# MTN UGANDA LIMITED

## ANNUAL REPORT AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

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**MTN UGANDA LIMITED**
**REPORT OF THE DIRECTORS**
**FOR THE YEAR ENDED 31 DECEMBER 2025**

The directors submit their report together with the audited consolidated financial statements for the year ended 31 December 2025 for MTN Uganda Limited and its subsidiary, MTN Mobile Money (U) Limited (together "the Group").

## Principal activity

The principal activity of the Group is to provide telecommunication and mobile financial services.

## Staffing

The number of persons employed by the Group at 31 December 2025 was 675 (2024: 644 employees), excluding contract employees.

## Results and dividends

The Group made a net profit after tax for the year ended 31 December 2025 of Shs 678,763 million (2024: Shs 641,548 million). During the year ended 31 December 2025, the Group declared and paid a dividend of Shs 649,282 million (2024: Shs 458,975 million). The directors recommend the payment of a final dividend of Shs 8.25 per share amounting to Shs 184,710 million (2024: Shs 8.5 per share, Shs 190,307 million).

## Directors

The directors who held office during the period and to the date of this report were:

| | |
|---|---|
| Charles Mbire | Chairman |
| Karabo Nondumo | Director |
| Sylvia Mulinge | Director |
| Sugentharen Perumal | Director |
| Andrew Bugembe | Director |
| Yolanda Cuba | Director |
| Winifred Tarinyeba Kiryabwire | Director |
| Fatima Daniels | Director |
| Francis Kamulegeya | Director |

## Auditor

The Group's auditor, Ernst & Young Certified Public Accountants has expressed willingness to continue in office in accordance with Section 167 (2) of the Companies Act, Cap. 106, Laws of Uganda.

By order of the Board,

..............................
**Enid Edroma**
**Secretary**

12 March 2026

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**MTN UGANDA LIMITED**
**STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2025**

The Companies Act, Cap. 106, Laws of Uganda requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its profit and loss. It also requires the directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC) and the requirements of the Companies Act, Cap. 106, Laws of Uganda.

The directors are of the opinion that the financial statements, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the Companies Act, Cap. 106, Laws of Uganda, give a true and fair view of the Group's state of the financial affairs and its profit for the year. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as responsibility for such internal control that the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

The Group operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the period under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group will not be a going concern in the foreseeable future, based on forecasts and available cash resources. These financial statements support the viability of the Group.

Ernst & Young Certified Public Accountants have audited the Group's financial statements, and their report is presented on pages 3 to 9. The financial statements set out on pages 10 to 62 were approved for issue by the Board of Directors on 12 March 2026 and are signed on its behalf by:

.................................. ..................................
**Chairman** **Director**

Ernst & Young
Certified Public Accountants
Ernst & Young House
Plot 18, Clement Hill Road
Shimoni Office Village
P.O. Box 7215
Kampala, Uganda

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# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MTN UGANDA LIMITED

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### *Opinion*

We have audited the consolidated financial statements of MTN Uganda Limited and its subsidiary (the "Group") set out on pages 10 to 62 which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, Cap. 106, Laws of Uganda.

### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) requirements and other independence requirements applicable to performing audits of financial statements of the Group and in Uganda. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Group and in Uganda. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements.

The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

*Key audit matters (continued)*

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Revenue recognition – complexity of products and systems*** | |
| Revenue recognition was an area of most significance in our audit due to the materiality of revenue to the financial statements, its sensitivity to small changes in recognition, and the pervasive impact of revenue recognition on both the statement of profit or loss and the statement of financial position.<br><br>Revenue from contracts with customers amounted to UGX 3.6 trillion for the year (2024: UGX 3.1 trillion) and is the primary driver of the Group's profitability. In addition, the application of IFRS 15 directly affects significant balance-sheet items, including trade receivables, contract assets, and contract liabilities. As a result, errors in the timing, completeness, or classification of revenue could lead to material misstatements of both profit and net assets.<br><br>The Group offers multiple products and plans, with changes to tariff structures and the introduction of new products which may occur multiple times within one reporting year. Revenue is processed through multiple interconnected billing and rating systems, requiring revenue to be recognised, deferred, or accrued based on system-driven calculations under IFRS 15.<br><br>While revenue transactions are largely automated, the scale and volume of transactions processed on a recurring basis, together with reliance on complex systems, increase the risk of material misstatement arising from errors in system configuration, data transfers, or cut-off that are not appropriately reflected in revenue, contract assets, or contract liabilities and may not be readily identifiable through substantive testing alone.<br><br>Accordingly, the combination of the significance of revenue, the judgement involved in determining the appropriate timing and classification of revenue under IFRS 15, and the reliance on complex, automated systems resulted in revenue recognition requiring significant auditor attention and being considered a key audit matter.<br><br>The Group's accounting policy on revenue recognition is set out in Note 2B, with related disclosures on revenue from contracts with customers and contract liabilities included in Notes 5A and 5B to the financial statements. | Our procedures to address this key audit matter included:<br><br>• We understood and tested the design and operating effectiveness of management's controls over the transfer of revenue information between the multiple systems involved in recording revenue;<br><br>• We tested the controls in place over the authorisation of rate changes and a review of the new products recorded in the billing systems;<br><br>• We involved our internal IT audit specialists to test the IT general controls of the rating and billing environments, as well as assessed the completeness of the relevant revenue reports utilised for audit purposes;<br><br>• We tested the end-to-end reconciliation from rating and billing systems to the journals processed in the general ledger;<br><br>• We performed analytical review procedures over significant revenue streams by identifying the drivers that resulted in changes year on year to establish detailed monthly and annual expectations. Where movement were outside our precision level set, we performed substantive audit procedures;<br><br>• We performed correlation analysis between revenue, deferred revenue, trade receivables and cash;<br><br>• We reviewed the reconciliation of the aggregate of the prepaid and hybrid customers per the charging system to the deferred revenue balance; |

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

*Key audit matters (continued)*

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Revenue recognition – complexity of products and systems*** | |
| | • We selected and tested a sample of enterprise revenue contracts and assessed, in line with the requirements of IFRS 15 *Revenue from contracts with customers*, that contracts with customers were valid, that performance obligations were agreed by both parties and that revenue was appropriately recognised;<br><br>• We tested the stand-alone selling prices as input into the system and agreed the logic behind the stand-alone selling prices to the relevant requirements of IFRS 15 *Revenue from contracts with customers*;<br><br>• We tested management reconciliations for interconnect/roaming revenue and agreed the balances to third party confirmations;<br><br>• We tested a sample of journal entries, processed in relation to non-standard revenue including Oracle journals by reviewing supporting documentation to ensure that the journals were supported by an underlying business rationale, were accounted for correctly, in the correct period and were appropriately authorised; and<br><br>• We examined and assessed the accounting policies applied and disclosures in terms of the recognition of revenue for compliance with IFRS 15: *Revenue from contracts with customers* and industry guidance. |
| ***Recognition of lease liabilities in accordance with IFRS 16 Leases*** | |
| As disclosed in Note **18 (b)** of the consolidated financial statements, the Group's lease liabilities at 31 December 2025 amounted to **Shs 1,498 billion**. This liability is recognized in line with the Group's accounting policy described in Note 2G.<br><br>The lease liability is recognised at the present value of the future minimum lease payments under the contract. | Our procedures to address this key audit matter included:<br><br>• We evaluated management's processes, systems, and financial controls for identifying and accounting for leases;<br><br>• We checked management's basis for determining and excluding non-lease components in the computation of lease liabilities and obtained support documentation for the non-lease components; |

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

***Key audit matters (continued)***

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| ***Recognition of lease liabilities in accordance with IFRS 16 Leases*** | |
| The significant judgements applied in the recognition of the lease liabilities include:<br><br>• Identifying and applying escalation clauses that could impact payments under the contract in future periods. The escalation clauses are based on external factors for which information may not be available currently, such as inflation rates in future periods;<br><br>• identifying and excluding cash flows for non-lease components in the derivation of the lease liability;<br><br>• determining the applicable lease terms for each lease including estimating the lease term implied in the renewal clauses in the lease contracts, and the application of extension clauses in the contract;<br><br>• determining the appropriate incremental borrowing rate for discounting lease liability cash flows;<br><br>• identifying and recognizing lease liabilities for lease modifications.<br><br>We considered the recognition of lease liabilities as a key audit matter on account of the significant judgements involved and because lease liabilities are a material item representing 36% of total liabilities. | • We traced a sample of lease additions, disposals, and repayments, and lease cash flows to the lease model and to supporting documents;<br><br>• We checked the reasonableness of the incremental borrowing rate applied in discounting lease cash flows;<br><br>• We performed analytical procedures to check the reasonableness of the interest charge on lease liabilities;<br><br>• We evaluated management's conclusions on whether there are any lease modifications arising during the year;<br><br>• We checked the reasonableness of exchange rates used to account for lease contracts that are not denominated in Uganda Shillings. For a sample of these contracts, we recomputed the expected carrying amount at the closing rate;<br><br>• We evaluated the basis for application of extension clauses and assessed the reasonableness of these assumptions based on decisions taken previously and management's long-term strategy;<br><br>• Where applicable, we tested management's assessment for restoration of site areas and the basis for recognition of an asset retirement obligation;<br><br>• We recomputed the lease amortization expense and the depreciation schedule for a sample of the leases;<br><br>• We assessed the adequacy of the lease liability disclosures in the Group's consolidated financial statements for alignment with IFRS 16 *Leases*. |

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

***Other information***

The directors are responsible for the other information. Other information comprises the information included on pages 1 to 2 of the document titled "MTN Uganda Limited Annual Report and Audited Consolidated Financial Statements for the Year Ended 31 December 2025", which includes the Directors' Report as required by the Companies Act, Cap. 106, Laws of Uganda, and the Statement of Directors' Responsibilities for the Consolidated Financial Statements, which we obtained prior to the date of this report, and the detailed Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Companies Act, Cap. 106, Laws of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the consolidated financial statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act, Cap. 106, Laws of Uganda, we report to you, based on our audit, that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.

ii. in our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books; and,

iii. the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account.

The Engagement Partner on the audit resulting in this independent auditor's report is CPA Geoffrey Byamugisha – P0231.

Ernst & Young

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**Ernst & Young**
**Certified Public Accountants of Uganda**
**Kampala**

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**Geoffrey Byamugisha**
**Partner**

**13 March 2026**

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MTN UGANDA LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

| | Note | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|---|
| Revenue from contracts with customers | 5 | **3,604,050,553** | 3,172,720,658 |
| Other income | | **3,117,384** | 878,535 |
| Direct network operating costs | 7 | **(388,467,788)** | (350,995,959) |
| Government and regulatory costs | 8 | **(80,093,808)** | (78,012,180) |
| Cost of handsets and other accessories sold | | **(31,516,347)** | (30,912,767) |
| Interconnect and roaming | | **(125,358,765)** | (130,841,967) |
| Employee benefits expenses | 9 | **(176,624,768)** | (151,509,083) |
| Selling, distribution and marketing expenses | 10 | **(633,791,560)** | (542,993,437) |
| Impairment loss on trade receivables | 22 | **(21,946,577)** | (15,650,684) |
| Other operating expenses | 11 | **(211,960,247)** | (217,352,753) |
| Depreciation of property, equipment, and right-of-use assets | | **(463,156,822)** | (408,429,839) |
| Amortisation of intangible assets | 19 | **(87,194,177)** | (87,426,836) |
| **Operating profit** | | **1,387,057,078** | **1,159,473,688** |
| Net foreign exchange losses | 12 (a) | **(4,494,041)** | (2,612,630) |
| Finance income | 12 (b) | **68,717,280** | 54,174,568 |
| Finance costs | 12 (b) | **(316,575,721)** | (290,359,668) |
| **Profit before tax** | | **1,134,704,596** | **920,675,958** |
| Income tax expense | 13 (a) | **(455,941,660)** | (279,127,690) |
| Profit for the year | | **678,762,936** | 641,548,268 |
| Other comprehensive income for the year net of tax | | - | - |
| **Total comprehensive income for the year** | | **678,762,936** | **641,548,268** |
| Basic / diluted earnings per share | 14 | **30.32** | **28.65** |

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**MTN UGANDA LIMITED**
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AS AT ENDED 31 DECEMBER 2025**

| | Note | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 18 (a) | **1,530,436,217** | 1,258,957,532 |
| Right-of-use assets | 18 (b) | **1,248,357,937** | 1,163,439,969 |
| Intangible assets | 19 (a) | **352,701,250** | 379,704,704 |
| Deferred tax assets | 17 | **13,888,969** | 18,344,280 |
| Contract assets | 5 (b) | **39,005,518** | 33,075,640 |
| Prepayments and advances to business partners | 20 | **51,471,539** | 56,982,790 |
| | | **3,235,861,430** | **2,910,504,915** |
| **Current assets** | | | |
| Inventories | 21 | **5,942,527** | 8,133,172 |
| Income tax recoverable | 13 (b) | **-** | 3,429,277 |
| Contract assets | 5 (b) | **51,113,663** | 35,183,204 |
| Trade and other receivables | 22 | **217,747,225** | 209,609,361 |
| Trust account balances | 23 | **1,459,494,778** | 1,351,739,290 |
| Cash and cash equivalents | 24 | **388,025,397** | 152,005,049 |
| | | **2,122,323,590** | **1,760,099,353** |
| **Total assets** | | **5,358,185,020** | **4,670,604,268** |
| **Equity** | | | |
| Ordinary share capital | 15 | **22,389,044** | 22,389,044 |
| Retained earnings | | **1,203,883,369** | 1,174,402,716 |
| | | **1,226,272,413** | **1,196,791,760** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Borrowings | 28 | **164,878,258** | - |
| Lease liabilities | 18 (b) | **1,198,769,017** | 1,173,939,939 |
| Other financial liability | 19 (b) | **36,508,334** | 69,591,652 |
| Deferred revenue – indefeasible right-of-use assets | 20 (c) | **11,858,528** | 13,497,438 |
| Employee share-based payment liability | 26 | **19,698,314** | 9,418,494 |
| | | **1,431,712,451** | **1,266,447,523** |
| **Current liabilities** | | | |
| Bank overdraft | 24 | **-** | 45,091 |
| Trade and other payables | 25 | **742,096,483** | 540,482,659 |
| Other financial liability | 19 (b) | **38,655,360** | 29,281,425 |
| Contract liabilities | 5 (b) | **34,575,631** | 29,970,898 |
| Income tax payable | 13 (b) | **6,690,272** | 3,533,677 |
| Borrowings | 28 | **80,655,526** | 22,388,973 |
| Lease liabilities | 18 (b) | **299,286,410** | 193,208,362 |
| Mobile money deposits | 23 | **1,459,494,778** | 1,351,739,290 |
| Employee share-based payment liability | 26 | **7,950,429** | 6,941,739 |
| Provisions | 27 | **30,795,267** | 29,772,871 |
| | | **2,700,200,156** | **2,207,364,985** |
| **Total liabilities** | | **4,131,912,607** | **3,473,812,508** |
| **Total equity and liabilities** | | **5,358,185,020** | **4,670,604,268** |

The financial statements on pages 10 to 62 were approved by the board of directors on 12 March 2026 and signed on its behalf by:

.................................. 
**Chairman**

..................................
**Director**

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MTN UGANDA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

| | Ordinary share capital Shs '000 | Retained earnings Shs '000 | Total equity Shs '000 |
|---|---|---|---|
| **Year ended 31 December 2024** | | | |
| As at 1 January 2024 | 22,389,044 | 991,829,855 | 1,014,218,899 |
| **Comprehensive income:** | | | |
| Profit for the year | - | 641,548,268 | 641,548,268 |
| **Total comprehensive income for the year** | **-** | **641,548,268** | **641,548,268** |
| **Transactions with owners of the company:** | | | |
| Dividends paid (note 16) | - | (458,975,407) | (458,975,407) |
| **At 31 December 2024** | **22,389,044** | **1,174,402,716** | **1,196,791,760** |
| **Year ended 31 December 2025** | | | |
| **As at 1 January 2025** | **22,389,044** | **1,174,402,716** | **1,196,791,760** |
| **Comprehensive income:** | | | |
| Profit for the year | - | **678,762,936** | **678,762,936** |
| **Total comprehensive income for the year** | - | **678,762,936** | **678,762,936** |
| **Transactions with owners of the company:** | | | |
| Dividends paid (note 16) | - | **(649,282,283)** | **(649,282,283)** |
| **At 31 December 2025** | **22,389,044** | **1,203,883,369** | **1,226,272,413** |

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MTN UGANDA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

| | Note | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|---|
| **Operating activities** | | | |
| Cash generated from operations | 30 | **2,050,397,976** | 1,650,981,421 |
| Interest received | | **54,925,192** | 51,051,476 |
| Interest paid on Mobile Money deposits | 12 | **(37,123,691)** | (39,637,464) |
| Interest paid on borrowings | 28 | **(23,358,946)** | (25,934,466) |
| Interest paid on lease liabilities | 18 (b) | **(231,590,005)** | (214,171,764) |
| Interest on financial liability | | **(6,980,142)** | (8,771,303) |
| Dividends paid | 16 | **(649,282,283)** | (458,975,407) |
| Income tax paid | 13 | **(444,900,477)** | (276,316,653) |
| **Net cash generated from operating activities** | | **712,087,624** | **678,225,840** |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | 18 (a) | **(412,454,156)** | (376,869,535) |
| Proceeds from disposal of property, plant and equipment | | **1,168,839** | 1,185,573 |
| Purchase of intangible assets | 19 | **(62,288,790)** | (37,468,069) |
| **Net cash used in investing activities** | | **(473,574,107)** | **(413,152,031)** |
| **Financing activities** | | | |
| Repayments of borrowings | 28 | **-** | (253,658,856) |
| Proceeds from borrowings | 28 | **222,000,000** | 80,000,000 |
| Payment of principal portion of lease liability | 18 (b) | **(203,185,705)** | (164,187,425) |
| Payment for financial liability | 19 (b) | **(23,709,383)** | (22,397,340) |
| Net cash used in financing activities | | **(4,895,088)** | (360,243,621) |
| **Net Increase / (decrease) in cash and cash equivalents** | | **233,618,429** | **(95,169,812)** |
| **Movement in cash and cash equivalents** | | | |
| At start of year | | **151,959,958** | 238,562,937 |
| Increase/ (decrease) | | **233,618,429** | (95,169,812) |
| Effect of exchange rate changes on cash and cash equivalents | | **2,447,010** | 8,566,833 |
| **At end of year** | 24 | **388,025,397** | **151,959,958** |

## 1 General information

MTN Uganda Limited is incorporated in the Republic of Uganda under the Companies Act, Cap. 106, Laws of Uganda and is domiciled in Uganda. MTN Uganda Limited is listed on the Uganda Securities Exchange. The address of its registered office and the registration number are:

Plot 69–71, Jinja Road
P.O. Box 24624
Kampala
Uganda
Reg. No: 37058

MTN Uganda Limited is a subsidiary of MTN International (Mauritius) Limited. MTN Group Limited is the Group's ultimate parent and holding company, which is incorporated in the Republic of South Africa and is listed on the Johannesburg Stock Exchange Limited.

For the Companies Act, Cap. 106, Laws of Uganda reporting purposes, the balance sheet is represented by the statement of financial position and the profit or loss account by the statement of profit or loss and other comprehensive income in these financial statements.

## 2 Accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below and in the related notes to the Group financial statements. The material accounting policies applied are consistent with those adopted in the prior year.

### A Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC) and comply with the requirements of the Companies Act, Cap. 106, Laws of Uganda. The Group has adopted all new accounting pronouncements that became effective in the current reporting period.

The financial statements have been prepared on the historical cost basis, except otherwise stated in the accounting policies below. Amounts are rounded to the nearest thousand with the exception of the number of ordinary share capital (note 15), earnings per share (note 14) and dividends per share (note 16). The preparation of financial statements in conformity with IFRS Accounting Standards, as issued by the International Accounting Standard Board requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 4.

**Changes in accounting policies and disclosures**

***New standards, amendments and interpretation***

The Group has adopted all new and amended IFRS Accounting Standards and IFRIC interpretations that are mandatory for reporting periods beginning on or after 1 January 2025.

The directors have assessed the impact of these new and amended standards and concluded that their adoption did not result in any material changes to the Group's accounting policies, nor did they have a material impact on the recognition, measurement or disclosure of items in the consolidated financial statements.

## 2 Accounting Policies (continued)

### A Basis of preparation (continued)

**Changes in accounting policy and disclosures (continued)**

***Standards and interpretations that are not yet effective***

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The adoption of the new accounting standards and amendments is not expected to have a material impact on the Group results, except for IFRS 18 *Presentation and Disclosure in Financial Statements.*

| **Standard** | **Effective date for annual periods beginning on or after** |
|---|---|
| *Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7* | 1 January 2026 |
| Annual improvements to IFRS Accounting Standards – Volume 11 affecting the following standards:<br>- *IFRS 1 First-time Adoption of International Financial Reporting Standards*<br>- *IFRS 7 Financial Instruments: Disclosures*<br>- Guidance on implementing IFRS 7 Financial Instruments: Disclosures<br>- *IFRS 9 Financial Instruments*<br>- *IFRS 10 Consolidated Financial Statements*<br>- *IAS 7 Statement of Cash Flows* | 1 January 2026 |
| *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7* | 1 January 2026 |
| IFRS 18 – *Presentation and Disclosure in Financial Statements* | 1 January 2027 |
| IFRS 19 – *Subsidiaries without Public Accountability: Disclosures* | 1 January 2027 |
| *Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21* | 1 January 2027 |
| *Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37* | No effective date |
| *Sale of Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28* | Deferred indefinitely |

## 2 Accounting policies (continued)

### A Basis of preparation (continued)

**Changes in accounting policy and disclosures (continued)**

***(i) Standards and interpretations that are not yet effective (continued)***

- ***IFRS 18 – Presentation and Disclosure in Financial Statements***

  In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals.

  Furthermore, entities are required to classify all income and expenses within the statement of profit and loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

  It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

  IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

  The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

## 2 Accounting policies (continued)

### B Revenue recognition

The Group principally generates revenue from providing mobile telecommunications services, such as network services (comprising voice, data, and SMS), digital services (which include mobile financial services and other digital offerings), interconnect and roaming services, as well as from sale of mobile devices. Products and services may be sold separately or in bundled packages. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or services to a customer. For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e., if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle, based on their stand-alone selling prices.

The stand-alone selling prices are determined based on the list prices at which the Group sells mobile devices and network services separately.

The Group sells mobile devices to customers on credit. The credit arrangement exists for a maximum period of eight months. Management has therefore assessed that there is no significant financing component from the sale of these devices due to the short credit period, which does not exceed one year.

*Network services and digital and fintech services*

The Group provides mobile telecommunication services, including network services and digital and fintech services. Network services (comprising voice, data, and SMS) are considered to represent a single performance obligation as all are provided over the MTN network and transmitted as data representing a digital signal on the network. The transmission of voice, data and SMS all consume network bandwidth and therefore, irrespective of the nature of the communication, the subscriber ultimately receives access to the network and the right to consume network bandwidth. Network services are, therefore viewed as a single performance obligation represented by capacity on the MTN network.

Digital and fintech services include value-added services, rich media services, mobile money, insurance, airtime lending and e-commerce. Mobile money revenues mainly relate to wallet services (withdrawal, P2P transfers), remittance services (Intra Africa and rest of the world), Banktech services (these include savings and lending products and wallet to bank) and payment services (comprising of commissions from third parties that transact using the mobile money platform).

Customers either pay in advance for these services or pay monthly in instalments over the contractual period.

A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

## 2 Accounting policies (continued)

### B Revenue recognition (continued)

The Group recognises revenue from these services as they are provided. Revenue is recognised based on actual units of network services/digital and fintech services provided during the reporting period as a proportion of the total units of network services/digital and fintech services to be provided. The customer receives and uses the benefits of these services simultaneously. Units of network services/digital and fintech services outside of post-paid contracts are recognised as the service is provided.

When the Group expects to be entitled to breakage (forfeiture of unused value or network services), the Group recognises the expected amount of breakage in proportion to network services provided versus the total expected network services to be provided. Any unexpected amounts of breakage are recognised when the unused value of network services expire or when usage thereof becomes remote. Assessment of breakage is updated each reporting period, and any resulting change is accounted for prospectively as a change in estimate in accordance with of IAS 8 *Accounting policies, changes in accounting estimates and errors.*

*Interconnect and roaming*

The Group provides interconnect and roaming services. The Group recognises interconnect and roaming revenue and debtors as the service is provided unless it is not probable (based on historical information) on transaction date that the interconnect revenue will be received, in which case interconnect revenue is recognised only when the cash is received or where a right of set-off exists with interconnect parties in settling amounts.

Payment for interconnect and roaming is generally received on a monthly basis. Some interconnect and roaming debtors have a historical pattern of late payment due to economic challenges in their operating environments.

The Group has continued to provide services to these debtors where the recovery of principal is significantly delayed beyond the contractual terms. The Group has considered historical payment patterns (i.e. customary business practice) in assessing whether the contract contains a significant financing component. For contracts containing a significant financing component, the Group reduces interconnect and roaming revenue and recognises interest revenue over the period between satisfying the related performance obligation and payment.

*Other income*
Other income is recognised when the related services are provided to the customers and payment is generally due monthly.

*Capitalisation of subscriber acquisition costs*
The Group expects that incremental subscriber acquisition costs for obtaining and renewing contracts are recoverable. These costs include agents' commission on post-paid contracts and SIM activation costs on prepaid contracts. The Group has therefore capitalised these costs as contract costs. Capitalised contract costs are amortised on a systematic basis over the average customer life and included in selling, distribution and marketing expenses in profit and loss. In terms of a practical expedient, the Group has elected to recognise the incremental costs of obtaining contracts as a selling, distribution and marketing expense in profit or loss, when incurred, if the amortisation period of the assets that the Group otherwise would have recognised is 12 months or less. Contract costs are assessed for impairment in accordance with IFRS 9 *Financial Instruments.*

## 2 Accounting policies (continued)

### C Functional currency and translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency that best reflects the primary economic environment in which the Group operates (the functional currency). The Group financial statements are presented in Uganda Shillings, which is the functional and presentation currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### D Property, plant and equipment

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment losses.

The cost of property, plant and equipment, includes expenditure that is directly attributable to the acquisition or construction of the assets, any other costs directly attributable to bringing the assets to the location and condition for their intended use and the present value of estimated decommissioning costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Depreciation is calculated using the straight-line method to write down the cost of the assets to their residual values over their estimated useful lives. In determining residual values, the Group uses historical sales and management's best estimate based on market prices of similar items. Useful lives of property, plant and equipment are based on management estimates and consider historical experience with similar assets, the expected usage of the asset, physical wear and tear, technical or commercial obsolescence and legal restrictions on the use of the assets.

## 2 Accounting policies (continued)

### D Property, plant and equipment

The estimated useful lives of Property, plant and equipment are as follows:

| | |
|---|---|
| Buildings – leased | Over the period of the lease |
| Leasehold improvements | Over the period of the lease |
| Buildings – owned | 50 years |
| Telecommunications equipment | 3 to 15 years |
| Mobile phones | 2 years |
| Information systems equipment | 3 to 7 years |
| Furniture and equipment | 2 - 7 years |
| Motor vehicles | 4 – 5 years |

Useful lives and residual values are reviewed on an annual basis and the effects of any changes in estimates are accounted for on a prospective basis.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the expected term of the relevant lease.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

### E Impairment of non-financial assets

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. An impairment loss in respect of goodwill is not reversed.

### F Intangible assets with finite useful lives

Intangible assets are measured at historical cost less accumulated amortisation and impairment losses. The Group annually reviews the carrying amounts of its intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated to determine the extent, if any, of the impairment loss.

## 2 Accounting policies (continued)

### F Intangible assets with finite useful lives (continued)

Amortisation is calculated on a straight-line basis to write off the cost of intangible assets over their estimated useful lives. The estimated useful lives are as below:

| | |
|---|---|
| Network licenses | Over the period of the licence |
| Network software licenses | Over the period of the licence |
| Ericsson software license[1] | 5 years |
| Software | 3 years |
| Other intangible assets | 3 years |

*[1]This includes Mobile Money Platform software licence, deployment and migration costs that relate to Fintech services.*

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the proceeds from the disposal and the carrying amount of the asset and is included in profit or loss. Costs associated with maintaining intangible assets are recognised as an expense as incurred.

Expenditure that enhances or extends the performance of intangible assets beyond their original specifications is recognised as a capital improvement and added to the original cost of the assets. Expenditure on research activities is recognised as an expense in the period in which it is incurred.

### G Leases

The Group leases various network sites, offices, motor vehicles and other property. Rental contracts are typically made for fixed periods of 2 years to 10 years but may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term.

Generally, the Group uses its incremental borrowing rate to discount the lease payments. The Group's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

## 2 Accounting policies (continued)

### G Leases (continued)

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at historical cost less accumulated depreciation and accumulated impairment. Cost comprises of the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

*Extension and termination options*
Extension and termination options are included in several property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

*Indefeasible right of use (IRU) arrangements*

The Group applies its principal accounting policies for leases to account for IRU arrangements which constitute or contain leases. All other IRU arrangements that do not constitute or contain leases are treated as service level agreements; the costs are expensed as incurred.

The IRU assets are amortised on a straight-line basis to write off the cost of assets over their contract period.

### H Inventories

Inventories mainly comprises items of handsets, SIM cards and accessories held for sale and consumable items. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined using the weighted average method. Cost comprises direct materials and, where applicable, overheads that have been incurred in bringing the inventories to their present location and condition, excluding borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where appropriate, an impairment provision is raised in respect of obsolete and defective inventories and the inventory carrying value will be net of this provision.

## 2 Accounting policies (continued)

### I Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in (W) below.

### J Income tax

The tax expense for the period comprises current, deferred tax and withholding tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity. For these items the tax is also recognised in other comprehensive income or directly in equity, respectively.

***Current tax***

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date in the countries where the Group operates and generate taxable income, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Deferred tax***

Deferred tax is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements for financial reporting purposes. Deferred tax is measured at tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply to temporary differences when they reverse.

### K Borrowings

Borrowings are accounted for as financial liabilities. Fees paid on the establishment of loan facilities are recognised as transaction costs and capitalised to the extent that it is probable that some or all of the facilities will be drawn down. When the draw down is made, the transaction costs are amortised to profit or loss using the effective interest method. To the extent that it is not probable that some or all of the facility will be drawn down, the fee is capitalised as a prėpayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

## 2 Accounting policies (continued)

### L Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held on call and investments in money market instruments, all of which are available for use by the Group. Bank overdrafts are included within current liabilities on the statement of financial position, unless the Group has a legally enforceable right to set off the amounts and intends to settle on a net basis or realise the asset and settle the liability simultaneously.

The Group classifies interest received, interest paid, and dividends paid as cash flows from operating activities in the consolidated statement of cash flows. This classification represents the Group's policy election under IAS 7 *Statement of Cash Flows* and is applied consistently from period to period.

### M Provisions

A provision is recognised when there is a present legal or constructive obligation as a result of a past event for which it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The amount recognised as provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period.

*Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract.

The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

*Bonus provision*
The bonus provision consists of a performance-based bonus, which is determined by reference to the overall Group performance regarding a set of predetermined key performance measures. Bonuses are payable annually after the Group annual results have been approved.

*Provision for cash-settled share-based payments*

For the accounting policy on cash-settled share-based payments, refer to U (Employee benefits).

### N Dividends

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's directors. Proposed dividends are shown as a separate component of equity until declared.

### O Trade payables

Trade payables are accounted for as financial liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables are stated at their nominal values.

## 2 Accounting policies (continued)

### P Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new ordinary shares or share options are recognised in equity as a deduction net of tax from the proceeds.

### Q Finance income and costs

*Finance income*
Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

*Finance costs*
Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and interest expense on lease liabilities. All borrowing costs are recognised in profit or loss using the effective interest method, unless the borrowing costs are directly attributable to the acquisition, construction, or production of qualifying assets, in which case the directly attributable borrowing costs are capitalised.

### R Contingent liabilities

Contingent liabilities represent possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group.

Contingent liabilities also represent present obligations that arise from past events but are not recognised because an outflow of resources is not probable, or a reliable estimate cannot be made. The Group does not recognise contingent liabilities in the statement of financial position until future events indicate that it is probable that an outflow of resources will take place and a reliable estimate can be made, at which time a provision is raised.

### S Consolidation

The Group has prepared consolidated financial statements which incorporate the results of its subsidiary, MTN Mobile Money (U) Limited .The Group directly holds 100% of the ordinary shares and the voting rights of the aforementioned subsidiary.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2 Accounting policies (continued)

### T Related party transactions

Related party transactions constitute the transfer of resources, services or obligations between the Group and a party related to the Group, regardless of whether a price is charged. For the purposes of defining related party transactions with key management, key management has been defined as directors and the Group's executive committee and includes close members of their families and entities controlled or jointly controlled by these individuals.

### U Employee benefits

#### (i) Short-term employee benefits

Remuneration to employees in respect of services rendered during a reporting period is expensed in that reporting period. A liability is recognised for accumulated leave when there is a present legal or constructive obligation because of past service rendered by employees.

#### (ii) Share-based payment transactions

MTN Group Limited, the Group's ultimate holding company, operates two staff share incentive schemes, the MTN Group share and the MTN Group share appreciation rights scheme which applies to MTN Uganda Limited as a subsidiary of MTN Group Limited.

These schemes are accounted for as cash settled share-based payments to employees at subsidiary level. Cash settled share-based payments are measured at fair value (excluding the effect of no-market-based vesting conditions) at valuation date which is each financial year end.

Each notional share option (NSO) may only be exercised by a participant as a factor of continuous employment with MTN Uganda Limited. Exercising refers to the decision by the participant to cash out any net realisable increase in value over and above the NSO's offer price of vested NSOs.

NSO allocations are granted annually, with 100% vesting after 3 years and expiring after 5 years.

The fair value is expensed over the vesting period on a straight-line basis based on the Group's estimate of the shares that will eventually vest.

## 2 Accounting policies (continued)

### U Employee benefits (continued)

#### (iii) Retirement benefit obligations

The Group operates a defined contribution plan. A defined contribution plan is a post-employment benefit plan (such as a pension plan) under which the Group pays a fixed percentage of employees' remuneration as contributions into a separate entity (a fund) and will have no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans in respect of services rendered during a period are recognised as an employee benefit expense when they are due.

#### (iv) Termination benefits

Termination benefits may be payable when an employee's employment is terminated before the normal retirement date due to retrenchment or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits at the earlier of the following dates:

- when the Group can no longer withdraw the offer of those benefits; and
- when the Group recognises costs for a restructuring that are within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to their present value.

### V Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### W Financial instruments

***Accounting for financial instruments***

Financial assets and liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Financial assets and liabilities are classified as current if expected to be realised or settled within 12 months; if not, they are classified as non-current.

***Offsetting financial instruments***

Offsetting of financial assets and liabilities arises when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The net amount is reported in the statement of financial position.

***Financial instrument classification***

The Group classifies its financial instruments into the following categories:

- *Financial assets at amortised cost; and*
- *Financial liabilities at amortised cost.*
- *Financial liabilities at fair value through profit or loss*

## 2 Accounting policies (continued)

## W Financial instruments (continued)

***Financial instrument classification (continued)***

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

The classification of financial assets depends on both the entity's business model for managing the asset and the asset's contractual cash flow characteristics (the "SPPI" test). Financial instruments comprise trade and other receivables, cash and cash equivalents, trust account balances, borrowings, mobile money deposits and trade and other payables. Refer to Note 2 (I) for additional disclosures on trade receivables.

***Subsequent measurement***

Subsequent to initial recognition, financial instruments are measured as described below.

***Financial assets***

Financial assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses except for short-term receivables when the recognition of interest would be immaterial.

***Financial liabilities***

Financial liabilities comprise trade and other payables, bank overdrafts, borrowings, mobile money deposits and other non-current liabilities (excluding provisions). Refer to Notes 2 (K), and 2 (O) for additional closures on borrowings and trade payables, respectively.

All financial liabilities are subsequently measured at amortised cost using the effective interest method. Impairment losses on trade and other receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

***Other liabilities***

Other liabilities include the mobile money platform liability. It is initially measured at its fair value, which is the present value of the payments in respect of the minimum commitment. The Group accounts for the interest expense and decreases the financial liability over the course of the licensing agreement as and when the liability is settled. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A portion of the cash flows varies according to changes in foreign currency. The economic characteristics and risks of these cashflows are however closely related to the fixed minimum commitments. Accordingly, the embedded derivative was not separated from the host contract.

Each reporting period, the financial liability is remeasured to its fair value utilising the forward-looking revenues and forward exchange rates that will affect the value of the future minimum commitment.

***De-recognition***

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

## 2 Accounting policies (continued)

### W Financial instruments (continued)

***Impairment of financial assets***

The Group's trade and other receivables are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses. The simplified approach measures a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables have been analysed based on shared credit risk characteristics and the days past due.

The loss allowances for trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect forward looking information to the extent that there is a strong correlation between the forward-looking information and the expected credit losses.

### X Mobile Money deposits

Mobile Money (MoMo) deposits are balances that are held with banks for and on behalf of MoMo customers. MoMo regulations require that these balances with banks are held in a manner to ensure that they are not co-mingled with the Group's cash and cash equivalents and that these are ring-fenced to settle MoMo customers' obligations. The deposits held are accounted for at amortised cost.

Upon recognition of the MoMo financial asset, the Group recognises a corresponding current liability, in the ordinary course, to refund MoMo customers for the deposits made.

The Group earns transactional fees on these MoMo balances and recognises transactional fees as part of digital and fintech services revenue. Transactional fees are recognised over time as the transactions occur. The Group accounts for fees paid to agents as a commission expense in selling, distribution, and marketing expenses.

Cash flows that relate to the principal MoMo deposit balances and corresponding liabilities are reflective of customer transactions, but only interest received and paid to customers in relation relating to these balances is recorded on the Group's statement of cash flows.

### Y Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board has appointed an Executive Committee which assesses the financial performance and position of the Group and makes strategic decisions. The Executive Committee, has been identified as being the chief operating decision maker.

### Z Direct network costs

These are costs incurred by the business in maintaining the network and telecommunications equipment.

## 2 Accounting policies (continued)

### AA Government and regulatory fees

These are costs relating to the annual gross revenue levy and spectrum fees paid to the regulator.

### AB Handset and accessories costs

These are costs relating to the handsets, data devices and accessories sold by the Group.

### AC Interconnect and roaming costs

Interconnect costs are charges resulting from MTN Uganda customers making calls to another operator and roaming costs result from MTN Uganda customers using another network when they travel and leave our network.

### AD Earnings per share

The Group calculates basic earnings per share by dividing the profit or loss after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period. On the other hand, dilutive EPS are calculated by adjusting profit or loss attributable to ordinary equity holders of the Group and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

## 3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk (foreign exchange and interest rate risk). This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

***Market risk***

(i) Foreign exchange risk

The Group operates locally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from recognised assets and liabilities. The Group aims to manage exposure to fluctuations in foreign currency exchange rates by keeping a proportion of its cash balance in foreign currency. As a policy, the Group does not utilise forward contracts or other methods of hedging foreign exchange risk that are speculative in nature.

A ±5% movement in foreign exchange rates has been applied, as management considers this to represent a reasonably possible change based on historical volatility observed in the Ugandan market and prevailing macro-economic conditions at the reporting date.

At 31 December 2025, if the Shilling had weakened/strengthened by 5% (2024: 5%) against the US dollar with all other variables held constant, the pre-tax profit for the year and the Group's equity would have been Shs 8,286 million lower/higher (2024: Shs 1,710 million) and Shs 5,788 million lower/higher (2024: Shs 1,198 million) respectively, mainly as a result of US dollar receivables, payables, borrowings and bank balances. The Group's exposure to the US Dollar currency risk expressed in Uganda Shillings, is as follows:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Trade and other receivables | **30,553,964** | 72,764,707 |
| Cash and cash equivalents | **26,693,194** | 14,790,148 |
| Trade and other payables | **(222,615,364)** | (121,769,581) |
| | **(165,368,206)** | (34,214,726) |

**3 Financial risk management (continued)**

(ii) Interest rate risk

The Group's interest rate risk arises from long-term borrowings and leases. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group regularly monitors financing options available to ensure optimum interest rates are obtained. At 31 December 2025, an increase/decrease of 5% in the interest rate would have resulted in a decrease/increase in the Group's equity of Shs 1,229 million (2024: Shs 1,114 million) and the pre-tax income by Shs 1,756 million (2024: Shs 1,592 million), respectively.

A ±5% movement in foreign exchange rates has been applied, as management considers this to represent a reasonably possible change based on historical volatility observed in the Ugandan market and prevailing macro-economic conditions at the reporting date.

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

| | 2025<br>Treasury bill rate<br>Shs '000 | 2024<br>Treasury bill rate<br>Shs '000 |
|---|---|---|
| Current borrowings | **(80,655,526)** | (22,388,973) |
| Non-current borrowings | **(164,878,258)** | - |
| | **(245,533,784)** | **(22,388,973)** |

***Credit risk***

The Group does not have any significant concentrations of credit risk. The Group credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

i) Risk management

Credit risk on financial assets with banking institutions is managed by dealing with institutions with strong balance sheets and a proven track record.

The Group does not have any significant concentrations of credit risk. The Group credit controller assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored.

The ECL for trade receivables, which comprise post-paid debtors, dealer debtors, mobile money debtors, interconnect debtors and roaming debtors is arrived at as a product of the probability of default, loss given default and exposure at default.

## 3 Financial risk management (continued)

***Credit risk (continued)***

The expected loss rates are based on the payment profiles of sales over a period of 12 months to December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group determined that inflation is the most relevant macroeconomic factor and therefore adjusts historical loss rates to reflect expected movements in inflation.

Related party receivable balances are assessed for impairment based on the counterparty's ability to settle on demand. The ECL for contract assets is arrived at as a product of the probability of default, loss given default and exposure at default.

Cash and cash equivalents and mobile money deposits have been assessed for credit loss based on the credit rating of the financial institutions holding the assets.

The amount that best represents the Group's maximum exposure to credit risk at 31 December 2025 is made up as follows:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Cash at bank and deposits on call (note 24) | **388,025,397** | 152,005,049 |
| Mobile money deposits (note 23) | **1,459,494,778** | 1,351,739,290 |
| Trade receivables (note 22) | **56,235,844** | 43,692,502 |
| Other receivables (note 22) | **72,154,042** | 58,128,388 |
| Contract assets (Note 5 (b)) | **90,119,181** | 68,258,844 |
| Non-current trade receivables (note 20) | **1,394,161** | 2,177,140 |
| Receivables from related companies (note 22) | **58,286,387** | 72,764,710 |
| | **2,125,709,790** | 1,748,765,923 |

## 3 Financial risk management (continued)

***Credit risk (continued)***

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix:

**31 December 2025**

| | Trade receivables | | | | | | |
|---|---|---|---|---|---|---|---|
| | Days past due | | | | | | |
| | **0–30 days Shs '000** | **31–60 days Shs '000** | **61–90 days Shs '000** | **91–120 days Shs '000** | **120–180 days Shs '000** | **>180 days Shs '000** | **Total Shs '000** |
| Corporate customers (a) | 13,072,029 | 12,703,576 | 6,220,784 | 4,807,095 | 7,768,468 | 15,716,595 | 60,288,547 |
| Expected credit loss rate* | 8.2% | 12.1% | 14.9% | 17.9% | 22.3% | 100.0% | |
| Other receivables (b) | 6,035,498 | 6,815,585 | 528,618 | 260,306 | 7,838,949 | 17,583,481 | 39,062,437 |
| Expected credit loss rate* | 6.9% | 7.6% | 14.7% | 28.6% | 33.3% | 100.0% | |
| Estimated total gross carrying amount at default [(a)+(b)] | **19,107,527** | **19,519,161** | **6,749,402** | **5,067,401** | **15,607,417** | **33,300,076** | **99,350,984** |
| Expected credit loss | (1,485,386) | (2,054,396) | (1,004,926) | (933,324) | (4,337,032) | (33,300,076) | (43,115,140) |
| **Net carrying amount** | **17,622,141** | **17,464,765** | **5,744,476** | **4,134,077** | **11,270,385** | **-** | **56,235,844** |

**31 December 2024**

| | Trade receivables | | | | | | |
|---|---|---|---|---|---|---|---|
| | Days past due | | | | | | |
| | **0–30 days Shs '000** | **31–60 days Shs '000** | **61–90 days Shs '000** | **91–120 days Shs '000** | **120–180 days Shs '000** | **>180 days Shs '000** | **Total Shs '000** |
| Corporate customers (a) | 13,739,561 | 5,490,293 | 4,204,820 | 3,398,067 | 5,166,154 | 11,163,209 | 43,162,104 |
| Expected credit loss rate | 6.0% | 7.2% | 8.7% | 10.2% | 20.7% | 98.7% | |
| Other receivables (b) | 128,293 | 4,164,812 | 2,586,009 | 1,558,136 | 8,457,138 | 7,140,853 | 24,035,241 |
| Expected credit loss rate | 6.0% | 7.2% | 8.7% | 10.2% | 20.7% | 98.7% | |
| Estimated total gross carrying amount at default [(a)+(b)] | **13,867,854** | **9,655,105** | **6,790,829** | **4,956,203** | **13,623,292** | **18,304,062** | **67,197,345** |
| Expected credit loss | (830,740) | (699,498) | (593,104) | (503,974) | (2,815,658) | (18,061,869) | (23,504,843) |
| **Net carrying amount** | **13,037,114** | **8,955,607** | **6,197,725** | **4,452,229** | **10,807,634** | **242,193** | **43,692,502** |

**The expected loss rates increased during the year mainly due to increase in receivables related to extra float as well as lower than expected collections from postpaid debtors mostly resulting from government agencies that are expected to be settled in the next 6 months.*

*No impairment was recognised for the contract assets because there is no historical evidence of credit losses, and the current amortisation period remains within the average customer lifecycle.*

*For related party exposures, an assessment of the counterparties' ability to meet their contractual obligations was performed. Based on this assessment, no indication of credit deterioration was identified, and therefore no impairment loss was recognised*

## 3 Financial risk management (continued)

### *Credit risk (continued)*

iii) Security
With the exception of post-paid and dealer trade receivables, no collateral is held for any of the above assets. Some post-paid subscribers are required to pay a security deposit before being connected onto the Group's network. Dealer debtors are also required to present post-dated cheques and bank guarantees before being granted credit.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses on trade and other receivables. Credit risk is assessed at a portfolio level rather than on an individual customer rating basis. In determining the risk profile of the receivable portfolio, management considers historical loss experience by receivable type, ageing profiles, payment behaviour trends, customer and counterparty segmentation, and concentration of exposures. Forward-looking information, including macroeconomic conditions and relevant market developments, is incorporated through management overlays where appropriate. This assessment forms the basis for determining expected credit loss rates applied to the receivable balances at the reporting date.

The fair value of security deposits held was Shs 2,982 million (2024: Shs 2,984 million). In case of default, the security deposit is used to clear the receivable balance.

iv) Definition of default
The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### *Liquidity risk*

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

## 3 Financial risk management (continued)

*Liquidity risk (continued)*

| | 0–30 days | 31–90 days | 90 days to 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| **At 31 December 2025:** | | | | | | | |
| - trade and other payables | **217,660,597** | **398,824,886** | **-** | **-** | **-** | **-** | **616,485,483** |
| - mobile money deposits | **1,459,494,778** | **-** | **-** | **-** | **-** | **-** | **1,459,494,778** |
| - borrowings | **-** | **48,938,525** | **65,342,925** | **79,217,925** | **131,329,650** | **-** | **324,829,025** |
| - other financial liability | **3,092,267** | **9,276,800** | **24,738,133** | **41,438,005** | **-** | **-** | **78,545,205** |
| - lease liabilities | **38,418,253** | **76,842,808** | **345,456,695** | **378,815,262** | **861,055,678** | **662,179,856** | **2,362,768,552** |
| | **1,718,665,895** | **533,883,019** | **435,537,753** | **499,471,192** | **992,385,328** | **662,179,856** | **4,842,123,043** |

| | 0–30 days | 31–90 days | 90 days to 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|---|
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| **At 31 December 2024:** | | | | | | | |
| - trade and other payables | 140,220,148 | 251,195,813 | - | - | - | - | 391,415,961 |
| - mobile money deposits | 1,351,739,290 | - | - | - | - | - | 1,351,739,290 |
| - borrowings | - | 959,375 | 25,959,375 | - | - | - | 26,918,750 |
| - other financial liability | 2,869,080 | 8,607,239 | 22,952,636 | 37,107,199 | 41,438,005 | - | 112,974,159 |
| - lease liabilities | 66,657,488 | 31,351,525 | 289,056,798 | 380,329,139 | 779,342,521 | 621,712,799 | 2,168,450,270 |
| | **1,561,486,006** | **292,113,952** | **337,968,809** | **417,436,338** | **820,780,526** | **621,712,799** | **4,051,498,430** |

## 3 Financial risk management (continued)

***Liquidity risk (continued)***

The trade payables balances in the liquidity risk disclosure exclude tax and regulatory fees accruals amounting to Shs 125,611 million (2024: Shs 149,067 million).

***Classification of financial instruments by category***

| | 2025 Shs'000 | 2024 Shs'000 |
|---|---|---|
| **Financial assets at amortised cost** | | |
| Cash and bank balances (note 24) | **388,025,397** | 152,005,049 |
| Mobile money deposits (note 23) | **1,445,494,778** | 1,351,739,290 |
| Non-current trade receivables and other receivables (note 20) | **1,394,161** | 2,177,140 |
| Trade and other receivables (note 22) | **186,676,273** | 174,585,600 |
| | **2,021,590,609** | 1,680,507,079 |
| **Financial liabilities at amortised cost** | | |
| Bank overdraft | **-** | 45,091 |
| Trade and other payables | **616,485,265** | 391,415,965 |
| Mobile money deposits (note 23) | **1,459,494,778** | 1,351,739,290 |
| Borrowings (note 28) | **245,533,784** | 22,388,973 |
| Lease liabilities (note 18 (b)) | **1,498,055,427** | 1,367,148,301 |
| | **3,819,569,254** | 3,132,737,620 |
| **Financial liability at fair value through profit or loss** | | |
| Other financial liability (note 19 (b)) | **75,163,694** | 98,873,077 |

***Fair value***

Fair value is measured in accordance with IFRS 13 *Fair Value Measurement*, which establishes a fair value hierarchy. IFRS 7 *Financial Instruments: Disclosures* requires entities to disclose fair value measurements The fair value hierarchy under IFRS 13 is described as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group measures its financial liability in respect of payments under the Ericsson contract at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability
Or
• In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## 3 Financial risk management (continued)

***Fair value (Continued)***

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The financial liability disclosed measured at fair value (note 19 (b)) is held at level 3 of the fair value hierarchy.

The carrying amounts of the Group's financial assets and liabilities measured at amortised cost, that is trade receivables, trust account balances, cash and cash equivalents, trade payables and mobile mobile money deposit liabilities is a reasonable approximation of the carrying amounts disclosed in notes 22, 23, 24, 25, and 23, respectively. The fair values of these instruments approximate their carrying amounts largely due to their short-term maturities.

The fair values of the above instruments were determined using level 3 techniques by discounting cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Fair-value related disclosures for the financial liability measured at fair value is summarised under note 19 (b). The fair value is determined using level 3 techniques by discounting future cash flows using the Group's incremental borrowing rate.

***Capital management***

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including lease liabilities) less cash and cash equivalents. Total capital is calculated as equity plus net debt. The Group does not have a target gearing ratio or externally imposed capital requirements.

## 3 Financial risk management (continued)

***Capital management (continued)***

The gearing ratios at 31 December 2025 and 2024 were as follows:

| | 2025 Shs'000 | 2024 Shs'000 |
|---|---|---|
| Total borrowings and lease liabilities (note 28 and 18 (b)) | **1,743,589,211** | 1,389,537,274 |
| Financial liability held at fair value | **75,163,694** | 98,873,077 |
| Less: cash and cash equivalents (note 24) | **(388,025,397)** | (151,959,958) |
| **Net debt** | **1,430,727,508** | 1,336,450,393 |
| Total equity | **1,226,272,413** | 1,196,791,760 |
| Total capital | **2,656,999,921** | 2,533,242,153 |
| Gearing ratio | **54%** | 53% |

## 4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances. It is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amount of the asset or liability affected.

***(i) Critical accounting estimates and assumptions***

*Property, plant and equipment*

Critical estimates in determining the useful lives of property, plant and equipment are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in 2 (D) above. The directors have established over the lifetime of the business that the depreciation rates have been consistent with the useful lives of the Group's assets. As at 31 December 2025, an increase/decrease in the annual depreciation rate of 5% would have resulted in an increase/decrease in the net book value of approximately Shs 23,158 million (2024: Shs 20,421 million). A ±5% movement has been applied, as management considers this to represent a reasonably possible change based on historical volatility observed in the Ugandan market and prevailing macro-economic conditions at the reporting date.

***(ii) Critical judgements in applying the Group's accounting policies***

*Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option,or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including changes in circumstances (such as business strategy, or modification to the asset), historical lease durations, the costs and business disruption required to replace the leased asset and the business planning horizon, which is 5 years.
- Extension options have been included in the lease liability to the extent that they are within the Group's current business plan.

As at 31 December 2025, potential future cash outflows of Shs 2,362,769 million (undiscounted) have been included in the lease liability because it is reasonably certain that the leases will be extended (or not terminated) (2024: Shs 2,168,450 million).

## 5 Revenue from contracts with customers

### (a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major service and product lines:

| | 2025 Shs'000 | 2024 Shs'000 |
|---|---|---|
| **Revenue earned over time** | | |
| Network services | **2,253,807,378** | 1,975,223,731 |
| Interconnect and roaming | **117,435,528** | 150,645,093 |
| Digital and fintech services | **1,126,786,952** | 958,525,056 |
| Information technology infrastructure services | **68,176,275** | 59,193,389 |
| Revenue earned over time | **3,566,206,133** | 3,143,587,269 |
| Mobile device sales (recognised at a point in time) | **37,844,420** | 29,133,389 |
| | **3,604,050,553** | 3,172,720,658 |

Network services, interconnect and roaming, digital services and other revenue are recognised over time, whereas mobile device sales are recognised at a point in time. Network service revenues relate to outgoing voice revenue, outgoing SMS revenue and mobile data revenues. The revenue is recognised based on the output method in consideration of actual minutes called, SMSes sent or bytes utilised. This is most appropriate as these are concluded within short periods of time. Network services are earned within the consumer business segment (CBU) (Shs 2,017,347 million, 2024: Shs 1,756,010), Enterprise Business Unit (EBU) (Shs 230,040 million, 2024: Shs 210,916 million) and Wholesale and Carrier (Shs 6,420 million, 2024: Shs 8,298 million). Interconnect revenue is recognised within wholesale and carrier services. Mobile devices revenue is primarily within the consumer business segment. Digital and fintech services are within mobile financial services (MFS) (Shs 1,087,340 million, 2024, Shs 924,762 million), the consumer business segment (Shs 38,633 million, 2024: Shs 33,502 million) and Enterprise Business Unit (Shs 814 million, 2024: 623milion). IT and infrastructure services is within EBU sales (Shs 48,012 million, 2024: Shs 39,230), CBU (Shs 875 million 2024: Shs 2,221 million), Wholesale (Shs 19,207 million, 2024: Shs 17,741 million).

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

| | 2025 Shs'000 | 2024 Shs'000 |
|---|---|---|
| Trade receivables; and receivables from related parties | **157,637,371** | 139,962,055 |
| Loss allowance (note 22) | **(43,115,140)** | (23,504,843) |
| Total trade receivables (note 22) | **114,522,231** | 116,457,212 |
| Contract liabilities – deferred revenue | **34,575,631** | 29,970,898 |

Deferred revenue represents unused activated airtime subscriber balances for prepaid products, as well as the cash equivalent of any unused bonus points on the 1-4-1 customer loyalty promotion. Revenue is recognised in profit or loss as calls are made, SMSes are sent, and data is used on the unused activated airtime. Revenue in relation to the customer loyalty program is recognised when the points are redeemed through calls or when they expire 12 months after the initial sale.

### *(i) Significant changes in trade receivables and contract liabilities*

The increase in trade receivables and other receivables was primarily driven by the increase in amounts due from related parties especially Bayobab Africa and MTN Management Services. The Group has related payables that will be used to settle the bulk of these receivables. Refer to Note 22 for further information on loss allowances recognised. The increase in contract liabilities is as a result of an increase in outstanding airtime and data balances on account of the increase in subscribers.

## 5 Revenue from contracts with customers (continued)

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

*(ii) Revenue recognised in respect of contract liabilities*

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Revenue recognised that was included in deferred revenue at start of year | **29,970,898** | 31,960,239 |

*(iii) Assets recognised from costs to fulfil a contract*

The incremental subscriber acquisition costs are capitalised as contract costs and are amortised on a systematic basis over the average customer life of 3 years.

| The movement of the contract assets is as below: | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| At start of year | **68,258,844** | 45,141,042 |
| Additions | **63,338,670** | 55,317,473 |
| Amortised as costs in the year | **(41,478,333)** | (32,199,671) |
| At end of year | **90,119,181** | 68,258,844 |
| Current contract assets | **51,113,663** | 35,183,204 |
| Non-current contract assets | **39,005,518** | 33,075,640 |
| | **90,119,181** | 68,258,844 |

## 6 Segment reporting

Operating segments reflect the Group's management structure, and the way financial information is regularly reviewed. The Group has identified reportable segments that are used by the executive committee (EXCO) (who is the Chief Operating Decision Maker) to make key operating decisions, allocate resources, and assess performance. The EXCO primarily focuses on revenue at the segment level. The structure of the business is such that the assets and liabilities are primarily utilised across the segments, so are reviewed for the entire Group.

A key performance measure of reporting profit for the Group is EBITDA. EBITDA is defined as earnings before finance income, finance costs and foreign exchange gains or losses, tax, depreciation and amortisation.

## 6 Segment reporting (continued)

| Nature of operations: | Consumer | Enterprise Business Unit | Wholesale and carrier services | Total Telecommun-ications | Mobile financial services | Total |
|---|---|---|---|---|---|---|
| | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 | Shs '000 |
| **Dec 2025 Revenue** | **2,092,321,730** | **282,792,702** | **141,595,176** | **2,516,709,608** | **1,087,340,945** | **3,604,050,553** |
| **Direct network operating expenses** | **(372,813,347)** | **(621,317)** | **(1,171,201)** | **(374,605,865)** | **(13,861,923)** | **(388,467,788)** |
| **Selling, distribution and marketing expenses** | **(88,248,806)** | **(7,420,551)** | **(16,100)** | **(95,685,457)** | **(538,106,103)** | **(633,791,560)** |
| **Dec 2025 EBITDA** | **1,097,644,480** | **244,388,681** | **130,809,634** | **1,472,842,795** | **464,565,285** | **1,937,408,080** |
| Dec 2024 Revenue | 1,816,806,582 | 255,837,127 | 175,314,771 | 2,247,958,480 | 924,762,178 | 3,172,720,658 |
| Direct network operating expenses | (339,586,102) | (1,037,863) | (1,279,396) | (341,903,361) | (9,092,598) | (350,995,959) |
| Selling, distribution and marketing expenses | (89,405,166) | (7,273,843) | (9,960) | (96,688,969) | (446,304,468) | (542,993,437) |
| **Dec 2024 EBITDA** | **873,856,767** | **218,918,968** | **171,280,948** | **1,264,056,683** | **391,273,680** | **1,655,330,363** |

The EXCO also focuses on reporting by segments and revenue by customer segment for internal revenue reporting. The reportable segments for revenue and EBITDA are identified as below:

- **Telecommunications segment: this segment is further analysed as follows when reporting EBITDA:**

  *i. Consumer – This comprises prepaid subscriber revenue.*

  *ii. Enterprise Business Unit – This comprises revenue earned from corporate customers, SMEs, governments, and post-paid customers.*

  *iii. Wholesale and Carrier services – This relates to revenue earned from other telecommunication companies that provide support services such as Interconnect, roaming and leased lines services.*

- **Mobile financial services – This relates to revenue earned from digital and fintech services.**

EXCO also separately assesses the performance of the mobile money and telecommunications segments by reference to the profit after tax earned, and the capital expenditure (capex) additions made by each segment.

## 6 Segment reporting (continued)

The segment information for profit before tax and capex additions is indicated below:

**Segment reporting for profit before tax**

| | 2025<br>Ushs '000 | 2024<br>Ushs '000 |
|---|---|---|
| Telecommunications EBITDA | **1,645,380,194** | 1,564,907,592 |
| Mobile financial services EBITDA | **491,720,876** | 394,414,419 |
| Eliminations | **(199,692,990)** | (303,991,648) |
| EBITDA | **1,937,408,080** | 1,655,330,363 |
| Depreciation | **(463,713,910)** | (408,949,723) |
| Amortisation | **(87,194,175)** | (87,426,836) |
| Finance costs | **(316,754,672)** | (290,613,806) |
| Finance income | **68,717,280** | 54,174,568 |
| Foreign exchange differences | **(4,494,044)** | (2,612,630) |
| Eliminations | **736,037** | 774,022 |
| Profit before tax | **1,134,704,596** | 920,675,958 |

**Segment reporting for capex additions**

| | Telecommunications<br>Ushs '000 | Mobile financial services<br>Ushs '000 | Total<br>Ushs '000 |
|---|---|---|---|
| **December 2025** | | | |
| **Capex additions** | **522,809,823** | **26,593,600** | **549,403,423** |
| **December 2024** | | | |
| Capex additions | 401,679,427 | 16,320,689 | 418,000,116 |

## 7 Direct network operating costs

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Leased line costs | **33,083,080** | 27,054,929 |
| TowerCo related costs | **191,080,762** | 184,844,916 |
| Network and IT maintenance | **164,303,946** | 139,096,114 |
| | **388,467,788** | 350,995,959 |

## 8 Government and regulatory fees

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Spectrum fees | **25,762,532** | 27,529,973 |
| Regulatory fees and levies | **54,331,276** | 50,482,207 |
| | **80,093,808** | 78,012,180 |

## 9 Employee benefits expenses

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Salaries and wages | **124,756,574** | 114,876,207 |
| MTN Uganda Limited Provident Fund contributions [note 33 (viii)] | **3,476,813** | 3,088,056 |
| Contributions to National Social Security Fund | **8,744,102** | 7,614,100 |
| Notional share options (note 26) | **15,621,229** | 4,822,088 |
| Other staff costs | **24,026,050** | 21,108,632 |
| | **176,624,768** | 151,509,083 |

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

## 10 Selling, distribution and marketing expenses

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Commissions* | **563,377,840** | 485,752,100 |
| Marketing | **64,373,899** | 51,440,860 |
| Content costs | **6,039,821** | 5,800,477 |
| | **633,791,560** | 542,993,437 |

**Commissions are paid to mobile money agents who facilitate mobile money transactions, and to business partners who use the mobile money platform to transact. The commission expense is computed as a percentage of the commission revenue earned by the Group.*

## 11 Other operating expenses

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Professional and consulting | **9,070,062** | 10,585,622 |
| Auditor's remuneration | **3,303,609** | 3,067,443 |
| Directors' fees | **1,572,437** | 1,637,562 |
| General expenses | **43,458,840** | 43,571,798 |
| Loss on disposal of property, plant and equipment | **4,446,847** | - |
| Motor vehicle and insurance | **13,716,672** | 12,497,662 |
| Security costs | **1,200,395** | 990,987 |
| Communication costs | **2,754,712** | 2,584,353 |
| Management fees | **87,062,672** | 100,652,920 |
| MTN Foundation [note 33 (viii)] | **6,802,300** | 6,413,903 |
| Travel and entertainment | **5,196,819** | 4,288,692 |
| Electricity and diesel – non network | **9,570,034** | 10,124,860 |
| Other utilities – non network | **-** | 2,250 |
| Information technology fees | **8,351,002** | 5,413,589 |
| Office building and maintenance | **2,586,598** | 3,089,818 |
| Platform fee | **12,867,248** | 12,431,294 |
| | **211,960,247** | 217,352,753 |

## 12 (a) Net foreign exchange losses

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| - Foreign exchange gains | **8,434,631** | 3,203,125 |
| - Foreign exchange losses | **(12,928,672)** | (5,815,755) |
| Net foreign exchange losses | **(4,494,041)** | (2,612,630) |

## 12 (b) Finance income / (costs)

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| *Interest income calculated using the effective interest method:* | | |
| - Interest income on mobile money deposits | **50,915,779** | 44,025,556 |
| - Interest income on bank deposits | **17,801,501** | 10,149,012 |
| | **68,717,280** | 54,174,568 |
| *Interest expense calculated using the effective interest method:* | | |
| - Interest expense and other charges on borrowings (note 28) | **(24,584,887)** | (19,594,496) |
| - Interest expense on lease liabilities (note 18 (b)) | **(231,590,005)** | (213,917,625) |
| - Interest expense on mobile money deposits | **(50,915,779)** | (44,025,556) |
| - Other interest expenses* | **(2,504,908)** | (4,050,688) |
| | **(309,595,579)** | (281,588,365) |
| *Interest expenses not calculated using the effective interest method:* | | |
| Interest on financial liability (note 19 (b)) | **(6,980,142)** | (8,771,303) |
| | **(316,575,721)** | (290,359,668) |

**Other interest expenses mainly relate to overdraft charges and other transaction charges on borrowings, that are integral to the effective interest rate.*

## 13 Taxation

### 13(a) Income tax expense

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| Current income tax expense | 451,486,349 | 275,862,658 |
| Deferred tax charge (note 17) | 4,455,311 | 3,265,032 |
| | **455,941,660** | 279,127,690 |

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| Profit before income tax expense | **1,134,704,596** | 920,675,958 |
| Tax calculated at a rate of 30% (2024: 30%) | **340,411,379** | 276,202,787 |
| ***Tax effect of:*** | | |
| - Expenses not deductible for tax purposes* | **3,565,760** | 3,663,361 |
| - Prior year over under / (over) provision for current income tax** | **111,608,207** | (1,677,875) |
| - Prior year under provision for deferred tax asset** | **356,314** | 939,417 |
| **Income tax expense** | **455,941,660** | 279,127,690 |

**These include entertainment expenses, non-allowable staff welfare expenses, life insurance expenses and non- qualifying depreciation.*
*** The prior year under/over provision of current and deferred tax provisions are included in the current income tax expense / deferred tax charge for the year. In the current period, Shs 110.9 billion relates to transfer pricing tax settlement for 2012–2024.*
*The effective tax rate for the year ended 31 December 2025 was thus 40.2% (2024: 30.3%).*

## 13 Taxation (continued)

### 13(b) Income tax payable

The movement in current income tax payable is as follows:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| At start of year | **104,400** | 558,395 |
| Income tax charge | **451,486,349** | 275,862,658 |
| Tax paid | **(444,900,477)** | (276,316,653) |
| At end of year | **6,690,272** | 104,400 |

The current income tax payable relates to:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Income tax payable /(recoverable) – Company | **3,491,696** | (3,429,277) |
| Income tax payable – Subsidiary | **3,198,576** | 3,533,677 |
| At end of year | **6,690,272** | 104,400 |

## 14 Earnings per share

The Group calculates basic earnings per share by dividing the profit or loss after tax attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

On the other hand, dilutive EPS is calculated by adjusting profit or loss attributable to ordinary equity holders of the Group and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

The weighted average number of ordinary shares outstanding during the period and for all periods presented is adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Weighted average number of shares at 31 December ('000) | **22,389,044** | **22,389,044** |
| Profit from continuing operations attributable to shareholders (Shs '000) | **678,762,936** | **641,548,268** |
| Basic/ diluted earnings per share (Shs / Share) | **30.32** | **28.65** |

At the reporting date, the basic and diluted earnings per share were the same. There are no outstanding shares with a potential dilutive effect on the weighted average number of ordinary shares in issue.

## 15 Share capital

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Number of shares | Per Value | Ordinary share capital Shs '000 | Number of shares | Per Value | Ordinary share capital Shs '000 |
| **Authorised:** | | | | | | |
| Ordinary shares | **28,000,000,000** | **1** | **28,000,000** | 28,000,000,000 | 1 | 28,000,000 |
| **Issued and fully paid:** | | | | | | |
| Ordinary shares | **22,389,044,239** | **1** | **22,389,044** | 22,389,044,239 | 1 | 22,389,044 |

The holders of ordinary shares are entitled to participate in dividends and to share in the proceeds of winding up the Group in proportion to the number of and amounts paid on the shares held.

## 16 Dividends

| | 2025 Dividend per share Shs '000 | 2025 Total Shs '000 | 2024 Dividend per share Shs '000 | 2024 Total Shs '000 |
|---|---|---|---|---|
| Final dividends declared and paid for prior year | **8.50** | **190,306,876** | 6.4 | 143,289,883 |
| Interim dividend paid | **20.50** | **458,975,407** | 14.1 | 315,685,524 |
| **Dividends paid during the year** | **29.00** | **649,282,283** | 20.5 | 458,975,407 |
| **Dividends declared after year-end** | | | | |
| Approved after reporting date and not recognised as a liability | **8.25** | **184,709,615** | 8.5 | 190,306,876 |

Payment of dividends is subject to withholding tax a rate depending on the residence of the respective shareholders. The directors recommend the payment of a final dividend of Shs 8.25 per share amounting to Shs 184,710 million (2024: Shs 8.5 per share amounting Shs 190,307 million) for the year ended 31 December 2025.

## 17 Deferred tax assets

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which the tax losses can be utilised. Deferred tax assets can be utilised for a period of seven years. With effect from 1 July 2023, Uganda tax laws were revised such that tax losses can be carried forward for seven years, following which, only 50% of the income tax losses are allowed. The Group had no tax losses as at 31 December 2025 (31 December 2024). The directors have made an assessment that the deferred tax losses which arise from short-term differences will be utilised during the normal course of business. Therefore, the net deferred tax assets have been fully recognised on the statement of financial position.

Deferred tax is calculated using the enacted income tax rate of 30% (2024: 30%). The movement on the deferred income tax account is as follows:

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| At start of year | **18,344,280** | 21,609,312 |
| Charge to profit or loss | **(4,455,311)** | (3,265,032) |
| At end of year | **13,888,969** | 18,344,280 |

## 17 Deferred tax assets (continued)

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

**Year ended 31 December 2025**

| | 1 January 2025 Shs '000 | Charge to profit or loss Shs '000 | 31 December 2025 Shs '000 |
|---|---|---|---|
| **Deferred tax liabilities:** | | | |
| Accelerated tax depreciation | (18,991,228) | (15,479,257) | (34,470,485) |
| **Deferred tax assets:** | | | |
| Provisions | 24,469,262 | 8,462,080 | 32,931,342 |
| Net unrealised foreign exchange | 3,797,641 | 1,775,713 | 5,573,354 |
| Deferred income | 9,068,605 | 786,153 | 9,854,758 |
| | 37,335,508 | 11,023,946 | 48,359,454 |
| **Net deferred tax assets** | 18,344,280 | (4,455,311) | 13,888,969 |

**Year ended 31 December 2024**

| | 1 January 2024 Shs '000 | Charge to profit or loss Shs '000 | 31 December 2024 Shs '000 |
|---|---|---|---|
| **Deferred tax liabilities:** | | | |
| Accelerated tax depreciation | (12,430,977) | (6,560,251) | (18,991,228) |
| **Deferred tax assets:** | | | |
| Provisions | 24,145,626 | 323,636 | 24,469,262 |
| Net unrealised foreign exchange | 42,440 | 3,755,201 | 3,797,641 |
| Deferred income | 9,852,223 | (783,618) | 9,068,605 |
| | 34,040,289 | 3,295,219 | 37,335,508 |
| **Net deferred tax assets** | 21,609,312 | (3,265,032) | 18,344,280 |

## 18 (a) Property, plant and equipment

| | Land and buildings Shs '000 | Leasehold improvements Shs '000 | Tele-communications equipment Shs '000 | Furniture, computers and other equipment Shs '000 | Motor vehicles Shs '000 | Work in progress Shs '000 | Total Shs '000 |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2025** | | | | | | | |
| Opening net book amount | 45,914,444 | 9,342,447 | 1,123,590,317 | 49,514,480 | 886,190 | 29,709,654 | 1,258,957,532 |
| Additions | 2,675,435 | 5,935,737 | 375,301,810 | 26,949,184 | 2,135,113 | 74,117,354 | 487,114,633 |
| **Transfers** | | | | | | | |
| - cost | 1,961,466 | 327,642 | 15,187,575 | 10,406,022 | - | (27,882,705) | - |
| - accumulated depreciation | - | - | (19,120) | 19,120 | - | - | - |
| **Disposals:** | | | | | | | |
| - cost | (1,078,492) | (2,492,811) | (80,692,154) | (8,931,072) | (215,544) | - | (93,410,073) |
| - accumulated depreciation | 767,146 | 1,604,722 | 77,197,738 | 8,019,307 | 205,474 | - | 87,794,387 |
| **Reallocations*** | - | (154,399) | - | 154,399 | - | 2,179,351 | 2,179,351 |
| **Transfer from PPE*** | | | | | | | |
| - cost | - | 417,316 | - | (281,272) | - | (744,399) | (608,355) |
| **Impairment reversal**** | - | - | 1,944,932 | - | - | - | 1,944,932 |
| **Depreciation charge** | (4,436,781) | (4,098,695) | (184,288,807) | (20,215,610) | (496,297) | - | (213,536,190) |
| **Closing net book amount** | 45,803,218 | 10,881,959 | 1,328,222,291 | 65,634,558 | 2,514,936 | 77,379,255 | 1,530,436,217 |
| **At 31 December 2025** | | | | | | | |
| - cost | 62,863,016 | 41,763,843 | 3,061,863,044 | 269,069,146 | 9,733,882 | 77,379,255 | 3,522,672,186 |
| - accumulated amortisation | (17,059,798) | (30,881,884) | (1,733,640,753) | (203,434,588) | (7,218,946) | - | (1,992,235,969) |
| **Net book amount** | 45,803,218 | 10,881,959 | 1,328,222,291 | 65,634,558 | 2,514,936 | 77,379,255 | 1,530,436,217 |

**Reallocations relate to reclassifications between Property, plant and equipment at the time when management confirms that intangible asset was integral / not integral to the operation of the tangible asset.*

*** The amount recognised in the current period relates to a reversal of impairment in accordance with IAS 36. These reversals arise from assets that were impaired in prior periods, for which management reassessed the recoverable amounts at the reporting date and concluded that the conditions that gave rise to the impairment no longer exist. The reversal has been recognised in profit or loss and is limited to the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment been recognised previously.*

## 18 (a) Property, plant and equipment

| | Land and buildings Shs '000 | Leasehold improvements Shs '000 | Tele-communications equipment Shs '000 | Furniture, computers and other equipment Shs '000 | Motor vehicles Shs '000 | Work in progress Shs '000 | Total Shs '000 |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2024** | | | | | | | |
| Opening net book amount | 45,420,702 | 6,605,052 | 974,612,767 | 44,660,554 | 822,044 | 14,426,498 | **1,086,547,617** |
| Additions | 2,848,426 | 6,455,753 | 319,703,033 | 23,072,245 | - | 28,452,590 | **380,532,047** |
| **Transfers** | | | | | | | |
| - cost | 1,274,006 | 342,680 | 9,839,443 | 74,908 | 440,070 | (11,971,107) | - |
| - accumulated depreciation | - | - | (19,120) | 19,120 | - | - | - |
| **Disposals:** | | | | | | | |
| - cost | (7,001) | (1,185,314) | (31,927,538) | (7,050,600) | (2,279,601) | - | **(42,450,054)** |
| - accumulated depreciation | 1,275 | 1,185,314 | 31,558,130 | 6,476,433 | 2,157,118 | - | **41,378,270** |
| **Reallocations*** | 1,602 | 1,422 | 358 | (3,772) | - | (299,002) | **(299,392)** |
| **Transfer from PPE**** | | | | | | | |
| - cost | - | - | - | 10,176 | 8,957 | (899,325) | **(880,192)** |
| **Impairment** | - | - | (1,091,604) | (1,420) | - | - | **(1,093,024)** |
| **Depreciation charge** | (3,624,566) | (4,062,460) | (179,085,152) | (17,743,164) | (262,398) | - | **(204,777,740)** |
| **Closing net book amount** | **45,914,444** | **9,342,447** | **1,123,590,317** | **49,514,480** | **886,190** | **29,709,654** | **1,258,957,532** |
| **At 31 December 2024** | | | | | | | |
| - cost | 59,304,607 | 37,730,358 | 2,750,120,881 | 240,771,885 | 7,814,313 | 29,709,654 | **3,125,451,698** |
| - accumulated amortisation | (13,390,163) | (28,387,911) | (1,626,530,564) | (191,257,405) | (6,928,123) | - | **(1,866,494,166)** |
| **Net book amount** | **45,914,444** | **9,342,447** | **1,123,590,317** | **49,514,480** | **886,190** | **29,709,654** | **1,258,957,532** |

**Reallocations relate to reclassifications between Property, plant and equipment at the time when management confirms that intangible asset was integral / not integral to the operation of the tangible asset.*
*** These relate to re-allocation of assets that are not of a capital nature to operating expenses.*

## 18 (b) Leases

i) Amounts recognised in the balance sheet

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| **Right-of-use assets** | | |
| Network sites | **1,220,520,657** | 1,142,856,412 |
| Offices and services centres | **6,105,791** | 739,088 |
| Motor vehicles | **19,505,342** | 19,844,469 |
| Furniture and fittings | **2,226,147** | - |
| | **1,248,357,937** | 1,163,439,969 |
| **Lease liabilities** | | |
| Current | **299,286,410** | 193,208,362 |
| Non-current | **1,198,769,017** | 1,173,939,939 |
| | **1,498,055,427** | 1,367,148,301 |

*ii) Amounts recognised in profit or loss*

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| **Depreciation charge for right-of-use assets** | | |
| Network sites | **241,190,627** | 192,745,930 |
| Offices and services centres | **1,849,198** | 3,288,599 |
| Motor vehicles | **6,302,540** | 7,617,570 |
| Others | **278,268** | - |
| | **249,620,633** | 203,652,099 |

iii) The movement in right-of-use assets is as follows:

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| At 1 January | **1,163,439,969** | 1,091,713,853 |
| Additions | **285,182,935** | 231,273,492 |
| Remeasurements | **49,491,047** | 51,826,896 |
| Depreciation | **(249,620,632)** | (203,652,099) |
| Disposal | **(135,382)** | (7,722,173) |
| **At end of year** | **1,248,357,937** | 1,163,439,969 |

The balance sheet shows the following amounts relating to leases:

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| **At end of the year** | | |
| Cost | **1,695,002,361** | 1,851,082,037 |
| Accumulated depreciation | **(446,644,424)** | (687,642,068) |
| Net right-of-use asset | **1,248,357,937** | 1,163,439,969 |

*iv) The movement in lease liabilities is as follows:*

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| As at 1 January | **1,367,148,301** | 1,256,749,181 |
| Additions | **285,182,935** | 231,273,492 |
| Remeasurements | **49,491,047** | 51,826,896 |
| Interest expense | **231,590,005** | 213,917,625 |
| Payment of interest portion of lease liabilities | **(231,590,005)** | (214,171,764) |
| Payment of principal portion of lease liabilities | **(203,185,705)** | (164,187,425) |
| Foreign exchange gains | **(431,140)** | (150,517) |
| Termination of leases | **(150,011)** | (8,109,187) |
| **As at 31 December** | **1,498,055,427** | 1,367,148,301 |

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

## 19 (a) Intangible assets

| | Licenses Shs '000 | IT software Shs '000 | Total Shs '000 |
|---|---|---|---|
| **Year ended 31 December 2025** | | | |
| Opening net book amount | **238,086,782** | **141,617,922** | **379,704,704** |
| Additions | **-** | **62,288,790** | **62,288,790** |
| Amortisation | **(31,744,908)** | **(55,449,269)** | **(87,194,177)** |
| Reallocation | **-** | **(2,179,351)** | **(2,179,351)** |
| Other movement | | **81,284** | **81,284** |
| Disposal: | | | |
| - cost | **-** | **(63,324)** | **(63,324)** |
| - accumulated depreciation | **-** | **63,324** | **63,324** |
| **Closing net book amount** | **206,341,874** | **146,359,376** | **352,701,250** |
| **At 31 December 2025** | | | |
| Cost | **380,938,857** | **458,780,328** | **839,719,185** |
| Accumulated amortisation | **(174,596,983)** | **(312,420,952)** | **(487,017,935)** |
| **Net book amount** | **206,341,874** | **146,359,376** | **352,701,250** |

| | License fee Shs '000 | IT software Shs '000 | Total Shs '000 |
|---|---|---|---|
| **Year ended 31 December 2024** | | | |
| Opening net book amount | 269,831,690 | 159,805,074 | 429,636,764 |
| Additions | - | 37,468,069 | 37,468,069 |
| Amortisation | (31,744,908) | (55,681,928) | (87,426,836) |
| Reallocation | - | 299,392 | 299,392 |
| Other movement | | (272,685) | (272,685) |
| Disposal: | | | |
| - cost | - | (10,437,692) | (10,437,692) |
| - accumulated depreciation | - | 10,437,692 | 10,437,692 |
| Closing net book amount | 238,086,782 | 141,617,922 | 379,704,704 |
| **At 31 December 2024** | | | |
| Cost | 380,938,857 | 384,900,453 | 765,839,310 |
| Accumulated amortisation | (142,852,075) | (243,282,531) | (386,134,606) |
| Net book amount | 238,086,782 | 141,617,922 | 379,704,704 |

Licenses
Uganda Communications Commission (UCC) granted MTN Uganda Limited a formal long-term licence in July 2021 for a period of 12 years.

Software
Software that is separately identifiable from components of the Group's plant and equipment has been recognised as an intangible asset. The movement in the intangible asset arising from the Ericsson contract is summarised below:

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| At 1 January | **79,109,470** | 105,479,293 |
| Amortisation | **(26,369,823)** | (26,369,823) |
| At 31 December | **52,739,647** | 79,109,470 |

**19 (b) Other financial liability**

The financial liability arising from the Ericsson software contract is disclosed below. The financial liability is measured at fair value through profit or loss:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| **Financial liability measured at fair value** | | |
| Current | **38,655,360** | 29,281,425 |
| Non-current | **36,508,334** | 69,591,652 |
| | **75,163,694** | 98,873,077 |

The movement in the financial liability is disclosed below:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| At 1 January | **98,873,077** | 121,639,038 |
| Interest accrued (note 12) | **6,980,142** | 8,771,303 |
| Revaluation – other financial liability | - | 464,521 |
| Other movements* | - | (833,142) |
| Interest paid on financial liability | **(6,980,142)** | (8,771,303) |
| Payments made during the year | **(23,709,383)** | (22,397,340) |
| | **75,163,694** | 98,873,077 |

Other movements* - this relates to surplus Ericsson minimum commitments.

Annual maintenance charges arising from the new contract of Shs 12,867 million (2024: Shs 12,431 million) were expensed to profit or loss during the year ended 31 December 2025. The fair value of the financial liability is determined using level 3 techniques by discounting future cash flows using the Group's incremental borrowing rate. The significant unobservable inputs in the fair value measurement are the long-term growth rate for the Group's service revenue, the annual movement in the foreign exchange rate and the incremental borrowing (discount) rate. A 1% increase in the discount rate results into a Shs 2,155 million (2024: Shs 1,512 million) decrease in the fair value of the financial liability. A 1% increase in the foreign exchange rate and the service revenue results in an increase of Shs 981 million (2024: Shs 1,390 million) and Shs 778 million (2024: Shs 1,211) million in the fair value of the financial liability, respectively.

**20 Prepayments and advances to business partners**

| | | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|---|
| **(a)** | **Indefeasible right-of-use ("IRU") assets** | | |
| | At start of year | **64,509,028** | 71,839,500 |
| | Additions | **12,920,770** | 12,927,425 |
| | Charge for the year | **(17,943,929)** | (20,257,897) |
| | **At end of year** | **59,485,869** | 64,509,028 |
| | IRU assets – current (note 22) | **9,408,491** | 9,703,378 |
| | IRU assets – non–current | **50,077,378** | 54,805,650 |
| | **Total indefeasible right-of-use assets** | **59,485,869** | 64,509,028 |
| **(b)** | **Non-current receivables and prepayments** | | |
| | IRU non-current receivables | **50,077,378** | 54,805,650 |
| | Advances to dealers | **1,394,161** | 2,177,140 |
| | **Net book amount at end of year** | **51,471,539** | 56,982,790 |

## 20 Prepayments and advances to business partners (continued)

The other non-current receivables are the amounts due from the dealers that the Group expects to collect within two to three years from the end of the reporting period. These amounts are guaranteed by banks. The fair value of the receivables is not materially different from their carrying amount. The prepaid site and lease rentals primarily relate to indefeasible right of use arrangements with Africa Bayobab (formerly, "MTN Global Connect") on undersea cables.

| | | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|---|
| (c) | Deferred revenue from sub lease arrangements – current | 2,401,947 | 1,014,160 |
| | Deferred revenue from sub lease arrangements – non-current | 11,858,528 | 13,497,438 |

## 21 Inventories

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| Sim cards, phones, and accessories | 10,412,660 | 13,967,846 |
| Provision for obsolete stock | (4,470,133) | (5,834,674) |
| | 5,942,527 | 8,133,172 |
| Inventories expensed during the year | (31,516,347) | (30,912,767) |
| Decease / (increase) in impairment provision during the year | 1,364,541 | (2,278,287) |

## 22 Trade and other receivables

| | 2025 | 2024 |
|---|---|---|
| Trade receivables | 99,350,984 | 67,197,345 |
| Impairment loss allowance | (43,115,140) | (23,504,843) |
| Trade receivables – net | 56,235,844 | 43,692,502 |
| Receivables from related parties - net (Note 33 (iv) a) | 58,286,387 | 72,764,710 |
| Prepayments[1] | 31,070,952 | 35,023,761 |
| Other receivables[2] | 72,154,042 | 58,128,388 |
| | 217,747,225 | 209,609,361 |

*[1]Included under prepayments is an amount of Shs 9,408 million (2024: Shs 9,703 million) relating to the current portion of IRU assets. The carrying amount of the above receivables balances approximates their fair value due to their short-term nature. The closing loss allowances for trade receivables as at 31 December reconciles to the opening loss allowances as set out below.*
*[2] Other receivables mainly relate to advance payments made to defend tax positions.*

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| As at start of year | 23,504,843 | 27,770,118 |
| Increase in loss allowance recognised in profit or loss | 21,946,577 | 15,650,684 |
| Receivables written off during the year as uncollectible | (2,336,280) | (19,915,959) |
| At end of year | 43,115,140 | 23,504,843 |
| Consisting of: | | |
| | 43,115,140 | 23,504,843 |
| Trade receivables | - | - |
| Other receivables | 43,115,140 | 23,504,843 |

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

## 23 Trust account balances / mobile money deposits

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| MoMo customers' balances (held on escrow accounts) | **1,445,702,690** | 1,336,469,487 |
| Add: Interest on customer deposits received but not allocated | **7,858,522** | 10,881,711 |
| Add: Interest on customer deposits accrued but not received | **5,933,566** | 4,388,092 |
| | **1,459,494,778** | 1,351,739,290 |
| Less amounts due to, and allocable to subscribers (liabilities) | **(1,459,494,778)** | (1,351,739,290) |
| | **-** | - |

The Group recognises MoMo balances based on its assessment of the risks and rewards relating to the underlying financial asset. The Group's exposure to credit risk on the financial assets held with the various banks was considered a key factor in the overall evaluation as any credit risk assumed potentially exposed the Group to refund MoMo customers in the event of any bank failure. As a result of the uncertain and evolving legal and regulatory environment, this assessment has become increasingly complex and dependent on legal interpretations that are largely untested. The Group has however noticed that, as the MoMo products mature and the regulatory and legal positions are codified, the underlying exposure to its MoMo customers is clarified ultimately resulting in the MoMo balances being recorded on the statement of financial position.

The Group recognises MoMo balances held by the respective banks and the customers' rights to these balances as an obligation (financial liability) in the ordinary course to repay the balances to the MoMo customers and a right to claim the corresponding amounts from the relevant banks (financial asset). Cash flows that relate to the principal MoMo deposit balances and corresponding liabilities are reflective of customer transactions and, consequently, are not recorded in the Group's statement of cash flows.

## 24 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held on call, all of which are available for use by the Group. Below is breakdown of cash and cash equivalents:

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Cash at bank | **387,890,467** | 151,888,752 |
| Cash at hand | **34,558** | 24,314 |
| Deposits on call (mobile money) | **100,372** | 91,983 |
| | **388,025,397** | 152,005,049 |
| Bank overdraft | **-** | (45,091) |
| | **388,025,397** | 151,959,958 |

## 25 Trade and other payables

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| ***Financial liabilities*** | | |
| Trade payables | **234,673,409** | 189,036,204 |
| Payables to related parties [note 33 (iv) b] | **28,524,166** | 27,864,156 |
| Sundry creditors | **353,287,690** | 174,515,601 |
| | **616,485,265** | 391,415,961 |
| ***Non-financial liabilities*** | | |
| Statutory taxes due | **125,611,218** | 149,066,698 |
| | **742,096,483** | 540,482,659 |

This includes the current portion of the IRU liability disclosed in note 20 (c). Trade and other payables are unsecured and usually paid within 45 – 60 days of recognition. The carrying amounts of the above trade and other payables approximate their fair values. Sundry creditors and accruals mostly relate to accruals for goods received but not invoiced, statutory deductions and other payables.

## 26 *Employee share-based payment liability*

| | At start of year Shs '000 | Additional provisions Shs '000 | Utilised/ reversed Shs '000 | At end of year Shs '000 | Non-current provision Shs '000 | Current provision Shs '000 |
|---|---|---|---|---|---|---|
| ***Year ended 31 December 2025*** | | | | | | |
| Notional share options | **16,360,233** | **15,621,229** | **(4,332,719)** | **27,648,743** | **19,698,314** | **7,950,429** |
| ***Year ended 31 December 2024*** | | | | | | |
| Notional share options | 14,764,794 | 4,822,088 | (3,226,649) | 16,360,233 | 9,418,494 | 6,941,739 |

The Board approved a cash-settled share incentive scheme to eligible employees with effect from 1 April 2004. The first vesting under the terms of this scheme was due on 1 April 2007 and specific amounts vest annually over a four-year period. The value of the notional share options is based on MTN Group Limited's share price and performance of the Group (note 2 (U)).

The following table illustrates the number, and movements in, share options during the year ended 31 December 2025:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | Locally aligned NSOs | Group aligned NSOs | Locally aligned NSOs | Group aligned NSOs |
| Outstanding at 1 January | **341,630** | **735,590** | 365,340 | 610,530 |
| Granted during the period | **92,510** | **274,090** | 115,870 | 351,750 |
| Exercised during the period | **(152,220)** | **(218,340)** | (139,580) | (226,690) |
| Expired during the period | **-** | **-** | - | - |
| Outstanding at the end of the period; and | **281,920** | **791,340** | 341,630 | 735,590 |
| Exercisable at the end of the period: | **96,720** | **241,310** | 36,160 | 101,610 |

## 27 *Provisions*

| | At start of year | Additional provisions | Utilised/ reversed | At end of year | Non-current provision | Current provision |
|---|---|---|---|---|---|---|
| ***Year ended 31 December 2025*** | | | | | | |
| Bonus provision[1] | **15,350,349** | **12,837,084** | **(15,855,463)** | **12,331,970** | **-** | **12,331,970** |
| Other provisions[2] | **14,422,522** | **4,040,775** | **-** | **18,463,297** | **-** | **18,463,297** |
| | **29,772,871** | **16,877,859** | **(15,855,463)** | **30,795,267** | **-** | **30,795,267** |
| ***Year ended 31 December 2024*** | | | | | | |
| Bonus provision[1] | 17,553,501 | 14,853,238 | (17,056,390) | 15,350,349 | - | 15,350,349 |
| Other provisions[2] | 9,737,691 | 5,087,979 | (403,148) | 14,422,522 | - | 14,422,522 |
| | 27,291,192 | 19,941,217 | (17,459,538) | 29,772,871 | - | 29,772,871 |

[1]Bonus provisions represent a performance incentive paid to employees based on the achievement of key performance indicators. The provision for the year is based on an estimate of a percentage of each of the employees' annual basic salary. The bonus payment is expected in March 2025.

[2]Other provisions relate to tax matters and litigation.

## 28 Borrowings

Borrowings comprise a syndicated loan facility broken down below:

| | | Currency | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|---|---|
| (i) | Loan facility A (New) | Shs | **222,696,107** | - |
| (ii) | Loan facility B – revolving credit ( | Shs | **25,000,000** | 25,000,000 |
| | Interest bearing loans | | **247,696,107** | 25,000,000 |
| | Capitalised transaction costs | | **(2,162,323)** | (2,611,027) |
| | **Total borrowings** | | **245,533,784** | 22,388,973 |

None of the facilities is secured against assets of the Group.

| **The movement in borrowings is as follows:** | | |
|---|---|---|
| At start of year | **22,388,973** | 202,387,799 |
| Proceeds from borrowings | **222,000,000** | 80,000,000 |
| Interest expense | **24,055,053** | 21,226,280 |
| Amortisation of transaction costs | **448,704** | (1,631,784) |
| Principal repayments | **-** | (253,658,856) |
| Interest repayments | **(23,358,946)** | (25,934,466) |
| **At end of year** | **245,533,784** | 22,388,973 |

**The maturity profile of the above borrowings is as follows:**

| | | |
|---|---|---|
| More than one year but not exceeding two years | **54,418,839** | - |
| Non-current borrowings | **164,878,258** | - |
| Current borrowings | **80,655,526** | 22,388,973 |
| | **245,533,784** | 22,388,973 |

The Group's current borrowings are in respect of an unsecured syndicated loan facility that the Group obtained from Stanbic Bank Uganda Limited, Standard Bank, Standard Chartered Bank, Absa, Citibank and Centenary Bank on 23 December 2024. The values reported are the carrying amounts which approximate their fair value because there has been no significant change in the relevant market discount rates since initial recognition. Accordingly, discounting the remaining contractual cash flows using current market rates would not result in a materially different amount from the carrying value.

None of the borrowings was in default at any time during the year.

Capitalised transaction costs relate to costs that are directly attributable to the acquisition of the above facilities.

**Prior year principal repayment**

The Shs 253 billion principal repayment in the prior year related to Loan Facility A, Loan Facility A – Stanbic Bank, and Loan Facility B – Revolving. All these facilities had a carrying amount of nil as at 31 December 2024, having been fully repaid during that year.

**28 Borrowings (continued)**

***(i) Facility A (New)***

This facility was provided by Absa, Stanbic, Citibank, Standard Chartered and Centenary Bank as part of a syndicated loan facility and has a limit of Shs 222,000 million. At 31 December 2025, the principal loan outstanding in respect of this facility amounted to Shs 220,000 million The loan is repayable in 16 quarterly instalments starting in May 2026 with the final payment due in Dec 2029. The rate of interest on this facility is the aggregate of the Ugandan Government 182-day Treasury Bill rate plus a margin of 2.85%. The average interest rate for the year was 16.00%.

***(ii) Loan facility B – Revolving Credit Fund***

This facility was provided by Absa, Stanbic, Citibank and Standard Chartered Bank as part of a Syndicated facility and has a limit of Shs 148,000 million. At 31 December 2025, the principal loan outstanding in respect of this facility amounted to Shs 25,000 million. The loan is repayable in either 3, 6, 9, or 12 months with an option to re-draw any amounts paid to a maximum of Shs 148 billion depending on the cash requirements. The rate of interest on this facility is the aggregate of the Uganda Government 182-day treasury Bill rate plus a margin of 2.95%. The average interest rate for the year was 16.19% (2024: 16.35%).

***(iii)* Bonds and guarantees**

The Group had letters of credit facilities of Shs 6,920 million with Standard Chartered Bank as of 31 December 2025 (2024: Shs 5,419 million).

***(iv)* Undrawn overdraft facility**

The Group also had an unutilised overdraft and short-term loan facilities of Shs 83,503 million (2024: Shs 91,983 million). These facilities are unsecured. The overdraft interest rate is the aggregate of the Ugandan Government 90-day Treasury Bill rate plus a margin of 2.85%.

**Compliance with covenants**

The Group complied with the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods.

**Net debt**

The section below sets out an analysis of net debt position:

| | **2025<br>Shs '000** | **2024<br>Shs '000** |
|---|---|---|
| Cash and cash equivalents (note 24) | **388,025,397** | 151,959,958 |
| Borrowings | **(245,533,784)** | (22,388,973) |
| Lease liabilities [note 18 (b)] | **(1,498,055,427)** | (1,367,148,301) |
| **At end of year** | **(1,355,563,814)** | (1,237,577,316) |

## 29 Current investments

The Group's current investments consist of a fixed deposit held at Standard Chartered Bank Limited. The fixed deposit is held at amortised cost.

Set out below are the carrying amounts of the fixed deposit and the movements during the period.

| | 2025 Shs'000 | 2024 Shs'000 |
|---|---|---|
| As at 1 January | - | 12,265,000 |
| Additions | **17,605,430** | - |
| Accretion of interest | **1,519,424** | 1,192,701 |
| Maturity of investment | **(19,124,854)** | (13,457,701) |
| | **-** | - |

The investment had a maturity period of one year and accrued interest at a rate of 11.5%.

The carrying amount of the above investment approximates the carrying amount due to the short-term nature of its maturity period.

## 30 Cash generated from operations

| | 2025 Shs '000 | 2024 Shs '000 |
|---|---|---|
| Reconciliation of profit before income tax to cash generated from operations: | | |
| Profit before tax | **1,134,704,596** | 920,675,958 |
| Adjustments for: | | |
| Depreciation and amortisation (notes18 (a) and 18 (b)) | **463,156,822** | 408,429,839 |
| Amortisation of intangible assets (note 19) | **87,194,177** | 87,426,836 |
| Impairment of property, plant and equipment | **(1,944,932)** | 1,093,024 |
| Loss / (gain) on sale of property, plant and equipment | **4,446,847** | (113,789) |
| Other movements on property, plant and equipment* | **608,355** | 880,192 |
| Other movements on intangible assets* | **(81,284)** | 272,685 |
| Interest and other changes in borrowings (note 28) | **24,503,757** | 19,594,496 |
| Interest and other changes in lease liabilities (note 18 (b)) | **231,590,005** | 213,917,625 |
| Gain on disposal of right of use asset and lease liabilities | **(14,629)** | (387,014) |
| Interest expense on mobile money deposits (note 12) | **50,915,779** | 44,025,556 |
| Interest income (note 12) | **(68,717,280)** | (54,174,568) |
| Interest on financial liability (note 19 (b)) | **6,980,142** | 8,771,303 |
| Other movements on financial liabilities | **-** | (833,142) |
| Foreign exchange movements | **3,602,847** | 2,612,630 |
| Changes in working capital: | | |
| *Decrease in inventories* | **2,190,645** | 4,612,035 |
| *Increase in trade and other receivables*** | **(2,864,129)** | (21,368,487) |
| *Increase in contract assets* | **(21,860,337)** | (23,117,802) |
| *Maturity of current investments* | **-** | 11,000,000 |
| *Increase / (decrease) in contract liabilities* | **2,965,823** | (887,331) |
| *Increase in trade and other payables*** | **131,998,376** | 26,069,696 |
| *Increase in provisions* | **1,022,396** | 2,481,679 |
| Cash generated from operations | **2,050,397,976** | 1,650,981,421 |

*This relates to re-allocation of assets that are not of a capital nature to operating expenses.*

***The movements on these line items include the impact of unrealised foreign exchange movements.*

## 31 Capital commitments

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

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| **Property, plant and equipment** | | |
| Authorised and contracted for | **212,060,578** | 78,616,278 |
| Authorised but not contracted for | **337,419,664** | 325,381,958 |
| | **549,480,242** | 403,998,236 |
| **Intangible assets – software** | | |
| Authorised and contracted for | **9,687,445** | 8,259,788 |
| Authorised but not contracted for | **109,383,670** | 68,620,497 |
| | **119,071,115** | 76,880,285 |
| | **668,551,357** | 480,878,521 |

## 32 Contingent liabilities

i) Following a tax audit conducted by the Uganda Revenue Authority (URA) covering the financial years of 2003 to 2009, the URA disallowed certain expenses and issued revised income tax assessments in December 2011 for those periods. The impact of this would be Shs 10,500 million. The Group did not agree with these assessments and declared a dispute, following which the matter was referred to the court mediation process stipulated in the Uganda Income Tax Act. The key tax issues referred to mediation included the treatment of brand expense and management fees.

The matter is still under discussion and the final exposure has not been confirmed as at the date of these financial statements.

ii) Uganda Revenue Authority is undertaking a comprehensive tax audit and has issued an assessment regarding over-the-top services (OTT) tax amounting to Shs 33,911 million. MTN objected to the ruling and the matter is currently with the Tax Appeals Tribunal (TAT).

## 33 Related party transactions

The Group is controlled by MTN International (Mauritius) Limited incorporated in Mauritius. The ultimate parent and ultimate controlling party of the Company is MTN Group Limited, incorporated in South Africa. The other related party companies whose transactions are disclosed below are sister companies controlled by MTN Group Limited. The following transactions were carried out with related parties, with whom the Group has common shareholdings:

### i) Sale of goods and services

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| MTN Rwandacell | **269,444** | - |
| MTN Zambia | **414,712** | 433,144 |
| MTN Eswatini | **250,107** | 346,374 |
| Bayobab Kenya | **441,502** | 292,742 |
| aYo Uganda Limited | **6,056** | 226,443 |
| Bayobab Africa | **43,191,829** | 72,701,876 |
| | **44,573,650** | 74,000,579 |

## 33 Related party transactions (continued)

### ii) Purchase of goods and services

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| MTN Rwandacell | **239,992** | - |
| Bayobab Kenya | **701,641** | 190,620 |
| Interserve Overseas Ltd (BVI) | **210,569** | - |
| Bayobab Africa | **56,858,904** | 52,757,555 |
| | **58,011,106** | 52,948,175 |

Purchases and sales of goods relate to sim card sales and accessories as well as interconnect and roaming charges amongst the various partners and interest paid.

### iii) Management, technical and other fees

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| MTN Group Fintech PTY Limited | **26,846,149** | 29,933,915 |
| MTN International (Mauritius) Limited | **58,229,590** | 68,810,913 |
| Global Trading Company | **1,986,933** | 1,908,094 |
| | **87,062,672** | 100,652,922 |

### iv) Outstanding balances arising from sale and purchase of goods/services

**a) Receivables from related parties (note 22)**

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| MTN Management Services Company | **6,065,346** | 4,719,721 |
| MTN Rwandacell | **336,374** | 91,721 |
| MTN Swaziland | **630,240** | 387,043 |
| MTN South Sudan | **114,747** | 69,894 |
| MTN Zambia | **6,515,313** | 6,621,231 |
| MTN Nigeria | **86,181** | 237,134 |
| MTN South Africa | **1,588,438** | 1,479,792 |
| Bayobab Kenya | **1,123,437** | 1,494,240 |
| MTN Liberia | **58,033** | 58,033 |
| MTN Congo Brazzaville | **293,870** | 298,932 |
| Bayobab Africa | **35,667,588** | 46,101,641 |
| MTN Liberia Mobile Money | **26,407** | 30,389 |
| aYo Uganda Limited | **83,580** | - |
| MTN Dubai Limited | **-** | 521,920 |
| MTN Group Fintech - Holding Company | **5,272,220** | 10,365,704 |
| Mobile Fintech (Pty) Ltd | **283,552** | 146,253 |
| MoMo Payment Service Bank – Nigeria | **141,062** | 141,062 |
| **Receivables from related parties – net** | **58,286,388** | 72,764,710 |
| **Unamortised IRU prepayments** | | |
| Bayobab Uganda | **1,192,679** | - |
| Bayobab Africa | **51,158,904** | 57,029,635 |
| | **52,351,583** | 57,029,635 |

**33 Related party transactions (continued)**

**b) Payables to related parties (note 25)**

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| MTN International (Mauritius) Limited | **5,001,818** | 11,673,580 |
| MTN Dubai Limited | **450,691** | 607,619 |
| MTN South Africa | **1,814,550** | 15,209 |
| MTN Group Management Services Company | **5,558,801** | 4,215,801 |
| MTN Rwandacell | **243,579** | - |
| MTN Ghana | **-** | 47,541 |
| MTN Global Trading Company | **165,778** | 310,402 |
| MTN Zambia | **8,881** | 9,034 |
| MTN Swaziland | **6,106** | 6,854 |
| Bayobab Kenya | **15,789** | - |
| Bayobab Uganda | **1,696,312** | - |
| MTN Irancell | **197,095** | 200,490 |
| Bayoba Africa | **12,576,421** | 10,655,672 |
| MTN Group Fintech PTY Limited | **788,345** | 121,954 |
| | **28,524,166** | 27,864,156 |

**v) Key management compensation**

| | 2025<br>Shs '000 | 2024<br>Shs '000 |
|---|---|---|
| Short term employee benefits | **12,768,671** | 11,951,278 |
| Post employment benefits | **1,817,470** | 1,193,220 |
| Notional share options paid | **1,536,763** | 799,108 |
| | **16,122,904** | 13,943,606 |

**vi) Directors' remuneration**

| | | |
|---|---|---|
| Directors' remuneration | **1,572,437** | 1,637,562 |

**vii) Contributions to the MTN Uganda Limited Staff Provident Fund**

| | | |
|---|---|---|
| Employer contributions (note 9) | **3,476,813** | 3,088,056 |

**viii) Contributions to the MTN Foundation**

| | | |
|---|---|---|
| Contributions (note 11) | **6,802,300** | 6,413,903 |

**ix) Dividends paid**

| | | |
|---|---|---|
| MTN International (Mauritius) Limited | **493,551,133** | 348,889,594 |
| Other shareholders | **155,731,150** | 110,085,813 |
| | **649,282,283** | 458,975,407 |

## 34 Going concern

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within its current funding levels.

After making enquiries and despite of the current liabilities exceeding the current assets, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the financial statements.

## 35 Retirement benefit plans

The Group set up a defined contributory provident fund scheme for its employees in 1999. The provident fund is a defined contribution fund and is designed to provide a lump sum on retirement and not a guaranteed pension. The lump sum is dependent upon the investment performance of the fund. Both employees and the Group contribute to the provident fund on a fixed contribution basis.

Under this plan, the Group does not have any legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees' benefits relating to the employee service in the current or prior period. Consequently, no actuarial valuation of the fund is required.

## 36 Events after the reporting period

There were no adjusting or non-adjusting subsequent events that would have an impact on the financial statements as at 31 December 2025.