



# MTN Uganda Limited

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







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

This circular is issued by MTN Uganda Limited ("**MTN**" and the "**Company**") in relation to the proposed structural separation and reorganisation of MTN's wholly owned subsidiary MTN Mobile Money (U) Limited ("**MTN MoMo**").

This circular is important and requires your immediate attention. **Part 1** of this circular provides a summary of the Proposed Transaction (as defined below) and explains the material aspects of the transaction from the viewpoint of a shareholder of MTN. **Part 2** of the circular provides a detailed description of the Proposed Transaction and other related matters. **Part 3** of the circular provides certain specific disclosures and general information.

If you are in any doubt as to what action you should take arising from this circular, please consult a licensed stockbroker or investment adviser. For MTN's Uganda-based retail shareholders, 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/>

If you have sold all your MTN shares, please forward this document as soon as possible to the purchaser, stockbroker or agent through whom the share sale was effected. If you sell or have sold only some of your MTN shares, you should retain this document. If you are currently a shareholder but are unable to attend the extraordinary general meeting, please complete the proxy form accompanying the meeting notice, and deliver the completed and executed proxy form in accordance with the instructions set out in the proxy form in order for your proxy to be able to attend the extraordinary general meeting.

*This circular is issued by MTN and has been prepared in compliance with the requirements of the Capital Markets (Corporate Governance) Regulations 2025 and the Uganda Securities Exchange Listing Rules 2025. The Capital Markets Authority ("**CMA**") and the Uganda Securities Exchange ("**USE**") have granted permission for the issue of the circular. As a matter of policy, neither the CMA nor the USE assumes responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the circular. The approval of this circular by the CMA and the USE is not to be taken as an indication of the merits of the Proposed Transaction.*

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**Wednesday, 11 June 2025**

Legal adviser  
for the Proposed  
Transaction



Financial adviser  
for the Proposed  
Transaction



**Stanbic Bank**



# MTN Corporate Information

<b>Registered office</b>	Plot 69-71, Jinja Road Kampala
<b>Directors</b>	<p><b>Dr Charles Mbire</b> Chairperson and Non-Executive Director</p> <p><b>Ms Yolanda Cuba</b> Non-Executive Director</p> <p><b>Ms Karabo Nondumo</b> Independent Non-Executive Director</p> <p><b>Mr Sugentharen Perumal</b> Non-Executive Director</p> <p><b>Dr Winifred Tarinyeba Kiryabwire</b> Independent Non-Executive Director</p> <p><b>Ms Fatima Daniels</b> Independent Non-Executive Director</p> <p><b>Mr Francis Kamulegeya</b> Independent Non-Executive Director</p> <p><b>Ms Sylvia Mulinge</b> Chief Executive Officer and Executive Director</p> <p><b>Mr Andrew Bugembe</b> Chief Financial Officer and Executive Director</p>
<b>Company secretary</b>	<b>Ms Enid Edroma</b> Plot 69-71, Jinja Road Kampala
<b>External auditor</b> 	<b>Ernst &amp; Young Certified Public Accountants</b> Plot 18, Clement Hill Road, Shimoni Office Village Kampala
<b>Share registrar</b> 	<b>Uganda Securities Exchange Nominees Limited / SCD Registrars</b> Plot 3-5 New Port-Bell Road, UAP Nakawa Business Park, Block A, 4th Floor Kampala
<b>Contact details</b>	<p><b>E: <a href="mailto:investorrelations.ug@mtn.com">investorrelations.ug@mtn.com</a></b></p> <p><b>E: <a href="mailto:mediaqueriesug@mtn.com">mediaqueriesug@mtn.com</a></b></p> <p><b>W: <a href="https://www.mtn.co.ug/">https://www.mtn.co.ug/</a></b></p>

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# Important Dates

Record date for shareholders to be recorded in the shareholder register to receive the circular and notice for the extraordinary general meeting (" <b>EGM</b> " and " <b>EGM Notice</b> "):	<b>Monday, 02 June 2025</b>
EGM Notice and circular released on the Company's media pages and emailed to shareholders:	<b>Wednesday, 11 June 2025</b>
EGM Notice published in daily newspapers with wide circulation:	<b>Wednesday, 11 June 2025</b>
Commencement of registration for the EGM:	<b>Thursday, 12 June 2025</b>
Last day to trade in order to be recorded in the shareholder register on the record date:	<b>Wednesday, 25 June 2025</b>
Record date for shareholders to be recorded in the shareholder register to register and attend the EGM:	<b>Tuesday, 01 July 2025</b>
Last day for registration to attend the EGM:	<b>Tuesday, 01 July 2025</b>
Last day for receipt of proxy forms for the EGM by the Company and Company's share registrar:	<b>Tuesday, 01 July 2025</b>
EGM to be held by hybrid means:	<b>Wednesday, 02 July 2025</b>
Post-EGM announcement released on the Company's media pages and daily newspapers with wide circulation:	<b>Thursday, 03 July 2025</b>

1. All dates and times indicated in this circular are Ugandan (GMT+3) dates.
2. These dates are subject to amendment. Any amendment will be announced publicly through a press statement.
3. If the EGM is adjourned or postponed, forms of proxy submitted for the EGM will remain valid in respect of any adjournment or postponement of the EGM.

# Definitions and Interpretation

In this circular, EGM Notice and the proxy form in relation to the EGM, the following definitions shall apply:

<b>"Bank of Uganda"</b>	means the central bank of Uganda, established by the Constitution of the Republic of Uganda 1995 (as amended) and the Bank of Uganda Act (Cap. 54);
<b>"Board"</b>	means the current directors of MTN, whose names are set out in the <i>MTN Corporate Information</i> section of this circular;
<b>"Circular" or "circular"</b>	means this circular issued to shareholders in connection with the Proposed Transaction, including the EGM Notice, the proxy form and any other attachments;
<b>"CMA"</b>	means the Capital Markets Authority of Uganda, a statutory body established under the Capital Markets Authority Act (Cap. 64) and responsible for the regulation of all aspects of the capital markets in Uganda;
<b>"Company" and "MTN"</b>	means MTN Uganda Limited, a public limited liability company incorporated in Uganda on 25 February 1998 with registration number 80010000386201;
<b>"EGM"</b>	means the extraordinary general meeting of shareholders to be held as a hybrid meeting comprising both physical and electronic means in accordance with Article 62(c) of the MTN Articles of Association at <b>3:00 p.m. on Wednesday, 02 July 2025</b> to consider, and if thought fit, approve, the Resolution;
<b>"EGM Notice"</b>	means the notice convening the EGM, issued in accordance with Article 64 of the MTN Articles of Association;
<b>"financial technology" or "fintech"</b>	means mobile or electronic money issuance and related e-commerce, digital lending, airtime lending, remittance, insurance, and data monetisation offerings;
<b>"Minority Shareholders"</b>	means shareholders in MTN from time to time, other than MTN International;
<b>"MTN Articles of Association"</b>	means the memorandum and articles of association of the Company;

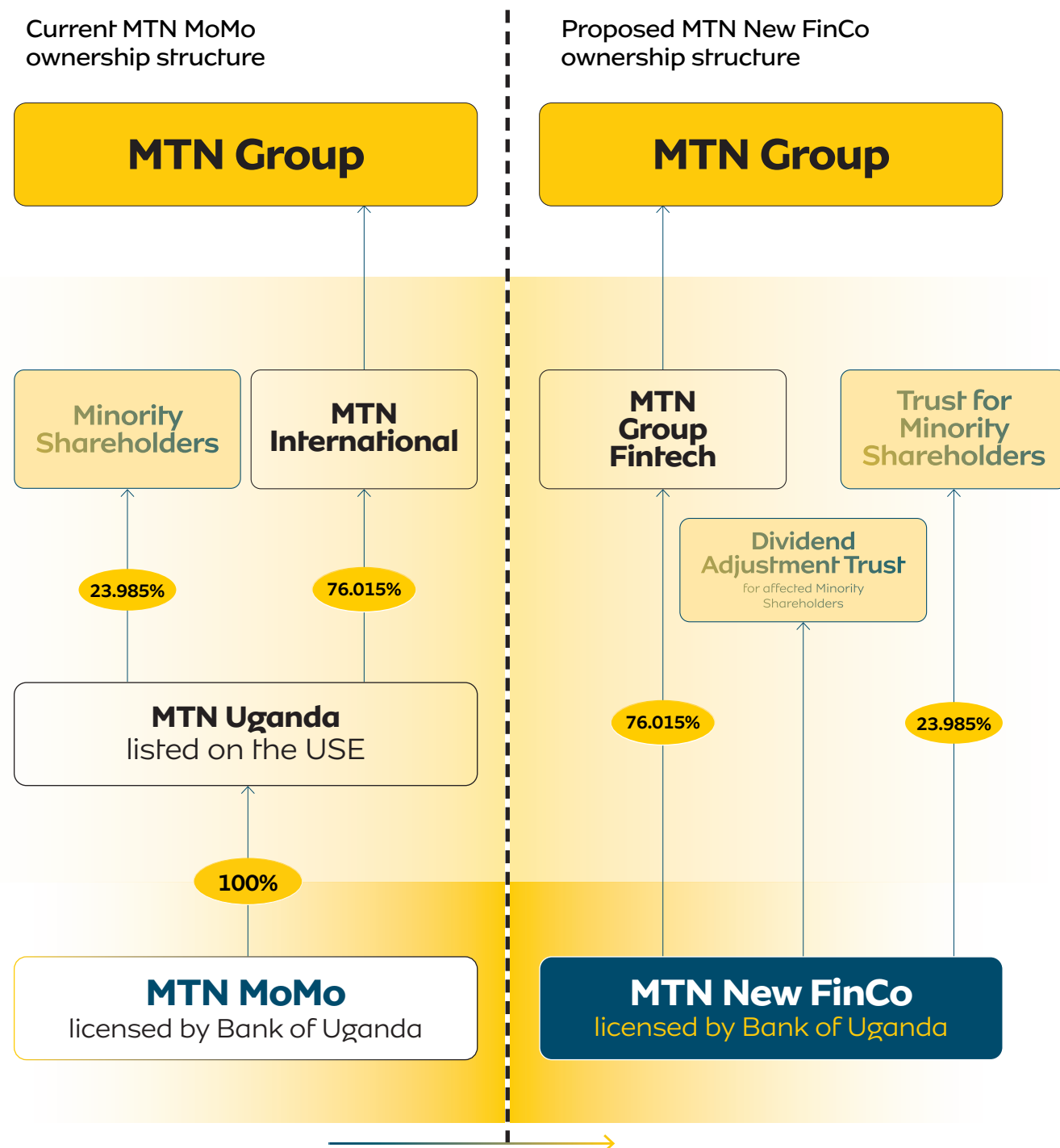
<b>"MTN Group"</b>	means MTN Group Limited, a multinational mobile telecommunications holding company incorporated under the laws of South Africa with registration number 1994/009584/06 and listed on the securities exchange operated by the JSE Limited; and the ultimate beneficial owner of MTN, indirectly owning 76.015% of MTN;
<b>"MTN Group Fintech"</b>	means MTN Group Fintech Holdings B.V, a holding company incorporated under the laws of the Netherlands with registration number 57916667. MTN Group Fintech is intended to be the direct majority shareholder and holding company of MTN New FinCo, holding 76.015% of MTN New FinCo. MTN Group Fintech is presently wholly owned by MTN Group Fintech Proprietary Limited (incorporated in South Africa), which is in turn a wholly subsidiary of MTN Group;
<b>"MTN International"</b>	means MTN International (Mauritius) Limited, incorporated under the laws of Mauritius with registration number 19434/3597. MTN International acts as an investment holding company for MTN Group, and is the direct majority shareholder and holding company of MTN, holding 76.015% of the MTN shares;
<b>"MTN MoMo"</b>	means MTN Mobile Money (U) Limited, a private company limited by shares and incorporated in Uganda on 27 November 2020 with registration number 80020002804662 as a wholly owned subsidiary of MTN, and formed for the purpose of acting as a payment systems operator for electronic money systems and as a payment service provider for electronic money issuance in accordance with the National Payment Systems Act (Cap. 59);
<b>"MTN New FinCo"</b>	means a private company limited by shares that will be incorporated in Uganda. MTN New FinCo will be incorporated for the purpose of acting as a payment systems operator for electronic money systems and as a payment service provider for electronic money issuance in accordance with the National Payment Systems Act (Cap. 59);
<b>"Proposed Transaction"</b>	means, in summary terms, the entry into and implementation of the transaction steps required to effect the structural separation of MTN MoMo from MTN and will include: <b>(a)</b> the incorporation of MTN New FinCo, the incorporation of the Trust and the incorporation of the dividend adjustment trust; <b>(b)</b> the subscription by MTN Group Fintech, the Trust and the dividend adjustment trust for their respective class of shares in MTN New FinCo; <b>(c)</b> the company amalgamation of MTN MoMo and MTN New FinCo, with MTN New FinCo remaining as the surviving entity and resulting in the structural separation; and <b>(d)</b> at a future point in time, the unbundling of the Trust, the distribution of the shares by the Trust to the Minority Shareholders and the expected listing of MTN New FinCo on the USE;

<b>"proxy form"</b>	means the proxy form for purposes of the EGM;
<b>"Resolution"</b>	means the special resolution related to the Proposed Transaction to be proposed at the EGM as set out in the EGM Notice, which special resolution will, if approved, authorise the Proposed Transaction;
<b>"shares" or "MTN shares"</b>	means the ordinary shares comprising the entire issued share capital of the Company with a par value of UGX 1 each;
<b>"shareholders" or "MTN shareholders"</b>	means the registered holders of MTN shares from time to time;
<b>"Trust"</b>	means the registered trust to be incorporated in accordance with the Trustees Incorporation Act (Cap. 271) to hold the 23.985% shareholding in MTN New FinCo on behalf of the Minority Shareholders;
<b>"UCC"</b>	means the Uganda Communications Commission, a statutory body established under the Uganda Communications Act (Cap. 103) and responsible for the regulation of the communications sector in Uganda;
<b>"UGX"</b>	means Uganda Shillings, the official currency of Uganda;
<b>"URA"</b>	means the Uganda Revenue Authority, the government revenue collection agency established by the Uganda Revenue Authority Act (Cap. 218);
<b>"USE"</b>	means Uganda Securities Exchange Limited, a public company limited by shares incorporated in Uganda on 17 May 2017 with registration number 80020000249235 and licensed by the CMA to conduct the business of a securities exchange and to act as a self-regulatory organisation; and
<b>"USE Listing Rules"</b>	means the Uganda Securities Exchange Listing Rules 2025, which set out the rules for admission to the main investment market segment of the USE and the continuing obligations for listed entities.



# 1 Summary of circular and key aspects for shareholders

## Graphical overview



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.

## 1. 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 fintech business will stop operating under MTN MoMo, and will instead be operated by MTN New FinCo under a new ownership structure.

Currently, the mobile money and fintech business is operated by MTN MoMo. MTN MoMo is wholly owned by MTN, and the earnings of MTN MoMo are combined or consolidated with the earnings of MTN.

Therefore, when MTN shareholders receive a dividend from MTN, that dividend includes the economic performance of *both* MTN and MTN MoMo. When MTN shareholders attend a general meeting of MTN, the shareholders make decisions which affect both MTN and, indirectly through it, MTN MoMo.

This will change when the structural separation of MTN and MTN MoMo is concluded.

After the separation is concluded, MTN will *no longer* combine or consolidate the earnings of MTN New FinCo with its earnings, and shareholders will receive *separate* reports of their earnings. MTN and MTN New FinCo will also have separate shareholder meetings and *separate* dividend payments.

MTN shareholders will now be entitled to participate *directly* in the governance and shareholder meetings of MTN New FinCo, and will also be *directly* entitled to receive a dividend paid by MTN New FinCo.

Therefore, the structural separation will not adversely affect the status and position of MTN shareholders. This is explained further below.

## 2. Explain the separation that took place in 2021

In 2021, the transaction that took place was the legal separation of MTN and MTN MoMo. This separation was concluded before the 2021 initial public offer and listing of MTN, and was explained in the prospectus for the initial public offer.

The separation took place in accordance with the National Payment Systems Act (Cap. 59). This law required MTN to establish MTN MoMo as a separate subsidiary company to perform the function of issuing electronic money.

The proposed structural separation is also in line with MTN's objective to separate the telecommunications business from the mobile money and fintech business, as is explained further below.

## 3. What will happen to MTN MoMo? How does MTN New FinCo come into the picture?

MTN New FinCo will be incorporated as the new company that will operate the mobile money and fintech business. MTN MoMo will transfer the mobile money and fintech business it is currently operating to MTN New FinCo through a legal process known as an "amalgamation". "Amalgamation" refers to the process by which two or more companies merge or combine with one another, and one company remains as the continuing or operating company.

In this case, MTN New FinCo will remain as the continuing company.

#### 4. Will MTN New FinCo still be part of MTN Group?

Yes, MTN New FinCo will continue to be part of MTN Group. MTN Group, MTN and MTN New FinCo will also continue to collaborate in devising and implementing strategy so as to maximise the long-term shareholder value and return of MTN and MTN New FinCo.

#### 5. Will there be an interruption to mobile money and fintech services?

No, there will be no interruption to the provision of mobile money and fintech services. An “amalgamation” results in a continuation of business operations. Therefore, there will be no interruption to the mobile money and fintech services that MTN MoMo is currently providing. The business operation will be wholly and completely transferred from MTN MoMo to MTN New FinCo by automatic operation of law, and MTN New FinCo will continue to provide these mobile money and fintech services.

Prior to this transfer, the Bank of Uganda will be requested to approve the amalgamation and in doing so, the Bank of Uganda will issue New FinCo with the licences required under the National Payment Systems (Cap. 59). Therefore, the mobile money and fintech business will be transferred to the licensed MTN New FinCo on a continuing basis. There will be no interruption to or cessation of the mobile money and fintech business.

#### 6. 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.

MTN was listed on the USE on 6 December 2021 after an initial public offer that took place between 11 October 2021 and 22 November 2021. In the prospectus for the initial public offer, MTN informed its shareholders and the wider public about the implementation of the **Ambition 2025** strategy and the intended structural separation of MTN and MTN MoMo.

One of the pillars of **Ambition 2025** is to “build valuable platforms” and “transform the MTN portfolio”. What these pillars refer to is 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.

Therefore, what MTN refers to as its “technology platform play” means developing and deploying digital services and platforms to drive economic growth in Uganda as a separate business line or business division.

MTN has determined that in order to fully achieve this strategic objective at the level and scale that best delivers value to shareholders, a change in how the mobile money and fintech business is structured is necessary.

Currently, even though the mobile money and fintech business and telecommunications business in Uganda are operated under separate legal entities, the two businesses report their earnings on a consolidated basis under MTN. The structural change that MTN aspires to achieve will see the mobile money and fintech business operate under an entirely new mobile money and fintech division under MTN Group.

MTN believes that this separation will be beneficial to the mobile money and fintech business, as well as to the MTN shareholders.

## **7. What are the key benefits of the structural separation?**

The structural separation is expected to have long-term benefits for all parties: the Minority Shareholders, MTN, MTN New FinCo, MTN Group, MTN Group Fintech, the customers of the mobile money and fintech business and the wider public.

Firstly, putting in place this structural separation will enable the telecommunications business and the mobile money and fintech business to be operated independently and with regard to their differences in investor profile, capital profile, technological profile, returns profile and regulatory profile. This will ensure that the two businesses are operated at a level that will further enhance their earnings' potential.

Secondly, the structural separation will enable fintech-focused strategic partners to invest both financially and non-financially (through technology and technical capability) in this mobile money and fintech business line, delivering increased value to MTN New FinCo's shareholders and the public as a whole in the process.

Thirdly, the shareholding structure that will be in place after the separation will ensure that the Minority Shareholders continue to benefit economically from the financial performance of *both* MTN and MTN New FinCo. Every year, the Minority Shareholders will receive any dividends declared by MTN and those declared by MTN New FinCo. The Minority Shareholders will also participate in and vote at the general meetings of *both* MTN and MTN New FinCo.

## **8. What regulatory approvals are required for the Proposed Transaction?**

Various regulatory bodies must approve or be notified of the Proposed Transaction. The primary regulatory stakeholders are the Bank of Uganda, the URA, the CMA, the USE and the Commissioner for Labour. The Ministry of Information, Communications Technology and National Guidance and the UCC will also be notified.

MTN will comply fully with Ugandan law and ensure that all required regulatory approvals are obtained, and that all required regulatory notifications are completed.

## **9. Does the structural separation affect the shareholding of the Minority Shareholders in MTN?**

The shareholding of the Minority Shareholders in MTN is not affected by the structural separation.

## **10. How will the Minority Shareholders continue to hold an interest in MTN New FinCo?**

The Minority Shareholders will continue to hold an interest in MTN New FinCo through the Trust.

MTN New FinCo will be incorporated as a private company limited by shares. One of the shareholders of MTN New FinCo will be the Trust. The Trust will be incorporated as a legal entity in Uganda by the Commissioner for Land Registration in the Ministry of Lands, Housing and Urban Development. Ugandan law requires all incorporated trusts to be registered with the Commissioner for Land Registration.



A trust is a legal structure that is put in place for a specified purpose that usually involves having assets (such as land or money) being managed on behalf of and for the benefit of a third party known as a beneficiary.

The Trust will hold a 23.985% shareholding in MTN New FinCo on behalf of and for the benefit of the Minority Shareholders. This means that the Minority Shareholders will be the sole beneficiaries of the Trust.

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, and will adjust to always align with these shareholdings, should they change.

Therefore, by holding shares in MTN, a Minority Shareholder automatically qualifies for the same proportionate interest in MTN New FinCo through the Trust. A Minority Shareholder will hold an “interest” in the Trust, and not shares in MTN New FinCo. The shares in MTN New FinCo will be held by the Trust itself on behalf of the Minority Shareholders. A Minority Shareholder’s shareholding in MTN and its interest in MTN and MTN New FinCo through the Trust will be linked and will not be separable.

If a Minority Shareholder sells or reduces its shares in MTN, that Minority Shareholder’s recorded interest in the Trust will be similarly removed or reduced. Equally, new purchasers of shares who become Minority Shareholders in MTN will automatically become beneficiaries of the Trust in proportion to their shareholdings in MTN.

## 11. Why will the Trust be put in place?

The Trust will be put in place because it is MTN’s absolute strategic intention for the Minority Shareholders to continue to benefit economically from both MTN and MTN New FinCo as separated businesses, and to still be able to participate in the governance matters of MTN New FinCo.

For this reason, a Trust whose beneficiaries are the Minority Shareholders will be put in place. The unbundling is expected to occur within 3 – 5 years after the completion of structural separation, and the Minority Shareholders will then hold their shares in MTN New FinCo directly.

The two trusts are exclusively conduit vehicles for the A1 ordinary shares and dividend adjustment share, which they hold and administer in accordance with the governing agreements.

The two trusts do not conduct any trading or other income-earning activities, and their only receipts are ordinary dividends from MTN New FinCo, and dividends / contributions to cover their running costs. In relation to ordinary dividends, they will operate exclusively as payment agents for dividends paid by MTN New FinCo to the relevant Minority Shareholders.

The two trusts accordingly will not derive any income and will, therefore, not incur any income tax liability. The Minority Shareholders (as beneficiaries of the trusts) will only be required to pay withholding tax on dividends declared by MTN New FinCo, and MTN New FinCo will account for this withholding tax.

The Uganda Revenue Authority has been requested to confirm this position in a private tax ruling request submitted by MTN.

## 12. Who will manage the Trust?

The Trust will be managed by a reputable and well-established company with experience in providing administrative and other support services to a large group of shareholders.

This company will be referred to as the “corporate trustee”, and will communicate regularly with the Minority Shareholders on matters of interest such as dividend payments and shareholder meetings. The Trust and the corporate trustee act for the sole benefit of the Minority Shareholders, and strictly in accordance with the governing agreements.

## 13. Will Minority Shareholders attend and vote at meetings for both companies?

Yes, Minority Shareholders will participate in shareholder meetings of MTN and MTN New FinCo.

For MTN, Minority Shareholders will receive notices and agendas for shareholder meetings, and attend and vote directly on the resolutions presented in the meetings.

For MTN New FinCo, Minority Shareholders will receive notices and agendas for shareholder meetings, and they will attend these meetings in their capacity as beneficiaries of the Trust. The votes of the Minority Shareholders will be exercised and recorded through the corporate trustee, who then vote strictly as directed by the Minority Shareholders.

## 14. Will the price of MTN shares be adversely affected by this new structure?

MTN cautions that as a 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 after the structural separation of MTN and MTN MoMo, MTN's share price will remain competitive due to the commercial value or commercial benefit of the “linked” structure that allows the Minority Shareholders to benefit economically from both the earnings of MTN and MTN New FinCo. As indicated above, the structural separation is expected to have various long-term benefits for all parties, which would enhance the combined value of both companies.

When a Minority Shareholder or potential third-party buyer is evaluating the price of an MTN share, it is expected that that evaluation will consider that owning a share in MTN represents a *direct* interest in MTN, and an *indirect* interest in MTN New FinCo (through the Trust). As a result of this link, the structural separation will not result in any real change in the effective ownership and economic position of the Minority Shareholders.

In future, after the Trust's shareholding is unbundled and MTN New FinCo is listed, a Minority Shareholder will have two separate interests in two separately listed companies – MTN and MTN New FinCo.

MTN cautions the Minority Shareholders and the wider investing public that investments in shares held in the public capital markets are always subject to price fluctuations, and there can be no certainty that the price of the shares of any listed company will fluctuate upwards or will not fluctuate downwards.

## **15. Will I still get a dividend out of the earnings of both MTN and MTN New FinCo?**

Yes, Minority Shareholders will receive any dividend declared out of the earnings of both MTN and MTN New FinCo. The dividend from MTN New FinCo will be paid through the Trust.

## **16. What withholding tax rate will apply to my dividend from MTN?**

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%.

## **17. What withholding tax rate will apply to my dividend from MTN New FinCo?**

A dividend from MTN New FinCo to all its shareholders will attract a withholding tax of 15% at the current rate of taxation. This means that any dividend payments to individual Minority Shareholders tax resident in Uganda (payable through the Trust) will also attract a withholding tax of 15%.

This will be an increased rate from the 10% withholding tax rate currently applied to the dividends received by these shareholders from MTN.

To cater for the extra 5% withholding tax liability affecting individual Minority Shareholders tax resident in Uganda, MTN Group Fintech will put in place a special 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 additional 5% withholding tax liability will be borne by MTN Group Fintech. At any dividend payment cycle of MTN New FinCo, MTN Group Fintech will ensure that the funds necessary to cover the extra 5% tax liability are transmitted to the dividend adjustment trust.

The dividend adjustment trust will pay these funds to the affected Minority Shareholders such that each affected shareholder receives a net dividend amount as if a 10% withholding tax has been deducted, and not 15%. If the withholding rate of 10% applicable to affected Minority Shareholders increases from 10%, the top-up amounts paid by the dividend adjustment trust will scale back accordingly.

MTN New FinCo will continue to be liable to remit a 15% withholding tax on the gross dividend amount declared to MTN Group Fintech and the Trust.

## **18. What exactly is the “dividend adjustment trust”?**

In addition to the Trust, a second trust known as the “dividend adjustment trust” will be incorporated with the Commissioner for Land Registration and its sole beneficiaries will be the individual Minority Shareholders who are tax resident in Uganda. The dividend adjustment trust will hold only one dividend adjustment share in MTN New FinCo and will be incorporated to serve a specific purpose.

As has been noted above, the withholding tax rate for a dividend payment made by MTN New FinCo to an individual Minority Shareholder who is tax resident in Uganda will increase from 10% to 15% at the current level of taxation.

Therefore, to ensure that these Minority Shareholders are not negatively affected by the increased withholding tax liability on any dividends, the dividend adjustment trust will be incorporated to receive and pay to its beneficiaries (the affected individual Minority Shareholders tax resident in Uganda) additional funds necessary to guarantee that they receive a net dividend amount from MTN New FinCo as if a 10% withholding tax had been deducted, and not 15%.

The two trusts are exclusively conduit vehicles for the A1 ordinary shares and dividend adjustment share, which they hold and administer in accordance with the governing agreements. The two trusts do not conduct any trading or other income-earning activities, and their only receipts are ordinary dividends from MTN New FinCo, and dividends / contributions to cover their running costs.

In relation to ordinary dividends they will operate exclusively as payment agents for dividends paid by MTN New FinCo to the relevant Minority Shareholders. The two trusts accordingly will not derive any income and will, therefore, not incur any income tax liability.

The Minority Shareholders (as beneficiaries of the trusts) will only be required to pay withholding tax on dividends declared by MTN New FinCo, and MTN New FinCo will account for this withholding tax. The Uganda Revenue Authority has been requested to confirm this position in a private tax ruling request submitted by MTN.

## **19. Will the MTN New FinCo dividend be taxed twice?**

No, the MTN New FinCo dividend to be paid to the Minority Shareholders will not be taxed twice.

Withholding tax on a dividend paid by MTN New FinCo will be applied once as is currently the case with the withholding tax on the dividend paid by MTN MoMo to MTN, and on-paid to shareholders by MTN as part of its dividend to them.

If MTN New FinCo declares a dividend, it will withhold tax at the required rate of 15% when it pays such dividend to the Trust. Thereafter, the transmission of the net dividend payments to the Trust and subsequently to the Minority Shareholders will not be subject to an additional withholding tax because the Trust is not the beneficiary of the funds and is, in substance, a payment agent.

The same principle will apply to payments to the dividend adjustment trust for onward transmission to the affected individual Minority Shareholders tax resident in Uganda.

MTN has requested a private tax ruling from the URA to confirm this tax position.

## **20. Explain the “unbundling” that will take place in 3 – 5 years’ time**

“Unbundling” refers to the process by which the Trust will distribute the shares it holds in trust to the Minority Shareholders, such that the Minority Shareholders become direct shareholders in MTN New FinCo.

After the structural separation is concluded with the amalgamation of MTN MoMo and MTN New FinCo, MTN New FinCo will continue the mobile money and fintech business as a private company. The shareholding of MTN New FinCo will be held by MTN Group Fintech and the Trust (on behalf of the Minority Shareholders), and the dividend adjustment trust.

At or about the time that the unbundling occurs, MTN New FinCo will convert into a public company and apply to be listed on the USE. The Minority Shareholders will, as a result, hold listed shares in two listed companies – MTN and MTN New FinCo.



It is intended that MTN New FinCo will be listed as soon as reasonably possible to allow both MTN Group Fintech and the Minority Shareholders to trade their shares in MTN New FinCo directly. Currently, it is anticipated that subject to the necessary board and shareholder approvals, regulatory approvals and appropriateness of the market conditions, MTN New FinCo will be listed on the USE within a 3 – 5-year period. The operational and technology maturity of the business will be assessed for readiness for such a listing.

## **21. How will the proposed listing of MTN New FinCo occur? Will there be an initial public offer?**

The proposed future listing of MTN New FinCo is expected to occur through a “listing by introduction”.

As of 31 December 2024, MTN had 20,427 shareholders. The purpose of the intended future listing of MTN New FinCo is to allow MTN Group Fintech and all the Minority Shareholders (who are beneficiaries of Trust) to directly hold listed shares in MTN New FinCo.

Therefore, the proposed listing of MTN New FinCo will most likely occur through a “listing by introduction” because of the number of issued shares and number of shareholders that MTN New FinCo will already have at that time.

A “listing by introduction” is a method of listing a company’s shares on the USE without issuing or selling shares to the public, and without marketing shares to the public. However, once the company’s shares are listed, the existing shareholders at the time of listing are free to trade their shares with other third parties on the securities exchange in the usual way.

When the proposed listing of MTN New FinCo occurs, the listing price or price per share will be determined in accordance with the Capital Markets Authority (Offer of Securities) Regulations 2025 and the USE Listing Rules. At the relevant time, MTN New FinCo will work with a qualified and independent valuer to prepare a fairness opinion which will determine the listing or reference price, and this opinion will be disclosed to the CMA and the USE.

## 2 Detailed explanation of the Proposed Transaction

The legal basis of this circular is Rule 49 of the USE Listing Rules and Regulation 22 of the Capital Markets (Corporate Governance) Regulations 2025. In addition, this circular is issued in accordance with the Board's mandate to act as the focal point for, and custodian of, corporate governance and responsible and transparent stakeholder management.

The Board performs this mandate by ensuring that, among others, items of special interest included in a notice of a shareholders' meeting are accompanied by sufficient information or explanatory material to enable a shareholder who is entitled to vote on the proposed resolution(s) to be adequately informed.

### Introduction and purpose of this circular

The purpose of this circular is to provide MTN shareholders with relevant information relating to the Proposed Transaction. This is to enable the shareholders to make an informed decision as to whether or not they should vote in favour of the Resolution to be proposed at the EGM in relation to the Proposed Transaction.

### **Ambition 2025** strategic context

On 6 December 2021, MTN was listed on the USE after an initial public offer that took place between 11 October 2021 and 22 November 2021.

In the prospectus for the initial public offer, in the announcement for the subsequent secondary market purchase that took place between 27 May 2024 and 12 June 2024 and in the Company's annual reports, MTN informed its shareholders and the wider public about the implementation of the Company's **Ambition 2025** strategy and the intended structural separation of MTN and MTN MoMo.

The Proposed Transaction is proposed to be implemented in the context of **Ambition 2025**. **Ambition 2025** is MTN's strategic blueprint, and this strategy is anchored on building the largest and most valuable platform business in Uganda. **Ambition 2025** is based on the primary objective of accelerating growth and unlocking the value of MTN's infrastructure assets and platforms, and this strategic path will position MTN MoMo's business to capture opportunities within Uganda. MTN is currently into the fifth year of executing **Ambition 2025**.

The four key pillars of the strategy are to build valuable platforms; drive industry-leading connectivity operations; create shared value; and accelerate portfolio transformation. In relation to the transformation of the MTN portfolio, one of the core sub-elements of this pillar is to unlock the value in mobile money and fintech infrastructure assets by separating these assets from the telecommunications business.

This will be achieved through the implementation of a structural separation. Currently, MTN MoMo is a wholly owned subsidiary of MTN. As part of the structural separation that the shareholders are being asked to approve, MTN MoMo will cease to be a subsidiary of MTN following a company amalgamation with MTN New FinCo. As a result of this amalgamation, the MTN MoMo mobile money and fintech business undertaking will be transferred to and continue to be operated by MTN New FinCo. MTN New FinCo will be owned by MTN Group Fintech and the Trust.

Importantly, the Minority Shareholders will continue to benefit economically from the mobile money and fintech business under MTN New FinCo through the Trust. The Minority Shareholders will also be able to participate in and vote at general meetings of MTN New FinCo in proportion to their shareholding in MTN.

## Rationale for the Proposed Transaction

The mobile money and fintech business has traditionally been operated as a component within the telecommunications business.

From 2009, when the business was launched in Uganda, to 2021, the mobile money and fintech business was operated as an internal service product and revenue line of MTN.

In 2021, the business was transferred to MTN MoMo following the enactment of the National Payment Systems Act (Cap. 59). This law created licensing and structural obligations that required a corporate reorganisation so as to achieve the segregation of functions required by the Bank of Uganda. As a result, MTN MoMo has been a wholly owned subsidiary of MTN, and MTN's financial reporting has been completed on a group or consolidated basis to include MTN MoMo's earnings.

The objective of the structural separation is to separate the mobile money and fintech business from MTN's telecommunications business in terms of business structure, ownership and operations.

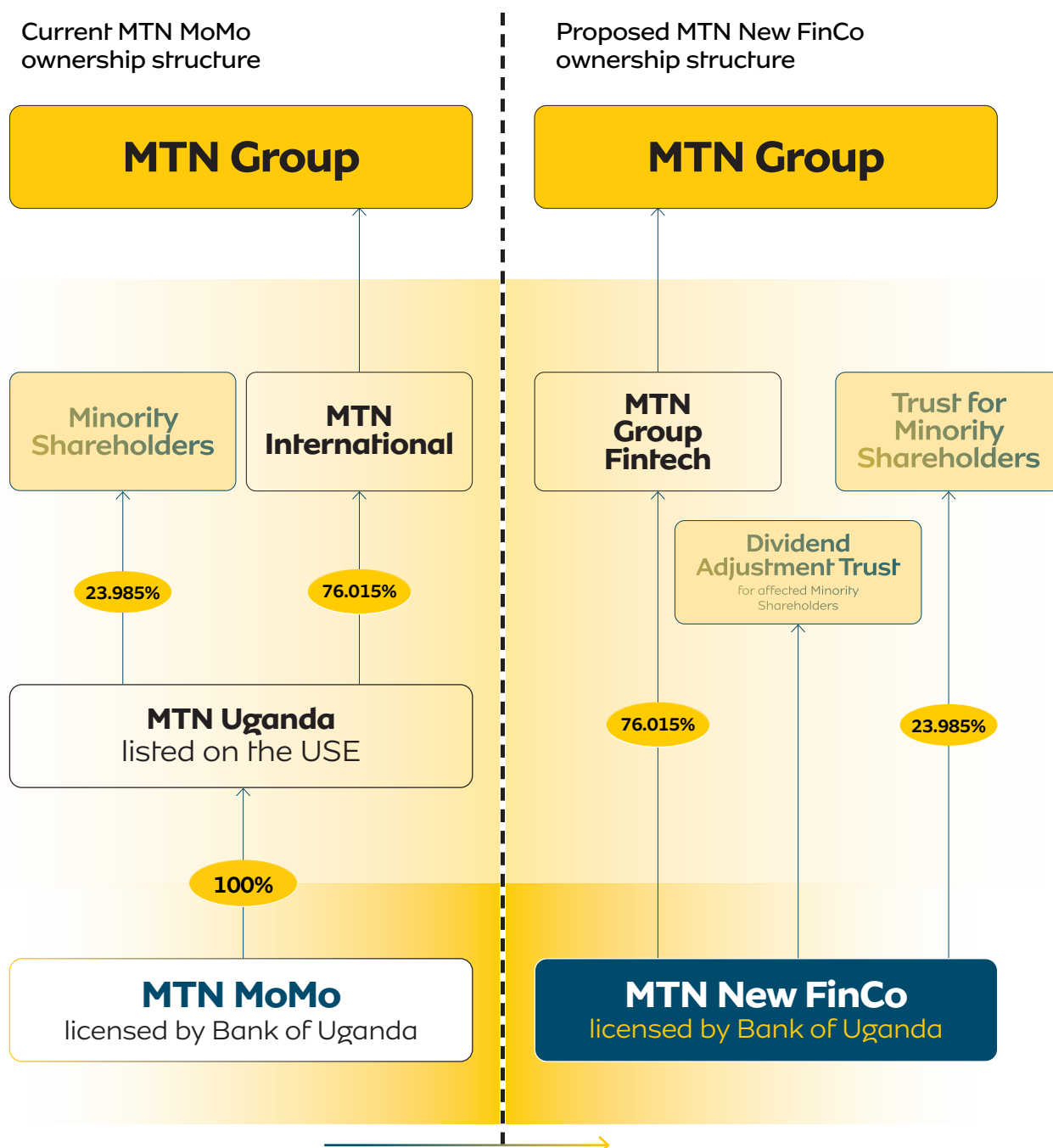
The primary rationale for the structural separation is as follows:

- (a) The telecommunications business and the mobile money and fintech business are considerably different in terms of investor profile, capital profile, technological profile, returns profile and regulatory profile. The two businesses are also different in terms of investment requirements and performance metrics. The structural separation will enable the implementation of an operating model that is aligned with the mobile money and fintech business' specific financial and operational profiles. The control environment of the mobile money and fintech business will also mature, as business-specific compliance-related control mechanisms (covering, for example, data privacy, cyber security and fraud) are put in place and leverage MTN Group Fintech's growing experience, knowledge and technologies.
- (b) Currently, MTN MoMo is owned by MTN and falls within the overall corporate structure of the telecommunications business. MTN is also licensed and regulated by the UCC. In view of these factors, there are structural limitations to MTN MoMo's ability to engage in and benefit from strategic alliances with partners who are focused on only mobile money and fintech. The structural separation is 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 the local Ugandan entity to benefit from new strategic partnerships.
- (c) These strategic partnerships will better enable the mobile money and fintech business to acquire customers, achieve critical scale and establish or enhance the fintech ecosystem. In turn, this will expand product and service reach, impact more customers and enable MTN New FinCo to achieve the strategic goal of delivering financial services to all levels of the local community, creating increased shared value in the process.

MTN's strategic view is that the mobile money and fintech business is a scale business that can expand even further if it attracts new strategic investment and broadens its product proposition within a new enabling corporate framework. The structural separation is essential in achieving this objective.

The process of operationally separating the telecommunications and mobile money and fintech businesses will be implemented gradually over time so as to preserve business continuity and limit disruption to the two businesses.

## Description of the Proposed Transaction



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.



## Detailed step-plan of the Proposed Transaction

MTN MoMo currently conducts the mobile money and fintech business. The current shareholding of MTN MoMo is set out below:

### MTN MoMo current issued shareholding

Shareholder	Number of MTN MoMo shares (UGX 10,000 per MTN MoMo share)	% holding
MTN	1,303,498.1091	>99.9%
Thobeka Patience Bonoyi (as nominee)	1	0.1%<
<b>Total</b>	<b>1,303,499.1091</b>	<b>100%</b>

Upon implementation of the structural separation, MTN New FinCo will conduct the mobile money and fintech business. The shareholding of MTN New FinCo will be as follows:

### MTN New FinCo issued shareholding upon implementation of the structural separation

Shareholder	Number of MTN New FinCo shares (UGX 10 per share)	% holding
Trust	239,850,000 A1 ordinary shares	23.985%
MTN Group Fintech	760,150,000 A2 ordinary shares	76.015%
Specific trust for dividend adjustment purposes, as is explained below	1 nominal dividend adjustment share	Nominal interest
<b>Total</b>	<b>1,000,000,001</b>	<b>100%</b>

In summary, the corporate, structural and shareholding transition detailed above will be implemented through the implementation of the following transaction steps:

- MTN New FinCo will be incorporated** in Uganda and registered in the companies' registry. MTN Group Fintech will incorporate MTN New FinCo. This company will have three separate share classes: A1 ordinary shares to be held by the Trust, A2 ordinary shares to be held by MTN Group Fintech and a dividend adjustment share to be held by the specific dividend adjustment trust. The rights of the different classes of shares are set out in the constitution of MTN New FinCo. The function of the dividend adjustment share is explained further below.
- The **Trust will be incorporated** in Uganda at the lands' registry. This is because the incorporation of trusts in Uganda can only be performed by the lands' registry in accordance with the Trustees Incorporation Act (Cap. 271). MTN Group Fintech will be the founder of the Trust. The beneficiaries of the Trust will be the Minority Shareholders, with each Minority Shareholder's entitlement being proportionate to its shareholding in MTN from time to time.
- A **second specific trust for dividend adjustment purposes will be incorporated** at the lands' registry. As noted above, this is because the incorporation of trusts in Uganda can only be performed by the lands' registry in accordance with the Trustees Incorporation Act (Cap. 271).

The beneficiaries of this trust will be the Uganda-resident individual Minority Shareholders who are subject to a higher withholding tax of 15% on dividends from the *non-listed* MTN New FinCo, as opposed to a 10% withholding tax that would otherwise have been applicable on dividends from the *listed* MTN.

(d) The following **commercial agreements** will be signed:

<b>Structural Separation Establishment Agreement</b>  (among MTN, MTN MoMo, MTN Group Fintech, MTN International, MTN New FinCo, the Trust and the dividend adjustment trust)	Providing for, among others, the conditions to implementation of the transaction, the issue of shares in MTN New FinCo to MTN Group Fintech, the Trust and the dividend adjustment trust, as well as the implementation of the proposed steps to effect the structural separation.
<b>Voting and Trust Structure Implementation Agreement</b>  (among MTN, MTN Group Fintech, MTN New FinCo, the Trust and the dividend adjustment trust)	Providing for, among others, the voting and commercial principles of the MTN New FinCo structure and the post-establishment operation and conduct of the MTN New FinCo structure. This includes the administrative aspects of shareholders' meetings and the participation at such meetings of the Minority Shareholders whose interests are held by the Trust.
<b>Amalgamation Agreement</b>  (among MTN, MTN MoMo, MTN Group Fintech, MTN New FinCo, the Trust and the dividend adjustment trust)	Providing for the company amalgamation of MTN MoMo with MTN New FinCo, with MTN New FinCo being the surviving company that will continue the mobile money and fintech business post implementation of the amalgamation.
<b>Collaboration Agreement</b>  (between MTN and MTN New FinCo)	Providing for, among others, the continued collaboration of MTN and MTN New FinCo to achieve the operational transition of the transferred mobile money and fintech business without disruption to the day-to-day activities of the businesses of both companies for their mutual benefit within an enabling framework.

- (e) Upon the **approval of the Bank of Uganda** and **fulfilment or waiver of all conditions to the implementation of the transaction**, the structural separation will be implemented as set out in (f) and (g) below.
- (f) The A2 ordinary shares will be allotted to MTN Group Fintech, the A1 ordinary shares will be allotted to the Trust and the dividend adjustment share will be allotted to the dividend adjustment trust.
- (g) Thereafter, **MTN MoMo will amalgamate with MTN New FinCo**, with MTN New FinCo being the surviving company that will continue the mobile money and fintech business.

- (h) Within a 3 - 5-year timeline, the A1 ordinary shares will be **converted** into A2 ordinary shares, and the Trust will **distribute** these shares to the beneficiaries. The dividend adjustment share will also be converted into an A2 ordinary share, and will be sold to MTN Group Fintech for a nominal sum. The effect of this conversion and distribution process is that the issued shareholding of MTN New FinCo at the relevant time will be as follows:

Intended MTN New FinCo issued shareholding in future	% shareholding
MTN Group Fintech	76.015% [A2 ordinary shares]
Minority Shareholders	23.985% [A2 ordinary shares]
Total	100%

*(The percentages set out above will fluctuate to reflect changes in the Minority Shareholders' aggregate shareholdings and those of MTN International, should this occur in the intervening period such that the shares delivered remain at all time proportionate to the shareholders' shareholding in MTN)*

- (i) At or about the same time as the conversion and distribution process described above, MTN New FinCo will list the A2 ordinary shares on the USE. This listing will be subject to the necessary board and shareholder approvals, regulatory approvals (principally, the Bank of Uganda, the CMA and the USE) and the appropriateness of the market conditions. The operational and technology maturity of the business will be assessed for readiness for such a listing.

## Continued presence of MTN Group in both MTN and MTN New FinCo

The majority shareholder of MTN is MTN International, and MTN International is beneficially owned by MTN Group.

The majority shareholder of MTN New FinCo is MTN Group Fintech. MTN Group Fintech is presently wholly owned by MTN Group Fintech Proprietary Limited (incorporated in South Africa), which is in turn ultimately wholly owned by MTN Group.

Therefore, upon the implementation of the separation, MTN Group's ultimate beneficial interest in the mobile money and fintech business will continue to be held by MTN Group, now through MTN Group Fintech Proprietary Limited and MTN Group Fintech rather than through MTN International and MTN.

## Governance and management of the Trust

The Trust will be put in place by MTN Group Fintech to meet the strategic objective for the Minority Shareholders to continue to benefit economically from MTN MoMo, in addition to the Minority Shareholders' continued interest in MTN.

Dividends declared by MTN New FinCo will be transmitted to the Trust for onward payment to the Minority Shareholders. The Minority Shareholders will also participate in and vote at the general meetings of MTN New FinCo.

Therefore, the Minority Shareholders of MTN from time to time will be the beneficiaries of the Trust. All dividends paid to the Trust by MTN New FinCo will be for the sole benefit of the Minority Shareholders.

The Trust will be managed by a reputable and well-established company with experience in providing administrative and other support services to a large group of shareholders. This company will be referred to as the “corporate trustee” and will communicate regularly with the Minority Shareholders on matters of interest such as dividend payments and shareholder meetings.

## **Minority Shareholders’ continued voting and economic rights in MTN and MTN New FinCo**

As appears from the description provided above, MTN will cease to hold the mobile money and fintech business through MTN MoMo.

However, following the implementation of the structural separation, the Minority Shareholders will now have direct voting and economic interests in MTN New FinCo which are equal to their voting and economic interests in MTN by virtue of the fact that they will be the beneficiaries of the Trust.

The Minority Shareholders will enjoy these interests for as long as they hold MTN shares.

## **Minority Shareholders’ participation in MTN New FinCo meetings and voting rights**

The Minority Shareholders will be able to attend, participate in and vote at general meetings of MTN New FinCo. In these meetings, the Minority Shareholders will exercise voting rights equal to those they have in MTN.

To give effect to this, MTN New FinCo shareholders’ meetings will be convened in the same way that a meeting of MTN is convened. As beneficiaries of the Trust, the Minority Shareholders will be given notice as if they were shareholders of MTN New FinCo, and will have a right to attend, speak and vote on shareholder resolutions of MTN New FinCo. The vote of each Minority Shareholders will then be an immediate instruction to the corporate trustee (described above) to vote the corresponding shares held by the Trust at the same general meeting strictly in accordance with these instructions.

## **The role of the dividend adjustment share and the dividend adjustment trust**

In addition to the Trust, a second trust known as the “dividend adjustment trust” will be incorporated and its sole beneficiaries will be the individual Minority Shareholders who are tax resident in Uganda. The dividend adjustment trust will hold only one dividend adjustment share in MTN New FinCo and will be incorporated to serve a specific purpose.

The withholding tax rate for dividend payments made by MTN New FinCo to individual Minority Shareholders who are tax resident in Uganda will increase from 10% to 15% at the current level of taxation.

Therefore, to ensure that these Minority Shareholders are not negatively affected by the increased withholding tax liability on their dividends, the dividend adjustment trust will be incorporated to receive and pay to its beneficiaries (the affected individual Minority Shareholders tax resident in Uganda) additional funds necessary to guarantee that they receive a net dividend amount from MTN New FinCo as if a 10% withholding tax had been deducted, and not 15%.

## **Future listing of MTN New FinCo**

As the transaction step-plan described above indicates, a process will occur by which MTN New FinCo will convert to a public company, the A1 ordinary shares will be converted into direct-ownership A2 ordinary shares, and the Trust will distribute these shares to the Minority Shareholders. At the same time that this unbundling process occurs, MTN New FinCo will be listed on the USE.



It is intended that MTN New FinCo will be listed as soon as reasonably possible to allow both MTN Group Fintech and the Minority Shareholders to trade their shares in MTN New FinCo directly. Currently, it is anticipated that subject to the necessary board and shareholder approvals, regulatory approvals and appropriateness of the market conditions, MTN New FinCo will be listed on the USE within a 3 – 5-year period. The operational and technology maturity of the business will be assessed for readiness for such a listing.

## Effect of the Proposed Transaction

The impact of the Proposed Transaction is as detailed below:

### Proposed Transaction impact

<b>Financial and accounting</b>	<p>MTN MoMo will cease to be a subsidiary and business asset of MTN on implementation of the amalgamation, and MTN's financial statements will not include the earnings or results of MTN MoMo.</p> <p>To demonstrate this impact, in the section below, we provide the illustrative non-consolidated statement of financial position (or balance sheet) and statement of income and expense (or profit and loss account) for MTN and MTN MoMo.</p> <p>Going forward, MTN New FinCo's financial statements will only include the relevant financial information related to the mobile money and fintech business.</p>
<b>Tax consequences</b>	<p>The amalgamation of MTN MoMo and MTN New FinCo will be implemented as a corporate reorganisation (including an amalgamation component) in accordance with the reorganisation provisions of the Income Tax Act (Cap. 338) and the business transfer provisions of the Value Added Tax Act (Cap. 344).</p> <p>Therefore, the amalgamation is expected to be implemented on a tax-neutral basis.</p> <p>MTN has requested a tax ruling from the URA to confirm this tax position.</p> <p>The incorporation of MTN New FinCo and the incorporation of the Trust and the dividend adjustment trust will attract standard stamp duty and registration costs. The costs of incorporating MTN New FinCo and incorporating the Trust and dividend adjustment trust will be borne by MTN Group Fintech.</p> <p>The tax impact of the structural separation on the dividend entitlements is set out in the <i>"Tax impact on dividend entitlement"</i> row below.</p>
<b>Shareholders' interests in MTN</b>	<p>There will be no impact on the share capital or shareholding structure of MTN, and MTN shareholders will continue to hold their shares in MTN in their current proportions. MTN shares will also continue to be listed and tradeable on the USE.</p>

<b>Shareholders' interests in MTN New FinCo</b>	<p>The Minority Shareholders in MTN at any given time will be the beneficiaries of the Trust and will have voting and economic interests in MTN New FinCo equal to their voting and economic interests in MTN.</p> <p>In accordance with the Trust deed, the Trust will be managed by a reputable and well-established company with experience in providing administrative and other support services to a large group of shareholders. This company will be referred to as the "corporate trustee". The corporate trustee will act for the sole benefit of the Minority Shareholders, and strictly in accordance with the governing agreements.</p> <p>At all times, the interests of the Minority Shareholders in the Trust will mirror their shareholding interests in MTN.</p> <p>A Minority Shareholder will hold an "interest" in the Trust, and not shares in MTN New FinCo. The shares in MTN New FinCo will be held by the Trust itself on behalf of the Minority Shareholders. A Minority Shareholder's shareholding in MTN and its interest in MTN New FinCo through the Trust will be linked and will not be separable.</p> <p>Accordingly, should a Minority Shareholder's shareholding in MTN increase or decrease, its interest in the Trust as beneficiary will automatically increase or decrease to reflect its new shareholding. Should a Minority Shareholder cease to be a shareholder of MTN, that shareholder will also automatically cease to be a beneficiary of the Trust and, where applicable, the dividend adjustment trust.</p> <p>Should a person become a new Minority Shareholder, that person will also automatically become a beneficiary of the Trust and, where applicable, the dividend adjustment trust.</p> <p>The dividend adjustment trust will similarly be managed by a reputable and well-established company with experience in providing administrative and other support services to a large group of shareholders. This company will be referred to as the "corporate trustee".</p> <p>At all times, the corporate trustee will act for the benefit of the individual Minority Shareholders tax resident in Uganda who are affected by the higher 15% withholding tax rate on dividends, as has been explained.</p> <p>In future, when the Trust distributes the shares it holds in trust to the Minority Shareholders, the percentage shareholdings of the Minority Shareholders and MTN Group Fintech in MTN New FinCo will reflect the percentage shareholdings of the Minority Shareholders and MTN International in MTN.</p>
<b>Shareholders' dividend entitlement in MTN</b>	<p>MTN shareholders will continue to be entitled to receive dividends declared and paid by MTN.</p>
<b>Shareholders' dividend entitlement in MTN New FinCo</b>	<p>MTN Group Fintech will be entitled to receive dividends declared and paid by MTN New FinCo on the shares held by MTN Group Fintech.</p> <p>The Minority Shareholders will be entitled to receive dividends declared and paid by MTN New FinCo on the shares held by the Trust.</p>

	<p>The dividends received by the Minority Shareholders will be in the same proportion as their respective shareholdings in MTN at that time.</p> <p>The Uganda-resident individual Minority Shareholders will be entitled to receive the adjusting dividends declared and paid by MTN New FinCo on the dividend adjustment share held by the dividend adjustment trust.</p> <p>In future, when the Trust distributes the shares it holds in trust to the Minority Shareholders, all MTN New FinCo shareholders will be entitled to receive dividends declared and paid by MTN New FinCo on their shares.</p>
<b>Tax impact on dividend entitlement</b>	<p>Dividends paid by MTN are currently subject to withholding tax levied at a rate of either 10% or 15% depending on the legal profile (individual or legal entity) and tax residence of the recipient shareholder.</p> <p>Dividends declared by MTN New FinCo will be payable to the Trust and to MTN Group Fintech. The dividend payable to the Trust will not itself be subject to a withholding tax, as the Trust is not the beneficial owner of that dividend. Instead, a withholding tax will only apply to the payment of the dividend to the beneficial owners, being the Minority Shareholders. This withholding tax will be withheld and paid by MTN New FinCo. MTN has requested a tax ruling from the URA to confirm this tax position.</p> <p>The payment to the Minority Shareholders will be subject to withholding tax at a rate of 15% irrespective of the legal profile and residence of the recipient shareholder because MTN New FinCo is not a listed company. As a result, the withholding tax rate for Uganda-resident individual Minority Shareholders will increase from 10% to 15%.</p> <p>In future, when the Trust distributes the shares it holds in trust to the Minority Shareholders and MTN New FinCo is listed, dividends paid by MTN New FinCo will be subject to withholding tax levied at a rate of 10% or 15% depending on the legal profile (individual or legal entity) and residence of the recipient shareholder.</p>
<b>Dividend adjustment relief in MTN New FinCo for Uganda-resident individual Minority Shareholders</b>	<p>It has been noted above that the payment of a dividend by MTN New FinCo to the Minority Shareholders (through the Trust) will be subject to withholding tax at a rate of 15% because MTN New FinCo is not a listed company. As a result, the withholding tax rate for Uganda-resident individual Minority Shareholders will increase from 10% to 15%.</p> <p>The dividend adjustment trust has been put in place to ensure that the Uganda-resident individual Minority Shareholders receive the same net dividend amount from MTN New FinCo that they would have received had a withholding tax rate of 10% continued to apply.</p> <p>When declaring a dividend payable to the Trust, MTN New FinCo will also declare a dividend on the dividend adjustment share payable to the dividend adjustment trust. The amount declared in the latter case will be paid to the Uganda-resident individual Minority Shareholders</p>

	<p>and ensure that they receive the same net amount that they would have received had the 10% withholding tax rate continue to apply.</p> <p>The funds for the additional 5% withholding tax will be provided by MTN Group Fintech, and this proposal will be presented for approval by the board of MTN Group Fintech.</p> <p>If the withholding rate of 10% applicable to Uganda-resident individual Minority Shareholders increases from 10%, the top-up amounts through the dividend adjustment trust will scale back accordingly.</p>
<b>Shareholders' voting entitlement in MTN</b>	There will be no impact on shareholders' voting rights or the exercise of these voting rights.
<b>Shareholders' voting entitlement in MTN New FinCo</b>	<p>The Minority Shareholders will be able to attend, participate in (in person or by proxy) and vote at general meetings of MTN New FinCo, with each Minority Shareholder exercising voting rights equal to those it has in MTN.</p> <p>In future, when the Trust distributes the shares it holds in trust to the Minority Shareholders, the percentage voting rights of the Minority Shareholders and MTN Group Fintech in MTN New FinCo will reflect the percentage voting rights of the Minority Shareholders and MTN Group in MTN at that time.</p> <p>Following this, the shareholding interests in MTN and MTN New FinCo will be separate from one another.</p>
<b>Governance of MTN and MTN New FinCo</b>	<p>There will be no impact on the composition of the Board of MTN which arises on the structural separation.</p> <p>As regards MTN New FinCo, once MTN New FinCo is incorporated, it is intended that the existing directors of MTN MoMo will be appointed as the directors of MTN New FinCo, and will continue in service as the directors of MTN New FinCo following the amalgamation of MTN MoMo and MTN New FinCo.</p> <p>The intended composition of the board of directors of MTN New FinCo will be presented to the Bank of Uganda for approval.</p>
<b>Employees</b>	<p>There will be no adverse impact on the employment structure and employment contracts of the staff of MTN.</p> <p>Regarding MTN MoMo, following the conclusion of the amalgamation of MTN MoMo and MTN New FinCo, employees of MTN MoMo will automatically become employees of MTN New FinCo as a matter of law and with the approval of the Commissioner for Labour.</p>
<b>Customers</b>	<p>There will be no adverse impact on MTN or its customers.</p> <p>MTN MoMo's rights and obligations to its customers and customer products and services will be transferred to MTN New FinCo by operation of law as a result of the amalgamation of MTN MoMo and MTN New FinCo.</p>

<b>Suppliers and other contracts</b>	<p>There will be no adverse impact on MTN or its suppliers or other contracts. MTN MoMo's rights and obligations to its suppliers, as well as any other contracts entered into by MTN MoMo, will be transferred to MTN New FinCo by operation of law as a result of the amalgamation of MTN MoMo and MTN New FinCo.</p> <p>Where any specific contractual consent is required, this consent will be obtained by MTN or MTN MoMo, as applicable.</p>
<b>Primary licences</b>	<p>MTN MoMo currently holds a payment system operator (electronic money systems) licence and a payment service provider (class A) licence. These licences are issued by the Bank of Uganda.</p> <p>Following the company amalgamation, MTN New FinCo will be the new licensee responsible for exercising the rights and discharging the obligations under the licences. The Bank of Uganda must provide its regulatory approval of MTN New FinCo as the new licensee.</p> <p>The Bank of Uganda will be requested to approve the transaction as a "merger or acquisition" in which the entire mobile money and fintech business undertaking of MTN MoMo will be transferred to MTN New FinCo by way of a company amalgamation. In this structure, the MTN MoMo business undertaking will be transferred to MTN New FinCo on a continuing and going concern basis.</p> <p>The Bank of Uganda will also be requested to approve the issuance of payment system operator and payment service provider licences to MTN New FinCo. Following this approval, the transfer of the business undertaking from MTN MoMo to the licensed MTN New FinCo will occur. On the transfer or amalgamation date, MTN MoMo will cease to exist as a matter of law and the licence issued to MTN MoMo will be returned to the Bank of Uganda.</p> <p>No cessation of business will occur in the terms of the National Payment Systems Act (Cap. 59), and it will not be necessary for MTN MoMo to issue a notice of cessation of business because the mobile money and fintech business will be transferred to the licensed MTN New FinCo as a going concern with no interruption to daily operations.</p>
<b>National telecommunications operator licence</b>	<p>MTN currently holds a national telecommunications operator licence issued by the UCC for MTN to establish, install, operate, lease and sell telecommunications systems and to provide telecommunications services as a designated national telecommunication operator in Uganda for the period 1 July 2020 to 30 June 2032.</p> <p>The Proposed Transaction will have no impact on the licence. The UCC will be notified of the Proposed Transaction.</p>
<b>Costs of the Proposed Transaction</b>	<p>MTN Group Fintech will bear the structural separation and initial incorporation costs, including the amount required by the Trust to subscribe for its shares in MTN New FinCo. MTN New FinCo will carry the day-to-day costs associated with the administration of the Trust and the dividend adjustment trust for the benefit of the Minority Shareholders. The parties will otherwise bear their own costs.</p>

## Accounting impact of the Proposed Transaction

### MTN - Illustrative summary statement of comprehensive income\*\*\*

	MTN as of 31 December 2024 (UGX '000)	MTN MoMo as of 31 December 2024 (UGX '000)	Consolidated MTN and MTN MoMo as of 31 December 2024 (UGX '000)
Revenue from contracts with customers	2,301,614,515	981,936,676	3,172,720,658
Other income	304,318,915	-	878,535
Total expenses	(1,041,025,836)	(587,522,257)	(1,518,268,830)
<b>EBITDA</b>	<b>1,564,907,594</b>	<b>394,414,419</b>	<b>1,655,330,363</b>
Depreciation of property, equipment and right of use assets	(461,718,988)	(34,657,573)	(495,856,675)
<b>Operating profit</b>	<b>1,103,188,606</b>	<b>359,756,846</b>	<b>1,159,473,688</b>
Finance income	2,921,488	50,150,945	54,174,568
Finance costs	(237,956,060)	(54,168,243)	(292,972,298)
<b>Profit before tax</b>	<b>868,154,034</b>	<b>355,739,548</b>	<b>920,675,958</b>
Income tax expense	(173,550,567)	(105,577,122)	(279,127,690)
<b>Profit for the year</b>	<b>694,603,467</b>	<b>250,162,426</b>	<b>641,548,268</b>
Other comprehensive income for the year net of tax	-	-	-
<b>Total comprehensive income for the year</b>	<b>694,603,467</b>	<b>250,162,426</b>	<b>641,548,268</b>

### MTN - Illustrative summary statement of financial position\*\*\*

	MTN as of 31 December 2024 (UGX '000)	MTN MoMo as of 31 December 2024 (UGX '000)	Consolidated MTN and MTN MoMo as of 31 December 2024 (UGX '000)
<b>Assets</b>			
Non-current assets	2,801,880,540	123,132,373	2,910,504,915
Current assets	300,714,257	1,511,146,097	1,760,099,353
<b>Total assets</b>	<b>3,102,594,797</b>	<b>1,634,278,470</b>	<b>4,670,604,268</b>
<b>Equity</b>			
Ordinary share capital	22,389,044	13,034,991	22,389,044
Retained earnings	1,145,263,006	29,199,798	1,174,402,716
<b>Total equity</b>	<b>1,167,652,050</b>	<b>42,234,789</b>	<b>1,196,791,760</b>
<b>Liabilities</b>			
Non-current liabilities	1,188,596,084	78,549,745	1,266,447,523
Current liabilities	746,346,663	1,513,493,936	2,207,364,985
<b>Total liabilities</b>	<b>1,934,942,747</b>	<b>1,592,043,681</b>	<b>3,473,812,508</b>
<b>Total equity and liabilities</b>	<b>3,102,594,797</b>	<b>1,634,278,470</b>	<b>4,670,604,268</b>

\*\*\* **Note:** On consolidation, the transactions between the two entities are adjusted in line with International Financial Reporting Standards. The MTN MoMo dividend totalling UGX 303,218,295,000 (paid to MTN under "Other income") is netted off on consolidation.



## Regulatory approvals and notifications

### Summary of regulatory approvals and notifications

Regulatory authority	Approval or notification required	Notified	Current status
Bank of Uganda	Yes	Yes	Preliminary notification completed Formal regulatory approval pending
CMA	Yes	Yes	No-objection provided
USE	Yes	Yes	Preliminary no-objection provided
URA	Yes	Yes	Private ruling pending
Commissioner for Labour	Yes	Pending	Formal regulatory approval pending
UCC	Yes	Yes	Formal notification completed
National Social Security Fund	Yes	Pending	Formal notification pending
National Information Technology Authority	Yes	Pending	Formal notification pending
Uganda Retirement Benefits Regulatory Authority	Yes	Pending	Formal notification pending

The Proposed Transaction will require the regulatory approval of the **Bank of Uganda** in accordance with the National Payment Systems Act (Cap. 59) and the National Payment Systems Regulations 2021. The transaction is conditional on such approval being obtained. Should the MTN shareholders approve the Proposed Transaction at the EGM, the Bank of Uganda approval will be subsequently applied for.

The no-objection of the **CMA** was sought pursuant to the Capital Markets Authority Act (Cap. 64) and the Capital Markets (Takeovers and Mergers) Regulations 2012 prior to the EGM. The CMA was notified of the Proposed Transaction and provided its no-objection, subject to conditions.

A notification to and the no-objection of the **USE** was required in terms of the USE Listing Rules prior to the EGM. The USE was notified and provided its no-objection, subject to conditions.

A notification of the Proposed Transaction, and request for confirmation of the tax implications of the transaction from an income tax and value added tax perspective, was lodged with the **URA** in accordance with the Tax Procedures Code Act (Cap. 343). MTN has requested a tax ruling from the URA to confirm the neutral tax impact of the amalgamation, and to confirm the tax impact on dividends from MTN New FinCo as described in the circular.

The approval of the **Commissioner for Labour** is required for the transfer of employees from MTN MoMo to MTN New FinCo as a result of the amalgamation of the two companies in terms of the Employment Act (Cap. 226). This approval will be sought prior to the commercial implementation phase, and after the Bank of Uganda's approval of the Proposed Transaction.

A notification of Proposed Transaction will be delivered to the **UCC**, the **National Social Security Fund**, the **National Information Technology Authority** and the **Uganda Retirement Benefits Regulatory Authority**.

As of the date of this circular, no competition or anti-trust notification or approval is required in respect of the Proposed Transaction.

Any regulatory approvals required in connection with any listing of MTN New FinCo or related matters will be determined and sought at the relevant time.

## Risks relating to the Proposed Transaction

The material risk factors related to the Proposed Transaction are as follows:

### Shareholder approval:

The Proposed Transaction is conditional upon the approval of the MTN shareholders.

Should shareholder approval at the required threshold for the Resolution not be obtained at the EGM, the Proposed Transaction may not proceed, and shareholder approval may have to be sought afresh. The Board is reasonably confident that the strong technical and commercial reasons for the Proposed Transaction provide a compelling rationale for shareholders to approve the Proposed Transaction.

### Regulatory approval:

As detailed above, the Proposed Transaction is conditional upon the regulatory approval of the Bank of Uganda.

Any delays in obtaining regulatory approvals or requests for clarifications or modifications regarding the structure of the Proposed Transaction may defer the implementation and completion timeline of the Proposed Transaction.

The Board is reasonably confident that MTN will present a strong technical and commercial submission to the relevant regulatory stakeholders for the approval or no-objection of the Proposed Transaction, and that the interests of Minority Shareholders have been considered. The Board is also reasonably confident that MTN Group Fintech satisfies the fit-and-proper-person criteria to be a substantial shareholder for an entity licensed under the National Payment Systems Act (Cap. 59).

### Third-party approvals:

Where a consent is contractually required from a material lender, customer or supplier, this consent will be sought in advance. The Board is confident that any required consent will not be unreasonably withheld.

### Tax risk:

The structural separation will be implemented as a corporate reorganisation in which there will be no significant change in the ultimate ownership or control of the mobile money and fintech business.

Having taken independent tax advice, MTN has assessed that the structural separation will be implemented on a tax-neutral basis, and that income tax (capital gains) and value added tax will not be levied. MTN has requested a tax ruling from the URA to confirm this tax position.

### Strategic risk:

The Proposed Transaction will be implemented in execution of MTN's **Ambition 2025** strategy. The execution of the Company's strategy may be impacted by factors beyond its control, such as volatility in the local and global economy and other macro- and micro-economic variables. As part of the Company's risk management framework, MTN responds to material matters such as strategic risk by putting in place appropriate management actions to ensure timely mitigation or intervention when matters that have the potential to disrupt value creation arise.

### Declaration and payment of dividends by MTN and MTN New FinCo:

MTN shareholders (including the Minority Shareholders) are entitled to any dividends declared and paid by MTN. Upon the implementation of the structural separation, the Minority Shareholders will be entitled to any dividend declared and paid by MTN New FinCo. It is intended that the dividend policy of MTN New FinCo will be similar to that of MTN.

The Board cautions that as a matter of governance and accounting principle, MTN and MTN New FinCo cannot guarantee the declaration of dividends in the future. The declaration, payment and amount of any future dividends of a company are subject to applicable law and the discretion of the company's directors at the relevant time, and will depend on, among other things, the company's earnings, financial position, cash requirements, solvency and liquidity, debt covenants and availability of profits and distributable reserves.

#### **Shares are subject to price fluctuations:**

MTN has issued a cautionary announcement in relation to the Proposed Transaction in accordance with Rule 38(1) of the USE Listing Rules, and shareholders as well as other investors are advised to exercise caution when dealing in MTN shares.

Investments in shares held in capital markets are always subject to price fluctuations. There can be no guarantee that the price of MTN's shares will not fluctuate either upwards or downwards. The market price of the shares may be volatile and subject to fluctuations as a result of a variety of factors.

### **Group relationships post implementation of the Proposed Transaction**

MTN Group and MTN have a relationship agreement in place which, among others, records the relationship and terms of collaboration between MTN Group and MTN.

Among others, the two entities agree to collaborate in devising and implementing strategy so as to maximise the long-term shareholder value of both entities.

Following the implementation of the structural separation, this will continue to be the case, supplemented by the Collaboration Agreement. The Collaboration Agreement aims to smoothen the transition of the mobile money and fintech business from MTN MoMo to MTN New FinCo, and is expected to end once MTN New FinCo is operational on a stand-alone basis.

The Collaboration Agreement will operate alongside any other inter-company agreements between MTN and MTN New FinCo.

Intra-group agreements between MTN Group and, respectively, MTN and MTN MoMo (and subsequently MTN New FinCo) that are necessary to facilitate the running of the telecommunications business and the mobile money and fintech business will remain in place for their mutual benefit.

These intra-group agreements were entered into, and will continue to be, on arm's-length terms typical for agreements of this nature, and consistent with transfer-pricing rules. These intra-group agreements are of a long-term nature, exist independently of the proposed structure, and will apply both before and after the distribution by the Trust of the shares it holds in trust to the Minority Shareholders.

# 3 Specific Disclosures and General Information

## Directors' responsibility statement

The directors of MTN, whose names are set out in the *MTN Corporate Information* section of this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular and certify, to the best of their knowledge and belief, that there are no other facts, the omission of which would make any statement false or misleading. The directors have made all reasonable enquires to ascertain such facts, and that this circular contains all information required by law.

## MTN share capital structure

As of the date of this circular, the authorised and issued share capital of MTN is as follows:

MTN – Authorised and issued share capital	
<b>Authorised</b> (28,000,000,000 shares of UGX 1 each)	UGX 28,000,000,000
<b>Issued</b> (22,389,044,239 shares of UGX 1 each)	UGX 22,389,044,239

The share capital of MTN consists of only one class: ordinary shares. Therefore, all of the Company's shares rank on equal footing (*pari passu*) and no preferential rights apply.

## Major shareholders

The top 10 shareholders of MTN as of 31 December 2024 are as follows:

MTN – Top ten shareholders		
Shareholder	Number of shares held	% holding
MTN International (Mauritius) Limited	17,019,004,616	76.0
National Social Security Fund	2,629,607,910	11.7
Charles Mbire	895,561,810	4.0
First Rand Bank Limited	357,064,796	1.6
JPM FRB A/C The Africa Partners Fund SPC	210,717,362	0.9
BNYMSANV RE BNYMLB RE SBSA IML LAU	95,332,958	0.4
National Social Security Fund (2)	92,762,927	0.4
BNYMSANV - BHF Asset Management	54,138,055	0.2
SSB Russell Investment Company Plc Fund	46,287,532	0.2
BNYM Re Frontaura Global Frontier Fund LLC	46,249,267	0.2
Other shareholders	942,317,006	4.2
<b>Total</b>	<b>22,389,044,239</b>	<b>100</b>

## Directors' interests

As of the date of this circular, the following directors hold a direct interest in the Company's issued share capital:

Director	Number of shares
Charles Mbire	895,561,810
Sylvia Mulinge	1,215,670
Andrew Bugembe	1,072,500

Other than as disclosed, no director, immediate family member of a director or any entity directly or indirectly owned or controlled by a director holds a direct or indirect beneficial interest in the Company's issued share capital.

## Material change

There has been no material change in the financial or trading position of MTN (including MTN MoMo) since the publication of the results for the period ended 31 December 2024.

## Forward-looking statements

This circular contains statements about, among others, MTN Group, its subsidiaries, including MTN, MTN's business, the mobile money and fintech business, the implementation of the **Ambition 2025** strategy and the Proposed Transaction that are forward-looking statements.

Forward-looking statements may be identified by the use of forward-looking terminology such as "believes", "expects", "may", "is expected to", "will", "will continue", "should", "would be", "seeks" or "anticipates" or similar expressions or the negative, or other variations or comparable terminology, or by discussions of strategy, plans or intentions.

These statements are not based on historical facts, but rather reflect the current views or expectations of the Board with respect to future events or results and are subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance, or achievements to be materially different from the future results, performance or achievements that may be expressed or implied by such forward-looking statements.

MTN cautions that forward-looking statements are not guarantees of future performance. MTN shareholders should keep in mind that any forward-looking statement made in this circular or elsewhere is applicable only at the date on which such forward-looking statement is made. MTN has no duty to update or revise the forward-looking statements contained in this circular after the date of this circular, except as may be required by law.

## Consents

S&L Advocates (DLA Piper Africa, Uganda) and Stanbic Bank Uganda Limited (and its affiliates) have acted as advisers in relation to the Proposed Transaction. All the advisers have consented in writing to act in the capacities stated and to their reports, if any, and their names being included in this circular, and have not withdrawn their consents prior to the publication of this circular.

## Documents available for inspection

Copies of the following documents will be available for inspection by the shareholders at MTN's registered office from **Wednesday, 11 June 2025** during normal business hours, and at the following link: **[www.mtn.co.ug/investors](http://www.mtn.co.ug/investors)** up to and including the date of the EGM:

- (a) a signed copy of this circular;
- (b) the current memorandum and articles of association of each of MTN and MTN MoMo, and the draft memorandum and articles of association of MTN New FinCo;
- (c) the written consents of S&L Advocates (DLA Piper Africa, Uganda) and Stanbic Bank Uganda Limited (and its affiliates) to act in those capacities, to the inclusion of their names and to the inclusion of their reports, if any, in this circular;
- (d) MTN's consolidated audited financial statements for the financial years 2022, 2023 and 2024; and
- (e) MTN's annual reports for the financial years 2022, 2023 and 2024.

## Board recommendation and shareholder approval

The Board has evaluated the rationale for the Proposed Transaction and considers that the Proposed Transaction will contribute towards MTN attaining the objectives of its **Ambition 2025** strategy.

The Board also considers that the structure of the Proposed Transaction protects the interests of the Minority Shareholders. The Minority Shareholders will enjoy voting and economic interests in MTN New FinCo for so long as they hold MTN shares. Following the listing of MTN New FinCo, the Minority Shareholders will hold shares in MTN New FinCo directly.

Accordingly, the Board recommends that MTN shareholders vote in favour of the Resolution to be proposed at the EGM. Directors who hold or otherwise control MTN shares intend to vote in favour of the Resolution required to give effect to the Proposed Transaction.

The shareholders are requested to consider and, if deemed fit, approve the Proposed Transaction in the terms set out in this circular.

The Board appreciates, however, that despite the Board's recommendation, some Minority Shareholders may dissent and elect to opt out of the linked-benefit structure that will be in place when the structural separation is completed. Under this structure, shareholding in MTN automatically confers on the shareholder the status of a beneficiary of the Trust and, where applicable, the dividend adjustment trust.

The Board is assessing possible exit options for MTN shareholders who may decide to opt out. Once a commercially viable structure has been approved by the Board, the exit option will be communicated to shareholders.

## Notice of EGM

The EGM will be held as a hybrid meeting comprising both physical and electronic means in accordance with Article 62(c) of the MTN Articles of Association at **3:00 p.m on Wednesday, 02 July 2025** to consider, and if thought fit, approve the Resolution set out in the EGM Notice. The EGM Notice (**Appendix 1**) is attached to and forms part of this circular.

**Circular to MTN shareholders issued by the approval of the Board:**



**Enid Edroma**  
Company Secretary  
11 June 2025



# Notice of Extraordinary General Meeting

This document is important and requires your immediate attention.

All terms used in this Notice of Extraordinary General Meeting ("**EGM Notice**"), including the Resolution, shall, unless the context otherwise requires or they are otherwise defined in this notice, have the meanings attributed to them in the circular to which this EGM Notice is attached.

If you are in any doubt as to what action you should take arising from the circular, please consult a licensed stockbroker or investment adviser. For MTN's Uganda-based retail shareholders, 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/>

If you have sold or otherwise transferred all your MTN shares, please forward this document as soon as possible to the purchaser, or to the stockbroker, banker, advocate or other agent through whom the share sale was effected. If you sell or have sold or otherwise transferred only some of your MTN shares, you should retain this document.

**NOTICE** is hereby given that an Extraordinary General Meeting ("**EGM**") of MTN Uganda Limited ("**MTN**" and the "**Company**") will be held as a hybrid meeting comprising both physical and electronic means in accordance with Article 62(c) of the MTN Articles of Association on **Wednesday, 02 July 2025 at 3:00 p.m.** to consider and, if deemed fit, to pass the Resolution set out below.

## SPECIAL RESOLUTION

*"To consider and approve the Proposed Transaction, and to authorise the Company to enter into and implement the Proposed Transaction, the transaction agreements and to take all such other actions incidental to the implementation of the Proposed Transaction."*

The "**Proposed Transaction**" means, in summary terms, the entry into and implementation of the transaction steps required to effect the structural separation of MTN Mobile Money (U) Limited ("**MTN MoMo**") from MTN as set out in the circular, with the effect of the structural separation being that the mobile money and financial technology business currently run by MTN MoMo will be operated by a new company following a company amalgamation, with the new company thereafter being owned by MTN Group Fintech Holdings B.V. and a trust whose beneficiaries will be the minority institutional and retail investors of MTN.

MTN shareholders are advised that the Proposed Transaction has been summarised above for purposes of this EGM Notice. Shareholders are referred to the circular for a comprehensive description of, and further details in respect of, the Proposed Transaction.

The implementation of the Proposed Transaction shall be subject to a number of conditions, including the Company and MTN MoMo receiving all required regulatory approvals and no-objections and complying with any regulatory conditions.

By order of the Board,



**Enid Edroma**  
Company Secretary  
11 June 2025

# Notes

## Circular

1. In relation to the Proposed Transaction that is proposed to be approved at the EGM, a circular has been issued providing MTN shareholders with relevant information relating to the Proposed Transaction to enable shareholders to make an informed decision as to whether or not they should vote in favour of the Resolution to be proposed at the EGM in relation to the Proposed Transaction. The circular has been prepared in accordance with the Capital Markets (Corporate Governance) Regulations 2025 and the Uganda Securities Exchange Listing Rules 2025.
2. The electronic version of the circular 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 circular via email.
3. The Capital Markets Authority (the "CMA") and the Uganda Securities Exchange (the "USE") have granted permission for the issue of the circular. As a matter of policy, neither the CMA nor the USE assumes any responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the circular. The approval of the circular by the CMA and the USE is not to be taken as an indication of the merits of the Proposed Transaction, or of holding MTN shares.

## Registration for the EGM

4. The EGM will be held as a hybrid meeting in accordance with Article 62(c) of the MTN Articles of Association. Shareholders will be provided with an option to register to participate in the meeting physically or electronically during registration.
5. Shareholders wishing to participate in the EGM should register by doing the following:
  - (a) dialling \*284\*374# for Uganda telecommunications networks and \*483\*896# 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).

Shareholders with email addresses will receive a registration link via email which can also be used to register.
6. 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 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).
7. Registration for the EGM opens on **12 June 2025 at 10:00 a.m.** and will close on **01 July 2025 at 10:00 a.m.** Shareholders will not be able to register after this time.
8. The EGM will be streamed live at the scheduled time and date indicated above to registered MTN shareholders who will receive a link to the EGM 24 hours before the EGM. Registered shareholders will also receive a short message service (SMS/USSD) prompt on their registered mobile numbers 24 hours before the EGM acting as a reminder of the EGM and providing a link to the livestream. A second SMS/USSD prompt will be sent one hour ahead of the EGM. By registering to attend the EGM, a shareholder consents to receive these messages.

## Right of shareholders to ask questions

9. Shareholders have the right to ask questions at the EGM. Shareholders may also ask questions in writing prior to the meeting as follows:

- (a) by sending their written question by email to [mtnuganda@image.co.ke](mailto:mtnuganda@image.co.ke);
  - (b) in the case of shareholders who will have registered to participate in the EGM electronically, by asking questions by SMS by dialling the USSD code contained in the SMS/USSD prompt(s) referred to above and selecting the option (*Ask Question*) on the prompts or via the *Question Tab* on the livestream link during the EGM; and
  - (c) to the extent possible, by physically delivering their written questions with return physical address or email address to the Company Secretary at the Company's head office at Plot 69-71, Jinja Road, Kampala, Uganda.
10. All questions received in advance will be responded to via email or SMS or via the mode selected by the shareholder. A full list of questions received and the answers provided will be published on our website within 24 hours of the conclusion of the EGM.
  11. Shareholders are advised to submit their questions by **01 July 2025 at 10:00 a.m.**

## Voting

12. All MTN shareholders are entitled to vote at the EGM. Every shareholder present at the meeting (in person, electronically or by proxy) will be entitled to one vote, and on a poll will be entitled to one vote for every share held.
13. Shareholders attending electronically will receive an SMS prompt with instructions on their registered mobile phone number alerting them to propose or second the Resolution put forward in this EGM Notice. Shareholders attending electronically may follow the EGM proceedings using the livestream platform and vote (when prompted) using the livestream link or by following the USSD prompts.
14. The Resolution to be passed at the EGM is a special resolution. Special resolutions require the support of not less than 75% of the voting rights exercised on each of them by MTN shareholders.

## Attendance at EGM and proxies

15. As indicated above, only a person whose name appears in the shareholder register on **01 July 2025 at 10:00 a.m.** is entitled to attend, speak and vote at the EGM.
16. A shareholder who is entitled to attend, speak and vote at the EGM is entitled to appoint one or more proxies to attend, speak and vote instead of himself/herself/itself. Such proxy need not be a shareholder but must be an individual. A proxy form may be downloaded from our website [www.mtn.co.ug/investors](http://www.mtn.co.ug/investors). The appointment of a proxy will not preclude the shareholder who appointed that proxy from attending the EGM 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 EGM are encouraged to use the proxy form to ensure that their votes on the Resolution are taken into account.
17. For the appointment to be valid, duly executed proxy forms must be delivered electronically via email to email address [investorrelations.ug@mtn.com](mailto:investorrelations.ug@mtn.com) or deposited at any of the following locations not later than **01 July 2025 at 5:00 p.m.**
  - (a) at the Company's 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.

## Legal adviser for the Proposed Transaction



S&L Chambers  
Plot 14, MacKinnon Road  
KAMPALA



Stanbic Bank

Crested Towers, Short Tower  
Plot 17, Hannington Road  
KAMPALA

# Proxy Form

**MTN Uganda Limited (“MTN” and 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; or
3. the Chairperson of the extraordinary general meeting,

as my/our proxy to vote for me/us and on my/our behalf at the extraordinary general meeting of MTN to be held on **Wednesday, 02 July 2025 at 3:00 p.m.** as a hybrid meeting comprising both physical and electronic means:

Resolution	Number of votes for*	Number of votes against*	Abstain*
Approval of the Proposed Transaction**, and authorisation of the Company to enter into and implement the Proposed Transaction, the transaction agreements and to take all such other actions that are necessary to implement the Proposed Transaction.			

\* Insert a cross or tick or number of votes. If no options are marked, the proxy can vote as he/she deems fit.

\*\* The “**Proposed Transaction**” means, in summary terms, the entry into and implementation of the transaction steps required to effect the structural separation of MTN Mobile Money (U) Limited (“**MTN MoMo**”) from MTN as set out in the circular, with the effect of the structural separation being that the mobile money and financial technology business currently run by MTN MoMo will be operated by a new company following a company amalgamation, with the new company thereafter being owned by MTN Group Fintech Holdings B.V. and a trust whose beneficiaries will be the minority institutional and retail investors of MTN.

Dated \_\_\_\_\_ 2025 Full name: \_\_\_\_\_

Capacity \_\_\_\_\_

Please provide contact details:

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

## Notes

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his/her choice in the space provided. The person whose name stands first on the proxy form and who is present at the general meeting first will be entitled to act as proxy to the exclusion of those whose names follow.
2. For the appointment to be valid, duly executed proxy forms must be delivered electronically via email address [Investorrelations.ug@mtn.com](mailto:Investorrelations.ug@mtn.com) or deposited at any of the following locations not later than **01 July 2025 at 5:00 p.m.**:
  - (a) at the MTN head office at Plot 69/71, Jinja Road, Kampala, Uganda; or
  - (b) at the offices of the Share Registrar, Uganda Securities Exchange Nominees Limited (SCD Registrars) at Plot 3-5 New Port Bell Road, UAP Nakawa Business Park, Block A, 4th Floor, Kampala, Uganda.
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.



## Contact

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## 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.