



UMEME
Powering Uganda

PROFIT WARNING ANNOUNCEMENT

The Board of Directors (the “Board”) of Umeme Limited (the “Company”) wishes to inform its shareholders that based on the assessment of the Company’s financial performance for the year ended 31st December 2023, the Company’s net profit for the year is projected to decline by more than 25% compared to the year ended 31st December 2022.

As communicated in our Interim Financial Statements for the six months ended 30th June 2023, and in order to comply with International Financial Reporting Standards (IFRS), the Company aligned amortisation of its non-current assets to the shorter of the remaining duration of its Electricity Distribution Concession or the underlying useful life of the assets that generate economic benefits to the Company. The projected reduction in net profits is attributed to the increased amortisation charge for the year.

The underlying economic and operating fundamentals of the Company remain strong with growth registered in electricity demand, new customer connections, reduction in energy losses, operating costs efficiencies, investments in the distribution system and strong cash collections. The Company’s operating profits before amortisation are projected to grow in 2023 when compared to 2022. As such, the Board wishes to inform shareholders that the Company’s dividend policy remains unchanged from the previous communication and shall, for future reporting periods, be dependent on available free cash flows and retained earnings.

Further details of the Company’s performance will be disclosed in the annual report and audited financial statements for the year ended 31st December 2023 to be published and circulated to shareholders.

This announcement is issued pursuant to the provisions of Rule 38 (3) of The Uganda Securities Exchange Listing Rules, 2021.

By order of the Board, Umeme Limited

Shonubi, Musoke & Co Advocates
Company Secretary
16th January 2024