

	2022 Shs'000	2021 Shs'000
Leased Line costs	<b>15,883,248</b>	17,088,122
TowerCo related costs	<b>150,784,226</b>	114,870,184
Network and IT maintenance	<b>117,675,546</b>	105,887,769
	<b>284,343,020</b>	237,846,075

**8 GOVERNMENT AND REGULATORY FEES**

	2022 Shs'000	2021 Shs'000
Spectrum Fees	<b>19,361,833</b>	17,815,259
Regulatory Fees and Levies	<b>38,573,839</b>	35,300,606
	<b>57,935,672</b>	53,115,865

**9 EMPLOYEE BENEFITS EXPENSES**

	2022 Shs'000	2021 Shs'000
Salaries and wages	<b>80,752,780</b>	67,702,516
MTN Uganda Limited Provident Fund contributions [note 31 (vii)]	<b>2,787,233</b>	2,828,670
Contributions to National Social Security Fund	<b>7,779,793</b>	6,829,243
Notional share options (note 26)	<b>11,736,465</b>	11,855,844
Other staff costs	<b>23,518,206</b>	16,206,072
	<b>126,574,477</b>	105,422,345

Remuneration for the Company's permanent employees is disclosed under salaries and wages. Staff welfare costs together with costs for the Company's contract personnel are disclosed under Other staff costs.

**10 SELLING, DISTRIBUTION AND MARKETING EXPENSES**

	2022 Shs'000	2021 Shs'000
Commissions	<b>360,581,578</b>	312,580,057
Marketing	<b>46,601,170</b>	39,254,818
Revenue ceded to content and service providers	<b>6,994,075</b>	6,377,323
	<b>414,176,823</b>	358,212,198

## 11 OTHER OPERATING EXPENSES

Professional and consulting	4,739,778	11,174,177
Auditor's remuneration	2,958,250	2,814,408
Directors' fees	367,772	2,106
General expenses	51,915,116	25,500,348
Gain on disposal of Property and Equipment and leases	(29,972,075)	-
Motor vehicle and insurance	10,645,396	7,487,060
Security costs	1,112,422	1,247,413
Communication costs	2,533,685	1,388,733
Management fees	72,424,185	85,063,232
MTN Foundation [note 31 (viii)]	5,755,342	2,970,598
Travel and entertainment	3,589,451	1,457,616
Electricity and diesel - non network	8,380,956	8,576,673
Other utilities - non network	51,907	10,350
Information technology fees	4,959,564	3,825,171
Office building and maintenance	4,064,104	2,477,339
	<b>143,525,853</b>	<b>153,995,224</b>

## 12 FINANCE INCOME/ (COSTS)

	2022 Shs'000	2021 Shs'000
<b>Finance income:</b>		
• Interest income on Mobile Money deposits	20,706,131	-
• Other Interest income	7,340,100	5,314,139
• Foreign exchange gains	9,877,689	17,186,952
	<b>37,923,920</b>	<b>22,501,091</b>
<b>Finance costs:</b>		
• Interest expense and other charges on borrowings (note 27)	(29,091,127)	(32,389,113)
• Interest expense on lease liabilities (note 18[b])	(141,072,847)	(115,043,904)
• Interest expense on Mobile Money deposits	(20,706,131)	-
• Other interest expenses	(642,168)	(73,783)
• Foreign exchange losses	(27,659,804)	(20,327,472)
	<b>(219,172,077)</b>	<b>(167,834,272)</b>

## 13 INCOME TAX EXPENSE

	2022 Shs'000	2021 Shs'000
Current income tax	193,137,258	166,854,627
Deferred income tax credit (note 17)	(8,158,554)	(16,321,901)
	<b>184,978,704</b>	<b>150,532,726</b>

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:

	2022 Shs'000	2021 Shs'000
Profit before income tax expense	591,029,065	490,943,100
Tax calculated at a rate of 30% (2021: 30%)	177,308,719	147,282,930
<b>Tax effect of:</b>		
expenses not deductible for tax purposes	3,494,189	3,656,459
prior year under provision of current income tax	4,715,072	94,563
prior year under provision of deferred income tax asset	(539,276)	(501,226)
	<b>184,978,704</b>	<b>150,532,726</b>

The movement in current income tax (recoverable)/ payable is as follows:

	2022 Shs'000	2021 Shs'000
At start of year	(2,351,797)	2,774,305
Current income tax charge	193,137,258	166,854,627
Tax paid	(186,891,550)	(171,980,729)
At end of year	<b>3,893,911</b>	<b>(2,351,797)</b>
The current income tax payable / (recoverable) relates to:		
Income tax payable - Company	4,323,181	-
Income tax recoverable - Subsidiary	(429,270)	(2,351,797)
	<b>3,893,911</b>	<b>(2,351,797)</b>

## 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.



	2022 Shs'000	2021 Shs'000
Weighted average number of shares at 31 December	22,389,044	22,389,044
Profit from continuing operations attributable to shareholders	406,050,361	340,410,374
Basic / Diluted Earnings per share	18.14	15.20

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

	2022			2021		
	Number Of Shares	Par Value	Ordinary Share Capital Shs'000	Number Of Shares	Par Value	Ordinary Share Capital Shs'000
<b>Authorised:</b> Ordinary shares	28,000,000,000	1	28,000,000	28,000,000,000	1	28,000,000
<b>Issued and fully paid:</b> 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

	2022		2021	
	Dividend per share Shs'000	Total Shs'000	Dividend per share Shs'000	Total Shs'000
Dividends paid	15	338,211,678	10	230,206,240
Dividends paid and proposed	21	461,351,421	15	335,569,082

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 123,140 million (2021: Shs 105,363 million.)

## 17 DEFERRED INCOME TAX

Because of the uncertainty in estimating the extent to which the Group's deferred income tax assets and liabilities will crystallise within 12 months from the year end, the Group's entire net deferred income tax asset has been classified as a non-current asset.

Deferred income tax is calculated using the enacted income tax rate of 30% (2021: 30%). The movement on the deferred income tax account is as follows:

	2022 Shs'000	2021 Shs'000
At start of year	6,456,748	(9,865,153)
Credit to profit or loss	8,158,554	16,321,901
At end of year	14,615,302	6,456,748

Deferred income tax assets and liabilities and the deferred income tax charge in profit or loss are attributable to the following items:

	Year ended 31 December 2022	1 January 2022 Shs'000	Credit/ (charge) to profit or loss Shs'000	31 December 2022 Shs'000
<b>Deferred income tax liabilities:</b>				
Accelerated tax depreciation	(13,280,008)	(461,284)	(13,741,292)	
<b>Deferred income tax assets:</b>				
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	
<b>Net deferred income tax asset</b>	<b>6,456,748</b>	<b>8,158,554</b>	<b>14,615,302</b>	
	Year ended 31 December 2021	1 January 2021 Shs'000	Credit/ (charge) to profit or loss Shs'000	31 December 2021 Shs'000
<b>Deferred income tax liabilities:</b>				
Accelerated tax depreciation	(28,162,849)	14,882,841	(13,280,008)	
<b>Deferred income tax assets:</b>				
Provisions	12,614,239	5,203,739	17,817,978	
Net unrealised foreign exchange	2,488,885	(3,090,494)	(601,609)	
Deferred income	3,194,572	(674,185)	2,520,387	
	18,297,696	1,439,060	19,736,756	
<b>Net deferred income tax asset</b>	<b>(9,865,153)</b>	<b>16,321,901</b>	<b>6,456,748</b>	

**18. (A). PROPERTY AND EQUIPMENT**

PPE	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
<b>Year ended 31 Dec 2022</b>							
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
<b>At 31 December 2022</b>							
• Cost	52,391,599	29,725,183	2,191,793,569	208,046,416	12,586,318	9,702,163	2,504,245,248
• Accumulated amortisation	(6,745,247)	(22,656,127)	(1,347,862,326)	(166,305,495)	(11,486,786)	-	(1,555,055,981)
Net Book Amount	45,646,352	7,069,056	843,931,243	41,740,921	1,099,532	9,702,163	949,189,267
<b>Year ended 31 Dec 2021</b>							
Opening Net Book Amount	37,068,176	7,332,120	697,492,157	42,817,225	1,026,649	39,682,188	825,418,515
Additions	9,952,347	3,637,298	178,740,336	15,154,129	543,172	4,769,145	212,796,427
Transfers*							-
• Cost	-	-	31,680,594	851,809	-	(32,532,403)	-
• Accumulated depreciation	-	-	-	-	-	-	-
Disposals:							-
• Cost	-	(3,200)	(9,046,962)	(6,753,367)	(3,889,389)	-	(19,692,918)
• Accumulated depreciation	-	3,200	7,396,420	6,409,135	3,657,678	-	17,466,433
Reallocations**							-
• Cost	360,738	(16,874)	24,084,496	131,622	119,598	(4,510,151)	20,169,429
• Accumulated depreciation	(49)	-	10,996	(13,769)	(487)	-	(3,309)
Depreciation charge	(1,768,677)	(5,219,910)	(166,034,256)	(19,159,635)	(267,438)	-	(192,449,916)
Closing Net Book Amount	45,612,535	5,732,634	764,323,781	39,437,149	1,189,783	7,408,779	863,704,661
<b>At 31 December 2021</b>							
• 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

**18. (B). LEASES**

The balance sheet shows the following amounts relating to leases:

i) Amounts Recognised In The Balance Sheet	2022 Shs'000	2021 Shs'000
<b>Right-of-use assets</b>		
Network sites	930,780,307	616,469,909
Offices and services centres	5,006,339	14,419,126
Motor vehicles	13,571,169	5,981,354
	<b>949,357,815</b>	<b>636,870,389</b>
Lease liabilities		
Current	106,595,075	104,276,553
Non-current	965,891,796	627,943,283
	<b>1,072,486,871</b>	<b>732,219,836</b>
<b>ii) Amounts Recognised In Profit Or Loss</b>		
<b>Depreciation charge for right-of-use assets</b>		
Network sites	128,929,090	103,649,502
Offices and services centres	4,027,981	5,949,116
Motor vehicles	3,381,150	1,551,725
	<b>136,338,221</b>	<b>111,150,343</b>
<b>iii) The Movement In Right-Of-Use Assets Is As Follows:</b>		
<b>At 1 January 2022</b>	<b>636,870,389</b>	<b>571,232,914</b>
Additions	616,998,075	155,151,018
Remeasurements	31,071,924	23,361,765
Amortisation	(136,338,221)	(111,150,343)
Disposal	(199,244,352)	(1,724,965)
At end of year	<b>949,357,815</b>	<b>636,870,389</b>
<b>At end of the year</b>		
Cost	1,272,590,629	923,519,732
Accumulated Depreciation	(323,232,814)	(286,649,343)
Net right of use asset	<b>949,357,815</b>	<b>636,870,389</b>
<b>iv) The Movement In Lease Liabilities Is As Follows:</b>		
<b>At 1 January 2022</b>	<b>732,219,836</b>	<b>635,537,229</b>
Additions	616,998,075	155,151,018
Remeasurements	31,071,924	23,361,765
Interest expense	141,072,847	115,043,904
Repayments	(220,753,172)	(194,365,454)
Foreign exchange (gains)/ losses	1,093,788	(735,038)
Disposal	(229,216,427)	(1,773,588)
At end of year	<b>1,072,486,871</b>	<b>732,219,836</b>

See note 2 (C) for the accounting policies relevant to leases.



	License Fee Shs'000	IT software Shs'000	Total Shs'000
<b>Year ended 31 December 2022</b>			
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
Impairment	-	-	-
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
<b>At 31 December 2022</b>			
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
<b>Year ended 31 December 2021</b>			
Opening net book amount	364,317,764	53,819,391	418,137,155
Additions	49,219,168	57,399,118	106,618,286
Amortisation	(80,192,395)	(37,507,172)	(117,699,567)
Reclassifications	-	(22,090,125)	(22,090,125)
Write-offs	-	-	-
• Cost	(50,267,807)	(25,300,355)	(75,568,162)
• Accumulated depreciatio	50,267,807	23,149,519	73,417,326
Closing Net Book Amount	333,344,537	49,470,376	382,814,913
<b>At 31 December 2021</b>			
Cost	380,988,858	151,897,570	532,886,428
Accumulated amortisation	(47,644,321)	(102,427,194)	(150,071,515)
Net Book Amount	333,344,537	49,470,376	382,814,913

### License Fee

The Company'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.

	2022 Shs'000	2021 Shs'000
<b>IRU assets</b>		
At start of year	50,289,239	52,342,466
Additions	21,797,425	13,335,273
Charge for the year	(14,462,644)	(15,388,500)
At end of year	57,624,020	50,289,239
IRU assets – current	8,302,149	6,246,884
IRU assets – non-current	49,321,871	44,042,355
<b>Total IRU assets</b>	<b>57,624,020</b>	<b>50,289,239</b>
<b>Non-current receivables and prepayments</b>		
IRU non-current receivables	49,321,871	44,042,355
Other non-current receivables	6,554,173	9,030,717
<b>Net book amount at end of year</b>	<b>55,876,044</b>	<b>53,073,072</b>

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 MTN Global Connect on undersea cables.

### 21 INVENTORIES

Year ended 31 December 2022	2022 Shs'000	2021 Shs'000
Sim cards, phones and accessories	29,189,912	9,498,482
Provision for obsolete stock	(1,757,475)	(1,687,751)
	<b>27,432,437</b>	7,810,731
	<b>(23,878,564)</b>	(22,613,391)
Inventories expensed during the year		
Reversal/(Addition) of impairment provision during the year	(69,724)	474,684

### 22 TRADE AND OTHER RECEIVABLES

	2022 Shs'000	2021 Shs'000
Trade receivables	92,821,792	109,457,188
Loss allowance	(20,878,863)	(15,366,253)
Trade receivables – net	71,942,929	94,090,935
Receivables from related parties – net (Note 31 (iv) a)	52,465,661	28,123,009
Prepayments	37,075,598	38,971,652
Other receivables	23,879,077	15,807,193
	<b>185,363,265</b>	<b>176,992,789</b>

In the opinion of the directors, the carrying amounts of the receivables 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.

	2022 Shs'000	2021 Shs'000
As at start of year	16,170,196	9,523,183
Increase in loss allowance recognised in profit or loss	7,797,794	9,230,223
Receivables written off during the year as uncollectible	(1,535,183)	(2,583,210)
At end of year	22,432,807	16,170,196
Consisting of:		
Trade receivables	20,878,863	15,366,253
Other receivables	1,553,944	803,943
	22,432,807	16,170,196

Trade receivables are written off when there is no reasonable expectation of recovery.

## 23 MOBILE MONEY DEPOSITS

	2022 Shs'000	2021 Shs'000
Mobile money deposits	1,207,758,423	959,991,495

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 not co-mingled with MTN's cash and cash equivalents and that these are ring-fenced to settle MoMo customers' obligations. The Group recognises mobile money 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 mobile money 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.

	2022 Shs'000	2021 Shs'000
Cash at bank	191,872,549	179,566,910
Cash at hand	42,186	1,825
Deposits on call (mobile money)	8,857,984	9,245,575
	200,772,719	188,814,310

## 25 TRADE AND OTHER PAYABLES

	2022 Shs'000	2021 Shs'000
Trade payables	174,203,551	81,122,753
Payables to related parties [note 31 (iv) b]	39,885,901	17,164,578
Other creditors and accruals	246,341,020	253,426,111
	460,430,472	351,713,442

Trade and other payables are unsecured and usually paid within 30 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 PROVISIONS

	2022 Shs'000	2021 Shs'000
Non-current contract liabilities	12,215,045	10,831,409
Non-current provisions	19,513,613	12,354,185
	31,728,658	23,185,594
Current provisions	22,992,885	23,262,066
Total provisions	54,721,543	46,447,660

Year ended 31 December 2022	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
Bonus provision	9,827,567	13,175,994	(10,349,549)	12,654,012	-	12,654,012
Notional share options	25,788,684	11,736,465	(12,564,943)	24,960,206	19,513,613	5,446,593
Contract liabilities	10,831,409	2,215,521	(831,885)	12,215,045	12,215,045	-
Other provisions	-	4,892,280	-	4,892,280	-	4,892,280
	46,447,660	32,020,260	(23,746,377)	54,721,543	31,728,658	22,992,885
Year ended 31 December 2021	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
Bonus provision	8,600,685	11,050,652	(9,823,770)	9,827,567	-	9,827,567
Notional share options	19,562,445	11,855,844	(5,629,605)	25,788,684	12,354,185	13,434,499
Contract liabilities	3,240,024	8,260,686	(669,301)	10,831,409	10,831,409	-
	31,403,154	31,167,182	(16,122,676)	46,447,660	23,185,594	23,262,066



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. Bonus payment is expected in March 2023.

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)). Set out below is a summary of the notional share options.

	Number Of Shares	2022 Total Shs'000	Number Of Shares	2021 Total Shs'000
As at 31 December	960,980	24,960,206	1,329,290	25,788,684
Vested and exercisable at 31 December	172,452	5,446,593	491,050	13,434,499

## 27 BORROWINGS

Borrowings comprise a syndicated loan facility broken down below:

	Currency		
(i) Loan facility A	Shs	62,900,321	90,431,353
(ii) Loan facility A – Stanbic Bank	Shs	12,550,685	25,076,582
(iii) Loan facility B – Stanbic Bank	USD	-	22,191,528
(iv) Loan facility B – Revolving credit	Shs	77,577,000	112,760,722
(v) Loan facility C	USD	-	115,568,329
(vi) Loan facility D (Amalgamated)	Shs	97,785,634	-
Interest bearing loans		250,813,640	366,028,514
Capitalised transaction costs		(1,240,684)	(1,874,745)
<b>Total Borrowings</b>		<b>249,572,956</b>	<b>364,153,769</b>
None of the facilities is secured against assets of the Group.			
<b>The Movement In Borrowings Is As Follows:</b>			
At start of year		364,153,769	388,224,948
Proceeds from borrowings		-	50,000,000
Interest expense		28,468,677	31,839,142
Amortisation of transaction costs		622,450	549,971
Principal repayments		(120,451,228)	(70,777,880)
Interest repayments		(29,191,791)	(31,861,851)
Unrealised foreign exchange (loss)/ gain		5,971,079	(3,820,561)
<b>At End Of Year</b>		<b>249,572,956</b>	<b>364,153,769</b>
<b>The Maturity Profile Of The Above Borrowings Is As Follows:</b>			
More than one year but not exceeding two years		66,858,140	83,944,153
More than two years but not exceeding five years		16,039,251	81,516,191
Non - current borrowings		82,897,391	165,460,344
Current borrowings		166,675,565	198,693,425
		<b>249,572,956</b>	<b>364,153,769</b>

The Group's borrowings are in respect of an unsecured syndicated loan facility that the Group obtained from Stanbic Bank Uganda Limited (Stanbic Bank), Standard Bank, Standard Chartered Bank, ABSA Bank Uganda Limited (Absa Bank) and Citibank on 4 February 2016. This facility refinanced on 25 February 2020, and the values reported are the carrying amounts which was approximate fair value. The Group also has an unsecured loan facility from Stanbic Bank Uganda Limited which runs from 21 December 2018. The facilities denominated in USD were extinguished in December 2022 and converted to a Uganda Shillings facility from Stanbic Bank and Absa Bank 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 2022, the principal loan outstanding in respect of this facility amounted to Shs 61,875 million. The loan is repayable in 16 quarterly instalments starting May 2021 with the final payment due in February 2024. 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 13.09 %% (2021: 13.1%).

### (ii) Loan facility A – Stanbic Bank

This facility has a limit of Shs 50,000 million. At 31 December 2022, the loan outstanding in respect of this facility amounted to Shs 12.5 billion. The loan is repayable in 16 quarterly instalments which started in March 2020 with the final payment due in 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 12.25% (2021:12.1%).

### (iii) Loan facility B - Revolving Credit

This facility has a limit of Shs 110,000 million. At 31 December 2022, the principal loan outstanding in respect of this facility amounted to Shs 75 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 13.01% (2021: 13.21%).

### (iv) Loan facility D – Stanbic Bank and ABSA Bank

This facility has a limit of Ush 98 billion. At 31 December 2022, the principal loan outstanding in respect of this facility amounted to Ush 97.7 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 11.14%.

### (v) Loan Facility B&C denominated in USD were extinguished on 28 December 2022 and converted into a new facility, Facility D.

### Unutilised Facilities

The Group had an unutilised overdraft and short-term loan facilities of Shs 37,236 million (2021: Shs 17,750 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

At 31 December 2022, the Group had letters of credit and guarantee facilities from the following banks: Standard Chartered Bank Uganda Limited – Shs 32,792 million (2021: Shs 1,930 million); Stanbic Bank – NIL (2021: 17,750 million).

## Compliance with covenants

The Group complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods. The section below sets out an analysis of net debt and the movements in net debt.

Net Debt	2022 Shs'000	2021 Shs'000
Cash and cash equivalents (note 24)	200,772,719	188,814,310
Borrowings	(249,572,956)	(364,153,769)
Lease liabilities [note 18 (b)]	(1,072,486,871)	(732,219,836)
<b>At end of year</b>	<b>(1,121,287,108)</b>	<b>(907,559,295)</b>

Net debt reconciliation	Cash Shs'000	Leases Shs'000	Borrowings Shs'000	Total Shs'000
<b>Year ended 31 December 2021</b>				
At 1 January 2021	59,170,525	(635,537,229)	(388,224,948)	(964,591,652)
Cash flows	131,967,411	194,365,454	52,639,731	378,972,596
Foreign exchange (losses)/ gains	(2,323,626)	735,038	3,820,561	2,231,973
Other changes	-	(291,783,099)	(32,389,113)	(324,172,212)
<b>Net debt at 31 December 2021</b>	<b>188,814,310</b>	<b>(732,219,836)</b>	<b>(364,153,769)</b>	<b>(907,559,295)</b>
<b>Year ended 31 December 2022</b>				
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)
<b>Net debt at 31 December 2022</b>	<b>200,772,719</b>	<b>(1,072,486,871)</b>	<b>(249,572,956)</b>	<b>(1,121,287,108)</b>

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 CASH GENERATED FROM OPERATIONS

Net Debt	2022 Shs'000	2021 Shs'000
Reconciliation of profit before income tax to cash generated from operations:		
<b>Profit Before Income Tax</b>	<b>591,029,065</b>	490,943,100
Profit before income tax		
Adjustments for:		
Depreciation and amortisation notes 18(a) and 18(b)	330,505,073	303,600,259
Amortisation of intangible assets (note 19)	76,609,606	117,699,567
Impairment of Property and Equipment	509,391	-
Loss/ (Gain) on sale of property and equipment	706,597	(716,038)
Loss on disposal of intangible assets	448,036	2,150,836
Other movements in intangible assets (note 19)	-	1,924,005
Interest and other changes in borrowings (note 27)	35,062,206	28,568,552
Interest and other changes in lease liabilities [note 18(b)]	142,166,635	114,308,866
Gain on disposal of right of use asset and lease liabilities	(29,972,075)	(48,623)
Interest expense on Mobile Money deposits (note 12)	20,706,131	-
Interest income (note 12)	(28,046,231)	(5,314,139)
Other foreign exchange movements	4,235,820	2,323,626
Changes in working capital:		
• Inventories	(19,621,706)	353,704
• Trade and other receivables	(11,173,448)	(22,339,115)
• Contract assets	(1,773,508)	(4,692,089)
• Contract liabilities	8,797,794	(2,938,751)
• Trade and other payables	108,717,030	51,449,350
• Provisions	8,273,883	15,044,506
<b>Cash generated from operations</b>	<b>1,237,180,299</b>	1,092,317,616

## 29 CAPITAL COMMITMENTS

Capital commitments at the balance sheet date not recognised in the financial statements are as follows:

	2022 Shs'000	2021 Shs'000
<b>Property and equipment</b>		
Authorised and contracted for	64,813,671	127,127,559
Authorised but not contracted for	193,999,603	334,099,254
	<b>258,813,274</b>	<b>461,226,813</b>
<b>Intangible assets - software</b>		
Authorised and contracted for	1,544,463	7,049,300
Authorised but not contracted for	70,578,203	48,820,821
	<b>72,122,666</b>	<b>55,870,121</b>
	<b>330,935,940</b>	<b>517,096,934</b>



### 30 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.

As part of this case, the Company has also decided to allow the Mutual Agreement Procedure (MAP) to be concluded as provided for under the provisions of the Double Taxation Agreement (DTA) between Uganda and South Africa. Although the contingency virtually cancels out from a Group perspective, it should be noted that the Company holds the view that the URA is unlikely to succeed with their claim.

ii) The Group is also a defendant in a number of other legal suits. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to a significant loss.

### 31 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 Company has common shareholdings or common directorships:

	2022 Shs'000	2021 Shs'000
<b>i) Sale Of Goods And Services</b>		
Nilecom (U) Limited	1,252,517	980,905
MTN Rwandacell (sister company)	180,326	1,534,496
MTN South Africa (sister company)	-	154,357
MTN Zambia (sister company)	828,525	671,361
MTN Swaziland (sister company)	339,951	331,584
Global Connect Fibre Kenya (sister company)	488,811	563,248
MTN South Sudan (sister company)	28,065	188,092
MTN Global Connect Solutions Limited (sister company)	75,103,530	76,152,066
MTN Sudan (sister company)	-	8,594
MTN Management Services (sister company)	107,126	48,087
MTN Nigeria (sister company)	-	2,647
	<b>78,328,851</b>	<b>80,635,437</b>
<b>ii) Purchase Of Goods And Services</b>		
MTN Rwandacell (sister company)	180,767	2,319,919
Belgacom International Carrier Services*	-	5,537
MTN Global Connect Solutions Limited (sister company)	43,150,014	48,780,683
	<b>43,330,781</b>	<b>51,106,139</b>

\* In 2022, Belgacom is not a sister company and therefore its activities are not included as part of related party purchases. Purchases and sales of goods relate to sim card sales and accessories as well as interconnect and roaming charges amongst the various partners.

	2022 Shs'000	2021 Shs'000
<b>iii) Management, Technical And Other Fees</b>		
Invesco Uganda Limited	-	14,403,618
MTN International (Mauritius) Limited (Parent company)	70,642,773	69,029,982
Global Trading Company (sister company)	1,781,412	1,629,632
	<b>72,424,185</b>	<b>85,063,232</b>
<b>iv) Outstanding balances arising from sale and purchase of goods/services</b>		
<b>a) Receivables from related parties (note 22)</b>		
MTN Management Services Company (sister company)	4,287,019	1,630,176
MTN Rwandacell (sister company)	34,251	121,312
MTN Swaziland (sister company)	540,360	270,389
MTN South Sudan (sister company)	18,062	36,891
MTN Zambia (sister company)	7,589,359	7,449,939
MTN Botswana (sister company)	-	46,160
MTN Iran (sister company)	2,795	2,668
MTN Nigeria (sister company)	18,618	-
MTN Ghana (sister company)	20,974	7,700
MTN Guinea Bissau (sister company)	45,110	43,062
MTN South Africa (sister company)	855,984	1,546,087
MTN Global Connect Fibre Kenya Limited (sister company)***	1,788,453	1,667,972
MTN Liberia (sister company)	117,679	58,930
MTN Conakry (sister company)	352,723	315,860
MTN Congo Brazzaville (sister company)	308,256	161,668
MTN Global Connect Solutions Limited (sister company)	36,479,997	14,758,447
MTN Afghanistan Limited (sister company)	6,021	5,748
	<b>52,465,661</b>	<b>28,123,009</b>
<b>Unamortised IRU Prepayments</b>		
MTN Global Connect Solutions Limited (sister company)	35,146,093	26,054,913
MTN Dubai Limited (sister company)	16,712,322	19,574,003
	<b>51,858,415</b>	<b>45,628,916</b>

\*\*\* MTN Global Connect Fibre Kenya Limited was formerly MTN Business Solutions Kenya Limited

<b>iv) Outstanding Balances Arising From Sale And Purchase Of Goods/Services</b>	<b>2022</b>	<b>2021</b>
<b>b) Payables To Related Parties (Note 25)</b>	<b>Shs'000</b>	<b>Shs'000</b>
MTN International (Mauritius) Limited - management fees	6,402,081	3,862,034
MTN Dubai Limited (Sister company)	911,102	-
MTN South Africa (sister company)	15,392	14,693
MTN Group Management Services Company (sister company)	7,117,299	837,038
MTN Rwandacell (sister company)	43,564	150,026
MTN Ghana (sister company)	-	21,023
MTN Global Trading Company	149,293	178,312
MTN Botswana (sister company)	-	7,178
MTN Zambia (sister company)	9,142	8,727
MTN Swaziland (sister company)	6,937	4,024
Interserve BV (sister company)	1,362,455	1,300,601
MTN Afghanistan Ltd (sister company)	18,356	17,523
MTN Irancell (sister company)	205,698	196,359
MTN Global Connect Solutions Limited (sister company)	23,639,231	10,557,194
MTN Congo Brazzaville (sister company)	5,351	9,846
	<b>39,885,901</b>	<b>17,164,578</b>

<b>v) Key Management Compensation</b>	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Short term employee benefits	10,746,732	8,125,759
Post-employment benefits	-	832,483
Notional share options	197,066	199,070
	<b>10,943,798</b>	<b>9,157,312</b>

<b>vi) Directors' Remuneration</b>	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Directors' remuneration	367,772	2,106

<b>vii) Contributions to the MTN Uganda Limited Staff Provident Fund</b>	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Employer contributions	2,787,233	2,828,670

<b>viii) Contributions to the MTN Foundation</b>	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
Contributions	5,755,342	2,970,598

<b>ix) Dividends Paid</b>	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
MTN International (Mauritius) Limited	280,878,124	221,032,241
Invesco Uganda Limited	-	9,173,999
Other Shareholders	57,333,554	-
	<b>338,211,678</b>	<b>230,206,240</b>

### 32 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.

### 33 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.

### 34 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 Company 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 Company'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:

	<b>2022</b>	<b>2021</b>
	<b>Shs'000</b>	<b>Shs'000</b>
<b>Measured at amortised cost:</b>		
Borrowings	-	137,759,857
Lease liabilities	13,243,020	6,025,033
Total liabilities exposed to USD LIBOR	<b>13,243,020</b>	<b>143,784,890</b>

### 35 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 2022.



**COVID-19 Pandemic Impact**


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The pandemic resulted in the implementation of moderate to strict government restrictions since April 2020 but in 2021 all restrictions were eased and the economy was fully opened up with the education sector being the last on in January 2022. The commercial trends are still doing well with high growth seen in data and Fintec and promotional activities that had halted in the past years have resumed. Roaming traffic is also up due to increase in cross border movements.

**Russia – Ukraine War**


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In February 2022, Russian troops invaded Ukraine and this led to a year war that is still ongoing causing over 2 million Ukrainian people to flee their country and many more have lost their lives. Many of the Western nations have issued sanctions to Russia and this includes Russian companies high ranking government officials and businessmen supporting the government, The war has led to global disruptions in the supply chain for food items as well as oil and gas since the 2 countries were high production areas. The most direct impact to the Group was the increase in fuel prices that led to increased network costs until towards the end of Q4 2022 when prices started dropping.

The impact of the sanctions on Russia is likely to be very low.



***We live to make  
connections that  
matter.***



## Supplementary Information






## Shareholder Analysis

The company's top 20 shareholders as of 31 December 2022 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. Charles Mbire	895,561,810	4.00%
4. National Social Security Fund (2)	70,696,102	0.31%
5. Bank of Uganda Defined Benefits Scheme (1)	42,000,000	0.18%
6. Duet Africa Opportunities Master Fund IC	30,000,000	0.17%
7. EFG Hermes Oman LLC	26,855,500	0.13%
8. First Rand Bank Limited	22,000,000	0.11%
9. National Social Security Fund (Kenya)	19,905,113	0.09%
10. National Social Security Fund (Kenya) (2)	19,905,112	0.08%
11. Uganda Revenue Authority Staff Benefit Scheme	18,900,000	0.07%
12. Centenary Rural Development Group Staff Defined Contribution Scheme	17,640,000	0.07%
13. Patel Baloobhai and Patel Amarjeet Baloobhai	15,750,000	0.06%
14. Sanlam Africa Equity Fund	13,680,000	0.05%
15. National Social Security Fund Staff Provident Fund	13,650,000	0.05%
16. Bank of Uganda Defined Benefits Scheme (2)	12,862,500	0.05%
17. Kuramo Africa Opportunity Fund	12,515,000	0.05%
18. Central Bank of Kenya Pension Fund	12,440,000	0.04%
19. Tonny Mpuuga Murungi	10,500,000	0.04%
20. Zamara Retirement Fund	9,870,000	0.03%
21. Other shareholders	550,501,113	2.45%
 <b>TOTAL</b>	<b>22,389,044,239</b>	<b>100%</b>

### ANALYSIS BY SIZE OF HOLDING

Volume	Number of Shares	%	Holders
1 – 1000	4,988,559	0.02%	9,110
1,001 – 5,000	11,748,002	0.05%	6,735
5,001 – 10,000	11,946,678	0.05%	2,020
10,001 – 1,000,000	205,739,551	0.92%	3,062
Above 1,000,001 (Excluding MTN International (Mauritius) Limited)	3,560,809,460	15.96%	119
* MTN International (Mauritius) Limited	18,593,811,989	83.05	1
 <b>REGISTER TOTALS</b>	<b>22,389,044,239</b>	<b>100%</b>	<b>21,048</b>



**Our growth is tied to the growth  
of the communities  
where we live and work.**

## 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 Friday, 19 May 2023 at 10.00 a.m by 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 2022:			
Approval and declaration of a final dividend of UGX 5.5 per ordinary share (UGX 123.1 billion) for the year ended 31 December 2022:			
Approval of the appointment of Ms. Winnie Tarinyeba Kiryabwire as a director in accordance with Article 96 of the Company's Articles of Association:			
Approval of the appointment of Ernst & Young Uganda as the external auditor of the Company for the audit relating to the financial year ending 31 December 2023, and to authorise the directors to fix the auditor's remuneration:			

Dated \_\_\_\_\_ 2023 Full name: \_\_\_\_\_

Capacity: \_\_\_\_\_

**Please provide contact details:**

E-mail: \_\_\_\_\_ Tel: \_\_\_\_\_



## GRI Universal And Topic Standards Index

### 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 [•] or deposited at any of the following locations not later than Tuesday, 16 May 2023 at 5.00 p.m:
  - a)** At the MTN Uganda 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.
- (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.

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<b>Organisation And Its Reporting Practices - Universal Standard 2021</b>			
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2.2	Approach used for consolidating information.	N/A	N/A
2.3	Reporting period for, and the frequency of, its sustainability reporting.	Sustainability Report	76
2.3	Reporting period for its financial reporting.	Financial Review	183
2.3	Publication date of the report or reported information.	Sustainability Report	76
2.3	Contact point for questions about the report or reported information.	Sustainability Report	76
2.4	Restatements of information made from previous reporting periods.	N/A	N/A
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2.5	Sustainability reporting has been externally assured.	About MTN	18

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2.6	Description of value chain.	About Us	26
2.6	Relevant business relations.	Strategy and Business Report	43
2.7	Total number of employees, and a breakdown of this total by gender and by region;	Strategy and Business Report	50
2.7	Total number of permanent employees, temporary employees, non-guaranteed hours employees, full-time employees and part-time employees.	Strategy and Business Report	50
2.7	Methodologies and assumptions used to compile the data.	Strategy and Business Report	N/A
2.7	Significant fluctuations in the number of employees during the reporting period.	N/A	N/A
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2.9	Composition of the highest governance body and its committees.	Corporate Governance Report	141
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2.10	Criteria used for nominating and selecting highest governance body members.	Corporate Governance Report	141

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2.11	Whether the chair of the highest governance body is also a senior executive in the organization.	Corporate Governance Report	132
2.11	If the chair is also a senior executive, explain their function within management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	Corporate Governance Report	133
2.12	Role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development.	Corporate Governance Report	133
2.12	Role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people.	Corporate Governance Report	133
2.12	Role of the highest governance body in reviewing the effectiveness of the organization's processes.	Corporate Governance Report	133
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2.14	Highest governance body is responsibility for reviewing and approving the reported information.	Corporate Governance Report	142
2.15	Processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated.	Corporate Governance Report	146
2.15	Whether conflicts of interest are disclosed to stakeholders.	Corporate Governance Report	146
2.16	Whether and how critical concerns are communicated to the highest governance body.	Corporate Governance Report	150
2.16	Total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	Corporate Governance Report	N/A
2.17	Measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Corporate Governance Report	146



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2.18	Whether the evaluations are independent or not, and the frequency of the evaluations.	Corporate Governance Report	146
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2.19	Remuneration policies for members of the highest governance body and senior executives.	Corporate Governance Report	150
2.19	Remuneration policies for members of the highest governance body and senior executives and their relationship to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Corporate Governance Report	150
2.20	Process for designing its remuneration policies and for determining remuneration.	Corporate Governance Report	150
2.20	Results of votes of stakeholders (including shareholders) on remuneration policies and proposals.	Corporate Governance Report	150
2.21	Ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees.	N/A	N/A
2.21	Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	N/A	N/A
<b>Governance - Universal Standard 2021</b>			
2.22	Statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	Sustainability Report	76
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2.23	Policy commitment to respect human rights.	Sustainability Report	92

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2.24	Embedding policy commitments for responsible business conduct throughout its activities and business relationships.	Sustainability Report	92
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2.27	Total number of significant instances of non-compliance with laws and regulations during the reporting period.	Risk Management	122
2.27	Monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period.	Risk Management	122
2.27	Significant instances of non-compliance.	Risk Management	122
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<b>Stakeholder Engagement - Universal Standard 2021</b>			
2.29	Approach to engaging with stakeholders.	Sustainability Report	81
2.30	Percentage of total employees covered by collective bargaining agreements.	N/A	N/A
2.30	For non-union employees, whether organization determines working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on.	N/A	N/A
<b>Economic Value - Topic Standard 2016</b>			
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201-2	Risks and opportunities posed by climate change.	Sustainability Report	83

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201-4	Total monetary value of financial assistance received by the organization from any government.	N/A	N/A
<b>Indirect Economic Impacts - Topic Standard 2016</b>			
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203-1	Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.	Sustainability Report	96
203-2	Significant identified indirect economic impacts of the organization, including positive and negative impacts.	Sustainability Report	79
204-1	Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation.	Sustainability Report	93
<b>Anti-Corruption - Topic Standard 2016</b>			
205-1	Significant risks related to corruption identified through the risk assessment.	Sustainability Report	92
205-2	Communication and training about anti-corruption policies and procedures.	Sustainability Report	92
205-3	Confirmed incidents of corruption, including total number of confirmed incidents in which employees were dismissed or disciplined for corruption.	N/A	N/A
<b>Anti-Competitive Behaviour - Topic Standard 2016</b>			
206-1	Legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation	N/A	N/A

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306-3	Waste generated.	Sustainability Report	85
306-4	Waste diverted from disposal (recycling)	Sustainability Report	85
<b>Supplier Environmental Assessment - Topic Standard 2016</b>			
308-2	Suppliers assessed for environmental impacts.	Sustainability Report	93
<b>Employees - Topic Standard 2016</b>			
401-1	Total number of employees.	Strategy and Business Report	50
401-2	Benefits provided to full-time employees.	Strategy and Business Report	50
<b>Occupational Safety And Health - Topic Standard 2016</b>			
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408-1	Operations and suppliers at significant risk for incidents of child labour.	N/A	N/A
<b>Forced Or Compulsory Labour - Topic Standard 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	N/A	N/A
<b>Security Practices - Topic Standard 2016</b>			
410-1	Security personnel trained in human rights policies or procedures.	Sustainability Report	92
<b>Supplier Social Assessment - Topic Standard 2016</b>			
414-1	Supplier screening.	Sustainability Report	93
<b>Public Policy - Topic Standard 2016</b>			
415-1	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.	N/A	N/A
<b>Customer Health And Safety - Topic Standard 2016</b>			
415-1	Assessment of the health and safety impacts of product and service categories	N/A	N/A
<b>Customer Privacy - Topic Standard 2016</b>			
418-1	Customer privacy and losses of customer data.	Sustainability Report	95



## MTN Uganda Corporate Information

**Registered Business Address** Plot 69/71, Jinja Road, Kampala

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**Directors** Mr. Charles Mbire  
Ms. Karabo Nondumo  
Ms. Yolanda Cuba  
Mr. Sugentharen Perumal  
Ms. Sylvia Mulinge  
Mr. Andrew Bugembe  
Mrs. Winnie Tarinyeba Kiryabwire

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**Company Secretary** Ms. Enid Edroma

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**Auditors** PricewaterhouseCoopers CPA  
1 Colville Street, Communications House,  
10th Floor Kampala

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**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





***Together,  
we're  
unstoppable.***



What  
are we  
doing  
today?



**MTN UGANDA LIMITED**  
Plot 69/71, Jinja Road, Kampala