



## AIRTEL UGANDA LIMITED

### PUBLICATION OF PROSPECTUS IN RESPECT OF INITIAL PUBLIC OFFER (“IPO”)

#### PRICE PER OFFER SHARE SET AT UGX 100

**OFFER OPENS AT 10:00 AM ON WEDNESDAY, 30 AUGUST 2023 AND CLOSSES AT 4:00 PM ON FRIDAY, 13 OCTOBER 2023<sup>1</sup>**

Following the announcement by Airtel Uganda Limited (“**Airtel Uganda**” or “**Company**”) on 9 August 2023 of its intention to proceed with an initial public offer of 8,000,000,000 existing ordinary shares of the Company (the “**Offer**” or the “**Offer Shares**”) representing 20% of the Company, Airtel Uganda today announces the publication of the offer document, containing full details of the Offer (the “**Prospectus**”), including the price of the Offer Shares and the commencement date of the Offer.

The Company intends to apply for the admission of its entire issued share capital to the Main Investment Market Segment of the Uganda Securities Exchange (“**USE**”), (the “**Listing**”).

#### Company highlights

- Airtel Uganda has offered mobile telecommunications services in Uganda for over 25 years and is currently the co-leader in the market with 49% revenue, and 47.3% subscriber market share, respectively<sup>2</sup>.
- 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 has 14.3 million<sup>3</sup> active subscribers across 146 districts in Uganda and as a modern network provider with leading technologies, it has world-class technology in its existing 4G network and a 5G roadmap for future enhancement.
- The Company is recognised as Uganda’s fastest mobile network at the Mobile World Congress based on speed tests by Ookla<sup>4</sup>.
- 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. The Company is #1 in Average Revenue per User and has market leading EBITDA margins (55.7%).

#### Offer highlights

- The Offer comprises 8.0 billion ordinary shares to be offered to new shareholders of the Company.
- The price per Offer Share has been determined as UGX 100 (“**Offer Price**”).

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<sup>1</sup> East African Standard Time.

<sup>2</sup> Company Information. Bilateral market share as of Quarter ended Dec 2022.

<sup>3</sup> As at 31 May 2023.

<sup>4</sup> 2022.

- The Offer will be effected by way of an offer for sale by Bharti Airtel Uganda Holdings B.V. (“**Selling Shareholder**”) (ultimately, a wholly owned subsidiary of Airtel Africa plc).
- The net proceeds of the Offer will accrue to the Selling Shareholder for their benefit.
- In accordance with the objectives of the National Broadband Policy, the purpose of the Offer is to broaden Ugandan shareholding in the Company and provide an opportunity to Ugandan investors to own a stake in Airtel Uganda and share in the success of the Company. Aligned with this objective, the allocation policy is for all applications from Ugandan retail and professional investors to be given priority, including in the event of oversubscription.
- As part of the Offer, the Selling Shareholder will allocate and transfer incentive shares to all qualifying applicants, both professional and retail investors, at nil cost, in an effort to broaden the Ugandan shareholding in the Company. The incentive structure is designed to promote retail participation as well as incentivise large applications. The number of incentive shares to be transferred to qualifying applicants will be determined as follows:

***Retail investors***

| <b>Allocation</b>  | <b>Number of Incentive Shares to be allocated</b>  |
|--|--|
| Retail investors applying for >2,500 shares, and up to 18.5mn shares               | 5 Incentive Shares for every 100 Sale Shares allocated   |
| Retail investors applying for >2,500 shares, and up to 18.5mn shares through m-IPO | Additional 1 incentive shares for every 100 Sale Shares allocated, In addition to the 5 Incentive Shares indicated above |
| Retail investors applying for >18.5mn shares, and up to 37mn shares                | 10 Incentive Shares for every 100 Sale Shares allocated  |
| Retail Investors applying for >37mn shares   | 20 Incentive Shares for every 100 Sale Shares allocated  |

***Professional investors***

| <b>Allocation</b>   | <b>Number of Incentive Shares to be allocated</b>         |
|---|---|
| Professional Investors who apply for <40mn shares                             | No Incentive Shares                                       |
| Professional Investors who apply for > 40mn shares, and up to 200mn shares    | 10 Incentive Shares for every 100 Sale Shares allocated   |
| Professional Investors who apply for > 200mn shares, and up to 400mn shares   | 15 Incentive Shares for every 100 Sale Shares allocated   |
| Professional Investors who apply for > 400mn shares, and up to 2,850mn shares | 20 Incentive Shares for every 100 Sale Shares allocated   |
| Professional Investors who apply for > 2,850mn shares                         | 37.5 Incentive Shares for every 100 Sale Shares allocated |

- The Offer seeks to enhance the Company’s profile across the continent and establish a source of future capital to support its extensive growth strategy.

- The Offer is open to all Ugandan Retail and Professional Investors in Uganda. The Offer is also open to institutional investors in the East African Community, and international investors under Regulation S of the US Securities Act<sup>5</sup>.
- Further, the Offer gives preference to Ugandan investors in allocations to own a share in the Company and participate in its future growth.

### Key Offer Dates and Milestones

- The Offer opens at 10:00 a.m. on Wednesday, 30 August 2023 and closes on Friday, 13 October 2023 at 4:00 p.m.
- The announcement of allocation results will be released on or before Monday, 30 October 2023 by 4:00 p.m.
- Admission to Listing and commencement of trading on the Main Investment Market Segment of the USE is expected on Tuesday, 31 October 2023 at 09:30 a.m.

The above dates and times refer to East African Standard time. Any amendment to these dates and times will be announced publicly through as press statement.

### How to apply for Offer Shares

Investors may apply to purchase Offer Shares in the following three ways:

- Airtel Uganda customers, using Airtel Money as the payment channel, can apply electronically by using the m-IPO Platform; or
- Electronically by accessing USE Easy-Portal at <https://scd.use.or.ug/>. This option is available to investors on a self-service or assisted basis. Assisted USE Easy-Portal applications involve provision of guidance by an Authorised Selling Agent to an investor in populating and submitting an application on the USE EasyPortal; or
- In the event that an investor has no access to the options listed above, they can apply for the Offer Shares by completing and submitting the physical application form contained in the prospectus to any Authorised Selling Agent by physical or electronic means.

### Where to obtain the Prospectus

- The Prospectus is available by electronic download at the following link: [www.airtel.co.ug](http://www.airtel.co.ug).
- A toll-free helpline number 080 033 4334 from an Airtel Mobile, with unanswered calls to be contacted on 020 093 4934, Email: [investor@ug.airtel.com](mailto:investor@ug.airtel.com) and [info@use.or.ug](mailto:info@use.or.ug) have been established by the Company to support potential investors with the Application process.
- The Lead Sponsoring Broker, Crested Capital on Tel. +256 75 823 0900 and Email: [info@crestedcapital.com](mailto:info@crestedcapital.com).
- Or any of the Authorised Selling Agents listed in the prospectus.

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.

### 29 August 2023

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<sup>5</sup> Refer to "Important Notices" herein.

## **TRANSACTION ENQUIRIES**

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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](http://www.airtel.co.ug), subject to certain access restrictions.

**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. Any investment in Airtel Uganda securities carries with it several risks some of which will be disclosed in the Company’s published Prospectus. Prospective investors should carefully consider all the risks associated with an investment in the Company’s securities and, if in doubt about any of the contents of the Company’s Prospectus upon publication, should seek professional investment or legal advice before purchasing any of its securities.

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.

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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.

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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.