AIRTEL TELESONIC UGANDA LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2025

AIRTEL TELESONIC UGANDA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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COMPANY INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	Airtel Uganda Limited 16A Clement Hill Road P.O. Box 6771 Kampala, Uganda
COMPANY SECRETARY	Godfrey Bakibinga Airtel Uganda Limited 16A Clement Hill Road P.O. Box 6771 Kampala, Uganda
BANKERS	Stanbic Bank (U) Ltd 10th Floor, Short Tower 17 Hannington Road Crested Towers Kampala, Uganda
AUDITORS	Deloitte & Touche Certified Public Accountant of Uganda 3rd Floor, Rwenzori House 1 Lumumba Avenue P.O. Box 10314 Kampala, Uganda

DIRECTORS' REPORT

The Directors submit their report and audited financial statements of Airtel Telesonic Uganda Limited ("the Company") for the year ended 31st December 2025, in accordance with Companies Act, Cap. 106 which discloses the state of financial affairs of Airtel Telesonic Uganda Limited ("the Company").

PRINCIPAL ACTIVITIES

The principal activities of the Company are to establish, install, manage, and maintain communications infrastructure, either on its own or in alliance with any others either under strategic alliances or joint venture or any other related arrangement within Uganda.

Following a Board meeting held on November 7, 2025, the shareholders resolved to close the entity and also filed notice of surrender of National Public Infrastructure Provider (NPIP) license issued by the Uganda Communications Commission (UCC) on 12 December 2025 to which UCC gave a no objection effective 21 January 2026.

The Management is working on finalizing statutory and tax compliance matters, to be able to close Telesonic Uganda Limited.

The financial statements have been prepared on a break-up basis and the effect of this is explained in note 6 to the financial statements.

FINANCIAL RESULTS

	2025 Ushs million	2024 Ushs million
Loss before taxation	(991)	(71)
Taxation charge	-	-
Loss for the year	**(991)**	**(71)**

EMPLOYEE WELFARE

Management and employees relationship

The company had no contracted employees during the year, and there were no unresolved disputes with any employee at the end of the year.

RELATED PARTY TRANSACTIONS

Details of transactions and balances with related parties are disclosed in Note 16 to the financial statements.

POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the year.

CORPORATE GOVERNANCE

The Company has a Board of Directors that includes non-executive directors i.e. who hold no executive position in the Company. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that comprehensive system of internal control, policies and procedures are operative, and for compliance with sound corporate governance principles.

CORPORATE GOVERNANCE (CONTINUED)

The Company is committed to the principles of effective corporate governance. The Directors also recognise the importance of integrity, transparency and accountability.

SHAREHOLDING OF THE COMPANY

The Company had two shareholders throughout the year ended 31 December 2025 (2024: two shareholders)

Name of Shareholder	Number of Shares	% of Shareholding
Airtel Uganda Telesonic Holdings (UK) Limited	499,999	99.9998%
Airtel Africa Telesonic Holdings Limited	1	0.0002%
	500,000	**100%**

DIRECTORS

The Directors who held office during the year and to the date of this report were as follows:

Soumendra Sahu	-	Non-Executive Director (Appointed 10th March 2025)
Phanindra Nichanametla	-	Non-Executive Director (Resigned on 15th December 2025)
Nishant Mohan		Non-Executive Director (Appointed 15th December 2025)

The Directors were in office for the entire period unless otherwise stated.

AUDITORS

Deloitte & Touche Certified Public Accountant, have expressed their willingness to continue in office and are eligible for re-appointment in accordance with section 163 (2) of the Companies Act Cap. 106 of the laws of Uganda.

BY ORDER OF THE BOARD

Secretary

26 February **2026**

Kampala

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Companies Act Cap. 106 of the Laws of Uganda requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the State of Financial Affairs of the Company as at the end of the financial year and of its operating results for that year. The Act also requires the Directors to ensure the Company keeps proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors are ultimately responsible for the internal controls. The Directors delegate responsibility for internal control to Management. Standards and systems of internal control are designed and implemented by Management to provide reasonable assurance as to the integrity and reliability of the Financial Statements and to adequately safeguard, verify and maintain accountability of the Company's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Directors accept responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards issued by the International Accounting Standards Board and in the manner required by the Companies Act Cap. 106 of Uganda. The Directors are of the opinion that the Financial Statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. The Directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of Financial Statements, as well as adequate systems of internal financial control.

During the year ended 31 December 2025 the Shareholders of the Company passed resolution dated 7th November 2025 to discontinue the operations.

As per the above, the directors do not believe that it is appropriate to prepare these accounts on a going concern basis. The company discontinued local operations and plans are well underway to close the business in 2026 as explained in note 6 of the financial statements.

The financial statements were approved by the Board of Directors on 26 February 2026 and signed on its behalf by:

J.K. Sahu

Soumendra Sahu
Director

Nishant Mohan
Director

Deloitte & Touche
Certified Public Accountants of Uganda
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AIRTEL TELESONIC UGANDA LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Airtel Telesonic Uganda Limited set out on pages 10 to 23, which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Airtel Telesonic Uganda Limited as at 31 December 2025, and of its financial performance and 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 of the Laws of Uganda.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of Ethics issued by the Institute of Certified Public Accountants of Uganda. This code is in line with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements of Airtel Telesonic Uganda Limited. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and in accordance with other ethical requirements applicable to performing the audit of Airtel Telesonic Uganda Limited.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As disclosed in Note 6 to the financial statements, the company ceased operations on 31 December 2025, and all business operations were discontinued from that date. Management has assessed the company's financial position and determined that it is not able to continue operating for the foreseeable future. Accordingly, the financial statements have been prepared on a non-going concern basis, with appropriate adjustments made to reflect the cessation of operations, the realizable values of assets and the settlement of liabilities. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information, which comprises the information included in the Directors' report and statement of directors' responsibilities as required by the Companies Act Cap. 106 of the laws of Uganda. The other information does not include the 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 an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements

The directors are responsible for the preparation and fair presentation of the 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 of the Laws of Uganda, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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.

Auditor's responsibilities for the audit of the financial statements (Continued)

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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.

- 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

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

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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF AIRTEL TELESONIC UGANDA LIMITED (CONTINUED)

Report on other legal requirements

As required by the Companies Act Cap. 106, 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 purposes of our audit;

(ii) In our opinion, proper books of account have been kept by the Company so far as appears from our examination of those books; and

(iii) The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

The Engagement Partner responsible for the audit resulting in this independent auditor`s report is Paul Ssali, Practicing Number P0508.

Deloitte & Touche

Certified Public Accountant of Uganda

27 February **2026**

Kampala

Paul Ssali
Partner

AIRTEL TELESONIC UGANDA LIMITED

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

	Note	2025 Ushs millions	2024 Ushs millions
Revenue		-	-
Expenses:			
Licence fees and spectrum usage charges	7a	(222)	-
Other operating expenses	7b	(170)	(20)
Amortisation of intangible assets	7c	(575)	(31)
		(967)	**(51)**
Operating loss		**(967)**	**(51)**
Finance income	8a	19	8
Finance expense	8b	(43)	(28)
Loss before tax		**(991)**	**(71)**
Income tax expense	9	-	-
Loss after tax		**(991)**	**(71)**

AIRTEL TELESONIC UGANDA LIMITED

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs millions	2024 Ushs millions
ASSETS			
Current assets			
Intangible assets	10	-	575
Financial assets			
Cash and cash equivalents	11	39	28
Other current assets	12	-	110
		39	**138**
TOTAL ASSETS		**39**	**713**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	500	500
Retained earnings		(1,085)	(94)
		(585)	**406**
Current liabilities			
Financial liabilities			
Borrowings	14	561	264
Trade payables and other payables	15	63	43
		624	**307**
TOTAL EQUITY AND LIABILITIES		**39**	**713**

The financials statements on pages 10 to 23 were approved for issue by the Board of Directors on 26 February 2026 and signed on its behalf by:

S.K. Sahu

Soumendra Sahu
Director

Nishant Mohan
Director

AIRTEL TELESONIC UGANDA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

Particulars	Share Capital Ushs millions	Retained earnings Ushs millions	Grand total Ushs millions
At 1 January 2024	**500**	**(23)**	**477**
Loss for the year	-	(71)	(71)
At 31 December 2024	**500**	**(94)**	**406**
At 1 January 2025	**500**	**(94)**	**406**
Loss for the year	-	(991)	(991)
At 31 December 2025	**500**	**(1,085)**	**(585)**

AIRTEL TELESONIC UGANDA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs millions	2024 Ushs millions
OPERATING ACTIVITIES			
Loss before tax		(991)	(71)
Loss before tax		**(991)**	**(71)**
Adjustments for:			
Amortisation of intangible assets	10	575	31
Unrealised foreign exchange gain	8	(19)	(7)
Interest on borrowings	8	40	25
Operating cash flow before changes in working capital		**(395)**	**(22)**
Decrease/ (Increase) in other financial and non-financial assets	12	110	(110)
Trade payables and other payables	15	20	20
Net cash used in operations before tax		**(265)**	**(112)**
Income tax paid		-	-
Net cash used in operating activities (a)		**(265)**	**(112)**
FINANCING ACTIVITIES			
Proceeds of borrowings	14	276	-
Purchase of intangibles	10	-	(606)
Net cash flows generated from financing activities (b)		**276**	**(606)**
Net movement in cash and cash equivalents during the year (a+b)		**11**	**(718)**
Cash and cash equivalents as at beginning of the year		28	746
Cash and cash equivalents as at end of the year	**11**	**39**	**28**

1 CORPORATE INFORMATION

Airtel Telesonic Uganda Limited is incorporated in Uganda under the Companies Act as a public limited liability Company and is domiciled in Uganda. The address of its registered office is Airtel House, Plot 16A Clement Hill Road, Kampala, Uganda. Its principal activities are the operation of provision of infrastructure services. The Company is subsidiary of Bharti Airtel Telesonic Uganda Holdings B.V. The Company decided to discontinue its operations following the shareholder resolution dated 7th November 2025. The Company has also filed on 12 December 2025 notice of surrender of National Public Infrastructure Provider (NPIP) license issued by the Uganda Communications Commission.

2. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

New and amended Standards that are effective for the current year

During the current year, the Company has applied amendments to IFRSs issued by the IASB, that are mandatorily effective for the current year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. The list of newly issued amendments is as follows:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

  The Company has evaluated the applicability of the amendment in the standard in the jurisdictions to which it operates, and the Company believes that the IAS 21 amendment's requirements are not met for the said jurisdictions.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

(a) Basis of preparation

The financial statements have been prepared by the directors on a liquidation basis on the assumption that the company will not continue in business. The financial statements are prepared under the historical cost convention. Historical cost is generally based on the net realizable value. Further, assets and liabilities are not distinguished between current and non-current on the statement of financial position.

Statement of compliance
Except for the matters described in Note 6 (Going Concern), the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Uganda Companies Act.

(b) Basis of measurement

During the current year, the management of the Company intends to discontinue its operations and have surrendered its operating license. Based on this, the management has decided that going concern assumption is no longer applicable to the Company and therefore the same has not been applied towards the preparation and presentation of financial statements. Accordingly, these financial statements have been prepared on liquidation basis

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Basis of preparation (Continued)

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or the price paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require measurement of certain financial/non-financial assets and liabilities at fair value (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial/non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Company 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, as described below, based on the lowest input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly: and
- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Functional currency and translation of foreign currencies

Functional and presentation currency

The items included within the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e., ‘functional currency’).

The Financial Statements are presented in Uganda Shillings, which is also the functional, and presentation currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the statement of profit or loss and other comprehensive income within finance costs/finance income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Transactions and balances (Continued)

Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical exchange rate.

(d) Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms, if any. Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss as incurred.

The Company has one intangible asset which is the licence (spectrum) and below are the details of its useful life.

Licences (spectrum)

Acquired licenses amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant license period.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, wallet balances, bank balances, cheque in hand and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to the above items, any bank overdrafts that are integral part of the Company's cash management is also included as a component of cash and cash equivalents. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(f) Income tax

Income tax expense is the aggregate of the charge to the profit or loss in respect of current income tax and deferred tax. Tax is recognised in profit or loss account except to the extent that it relates to items recognised outside profit or loss, in other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly within other comprehensive

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(f) Income tax (Continued)

income or directly in equity. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Ugandan Income Tax Act Cap 338.

Deferred tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will-be available against which the temporary differences can be utilised.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of future taxable profits.

(g) Borrowing Cost

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs include costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period they occur.

(h) Statement of cash flow

Cash flows are reported using the indirect method as per IAS-7" Statement of cash flows", whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferral or accrual of past or future cash operating receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

(i) Share capital and share premium

Issued ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of Capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect. Any premium received over and above the par value of the shares is classified as 'share premium' in Equity.

(j) Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

4 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Key sources of estimation uncertainty

Income taxes

The Company is subject to income taxes under the Income Tax Act Cap 338 (as amended). Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Contingent liabilities and provisions

The Company is involved in various legal, tax and regulatory matters, the outcome of which may not be favorable to the Company. Management in consultation with the legal; tax and other advisers assess the likelihood that a pending claim will succeed.

Intangible assets

The Company has applied its judgement and has recognized liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered. Intangible assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has liabilities in the form of borrowings, trade and other payables as well as receivables in the form of loans, cash, deposits, trade and other receivables. These arise as a part of the business activities and operations of the Company. The business activities of the Company exposes it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of directors. The Company's senior management is primarily responsible for matters, including framing of policies and execution procedures as well as laying down

the risk framework mechanisms for the treasury function that will help the company to achieve its strategic financial goals, balancing opportunity, prudence and initiative with risk control measures. This provides assurance to the Company that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company policies and Company's risk appetite.

5 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk – currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

(i) Foreign exchange risk

The Company 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 adverse changes in the local / operating currency rates to other foreign currencies for which commercial transactions occur in the course of operation and from recognised assets and liabilities.

The Company's foreign exchange risk management includes regular monitoring of the movement of exchange rates and continuous negotiations with all local suppliers to have contracts in local currency.

b) Price risk

The Company does not hold any financial instruments subject to price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's interest-bearing debt obligations with floating interest rates.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future obligations as and when due, without incurring unacceptable losses.

6 GOING CONCERN

During the year ended 31 December 2025, the company reported a net loss of Ushs 991 million (2024: Ushs 71 million). As at 31 December 2025, the Company had accumulated losses of Ushs 1,085 million (2024: Ushs 94 million). Further, in December 2025, the Company has decided to discontinue its operations following the shareholder resolution dated 7th November 2025 and has also filed notice of surrender of the National Public Infrastructure Provider (NPIP) license issued by the Uganda Communications Commission on 12 December 2025, to which UCC gave a no objection effective 21 January 2026. The Management is working on finalizing statutory and tax compliance matters, to be able to close Airtel Telesonic Uganda Limited.

Considering the above, these financial statements have not been prepared on a going concern basis. The financial statements have been prepared on a liquidation basis. Where appropriate, the company's assets have been written down to net realizable values. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such expenditure was committed as at the reporting date.

7 EXPENSES

a) Licence fees and spectrum usage charges

	2025 Ushs millions	2024 Ushs millions
Licence fees and spectrum usage charges	222	-
	222	**-**

b) Other operating expenses

	2025 Ushs millions	2024 Ushs millions
Auditor's remuneration	21	20
Rates & taxes	149	-
	170	**20**

c) Amortisation of intangible assets

	2025 Ushs millions	2024 Ushs millions
Amortisation of intangible assets (Note 10)*	575	31
	575	**31**

*The intangible asset was expensed as described in Note 10.

8 FINANCE INCOME/EXPENSES

a) Finance income

	2025 Ushs millions	2024 Ushs millions
Net unrealised exchange gain	19	8
	19	**8**

b) Finance expense

	2025 Ushs millions	2024 Ushs millions
Interest on borrowings	40	25
Other finance charges	3	3
	43	**28**

9 TAX EXPENSE

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

	2025 Ushs millions	2024 Ushs millions
Loss before income tax	(991)	(71)
Tax calculated at the statutory income tax rate of 30%	(297)	(21)
Deferred Income Tax asset not recognised	297	21
Tax expense	-	-

10 INTANGIBLE ASSETS

	2025 Licence Ushs millions	2024 Licence Ushs millions
Cost		
At 1 January	**606**	-
Additions	-	606
	606	**606**
Accumulated Depreciation		
At 1 January	**31**	-
Charge for the period*	575	31
	606	**31**
NET CARRYING AMOUNT		
At 31 December	-	**575**

* In December 2025, the Company has decided to discontinue its operations following the shareholder resolution dated 7th November 2025 and has also filed notice of surrender of National Public Infrastructure Provider (NPIP) license issued by the Uganda Communications Commission on 12 December 2025. Following the request to surrender, the license value was fully amortized.

11 CASH AND CASH EQUIVALENTS

	2025 Ushs millions	2024 Ushs millions
Bank balance	39	28

12 OTHER CURRENT ASSETS

Input Tax – Goods & Services	-	110

13 SHARE CAPITAL

	2025 Ushs millions	2024 Ushs millions
Authorised share capital:		
500,000 ordinary shares of Ushs 1,000	500	500

The shareholding of the Company as at 31st December 2025 and as at 31 December 2024 is as follows:

Name of Shareholder	Number of Shares	% of Shareholding
Airtel Uganda Telesonic Holdings (UK) Limited	499,999	99.9998%
Airtel Africa Telesonic Holdings Limited	1	0.0002%
	500,000	

14 BORROWINGS

	2025 Ushs millions	2024 Ushs millions
Current		
Airtel Uganda Telesonic Holding (UK) Limited (Holding Company)	283	264
Airtel Africa Telesonic Dubai Limited (Intermediary parent)	278	-
	561	**264**

Borrowings movement schedule

	2025	2024
At the beginning of the period	264	246
Proceeds from loan	276	-
Interest cost	40	25
Unrealised foreign exchange (gain)/loss	(19)	(7)
	561	**264**

15 TRADE PAYABLES AND OTHER PAYABLES

	2025 Ushs millions	2024 Ushs millions
Trade payables and other payables	63	43

16 RELATED PARTY DISCLOSURES

	2025 Ushs millions	2024 Ushs millions
a) Borrowing from related party		
Airtel Uganda Telesonic Holding (UK)Limited (Holding Company)	283	264
Airtel Africa Telesonic Dubai Limited (Intermediary parent)	278	-
Total due to related parties	**561**	**264**

17 FAIR VALUE OF FINANCIAL ASSETS AND LIABILTIES

Set out below is a comparison by class of the carrying amount and fair value of the financial instruments that are recognised in the Financial Statements. The carrying amount of the financial assets and financial liabilities approximate their fair values because of their short-term nature as shown below.

Particulars	Carrying Amount		Fair Value	
	2025 Ushs millions	2024 Ushs millions	2025 Ushs millions	2024 Ushs millions
Financial assets				
Amortised Cost				
Cash and cash equivalents	39	28	39	28
	39	**28**	**39**	**28**
Financial Liabilities Amortised Cost				
Borrowings	561	264	561	264
Trade payables and other payables	64	43	64	43
	625	**307**	**625**	**307**

18 SUBSEQUENT EVENTS

There were no material subsequent events for the year ended 31 December 2025. The Directors are not aware of any other matter or circumstances since the financial year end and the date of this report, not dealt with in the financial statements, which significantly affects the financial position of the Company and the results of its operations.