



MTN Uganda Limited

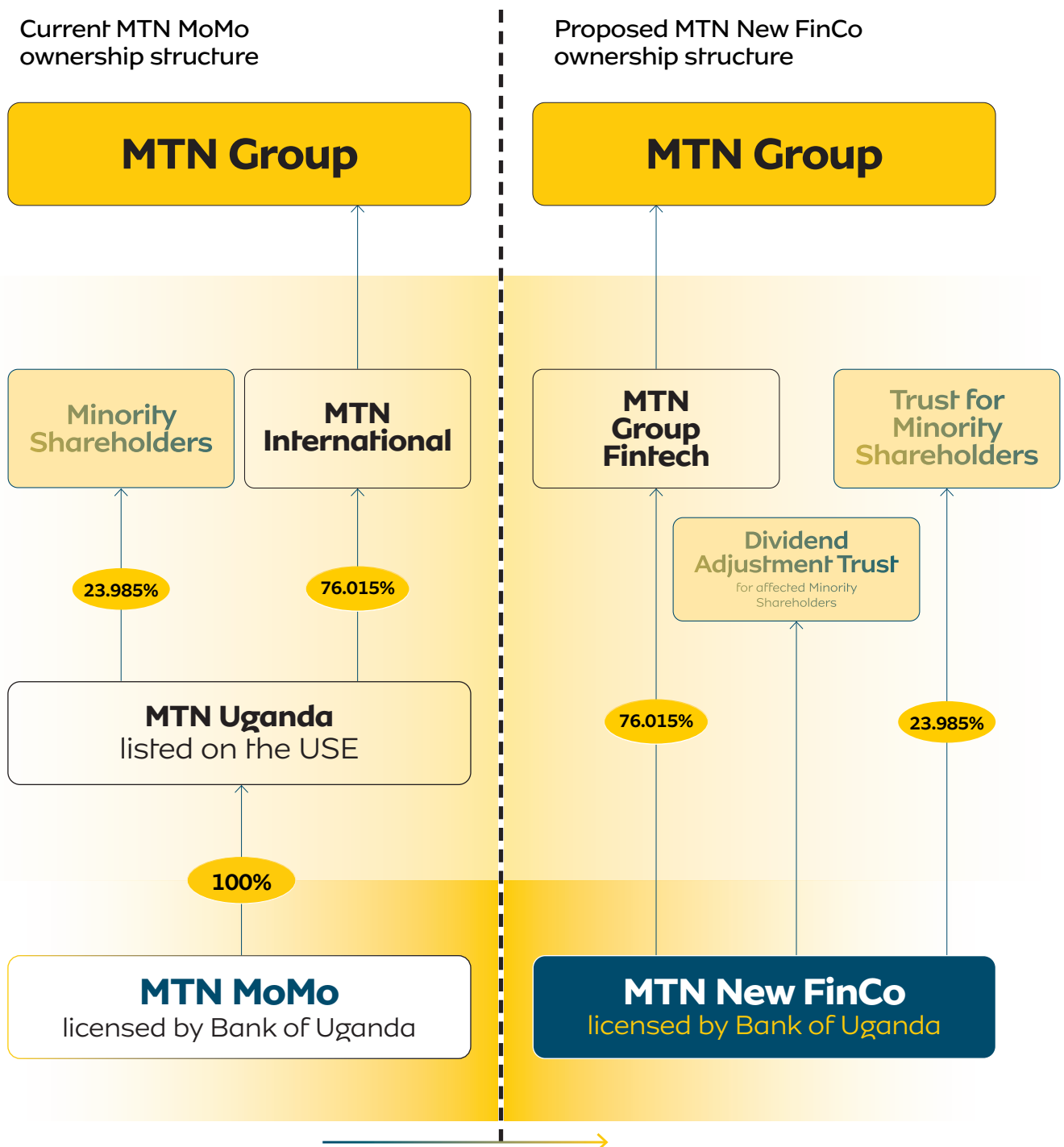
Circular to shareholders regarding the proposed
structural separation and reorganisation of
MTN Mobile Money (U) Limited

Abridged Circular



Caution:

This is an abridged version of the circular dated **Wednesday, 11 June 2025** and issued by MTN Uganda Limited in relation to the proposed structural separation and reorganisation of MTN's wholly owned subsidiary, MTN Mobile Money (U) Limited. This abridged version is not a substitute for the full circular, and shareholders **MUST** read the full circular in its entirety.

Graphical overview of the structural separation:

Amalgamation of MTN MoMo and MTN New FinCo, with MTN New FinCo as the surviving entity. MTN MoMo to be removed from the register of companies by the Registrar of Companies.

Q. Why am I receiving a notice of an extraordinary general meeting?

The purpose of the notice of the extraordinary general meeting (“EGM”) is to invite you to a meeting of the shareholders of MTN Uganda Limited (“MTN”). The meeting has been called to consider a resolution to implement the proposed structural separation and reorganisation of MTN Mobile Money (U) Limited (“MTN MoMo”). The nature of this transaction is explained further below.

Q. What is the difference between the EGM and the recently concluded annual general meeting?

An annual general meeting is a routine and scheduled shareholders meeting that is required by law, and which MTN must hold every year. On 16 May 2025, MTN held its AGM for the year ended 31 December 2024.

On the other hand, an EGM is an additional meeting that is usually called when special matters require shareholder action.

Q. When is the EGM to approve the transaction scheduled to take place?

The EGM will be held on **Wednesday, 2 July 2025 at 3:00 p.m.** The instructions for registering to attend the EGM are set out in the EGM notice.

Q. What is the purpose of the circular?

The circular sets out all the relevant information and explanations regarding the proposed structural separation and reorganisation of MTN MoMo, and its purpose is to ensure that MTN shareholders have all the information necessary to enable them to make an informed decision regarding the resolution to be proposed at the EGM. MTN shareholders are encouraged to read the circular in full.

Q. What other documents should I have access to?

In addition to the circular, you should have access to, among others, the notice of the EGM, the proxy form for the EGM, MTN’s consolidated audited financial statements for 2022, 2023 and 2024 and MTN’s annual reports for 2022, 2023 and 2024.

These documents can be accessed at the following link: www.mtn.co.ug/investors

Q. What is the structural separation of MTN and MTN MoMo about?

The structural separation of MTN and MTN MoMo refers to the process by which the mobile money and financial technology (“fintech”) business will cease operating under MTN, and will instead be operated by a new company referred to as “**MTN New FinCo**” under a new ownership structure.

Q. Why is MTN separating MTN and MTN MoMo?

MTN is structurally separating with MTN MoMo so as to fulfil one of the core objectives of MTN’s **Ambition 2025** strategy.

One of the pillars of **Ambition 2025** is to “build valuable platforms” and “transform the MTN portfolio”. This refers to the deliberate process of evolving and adapting MTN’s traditional telecommunications business to take advantage of the growth of technology and technology-enabled services across the world.

The structural separation will enable the telecommunications business and the mobile money and fintech business to be operated independently and with regard to their differences.

The structural separation is also expected to attract strategic investors and partners at the MTN Group Fintech level, with a view to bringing onboard capital, technologies and critical sector capabilities that will enable MTN New FinCo to benefit from new strategic partnerships.

Q. What are the key benefits of the separation?

The structural separation is expected to have long-term benefits for all parties.

Firstly, putting in place the structural separation will enable the telecommunications business and the mobile money and fintech business to be operated independently and with regard to their differences. This will ensure that the two businesses are operated at a level that will enhance their individual earnings’ potential.

Secondly, the structural separation will enable fintech-focused strategic partners to invest both financially and non-financially in the mobile money and fintech business line.

Thirdly, the shareholding structure that will be in place after the separation will ensure that MTN's minority shareholders continue to benefit economically from the financial performance of both MTN and MTN New FinCo.

Q. Will the MTN minority shareholders continue to benefit from MTN New FinCo?

Yes. The MTN minority shareholders will continue to hold an interest in MTN New FinCo through an incorporated trust (the **"Trust"**).

In MTN New FinCo, MTN Group Fintech will hold a 76.015% shareholding while the Trust will hold a 23.985% shareholding on behalf of and for the benefit of the minority shareholders. The 23.985% shareholding that the Trust will hold in MTN New FinCo reflects that same 23.985% shareholding that the minority shareholders currently hold in MTN.

Q. Why will the Trust be put in place?

The Trust will be put in place so that minority shareholders can continue to benefit economically from both MTN and MTN New FinCo as separated businesses, and participate in the governance matters of MTN New FinCo. The Trust will be in place on a temporary or transitional basis until MTN New FinCo lists on the Uganda Securities Exchange.

Q. What is the impact on dividend entitlements?

The minority shareholders will receive any dividend declared out of the earnings of both MTN and MTN New FinCo. The dividend from MTN will be paid to the minority shareholders directly, while the dividend from MTN New FinCo will be paid through the Trust.

Q. At what rate will the dividend be taxed?

The dividend from MTN to individual shareholders tax resident in Uganda currently attracts a withholding tax of 10%.

The dividend from MTN to individual shareholders based outside Uganda and to non-individual shareholders currently attracts a withholding tax of 15%.

For MTN New FinCo, a dividend to all its shareholders will attract a withholding tax of 15% at the current rate of taxation.

To cater for the extra 5% withholding tax liability affecting individual minority shareholders tax resident in Uganda, MTN Group Fintech will put in place an additional trust structure by which the affected minority shareholders will continue to receive a net dividend amount from MTN New FinCo as if a 10% withholding tax rate applies.

The funds for the additional 5% withholding tax will be provided by MTN Group Fintech.

Q. What does the structural separation mean for the share price of MTN?

MTN cautions that as general principle of the public capital markets, the price of listed shares is determined by various market factors over which MTN has no control.

MTN's assessment is that MTN's share price will remain competitive due to the commercial value of the "linked" structure that allows the minority shareholders to benefit from both the earnings of MTN and MTN New FinCo.

However, there can be no guarantee or certainty that the price of MTN's shares will not fluctuate either upwards or downwards.

MTN has also issued a cautionary announcement in relation to the Proposed Transaction in accordance with the Uganda Securities Exchange Listing Rules 2025, and shareholders and other investors are advised to exercise caution when dealing in MTN shares.

Q. What is the impact on MTN's share capital and shareholding?

There will be no impact on the share capital or shareholding structure of MTN. Minority shareholders will continue to maintain their current holding of shares in MTN.

Q. For how long with the Trust structure be in place?

The anticipated period is 3 – 5 years from the date that the structural separation takes effect.

It is intended that MTN New FinCo will be listed to allow both MTN Group Fintech and the MTN minority shareholders to trade their shares in MTN New FinCo directly.

The listing of MTN New FinCo will be subject to the necessary board and shareholder approvals, regulatory approvals and appropriateness of the market conditions. The operational and technology maturity of the business will be assessed for readiness for such a listing.

Q. What if I have any more questions?

As indicated in the EGM notice, shareholders may send their written questions by email to **mtnuganda@image.co.ke**, or ask questions by SMS by dialling the USSD code contained in the SMS/USSD prompt(s) referred to in the EGM notice and selecting the option (*Ask Question*) on the prompts.

In addition, during the EGM itself, shareholders may ask questions or via the *Question Tab* on the livestream link during the EGM.

You may also consult a licensed stockbroker or investment adviser. A list of stockbrokers or investment advisers licensed by the Capital Markets Authority can be found on this link: <https://cmauganda.co.ug/licensed-firms/>

- **Crested Capital**
info@crestedcapital.com
0393 230 900
- **Dyer and Blair**
uganda@dyerandblair.com
0393 265 469
- **Old Mutual Securities**
brokerageuufs@uap-group.com
0200 507 277
- **SBG Securities**
sbgqueries@stanbic.com
0312 224 965
- **Chipper Technologies**
uganda@chippercash.com
0200-935935



Contact

Amanda Bbosa Rabwoni

Senior Manager, Investor Relations

MTN Uganda Limited

Telephone: +256 772 123 195

Email: investorrelationsug@mtn.com

Rhona Arinaitwe

Senior Manager, Public Relations

MTN Uganda Limited

Telephone: +256 772 123 067

Email: mediaqueriesug@mtn.com

About MTN Uganda

MTN Uganda is one of Africa's largest providers of communications services, connecting approximately 22.0 million people in communities across the country with each other and the world. Guided by a vision to lead the delivery of a bold new digital world, MTN Uganda's leadership position in coverage, capacity and innovation has remained constant since its launch in 1998. MTN Uganda is part of the MTN Group – a multinational telecommunications group, which operates in 18 markets.