



AIRTEL UGANDA LIMITED

ANNOUNCEMENT OF THE INTENTION TO PUBLISH A PROSPECTUS AND FLOAT SHARES ON THE MAIN INVESTMENT MARKET SEGMENT OF THE UGANDA SECURITIES EXCHANGE

Today, Airtel Uganda Limited ("**Airtel Uganda**" or "**Company**") announces its intention to proceed with an initial public offer of 8,000,000,000 existing ordinary shares of the Company (the "**Offer**" and "**Offer Shares**") representing 20% of the Company, and the expected publication of an offer document ("**Prospectus**") approved by the Capital Markets Authority of Uganda ("**CMA**"). The Offer will be effected by way of an offer for sale by Bharti Airtel Uganda Holdings B.V. ("**Bharti Airtel Uganda**" or "**Selling Shareholder**") (ultimately, a wholly owned subsidiary of Airtel Africa plc ("**Airtel Africa**").

Following completion of the Offer, and upon approval by the relevant authorities, Airtel Uganda will apply for the admission of its issued share capital to the Main Investment Market Segment ("**MIMS**") of the Uganda Securities Exchange ("**USE**"), (the "**Listing**"). All the proceeds of the Offer, net of related expenses, will accrue to Bharti Airtel Uganda as the Selling Shareholder.

The Offer gives preference to Ugandan investors, including the Company's customers, to own a share in Airtel Uganda and participate in its future growth, and in so doing, Airtel Uganda implements one of its core values of customer-centricity.

The Offer, and subsequent Listing (together the "**Transaction**"), seeks to enhance Airtel Uganda's profile across the continent. The Offer is undertaken in accordance with Regulation 9 (1) (a) of the Uganda Communications (Licensing) Regulations, 2019 and Schedule 1 of the Uganda Communications (Fees and Fines) (Amendment) Regulations, 2020. Further, the Offer and the Listing are being undertaken in compliance with the provisions of Airtel Uganda's National Telecommunications Operator ("**NTO**") License issued by the sector regulator, Uganda Communications Commission ("**UCC**"). The NTO License requires that Airtel Uganda comply with the telecommunication sector policy, regulations and guidelines which require the Company's shares to be listed on a licensed stock exchange in Uganda. Airtel Uganda is required to comply with this listing obligation by 16 December 2023.

Overview of Airtel Uganda

Airtel Uganda has offered mobile telecommunications services in Uganda since 1995 and is currently the co-leader in the market with 49% revenue, and 47.3% subscriber market share, respectively¹. The Company has 14.3 million² active subscribers across 146 districts in Uganda.

¹ Company Information. Bilateral market share as of Quarter ended Dec 2022.

² As at 31 May 2023.

On 1 July 2020, Airtel Uganda was granted an NTO License which permits the Company to establish, install, operate, maintain, lease and sell telecommunications systems and to provide all types of telecommunication services in Uganda.

The NTO License is valid for twenty years from 1 July 2020 to 30 June 2040 and can be renewed for a further ten years. Under the NTO License, Airtel Uganda provides mobile telecommunication services, primarily GSM mobile cellular telephone services such as voice telephony, messaging, data communications (including internet), international and national long-distance telecommunications services as well as a range of “value-added services”.

Airtel Uganda, previously Celtel Uganda Limited, launched the country’s first mobile cellular network in 1995. Following the acquisition by Bharti Airtel Limited (“Bharti Airtel”) in June 2010, the business was rebranded as Airtel Uganda, thereby introducing the Airtel brand to the country. At that time 3G population coverage was as low as 42%³. Population coverage has risen significantly over the past decade, with Airtel Uganda’s 3G population coverage currently at 98.1%. The Company has established itself as the most innovative cellular mobile network operator in Uganda and was the first mobile network operator in Uganda to introduce 4G LTE technology across all its sites, currently covering 90.7% of the Ugandan population with its leading 100% 4G Network.

Airtel Uganda is a subsidiary of Airtel Africa plc, listed on the London Stock Exchange, which has a pan-African business operating across 14 countries, comprising over 140 million subscribers and a market capitalisation of approximately \$5.5 billion⁴. The Company also benefits from the skills and capabilities within the Bharti Airtel Group, the second largest telecommunications operator globally, that has 518 million customers and a market capitalisation of over \$64.3 billion⁵.

Airtel Uganda is a modern network provider with leading technologies:

- Country-wide network across all 146 districts
- #1 network with 100% 4G coverage
- #1 in Average Revenue per User and market leading EBITDA margins (55.7%)⁶
- World-class technology in the existing 4G network and a 5G roadmap for future enhancement
- Recognised as Uganda’s fastest mobile network at the Mobile World Congress based on speed tests by Ookla

For the year ended 31 December 2022, Airtel Uganda had Revenues, EBITDA and Net Income of UGX 1,594 billion, UGX 888 billion and UGX 326 billion, respectively.

Highlights of the Offer

Should the Offer proceed, it is expected to include the following key features:

- A public offer as defined in the Capital Markets Authority Act Cap 84 (as amended), aimed at retail, institutional and professional investors.
- The Offer will comprise the sale of existing shares held by Bharti Airtel Uganda i.e., the Selling Shareholder.
- The net proceeds of the Offer will accrue to the Selling Shareholder for the benefit of the Selling Shareholder.
- A listing of the entire issued share capital of Airtel Uganda on the USE (MIMS).

³ According to the International Telecommunications Union (ITU – November 2022).

⁴ As at 04 August 2023.

⁵ As at 04 August 2023.

⁶ As of CY 2022.

Any additional details in relation to the Offer and Listing will be disclosed in the Prospectus, when published.

Airtel Uganda has appointed Absa Bank Uganda Limited as Lead Transaction Adviser, and Crested Stocks and Securities Limited as Lead Sponsoring Broker. Katende, Ssempebwa & Company Advocates has been appointed by the Company as Legal Adviser, with Ernst & Young Certified Public Accountants, as Reporting Accountants.

09 August 2023

ENQUIRIES

Absa Bank Uganda Limited

Mumba Kalifungwa
Managing Director
Tel: +256 417 122550

Mulungi Sseruwo
Head: Debt Finance
Tel: +256 417 122 474

Hudson Sandler LLP

Mark Garraway
Partner
Email: mgarraway@hudsonsandler.com
Tel: +44 (0)7771 860938

IMPORTANT NOTICES

This announcement is not for publication, distribution or release, in whole or in part, directly or indirectly, in or into the United States of America, the United Kingdom, Canada, any member state of the European Economic Area (“EEA”), Australia, South Africa, Japan, Kenya, Tanzania, Rwanda, Burundi, Democratic Republic of Congo, South Sudan (“Restricted East African Community Country(ies)”) or any other jurisdiction where it may be unlawful to distribute this announcement.

This announcement is not a prospectus and is not an offer of securities for sale in any jurisdiction, including in the United States of America, the United Kingdom, Canada, any member state of the EEA, Australia, South Africa or Japan or a Restricted East African Community Country.

This announcement is an advertisement pursuant to the Capital Markets (Advertisements) Regulations S.I 84 – 7 and not a prospectus (or prospectus equivalent) or an offer of securities for sale nor a solicitation of an offer to acquire or a recommendation to sell or buy securities in any jurisdiction, including in or into the United States of America, the United Kingdom, Canada, any member state of the EEA, Australia, South Africa or Japan or a Restricted East African Community Country or any other jurisdiction where it may be unlawful to distribute this announcement.

Neither this announcement, nor anything contained or referred to herein, shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any ordinary shares referred to in this announcement except solely on the basis of the information contained in a prospectus in its final form and approved by the CMA, that will be published by Airtel Uganda in due course in connection with a possible offer of the ordinary shares in the Company and the possible admission of such shares for trading on the Main Investment Market Segment of the USE.

Following approval from the CMA, copies of the Prospectus will be available for inspection at Airtel Uganda’s registered office at Airtel Towers, 16A Clement Hill Road, Kampala, Uganda and on the Company’s website at www.airtel.co.ug, subject to certain access restrictions.

This announcement has been approved by the CMA as a securities advertisement. The approval of the CMA is not, and should not be considered as, an endorsement of the merits of this announcement or of the anticipated initial public offer to be undertaken by Airtel Uganda. As a matter of policy, the CMA does not assume responsibility for the correctness of any of the statements made, or opinions expressed, or reports contained in this announcement. The CMA’s approval of this announcement and the initial public offer merely advises that the legal requirements as per the Capital Markets Authority Act Cap. 84 (as amended) and the regulations made thereunder have been met.

Please note that this is a financial promotion and is not intended to be investment advice.

The contents of this announcement have been prepared by and are the sole responsibility of Absa Bank Uganda Limited and Crested Capital, as the Transaction Adviser and Lead Sponsoring Broker, respectively, acting on behalf of the Company.

This announcement does not constitute or form part of any offer for sale or subscription or any solicitation of any offer to buy or subscribe for any securities and neither this announcement nor any part of it forms the basis of or may be relied on in connection with or act as an inducement to enter into any contract or commitment for shares whatsoever.

The information contained in this announcement is for background purposes only and does not purport to be full or complete, nor does this announcement constitute or form part of any invitation or inducement to engage in investment activity. No reliance may be placed on the information contained in this announcement or its accuracy, fairness or completeness by any person for any purpose. The information

in this announcement is subject to change. Further, the contents of this announcement should not be construed as legal, financial, tax or investment advice.

Recipients of this announcement who intend to purchase or subscribe for shares in Airtel Uganda following the publication of the Prospectus by Airtel Uganda are reminded that such purchase or subscription should be made solely on the basis of the information contained in that Prospectus and, if relevant, any supplementary prospectus, to be published by Airtel Uganda.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any State of the United States and the District of Columbia), the United Kingdom, Australia, Canada, Japan, or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The securities referred to in this document have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or with the regulatory authority of any state or jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred in the United States of America except on the basis of an applicable exemption from registration, or in a transaction not subject to the registration requirements of the Securities Act. There will be no public offering of securities in the United States of America.

In the United Kingdom, this announcement is directed only at persons who are “qualified investors” within the meaning of Article 1(4)(a) UK Prospectus Regulation (“**UK Qualified Investors**”). In any member state of the EEA, this announcement is directed only at persons who are “qualified investors” (“**EEA Qualified Investors**”) within the meaning of the Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017).

In South Africa, this announcement is directed only at persons who would fall within the categories of persons who are not regarded as members of the public in accordance with the South African Companies Act No 71 of 2008 (as amended) (the “**South African Companies Act**”). These include: (i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents; (ii) the Public Investment Corporation as defined in the Public Investment Corporation Act, No. 23 of 2004 (as amended); (iii) persons regulated by the Reserve Bank of South Africa; (iv) authorised financial services providers as defined in the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (as amended); (v) financial institutions as defined in the Financial Services Board Act, No. 97 of 1990; (vi) a wholly owned subsidiary of the persons contemplated in (iii), (iv) and (v), acting as agent in the capacity of authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, No. 24 of 1956 or as a manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, No. 45 of 2002; (vii) any combination of the persons contemplated in (i) to (vi); or persons who, were they to subscribe for securities, would subscribe for a minimum amount of ZAR1 000 000 per single addressee acting as principal; and to whom the Offer is specifically addressed, and only by whom such offer will be capable of acceptance (“**South African Qualifying Investors**”).

Accordingly, neither this announcement nor other related materials constitute or is to constitute an “advertisement” or “registered prospectus”, as contemplated by the South African Companies Act and no prospectus has been, or will be, filed with the South African Companies and Intellectual Property Commission.

South African Qualifying Investors who seek to participate in the Offer must ensure that all necessary approvals are in place in order to participate in the Offer and ultimately receive and hold shares in Airtel Uganda, including any exchange control approvals. By participating in the Offer, South African Qualifying Investors will be deemed to have warranted that this is the case.

This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not UK Qualified Investors, and (ii) in any member state of the EEA, by persons who are not EEA Qualified Investors, and (iii) in South Africa, by persons who are not South African Qualifying Investors. Any investment, marketing or other investment activity to which this announcement relates is not available to any retail or other category of investors other than: (i) in the United Kingdom, the UK Qualified Investors, and (ii) in any member state of the EEA, the EEA Qualified Investors, and (iii) in South Africa, the South African Qualifying Investors.

This document contains statements that are, or may be deemed to be, “forward-looking statements” relating to the business of Airtel Uganda. These forward-looking statements can be identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “is expected to”, “will”, “will continue”, “should”, “would be”, “seeks” or “anticipates” or similar expressions, or other variations or comparable terminology, or by discussions of strategy, plans or intentions. These statements reflect the current views of Airtel Uganda with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, or achievements of the Airtel Uganda to be materially different from the future results, performance or achievements that may be expressed or implied by such forward-looking statements.

Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Airtel Uganda does not intend, and does not assume any obligation, to update industry information or forward-looking statements set out in this document. All subsequent oral or written forward looking statements attributable to Airtel Uganda or any member thereof or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statements. Airtel Uganda expressly disclaims any liability in respect of the content of any forward-looking statement and also expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based, after the date of this document, except as may be required by law.

Each of the Company, Absa Bank Uganda Limited, Crested Stocks and Securities Limited and their respective affiliates, expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statements contained in this announcement and disclaims any obligation to update its view of any risks or uncertainties described herein or to publicly announce the results of any revisions to the forward-looking statements made in this announcement, whether as a result of new information, future developments or otherwise, except as required by law.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly with the total figure given.

The anticipated timetable for the Offer, including the publication of the Prospectus and/or the date of Listing, may be influenced by a range of circumstances, including market conditions. There is no guarantee that a Prospectus will be published or that Listing will occur. Acquiring securities in connection to which this announcement relates may expose an investor to a significant risk of losing all or part of the amount invested in such securities. Persons considering making such an investment should consult a professional adviser specialising in providing such investments advice.

This announcement does not constitute a recommendation concerning the potential Offer, the Listing or the Offer for Shares. The value of shares and the income from them is not guaranteed and can rise and fall due to stock market and currency movements. On any sale of an investment an investor may get back less than he or she originally invested. Potential investors should consult a professional adviser as to the suitability of the Offer Shares for the person concerned before making any investment decision. Past performance cannot be relied upon by investors as a guide to future performance.

None of Absa Bank Uganda Limited and Crested Capital nor any of their respective affiliates, their respective directors, officers or employees, advisers, agents or any other person accepts any responsibility or liability whatsoever for the contents of, or makes any representations or warranties, express or implied, as to the accuracy, fairness or completeness of the information presented or contained in this announcement (or whether any information has been omitted from this announcement) or any other information relating to Airtel Uganda, its subsidiaries and their associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

Accordingly, each of Absa Bank Uganda Limited, Crested Capital, and their respective affiliates, their respective directors, officers or employees, and any other person acting on their behalf expressly disclaims, to the fullest extent possible, any and all liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of this announcement, whether in tort, contract or otherwise which it might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

Each of Absa Bank Uganda Limited and Crested Capital is acting exclusively for Airtel Uganda and no-one else in connection with the Offer and Listing. It will not regard any other person as its respective clients in relation to the Offer and Listing and will not be responsible to anyone other than Airtel Uganda for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer and Listing, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

Absa Bank Uganda Limited as Lead Transaction Adviser and Crested Capital as Lead Sponsoring Broker are licensed and regulated in Uganda by the Capital Markets Authority of Uganda.

For the avoidance of doubt, the contents of Airtel Uganda's website are not incorporated by reference into, and do not form part of, this announcement.

There will not be any stabilisation in respect of the Offer.