



Uganda
Securities Exchange

2025 Annual Report



WIDER. DEEPER. STRONGER

ADVANCING UGANDA'S CAPITAL MARKETS WITH PURPOSE AND PRECISION



List Of Acronyms

AGM	Annual General Meeting
AML	Anti-Money Laundering
ALSI	All Share Index
ATS	Automated Trading System
BBO	Broker Back Office
CEO	Chief Executive Officer
CMA	Capital Markets Authority
DVP	Delivery Versus Payment
EDMS	Electronic Data Management System
ERM	Enterprise Risk Management
FIMS	Fixed Income Market Segment
GEMS	Growth Enterprises Market Segment
ICT	Information and Communication Technology
IPO	Initial Public Offering
ISIN	International Securities Identification Number
IT	Information Technology
KYC	Know Your Client
LCI	Local Counter Index
MIMS	Main Investment Market Segment
SCD	Securities Central Depository
SCDA	Securities Central Depository Agent
SDGs	Sustainable Development Goals
SWIFT	Society for Worldwide Interbank Financial Telecommunication
USE	Uganda Securities Exchange
USSD	Unstructured Supplementary Service Data

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About This Report

The Uganda Securities Exchange (USE) Annual Report presents the Exchange's financial and non-financial performance for the year ended 31 December FY 2025. It provides an integrated overview of the USE's activities as a securities exchange, self-regulatory organization, and commercial entity, supporting the development of Uganda's capital markets. The report offers a clear and balanced view of the Exchange's performance, position, and outlook, highlighting how the USE responded to its operating environment during the year, advanced its strategic priorities, and strengthened market infrastructure, access channels, and regulatory frameworks that underpin confidence in the market. It reflects performance and value creation across strategy, operations, governance, risk management, sustainability, and financial results, and marks the first year of implementation of the USE FY 2025–2029 Strategy.



Scope and Boundary

This report covers the activities of the Uganda Securities Exchange and its wholly owned subsidiaries for the financial year from 1 January to 31 December FY 2025. These include USE Nominees Limited, the USE Commodities Exchange, and the USE Specialist Market. The report includes the material matters considered most relevant to understanding the Exchange's financial and non-financial performance, strategic direction, governance, market role, and future outlook during the reporting period.



Key Frameworks

The FY 2025 Annual report has been prepared with reference to applicable financial reporting requirements, relevant corporate governance expectations, integrated reporting principles, and the sustainability and market-development frameworks that guide the Exchange's work. These include International Financial Reporting Standards (IFRS), relevant capital markets laws and regulatory requirements, the principles of integrated reporting, and selected sustainability references used by the Exchange in communicating its environmental, social, and governance priorities. The report also reflects the Exchange's broader contribution to national development priorities and the Sustainable Development Goals where relevant. This approach is consistent with the Exchange's continued effort to strengthen the connection between strategy, governance, sustainability, risk, and performance in its annual reporting.



Oversight and Assurance

The preparation of this report was coordinated using inputs from departmental reports, strategic review processes, management submissions, and audited financial information. The financial statements included in this Annual Report have been audited by the Exchange's external auditors in accordance with applicable standards.



Management is responsible for the preparation of the narrative disclosures contained in this report and for ensuring that, taken as a whole, the report provides a fair representation of the Exchange's performance and operating context during the year.



Board Approval

The Board of Directors is responsible for the integrity of this Annual Report and for ensuring that it addresses the material issues relevant to the Uganda Securities Exchange and its stakeholders. The Board believes that this report presents a balanced and fair account of the Exchange's performance, strategic progress, governance, and sustainability during the reporting period. The Board approved the Annual Report, including the audited financial statements for the year ended 31 December FY 2025, on 16th June 2026.



Forward-Looking Information

This report contains forward-looking statements that reflect the Exchange's current expectations regarding future events, performance, and market developments. Such statements are based on information available at the time of preparation and are subject to known and unknown risks, uncertainties, and other factors that may cause actual outcomes to differ materially from those expressed or implied. These statements should therefore be read with appropriate



Feedback

The Uganda Securities Exchange values feedback from its stakeholders. Please contact us at legal@use.or.ug with any questions or suggestions.

The report offers a clear and balanced view of the Exchange's performance, position, and outlook, highlighting how the USE responded to its operating environment during the year, advanced its strategic priorities, and strengthened market infrastructure, access channels, and regulatory frameworks that underpin confidence in the market.

USE At A Glance

About The Exchange

The Uganda Securities Exchange (USE) is Uganda's principal organized market for the listing and trading of securities. Established to support capital formation and investment, the Exchange provides a transparent, regulated, and efficient marketplace through which issuers can raise capital and investors can participate in Uganda's capital markets. Over the years, the USE has evolved from a traditional securities trading platform into a broader market institution supporting depository and registry services.



Our Vision

To be Uganda's preferred institution for investments and sourcing of capital.



Our Mission

We are committed to empowering our customers through service excellence and innovation in order to promote safe, convenient and sustainable investments.



Our Core Values

- » Efficiency: We optimize processes and operations to maximize productivity and minimize waste.
- » Teamwork: Our collaborative spirit drives seamless cooperation across functions and with stakeholders to achieve shared goals.
- » Innovation: We pioneer new ideas and solutions that propel us to market leadership and sustainability.
- » Integrity: Our commitment to ethical standards and transparency guides all our interactions and operations.
- » Customer Focus: We prioritize the needs and satisfaction of our customers, placing them at the forefront of everything we do.



Our Structure

The USE Group comprises the Uganda Securities Exchange and its wholly owned subsidiaries: USE Nominees Limited, the USE Commodities Exchange, and the USE Specialist Market.



Main Investment Market Segment (MIMS)

This primary market segment is for large, well-established companies with strong financial performance and a proven business model. MIMS-listed companies are regarded as stable investment opportunities and must comply with strict reporting and governance requirements to protect investors.



Fixed Income Market Segment (FIMS)

This segment provides a separate platform for entities seeking to raise funding through the issuance and listing of fixed-income securities such as Treasury Bonds and Bills. This segment is ideal for investors seeking stable investment returns. Currently, FIMS lists six (6) Corporate Bonds and 39 Government of Uganda Treasury Bonds.



Growth Enterprises Market Segment (GEMS)

The Growth Enterprise Market Segment (GEMS) was introduced by the Exchange to enable Small and Medium-sized Enterprises (SMEs) to raise initial and ongoing capital. The segment is designed to support high-growth companies that may not yet meet the requirements for listing on the Main Investment Market, while promoting improved governance, transparency, and market readiness. It offers increased visibility and liquidity within a regulatory environment, tailored to the needs of SMEs. The eligibility criteria for listing on GEMS are less strict than those for the Main Investment Market Segment.



USE Nominees Limited

Also trading as SCD Registrars, USE Nominees Limited is a subsidiary of The Exchange that functions as a Securities Central Depository, with Share Registry services that safeguard securities on behalf of investors. It provides depository and registry related services, holding shares in trust for their owners to ensure smooth trading, settlement, and management of corporate actions such as dividend payments, exercising rights, and participating in mergers or acquisitions. In addition, it offers share registry services, including:

- » Share Register Maintenance
- » Processing of Entitlement Files / Dividend Payments
- » Administration of AGMs/EGMs and Annual Report Dispatch
- » Corporate Actions
- » Regulatory Reporting
- » Registration of Share Transfers and Transmission
- » Direct Communication with Shareholders
- » IPO Processing and Register Creation



USE Specialist Market

The USE Specialist Market operates through its unquoted securities platform, the USE Eddaala, which offers a private placement market for companies, especially Small and Medium Enterprises (SMEs) that are not yet eligible to list on the public market. The platform connects these companies with professional investors, facilitating both equity and debt funding to help them raise long-term capital through private placements and restricted offers. Additionally, the USE Eddaala enables shareholders of private companies to trade shares and utilize portfolio management tools.



USE Commodities Exchange (USE COMMEEX)

Founded in 2018 and incorporated in 2020 as a company limited by shares, the USE COMMEEX is fully owned by the USE as a premier commodity marketplace. In 2021, the USE received approval from the Capital Markets Authority to operate a Commodities Exchange. The USE COMMEEX is designed to improve price discovery, enhance transparency, and support access to financing across commodity value chains by bringing together producers, traders, warehouse operators, financial institutions, and other market participants within a regulated framework. As a neutral third party, the Exchange supports the commodities market by:

- » Verifying commodity quality and securely holding goods on behalf of sellers.
- » Ensuring timely payments and seamless transaction processing.
- » Connecting buyers and sellers while providing real-time, accurate market information after each trade.

Together, these entities support the Exchange's role in market development, securities operations, and service delivery across both traditional and emerging market segments.

The Exchange operates across key market and service platforms, including the Main Investment Market Segment, the Fixed Income Market Segment, the Growth Enterprise Market Segment, the Securities Central Depository, and related services such as registry, training, and data vending.



The Exchange at A Glance

Listed Companies and Trading Participants

At the end of FY 2025, the USE continued to serve a diverse market of listed issuers, trading participants, custodian banks, and other licensed intermediaries operating within Uganda's capital markets ecosystem.

Issuers

Issuers on the Uganda Securities Exchange are companies or entities that raise capital by listing shares or bonds for public investment. They include publicly traded companies, financial institutions, and government entities seeking funding through the Exchange.

Currently, the USE lists 17 companies, comprising 10 locally listed and seven (7) cross-listed entities. The status of listed companies can change over time due to new listings, delisting, or other corporate actions.



Licensed Brokers

A Licensed Broker is a firm authorized by the Capital Markets Authority and recognized by the USE to buy and sell securities on behalf of clients. Licensed brokers must comply with market regulations to ensure investor protection. The USE recognizes the following licensed stock brokerage firms:



Custodian Banks

Custodian banks securely hold and manage securities on behalf of investors. They provide services such as trade settlements, safekeeping of assets, corporate actions, and reporting. In the USE, custodian banks ensure secure transactions, compliance with regulations, and act as intermediaries between investors and the market. As of 2025, the custodian banks on the Uganda Securities Exchange (USE) were:



Memberships and Affiliations

The Uganda Securities Exchange maintains memberships and affiliations with local, regional, and international bodies that support institutional development, knowledge exchange, market connectivity, and collaboration in capital market development. These include:



The African Securities Exchanges Association (ASEA)

Established in 1993, ASEA is a leading association of securities exchanges in Africa, consisting of 26 full members and six (6) associate members, totaling 32 exchanges across 37 African countries. The association plays a key role in fostering market development, promoting capital market growth, and enhancing the visibility of African exchanges to attract investment. ASEA provides a platform for networking, advocates for member exchanges, supports capacity-building initiatives, and facilitates strategic partnerships to strengthen Africa's capital markets.



East African Securities Exchanges Association (EASEA)

EASEA unites securities exchanges within the East African Community (EAC) to promote market integration and development. It facilitates cross-border trading, harmonizes regulations, enhances infrastructure, and strengthens regional capital markets. Member Exchanges include Uganda Securities Exchange (USE), Nairobi Securities Exchange (NSE), Dar es Salaam Stock Exchange (DSE), and Rwanda Stock Exchange (RSE).



The Association of National Numbering Agencies (ANNA)

ANNA is a global association that regulates and issues unique identification codes for financial instruments such as securities and bonds. It assigns International Securities Identification Numbers (ISINs) to enhance transparency, efficiency, and global market integration in financial markets.

The USE is a recognized National Numbering Agency (NNA) under ANNA. It is responsible for issuing ISINs to securities listed on The Exchange, ensuring compliance with international market standards, and facilitating cross-border investment.



Sustainable Stock Exchanges (SSE) Initiative

Sustainable Stock Exchanges (SSE) Initiative is a global partnership aimed at promoting sustainable practices in capital markets. As a member, the USE is committed to advancing environmental, social, and governance (ESG) factors in its operations and encouraging listed companies to integrate sustainability into their business strategies. Through its participation in the SSE Initiative, the USE supports global efforts to promote responsible investment and transparency. This membership also allows the USE to collaborate with other exchanges worldwide, share best practices, and contribute to the market's focus on sustainable growth.

USE At A Glance

2025 Performance Highlights

 Equities Trading
Turnover (UGX)

98.6b

 66.9% | 2024: Ugx 298b
2023: Ugx 155.8b

 Total Trading
Volumes (Ugx)

1.05b

 89.2% | 2024: Ugx 2.2b
2023: Ugx. 2.6b

 Total Market
Capitalization (UGX)

35.5t

 36% | 2024: Ugx 26.1t
2023: Ugx 19t

 Domestic Market
Capitalization (UGX)

15.9t

 26.1% | 2024: Ugx 12.6t
2023: Ugx 11.2t

 All Share Index/ALSI
(points)

1,631.8pts

 29.5% | 2024: 1149.97 pts
2023: 872.5 pts

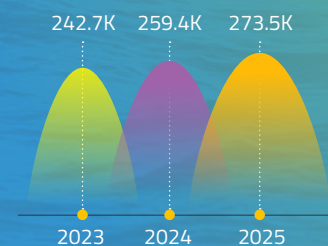
 Local Counter Index/
LCI (points)

387.4pts

 26.2% | 2024: 306.9 pts
2023: 271.9 pts

 Total SCD Accounts

273,574

 5.46% | 2024: 259,391
2023: 242,766

 Total Revenue
(UGX)

5.58b

 5.74% | 2024: Ugx 5.92b
2023: Ugx 6.39b

 Operating Profit
(UGX)

1.22b

 41.3% | 2024: Ugx 2.08b
2023: Ugx 2.54b

 Operating
Expenses (UGX)

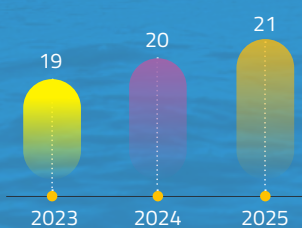
4.36b

 13.8% | 2024: Ugx 3.83b
2023: Ugx 3.84b

 Profit Before Tax
(UGX)

1.10b

 41.3% | 2024: Ugx 2.06b
2023: Ugx 2.49b

 Net Profit Margin
17.6% | 2024: 25%
2023: 29%
 EBITDA Margin
22% | 2024: 35%
2023: 40%
 Total Number of
Employees

 Female
Representation

 45% Company
Wide | 2024: 45%
2023: 37%

 50% Board
Level | 2024: 50%
2023: 50%

 40% Senior
Management | 2024: 40%
2023: 20%

 Profit After Tax
(UGX)

984m

 36% | 2024: Ugx 1.48b
2023: Ugx 1.81b

 Proposed
Dividends (UGX)

295.3m

 36% | 2024: Ugx 586.7m
2023: Ugx 662.8m



Leadership Insights



Leadership Insights

Chairperson's Statement

Stewarding Through Transition and Continuity

I am pleased to present the Uganda Securities Exchange Annual Report and Financial Statements for the year ended 31 December 2025.

FY 2025 was a defining year for the Uganda Securities Exchange. It marked the first year of implementation of the USE 2025–2029 Strategy, the year in which the Exchange officially commenced operations as a Self-Regulatory Organization, and a period of transition at Board level.

Together, these developments signaled a renewed institutional focus on widening access, deepening market opportunities, strengthening market oversight, and reinforcing the institutional foundations for sustainable capital market growth.

During the year, Mr. Richard Patrick Byarugaba resigned as Chairperson. I join management, staff, shareholders, and wider market stakeholders in extending sincere appreciation to Mr. Byarugaba for his exemplary service, leadership, and stewardship of the Exchange. His tenure contributed to strengthened governance, strategic growth, innovation, and the continued positioning of the Exchange as a key player in Uganda's capital markets. He leaves a strong foundation on which the Exchange will continue to build.



In July 2025, the Exchange also welcomed Mr. Dan Tumuramye as the Trading Participants Representative on the USE Board. We welcome the experience and perspective that he brings as the Exchange advances its strategic priorities.

Operating Environment and Market Context

FY 2025 unfolded in a broadly stable macroeconomic environment, despite continued global uncertainty and geopolitical pressures. Inflation remained below the Bank of Uganda's medium-term target, supporting investor confidence and providing an important foundation for market activity.

The Exchange's performance during the year should, however, be viewed against an exceptional 2024 comparative base, which included the MTNU secondary sale. This reinforced the importance of building recurring market activity, broadening participation, deepening liquidity, and strengthening Uganda's capital markets beyond one-off transactions.

These conditions provided the market context within which the Exchange began the year and continued to execute its mandate. At the same time, FY 2025 marked the beginning of a new strategic cycle, building on the foundations established under the previous strategy and setting a clear direction for the Exchange's next phase of growth.

Introducing the USE 2025–2029 Strategy

On behalf of the Board of Directors, I am pleased to introduce the USE 2025–2029 Strategy, which will guide the Exchange through its next phase of growth and institutional development. The strategy provides a clear framework for strengthening the Exchange's relevance, improving customer experience, diversifying revenue, and positioning the institution for sustainable long-term growth.



The strategy is anchored in three priorities: being the right service choice, delivering frictionless service, and driving sustainable growth. These priorities reflect the Board's ambition to ensure that the Exchange remains responsive to the needs of issuers, investors, intermediaries, and other stakeholders, while simplifying access to capital markets and building a stronger, more diversified, and commercially sustainable institution.

As the first year of implementation, FY 2025 focused on laying the institutional, operational, and market foundations required to deliver this strategy. The Board's oversight during the year centred on aligning resources, systems, governance, and priorities to this new direction, while supporting management to advance key areas including financial performance, digital transformation, market development, risk management, compliance, product innovation, stakeholder engagement, and institutional capacity.

We advanced the development of the bond market through the implementation of the Bond Auction Module, integrated with mobile wallets and international payment systems, significantly enhancing efficiency and access for investors.

Resilient Performance in a Transition Year

Against this backdrop, the USE delivered a resilient performance in FY 2025, supported by strategic focus and continued confidence in the market. Total market capitalization increased to UGX 35.58 trillion, up from UGX 26.05 trillion in 2024, while domestic market capitalization rose to UGX 15.98 trillion, compared to UGX 12.66 trillion in 2024. This reflected positive sustained investor confidence, and the continued strengthening of Uganda’s capital markets.

Although reported revenue and profitability moderated compared to the exceptional 2024 base, the Group remained profitable and financially stable. Gross income stood at UGX 5.58 billion, while profit after tax closed at UGX 984 million. Total assets increased to UGX 11.51 billion, while total equity rose to UGX 10.30 billion, demonstrating continued balance sheet strength.

FY 2025 was therefore a transition year, marked by the start of a new strategic cycle and continued investment in the systems, products, and institutional capabilities required for long-term growth. This performance reinforces the importance of sustained strategic execution, continued market development, and long-term institutional resilience.

Balancing Shareholder Return and Strategic Investment

In line with the Exchange’s commitment to shareholder value, a proposed dividend of UGX 295.3 million has been recommended for the FY 2025 financial year, subject to shareholder approval at the Annual General Meeting.

The proposed dividend reflects a prudent balance between delivering returns to shareholders and retaining sufficient resources to support strategic investment, market development, technology enhancement, and the continued implementation of the USE 2025–2029 Strategy. This approach reflects the need to sustain shareholder value while supporting the investments required to strengthen the institution and expand future growth opportunities.



Advancing Market Depth, Access and Institutional Strength

During the year, the Exchange continued to advance key areas of market development in line with its mandate and strategic direction. Digital access channels, including USSD and the Easy Portal, continued to support investor onboarding and participation. SCD accounts increased to 273,574, reflecting ongoing progress in widening access to Uganda’s capital markets.

The Exchange also continued to advance product and market diversification, including work around fixed income, government securities, data services, private capital platforms, and future product opportunities. These efforts are central to broadening market choice and deepening Uganda’s capital markets over time.

The USE Commodities Exchange made important progress, moving from preparatory work toward early-stage commercial activity. Its first revenue contribution during the year marked a significant milestone in the development of a structured commodities market and reflects the Exchange’s ambition to support broader market opportunities beyond traditional securities.

The East Africa Capital Markets Conference also stood out as an important milestone in FY 2025. Hosted in Uganda for the first time by the Exchange, the conference strengthened regional dialogue on market integration, digital transformation, sustainable finance, and cross-border capital market development. It reinforced the Exchange’s role not only as a national market operator, but also as a contributor to the wider regional capital markets agenda.

Together, these developments demonstrate the Exchange’s continued commitment to widening access, deepening market opportunity, and strengthening institutional capacity.

Growth Outlook

Looking ahead, the Exchange enters the next phase with confidence in its strategic direction. The next phase of growth will require disciplined execution, continued innovation, stronger revenue diversification, improved efficiency, and sustained investment in the systems and partnerships required to support long-term market development.

The Exchange will continue to focus on expanding market access, deepening liquidity, supporting issuer readiness, strengthening non-traditional revenue streams, and advancing new products and platforms. At the same time, prudent financial management, strong governance, and effective risk oversight will remain central to sustaining institutional confidence and market trust.

The foundations strengthened in FY 2025 provide a realistic platform for the next stage of implementation. While reported performance moderated against an exceptional prior-year base, the Exchange remained profitable, strengthened its asset and equity base, and continued to invest in capabilities that will support long-term growth and shareholder value.

Appreciation

I extend sincere appreciation to our shareholders for their continued trust and support. I also thank the Capital Markets Authority, Bank of Uganda, Government ministries, issuers, trading participants, custodian banks, investors, development partners, and all stakeholders who continue to contribute to the growth and credibility of Uganda’s capital markets.

I commend the management, and staff of the Uganda Securities Exchange Group for their commitment, professionalism, and resilience during the year. Their work has been central to sustaining market operations, advancing strategic priorities, and positioning the Exchange for the next phase of growth. I also thank my fellow Board members for their guidance, stewardship, and dedication to the Exchange’s mandate.

As we move forward, the Exchange remains committed to widening access, deepening market opportunities, and strengthening its role as a trusted catalyst for sustainable wealth creation.

Jennifer Kabanyana Mwijukye
Ag. Chairperson

Board of Directors
Uganda Securities Exchange

The USE Group comprises the Uganda Securities Exchange and its wholly owned subsidiaries:

USE Nominees Limited, the USE Commodities Exchange, and the USE Specialist Market.



USE at a Glance



Leadership Insights

Farewell Tribute to Richard Patrick Byarugaba

As the Uganda Securities Exchange reflects on a period of significant progress and transformation, we take this opportunity to honour the distinguished service of Richard Patrick Byarugaba, who recently concluded his tenure as Board Chair. His leadership has been instrumental in shaping not only the direction of the Exchange, but also the broader evolution of Uganda's capital markets.

Richard joined the USE Board in 2012 as an issuer representative, bringing with him extensive experience in institutional leadership and a deep conviction that well-governed, inclusive markets are essential to national development. Over the years, he became a steady and trusted voice at the Board table, helping guide the Exchange through foundational milestones, from landmark listings and bond issuances, to the relocation of USE offices to Nakawa Business Park and the demutualisation and rebranding of the Exchange. These early efforts strengthened the institution's governance and identity, preparing it for its next phase of growth.

When he assumed the role of Board Chair in 2021, Richard articulated a clear vision: an Exchange that is modern, accessible, innovative, and responsive to the needs of all stakeholders. Under his stewardship, the USE accelerated its digital transformation, enhancing the Easy Portal to simplify account opening, equity and bond trading, and investor participation. His belief that technology could democratise opportunity reshaped how Ugandans engage with the market.

This vision came to life through two historic transactions – the MTN Uganda IPO, Africa's first green IPO, and the Airtel Uganda IPO – both executed through USSD technology and the Easy Portal, enabling thousands of first-time investors to participate directly from their mobile phones. By lowering barriers to entry, these landmark offers broadened ownership and positioned USE as a regional leader in inclusive innovation.



At the same time, Richard remained focused on deepening and diversifying the market. He championed the development of the bonds segment, including the introduction of bond trading functionality on the Easy Portal, and played a pivotal role in operationalising the USE Commodities Exchange. Through regulatory engagement and strong ecosystem partnerships, he helped lay the foundation for structured commodities trading, expanding the Exchange's reach into the real economy and creating new opportunities for farmers, traders, and investors alike.

He also understood that a strong institution must be visible and trusted. Richard encouraged renewed focus on branding, stakeholder engagement, and the strategic use of social media, helping the Exchange communicate more effectively and connect with a broader audience. His commitment to collaboration and cross-border partnerships strengthened relationships across regulators, intermediaries, issuers, and regional peers, reinforcing the USE's role within the wider financial ecosystem.

Yet beyond these many achievements, Richard will perhaps be remembered most for the way he led. He was a generous mentor to fellow Board members, management, and staff, freely sharing his experience and offering thoughtful guidance. His calm presence, sharp insight, and unwavering integrity inspired confidence across the institution.

At the same time, his warm humour and free spirit brought an ease and collegiality to the Boardroom, reminding all who worked with him that leadership could be both disciplined and human. He had a unique ability to challenge ideas thoughtfully, celebrate progress wholeheartedly, and keep teams grounded with perspective and good cheer.

Through his tenure, the Uganda Securities Exchange has become more digital, more inclusive, more visible, and more connected to the real economy. Richard Patrick Byarugaba leaves behind an institution that is stronger, more confident, and better prepared for the future, and a community of colleagues grateful for both his guidance and his friendship.

On behalf of the Board, Management, and all stakeholders, we extend our sincere gratitude for his visionary stewardship and dedicated service. We celebrate his remarkable legacy and wish him every success in the next chapter of his journey. His impact on the Exchange will be felt for many years to come.



USE At A Glance

USE Strategic, Operational, and Financial Milestones (2022–2025) Under Richard Byaruhanga’s Stewardship as Chairperson, Board of Directors.

MTN

2021

MTN Uganda IPO

Africa’s first green (paperless) IPO

Total Revenue	Net Profit
3.8b	786m
Dividends	SCD Accounts
275.3m	115,255
Total Market Cap	Domestic Market Cap
24.4t	8.5t
Total Assets	
8.51b	

2022

Uganda Commodities Exchange

Establishment and launch of the Uganda Commodities Exchange.

Total Revenue	Net Profit
3.75b	548.2m
Dividends	SCD Accounts
210.4m	127,574
Total Market Cap	Domestic Market Cap
20.9t	7.17t
Total Assets	
8.79b	

airtel

2023

Airtel Uganda IPO.

Operationalising the pilot of the Uganda Commodities Exchange business model. Development of the Commodities Exchange (COMDEX) Trading System.

Launched the SME incubator under our private market segment

Launch of the Easy Portal Mobile Application and USSD-based trading to expand retail accessibility, doubling digital retail investor accounts.

Cipla QCIL Acquisition by Africa Capital Works SSA.

Bank of Baroda Bonus Share Issue.

Total Revenue	Net Profit
6.39b	1.83b
Dividends	SCD Accounts
662.8m	242,766
Total Market Cap	Domestic Market Cap
19.0t	11.2t
Total Assets	
10.47b	

2024

2024 Key Achievements

MTN Uganda Secondary Offer.

USE obtained Self-Regulatory Organization (SRO) status.

Participation in Phase II of the African Exchanges Linkages Project (AELP) to promote regional cross-border trading and expand low-cost retail investing.

Development of the USE ESG guidelines of Listed Companies.

Total Revenue	Net Profit
5.92b	1.48b
Dividends	SCD Accounts
586.7m	259,391
Total Market Cap	Domestic Market Cap
26.1t	12.6t
Total Assets	
10.69b	

2025

2025 Key Achievement

Amendment of the 2021 Rules (covering USE Listing Rules, USE Fees, Charges and Penalties, and USE Trading Rules).

Total Revenue	Net Profit
5.58b	984m

Dividends	SCD Accounts
295.3m	273,574
Total Market Cap	Domestic Market Cap
35.5t	15.9t

Total Assets
11.7b

Leadership Insights

CEO's Statement

Executing the Strategy in a Year of Transition

It is an honour to present this Chief Executive Officer's Statement and to reflect on the Uganda Securities Exchange's performance, progress, and strategic direction for the year ended 31 December 2025.

FY 2025 was a year of execution, transition, and renewed momentum for the Uganda Securities Exchange. It was the first year of implementing the USE 2025–2029 Strategy, and our focus was on translating this strategy into practical action across market development, service delivery, digital access, regulatory oversight, product innovation, and institutional strengthening.

During the year, the Exchange continued to serve Uganda's capital markets as a market operator, Self-Regulatory Organization, and commercial entity. This required us to balance day-to-day market operations with longer-term priorities: improving customer experience, widening access, deepening products and services, strengthening compliance, and building the capabilities required for sustainable growth.

While reported financial performance moderated compared to the exceptional 2024 base, the underlying business remained resilient. Market capitalizations improved, investor participation continued to evolve, and key strategic initiatives advanced across digital access, alternative assets, regional integration, and market oversight.

Our report theme this year, "Wider. Deeper. Stronger: Advancing Uganda's Capital Markets with Purpose and Precision," reflects the work undertaken during the year.



Market Performance and Investor Participation

Uganda's capital markets remained resilient during the year, supported by macroeconomic stability, improved valuations, and sustained confidence in selected counters. Total market capitalisation increased to UGX 35.58 trillion, up from UGX 26.05 trillion in 2024, while domestic market capitalisation rose to UGX 15.98 trillion, compared to UGX 12.66 trillion in 2024. The USE All Share Index increased to 1,631.80 points from 1,149.97 points, while the Local Counter Index rose to 387.45 points from 306.99 points, reflecting positive market performance during the year.

Equities trading turnover stood at UGX 98.65 billion, compared to UGX 298 billion in 2024. While headline turnover declined, the comparison was affected by the unusually high 2024 base, which included the MTNU secondary sale. Excluding this effect, recurring market activity strengthened during the year, with turnover increasing by 27.24%.

The number of deals also increased to 8,342, from 6,462 in FY 2024, reflecting broader participation across the market. This is an important indicator because our long-term ambition is not only to grow headline market values, but also to deepen activity, improve liquidity, broaden participation, and build a market that is more accessible and responsive to investor needs.

The fixed income market remained a key area of activity, with a turnover of 61.29 billion compared to 34.96 billion in 2024, providing investors with stable investment options and supporting the development of Uganda's debt capital market.

We focused on widening access to market opportunities, deepening the range and relevance of products and services, and strengthening the systems, people, partnerships, and controls that support a trusted and resilient Exchange.

Delivering on the USE 2025–2029 Strategy

The USE 2025–2029 Strategy provides a clear framework for the next phase of the Exchange's growth. It is anchored in three priorities: being the right service choice, delivering frictionless service, and driving sustainable growth.

In FY 2025, we began aligning our systems, people, products, services, and partnerships to this strategic direction. Being the right service choice required us to continue responding to the needs of issuers, investors, intermediaries, and other stakeholders. Delivering frictionless service required continued investment in digital channels, process improvements, and customer experience. Driving sustainable growth required us to strengthen traditional market activity while expanding into new products, and revenue lines.

The new strategy is fundamentally about building a more relevant, accessible, and sustainable Exchange, with product and service diversification at the centre of how we broaden market choice, deepen participation, and strengthen long-term revenue growth.

This first year of implementation was therefore about converting strategic ambition into practical institutional movement. We advanced product frameworks, strengthened market engagement, improved digital access, deepened stakeholder relationships, and continued to invest in the capabilities required to deliver over the medium term.

The work ahead remains significant, but FY 2025 provided a clear starting point for the next phase of execution. Our focus is to ensure that the new strategy is not only reflected in planning documents, but embedded in how the Exchange serves customers, supports market development, manages risk, and creates long-term value.



Work continued around government securities trading and related market infrastructure, reinforcing the role of fixed income products in deepening the market and widening investment choice.

Financial Performance and Underlying Growth

The USE 's financial performance in FY 2025 reflected both resilience and transition. On a consolidated basis, gross income stood at UGX 5.58 billion against a budget of 6.04 billion in FY 2025, compared to UGX 5.92 billion in FY 2024. Profit after tax stood at UGX 984 million, while total assets increased to UGX 11.51 billion and total equity rose to UGX 10.30 billion.

Reported revenue declined by 5.73%, mainly due to the absence of the non-recurrent MTNU secondary sale income recorded in the previous year. However, we must note that when this exceptional transaction is excluded, the Exchange's income grew by 17.51%. This demonstrates continued strength in the Exchange's recurring business activity.

 **Total revenue (UGX)**

5.58b

▼ **5.7% vs FY 2024**

driven by MTN base effect

 **Profit after tax (UGX)**

984m

▼ **33.6% vs FY 2024**

group remained profitable

Beyond the headline revenue movement, FY 2025 showed encouraging progress in revenue diversification. Government Treasury Bonds listing fees grew by 18.52%, Equity listing fees by 6.24%, and data vending services by 103%, while the USE COMMEX recorded revenue for the first time. These developments demonstrate early progress in expanding the Exchange's revenue base for long-term growth.

At the same time, profitability was affected by higher costs linked to institutional growth, technology investment, product development, finance costs, and absorbed losses from emerging business lines. These investments are necessary to support future growth, but they also require disciplined execution and continued focus on efficiency.

Going forward, our priority is to strengthen recurring revenue, improve cost efficiency, diversify income streams, and convert strategic investments into sustainable financial performance.

Widening Access through Digital Channels and Market Engagement

In FY 2025, the Exchange continued to reduce barriers to capital market participation by strengthening digital access, investor education, public awareness, and stakeholder engagement. These efforts were aimed at making capital markets easier to understand, easier to access, and easier to use for a broader range of investors and market participants.

Digital platforms, including USSD and the USE Easy Portal, continued to support investor onboarding and participation. Total SCD accounts increased to 273,574, from 259,391 in FY 2024, with 14,183 new accounts opened during the year. This reflects continued progress in expanding access to capital market services and supporting more convenient participation, especially for retail investors.

This work also reflects the Exchange's commitment to inclusive and sustainable market development. By expanding access, strengthening financial literacy, and engaging underserved or less traditional investor segments, the Exchange contributes to financial inclusion and supports more equitable participation in long-term wealth creation.

Investor education and public awareness remained central to the Exchange's efforts to broaden participation and strengthen confidence in Uganda's capital markets. During the year, the Exchange implemented a range of financial literacy and market awareness initiatives targeting different segments of the public, including students, retail investors, market intermediaries, and the wider investment community.

These efforts included investor education campaigns during World Investor Week, media engagements across radio and digital platforms, stakeholder outreach activities, market activation events, and participation in regional initiatives such as the East Africa Capital Markets Conference (EACMC). The Exchange also continued to leverage digital platforms, including the USE mobile application, USSD channels, and social media, to improve access to market information and investor services.

In addition, the Exchange supported financial literacy and investment awareness through school engagements, university outreach, and collaborations with market participants and regulators aimed at strengthening public understanding of capital markets and investment opportunities. These initiatives contribute to building a more informed, confident, and inclusive investor base while supporting wider participation in the capital markets ecosystem.

We will continue to strengthen digital access, customer engagement, and financial literacy as part of our commitment to inclusive and sustainable market development.

Deepening Products, Data and Market Opportunities

A deeper market requires a wider range of products, better information, stronger liquidity, and more opportunities for both issuers and investors. In FY 2025, the Exchange continued to advance product and development across alternative asset classes such as Exchange-Traded Funds, Commercial paper, REIT-like Funds, and Infrastructure bonds. These initiatives are part of our broader effort to expand market choice, support capital formation, and provide investors with more diversified investment options.

Data services also became increasingly important during the year. The strong growth in data vending demonstrates the growing demand for timely, reliable, and accessible market information.

As capital markets deepen, data will continue to play a critical role in supporting transparency, investment decision-making, market analysis, and revenue diversification.

The Exchange will continue to develop products and services that respond to market needs while supporting the long-term growth and competitiveness of Uganda's capital markets.



Advancing the USE Commodities Exchange

The USE Commodities Exchange made important progress in FY 2025, moving from preparatory work toward early-stage commercial activity. During the year, USE COMMEX recorded its first revenue of UGX 5.6 million. The amount remains modest at this stage, but the milestone is significant because it signals the ecosystem's transition from market-building to initial commercial activity.

At the same time, the year demonstrated the complexity of building a structured commodities market. Progress required continued investment in warehouse onboarding, quality assurance, market sensitization, depositor engagement, collateral management arrangements, and partnerships across the commodities value chain. These areas remain critical because commodities trading depends not only on the availability of a platform, but also on trust, product quality, reliable storage, credible market information, and confidence among farmers, traders, warehouse operators, financiers, and buyers.

USE COMMEX therefore remains a long-term market development initiative. While its full potential will take time to realize, the progress recorded in FY 2025 shows that the model is beginning to gain practical traction. Going forward, our focus will be to strengthen the ecosystem, improve operational efficiency, deepen stakeholder confidence, support market participation and expand the range of commodities.

Strengthening Market Oversight, Systems and Institutional Resilience

A defining milestone of FY 2025 was the formal gazettement of USE's Self-Regulatory Organization status on 13th June 2025, following its conferral by the Capital Markets Authority in 2024. This gazettement gave full legal effect to USE's SRO mandate, empowering the Exchange to exercise a broad range of regulatory functions, including rule creation and enforcement, setting standards for market participants, inspection and monitoring, imposing disciplinary measures, managing conflicts of interest, market surveillance and enforcement, and maintaining overall market order.

During the year, we continued to enhance regulatory systems, issuer and broker compliance, anti-money laundering processes, risk management, cybersecurity, and business continuity arrangements.



First revenue recorded(UGX)

5.6m

*Up from zero in FY 2024
proof of concept*

In attendance

350 Participants

Hosted at the East Africa Capital Markets Conference

These functions are central to market confidence and to our responsibility as a trusted market infrastructure institution.

We also continued to invest in our people and internal systems. Staff capability, institutional coordination, technology resilience, and performance management remain essential to delivering on the new strategy. As the Exchange expands into new products and services, institutional capacity will remain a key enabler of execution.

A stronger market requires a stronger Exchange. Our focus is therefore not only on external market growth, but also on the internal systems, controls, skills, and culture required to deliver with consistency and credibility.

Regional Integration and Strategic Partnerships

Regional integration and strategic partnerships remained central to the Exchange's market development work in FY 2025.

As the Secretariat of the East African Securities Exchanges Association, the USE hosted the East Africa Capital Markets Conference, which brought together over 350 participants from across East Africa, including regulators, exchanges, listed companies, brokers, fund managers, policymakers, investors, and development partners. The conference strengthened dialogue on digital transformation, sustainable finance, market integration, investor participation, and cross-border capital market development.

For the USE, hosting the conference was an important opportunity to contribute to the regional conversation on the future of capital markets. It reinforced the Exchange's convening role, strengthened relationships across the ecosystem, and provided a platform for discussing practical issues that affect market growth, including technology adoption, product innovation, regulatory collaboration, sustainability, and investor access. These conversations are important because deeper regional cooperation can support scale, improve market visibility, and create a stronger foundation for cross-border investment over time.

The Exchange also continued work under the African Exchanges' Linkages Project (AELP), which had commenced in FY 2024.



Uganda Securities Exchange

Appreciation

I extend sincere appreciation to the Board of Directors for its guidance and oversight during the year. I also thank our shareholders, regulators, issuers, trading participants, and all stakeholders for their continued trust and collaboration.

I am especially grateful to the management and staff of the Uganda Securities Exchange Group for their commitment, professionalism, and resilience. Their work has sustained market operations, advanced strategic priorities, and strengthened the Exchange's ability to serve Uganda's capital markets.

As we step into our next phase of growth, we remain committed to advancing Uganda's capital markets with purpose and precision, widening access, deepening market opportunities, and strengthening the Exchange's role as a trusted catalyst for sustainable wealth creation.

Paul William Bwiso
Chief Executive Officer
Uganda Securities Exchange

During FY 2025, the USE completed system integration under Phase 2 of the AELP, positioning Uganda to participate in cross-border trading alongside other African markets.

The project is expected to be launched to local investors in 2026 and is intended to expand access to regional investment opportunities, enhance liquidity, and strengthen Uganda's visibility within a more connected African investment landscape.

Together, the EACMC and the AELP reflect complementary dimensions of the Exchange's regional and continental integration work. The EACMC strengthened high-level dialogue, collaboration, and thought leadership within East Africa, while the AELP advanced the technical infrastructure required to support practical cross-border investment over time. These efforts reinforce the Exchange's role as both a national market operator and an active participant in building more connected, innovative, and inclusive capital markets.

Priorities for 2026 and Beyond

Looking ahead, our priorities are clear. We will continue to implement the USE 2025–2029 Strategy with focus, discipline, and urgency. This will include widening access, improving customer experience, deepening market activity, diversifying revenue, strengthening efficiency, and scaling new products and services. We will also continue to invest in people, technology, systems, partnerships, and governance processes that support sustainable growth.

FY 2025 provided a realistic baseline for the next phase. It showed that while exceptional transactions can influence year-on-year comparisons, the underlying business remains resilient and the market continues to present significant opportunities.

As we move forward, our ambition remains to build a wider, deeper, and stronger capital market that supports issuers, investors, shareholders, and Uganda's broader economic development.



Strategic Report



Strategic Review

The Uganda Securities Exchange operates at the heart of Uganda's capital markets as a licensed exchange, a self-regulatory organization, and a commercial entity. These three roles are complementary. As an exchange, the USE provides an organized marketplace through which securities and other approved instruments can be listed, traded, and settled in a transparent and regulated environment. As a self-regulatory organization, it supports market integrity through rules, oversight, and compliance mechanisms designed to promote orderly conduct and protect investor confidence. As a commercial entity, it continues to strengthen its product offering, services, and institutional capacity in order to remain relevant, responsive, and sustainable within a changing market environment.

Our Role in the Capital Markets

The Uganda Securities Exchange contributes to the capital markets ecosystem through the following core functions:

- Providing an organized platform for listing, trading, clearing, and settlement of securities 
- Enabling capital raising for government, as well as public and private companies 
- Supporting transparent price discovery and efficient allocation of capital 
- Promoting investor confidence through regulation, compliance, and oversight 
- Expanding access to investment opportunities through digital platforms and market development initiatives 

The Need for Capital Markets

Capital markets play a critical role in economic development by mobilizing capital and channeling it into productive investment. They provide governments, companies, and other institutions with access to patient capital for expansion, infrastructure, and growth, while offering investors a regulated environment in which to participate in wealth creation. In this way, capital markets provide alternative financing options, expanding the range of investment products available, and improving the efficiency and transparency of resource allocation across the economy.

In Uganda, the continued deepening of capital markets remains important not only for broadening access to finance, but also for widening participation in investment, improving financial inclusion, strengthening corporate governance and disclosure, and supporting national development ambitions.

Executing the USE Role in FY 2025

The role of the Uganda Securities Exchange is becoming increasingly important as Uganda's economy grows and the need for diversified, long-term financing becomes more pronounced. Within this broader system, the USE serves as a platform for connecting capital seekers and capital providers, while also helping to build the infrastructure, market discipline, and confidence required for capital markets to function effectively.

In FY 2025, the Exchange continued to execute this role through a structure that brings together traditional market functions, emerging product lines, technology-enabled access channels, regulatory oversight, and supporting services. This included the continued development and operation of its market platforms, alongside services such as registry, training, data-related solutions, investor education, and market engagement.

Together, these platforms and services enable the Exchange to structure investment opportunities, aggregate and support demand, widen participation, and strengthen the foundations for long-term market growth.

The Exchange's ability to execute this role depends not only on market activity, but also on the quality of its systems, people, governance, partnerships, and institutional adaptability.

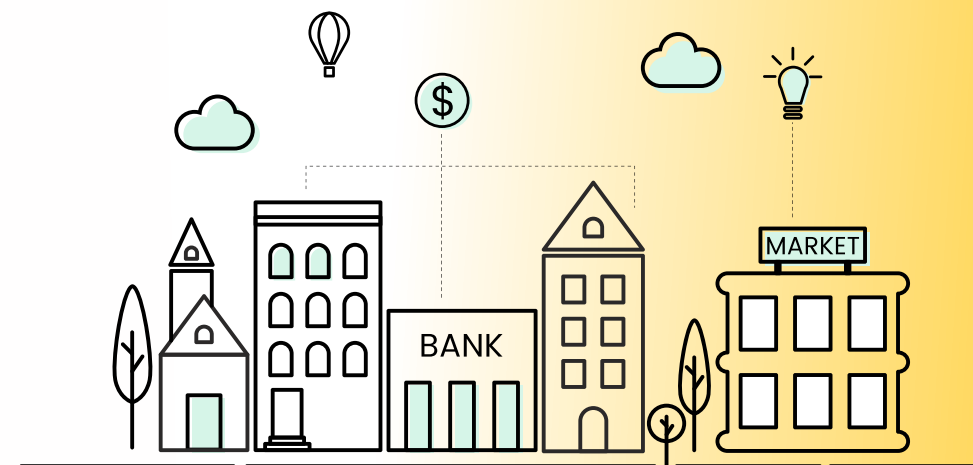
In FY 2025, this was reflected in continued work to strengthen market frameworks, improve digital access, support issuer and broker compliance, deepen stakeholder engagement, expand investor access, and prepare new products and platforms for future growth.

These efforts align with the USE's broader strategic direction, which reflects the ambition to broaden participation, improve access, and position Uganda's capital markets for greater relevance at both national and regional level.

How We Deliver Value through Our Business Model

The Uganda Securities Exchange creates value by leveraging six forms of capital: financial, intellectual, human, manufactured, natural, and social and relationship. Through its core financial and non-financial services, the Exchange transforms these inputs into essential outputs, such as capital-raising platforms for issuers, diverse options for investors, and transparent price discovery.

Ultimately, these outputs drive broader outcomes – including improved access to finance, stronger investor confidence, and sustainable economic development in Uganda – while the Exchange continuously manages the impacts and trade-offs across all six capitals over the short, medium, and long term.



Our Operating Environment in FY 2025

The Uganda Securities Exchange operates within an environment shaped by global and domestic developments, including macroeconomic conditions, monetary policy, regulatory changes, technological advancements, and evolving investor behavior. These factors influence market activity, investor participation and overall business performance.

During FY 2025, underlying market fundamentals remained stable, supporting continued resilience in Uganda’s capital markets. Within this context, the Exchange continued to monitor and respond to emerging trends, maintaining focus on stability, access, and long-term market development.



Macroeconomic Conditions

Uganda maintained a relatively stable macroeconomic environment, characterized by low inflation, easing monetary conditions, and favorable interest rates. This supported investor confidence and contributed to strong performance, with total market capitalization increasing to UGX 35.5 trillion from UGX 26.1 trillion in 2024, and domestic market capitalization rising to UGX 15.9 trillion from UGX 12.7 trillion in 2024. These conditions supported market stability and price growth, although liquidity remained sensitive to large transactions and shifts in investor positioning.

Global and Regional Economic Dynamics

Tariffs and similar protectionist policies and geopolitical tensions are still prevalent with the conflict in the Middle East and Eastern Europe leading to disruptions in commodity supply routes. Globalization and global growth are expected to decline to 3.1% in 2026 from approximately 3.2% in 2025.

On the other hand, Sub-Saharan Africa’s growth is expected at 4.4% for 2026 driven by infrastructure development and improved investment conditions. These dynamics influence foreign investor sentiment and capital flows into Uganda, contributing to periods of volatility in trading activity while reinforcing the importance of macroeconomic stability in sustaining investor confidence.

Monetary Policy and Financial Conditions

The Ugandan economy has remained resilient despite global slowdowns with real GDP growth rising to 6.3% in FY 2024/2025 and projected to expand by 6.5–7.0% in FY 2025/2026, rising to an average of 8% in the medium term.



Core inflation averaged 3.8% in 2025 versus 3.6% in 2024 closing at 3.14% for the 12 months to December 2025 and remained below the 5.0% medium term central bank target for the year. Increased inflows from exports especially coffee, remittances, tourism receipts and foreign direct investments especially in the oil sector, and portfolio investments in government securities market strengthened the Uganda shilling in 2025.

The currency gained 1.67% in 2025. Private sector conditions remained positive throughout 2025 with the Stanbic PMI averaging 53.7% for 2025.

Bank of Uganda has maintained the Central Bank Rate at 9.75% since October 2024 citing the need to continue managing inflation below 5% and caution of both global and domestic uncertainties. Foreign currency loans i.e., USD averaged 8.32% while local currency loans averaged 18.28% in 2025 with increments seen in the last half of 2025.

Regulatory Environment

The regulatory landscape continued to strengthen in FY 2025, with ongoing updates to listing rules, enhanced compliance frameworks, and continued implementation of anti-money laundering requirements following registration with the Financial Intelligence Authority. These developments reinforced market integrity and investor protection, while increasing compliance expectations for issuers and intermediaries operating within the market.

Technology and Digital Access

Advancements in digital platforms and infrastructure, including enhancements to trading systems, mobile access channels, and data capabilities, continued to improve market accessibility and operational efficiency. Growth in investor accounts, which increased to 273,574 from 259,391 in 2024, reflects expanding access to the market. These developments supported broader participation, particularly among retail investors, while increasing the market’s reliance on technology-enabled platforms.

Investor and Market Sentiment

Equities trading turnover declined to UGX 98.6 billion from UGX 298 billion in 2024, largely due to the absence of exceptional transactions recorded in the prior year. However, the number of deals increased to 8,298 from 7292, and underlying turnover (excluding large transactions) showed improvement i.e., a 27.2% growth, indicating strengthening participation and a gradual shift toward a more retail-driven market. At the same time, trading activity remained highly concentrated, with the top five counters accounting for over 97% of total turnover. This highlights structural liquidity constraints and underscores the need to broaden market depth, diversify listings, and support more balanced participation across counters.

Socio-Political Context

As Uganda approached the 2026 general elections, the pre-election environment was expected to introduce caution among market participants. However, market activity in FY 2025 remained relatively resilient, with no significant disruption to trading patterns or investor participation observed during the year. This reflects the strength of underlying market fundamentals and reinforces the importance of maintaining stability, investor confidence, and effective market oversight in periods of political transition.



Our Stakeholder Engagement

Stakeholder engagement is central to how the USE executes its role as a market operator, self-regulatory organization, and commercial entity. The Exchange engages a wide range of stakeholders in order to understand market needs, strengthen confidence, support compliance, improve access, and promote participation across Uganda’s capital markets.

In FY 2025, this engagement was important not only for operational performance, but also for advancing the USE’s broader strategic direction.

The Exchange’s stakeholders include shareholders, regulators, listed companies, brokers, custodian banks, dealers, investors, employees and the community.

Engaging stakeholders is crucial for minimizing risks, fostering trust and credibility, enhancing decision-making through diverse viewpoints, and ensuring long-term sustainability. The Exchange therefore approaches stakeholder engagement as both a governance responsibility and a market development function.

In FY 2025, stakeholder engagement took a number of forms. These included issuer and broker support engagements, courtesy visits, market education activities, media outreach, public awareness campaigns, training programs, investor sensitization events, partnerships with sector institutions, and collaborative work with regulators and other market actors.



Issuers

Companies raising capital

What Matters To Them

- » Staying ahead of market trends
- » Adopting responsible ESG practices

How We Engaged Them in FY 2025

- » Maintained direct engagement through calls, emails, training sessions, and courtesy visits to support disclosure compliance and communication with the market
- » Provided ongoing guidance on evolving reporting and regulatory expectations, including joint engagements with the regulator where required
- » Facilitated issuer participation in training sessions and market engagements to strengthen transparency and market confidence

Future Focus Areas

- » Strengthening issuer support frameworks to enhance disclosure quality and market communication
- » Deepening engagement on ESG practices and sustainability reporting
- » Enhancing issuer readiness for new products and market opportunities



Investors

Retail and Institutional

What Matters To Them

- » Accessibility to trading platforms
- » Investment protection and transparency
- » Financial literacy

How We Engaged Them in FY 2025

- » Conducted investor education and financial literacy initiatives, including World Investor Week activities and school outreach programs
- » Partnered with stakeholder groups such as KACITA, SACCO leaders, and business communities to expand market awareness
- » Held regular media briefings jointly with the regulator to communicate market developments

- » Promoted uptake of digital platforms, including the USE Easy Portal and USSD channels, through targeted awareness campaigns

Future Focus Areas

- » Expanding investor access through enhanced digital channels and simplified onboarding processes
- » Deepening financial literacy across diverse population segments
- » Strengthening investor confidence through transparent and timely communication



Workforce

Workforce Employees driving operations, innovation, and stakeholder relations

What Matters To Them

- » Career growth and skills development
- » A diverse and inclusive workplace

How We Engaged Them in FY 2025

- » Provided staff training and capacity-building opportunities aligned to operational and strategic priorities
- » Continued implementation of performance management tools to strengthen accountability and performance tracking
- » Supported staff engagement through internal initiatives, including team-building activities and improved work policies

Future Focus Areas

- » Strengthening staff capacity in line with emerging market and technology needs
- » Enhancing employee engagement, wellbeing, and productivity
- » Embedding a strong performance and innovation culture across the organization



Brokers, Analysts and Advisors

Brokers, Analysts and Advisors Market intermediaries

What Matters To Them

- » Efficient trading infrastructure
- » Access to real-time data and insights
- » Continuous professional development

How We Engaged Them in FY 2025

- » Engaged intermediaries through training programs, technical support, and ongoing relationship management
- » Supported compliance and operational efficiency through continuous engagement and guidance
- » Held consultative engagements to gather feedback on market development, system improvements, and product frameworks

Future Focus Areas

- » Enhancing trading infrastructure and system performance
- » Expanding access to real-time data and analytics
- » Strengthening continuous professional development for market intermediaries



Regulators

Market integrity enforcers

What Matters To Them

- » Market integrity and investor protection
- » Compliance with international standards
- » Risk mitigation and governance

How We Engaged Them in FY 2025

- » Maintained close collaboration with regulators through joint engagements, training, and compliance support activities
- » Conducted regular engagements on market conduct, disclosure standards, and regulatory alignment
- » Participated in joint communication efforts, including media briefings and stakeholder outreach

Future Focus Areas

- » Strengthening collaboration on regulatory frameworks and market oversight
- » Enhancing compliance systems and reporting standards
- » Supporting alignment with international best practices and evolving regulatory requirements



Community

The broader public and financial inclusion stakeholders

What Matters To Them

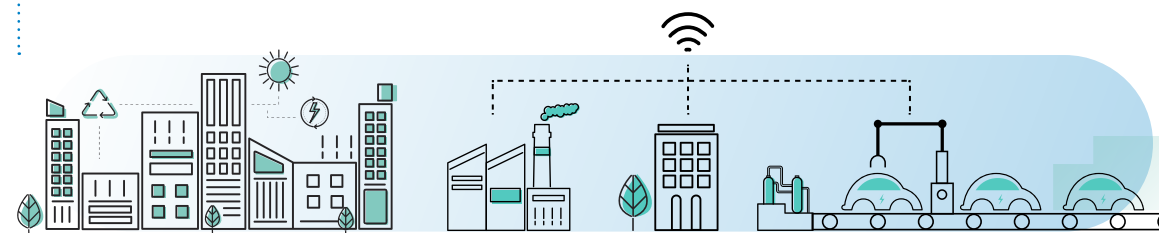
- » Transparent and well-governed market
- » Financial inclusion opportunities

How We Engaged Them in FY 2025

- » Conducted public awareness campaigns and outreach initiatives to expand understanding of capital markets
- » Engaged communities through initiatives such as Neighbour Connect and outreach in business hubs like Nakawa Business Park
- » Delivered financial literacy sessions targeting schools, youth, and informal sector groups
- » Promoted inclusion through engagement with farmer groups and participation in commodities market initiatives

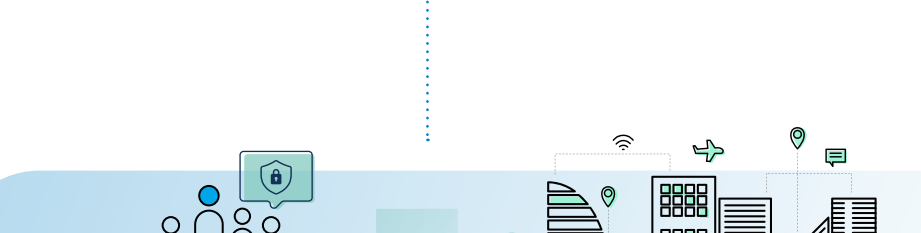
Future Focus Areas

- » Expanding financial inclusion through targeted outreach to underserved groups
- » Strengthening public trust in capital markets through transparency and education
- » Enhancing community engagement to support broader market participation



WIDER. DEEPER. STRONGER.

www.use.org.ug



USE at a Glance

Our Strategy

The year FY 2025 marked the start of a new strategic cycle for the Uganda Securities Exchange. Building on lessons from the previous planning period, the Exchange adopted a 2025–2029 strategy aimed at strengthening relevance, improving customer experience, diversifying revenue streams, and positioning the institution for sustainable long-term growth.

The strategy demonstrates both the evolving needs of Uganda’s capital markets and the Exchange’s broader ambition to widen participation, improve access, and deepen the role of the market in economic development.



Strategic Vision

The Exchange’s strategic vision is anchored in a renewed sense of institutional purpose and long-term direction. At its core is the ambition to position the Uganda Securities Exchange as the trusted catalyst for sustainable wealth creation.

This reflects an aspiration not only to operate an efficient marketplace, but also to contribute meaningfully to capital formation, investment access, and long-term value creation for market participants and the wider economy. The vision is complemented by a mission to provide a transparent, innovative, and robust marketplace that simplifies investment access and drives capital formation. Together, the vision and mission signal a stronger emphasis on trust, innovation, accessibility, and market relevance.



Strategic Pillars

The 2025–2029 strategy is built around three broad strategic pillars that define how the Exchange intends to deliver on its vision over the medium term.

1. The right service choice: This speaks to the Exchange’s intention to remain relevant and responsive to the needs of issuers, investors, intermediaries, and other market participants by offering products, platforms, and services that meet changing market expectations.

2. Delivering frictionless service: This reflects the need to simplify access, improve service delivery, reduce customer effort, and use technology and process improvements to create a more seamless user experience across the Exchange’s platforms and functions.

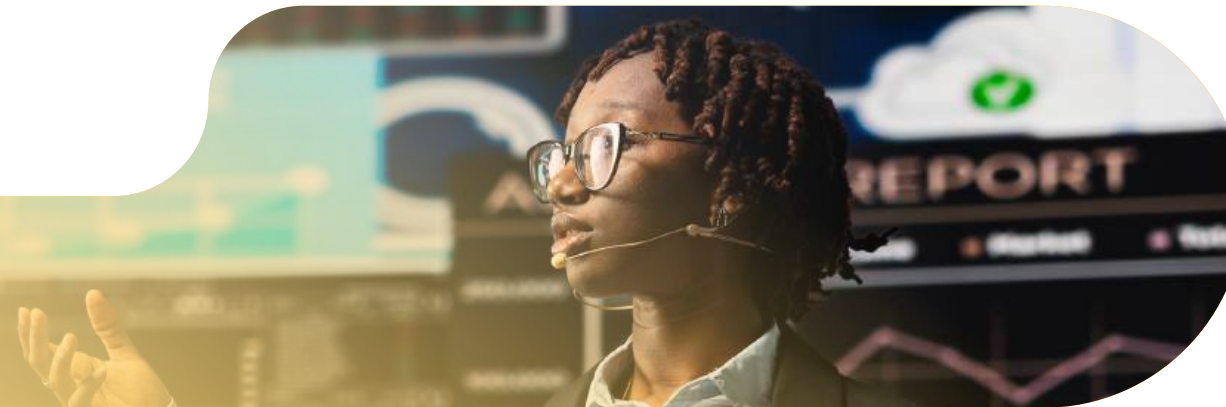
3. Driving sustainable growth: This pillar recognizes the need to expand the Exchange’s revenue base, diversify products and services, strengthen institutional resilience, and support long-term market development in a way that is commercially viable and strategically sustainable.



Strategic Objectives and Key Results

The strategy translates these pillars into a set of practical objectives focused on market relevance, revenue growth, customer engagement, service excellence, and institutional capability:

- » **Objective 1:** Enhance finance services impact by reducing customer acquisition and service costs, with focus on lowering the cost-to-income ratio.
- » **Objective 2:** Improve revenue by expanding the portfolio across financial and non-financial products.
- » **Objective 3:** Boost customer engagement by increasing new users and transaction rates per quarter.
- » **Objective 4:** Improve service delivery to reduce customer effort score, measured quarterly, to support engagement growth.



A key strategic shift is the move towards a more diversified business model organized around three broad revenue segments: traditional assets, alternative assets, and non-financial services. Under this model, traditional assets such as equities and bonds are expected to remain the foundation of the business, while greater emphasis is placed on building alternative products and service-based revenue lines. By 2029, the Exchange is targeting a revenue mix of 60% from traditional assets, 30% from alternative assets, and 10% from non-financial services.

The strategy also aims to increase the contribution of new products to revenue, deepen customer engagement, improve investor and issuer experience, and strengthen execution across the institution. This includes enhancing the impact of financial services, expanding access to investment opportunities, developing new products and market frameworks, improving operational efficiency through improved governance/performance culture focusing on audit closure and people management, and strengthening the Exchange’s ability to respond to market opportunities.

The strategic results sought over the period are therefore both commercial and developmental: stronger revenue performance, broader market participation, greater customer responsiveness, and a more dynamic and resilient market institution.



Strategic Enablers

The Exchange’s ability to deliver on this strategy depends on a number of institutional enablers. These include technology and digital infrastructure, which are central to improving access, efficiency, and product delivery; people and organizational capability, which support innovation, service quality, and execution; governance, risk management, and compliance systems, which protect market integrity and strengthen institutional resilience; and partnerships, which expand reach, build trust, and support ecosystem development.

In FY 2025, these enablers were already visible in practice. The Exchange continued to invest in digital platforms and system enhancements, align organizational structures and roles with strategic priorities, strengthen internal controls and business continuity arrangements, and work with regulators, intermediaries, development partners, and other stakeholders to support market development. This reflects an understanding that strategy execution depends not only on the strength of the

ambition itself, but also on the quality of the systems, culture, governance, and relationships that support delivery.

Overall, the 2025–2029 strategy provides the Exchange with a clearer framework for growth, service delivery, and institutional development. It positions the Uganda Securities Exchange to build on its traditional strengths while expanding into new areas of opportunity, improving customer experience, and contributing more strongly to the future development of Uganda’s capital markets.



Delivering on our Strategy in FY 2025

The year FY 2025 marked the first stage of implementation of the Uganda Securities Exchange’s 2025–2029 strategy. As the beginning of a new strategic cycle, the year was less about full realization of long-term targets and more about laying the institutional, operational, and market foundations needed for execution. Progress during the year reflected early movement across the Exchange’s strategic pillars, with emphasis on customer relevance, service improvement, innovation, market development, and institutional strengthening.

Being the Right Service Choice

In FY 2025, the Exchange continued to strengthen its relevance to market participants by responding to emerging market needs, supporting issuers and intermediaries, and broadening engagement with existing and potential users of the market. This included ongoing work to develop and refine product frameworks such as government securities OTC rules, ETF guidelines, and commercial paper arrangements, as well as engagement with market intermediaries and prospective participants including custodian banks, fund managers, issuers, and institutional investors.

The onboarding of Absa Bank as a custodian bank, continued work with potential new entrants, and progress in preparing a corporate bond issuance by a tier four microfinance institution reflected efforts to widen participation and support a more responsive market ecosystem.

The Exchange also continued to strengthen customer and stakeholder understanding through targeted market engagement. In FY 2025, this included issuer courtesy visits, investor education activities, media outreach, SACCO engagement, financial literacy sessions, downtown public sensitization, and stakeholder events aimed at improving awareness of market products and opportunities. These efforts helped reinforce the Exchange’s customer-focused direction and supported the broader strategic objective of aggregating demand and widening access to investment opportunities.



Delivering Frictionless Service

Efforts to improve service delivery and reduce customer effort remained central to implementation during the year. The Exchange continued enhancing digital access and service platforms through improvements to the Easy Portal, including interface upgrades and the introduction of direct share-buying functionality for equities. It also sustained use of USSD channels for investor onboarding and account access, contributing to continued growth in SCD accounts. Work on the mobile application and other digital access improvements also progressed during the year, alongside website enhancements and ongoing efforts to improve responsiveness and customer experience across platforms.

Operational efficiency and service quality were also supported by work on internal systems and process improvements. This included development of the compliance automation system for issuers and brokers, progress in cybersecurity and systems resilience, and efforts to strengthen policy accessibility and internal coordination. Together, these initiatives reflect a strategic shift towards more seamless service delivery, stronger digital infrastructure, and reduced friction for both internal users and external market participants.



Driving Sustainable Growth

The Exchange also made progress in positioning itself for sustainable growth by continuing to diversify products, deepen infrastructure, and strengthen institutional capacity. In the commodities space, work continued on warehouse onboarding, market sensitization, collateral management arrangements, ecosystem partnerships, and preparations for broader commodity participation.

In training and non-financial services, the Exchange continued to build offerings that support both market education and revenue diversification. In traditional and alternative market segments, the Exchange advanced product and rule development, regional integration readiness, and data-related service opportunities.

Institutional strengthening also formed part of the growth agenda. During the year, the Exchange undertook organizational review work to align roles and capacity with the new strategy, strengthened business continuity and disaster recovery arrangements, and continued investment in staff capability through training in areas such as leadership, governance, ESG, cybersecurity, legal compliance, and market development.

These investments support the Exchange’s ability to execute strategy over the medium term and reinforce the link between sustainable growth and institutional readiness.

Risk Management and Control

As the Uganda Securities Exchange continues to execute its strategic priorities, the dynamic nature of capital markets presents both risks and opportunities. In this evolving environment, maintaining a proactive, structured, and responsive approach to risk management is essential to sustaining market integrity, operational resilience, and long-term value creation.

Risk Management Approach at the USE

The risks that the Exchange faces are actively monitored and managed through an Enterprise Risk Management (ERM) framework, with mitigation measures embedded into operational and strategic planning processes.

In FY 2025, the Exchange continued to strengthen its ERM framework to ensure that risks are systematically identified, assessed, and managed across all areas of the institution. The ERM framework remains aligned with internationally recognized standards, including ISO 31000 and the COSO Enterprise Risk Management framework, and is fully integrated into the Exchange's governance, strategy, and operational processes. This enables the Exchange to manage strategic, operational, regulatory, technological, financial, and reputational risks in a coordinated and forward-looking manner.

RISK IDENTIFICATION

Definition and description of risk elements (including sources, events, causes and implications)

RISK ASSESSMENT

Analysing risk, its implications and forms of impact on the achievements

DEVELOPMENT, IMPLEMENTATION AND FOLLOW-UP OF RISK MANAGEMENT ACTIVITIES

Developing, implementing and following up on risk management system, and aligning risk appetite levels

MONITORING

Supervising the identification, assessment, implementation and follow-up of risk management activities

Risk Governance Structure

The governance of risk management at the Exchange is anchored in a clear and accountable structure:

- » The Board of Directors provides overall oversight and defines risk appetite
- » The Board Audit and Risk Committee ensures alignment between risk management and strategic objectives
- » Management is responsible for implementing risk mitigation measures across all functions
- » Risk Champions embedded within departments support risk identification, monitoring, and reporting
- » Internal Audit provides independent assurance on the effectiveness of risk management and internal controls.

The Exchange continues to apply the Three Lines of Defence model, which provides a structured approach to risk ownership and oversight across the institution. Under this model:

- » The First Line of Defence (business units and process owners) is responsible for identifying and managing risks in day-to-day operations
- » The Second Line of Defence (risk and compliance functions) provides oversight, guidance, and independent monitoring of risk management practices
- » The Third Line of Defence (internal audit) provides independent assurance on the effectiveness of controls, governance, and the overall risk management framework.

This model strengthens accountability, enhances control effectiveness, and ensures that risk management is embedded across all levels of the Exchange's operations.



The USE Categories of Risk

The Exchange identifies and categorizes its risks into several key areas to ensure comprehensive risk management and alignment with best practices. Each category is meticulously monitored and assessed to mitigate potential impacts on our business and stakeholders.



Credit Risk

Risk Exposure

Counterparty unable to meet fully its financial obligations when due or at any time in the future.

Risk Mitigation Measures

- » Conduct thorough credit checks on counterparties to access their financial stability.
- » Building partnerships with the clients and internally following up as a team. Continued escalation with the Legal Department.
- » Using the rules to inform our debtors of the potential penalties.



Liquidity Risk

Risk Exposure

Unable to meet financial obligation when they fall due without incurring additional costs or losses through liquidation of assets

Risk Mitigation Measures

- » Liquidity management policies and strategies are in place to ensure sufficient liquidity under normal and stressed conditions.



Data Protection and Privacy

Risk Exposure

Compromising confidentiality and integrity of the investor data in its custody.

Risk Mitigation Measures

- » Registered and complies with the Personal Data Protection Office and Data protection laws
- » Robust security measures controls and regular audits to identify vulnerabilities and address them promptly.



Information Technology Risk

Risk Exposure

We operate in a highly automated and integrated trading and settlement system that requires high availability and efficiency.

Risk Mitigation Measures

- » Continuous system monitoring and performance testing to maintain high availability and minimize downtime.
- » Implement redundant systems and infrastructure to ensure continuity of operations.
- » All critical data is backed up regularly.
- » Provided ongoing cybersecurity training to employees.



Legal Risk

Risk Exposure

Unexpected application of law or regulation either through litigation by or against the USE or changes in the law resulting in increased cost of doing business.

Risk Mitigation Measures

- » Continuously monitor changes in laws and regulations to anticipate and adapt to new requirements.
- » Review and update contracts to minimize ambiguities and risks.
- » Strong relationship with regulators to stay informed about regulatory updates.



Compliance Risk

Risk Exposure

Suffer fines and penalties, regulatory sanctions and voiding of contracts resulting from noncompliance to laws and regulations, internal controls or prescribed best practice guidelines, standards and contractual terms.

Risk Mitigation Measures

- » Three lines of defence model to distribute accountability and reduce gaps in oversight.
- » Conduct regular compliance risk assessments.
- » In-house training to staff.
- » Timely reporting and follow up on compliance issues.
- » Review all procedures and company policy to ensure that they are consistent with the law.



Operational Risk

Risk Exposure

Risks arising from internal process failures, human error, technological vulnerabilities and external disruptions.

Risk Mitigation Measures

- » Provide ongoing training to employees on operational procedures.
- » Implement internal controls and process reviews.
- » Conduct regular audits to identify and address vulnerabilities



Investment Risk

Risk Exposure

Potential losses from investment decisions.

Risk Mitigation Measures

- » Diversify investment portfolios to minimize risk.
- » Conduct thorough risk assessments and robust decision-making processes.



Third Party Risk

Risk Exposure

Risks associated with third party vendors.

Risk Mitigation Measures

- » Conduct thorough due diligence on third party vendors.
- » Establish clear contractual terms and monitoring processes.
- » Regular review and assessment of third-party performance.



Reputational Risk

Risk Exposure

Damage to organizational reputation like negative publicity.

Risk Mitigation Measures

- » Implement crisis management plans.
- » Maintain transparent communication with stakeholders.



Business Continuity Risk

Risk Exposure

Inability to continue critical operations and functions during and after unexpected events and disasters.

Risk Mitigation Measures

- » Develop and regularly update a Business Continuity Plan (BCP).
- » Conduct regular drills and training for BCP implementation.
- » Ensure regular backup systems and infrastructure.



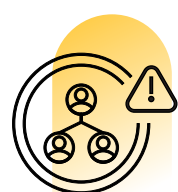
Anti-Money Laundering Risk

Risk Exposure

Regulatory penalties, reputational damage and financial losses as a result of failure to adequately detect, prevent or report money laundering activities.

Risk Mitigation Measures

- » Implement robust AML policies and procedures.
- » Conduct regular training for staff on AML regulations.
- » Use advanced technology to detect and report suspicious activities.



Market Risk

Risk Exposure

Potential losses from market fluctuations (interest rate, exchange rate)

Risk Mitigation Measures

- » Conduct thorough market analysis and risk assessments.
- » Maintain a diversified portfolio to reduce risk.

Strengthening Risk Integration with Strategy

In FY 2025, the Exchange deepened the integration of risk management with its strategic direction. A quarterly risk tracker was introduced to monitor risks across both traditional and emerging product lines, aligning risk oversight more closely with revenue streams and new business areas. This approach enables:

- » Continuous monitoring of risks linked to strategic initiatives
- » Early identification of exposures associated with new products
- » Improved alignment between project implementation and risk mitigation

Risk management also remains embedded in product development processes, with risk assessments conducted at early stages to support informed decision-making and reduce implementation risk.

Operational and Technology Risk Management

Operational and technology-related risks remained a key priority in FY 2025, reflecting the Exchange's increasing reliance on digital systems and external integrations. During the year:

- » Risk registers were expanded to include third-party exposures, particularly arising from integrations with telecommunications partners and other service providers.
- » Cybersecurity controls were strengthened through firewall upgrades, vulnerability assessments, and penetration testing.
- » Greater attention was given to system resilience and data protection in line with increasing digitalization.

These measures enhance the reliability and security of trading, settlement, and data systems, which are critical to market confidence and operational continuity.

Business Continuity and Resilience

A major milestone in FY 2025 was the formal approval of the Business Continuity Plan (BCP) and associated Disaster Recovery Plan (DRP). These frameworks:

- » Define incident categories, response protocols, and responsible teams
- » Provide structured guidance for maintaining operations during disruptions
- » Include regular system failover testing to ensure readiness

This represents a significant step in strengthening the Exchange's operational resilience as it continues to automate services and expand technology-enabled access.

Compliance, Anti Money Laundering, and Internal Control Environment

The Exchange continued to strengthen its compliance and control environment through policy, systems, and institutional capacity. Key developments in FY 2025 included:

- » An independent audit of the AML framework to assess effectiveness and regulatory alignment
- » Strengthening of Customer Due Diligence (CDD) and Enhanced Due Diligence (EDD) processes
- » Implementation of real-time transaction monitoring systems to detect suspicious activity
- » Appointment of a Money Laundering Control Officer (MLCO)
- » Ongoing staff training and regulatory reporting, including submission of AML reports to the Financial Intelligence Authority
- » Weekly reporting of large cash transactions to strengthen oversight

These measures reinforce the Exchange's commitment to financial integrity, regulatory compliance, and the prevention of illicit financial activities.

Building a Risk-Aware Culture

Beyond systems and frameworks, the Exchange continued to strengthen its risk culture in FY 2025. Key initiatives included:

- » Expansion of the internal policy hub that was established in 2024, improving accessibility and application of policies
- » Ongoing risk awareness training and communication
- » Strengthening departmental accountability through risk ownership

These efforts contribute to improved risk identification, reporting quality, and responsiveness across the organization.

Looking Ahead

Looking ahead, the USE has identified opportunities to further enhance its risk management approach. These include:

- » Expanding market risk monitoring to include volatility, liquidity, and concentration metrics
- » Integrating Environmental, Social, and Governance (ESG) risks more fully into the risk framework
- » Strengthening oversight of emerging risks associated with new products and digital platforms

The Exchange's approach to risk management and control in FY 2025 reflects a deliberate balance between prudence and growth. It enables the institution to pursue innovation, expand access, and develop new market opportunities, while maintaining the governance, oversight, and operational discipline required of a modern and resilient market institution.



Positioned for Performance

FY 2025 was the first year of a new strategic cycle and a year focused on strengthening the institutional foundations for future growth. The Exchange advanced its governance, reinforced its risk and control frameworks, deepened stakeholder engagement, and aligned its people, systems, and resources to a new strategic direction.

The year also marked continued progress in the Exchange's evolution towards a more diversified business model, broadening revenue sources, expanding products and services, and strengthening complementary capabilities across the wider USE Group, while traditional market activities remain central to its role.

Taken together, these efforts strengthened the Exchange's capacity to create, protect, and sustain value across its interconnected roles as a market operator, self-regulatory organization, and commercial entity, and established the platform from which the objectives of the 2025–2029 Strategy will be pursued in the years ahead.



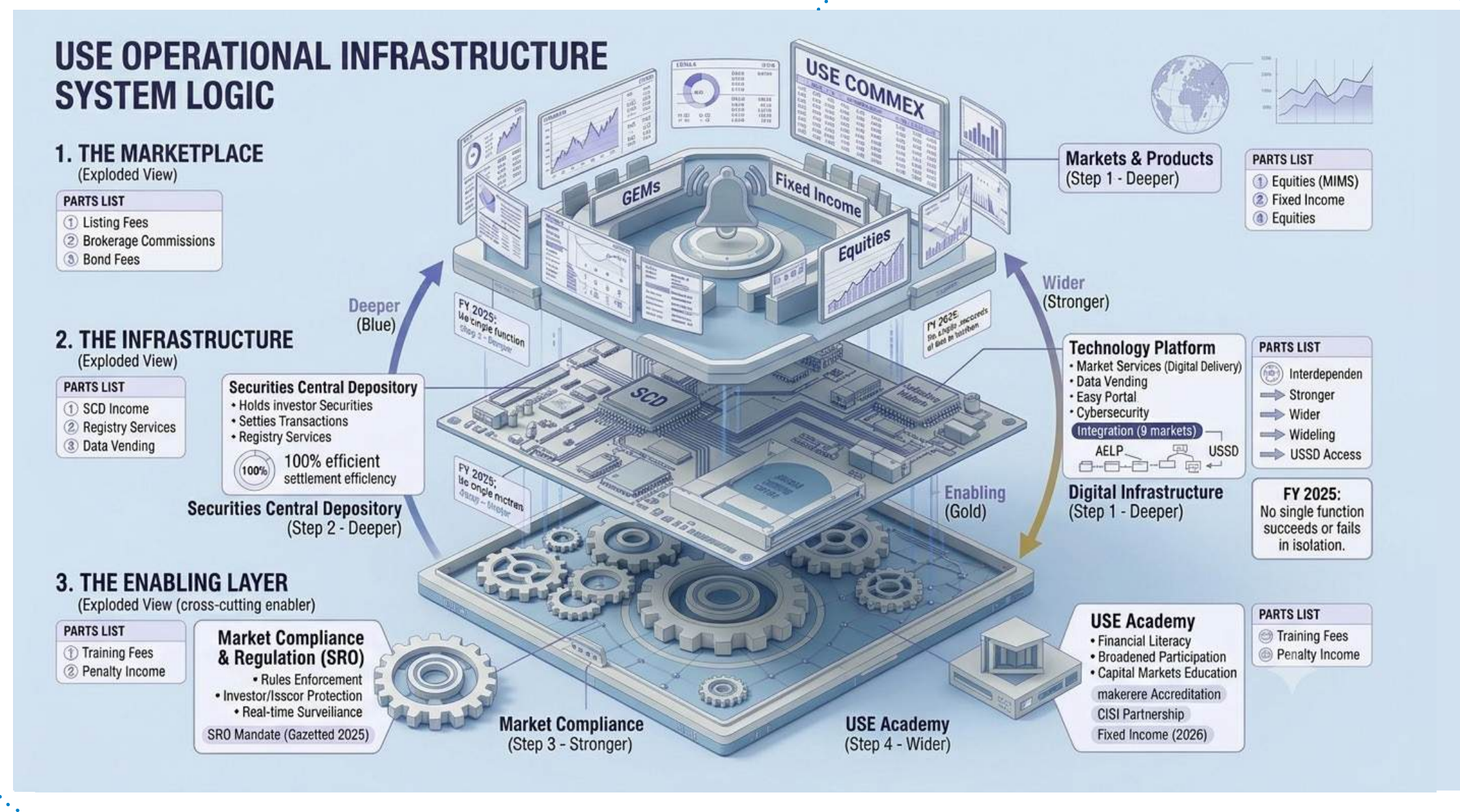
A man with a beard, wearing a grey suit, white shirt, and blue striped tie, is seated and speaking into a silver microphone. He is looking slightly to his left. The background is blurred, showing other people in a conference setting. A blue graphic overlay is in the top right corner.

Business Performance Review

Business Performance: A Review of FY 2025

The Uganda Securities Exchange is only as strong as the sum of its parts, and in FY 2025, every part contributed. As a licensed exchange, a self-regulatory organization, and a commercial entity with subsidiaries spanning commodity markets and registry services, the Exchange operates across a broad range of interconnected roles. Its value lies not in any single function in isolation, but in how those roles work as a system, each one reinforcing the others, and each one accountable to the same market the Exchange exists to serve.

This Business Performance Review explains how the different functions performed in FY 2025, and how together, they shaped the Exchange's overall results. While some headline indicators moderated against an exceptional FY 2024 comparative base, the year reflected sustained progress in strengthening market infrastructure, widening access, expanding products and supporting long-term market development. Excluding the non-recurring impact of the MTN Uganda secondary share sale, the underlying recurring business continued to grow, demonstrating the ongoing strengthening of the Exchange's diversified revenue base.



Running, Safeguarding and Growing the Marketplace

This review is organized around three operational layers that reflect how the Exchange creates, protects and grows market value: running the marketplace, safeguarding the marketplace, and growing the marketplace. Each layer covers the functions that contribute to it, and together they account for the Exchange's market operations, settlement and registry services, regulatory and compliance activities, commodities market development, technology investments, training initiatives and financial performance.

Operational layer	Sections covered	Pillar
Layer 1 — Running the marketplace	· Markets and Products · SCD and Registry · USE Commodities Exchange · New Products and Market Development	Deeper
Layer 2 — Safeguarding the marketplace	· Market Compliance and Regulation · Technology and Information Systems · Spotlight: UMEME	Stronger
Layer 3 — Growing the marketplace	· USE Academy · Spotlights: EACMC · AELP	Wider
Financial synthesis	· Financial Performance Review — revenue, operating performance, balance sheet, FY 2026 outlook	All three

Layer 1

Running the Marketplace

The Exchange's core function: providing the regulated infrastructure through which securities are listed, traded, settled, and held, and through which commodity markets are being established.

The traditional assets portfolio generated the majority of the Exchange's revenue in FY 2025 and delivered strong price performance across both equity and fixed income markets.

The equities market recorded its highest deal count in three years, and total market capitalization reached a record UGX 35.58 trillion. The fixed income market expanded in volume and extended Uganda's yield curve to 25 years.

The Securities Central Depository settled all 16,596 transactions executed during the year at 100% efficiency.

The Commodities Exchange advanced from a pre-revenue foundation stage to executing its first trades. Excluding the non-recurring impact of the MTN Uganda secondary share sale, Group income grew by 17.51% year-on-year, reflecting the continued strengthening of the Exchange's recurring revenue base.

Markets and Products

 Deals Executed

8,298

▲ 13.79% vs FY 2024

Three-year high

 Total Market Capitalisation (UGX)

35.58t

▲ 36.57% vs FY 2024

Record high

 USE All Share Index

▲ 36.58%

Best-performing exchange in East Africa in FY 2025

 Underlying Turnover Growth

▲ 27.24%

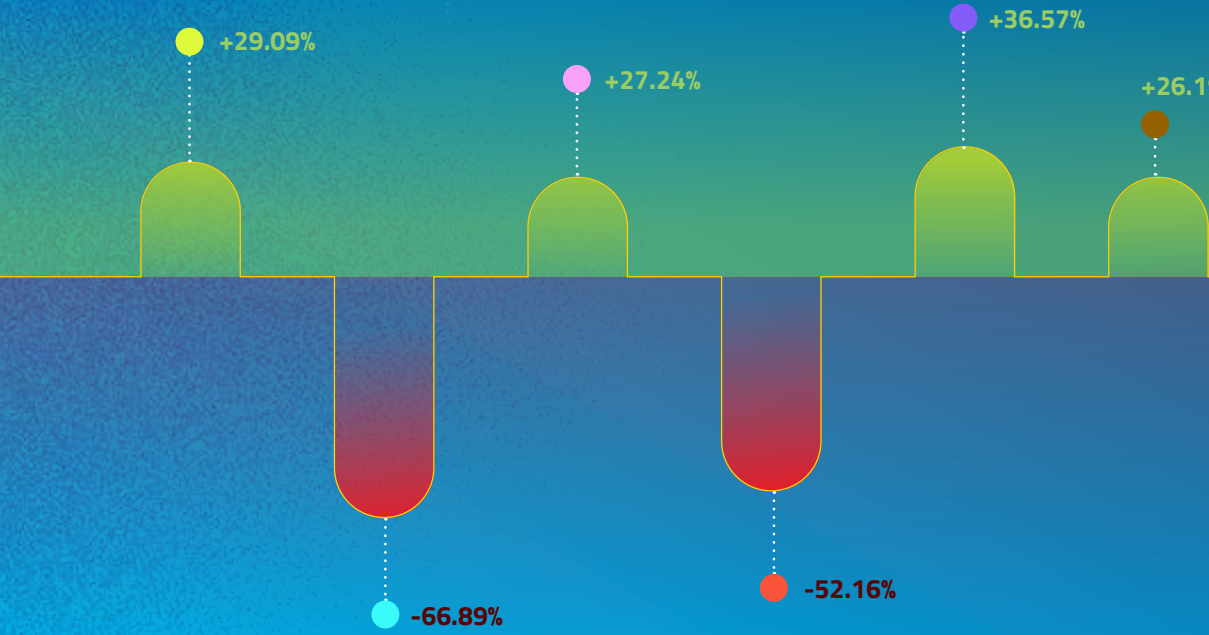
Excluding FY 2024 MTN secondary share sale

Equities

Equities trading in FY 2025 reflected underlying market growth, though the headline figures require reading against the prior year. Total equities turnover of UGX 98.65 billion was 66.89% below FY 2024's UGX 298 billion, which had been elevated by the MTN Uganda secondary share sale, a single transaction worth approximately UGX 220 billion, extraordinary in scale, structure, and non-recurring nature. Excluding that transaction, underlying turnover grew by 27.24% from UGX 77.53 billion in FY 2024.

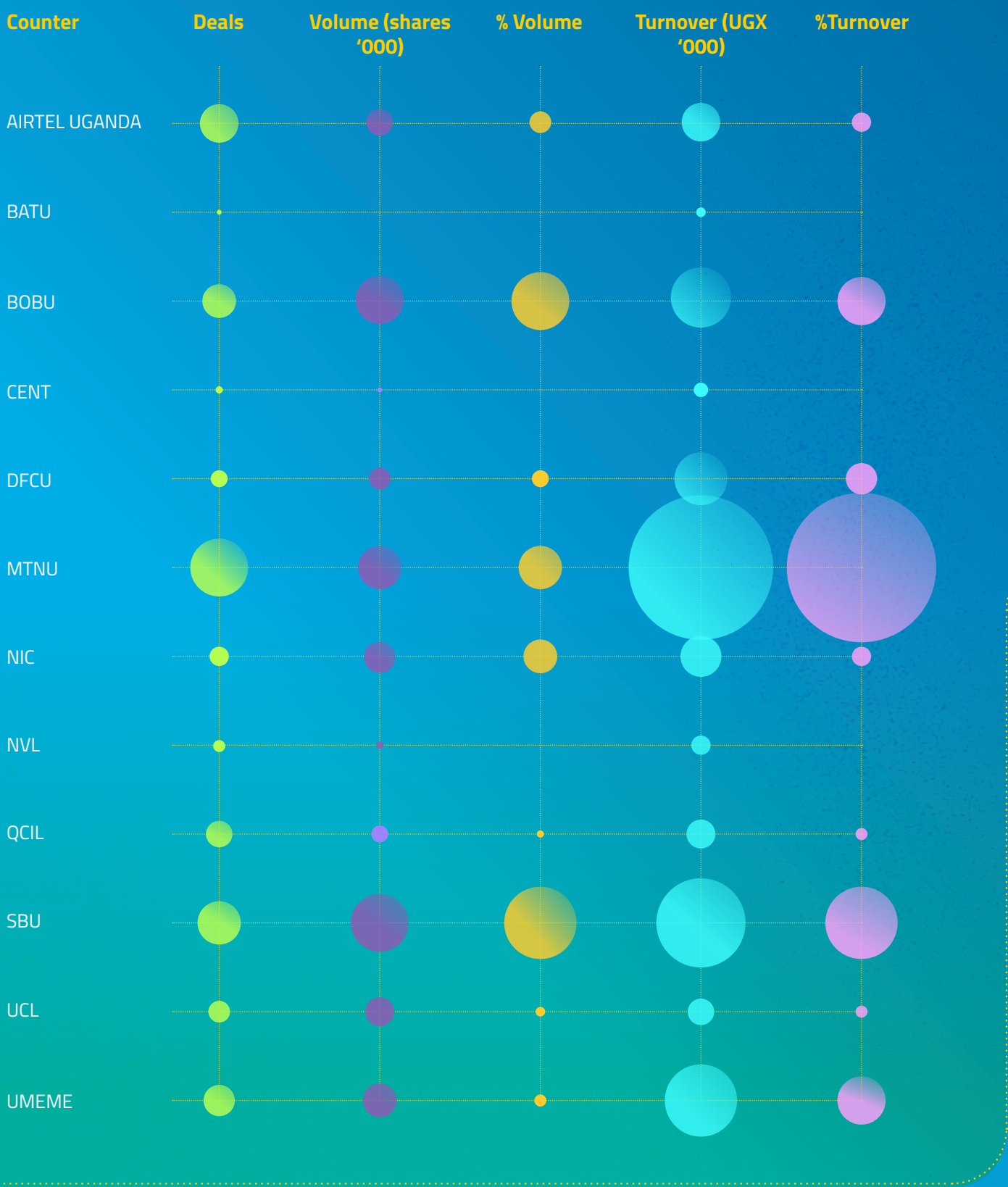
Deal volumes increased 29.09% to 8,342 – the highest in three years – indicating broader participation across the investor base, independent of the impact of any single large transaction. Domestic market capitalization as a share of GDP stood at 6.9% at year-end. Institutions accounted for 81% of total turnover traded during the year, down from 93% in FY 2024, with the reduction partly reflecting the absence of the large institutional MTN transaction.

Metric	FY 2025	FY 2024	Change
Deals	8,298	7,292	+13.79%
Turnover — headline (UGX bn)*	98.65	298.00	-66.89%
Turnover — underlying* (UGX bn)	98.65	77.53	+27.24%
Volume (million shares)	1,052	2,200	-52.16%
Market cap — all share (UGX tn)	35.58	26.05	+36.57%
Market cap — domestic (UGX tn)	15.98	12.66	+26.19%



* Underlying turnover excludes the FY 2024 MTN Uganda secondary share sale of approximately UGX 220 billion.

Trading turnover per counter



Counter	Deals	Volume (shares '000)	% Volume	Turnover (UGX '000)	% Turnover
AIRTEL UGANDA	1,178	9,444	0.90%	784,705	0.80%
BATU	1	0	0.00%	1,350	0.00%
BOBU	1,027	252,742	24.02%	7,042,784	7.14%
CENT	4	8	0.00%	2,742	0.00%
DFCU	116	6,795	0.65%	2,035,865	2.06%
MTNU	3,070	198,426	18.86%	55,928,858	56.69%
NIC	121	155,466	14.77%	807,205	0.82%
NVL	20	22	0.00%	3,372	0.00%
QCIL	322	2,263	0.22%	250,902	0.25%
SBU	1,790	360,053	34.21%	20,395,796	20.67%
UCL	228	30,927	2.94%	208,001	0.21%
UMEME	465	36,194	3.44%	11,191,891	11.34%
TOTAL	8,342	1,052,340		98,653,472	



Price performance was broad-based. Bank of Baroda Uganda gained 111.24% over the year, driven by strong banking sector earnings and renewed investor demand. Stanbic Bank Uganda gained 53.68%, QCIL 82.68%, Jubilee Holdings 90.71%, and DFCU 33.78%.

Cross-listed counters benefited from stable shilling conditions and monetary easing across the region, with EABL gaining 49.48%, KCB 58.31%, and Equity Bank 41.32%. Four counters ended the year lower: UMEME declined 41.69% and UCL 44.44%, reflecting company-specific circumstances covered separately in this report.

Price performance — all counters

Counter	Dec-24 (UGX)	Sep-25 (UGX)	Dec-25 (UGX)	3-month chg	FY 2025 chg
AIRTEL UGANDA	58.00	80.00	85.00	+6.25%	+46.55%
BATU	15,000.00	15,000.00	13,500.00	-10.00%	-10.00%
BOBU	22.25	44.00	47.00	+6.82%	+111.24%
CENT	288.16	409.35	371.73	-9.19%	+29.00%
DFCU	225.00	261.00	301.00	+15.33%	+33.78%
EABL	5,039.23	5,782.28	7,532.77	+30.27%	+49.48%
EBL	1,310.20	1,560.41	1,851.63	+18.66%	+41.32%
JHL	4,854.69	8,511.30	9,258.15	+8.77%	+90.71%
KA	108.73	107.27	98.47	-8.20%	-9.44%
KCB	1,134.18	1,533.39	1,795.52	+17.09%	+58.31%
MTNU	275.00	294.28	315.00	+7.04%	+14.55%
NIC	5.00	5.00	5.00	0.00%	0.00%
NMG	370.49	353.96	349.28	-1.32%	-5.72%
NVL	152.00	150.00	150.00	0.00%	-1.32%
QCIL	63.50	118.00	116.00	-1.69%	+82.68%
SBU	39.25	61.10	60.32	-1.28%	+53.68%
UCL	9.00	6.50	5.00	-23.08%	-44.44%
UMEME	415.00	405.00	242.00	-40.25%	-41.69%



Trading activity remained concentrated in a small number of counters. The top five – MTNU, SBU, UMEME, BOBU, and DFCU – accounted for 97.91% of total turnover, consistent with prior years. This structural concentration reflects the limited breadth of actively traded listings and defines the strategic imperative for the periods ahead: the Exchange needs more listings, more products, and a broader investor base if the market’s underlying growth is to translate into deeper liquidity.

97.91%
of total turnover from the top five
- MTNU, SBU, UMEME, BOBU, and
DFCU

USE at a Glance

USE All Share Index

1,631.80

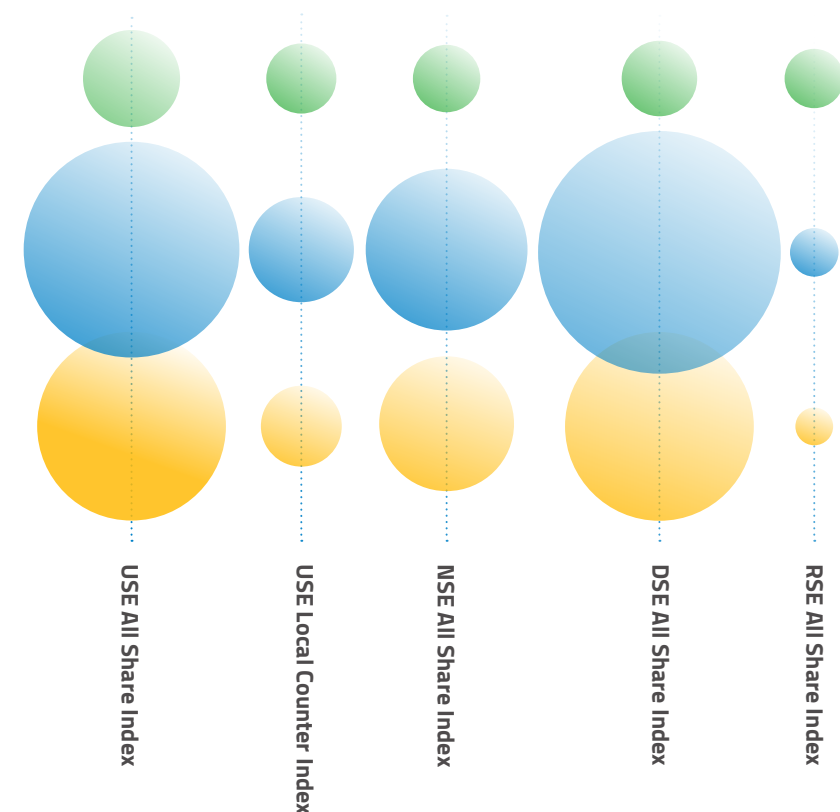
▲ 36.58% from 1,194.80
at the start of the year

USE Local Counter Index

▲ 26.21% gain
closing at 387.45

Index Performance

The USE All Share Index closed FY 2025 at 1,631.80 points, a gain of 36.58% from 1,194.80 at the start of the year. The USE Local Counter Index gained 26.21%, closing at 387.45. Activity across MTNU, SBU, BOBU, Airtel Uganda, and QCIL drove the gains on the Local Counter Index. Across East Africa, every major exchange closed the year higher. The USE All Share Index gained 36.58%, outperforming the DSE (28.48%), NSE (25.02%), and RSE (22.45%).



Index	2 Jan 2025	31 Dec 2025	FY 2025 change
USE All Share Index	1,194.80	1,631.80	+36.58%
USE Local Counter Index	306.99	387.45	+26.21%
NSE All Share Index	149.24	186.58	+25.02%
DSE All Share Index	2,149.67	2,761.93	+28.48%
RSE All Share Index	148.84	182.26	+22.45%

Fixed Income

The Fixed Income market was among the year's strongest-performing segments and continued to be the most liquid segment of Uganda's capital markets in FY 2025. Total government securities turnover reached UGX 101.7 trillion (USD 28.8 billion), equivalent to an average daily turnover of UGX 423 billion (USD 120 million). Yields moved modestly across the curve, rising an average of 18 basis points, with more pronounced movement on longer-dated instruments. The yield curve maintained its normal upward-sloping shape, with a spread of 119 basis points between the 2-year and 10-year bonds. The total outstanding stock of government securities stood at approximately UGX 63 trillion at year-end. Despite the election cycle and prevailing geopolitical risks, yields remained relatively stable throughout the year.

The introduction of a 25-year government bond extended Uganda's yield curve beyond any previous point, opening at a 16.0% yield and closing the year at 17.753%. This gives institutional investors greater duration options and supports infrastructure financing at tenors previously unavailable in the domestic market. The extension of the yield curve, together with S&P's sovereign credit rating upgrade to B-, broadens the potential investor base for Uganda's government securities. The Government of Uganda raised UGX 25.78 trillion during the year, exceeding the demand of UGX 22.92 trillion by 12.48%, up 16.65% from the UGX 22.1 trillion raised in FY 2024.

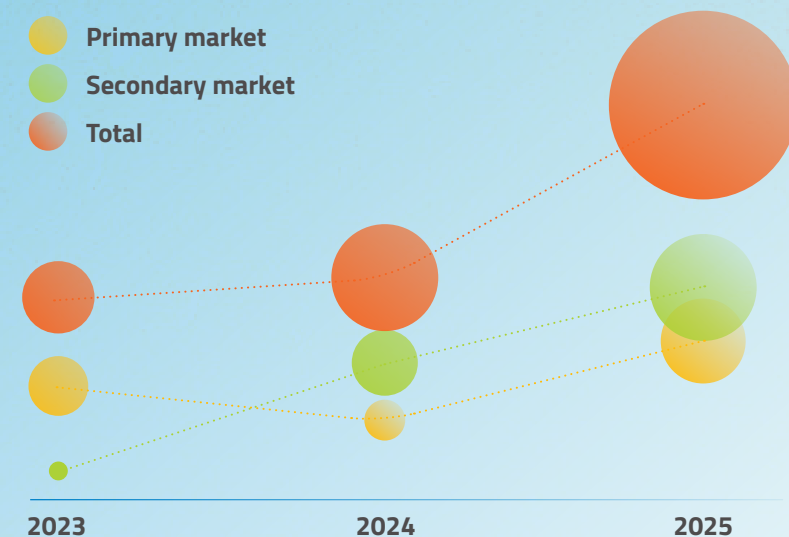
S&P Global upgraded Uganda's sovereign credit rating to B- with a positive outlook, citing improvements in fiscal discipline, economic performance, and external reserves alongside favourable oil sector prospects. A better-rated sovereign directly widens the international investor universe for Uganda's government securities. The Ministry of Finance has signaled plans to reduce domestic borrowing going forward, which would likely ease yields on the market over time.

The Exchange's alternative government bond trading platform posted turnover of UGX 61.28 billion in FY 2025, up 75.29% from UGX 34.96 billion in FY 2024, with both primary auctions and secondary market trading driving the growth. Full connectivity to the Bank of Uganda's core payment system is scheduled for Q2 2026, upon which a further step-up in platform volumes is expected through straight-through processing.

Government Securities Yield Curve - Secondary Market Rates

Instrument	31 Dec 2025	31 Dec 2024	Change (bps)
91-day Treasury bill	10.831%	11.719%	-88.8
182-day Treasury bill	12.994%	13.250%	-25.6
364-day Treasury bill	14.763%	14.991%	-22.8
2-year bond	15.544%	15.681%	-13.7
3-year bond	15.856%	15.769%	+8.7
5-year bond	16.031%	15.884%	+14.7
10-year bond	16.734%	16.416%	+31.8
15-year bond	17.597%	16.803%	+79.4
20-year bond	17.703%	17.421%	+28.2
25-year bond (new)	17.753%	—	New

Alternative Government Securities Platform - Turnover(UGX bn)



UGX(bn)	2023	2024	2025
Primary market	19.32	13.31	27.18
Secondary market	3.52	21.65	34.10
Total	22.84	34.96	61.28



Growth Enterprise Market

The Growth Enterprise Market Segment focused on pipeline development in FY 2025. The Exchange participated in the KPMG SME Top 100 Survey, which identified approximately 27 companies with the financial profile and governance standards to access capital through the Exchange. The USE also sponsored the Financial Reporting Awards in partnership with ICPAU and New Vision, promoting improved financial reporting standards among Ugandan companies. BERI forums and capital raising readiness training supported the pipeline of issuer candidates for both GEM and the main market.

The USE Eddaala private placement platform continued to facilitate equity and debt funding for companies not yet eligible for public listing. The identification of approximately 27 companies with the financial profile and governance standards to access capital through the Exchange represents a meaningful near-term pipeline. The Exchange's ability to broaden its listed base in the years ahead depends on the quality of companies being prepared now.

Data Vending

Data vending revenue grew by 103.0% to UGX 205 million, reflecting increased demand for market information and analytical services from investors, intermediaries and market participants.

205m

in 2025 double the revenue of FY 2024: the fastest-growing non-financial service line in the Exchange's portfolio



Securities Central Depository and Registry

Every trade executed on the Uganda Securities Exchange has to settle: securities delivered, cash transferred, obligations cleared. The Securities Central Depository settled all 16,596 transactions executed during FY 2025 at 100% efficiency, with total gross settlement value of UGX 196.8 billion (USD 54.45 million). The Exchange operates a net settlement framework, under which only net obligations transfer between participants, reducing counterparty exposure and improving operational efficiency. Consistent settlement performance supports the confidence of institutional investors, including pension funds, custodians, and fund managers, who require predictable settlement to participate in the market.



Market dematerialisation

90.31%

190 certificates · 4.56m shares immobilized in FY 2025



Total SCD accounts

273,574

▲ 6.15% - 13,510 new accounts opened



Gross Settled Value

196.8b

*100% settlement efficiency
16,596 transactions*



New Accounts Via USSD

74%

Digital onboarding continues to dominate

Investor Accounts

The total SCD account base grew to 273,574 by year-end, comprising 232,918 unique accounts. During the year, 13,510 new accounts were opened, indicating a 6.15% growth rate on unique accounts, compared to 6.83% in FY 2024. Of those new accounts, 74.02% were opened through the USSD platform operated in partnership with MTN and Airtel Uganda. Physical account openings increased to 23% of total new accounts, up from 4% in FY 2024, reflecting expanded in-person engagement through the Neighbour Connect program and SACCO outreach sessions. Crested Capital accounted for the majority of new accounts opened at 51.34%, followed by Old Mutual Investment Group at 22.55%, Chipper Technologies at 11.02%, and SBG Securities at 10.00%.

Accounts in the Depository are classified as Individual, Company, and Minor, held across East African, Local, and Foreign investor categories. The distribution across these categories remained broadly consistent between FY 2024 and FY 2025. The Board approved the introduction of a UGX 100,000 initial trading deposit requirement for new retail SCD accounts, to be operationalized in FY 2026. The measure is designed to improve the conversion rate from account registration to active market participation, addressing a structural gap where account growth has outpaced transacting investor growth.

SCD accounts — three-year trend

	2023	2024	FY 2025	% change (unique)
Opening balance (unique)	120,744	205,376	219,408	
Closing balance (unique)	205,376	219,408	232,918	+6.15%
New accounts opened	84,632	14,032	13,510	-3.72%

New accounts by broker and channel — FY 2025

Broker / Channel	Airtel USSD	MTN USSD	Easy Portal	Physical	Total	% share
Crested Capital	675	4,618	81	1,562	6,936	51.34%
Old Mutual Inv. Group	1,302	913	201	631	3,047	22.55%
Chipper Technologies	58	1,079	26	326	1,489	11.02%
SBG Securities	442	516	61	332	1,351	10.00%
Dyer & Blair Uganda	246	151	27	156	580	4.29%
Standard Chartered Bank	—	—	—	58	58	0.43%
Stanbic Bank Uganda	—	—	—	47	47	0.35%
Housing Finance Bank	—	—	—	1	1	0.01%
KCB Bank Uganda	—	—	—	1	1	0.01%
Total	2,723	7,277	396	3,114	13,510	100%

Settlement and Custodian Infrastructure

Standard Chartered Bank was the largest participant by gross settlement value at UGX 78.1 billion, followed by Stanbic Bank Uganda at UGX 67.3 billion. By broker trading activity, SBG Securities accounted for 38.53% of total turnover in FY 2025, followed by Crested Capital at 28.51% and Old Mutual Investment Group at 26.92%. Chipper Technologies grew its share of settlement value by 195.52%, from UGX 1.85 billion to UGX 5.46 billion, reflecting growing retail investor activity through digital channels.

ABSA Bank was onboarded as the sixth custodian bank during the year, expanding the settlement network and improving access for domestic and international investors.

During the year, no inter-depository transfers were made between the USE and the Nairobi Securities Exchange under the existing MOU and IDT arrangement.

Gross settlement breakdown by participant — FY 2025

Participant	Buy (UGX)	Sell (UGX)	Total gross (UGX)	Net position (UGX)
Standard Chartered Bank	36,585,443,764	41,505,121,762	78,090,565,526	4,919,677,998
Stanbic Bank Uganda	37,490,104,693	29,816,109,891	67,306,214,584	(7,673,994,803)
Old Mutual Inv. Group	10,077,173,013	7,913,726,003	17,990,899,016	(2,163,447,010)
Crested Capital	8,772,574,890	10,439,101,716	19,211,676,606	1,666,526,826
SBG Securities	3,378,489,563	5,188,413,041	8,566,902,604	1,809,923,477
Dyer & Blair Uganda	1,823,751,464	2,894,389,323	4,718,140,787	1,070,637,859
Chipper Technologies	142,265,527	154,173,442	296,438,969	11,907,915
Housing Finance Bank	132,868,500	388,466,975	521,335,475	255,598,475
KCB Bank Uganda	2,863,237	—	2,863,237	(2,863,237)
Bank of Africa	—	106,032,500	106,032,500	106,032,500
TOTAL	98,405,534,652	98,405,534,652	196,811,069,304	—





ISIN Allocation

The Exchange serves as Uganda’s National Numbering Agency, responsible for allocating International Securities Identification Numbers to securities issued in Uganda. ISINs are the globally recognised standard for identifying financial instruments, and their allocation is a prerequisite for securities to be traded, settled, and held within domestic and international market infrastructure.

In FY 2025, the Exchange continued to issue ISINs to newly listed securities and to instruments approved through the Exchange’s product frameworks, including government securities and corporate bonds. This function supports both the Exchange’s regulatory role and its broader market development agenda, as new products such as sukuk and ETFs move toward launch in FY 2026, ISIN allocation will be among the first operational steps in bringing them to market.

Share Immobilization

Market-wide dematerialization stood at 90.31% as at 31 December 2025. A total of 190 physical share certificates amounting to 4.56 million shares were immobilized during the year, compared to 197 certificates and 7.21 million shares in FY 2024. CIPLA, Airtel Uganda, MTN Uganda, and UMEME reached 100% immobilization. BATU remains the furthest from full dematerialization at 9.11% immobilized, with UCL at 93.11%. Both counters hold the bulk of remaining physical certificates with long-term individual shareholders, and engagement with those shareholders continues.

Share immobilization by counter — 31 December 2025

Counter	Total issued shares	Immobilized shares	% Immobilized	% Outstanding
CIPLA	3,651,909,200	3,651,909,200	100.00%	0.00%
AIRTEL	40,000,000,000	40,000,000,000	100.00%	0.00%
MTNU	22,389,044,239	22,389,044,239	100.00%	0.00%
UMEME	1,624,278,005	1,624,278,005	100.00%	0.00%
BOBU	15,000,000,000	14,995,268,027	99.97%	0.03%
SBU	51,188,669,700	51,007,420,384	99.65%	0.35%
DFCU	748,144,893	742,188,502	99.20%	0.80%
NIC	2,123,669,577	2,107,191,554	99.22%	0.78%
NVL	76,500,000	71,358,237	93.28%	6.72%
UCL	900,000,000	838,022,146	93.11%	6.89%
BATU	49,080,000	4,472,707	9.11%	90.89%

Registry Services

SCD Registrars served over 32,000 investors and supported a growing base of listed and private company clients in FY 2025, generating UGX 168 million in revenue. The function provided shareholder management services including dividend processing, AGM administration, corporate actions, and shareholder communications. Hybrid AGM formats, combining physical and virtual attendance, were maintained across the issuer base, improving shareholder accessibility and reducing administrative burden on issuers. The Registry function forms part of the Exchange’s non-financial services portfolio and contributes a stable, recurring revenue stream.



USE Commodities Exchange



FY 2025 marked the Commodities Exchange's transition from pre-revenue infrastructure development to operational trading. Initial transactions were executed across accredited warehouse partners, and revenue of UGX 5.6 million was recorded – the Exchange's first commercial income from the commodities platform, compared to zero in FY 2024. The scale of commercial activity was modest by design; the operational and ecosystem progress achieved during the year establishes the foundation for more significant volumes in the periods ahead.

 **First revenue recorded(UGX)**

5.6m

*Up from zero in FY 2024
proof of concept*

 **Farmers with structured access**

6,240

Mubende and Mityana districts

 **Warehouse capacity onboarded**

102,000 MT

Across five warehouse operators

 **Commodities listed**

6 commodities

Maize · beans · sesame · paddy rice · sorghum · soybean

Warehouse Infrastructure

Five warehouse partners were at various stages of operational readiness by October 2025. Shamba Bora Ltd holds 1,000 MT capacity and executed pilot deposits during the year. Askar General Merchandise deposited and traded 59.9 MT of Grade 1 maize. Aponye (U) Ltd brings the largest footprint with over 100,000 MT of capacity and reached 75% completion on documentation requirements. Staragri Agric Solutions designated 1,000 MT for COMDEX activity, and Birya Traders' onboarding was in progress at year-end.

Total warehouse capacity across onboarded operators reached 102,000 MT. The Uganda National Bureau of Standards conducted GAP analyses at key facilities, and the collateral management framework operated through Venture South Management provided independent quality verification at deployed warehouses. Mobile grain testing services were deployed to key production corridors to support quality assurance in the field.

Stakeholder Engagement and Financing Linkages

By the first half of FY 2025, the COMDEX was supporting 6,240 farmers with structured market access across Mubende and Mityana districts. Sensitization sessions in those districts, as well as in Lira, Kyazanga, and Kapchorwa, brought together district officials, farmer cooperatives, SACCOs, aggregators, and financial institutions, with over 100 farmers participating in outreach sessions and approximately 110,000 metric tonnes of supply commitments secured from farmer groups.

These commitments reflect early adoption of structured trading practices among agricultural communities with limited prior exposure to formal commodity markets. Radio campaigns on regional stations promoted structured commodity trading and the practical benefits of certified warehouse receipt systems.

Integration of warehouse operators with the Automated Trading System continued, alongside training to support operational readiness.

Financing partnerships with DFCU Bank, Uganda Development Bank, and aBi Finance were advanced to structure credit products linked to warehouse deposits — enabling farmers and aggregators to access financing against stored commodity rather than selling at harvest-time prices. Engagements with transport providers supported structured logistics arrangements to reduce cost volatility in moving commodities to warehouses. These financing and logistics linkages are central to the COMDEX's value proposition to the agricultural sector.

The year also surfaced the challenges that are typical of a structured market being built in an agricultural economy where informal trading has been the norm for generations. Closing the gap between the licensing framework and operational rules remains a priority for FY 2026, as detailed rules continue to evolve alongside market activity. Variability in grain quality and handling practices presented quality assurance challenges that mobile testing deployment has begun to address.

Coordinating across government agencies, financial institutions, logistics providers, and farmer organizations requires sustained institutional coordination that extends beyond core exchange operations. Equally, consistent farmer participation in structured trading systems can only be built over time, as producers experience across multiple trading cycles that structured markets deliver reliable price premiums. The awareness created in FY 2025 therefore represents an important first step toward longer-term behavioral change and sustained market participation.

FY 2026 priorities

Expand warehouse operator onboarding; enhance quality control systems and mobile testing capacity; broaden traded commodities to include coffee, palm oil, tea, cocoa, timber, and metals; pursue associate membership of the East African Grain Council; deepen financing linkages using warehouse receipts as collateral; and advance toward scaled, repeatable structured trading.

The Exchange's three marketplace-running functions each advanced in FY 2025. The traditional assets portfolio delivered record market capitalization and flawless settlement. The Commodities Exchange generated its first revenue. Together, these functions constitute the operational core of the Exchange's integrated market infrastructure.

The second layer addresses how that infrastructure is safeguarded.

Layer 2

Safeguarding the Marketplace

The Exchange's regulatory and technology functions: the institutions and infrastructure that preserve market integrity, protect investor confidence, and sustain operational resilience.

A capital market functions on trust. That trust is sustained through two institutional commitments: the consistent application of regulatory rules that govern market conduct, and the maintenance of a technology infrastructure that operates reliably under normal conditions and recovers rapidly from disruptions.

In FY 2025, both commitments were reinforced. The Exchange's formal gazettelement as a Self-Regulatory Organization strengthened its enforcement mandate and confirmed its position as both a market operator and a frontline regulator.

A comprehensive cybersecurity program, the launch of a rebuilt investor platform, and the Board approval of Business Continuity and Disaster Recovery Plans advanced the Exchange's operational resilience.

Market Compliance and Regulation

 SRO status

Gazetted

Delegated enforcement authority formally activated · FY 2025 landmark

 Broker net capital compliance

100%

All five brokers above statutory minimum · below 600% indebtedness limit

 Penalties issued

2 Penalties

Both for late disclosure · improved trend relative to prior years

 AML framework

Independently audited

External audit passed · FIA alignment confirmed · MLO appointed

The Exchange as a Self-regulatory Organization

The Uganda Securities Exchange was formally gazetted as a Self-Regulatory Organization (SRO) in FY 2025, marking an important institutional milestone. The designation formally strengthens the Exchange's regulatory role within Uganda's capital markets framework and supports more direct oversight of market conduct, including establishing standards for the admission and ongoing compliance of market participants, conducting inspections and monitoring activities, and taking disciplinary action where breaches occur.

The SRO designation also has broader operational implications for the Exchange. As market participation, products and digital access continue to expand, the Exchange's regulatory responsibilities increasingly require systems capable of supporting market integrity, transparency and investor confidence at greater scale.

Executing the Regulatory Mandate

In FY 2025, the Exchange translated its strengthened regulatory mandate into a broad program of rule-making, product approval, and transaction support across the capital markets ecosystem.

The implementation of revised Listing Rules, Trading Rules, and Fees and Penalties frameworks at the start of the year addressed persistent compliance gaps, strengthened enforcement mechanisms, and aligned market practices more closely with international standards. The revised frameworks introduced clearer compliance expectations for issuers and intermediaries and expanded the penalties available for repeat or material non-compliance.

Beyond rule enforcement, the Exchange used its regulatory standing to unlock new market opportunities. ETF guidelines were advanced, addressing critical gaps in listing requirements, valuation methodology, disclosure standards, and reporting obligations. This was important for building the framework for a class of investment product that the market has not previously offered.



A corporate bond issuance by a Tier IV microfinance institution was approved, with an initial tranche expected to raise over UGX 70 billion. This approval reflects a deliberate broadening of issuer participation beyond large listed corporates and demonstrates how regulatory enablement can open parts of the market that enforcement alone cannot reach. Development of Over-the-Counter government securities trading rules was advanced to facilitate transparent secondary trading of government bonds through the Exchange's platform, with price discovery, liquidity, and investor access all expected to improve once the framework is operational.

Regulatory engagement also supported market infrastructure deepening through the onboarding of ABSA Bank as the sixth custodian bank, strengthening the intermediary network and expanding access for both domestic and international investors.

In addition, the Exchange played a central role in supporting the conditional approval of the MTN Uganda structural separation process – a multi-party transaction requiring coordinated engagement across the Exchange, the CMA, and the Uganda Communications Commission, and one that reflects the Exchange's growing capacity to manage sophisticated market developments while maintaining regulatory discipline.

Issuer Compliance

Issuer compliance remained strong and consistent in FY 2025. All listed companies held their Annual General Meetings within stipulated timelines, and the continued adoption of hybrid AGM formats, combining physical and virtual attendance, strengthened shareholder participation and improved access while preserving direct engagement with management.

Beyond formal enforcement, the Exchange maintained a proactive and relationship-based compliance approach. Courtesy visits to NIC Holdings, BAT Uganda, dfcu, and UMEME provided direct operational engagement, gave insights into company-specific challenges, and reinforced disclosure and governance obligations through dialogue rather than solely through enforcement action.

These direct engagement channels reduced the risk of non-compliance by maintaining clear and open communication with issuers between formal reporting periods.

Regulatory discipline remained measured but firm. Two penalties were issued during the year, both for late disclosure, to New Vision Printing and Publishing Company and NIC Holdings. Overall, there was improvement in issuer compliance relative to prior years.

The revised penalty framework approved in January FY 2025 gives the Exchange more graduated enforcement options, including clearer penalty structures and expanded suspension provisions, for future cases involving repeated or material non-compliance.

Broker Compliance

Broker compliance was robust during FY 2025, with all five licensed trading participants demonstrating strong financial discipline and adherence to reporting requirements throughout the year. All brokers maintained net capital above the statutory minimum threshold, confirming that participants were adequately capitalized to support trading activity without excessive reliance on debt. Despite variations across participants, all brokers remained below the 600% aggregate indebtedness limit, indicating sound prudential compliance across the intermediary layer. Consistent reporting enabled ongoing monitoring of capital adequacy and early identification of potential risks, supporting timely regulatory intervention where necessary.

An important structural development during the year was the introduction of risk profiling guidelines, which strengthened the alignment between broker compliance and anti-money laundering requirements and marked a shift toward more structured, risk-based supervision of market participants. Together, these measures reinforce the resilience of the intermediary layer on which the Exchange's market activity depends.

Market Surveillance

Real-time surveillance systems monitored trading activity continuously during FY 2025, detecting abnormal patterns and generating alerts for investigation by the Exchange's compliance teams.

This function is foundational in a growing market – it is the mechanism through which price formation is kept fair and potential market abuse is identified and addressed before it damages investor confidence.

During the year, volatility in UMEME and MTN Uganda was driven by the release of material public information – the concession expiry in UMEME's case and the structural separation announcement in the case of MTN – rather than irregular trading activity. Price movements in both counters remained aligned with underlying fundamentals and disclosed information.

Price movement controls, including the 10% intraday cap, continued to support orderly trading conditions across the market. Enhanced coordination with the Capital Markets Authority through improved system visibility strengthened the joint oversight framework between the two institutions, improving both the speed and quality of joint regulatory response.

Market surveillance in FY 2025 was both a control mechanism and a visible assurance to investors that participation in the market is underpinned by trust and consistent oversight.

AML and Financial Integrity

As a registered accountable person with the Financial Intelligence Authority, the Exchange strengthened its Anti-Money Laundering and Counter-Financing of Terrorism framework in FY 2025, reinforcing the integrity of the financial system as market participation and product complexity continue to expand.

An independent external audit assessed the effectiveness of AML policies, procedures, and controls against regulatory requirements and international standards, confirming alignment across all assessed areas.

Regular AML risk assessments covered customers, products, channels, transaction patterns, and geographic risks, enabling a targeted and risk-based approach to ongoing mitigation rather than a uniform, process-driven one.

Customer Due Diligence and Enhanced Due Diligence processes were strengthened through the introduction of risk profiling guidelines, requiring verification of source of funds and alignment with client risk profiles. Real-time transaction monitoring systems were implemented to support the identification and reporting of suspicious activity.

During the year, the Exchange fulfilled its reporting obligations to the FIA in full, including annual compliance reporting and weekly submission of large cash transaction reports, as well as the appointment of a Money Laundering Control Officer to reinforce institutional accountability for the framework. Staff training was delivered across relevant functions to embed the strengthened standards.

This work reflects a broader institutional shift toward structured financial integrity governance. As the Exchange widens access and deepens product complexity, the strength of its AML controls is part of what makes the market credible to the institutional investors, development partners, and international counterparts whose participation the Exchange is seeking to attract.

FY 2026 Priorities

Operationalize ETF listing and trading frameworks; launch OTC government securities trading; roll out the automated compliance monitoring system for issuers and brokers, currently in user acceptance testing; advance surveillance capabilities through data analytics enhancements; and strengthen AML systems as new products and investor segments enter the market.

Regulatory action spotlight

UMEME Suspension, Resumption, and the Path Ahead

The Exchange's regulatory and technology functions: the institutions and infrastructure that preserve market integrity, protect investor confidence, and sustain operational resilience.

31 March 2025

Suspension imposed

Trading in the UMEME counter was suspended coinciding with the expiry of the company's electricity distribution concession and the handover of its distribution assets to the Uganda Electricity Distribution Company Ltd (UEDCL). The suspension was imposed to protect investors from trading in conditions of material uncertainty, as the quantum of the government's buyout obligation to UMEME remained unresolved at the point of concession expiry, and key financial and legal matters between the company and government were ongoing.

13 June 2025

Trading resumed after 74 days

Trading resumed following the release of UMEME's audited financial results and the provision of sufficient public information to support informed investor decision-making. The outgoing Board Chairman of the Exchange acknowledged in early 2025 that a potential delisting of UMEME represents a material risk to the Exchange's trading volumes given the counter's historical significance. The Exchange is preparing for this contingency through accelerated new product development and the pipeline of new listings and instruments anticipated from the alternative assets program.

April – June 2025

Suspension extended on multiple occasions

Negotiations on the buyout amount continued without resolution. UMEME subsequently reported a loss of UGX 511 billion for FY 2024 – its worst financial performance in years, attributable to the concession transition – against a profit of UGX 11 billion in FY 2023. Four directors resigned in August 2025 following the conclusion of the company's operational mandate. Arbitration proceedings regarding the buyout amount are ongoing in London.



74 days

Total suspension period



511b

UMEME reported loss — FY 2024



▼ 41.69%

UMEME FY 2025 price change

The UMEME suspension demonstrates the Exchange's willingness to exercise its SRO authority in the interests of investor protection, including in circumstances where the affected counter represents a significant share of market activity. Protecting investors from trading in conditions of material uncertainty takes precedence over preserving trading volumes, and the Exchange acted accordingly. The situation will continue to be managed in accordance with the Exchange's regulatory obligations and with full transparency to all market participants.

Technology and Information Systems

Technology continued to play a defining role in transforming market services in FY 2025. Through sustained investment in digital infrastructure and strategic partnerships, the Exchange strengthened its ability to expand market access, support investor participation, and deliver more efficient services to issuers, investors, and intermediaries alike.

Building on the foundations established in prior years, FY 2025 saw a further expansion of the Exchange’s digital ecosystem, with new features and enhancements designed to support financial inclusion, improve usability, and enable broader participation in capital markets. Technology remained a core enabler across the Exchange, supporting the development and delivery of new products and services throughout the year.



Easy Portal

Rebuilt

Direct share-buying enabled · mobile money and card payment integration

AELP Phase 2

Integration complete

USE connected to 9-exchange African platform · public rollout FY 2026

BCP / DRP

Board-approved

Business Continuity and Disaster Recovery Plans formalized and tested

Cybersecurity

Upgraded

AI threat intelligence · firewall upgrades · penetration testing completed

Easy Portal

The Easy Portal underwent a comprehensive rebuild in FY 2025, delivering a modernized interface supported by real-time dashboards and analytics. The central advancement was the introduction of direct share-buying capability, enabling registered investors to execute equity trades through the portal without routing through broker back-office systems. Integration with mobile money and card payment systems broadened payment accessibility for both domestic and international investors.

These enhancements substantially lower the barriers to entry for retail participation and support the Exchange’s objective of increasing the number of users transacting on its platforms, a key result within the Customer perspective of the 2025–2029 strategy.

As part of the same investment cycle, the Exchange upgraded its website, introducing improved functionality, an enhanced user experience, and strengthened cybersecurity features, providing more efficient access to market information and services and supporting better engagement with investors and stakeholders.

AELP Technical Integration

The Exchange made significant progress in advancing regional integration through Phase 2 of the African Exchanges Linkages Project during FY 2025. System integration with the unified AELP platform was completed during the year, positioning the USE within a network of nine participating African exchanges and enabling cross-border securities access through existing local broker accounts. Ugandan investors will be able to access securities listed in other AELP-participating markets without establishing separate accounts or settlement relationships. For issuers on the USE, the expanded network broadens the potential investor universe.

This initiative strengthens Uganda’s position as a gateway to East African capital markets and supports the Exchange’s strategic objective of widening market reach through regional connectivity. The public rollout to Ugandan investors is scheduled for FY 2026.

Cybersecurity and Operational Resilience

As digital adoption increased, the Exchange continued to strengthen its cybersecurity framework to safeguard market infrastructure and user data.

Firewall systems were upgraded, and vulnerability assessments and penetration testing were implemented to enhance the Exchange’s ability to detect, prevent, and respond to evolving cyber threats. AI-powered threat intelligence tools were deployed to strengthen detection and response capabilities. Data protection controls were reviewed and strengthened in line with Uganda’s Data Protection and Privacy Act requirements.

The Board formally approved the Business Continuity Plan and Disaster Recovery Plan during FY 2025, providing structured protocols for maintaining market operations through disruptions and defining incident response responsibilities across the institution. Regular system failover testing was conducted to validate the operational readiness of these arrangements. Together, these measures ensure that the Exchange can maintain essential market functions under adverse conditions and recover rapidly when disruptions occur.

Strategic Developments and Technology Partnerships

The Exchange advanced its digital transformation agenda through strategic partnerships and innovation initiatives throughout FY 2025. Efforts focused on strengthening integration with telecommunications platforms, particularly MTN and Airtel Uganda, in support of USSD-based account opening and transaction access. This enhanced overall system capacity, and developing tools to support real-time data access and analytics for market participants. These initiatives improve market accessibility, support data-driven decision-making, and enable more efficient participation across the investment ecosystem.

Technology Development Roadmap

The Exchange acknowledges that legacy system dependencies constrain the pace of certain transformation initiatives. ERP system consolidation, the mobile application relaunch, and full automation of the compliance monitoring system were in progress at year-end and are carried into the FY 2026 technology roadmap. Progress on each will be reported against the milestones set in the 2025–2029 strategy.

Layer 3

Growing the Marketplace

The Exchange's expansion functions: building financial literacy, introducing new investment products, and extending Uganda's capital market reach into the East African region.

The Exchange's 2025–2029 strategy identifies two growth portfolios: alternative assets, which the Exchange is piloting and scaling, and non-financial services, being monetised through technology. In FY 2025, the Academy registered as a brand and delivered its most commercially focused program to date. New product frameworks for ETFs, sukuk, commercial paper, and corporate bonds advanced materially. The East Africa Capital Markets Conference and the completion of the AELP integration positioned the Exchange as a regional convener in the continent's capital market integration agenda.

USE Academy

Brand Status

Registered and gazetted

USE Academy formalized as independent institution · FY 2025 milestone

Participants Trained

38 participants

Across five ESG masterclass cohorts · February - October 2025

Program Profit Margin

68.8%

UGX 64.57m profit on UGX 93.86m program revenue

Accreditation

In progress

CISI and Makerere University discussions ongoing

The USE Academy was formally registered and gazetted as a brand in FY 2025, establishing its identity as an independent capital markets education institution. The registration supports the Academy's progression toward formal accreditation with Makerere University and the Chartered Institute for Securities and Investment (CISI), which would give Academy qualifications professional standing in the regional market.

The Academy is positioned as a key component of the Exchange's non-financial services portfolio under the 2025–2029 strategy.

Commercial Training Performance

The Academy delivered five cohorts of the ESG Disclosures and Sustainability Integration Masterclass between February and October 2025, training 38 participants – broadly in line with the 39 trained in FY 2024.

The total program revenue was UGX 93.86 million against costs of UGX 29.29 million, producing a profit of UGX 64.57 million and a margin of 68.8%. Revenue of UGX 54.8 million recorded in the Exchange's accounts. This reflected the timing of income recognition and pro bono delivery deductions.

Total training income at the Exchange level was UGX 54.7 million, compared to UGX 77 million in FY 2024, with the decline attributable to fewer masterclass sessions run during the year.

The program demonstrated the Academy's potential to generate revenue while delivering content aligned to evolving market needs, particularly around sustainability disclosure and ESG reporting standards. The program was aligned to growing market interest in sustainability disclosure ahead of expected IFRS S1 and S2 implementation timelines.

Training activities during the year also covered the Investment Management Masterclass and the Introduction to Capital Markets, aimed at both professional and entry-level participants, and a Fixed Income course was in development at year-end.

Capacity Building and Market Development

Beyond the commercial program, the Academy delivered training and webinars to the Ministry of Water and Environment, educational institutions, and corporate organizations, the majority on a pro bono basis. These activities build the financial literacy and market awareness that underpin long-term growth in investor participation, a strategic priority reflected in the Exchange's Customer perspective objectives.

New trainer partnerships with the Nairobi Securities Exchange and the Uganda Bankers Association were also formalized during the year, expanding the Academy's delivery capacity and regional reach. The Academy forms part of the Exchange's broader non-financial services portfolio, supporting market education, professional development and long-term investor participation.

FY 2026 Priorities

Launch the Fixed Income course; advance CISI and Makerere University accreditation; leverage digital platforms to expand reach beyond Kampala; grow the ESG masterclass series ahead of IFRS S1/S2 deadlines; and build the Academy's visibility as a regional capital markets education institution.



New Products and Market Development



The Exchange's market development agenda in FY 2025 focused on diversifying the investment product range available to issuers and investors, advancing beyond the traditional equity and fixed income offerings that have defined the market to date. Product frameworks for ETFs, sukuk bonds, commercial paper, REITs, and corporate bonds moved materially forward during the year. These products constitute the alternative assets segment of the Exchange's 2025–2029 strategy and are expected to contribute to both revenue growth and market depth as they move from framework to live product in the periods ahead.

ETF Framework

Guidelines complete

Local Govt Bond ETF identified as foundational product · 2026 launch targeted

Sukuk Listing Rules

Board-approved

Submitted to CMA for final approval · Sharia-compliant instruments entering market

Corporate Bond Approved

UGX 70bn+

Tier IV microfinance institution · first non-traditional issuer

Deal Flow Facility

USD 6.1m closed

52 companies matched · USD 30m+ potential deals · FSD Uganda / EU partnership

Exchange-Traded Funds

In FY 2025, the Exchange advanced regulatory and operational frameworks for ETF listings, addressing critical gaps in listing requirements, valuation methodology, disclosure standards, and reporting obligations. Engagement with asset managers built institutional capacity for product structuring, and work with authorized participants established the liquidity mechanisms required for effective ETF market operation.

The Exchange plans to sponsor an ETF as the foundational product for the growth of the ETF market, with a Local Government Bond ETF identified as the most suitable launch product, providing investors with accessible, low-cost exposure to Uganda's sovereign debt market and leveraging securities already listed on the Exchange. Investor education ahead of the planned 2026 launch will focus on passive investment strategies, the risk-return characteristics of ETFs, and their role in long-term portfolio diversification.

Sukuk Bonds

Sukuk Listing Rules were approved by the Board and submitted to the CMA for final regulatory approval during FY 2025. The sukuk framework introduces a Sharia-compliant investment instrument to Uganda's capital market, enabling participation by Islamic finance investors who are currently excluded by the absence of such instruments. The Exchange joins a select group of African exchanges with established Islamic finance product offerings, a positioning that broadens the potential investor universe for securities listed in Uganda.

Commercial Paper

The Exchange strengthened the framework for short-term corporate debt instruments during FY 2025, improving disclosure standards, streamlining issuance processes with market intermediaries, and recognizing the time-sensitive nature of commercial paper by working to reduce time to market. Exploratory engagement with a credit rating agency was advanced to support improved credit risk assessment, alongside targeted investor education initiatives aimed at institutional and high-net-worth investors. Commercial paper provides creditworthy corporates with a capital market alternative for working capital requirements, addressing a financing need that bank facilities cannot always fill efficiently, and contributes depth and diversity to a fixed income market currently dominated by government paper.

Real Estate Investment Trusts

The Exchange advanced plans to expand the structure and availability of Real Estate Investment Trusts during FY 2025. REITs would give retail investors access to real estate returns without direct property ownership, while providing real estate developers with a new route to long-term financing. This product class addresses both supply and demand gaps in Uganda's current investment product range.

Corporate Bond Pipeline

The Exchange approved a corporate bond issuance by a Tier IV microfinance institution in FY 2025, with an initial tranche expected to raise over UGX 70 billion. The approval broadens issuer participation in the bond market beyond large listed corporates and demonstrates the Exchange's ability to support more diverse forms of capital raising. None of these products generated material revenue in FY 2025. All form part of the Exchange's 2025–2029 strategy, which prioritises diversification beyond traditional equity and fixed income instruments, and establish part of the infrastructure required to support future product diversification and market growth.

Private Capital — Deal Rooms and the Deal Flow Facility

The Exchange established deal rooms as a structured capital introduction platform to support companies seeking private capital — debt or equity — through connections to sophisticated investors. Deal rooms operate on a request basis and are governed by defined terms and conditions set by the Exchange and its partners, facilitating transactions not yet suited to public markets. Through the Deal Flow Facility, operated in partnership with FSD Uganda and the European Union, 52 companies were matched with investors by year-end, representing potential deals exceeding USD 30 million. Four companies had already closed USD 6.1 million in funding at year-end.

FY 2026 Priorities

ETF launch; sukuk activation following CMA approval; commercial paper expansion; OTC government securities trading launch; AELP cross-border investor access public rollout; and continued deepening of the Deal Flow Facility pipeline.

Market spotlight

East Africa Capital Markets Conference 2025

- 16–17 October 2025
- Sheraton Kampala Hotel
- Co-hosted by CMA Uganda and USE



“Technology is transforming how capital markets operate across East Africa, making investment more inclusive and accessible than ever before. The USE Easy Portal and digital account opening through MTN and Airtel are bringing markets directly to the palm of the citizenry. Regional integration also remains central to building resilient and liquid capital markets.”

Paul Bwiso, CEO, Uganda Securities Exchange — Chair, EASEA

Attendance

350+

Regulators, exchange CEOs, fund managers, DFIs, policymakers from across the EAC

USE Role

EASEA Secretariat

Regional convening role confirmed
USE CEO Paul Bwiso as EASEA Chair

Conference Theme

2 tracks

Digital transformation
Sustainable finance

Deal Flow Facility Highlight

USD 6.1m closed

Highlighted by CMA CEO Josephine Okui Ossiya at conference

Shaping East Africa’s Markets through Digital Transformation and Sustainable Finance

Discussions across the conference’s two tracks covered regional integration, market innovation, and sustainable finance. The following highlights reflect the key themes raised.

A Regional Institution, Growing

The East African Securities Exchanges Association (EASEA), originally a collaboration between the Uganda, Nairobi, Dar es Salaam, and Rwanda exchanges, is now a broader regional institution supporting cooperation, harmonization, mentorship, and market development across member markets. Somalia and Ethiopia were officially welcomed as EASEA’s newest members, bringing the association’s reach to six East African markets.

A Shared Investment Destination

There is a growing investor tendency to view East Africa as a single, collective investment destination rather than a set of separate national markets. The EAE 20 Share Index, a new regional benchmark tracking 20 leading listed companies across Uganda, Kenya, Tanzania, and Rwanda, gives investors a single reference point for regional market performance. A longer-term ambition is an exchange-traded fund linked to the index, intended to make it easier for investors to buy into the region as a whole and to improve East Africa’s visibility to global capital.

Sustainable Finance Across the Region

Green bonds, sustainability-linked financing, and Islamic finance instruments featured throughout the conference, reflecting growing regional demand for more diversified and responsible investment options. Regional examples included Kenya’s green bond market, Tanzania’s green and social bond issuances, and Rwanda’s sustainability initiatives. Uganda’s own progress was also highlighted, including the development of ESG Guidelines and planned Islamic finance products.

Digital Transformation and Market Readiness

Digital transformation ran through much of the conference discussion. The USE’s mobile application and USSD platforms were credited as a factor supporting notable participation in Uganda’s recent IPOs. Regional conversation extended to blockchain, stablecoins, and Central Bank Digital Currencies, alongside the regulatory questions these

raise for market supervisors.

In response, sessions pointed to tools such as regulatory sandboxes (controlled environments where regulators test new rules before a wider rollout) and “SupTech,” or technology-enabled market supervision, as ways for regulators to keep pace with innovation while protecting investors and market integrity.

Alongside this, discussions also focused on SME access to long-term capital, which remains constrained by weak governance, limited financial documentation, and investor preparedness. These challenges are being addressed through investment-readiness sessions and the Deal Flow Facility, the USE’s program matching investment-ready SMEs with potential investors.

Looking Ahead

Across the conference, a consistent thread emerged: regional capital market growth depends on trust, governance, transparency, and institutional resilience. These themes that ran through sessions on digital transformation, sustainability, and cross-border integration alike. These discussions connect directly to the Exchange’s 2025–2029 priorities of widening access, deepening market relevance, and driving sustainable growth.



Financial Performance Review



FY 2025 financial performance reflects the combined effect of three factors: the non-recurrence of extraordinary transaction revenue that elevated FY 2024 results; deliberate operating investment associated with the first year of a new strategic cycle; and underlying diversification across the Exchange's revenue base that the reported totals do not fully reflect. The year marked the first stage of implementation of the 2025–2029 strategy, with purposeful investment in the core business, new products and platforms, digital access infrastructure, and the Exchange's capacity for long-term growth.

 Total Revenue (UGX)

5.58b

▼ 11.75b vs FY 2024
driven by MTN base effect

 Profit After Tax (UGX)

984m

▼ 33.6% vs FY 2024
group remained profitable

 Total Assets

11.75b

▲ 9.9% vs FY 2024
govt securities portfolio expanded

 Proposed Dividend

295m

78% payout ratio · sustained through earnings moderation

Revenue Performance

Total revenue of UGX 5.58 billion was 5.7% below FY 2024's UGX 5.92 billion. The decline is attributable primarily to the non-recurrence of brokerage commission income associated with the MTN Uganda secondary share sale. Brokerage commission fell from UGX 868 million to UGX 237 million, a reduction of UGX 631 million, which exceeds the total revenue decline of UGX 339 million. All other revenue lines, in aggregate, increased.

Equity listing fees grew 6.4% to UGX 1.17 billion, reflecting stable issuer activity and improved market capitalization. Government bond and bill fees grew 16.9% to UGX 1.73 billion, driven by the issuance of 113 new instruments – 35 bonds and 78 bills – and increased alternative platform activity. Interest income grew 9.3% to UGX 1.40 billion, reflecting a deliberate expansion of the Exchange's government securities portfolio from UGX 2.68 billion at the start of the year to UGX 5.71 billion at year-end.

Data vending grew 103.0% to UGX 205 million, confirming the commercial viability of the Exchange's investment in data infrastructure.

At the same time, the Commodities Exchange contributed its first revenue of UGX 5.6 million. When MTN-related income is excluded from both years, Group income grew by 17.51% demonstrating that the underlying recurring business continued to grow despite the headline decline.

The revenue composition comparison between FY 2024 and FY 2025 illustrates the direction of diversification. Interest income and government-related fees have increased their share of total revenue. Brokerage commission, the most volatile and transaction-dependent line, has reduced in both absolute terms and relative significance. Data vending, registry services, and COMMEX fees are expanding from a low base. The Exchange's 2025–2029 strategy targets a revenue mix of 60% from traditional assets, 30% from alternative assets, and 10% from non-financial services by 2029. FY 2025 represents the first year of movement toward that target.

Paul Bwiso
USE Chief Executive Officer

Revenue summary — FY 2025 vs FY 2024

Revenue line	FY 2025 (UGX '000)	FY 2024 (UGX '000)	Change
Fees and commissions — total	3,188,728	3,490,252	–8.6%
Equity listing fees	1,167,611	1,097,025	+6.4%
Government bond and bill fees	1,725,011	1,474,836	+16.9%
Brokerage commission	237,488	868,069	–72.7%
COMMEX trading fees	5,657	0	New
Other income — total	993,663	1,150,462	–13.6%
SCD income	321,024	648,136	–50.5%
Data vending	204,681	101,009	+103.0%
Registry services	167,862	170,183	–1.2%
Training income	54,750	77,430	–29.2%
Penalties and other	245,346	153,704	+59.6%
Interest income	1,401,381	1,282,663	+9.3%
Total revenue	5,583,772	5,923,377	–5.7%

Operating Costs

Total operating expenses increased 13.8% from UGX 3.83 billion in FY 2024 to UGX 4.36 billion in FY 2025. Staff costs rose 4.1% to UGX 2.13 billion, reflecting salary adjustments and the recruitment of a Commodities Exchange Officer in February 2025.

Administrative expenses rose 17.7% to UGX 1.71 billion, driven by increased advertising and publicity expenditure of UGX 295 million associated with expanded investor outreach, and increased general office and data centre expenses reflecting the EACMC conference and technology infrastructure investment.

Operating expenses rose 25.4% to UGX 435 million, with the largest component being withholding tax on interest income of UGX 112 million, up from UGX 46 million, which indicated a direct consequence of the expanded government securities portfolio.

P&L Summary (FY 2025 vs FY 2024)

	FY 2025 (UGX '000)	FY 2024 (UGX '000)	Change
Total revenue	5,583,772	5,923,377	-5.7%
Staff costs	(2,133,875)	(2,051,371)	-4.1%
Administrative expenses	(1,711,436)	(1,454,369)	-17.7%
Operating expenses	(434,862)	(346,449)	-25.4%
Depreciation	(81,890)	(86,601)	+5.4%
Operating profit	1,221,709	2,084,688	-41.4%
Profit before tax	1,102,465	2,065,157	-46.6%
Tax expense	(118,009)	(581,403)	+79.7%
Profit after tax	984,456	1,483,754	-33.6%

Operating profit was UGX 1.22 billion compared to UGX 2.08 billion in FY 2024, a decline of 41.4%. Profit before tax was UGX 1.10 billion. The tax charge reduced from UGX 581 million in FY 2024 to UGX 118 million in FY 2025, in line with the lower profit before tax, and this reduction partially moderated the impact on the final profit figure. Profit after tax was UGX 984 million against UGX 1.48 billion in FY 2024, denoting a 33.6% decline.

At company level, the Exchange exceeded its profit budget by 3.93%, supported in part by a lower income tax charge, reflecting the continued profitability of the core Exchange business even as the consolidated Group position was affected by early-stage subsidiaries and strategic growth platforms.

Profitability Ratios

The cost-to-income ratio increased from 64.81% in FY 2024 to 78.12% in FY 2025, reflecting the combined effect of lower reported income and higher investment-related expenditure. Management regards the cost-to-income ratio as the primary financial performance metric for FY 2026, and its improvement through revenue growth is a stated objective of the strategy's Finance perspective. The

JAWS ratio stood at -19.37% in FY 2025 compared to -7.41% in FY 2024, indicating that cost growth continued to outpace income growth during the year. This reflected the cost profile associated with investment in new products, platforms and growth initiatives during the first year of the strategy cycle.

At Group level, operating profit margin reduced from 35.19% to 21.88% and net profit margin from 25.05% to 17.63%, both reflecting the lower income base and higher operating costs.

Return on equity reduced from 15.63% to 9.74% as profit after tax declined while total equity grew. At company level, the Exchange recorded a net profit margin of 22.05% and return on equity of 11.68%, confirming the profitability of the core Exchange business.

The proposed dividend of UGX 295 million, against UGX 586.7 million in FY 2024, reflects the Board's commitment to sustaining shareholder value through a period of earnings moderation, representing a 78% payout ratio against FY 2025 profit after tax.

Key Profitability Ratios (FY 2024 vs FY 2025)

Metric	FY 2025	FY 2024	Movement
Operating profit margin	21.88%	35.19%	▼
Net profit margin - Group	17.63%	25.05%	▼
Net profit margin - Company	22.05%	—	—
Return on equity - Group	9.74%	15.63%	▼
Return on equity - Company	11.68%	—	—
Cost-to-income ratio	78.12%	64.81%	▼
JAWS ratio	-19.37%	-7.41%	▲
Proposed dividend payout ratio	78%	39.5%	▼



Balance Sheet

Total assets grew 9.9% to UGX 11.75 billion from UGX 10.69 billion, driven primarily by the expansion of the Exchange’s government securities portfolio. The Exchange held UGX 5.71 billion in government securities at year-end, compared to UGX 2.68 billion at the close of FY 2024. Short-term fixed deposits declined as the Exchange reallocated surplus liquidity into longer-dated government instruments, improving income stability and yield. Total equity grew to UGX 10.30 billion from UGX 9.90 billion, with retained earnings of UGX 9.59 billion providing a financial foundation for strategy execution without dependence on external capital.

The liquidity ratio reduced from 9.61:1 in FY 2024 to 3.78:1 in FY 2025.

This movement reflects the repositioning of investments from short-term fixed deposits toward government bonds, which contributed to a reduction in current assets despite overall growth in total assets. The Group maintained adequate short-term financial flexibility and remained positioned to meet its immediate obligations throughout the year.

The Guarantee Fund held assets of UGX 6.34 billion at 31 December 2025, compared to UGX 5.56 billion at the close of FY 2024. The Fund is maintained as a ring-fenced account under independent oversight, funded by contributions from Securities Central Depository Agents. Its role is to absorb the financial impact of member defaults and ensure settlement continuity — a function that operates independently of the Exchange’s own balance sheet but while supporting overall market stability and settlement confidence.

Balance sheet summary

Item	FY 2025 (UGX bn)	FY 2024 (UGX bn)	Change
Total assets	11.75	10.69	+9.9%
Government securities	5.71	2.68	+113.1%
Fixed deposits	1.20	3.80	-68.4%
Other assets	4.84	4.21	+15.0%
Total equity	10.30	9.90	+4.0%
Retained earnings	9.59	—	—
Guarantee Fund assets	6.34	5.56	+14.0%
Liquidity ratio	3.78:1	9.61:1	▼



FY 2026 Financial Outlook

Revenue growth across the Exchange’s diversified portfolio is the primary financial objective for FY 2026. The key growth drivers are well-defined. The alternative government bond platform is expected to step up materially following Bank of Uganda core payment system connectivity in Q1 2026, with straight-through processing removing the manual settlement steps that currently constrain volume. New product fees from ETF and commercial paper launches will contribute for the first time.

Data vending is expected to continue growing as product and distribution investments mature. The Academy’s Fixed Income course and additional ESG masterclass cohorts will expand training revenue. AELP cross-border trading fees will begin contributing upon the public rollout to Ugandan investors. The COMMEX revenue line is expected to grow as warehouse capacity is utilised and trading volumes scale with improved commodity quality systems and financing linkages.

The Exchange enters FY 2026 with a strengthened asset base, a broader product range, and a more advanced digital infrastructure than in any prior year. The financial results of FY 2026 will reflect the extent to which these structural improvements translate into revenue growth and cost-to-income ratio improvement — the two financial outcomes against which the first phase of the 2025–2029 strategy will be assessed.

The Uganda Securities Exchange closed FY 2025 with a market that is wider in reach, deeper in infrastructure, and stronger in institutional authority. Each of these dimensions was advanced during the year through deliberate action. The financial results reflect both the investment required to achieve that advancement and the underlying commercial trajectory that positions the Exchange for the years ahead.



Sustainability Report



CEO's Sustainability Statement

Why sustainability matters to a securities exchange

A capital market is, at its core, a public good. It works only if participants trust it. That trust is not automatic. It is built through governance that holds, through access that is genuinely open, and through an institution willing to be held accountable for its role in the economy it serves. At the Uganda Securities Exchange, this is where sustainability begins.

FY 2025 was a year in which the Exchange's sustainability commitments moved from intention to infrastructure. The Board approved a Sustainability Policy that establishes a structured framework for identifying, assessing and managing environmental and social risks, aligned with international standards, local regulations and best practices.

Our ambition also extended beyond our own ESG reporting. We submitted the USE Sustainability Guidance for Listed Companies to the Capital Markets Authority for approval, establishing for the first time a structured expectation for how Uganda's listed companies should disclose their environmental, social and governance performance. This is a consequential sustainability action: we are not only managing our own footprint, but also

helping shape the disclosure standards of the entire market.

Internally, we continued to invest in the people and systems that make sustainable performance possible. We strengthened our focus on employee engagement, workplace culture and organizational resilience, recognizing that a sustainable institution is built by the people who drive its mission every day.

Our compliance infrastructure was strengthened through the formal gazettement of our Self-Regulatory Organization status, anchoring our governance accountability in law. Our risk management systems were further deepened through a new quarterly risk tracker, an independently audited AML framework, and formal approval of our Business Continuity and Disaster Recovery Plans.



On the market side, sustainability means access. We opened 14,183 new investor accounts during the year, 74% through USSD channels that require no bank account and no branch visit.

We reached farmer communities in Mubende and Mityana through the Commodities Exchange, securing over 110,000 metric tonnes in supply commitments.

We trained young people at Aga Khan schools and Rugaba Girls Secondary School in financial literacy. These are not peripheral activities.

They are the Exchange's long-term business case: a deeper, more inclusive market is a more resilient market.



Looking ahead, the regulatory timeline is concentrating minds. IFRS S1 and S2 sustainability disclosure standards are expected to come into effect for Ugandan listed companies in 2028–2029. The Exchange is already positioning itself, and its listed companies, to meet that timeline with confidence.

By preparing early, the Exchange can help position Uganda's capital market as a credible leader in the continent's sustainability transition, while supporting transparency, accountability and long-term value creation for issuers, investors and the wider economy.

Paul William Bwiso
Chief Executive Officer



 **COMDEX supply commitments**

+110,000mt

Metric tonnes from farmer groups

Our Approach To Sustainability

Sustainability at the Uganda Securities Exchange is embedded within the way the Exchange fulfils its mandate as Uganda’s primary securities exchange. Rather than existing as a standalone program, sustainability informs how the Exchange develops markets, regulates participants, manages its own operations, and creates long-term value for investors, issuers, employees and the wider economy.

In FY 2025, this approach was further strengthened through the approval of the Exchange’s Sustainability Policy, which formalizes the integration of environmental, social and governance (ESG) considerations into business strategy, decision-making, risk management and stakeholder engagement. The Policy establishes the principles, governance arrangements and operational commitments that guide how sustainability is managed across the institution.

This report demonstrates how these policy commitments translated into action during the year.

While the Sustainability Policy defines the Exchange’s long term commitments, this report explains how those commitments supported strategic execution, strengthened institutional resilience and advanced the development of Uganda’s capital markets throughout FY 2025.

As a securities exchange, the USE’s greatest sustainability contribution extends beyond managing its own operational footprint. Its broader responsibility is to strengthen market integrity, expand access to capital, guide responsible market behavior and develop the financial infrastructure through which long-term capital can be allocated productively across the economy.



Sustainability Mission

To integrate environmental, social and governance considerations into the Uganda Securities Exchange’s operations, market development activities and stakeholder relationships in order to strengthen institutional integrity, expand inclusive access to capital markets, support responsible investment practices and create sustainable long-term value for Uganda’s economy.



Governance of Sustainability at USE

Oversight of sustainability rests with the Board of Directors, which approves the Sustainability Policy and oversees the management of material environmental, social and governance matters. The Board is supported by the Business Conduct Committee, which reviews the effectiveness of sustainability strategies, monitors the management of environmental and social risks, and recommends policy enhancements where required.

Day-to-day implementation is led by Management through an appointed ESG designate, working collaboratively with functional departments across the Exchange. The ESG designate coordinates implementation of the Sustainability Policy, facilitates sustainability awareness and training, monitors performance, and provides regular reporting to Management and the Board.

The Audit and Risk function provides independent oversight of environmental and social risk management, while Internal Audit offers assurance on the effectiveness of the Exchange’s sustainability governance and control processes.

This governance structure ensures that sustainability considerations are embedded throughout strategy execution, operational decision-making, enterprise risk management and institutional accountability.

Our Three Interconnected Roles

As Market Operator

We operate trading infrastructure, and provide the platform through which capital is raised and allocated across Uganda’s economy.

Dependencies

Issuer pipeline, investor participation, broker network, digital infrastructure, and real-time market data systems.

As a Self-Regulatory Organization

We set listing requirements, oversee market conduct, and – following gazettelement in FY 2025 – exercise formal delegated authority over capital market participants.

Dependencies

Regulatory alignment with CMA, robust governance systems, AML and compliance infrastructure, and stakeholder cooperation.

As an Institution and Demutualised Exchange

We are ourselves subject to the governance, reporting, and sustainability standards we promote. Our internal practices set the benchmark we ask others to meet.

Dependencies:

Capable and engaged employees, sound financial management, Board effectiveness, and institutional credibility earned through consistent conduct.

The Exchange’s Sustainability Policy establishes the principles through which environmental, social and governance considerations are integrated across the institution. Within this report, those policy commitments are expressed through four strategic sustainability commitments that reflect the Exchange’s three interconnected roles as a Market Operator, Self-Regulatory Organization and corporate institution. Together, these commitments provide the framework through which the Exchange measures and communicates sustainability performance, demonstrating how policy commitments are translated into practical outcomes and long-term value creation.

Our Four Sustainability Commitments

We commit to	How we will do this	Progress in this report	Page
Commitment 1: Guide the market toward stronger sustainability practices and disclosures <i>Role: SRO + Market Operator</i>	Developing ESG disclosure guidance for listed companies; engaging CMA on regulatory timelines; advocating within SSE and IFRS S1/S2 readiness forums.	Commitment 1: Market Guidance	99
Commitment 2: Strengthen institutional integrity through governance, risk management, and accountability <i>Role: SRO + Institutional Actor</i>	Embedding SRO governance structures; strengthening risk management systems; securing AML compliance; building business continuity resilience.	Commitment 2: Institutional Integrity	97
Commitment 3: Expand inclusive access to capital markets <i>Role: Market Operator + Institutional Actor</i>	Scaling USSD and digital onboarding; investing in investor education; advancing product diversity to serve a broader investor base.	Commitment 3: Inclusive Access	103
Commitment 4: Facilitate Market-Based Financing for Productive and Sustainable Economic Growth <i>Role: Market Operator + Institutional Actor</i>	Developing new market products (ETFs, corporate bonds, OTC instruments); extending infrastructure into agriculture through COMEX; supporting SME pipeline development.	Commitment 4: Capital for Impact	107

Material Sustainability Topics

The Exchange’s material topics are identified through stakeholder engagement, regulatory expectation, and strategic review. In FY 2025, five topics were confirmed as material, each connecting directly to the Exchange’s three roles and four commitments.

Material topic	Why it is material to USE	Commitment	Trend
Market Development & Access	USE’s mandate is to widen participation. The primary driver of long-term revenue, market depth, and national economic relevance.	C3, C4	▲ Increasing
Technology & Innovation	Digital infrastructure determines who can access the market and how efficiently. Legacy systems create operational risk; modernisation creates opportunity.	C3, C4	▲ Increasing
Market Integrity & Governance	Confidence in the Exchange depends entirely on the quality of oversight. SRO status raised the bar; sustaining it requires continuous investment.	C2	▲ Increasing
Environmental Responsibility	The Exchange’s direct footprint is limited, but its influence over listed company disclosure practices scales the impact significantly.	C1	► Evolving
People & Culture	Staff capability and institutional knowledge are central to the Exchange’s operational resilience, continuity, and long-term execution capacity. People are the Exchange’s most concentrated risk and asset.	C2	▲ Increasing

Then change order of the rest as follows:
SSE Initiative
UNGC
SDGs
IFRS
IFRS S1/S2

USE Sustainability Policy

The Exchange’s internal governance framework guiding the integration of environmental, social and governance considerations into strategy, operations and stakeholder engagement.



SSE Initiative
Sustainable Stock Exchanges
Global peer network for exchanges driving ESG markets



UNGC
UN Global Compact
Ten principles on human rights, labour, environment, anti-corruption



SDGs
UN Sustainable Development Goals Framework for national development alignment



IFRS
IFRS Financial Standards *Financial reporting standards for audit and disclosure*



IFRS S1/S2
IFRS Sustainability Standards
Preparing listed companies for 2028-29 requirements

Contribution to the SDGs

The Exchange’s contribution to the realization of the SDGs is primarily delivered through its core market functions: capital formation, investor education, governance oversight, and market access.



SDG 8
Decent Work and Economic Growth
(through capital market development)



SDG 9
Industry, Innovation and Infrastructure
(through market infrastructure and technology)



SDG 10
Reduced Inequalities
(through expanded access to investment opportunities)



SDG 16
Peace, Justice and Strong Institutions
(through governance and market integrity)



USE at a Glance



Commitment 1:

Guide the Market Toward Stronger Sustainability Practices and Disclosures

An exchange's most leveraged sustainability action is rarely about its own operations. It is about what it asks, and eventually requires, of the companies and participants that make up the market it governs.

 Domestic market capitalisation

15.9t

 26.2% 2024: 12.6T

 Underlying equities growth

+27.2%

Excl. MTN secondary transaction

 Income tax paid (UGX)

118m

Contribution to public revenue

 COMMEX supply commitments

+110,000t

Metric tonnes from farmer groups

In FY 2025, the Uganda Securities Exchange's first sustainability commitment moved from intention to execution when the Exchange developed and submitted a structured framework for how listed companies should approach ESG disclosure.

USE Sustainability Guidance for Listed Companies submitted to CMA for approval

In FY 2025, the Exchange developed and submitted the USE Sustainability Guidance for Listed Companies to the Capital Markets Authority. This guidance, when approved, will establish the first structured sustainability reporting expectation for USE-listed companies – a significant step in scaling ESG practice from the Exchange itself to the entire market it regulates.

Shaping Market-Wide ESG Disclosure

The USE Sustainability Guidance for Listed Companies was developed in response to three converging pressures: the global rollout of IFRS S1 and S2 sustainability disclosure standards, the growing expectation from institutional investors for comparable ESG data, and the Exchange's own SRO mandate to set conduct standards for market participants.

The guidance is designed to be proportionate, acknowledging the varying capacities of Uganda's listed companies, while also establishing a clear trajectory toward the disclosure expectations that IFRS S1/S2 will formalize in 2028–2029. By submitting this guidance now, the Exchange provides its issuers with a three-year runway to build the systems, data, and governance structures that substantive sustainability reporting requires.

Structured around four disclosure pillars – Governance, Strategy, Risk and Impact Management, and Metrics and Targets – the Guidance asks companies to assess sustainability matters using a double materiality lens: both how sustainability issues affect the company financially, and how the company's operations affect people and the environment. This dual view is intended to give investors and broader stakeholders a single, comparable basis for disclosure, rather than two competing reporting standards.

Preparing the Market for IFRS S1/S2

The IFRS S1/S2 imperative

IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) are expected to become applicable to Ugandan listed companies in 2028–2029. This is a near-term strategic priority, as the Exchange has two to three years to prepare both itself and the market. The Exchange's sustainability agenda in the coming years will be shaped significantly by the work required to make Uganda's capital market ready.

International Advocacy and Peer Learning

The Exchange's first commitment extends beyond its own jurisdiction. Through participation in the Sustainable Stock Exchanges (SSE) Initiative, the USE engages with a global network of exchanges driving ESG integration and responsible market practices.

Priority	Target	Timeline
Secure CMA approval for USE Sustainability Guidance	Guidance published and formally communicated to all issuers	Q2 2026
Launch IFRS S1/ S2 readiness program for listed companies	At least 5 issuers engaged in structured gap assessment	FY 2026
Monitor international sustainability reporting developments	Exchange regulatory watch function strengthened	Ongoing

This peer learning function serves two purposes: it keeps the Exchange current with international best practice, and it gives Uganda's capital market a voice in the global standards conversations that will ultimately shape local requirements.

In FY 2025, the Exchange also engaged with FiRe Awards forums and investor education events that reinforced transparency and sustainability disclosure as market expectations, not optional extras.

FY 2026 Priorities: Commitment 1

The agenda for this commitment in FY 2026 is defined by two milestones now within reach. The first is securing CMA approval for the USE Sustainability Guidance and formally communicating it to all issuers. This is the step that shifts this work from guidance under development to guidance in force.

The second is launching a structured IFRS S1/S2 readiness program for listed companies, with an initial target of engaging at least five issuers in a gap assessment that will inform their disclosure trajectories ahead of the 2028–2029 regulatory deadline. Alongside these, the Exchange will continue to monitor international sustainability reporting developments through its SSE network, ensuring that the guidance issued locally remains calibrated to where global standards are heading.



Commitment 2:

Strengthen Institutional Integrity through Governance, Risk Management, and Accountability

Sustainability begins with credibility. An exchange that cannot govern itself has no standing to demand governance from others. Therefore, the USE’s second commitment – to operate to the highest institutional standards – underpins every other sustainability action it takes.

In FY 2025, this commitment was affirmed through the most significant governance milestone in the Exchange’s recent history: formal gazettelement as a Self-Regulatory Organization.

Most Significant Governance Milestone of FY 2025

The formal gazettelement of the Uganda Securities Exchange as a Self-Regulatory Organization under the Capital Markets Authority confirmed the Exchange’s delegated authority to develop and enforce market rules, conduct disciplinary proceedings, and act as Uganda’s frontline capital market regulator. This is not a procedural milestone. It is a structural commitment to accountability, and it directly supports SDG 16’s goal of strong, transparent, and accountable institutions.

Our People: Building a Capable and Inclusive Workforce

With 21 employees delivering the full range of a licensed exchange, self-regulatory Organization, registry, commodities exchange, and training academy, individual capability at the Uganda Securities Exchange is not a human resources topic, but rather, a strategic one. Every training investment, every retention decision, and every structural review directly affects the Exchange’s ability to execute its market development mandate.

FY 2024 baseline

64%

Staff satisfaction score

Year-on-year uplift

+28pts

Single-year improvement

FY 2026 target

≥90%

Sustained improvement goal

Governance and Control Developments

Area	FY 2025 development
SRO status	Formally gazetted, the USE now exercises delegated regulatory authority over market conduct, listings, and trading participants
AML framework	Independent external audit confirmed alignment with regulatory requirements; real-time transaction monitoring implemented; Money Laundering Control Officer appointed
Risk management	Quarterly risk tracker introduced linking strategic priorities to risk monitoring; ERM framework strengthened under ISO 31000 and COSO standards
Business continuity	Business Continuity Plan and Disaster Recovery Plan formally approved by the Board. This is the first time that this framework has been tested and documented at this level
Cybersecurity	Firewall upgrades, vulnerability assessments, and penetration testing conducted; systems resilience strengthened ahead of increasing digital dependency
Internal policy hub	Policy accessibility improved through expansion of the internal policy hub established in 2024; departmental risk ownership strengthened
ESG guidance	USE Sustainability Guidance for Listed Companies developed and submitted to the CMA for approval. This is the Exchange’s first structured expectation for market-wide ESG disclosure

Workforce Profile

Level	Female	Male	vs FY 2024
Company-wide	45%	55%	▲ from 37% in 2023
Board of Directors	50%	50%	▶ Maintained
Senior Management	20%	80%	▶ Unchanged
Total employees	21	-	▲ from 20 in 2024

Staff Satisfaction

Employee satisfaction is measured annually. The FY 2025 survey was completed during the year and presented to the Board, with further discussion scheduled as part of the Board’s ongoing review cycle. During the year, the Exchange continued to build on feedback from earlier staff surveys, including the introduction of a Safe Car transport service for out-of-office work engagements.

Learning and Development

At an exchange of only 21 people, learning is not simply an employee benefit, but also very importantly, an operational imperative. In an institution this lean, every capability shortfall carries direct implications for execution, oversight, and resilience.

In FY 2025, the Exchange invested in a structured learning and development program across five priority areas, each aligned to specific strategic, regulatory, or operational demands facing the organization. Senior management participated in leadership development and corporate governance training, reflecting the Exchange’s recognition that institutional credibility is shaped not only by systems and controls, but also by the judgement and conduct of its leaders.



Given the Exchange’s trajectory as an SRO and its ambitions in ESG market development, all professional staff also completed ESG certification and sustainability integration training, ensuring that the Exchange’s own people understand the frameworks they are promoting to listed companies.

Risk and compliance training covered enterprise risk management, cybersecurity, and AML, each linked to operational priorities advanced during the year. Professional development programs focused on personal effectiveness and customer experience, while formal Chartered Institute for Securities and Investment (CISI) pathways continued to support professional accreditation across the market-facing team.

Training category	FY 2025 development
Leadership & governance	Leadership development for senior management; corporate governance and legal compliance
ESG & sustainability	ESG certification; sustainability integration for capital market professionals
Risk & compliance	Enterprise risk management; cybersecurity awareness; AML compliance
Professional development	Personal branding and communication; customer experience
Institutional partnerships	CISI (Chartered Institute for Securities and Investment) pathways

Employee Wellbeing and Inclusion

In a lean, multi-mandate institution operating across a licensed exchange, self-regulatory functions, a commodities market, a training academy, and a securities registry, employee wellbeing is a deliberate enabler of sustained performance, resilience, and institutional stability.

In FY 2025, wellbeing investments were structured across physical, mental, and organizational dimensions. On the physical side, aerobics and Zumba programs continued to provide structured wellness activity, complemented by staff participation in community health initiatives such as the NSSF Run and Rotary Cancer Run. Mental and emotional wellbeing was supported through the Employee Assistance Programme, which offers confidential counselling services independent of line management.

A key development during the year was the introduction of the Safe Car transport service, established in direct response to employee feedback on personal safety during out-of-office work engagements. The translation of this concern into a formal service during the year reflects the Exchange’s responsiveness and its emphasis on practical, employee-centred solutions.

Structurally, the work-from-home policy was formalized to provide predictable flexibility, while a disability inclusion policy reinforced the Exchange’s commitment to an accessible and inclusive workplace.

A succession planning framework was introduced for key roles to mitigate concentration risk within a lean structure, and the

internship program was sustained to strengthen the early-career pipeline feeding into future recruitment.

Environmental Responsibility: Operating with a Light Footprint

The Exchange’s Sustainability Policy commits the USE to progressively strengthen its environmental performance through emissions management, energy efficiency, responsible procurement, resource conservation, waste management, paper reduction and the promotion of sustainable finance. These commitments recognize that while the Exchange’s direct operational footprint is relatively modest, its influence extends across the broader capital market through the standards, products and market practices it promotes.

During FY 2025, implementation focused on establishing the governance, arrangements, management systems and baseline information required to operationalize these commitments.

Priority was given to strengthening internal processes, reducing paper-based activities, supporting digital service delivery and preparing for the future measurement of Scope 1 and Scope 2 greenhouse gas emissions in line with emerging sustainability reporting expectations.

Beyond its own operations, the Exchange’s greatest environmental contribution lies in enabling more transparent environmental disclosure by listed companies and supporting the development of sustainable investment products that encourage the allocation of capital towards more resilient and responsible economic activities.

Environmental indicator	FY 2025	FY 2024	Status
Scope 1 emissions (direct)	Not yet measured	Not measured	Measurement in scope for FY 2026
Scope 2 emissions (electricity)	Not yet measured	Not measured	Measurement in scope for FY 2026
Paper consumption	Reduced baseline - no baseline	Not measured	Baseline to be set in FY 2026
USSD vs physical account opening	74% digital	93% digital*	*Decline reflects expanded physical outreach
Hybrid AGM adoption (listed cos.)	Maintained	Maintained	All AGMs in hybrid format
ESG guidance for listed companies	Submitted to CMA	Not submitted	Approval pending-FY 2026 target

The Exchange is aiming to establish a quantified environmental baseline, including energy consumption, emissions, and paper use, by end of FY 2026, in preparation for IFRS S2 alignment.

During the year, 74% of new SCD accounts were opened through USSD, eliminating paper forms and reducing the need for physical documentation for most new investors. Hybrid AGM models also continued across listed companies, reducing travel requirements while maintaining shareholder participation and engagement quality.

FY 2026 Priorities: Commitment 2

The institutional integrity agenda for FY 2026 addresses both continuity and completion. At board level, the priority is appointing a permanent Board Chair and concluding the succession process that will define the Exchange’s governance composition for the next chapter of its strategy. Internally, the organizational structure review will translate the expanded mandate of an SRO into the appropriate staffing and role architecture, with staff satisfaction maintained at or above 90% as the measure of whether this is done well, not just done.

The environmental baseline commitment is a specific, bounded undertaking: by the end of FY 2026, the Exchange will have in place a quantified measure of its Scope 1 and Scope 2 emissions, energy consumption, and paper use. This is not a transformation program. It is a data discipline, and it creates the foundation from which IFRS S2 alignment becomes possible. Departmental risk ownership, embedded through the quarterly risk reporting cadence established in FY 2025, will be sustained and deepened as the Exchange’s risk functions mature.

Priority	Target	Timeline
Complete Organizational structure review	Target staff satisfaction ≥90%	Q4 2026
Appoint permanent Board Chair; complete board succession process	Board composition confirmed	H1 2026
Establish quantified environmental baseline: energy, emissions, paper	Scope 1 and 2 measurement in place	End FY 2026
Strengthen departmental risk ownership across all functions	Quarterly risk reporting cadence maintained	Ongoing

Commitment 3:

Expand Inclusive Access to Capital Markets

Sustainability is not achievable in a market that excludes the majority of potential participants. The Uganda Securities Exchange's third commitment recognizes that financial inclusion is not a social responsibility add-on. It is the long-term business model. A market with 273,574 investors today will not reach its full potential without deliberate, sustained investment in lowering every barrier between Ugandans and the capital markets infrastructure they have a right to access.

 Total SCD accounts

273,574

▲ Up from 259,391 in 2024

 New accounts in FY 2025

14,183

13,510 unique accounts

 Opened via USSD

74%

No branch visit required

 Opened in person

23%

▲ from 4% — growing physical reach

Digital Access: Lowering the Cost of Participation

The most consequential financial inclusion intervention the Exchange operates is the USSD account opening facility — a mobile phone-based onboarding system requiring no internet connection, no bank account, and no branch visit. In FY 2025, 74% of new SCD accounts were opened through USSD, confirming that this channel is not a supplementary option but the primary gateway for Uganda's retail investor base.

Beyond account opening, the Exchange continued to invest in the Easy Portal, its web-based trading platform, adding direct share-buying functionality, real-time dashboards, and integration with mobile money and card payment systems. These enhancements lowered barriers to active trading, complementing the account-opening access provided by USSD.

Account Opening by Channel — FY 2025

Channel	USSD	Easy Portal	Physical	Total Accounts
Crested Capital	5,293	81	1,562	6,936
Old Mutual	2,215	201	631	3,047
Chipper Technologies	1,137	26	326	1,489
SBG Securities	958	61	332	1,351
Dyer & Blair	397	27	156	580
Custodian banks	—	—	107	107
Total	10,000	396	3,114	13,510

Note: USSD totals consolidated from Airtel and MTN channels across all brokers.

Investor Education and Financial Literacy

Financial literacy is the prerequisite for financial inclusion. Opening a USSD account is only the first step; understanding what to do with it requires sustained education. In FY 2025, the Exchange delivered investor education through multiple channels:

- » World Investor Week participation in collaboration with the Capital Markets Authority, promoting informed investment decisions and investor protection rights
- » KACITA partnership: public sensitisation in downtown Kampala reaching small business owners and traders
- » SACCO leader engagements: structured sessions introducing cooperative investment managers to capital market products
- » Ring the Bell for Gender Equality: reinforcing the Exchange's commitment to inclusive financial participation for women
- » FiRe Awards participation: encouraging improved corporate transparency and sustainability reporting among listed companies
- » Aga Khan Schools: pro bono financial literacy sessions for students; exposure to investment concepts and capital market careers
- » Rugaba Girls Secondary School: financial education program with focus on savings and investment fundamentals



Community Engagement:
Building the Future Investor Base

Capital market participation does not begin with an SCD account alone. It begins with familiarity, with the understanding that capital markets are accessible, relevant, and within reach for all people.

In FY 2025, the Exchange’s community engagement efforts were deliberately focused on groups that represent the future depth of Uganda’s capital markets: students, small business owners, farmer cooperatives, SACCOs, and emerging investor communities whose financial choices will shape long-term market participation.

At Aga Khan Schools, the Exchange delivered pro bono financial literacy sessions introducing students to investment concepts and careers within the capital markets ecosystem – engagement designed to build future participation over the long term.

At Rugaba Girls Secondary School, financial education sessions focused on savings and investment fundamentals, supporting more inclusive access to financial literacy at an early stage.

These interventions reflect the Exchange’s recognition that investor confidence and participation are built progressively over time.

In Kampala’s commercial district, the Exchange’s partnership with KACITA engaged small business owners and traders, a constituency that drives substantial economic activity yet remains largely disconnected from formal capital markets.

In Mubende and Mityana districts, the USE COMMEX outreach sessions engaged more than 100 farmers, SACCOs, and agricultural aggregators on commodity trading and warehouse receipt financing, extending capital market awareness into communities with limited prior exposure to structured trading systems. Staff participation in initiatives such as the NSSF Run and Rotary Cancer Run also reflected the Exchange’s role as an active community institution alongside its function as a market operator.

Initiative	Reach and approach	Strategic purpose
Aga Khan Schools - pro bono	Financial literacy sessions for students; exposure to investment concepts and capital market careers	Building the long-term investor pipeline
Rugaba Girls Secondary School	Financial education for secondary school students; focus on savings and investment fundamentals	Gender-inclusive financial access from formation
KACITA downtown outreach	Public sensitisation reaching small business owners and traders in Kampala’s commercial district	Broadening retail market awareness
NSSF Run & Rotary Cancer Run	Staff and institutional participation in health awareness and community mobilisation events	Institutional presence in community life
COMMEX farmer outreach	District-level engagements in Mubende and Mityana with over 100 farmers, SACCOS, and aggregators	Agricultural value chain inclusion

FY 2026 Priorities: Commitment 3

The Exchange’s access agenda for FY 2026 is centred on a simple objective: making participation in Uganda’s capital markets easier, more familiar, and more reachable for ordinary investors. Two major digital infrastructure milestones – the Automated Exchange Listing Platform (AELP) and the mobile application – are scheduled for public launch in the first half of the year. Together, these platforms are expected to move investor access beyond basic onboarding into more active and continuous market participation.

At the same time, the Exchange will work to expand USSD onboarding beyond the current broker network, creating additional entry points through which first-time retail investors can encounter and access the market. This reflects the Exchange’s recognition that access is not only about technology, but also about proximity, trust, and visibility.

The third priority is deeper engagement with SACCOs and cooperative savings groups, whose memberships represent some of the most organized pools of household savings in Uganda. Over time, broader participation from these groups has the potential to strengthen both financial inclusion and the long-term depth of Uganda’s capital markets.



Priority	Target	Timeline
AELP public launch to retail investors; mobile application launched	New accounts via digital channels tracked monthly	H1 2026
Expand USSD onboarding reach beyond current broker network	New broker-channel registrations	FY 2026
Deepen SACCO and cooperative investment education	Number of SACCOs engaged; assets referred to market	FY 2026

Commitment 4:

Facilitate Market-Based Financing for Productive and Sustainable Economic Growth

The Exchange's most powerful long-term sustainability contribution is the capital it helps to allocate. When the Exchange deepens its product range, broadens its issuer base, and extends its infrastructure into under-served sectors of the economy, it performs its most consequential function: channelling savings toward investment, and investment toward growth.

 **Total market capitalisation**

UGX 35.5t

 Up from 26.1T in 2024

 **Underlying equities growth**

+27.2%

Excl. MTN secondary transaction

 **Income tax paid**

UGX 118m

Contribution to public revenue

 **COMMEX supply commitments**

110,000mt

Metric tonnes from farmer groups

In FY 2025, this commitment was expressed through capital market development, product innovation, agricultural value chain engagement, and direct contributions to national revenue.

Capital Market Development

A functioning capital market is the most scalable economic sustainability instrument available to a developing economy. In FY 2025, domestic market capitalisation rose to UGX 15.9 trillion, a 26.2% increase from the previous year, reflecting strong price performance across listed counters and renewed investor confidence. While headline equities turnover declined following the absence of a large secondary market transaction recorded in the prior year, underlying trading activity increased by 27.2%, and deal volumes rose to 8,342 from 6,462 in the previous year. These figures indicate a market deepening in participation, even as concentration in the top five counters remains a structural challenge.

Product Development: Opening New Doors

Sustainable capital markets require product diversity. A market that offers only large-cap equities excludes the majority of investable capital. In FY 2025, the Exchange advanced product frameworks that will broaden the market's investable universe significantly:

- » **Exchange-Traded Funds (ETFs):** Guidelines advanced; a Local Government Bond ETF proposed as the foundational product, providing accessible exposure to Uganda's sovereign debt market
- » **Corporate bonds:** Regulatory approval granted for a Tier IV microfinance institution corporate bond with an initial tranche expected to raise over UGX 70 billion, the first time the bond market has been broadened to this issuer category
- » **Over-the-Counter government securities:** Trading rules developed to improve secondary market liquidity in government bonds
- » **Commercial paper:** Framework strengthened for short-term corporate financing instruments

Commodity Value Chain: USE COMMEX

Through the USE Commodities Exchange (USE COMMEX), the Exchange extended its capital market development role into Uganda's agricultural sector, the country's largest employer and a key segment of the economy that remains furthest from formal market infrastructure.

FY 2025 marked the transition of COMMEX from infrastructure establishment to active market operations. Initial trades were executed through accredited warehouse operators, representing the first commercial transactions recorded on the platform. Sensitization campaigns in Mubende and Mityana districts reached over 100 farmers and farmer groups, generating approximately 110,000 metric tonnes in indicative supply interest from production-level participants. Radio engagement on regional stations further expanded awareness of structured commodity trading and the role of certified warehouses as storage and collateral facilities.

During the year, the Exchange initiated engagements to develop a financing architecture that enables warehouse receipts to be used as bankable collateral. These engagements included discussions with DFCU Bank, Uganda Development Bank (UDB), and aBi Finance, aimed at exploring the conditions under which such a system could be operationalized. Once established, this framework is expected to enable farmers to use warehouse receipts as collateral for working capital, helping to address post-harvest liquidity constraints that often force producers into early sales at suboptimal prices. This represents a significant step in linking capital market infrastructure to real-economy financing challenges within the agricultural value chain.

Priority	Target	Timeline
Launch first ETF product; secure issuer for government bond ETF	ETF listed and trading on USE	H2 2026
Activate first Tier IV microfinance corporate bond tranche	UGX 70B+ raised; new issuer category established	H1 2026
Scale COMMEX to additional districts; deepen financing partnerships	Additional metric tonnes committed; new warehouse partners	FY 2026
Expand GEMS pipeline through KPMG SME outreach	Additional companies profiled for market readiness	FY 2026

SME and Growth Enterprise Market

The Exchange supported the pipeline of emerging market issuers through its Growth Enterprise Market Segment (GEMS), including participation in the KPMG SME Top 100 Survey — which identified approximately 27 companies with potential to access capital through the Exchange. Sponsorship of the FiRe Awards and BERI forums further strengthened financial reporting standards and market readiness among growth-stage companies.

FY 2026 Priorities: Commitment 4

The capital allocation agenda for FY 2026 is centred on conversion: frameworks developed in FY 2025 are expected to transition into live market instruments during the year. The first exchange-traded fund (ETF), expected to be a Local Government Bond ETF, is targeted for listing and trading by H2 2026, marking a milestone in the diversification of Uganda's capital market product offering. The Tier IV microfinance corporate bond, for which regulatory approval was secured in FY 2025, is scheduled for its inaugural tranche in H1 2026, with an expected raise of over UGX 70 billion and the potential to establish a new issuer category that broadens access to the corporate bond market for a wider range of Ugandan institutions.

On the commodities side, the COMMEX program will be scaled to additional districts, building on the engagement model piloted in Mubende and Mityana. Continued engagement with DFCU Bank, Uganda Development Bank (UDB), and aBi Finance will support the expansion of warehouse receipt monetisation as collateral, increasing the potential volume of commodity-backed financing. Through the GEMS program and ongoing engagement with the KPMG SME Top 100 Survey, the Exchange will also strengthen its pipeline of growth-stage companies with potential for future market-based financing.



Looking Ahead: FY 2026 Sustainability Priorities

The USE sustainability agenda for FY 2026 is shaped by three forces: the internal ambitions of the 2025–2029 strategy, the new Board-approved USE Sustainability Policy, the external requirements of the IFRS S1/S2 implementation timeline, and the evolving needs of a market that is wider, deeper, and stronger than it was twelve months ago. These priorities are structured with defined ownership, expected outcomes, and delivery timelines, reflecting the Exchange’s approach to execution-led planning.



Priority	Commitment	Target metric	Timeline
Market ESG	C1 – Market Guidance	Secure CMA approval for USE Sustainability Guidance for Listed Companies; published and communicated to all issuers	Q2 2026
IFRS S1/S2	C1 – Market Guidance	Launch listed company readiness program; at least 5 issuers engaged in gap assessment	FY 2026
Governance	C2 –Institutional Integrity	Appoint permanent Board Chair; complete board succession process	H1 2026
People	C2 –Institutional Integrity	Complete Organizational structure review; target staff satisfaction ≥90%	Q4 2026
Environmental	C2 –Institutional Integrity	Establish quantified baseline: energy, emissions, and paper consumption (Scope 1 and 2 measurement in place)	End FY 2026
Digital access	C3 – Inclusive Access	AELP public launch to retail investors	H1 2026



Guidance in Force: The Market ESG and IFRS S1/S2 Agenda

A central priority for FY 2026 is the conclusion of the regulatory process for the USE Sustainability Guidance for Listed Companies, which was developed and submitted for CMA approval in FY 2025. This work sits alongside the Board’s own approval of the USE Sustainability Policy, reflecting a consistent standard the Exchange applies both to the market

it regulates and to itself. Once approved, the Exchange will proceed with formal communication and implementation support for all issuers.

The Exchange will also initiate a structured IFRS S1/S2 readiness program, engaging at least five listed companies in gap assessment exercises. With the 2028–2029 disclosure horizon approaching, early preparation is increasingly important, and the Exchange’s role is to support issuers in building readiness over time.



Digital Access: From Infrastructure to Reach

The planned launch of the AELP and the enhanced mobile application in H1 2026 represents a significant step in the Exchange’s digital access agenda. The new platforms are intended to further deepen participation by enabling more active engagement in the market.

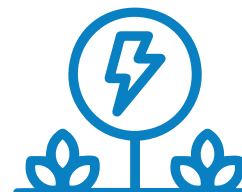
The Exchange will monitor uptake through monthly reporting of new accounts and usage across digital channels, while also working to extend USSD onboarding beyond the current broker network to reach segments not yet served by existing distribution channels.



Governance Continuity: Board and Institutional Structure

Two governance priorities are central to FY 2026. The first is the conclusion of the process to appoint a permanent Board Chair, which will provide continuity of leadership through the next phase of the 2025–2029 strategy and is expected to be finalized in the first half of the year.

The second is the organizational structure review, designed to align the Exchange’s staffing and role architecture with its expanded mandate, including SRO responsibilities, COMMEEX, AELP, and other evolving functions. Staff satisfaction levels of 90% or higher will serve as one of the indicators of how effectively the transition is managed.



Environmental Baseline: A Data Discipline

The FY 2026 environmental priority is the establishment of a quantified baseline covering Scope 1 and Scope 2 emissions, energy use, and paper consumption — delivering on the environmental risk management commitments set out in the USE Sustainability Policy. This is not framed as a net zero commitment, but as

the foundational measurement work required for credible future sustainability reporting.

As the Exchange supports listed companies in preparing for IFRS S2 climate disclosures, establishing its own baseline ensures consistency between external guidance and internal practice.



Governance Report

The Uganda Securities Exchange is committed to maintaining strong corporate governance as the foundation for market integrity, investor confidence, and sustainable growth. As a licensed exchange, a Self Regulatory Organization, and a commercial entity, the Exchange operates within a governance framework that supports effective oversight, accountability, and sound decision-making.

Ag. Chairperson's Governance Review

Good governance remains central to the Uganda Securities Exchange's ability to deliver on its mandate as a market operator, Self-Regulatory Organization and commercial institution. It provides the foundation for sound decision-making, market integrity, institutional accountability and stakeholder confidence.



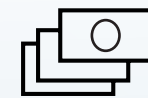
In FY 2025, the Board provided strategic oversight during the first year of implementing the USE 2025–2029 Strategy, with a focus on market development, regulatory alignment, institutional capacity, and risk management. This included oversight of new product development, governance reforms, approval of the USE Sustainability Policy and the operationalization of the Exchange's SRO mandate.

FY 2025 was a year of both transition and continuity at Board level. Following the resignation of Mr. Richard Patrick Byarugaba as Chairperson, the Board put in place interim leadership arrangements to ensure continuity of oversight, effective stewardship and the uninterrupted discharge of its governance responsibilities. In this interim period, the Board remained focused on providing strategic direction, strengthening accountability, overseeing risk and compliance, and supporting the Exchange's evolving mandate.

We thank Mr. Byarugaba warmly for his distinguished service, steady leadership and wise stewardship of the Exchange through an important period of growth and institutional strengthening. His contribution remains an important part of the Exchange's governance journey. In July 2025, the Board also welcomed Mr. Dan Tumuramye as the Trading Participants Representative, whose market perspective and experience will enrich Board deliberations.

These changes were managed within the established governance framework, supporting orderly transition, continuity of oversight and sustained Board effectiveness. The Board will continue to prioritize succession planning, induction, director development and knowledge transfer as important elements of sound governance.

During the year, the Board's work was shaped by three broad governance priorities: oversight of the first year of implementation of the USE 2025–2029 Strategy; strengthening of the Exchange's regulatory and institutional capacity following recognition as a Self-Regulatory Organization; and continued alignment of governance structures with the Exchange's evolving mandate.



70b
expected
to be
raised
through
initial
tranche

These priorities informed Board deliberations, committee work, management engagement and the governance improvement agenda.

The gazettelement of the USE as a Self-Regulatory Organization was an important governance milestone in FY 2025. It reinforced the need for clear rules, consistent enforcement, effective surveillance, sound compliance systems and transparent decision-making. For the Board, this meant ensuring that the Exchange's regulatory responsibilities were supported by appropriate oversight, internal controls, conflict management and accountability mechanisms. This is especially important for an institution that must balance commercial sustainability with public market responsibilities.

The Board continued to operate through a structured committee system that enables focused oversight of key areas of the Exchange's mandate. The Audit and Risk Committee supported oversight of financial reporting, internal controls, enterprise risk, audit matters and assurance processes. Other Board committees provided guidance on business conduct, business development, listings, human resources, remuneration and organizational effectiveness. This structure allowed detailed review of specialized matters while preserving the Board's collective responsibility for strategic direction and institutional performance.

Risk oversight remained a central part of the Board's agenda in FY 2025. As the Exchange expands its products, services and regulatory role, the Board maintained close attention to risks across market conduct, cybersecurity, operational resilience, financial performance and Anti Money Laundering (AML) obligations. The Board will continue to emphasize a disciplined risk culture supported by effective controls, timely reporting and clear accountability.

FY 2025 was also a year of tangible governance progress. The Board approved the USE 2025–2029 Strategy and a Medium Term Note Programme, and advanced market development initiatives spanning ETFs, REITs, Commercial Paper and Sukuk bonds. The regulatory framework was strengthened through updates to Trading Participant Rules and the submission of ESG Guidelines.

The Board also considered proposed amendments to the Memorandum and Articles of Association, alongside continued oversight of organizational effectiveness and human resource alignment. Enhanced stakeholder engagement through structured consultations further reflected the Board's commitment to transparency and inclusive governance.

As the Exchange advances its new strategy, the Board will continue to strengthen governance practices that support market integrity, institutional resilience and sustainable value creation. Our focus will remain on effective oversight, disciplined execution of strategy, strengthening regulatory credibility, and ensuring that the Exchange continues to serve Uganda's capital markets with transparency, accountability and purpose.

I thank my fellow Board members for their commitment and considered guidance during the year. I also thank the management and staff for their professionalism, and our shareholders, regulators, issuers, trading participants, investors and partners for their continued confidence in the Uganda Securities Exchange.

Jennifer Kabanyana Mwijukye
Ag. Chairperson

Governance Highlights

In FY 2025, the Board provided oversight of key strategic and market development initiatives, ensuring alignment with the Exchange's mandate and long-term objectives. Key governance highlights included:



Approval of the USE Strategy FY 2025–2029



Strengthening of the regulatory framework through updates to Trading Participant Rules and submission of ESG Guidelines



Approval of a Medium Term Note Programme



Continued oversight of organizational effectiveness and human resource alignment



Advancement of market development initiatives, including ETFs, REITs, Commercial Paper, and Sukuk bonds



Proposed amendments to the Memorandum and Articles of Association



Enhanced stakeholder engagement through structured consultations



Approval of the USE Sustainability Policy

These actions reflect the Board's continued focus on strengthening market integrity, enhancing investor confidence, and positioning the Exchange for long-term growth.

Board of Directors Profiles



Richard Patrick Byarugaba,
Board Chair

Appointment Date: May 2021 | Resigned: August 2025

Richard Byarugaba's deep understanding of financial management and strategic leadership is evidenced by his successful track record in growing assets and improving customer satisfaction. His innovative approach to democratising savings and investments has empowered many individuals to improve their financial well-being. Mr. Byarugaba's proven ability to achieve operational efficiency and drive financial growth makes him an invaluable leader for the Uganda Securities Exchange.

Samuel Fredrick Mwogeza,
Non Executive Director representing Issuers

Appointment Date: September 2019

Samuel Fredrick Mwogeza brings over 20 years of experience in the financial services sector, coupled with extensive leadership in sales, finance, business strategy, and operations across multiple African countries. His ability to lead complex business initiatives and build strong, effective teams has been demonstrated through his career. Mr. Mwogeza's commitment to sustainable business practices and his executive coaching certification make him well-suited to guide the Uganda Securities Exchange towards growth and stability.



Dan Tumuramye,
Non-Executive Director representing Trading Participants

Appointment Date: July 2025

Dan Tumuramye brings over 17 years of experience in digital payments, financial technology, investment and brokerage services, mobile money, and risk management. As Managing Director of Chipper Technologies Uganda Limited, he has led the company's growth, partnership, licensing, and expansion strategies, while also supporting Chipper's admission to the Uganda Securities Exchange as both a Trading Participant and CSD Agent. His experience in digital finance, technology-driven financial services, and market innovation provides valuable insight into the evolving financial services landscape and the growing role of technology in expanding access to capital markets. Dan holds an MBA from Symbiosis International University in India and a Bachelor of Commerce (Honours) degree from Makerere University.

Rachel Mindra Katoroogo,
Independent Non Executive Director

Appointment Date: September 2019

Assoc. Prof. Rachel Mindra Katoroogo combines academic excellence with practical consultancy experience in finance and operations. Her leadership in research and project development, along with her expertise in banking, digital finance, and entrepreneurship, enables her to provide strategic insights and innovative solutions. With a PhD in Finance and extensive experience in stakeholder engagement, Assoc. Prof. Mindra is well-equipped to support the Uganda Securities Exchange in achieving its goals through research-driven and sustainable practices.



Leah Nyambura-Kagumba,
Independent Non Executive Director

Appointment Date: September 2021

Leah Nyambura-Kagumba's 16 years of experience in investment banking, particularly as Director of Corporate Finance at Dyer and Blair Investment Bank Ltd, make her an invaluable member of the USE Board. Her extensive work in financial debt and equity transactions, coupled with her regulatory liaison roles, highlight her deep understanding of the East African financial markets. Leah's professional memberships with ICIFA, Kenya, and CISI, along with her Bachelor's degree in Economics and Business Studies and MSc in Finance from Kenyatta University, ensure she brings significant expertise to the Business Conduct Committee and the Business Development Committees.



Renita Jacinta Nabisubi ,
Independent Non Executive Director

Appointment Date: August 2022

Renita Jacinta Nabisubi's expertise spans agriculture, digital economy, and MSME program management, with a focus on improving livelihoods for low-income populations. Her strategic thinking and successful management of cross-functional teams in various African countries highlight her capability to drive impactful initiatives. With a Master of Science in Methods for Management of Complex Systems and fluency in multiple languages, Ms Nabisubi's diverse skill set positions her to effectively contribute to the Uganda Securities Exchange's governance and innovation.

Jennifer Kabanyana Mwijukye,
Independent Non Executive Director

Appointment Date: September 2019

Jennifer Mwijukye Kabanyana, founder and CEO of Unifreight Cargo Handling Limited, brings over 20 years of trade and logistics expertise to the USE Board. Recognized twice as Woman Entrepreneur of the Year by the Women Entrepreneurs Association Ltd, she has significantly contributed to business integrity in the transport and logistics industry. Jennifer's service on the Presidential Investors' Roundtable and her leadership roles in various organizations highlight her commitment to economic development. She holds a Master's degree in Transport Economics and Logistics Management from ESAMI and a Bachelor's degree in Business Administration from Makerere University. As chair of the Business Development Committee and a member of the Finance and HR Committee, Jennifer's entrepreneurial acumen and strategic vision are invaluable to the Board.



Paul William Bwiso,
Chief Executive Officer

Appointment Date: March 2015

Paul Bwiso, as the Chief Executive of the Uganda Securities Exchange, leverages his extensive experience in asset management, corporate finance, and securities trading to steer The Exchange towards success. His background in accounting and his strategic leadership have been crucial in the full transition to an automated trading system and the successful completion of the demutualization process in 2017. With over 30 years of experience and previous roles such as General Manager at Dyer and Blair Investment Bank Uganda, Paul's expertise in financial planning, business analysis, and strategic planning is instrumental in driving the USE's growth and innovation.

Board Leadership and Strategic Oversight

The Board plays a central role in guiding the Exchange toward sustainable value creation and upholding the integrity of Uganda's capital markets. It operates under a defined Charter and is responsible for setting strategy, values, and long-term goals.



In FY 2025, the Board oversaw the implementation of the USE 2025–2029 Strategy, which sets out the Exchange's vision to be a trusted catalyst for sustainable wealth creation. The strategy focuses on expanding participation, improving access, strengthening infrastructure, and enhancing the Exchange's role within the capital markets ecosystem.

During the year, the USE was also formally gazetted as a Self-Regulatory Organization, marking a significant milestone in strengthening its regulatory mandate. The Board provided oversight of the execution of these regulatory responsibilities, reinforcing market integrity, institutional autonomy, and investor confidence.

Effective Board

The USE Board functions as a unified, competent and well-structured team, composed of directors with extensive experience in finance, capital markets, technology, law and governance. This diversity enables rich deliberation, independent thinking and sound decision making, especially on matters with long-term strategic and regulatory implications.

The Board comprises a balanced mix of executive and non-executive directors. This composition safeguards objectivity in oversight and ensures that management is constructively challenged where necessary. The Chairperson and Chief Executive Officer maintain distinct roles with open communication lines that foster a continuous flow of information between oversight and execution.

The Board operations are supported by five principal committees, each with defined responsibilities that promote focused oversight and informed guidance on critical aspects of the USE's operations. Board and Committee meetings are held regularly and directors receive comprehensive materials in advance to enable meaningful engagement.

The Board also invests in continuous learning, staying abreast of emerging trends in digital transformation, ESG, regulatory reform and risk management.

Purpose and Culture

With the new strategy implementation in FY 2025, the USE's core values were also refreshed. The Board ensures that these values are central in guiding its operations, and that they are reflected not only in strategic plans but also in organizational culture, employee engagement and external partnerships. These values are embedded in performance management systems, fostering employee engagement, retention, and productivity.

Board Independence

Board independence is essential for maintaining objectivity and ensuring that decisions are made in the best interests of the company and its stakeholders. The Companies Act 2012 Corporate Governance Code underscores the importance of independent judgment, requiring that a portion of the Board consists of non-executive directors who are independent of management. The USE Board comprises executive and non-executive directors with independent non-executive directors making up 50% of the Board, including the Chairperson. This composition ensures impartial decision-making that prioritizes the best interests of the company and its stakeholders.



50%

non-executive board members

It ensures that directors can hold executive management to account when required without fear of reprisal. This independence is essential to the Exchange which, as a regulator, must be seen as impartial and principled in order to maintain market integrity and strengthen public trust. Our governance structure mandates the delegation of authority to the various Board Committees that provide impartial, specialized oversight and strategic guidance on financial reporting, business conduct, human capital and strategic development.

Conflict of Interest

The Corporate Governance Code under the Companies Act 2012 dictates that Board Directors must disclose any conflicts of interest and requires them to abstain from decisions where they have a personal stake. The USE upholds strict standards for managing conflicts of interest. All directors – both executive and non-executive – are required to declare any potential conflicts of interest at the start of each meeting. Where such conflict is found to exist, the concerned director is recused from related discussions and decisions. This approach is important in supporting Board independence, by ensuring that deliberations remain impartial, transparent, and protect the interests of the USE and its stakeholders. The Company Secretary provides advisory support and oversight in this regard, to ensure that this framework is upheld.

Shareholder Engagement

Active engagement with shareholders and stakeholders remains a core governance priority. The Board recognizes that regular, transparent communication fosters trust, accountability, and long-term commitment to the Exchange's success. The Board and management maintain a strong relationship with shareholders, keeping them informed about business performance to promote accountability, transparency, and confidence in the Exchange's leadership.

In February 2026, the Board convened a market stakeholder engagement to gather feedback from key participants across the ecosystem, including issuers, intermediaries, and investors.

The engagement provided valuable insights into market needs, emerging opportunities, and structural constraints affecting participation and growth.

Key themes emerging from the engagement included the need to diversify financial instruments, enhance the accessibility and efficiency of trading through technology, and strengthen public awareness and investor education. Stakeholders also highlighted the importance of regulatory alignment across institutions, particularly between the Exchange, the Capital Markets Authority, and the Bank of Uganda, to reduce compliance burdens and support market growth.

The engagement further underscored the need to deepen retail investor participation through innovative approaches tailored to local market dynamics, as well as opportunities to enhance investor incentives through partnerships and product innovation.

Insights from this engagement are expected to inform ongoing strategy implementation, product development, and stakeholder engagement approaches in 2026 and beyond.

Regulatory alignment: Stakeholders raised concerns about the increasing regulatory burden on issuers and urged the USE to harmonize its requirements with other regulators such as the Bank of Uganda (BOU) and Capital Markets Authority (CMA).

Retail investor engagement: Innovative approaches were discussed to engage retail investors, including leveraging the boda boda culture, which favors fast-return investment opportunities.

New product introductions: Stakeholders encouraged the Exchange to explore new products such as cryptocurrencies, ETFs, and REITs to expand investment options and cater to evolving market demand.



Corporate Governance Statement

The Uganda Securities Exchange remains committed to upholding the highest standards of corporate governance in line with the Capital Markets Authority (CMA) regulations, international best practices, and its mandate as both a listed entity and a Self-Regulatory Organization (SRO).



Strong corporate governance is the cornerstone of our commitment to sustainable value creation, market integrity, and stakeholder trust. It ensures that our operations remain transparent, resilient, and aligned with long-term objectives for the Exchange and the wider capital markets ecosystem.

Throughout FY 2025, the USE upheld the highest standards of governance, guided by the Companies Act 2012, our Articles of Association, and international best practice frameworks.

In a year of significant regulatory evolution as an SRO, and with the adoption of a new strategy, the Board reinforced its focus on ethical leadership, regulatory compliance, effective risk management, and strategic oversight. The Board also continued to prioritize open and transparent engagement with stakeholders.

This section outlines our governance approach, leadership structure, and key governance developments during the year, providing stakeholders with clear insight into how we deliver our purpose and maintain accountability. The following guide outlines where key aspects of governance are detailed in this report:

Name	Position
Governance Framework	Structures supporting accountability, risk oversight, and regulatory compliance
Board Leadership and Company Purpose	How the Board approves strategy, oversees management, and aligns culture and purpose
Division of Responsibilities	Clear delineation between the roles of the Board, Chairperson, CEO, and Committees
Board Composition, Succession, and Evaluation	Overview of Board skills, independence, diversity, and performance evaluations
Board Committee Reports	Detailed activities and reports from the Board's standing committees

We remain committed to continuous governance improvement to ensure that USE is well positioned to deliver long-term success and build a future-ready market for all our stakeholders.

Jacintah Akino, Company Secretary

Governance Framework

Our governance framework provides the foundation upon which sustainable value creation at the Exchange is built. It is designed to ensure that the Exchange is governed with integrity, guided by accountability, and aligned with its long-term strategic direction.

Through clearly defined lines of responsibility and oversight, the framework supports ethical leadership, informed decision-making, and responsiveness to both national development priorities and evolving global market standards.

In practice, the framework enables effective information sharing, timely decision-making, and robust oversight across the organization. It supports the implementation of strategy by reinforcing accountability at all levels, maintaining appropriate risk oversight, and enabling the effective development and monitoring of key performance indicators, which are essential for tracking progress and ensuring alignment with the Exchange's strategic objectives.

The governance structure of the Exchange is anchored in a clear hierarchy of roles and responsibilities. The Board of Directors provides overall strategic oversight and policy direction, supported by Board Committees that focus on specific areas of governance and risk.

Executive Management is responsible for implementing strategy and managing day-to-day operations, while control functions such as risk management, compliance, and internal audit provide independent assurance and oversight. Within this structure, Non-Executive Directors play a critical role in providing independent judgement, oversight, and strategic guidance.

Together, these elements ensure an effective separation of responsibilities while maintaining strong alignment between strategy, risk management, and operational execution, thereby strengthening investor confidence and supporting the long-term development of the capital markets.



The Board

The Board is primarily responsible for setting the USE's strategy for delivering long-term value to our shareholders and other stakeholders, providing effective oversight to management concerning the execution of the strategy and ensuring USE maintains an effective risk management and internal control system.

Board Committees

The Board delegates certain matters to its five principal committees: Audit and Risk Committee, Business Conduct Committee, Finance and Human Resources Committee, Business Development Committee and the ad hoc Listing Committee.

Delegation to Management

The Board delegates the execution of the company's strategy and the day-to-day management of the business to the Chief Executive Officer and the Executive Committee.

Supporting Committees

The Executive Committee operates a number of supporting committees that provide oversight on key business activities and risks. These include a Human Resources Committee, and Market Surveillance Committee.



Board Composition and Division of Responsibilities

The USE Board is structured to include both executive and non-executive directors, each playing a crucial role in the governance and strategic oversight of the company. The Board consists of a diverse group of directors with expertise across various sectors, ensuring a balanced approach to decision-making.



Executive Directors

Executive Directors are part of the company's senior management team and are involved in the day-to-day operations of the company. Their responsibilities include:

- » **Operational Management:** Overseeing the daily operations of the company, ensuring that strategic initiatives and directives from the Board are implemented effectively.
- » **Strategic Implementation:** Translating the Board's strategic vision into actionable plans and ensuring these plans are executed efficiently.
- » **Reporting:** Providing regular updates to the Board on the company's performance, operational challenges, and progress towards strategic goals.
- » **Leadership and Management:** Leading the senior management team and fostering a culture of high performance and accountability within the organization.

The Board also invests in continuous learning, staying abreast of emerging trends in digital transformation, ESG, regulatory reform and risk management. A Board training on Anti Money Laundering is scheduled for Q3 2026.

Non-Executive Directors

Non-Executive Directors provide an independent perspective and are not involved in the daily operations of the company. Their primary responsibilities include:

- » **Independent Oversight:** Providing unbiased oversight and constructive challenge to the executive directors, ensuring decisions are made in the best interest of the company and its stakeholders.
- » **Governance and Compliance:** Ensuring that the company adheres to high standards of corporate governance, regulatory requirements, and ethical practices.
- » **Strategic Guidance:** Offering strategic insights and guidance based on their expertise and experience, helping to shape the company's strategic direction.
- » **Risk Management:** Participating in the review and assessment of the company's risk management framework, ensuring that significant risks are identified and mitigated effectively.
- » **Committee Participation:** Serving on various Board committees to provide focused oversight on key areas such as audit, risk, business conduct, finance, and human resources.



Company Secretary

The Company Secretary serves as the secretary to the Board and its committees. The Company Secretary's role is to:

- » Develop agendas for Board and Committee meetings, collate, and distribute meeting materials.
- » Ensure adherence to Board procedures and governance protocols.
- » Provide guidance on regulatory compliance and corporate governance best practices.
- » Facilitate induction programs for new Board members.
- » Ensure that the Exchange conducts its business with integrity, in alignment with its purpose and culture.
- » Organize Annual General Meetings.
- » Offers advisory support to all Directors.

Division of Responsibilities

A well-functioning governance system relies not only on clarity of roles but also on the efficient delegation of responsibilities. At the USE, this principle remains central to how the Board governs - retaining strategic and regulatory oversight, while entrusting detailed review and execution support to dedicated Board Committees and Executive Management. The Board Charter serves as the primary reference document, outlining the Board's duties and the delegation of authority to its committees. The Board delegates specific responsibilities to its committee, each with a focused scope-

- » Audit and Risk Committee (ARC): Provides oversight of financial reporting, internal controls, and enterprise risk. It systematically assesses emerging risks and reviews internal and external audit findings.
- » Finance and Human Resources Committee (FHR): Oversees financial planning, budget management, staff remuneration, and human capital development strategies.
- » Business Development Committee (BDC): Guides strategic business growth, innovation, and competitiveness, especially in emerging markets and regional opportunities.

- » Business Conduct Committee (BCC): Upholds the ethical and professional standards of the market by monitoring compliance, reviewing market conduct cases, and advising on enforcement actions.
- » Listing Committee: An ad hoc committee composed of Independent Non-Executive Directors responsible for evaluating and approving listing applications under the Main Investment Market Segment.

The value of this division of responsibility model lies in its flexibility and depth. Delegation does not diminish the Board's authority; instead, it enables more thoughtful oversight, informed decisions, and stronger alignment between governance and execution. With the support of the Company Secretary, who facilitates communication, record-keeping, and policy compliance across all governance levels, the delegation framework functioned smoothly throughout FY 2025.



The Role of the Board

The Board's role encompasses strategic oversight, governance, risk management, and stakeholder engagement:

Strategic Oversight

The Board is responsible for defining the strategic direction of the company. This includes setting long-term goals, formulating policies, and ensuring that the company's operations align with its mission and values. The Board works closely with senior management to develop and approve strategic plans that drive growth and sustainability.

Governance

Good governance is at the heart of the Board's role. The Board ensures that the company adheres to high standards of corporate governance, which includes maintaining transparency, accountability, and ethical conduct in all its operations. The Board monitors compliance with legal and regulatory requirements and oversees the implementation of governance policies.

Risk Management

The Board is responsible for establishing a robust risk management framework. This involves identifying potential risks, assessing their impact, and implementing strategies to mitigate them. The Audit and Risk Committee plays a pivotal role in this process, providing oversight and guidance on risk-related matters. The Board ensures that the company's risk management practices are effective and aligned with its strategic objectives.



Stakeholder Engagement

Engaging with stakeholders is a crucial aspect of the Board’s role. The Board ensures that the interests of shareholders, employees, customers, regulators, and the community are considered in its decision-making processes. Regular communication with stakeholders helps build trust and confidence in the company’s leadership and governance.

Performance Monitoring

The Board regularly reviews the company’s performance against its strategic goals and objectives. This includes monitoring financial performance, operational efficiency, and compliance with governance standards. The Board ensures that management takes corrective actions when necessary to achieve the desired outcomes.

Succession Planning

The Board is responsible for ensuring continuity in leadership through effective succession planning. This involves identifying and developing internal talent, as well as planning for the recruitment of external candidates when necessary. Succession planning ensures that the company has the leadership capacity to achieve its strategic objectives in the long term.

Board Meetings

In line with maintaining good corporate governance and ensuring that the Board’s oversight role is upheld, the Exchange holds quarterly meetings with the Board of the directors.

The meetings are scheduled with the aim of reviewing overall performance of the Exchange, monitoring implementation of directives from the Board and regulators as well as the strategic direction of the Exchange. The Board holds at least four scheduled meetings annually, with a mandate to formulate, review, evaluate and make decisions on key strategic and operational activities of the business.

Name	Position	Attendance
Mr. Richard Patrick Byarugaba – Resigned on 8 August 2025	Chairperson	3/3
Mr. Samuel Fredrick Mwogeza	Member	3/3
Ms. Leah Nyambura-Kagumba	Member	3/3
Ms. Jennifer Kabanyana Mwijukye	Member	2/3
Dr. Rachel Katoroogo Mindra	Member	1/3
Ms. Renita Jacinta Nabisubi	Member	2/3
Mr. Tumuramye Dan – Appointed 3 July 2025	Member	0/3
Mr. Paul William Bwiso	Chief Executive Officer	3/3



Board Succession, Evaluation, & Remuneration

At the Uganda Securities Exchange, succession planning is a vital component of our governance framework, ensuring continuity and stability within the Board and senior management. The Board is committed to a structured and systematic approach, aligning with best practices and regulatory requirements, including the Companies Act 2012 and the UK Corporate Governance Code.



Appointment of Directors

The appointment of directors at the USE follows the guidelines set out in the Companies Act 2012, ensuring a transparent and rigorous selection process.

Nomination and Election

Directors are nominated based on their skills, experience, and qualifications. The Nominations Committee evaluates potential candidates and submits recommendations to the Board. Final appointments are subject to shareholder approval at the AGM.

Diversity and Inclusion

In alignment with corporate governance best practices, the Board promotes diversity in its composition, considering gender, ethnicity, and professional background to enhance its overall effectiveness..

Fit and Proper Criteria

All prospective directors must meet the fit and proper criteria set by the Capital Markets Authority, ensuring they demonstrate integrity, competence, and sound judgment in their roles.

Resignation and Removal of Directors

The resignation and removal of directors are governed by the Companies Act 2012 and outlined in the Board Charter.

- » **Resignation:** A director may resign by submitting a written notice to the Chairman. The resignation takes effect upon acceptance by the Board, ensuring a smooth transition with minimal disruption to Board activities.
- » **Removal:** Shareholders have the authority to remove a director before their term expires, in accordance with the Companies Act 2012. This process requires an ordinary resolution at a general meeting, with the director having the right to be heard.

Board Effectiveness and Continuous Improvement

The Board remains committed to maintaining high standards of governance and continuous improvement in its oversight and effectiveness. During the year, the Board continued to monitor progress on governance strengthening initiatives, including alignment of governance structures and policies with evolving regulatory requirements and institutional priorities.

Through the work of its committees, the Board also considered matters relating to organizational capacity and effectiveness. In particular, recommendations were made to review the Human Resource framework, including staffing structure, workload distribution, and the alignment of human resources with the Exchange's strategic priorities.

These discussions reflect the Board's recognition of the importance of internal capacity in supporting strategy execution, operational efficiency, and long-term institutional sustainability.

The Board will continue to strengthen its effectiveness through ongoing review of its structures, processes, and oversight mechanisms.

Board Evaluation

At USE, an external firm conducts a Board Evaluation every three years, producing a report that assesses the Board's overall performance and execution of its mandate; the composition and effectiveness of Board Committees; the performance of individual directors, including the CEO as an Executive Director and the Company Secretary. The evaluation process involves directors completing themed questionnaires, with responses compiled to identify key action points and areas for improvement. Additionally, the Company Secretary facilitates an annual peer review to assess Board effectiveness, while the Board Chairman evaluates the CEO's performance annually.

The Board's August 2024 evaluation, conducted with an external service provider, confirmed strong leadership and effective governance structures, while flagging stakeholder engagement, Board onboarding, and continuous development as areas for improvement. The evaluation recommended a formal induction program, a structured stakeholder engagement policy, succession planning, governance reference materials, and a director development program.

FY 2025 saw tangible progress against these recommendations. The Board began amending the Memorandum and Articles of Association and the Board Charter to align with the evaluation findings and the CMA (Corporate Governance) Regulations, 2025, addressing succession planning in the process. A number of internal policies were also reviewed and updated, including the Board's approval of a Sustainability Policy. Stakeholder engagements continued to shape strategies for market growth and Exchange visibility. The next external Board Evaluation is scheduled for Q3 2026.

Remuneration

The Board's remuneration structure remained unchanged during the period. Directors receive an allowance per meeting, as approved by shareholders at the AGM.



Board Effectiveness and Continuous Improvement

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The Board will continue to strengthen its effectiveness through ongoing review of its structures, processes, and oversight mechanisms.



Board Leadership and Composition Changes in FY 2025

During the year, the Board underwent several changes reflecting its ongoing evolution and the need to maintain appropriate representation.

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Mr. Dan Tumuramye was appointed as the Trading Participants Representative on 3 July 2025. The Board also recorded the resignation of Mr. Richard Patrick Byarugaba as Chairperson. Processes to appoint a new Chairperson and an Issuer Representative were initiated and are expected to be concluded in 2026. The identified candidates will be presented to shareholders for approval at the next Annual General Meeting.

These changes were managed in a manner that ensured continuity of governance and sustained the Board's ability to discharge its responsibilities effectively.



Board Focus Areas and Key Decisions in FY 2025

During the year, the Board focused on guiding the Exchange through a period of strategic transition, ensuring continued market development and operational resilience.



A key priority was the approval and initial oversight of the USE FY 2025–2029 Strategy, which sets out the Exchange's vision for expanding market participation, diversifying products, strengthening infrastructure, and enhancing its role within Uganda's capital markets ecosystem.

In line with this strategic direction, the Board approved several initiatives aimed at deepening the market and broadening investment opportunities. These included the introduction of new financial instruments such as Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs), Commercial Paper, and Sukuk bonds, as well as the establishment of a Medium Term Note Programme.

The Board also maintained focus on strengthening the regulatory environment, approving amendments to Trading Participant Rules and advancing the development of ESG Guidelines to support improved disclosure and sustainability practices among market participants.

In addition, governance reforms were initiated to align the Exchange's constitutional documents with evolving regulatory requirements and to support future institutional developments, including the self-listing agenda.



Board Reports

The Uganda Securities Exchange has preserved five Board committees with defined terms of reference. Below are the board committees and their constitution:

Board Committee Reports

During FY 2025, the Board Committees continued to play a critical role in supporting the Board’s oversight of strategy execution, regulatory compliance, market development, and institutional performance. These Committees enable the Board to discharge its responsibilities effectively by allowing for more detailed consideration of specialized matters, while maintaining clear reporting lines to the full Board.



Audit and Risk Committee Report



Key Activities and Oversight in FY 2025

The Audit and Risk Committee continued to oversee the integrity of financial reporting, internal controls, and the effectiveness of risk management systems.

During the year, particular attention was given to organizational capacity and resource alignment, including the recommendation to review the Human Resource Manual and strengthen human resource capacity to support the Exchange’s expanding operational and strategic priorities.

Committee Composition and Meetings

Chairperson:	Mr. Samuel Frederick Mwogeza
Members:	Dr. Rachel Mindra Katoroogo Ms. Renita Jacinta Nabisubi Mr. Paul William Bwiso
Meetings:	The Committee held four meetings in FY 2025

Meeting Attendance

Name	Position	Attendance
Mr. Samuel Fredrick Mwogeza	Chairperson	4/4
Dr. Rachel Katoroogo Mindra	Member	4/4
Ms. Renita Jacinta Nabisubi	Member	3/4
Mr. Paul William Bwiso	CEO	4/4



Business Conduct Committee Report

Key Activities and Oversight in FY 2025

The Business Conduct Committee played a central role in maintaining market integrity and strengthening the regulatory framework.

Its work during the year included the review and resubmission of amended Trading Participant Rules to the Capital Markets Authority, the approval of additional custodian banks to strengthen market infrastructure, and the oversight of new regulatory instruments such as the Sukuk Listing Rules and ESG Guidelines. The Committee also provided oversight on major corporate actions, including the MTN Uganda and MTN MoMo structural separation, ensuring that these were managed in line with regulatory expectations.

Committee Composition and Meetings

Chairperson:	Dr. Rachel Mindra Katoroogo
Members:	Ms. Leah Nyambura-Kagumba Mr. Samuel Frederick Mwogeza Mr. Paul William Bwiso
Meetings:	The Committee held two meetings in FY 2025

Meeting Attendance

Name	Position	Attendance
Dr. Rachel Katoroogo Mindra	Chairperson	2/2
Ms. Leah Nyambura-Kagumba	Member	2/2
Mr. Samuel Fredrick Mwogeza	Member	2/2
Mr. Paul William Bwiso	CEO	2/2



Business Development Committee Report

Key Activities and Oversight in FY 2025

The Business Development Committee focused on aligning governance structures with the Exchange's strategic direction and supporting market growth initiatives.

In FY 2025, the Committee approved proposed amendments to the Memorandum and Articles of Association (Memarts), ensuring alignment with CMA Corporate Governance Regulations and positioning the Exchange for future strategic initiatives, including self-listing.

Committee Composition and Meetings

Chairperson:	Ms. Jennifer Kabanyana-Mwijukye
Members:	Dr. Rachel Mindra Katoroogo Ms. Renita Jacinta Nabisubi Mr. Paul William Bwiso
Meetings:	The Committee held two meetings in FY 2025

Meeting Attendance

Name	Position	Attendance
Ms. Jennifer Kabayana Mwijukye	Chairperson	2/2
Dr. Rachel Katoroogo Mindra	Member	2/2
Ms. Renita Jacinta Nabisubi	Member	2/2
Mr. Paul William Bwiso	CEO	2/2



Finance and HR Committee Report

Key Activities and Oversight in FY 2025

The Finance and Human Resources Committee provided oversight of the Exchange's financial management and organizational effectiveness.

During the year, the Committee emphasized the need to strengthen internal capacity through a structured workload analysis, aimed at improving efficiency and ensuring that human resources are aligned with the demands of the Exchange's evolving strategy.

Committee Composition and Meetings

Chairperson:	Mr. Samuel Frederick Mwogeza
Members:	Dr. Rachel Mindra Katoroogo
	Ms. Renita Jacinta Nabisubi
	Mr. Dan Tumuramye
	Mr. Paul William Bwiso
Meetings:	The Committee held four meetings in FY 2025

Meeting Attendance

Name	Position	Attendance
Mr. Samuel Fredrick Mwogeza	Chairperson	4/4
Dr. Rachel Katoroogo Mindra	Member	2/4
Ms. Renita Jacinta Nabisubi	Member	4/4
Mr. Dan Tumuramye	Member	1/4
Mr. Paul William Bwiso	CEO	4/4



USE Commodities Exchange Board Report

Key Activities and Oversight in FY 2025

The Finance and Human Resources Committee provided oversight of the Exchange's financial management and organizational effectiveness.

During FY 2025, the USE COMMEEX Board prioritized expanding the commodities market through strategic oversight of initiatives to increase commodity listings, strengthen farmer financing, accelerate digital transformation, and enhance the legal and regulatory environment.

Board Members during FY 2025

Chairperson:	Mr. Richard Byarugaba
Members:	Ms. Jennifer Kabanyana-Mwijukye
	Mr. Dan Tumuramye
	Mr. Paul William Bwiso
Meetings:	The Committee held two meetings in FY 2025

Meeting Attendance

Name	Position	Attendance
Mr. Richard Byarugaba	Chairperson	1/2
Ms. Jennifer Kabanyana-Mwijukye	Member	2/2
Mr. Dan Tumuramye	Member	1/2
Mr. Paul William Bwiso	CEO	2/2

**Audited Financial
Report**

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report together with the audited financial statements of Uganda Securities Exchange Limited ("USE" or "the Company") and its subsidiary, USE Commodities Exchange Limited (collectively referred to as "the Group") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

Following the enactment of the Capital Markets Authority Act Cap. 64 of Uganda on 20th May 2016, demutualization became a regulatory requirement to be fulfilled within 2 years from the date of enactment thus requiring USE to comply with the law by 20th May 2018.

In accordance with the above requirement, Uganda Securities Exchange Limited was incorporated on 18th May 2017 as a public company limited by shares with authorized share capital of Uganda shillings 1 billion (Ushs 1,000,000,000) divided into 100 million shares of a nominal value of Ushs 10 shillings each.

Current issued and paid-up share capital of the Company is Uganda Shillings four hundred and twenty million (Ushs 420,000,000) (see note 19).

Uganda Securities Exchange Limited is a Company limited by shares and incorporated in Uganda under the Companies Act Cap. 106 of Uganda. The principal activity of the entity is to provide, maintain suitable premises and facilities for conducting all the business of a securities exchange and to regulate trading participants and ensure day to day management of trading, settlement, delivery, and other activities on dealing in securities in accordance with the Rules and procedures of USE.

The Uganda Securities Exchange Limited was licensed to operate as an approved Stock Exchange in June 1997 by the Capital Markets Authority of Uganda under the Capital Markets (Licensing) Regulations 1996 and is regulated by the Capital Markets Authority.

BOARD OF DIRECTORS

The present membership of the Board of Directors is set out on page 1.

AUDITORS

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

Approval of financial statements

The consolidated and separate financial statements were approved and authorized for issue at the meeting of the Board of Directors held on **30th March 2026**.

BY ORDER OF THE BOARD



Jacintah Akino
Corporate Secretary
30th March 2026
Kampala

STATEMENT OF DIRECTOR'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

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

The Directors are ultimately responsible for the internal control of the Group and Company. 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 Group and the Company's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent basis and using the going concern basis. These systems and controls include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Directors accept responsibility for the annual consolidated and separate 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 and in the manner required by the Companies Act Cap. 106 of Uganda. The Directors are of the opinion that the consolidated and separate financial statements present fairly, in all material respects, the state of financial affairs of the Group and Company and of the Group and Company's financial results in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act Cap. 106 of Uganda.

In preparing the financial statements, the Directors have assessed the Group and the Company's ability to continue as a going concern. Nothing has come to the attention of the Directors to indicate that the Group and the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The consolidated and separate financial statements of Uganda Securities Exchange Limited for the year ended 31 December 2025 were approved by the Board of Directors on **30th March 2026** and were signed on its behalf by:


Chief Executive Officer
Director

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF UGANDA SECURITIES EXCHANGE LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Uganda Securities Exchange Limited (the “Company”) and its subsidiary (together “the Group”) which comprise the consolidated and separate statement of financial position as at 31 December 2025, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and the Company as at 31 December 2025, and its consolidated and separate financial performance and its consolidated and separate 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 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements of the Company 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 Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements.



INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF UGANDA SECURITIES EXCHANGE LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

No.	Key audit matter	How our audit addressed the key audit matter
1.	Accounting for investment securities	
	As indicated in Note 22 to the consolidated and separate financial statements the Group had investments in Government Securities of Ushs 5,708 million (2024: Ushs 2,679) and earned interest income of Ushs 1,401 million (2024: Ushs 1,283 million) from these investments.	Our audit procedures included, but were not limited to, the following: › Understood the investment process including the related interest income recognition process.
	Computation of the interest income involves human intervention as the interest rates applicable for the financial assets are input into the application used to compute the interest income.	› Compared the interest rates used to compute interest income with the contractual rates for the investments.
	Due to the significance of the amounts involved and the human intervention involved, the measurement of these investments, including the recognition of the interest income, has been considered a key audit matter.	› Recalculated the interest income using the applicable effective interest rates and the investment balances and compared with the interest income recognised by the Group’s management.
	Refer to Note 3(f) and 7 to the consolidated and separate financial statements for the Group’s accounting policy on financial assets and related interest income respectively.	› Evaluated that the disclosures on the investment securities were complete.

Other information

The directors are responsible for the other information. The other information comprises the information included on pages 1 to 3, which includes the Corporate Information, Directors’ Report as required by the Companies Act of Uganda and the Statement of Directors’ Responsibilities. 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 consolidated and separate 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 Uganda, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate 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.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF UGANDA SECURITIES EXCHANGE LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 financial statements.

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

- › Identify and assess the risks of material misstatement of the consolidated and separate 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 Group and 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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- › Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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, actions taken to eliminate threats or safeguards applied.

INDEPENDENT AUDITOR’S REPORT

TO THE SHAREHOLDERS OF UGANDA SECURITIES EXCHANGE LIMITED
REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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.

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.

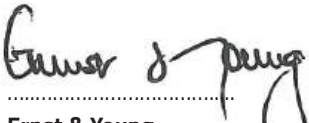
From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or 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.

REPORT ON OTHER LEGAL REQUIREMENTS

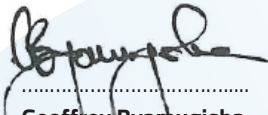
As required by the Companies Act Cap. 106 of Uganda, we report to you, based on our audit, that:

- › 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.
- › In our opinion, proper books of account have been kept by the Group and Company, so far as appears from our examination of those books; and
- › The consolidated and separate statements of financial position and consolidated and separate statement of 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
Certified Public Accountants of Uganda
Kampala

02 April 2026


Geoffrey Byamugisha
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs '000	2024 Ushs '000
Fees and commissions	5	3,188,728	3,490,252
Other income	6	1,401,381	1,150,462
Interest income	7(a)	993,663	1,282,663
Gross income		5,583,772	5,923,377
Operating expenses	8	(434,862)	(346,449)
Administration expenses	9	(1,711,436)	(1,454,369)
Decrease/(increase) in expected credit losses	11	(76,844)	9,545
Staff costs	10	(2,133,875)	(2,051,371)
Net foreign exchange gain		(5,046)	3,955
Operating profit		1,221,709	2,084,688
Finance costs	7(b)	(119,244)	(19,531)
Profit before taxation	12	1,102,465	2,065,157
Income tax charge	13(a)	(118,009)	(581,403)
Profit for the year		984,456	1,483,754
Other comprehensive income		-	-
Total comprehensive income for the year		984,456	1,483,754

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs '000	2024 Ushs '000
Fees and commissions	5	3,183,107	3,490,252
Other income	6	1,401,381	1,150,462
Interest income	7(a)	993,663	1,282,663
Gross income		5,578,151	5,923,377
Operating expenses	8	(429,212)	(343,950)
Administration expenses	9	(1,601,393)	(1,355,448)
Decrease/(increase) in expected credit losses	11	(76,844)	9,545
Staff costs	10	(1,998,423)	(1,960,260)
Net foreign exchange gain		(5,046)	3,955
Operating profit		1,467,233	2,277,219
Finance costs	7(b)	(119,245)	(19,531)
Profit before taxation	12	1,347,988	2,257,688
Income tax charge	13(a)	(118,009)	(581,403)
Profit for the year		1,229,979	1,676,285
Other comprehensive income		-	-
Total comprehensive income for the year		1,229,979	1,676,285

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

ASSETS	Note	2025 Ushs '000	2024 Ushs '000
Non-current Assets			
Intangible assets	14	273,826	194,449
Equipment	15	161,940	187,791
Right of use asset	16(a)	771,583	-
Unquoted investment	18	65,176	65,176
Government securities at amortised cost	22	5,561,491	2,519,632
Deferred income tax asset	13(c)	115,366	141,276
		6,949,382	3,108,324
Current Assets			
Cash and bank balances	23	312,792	222,991
Short term investments	21	3,853,492	6,776,853
Government securities at amortised cost	22	146,085	158,953
Trade and other receivables	20	241,597	394,914
Income tax recoverable		224,373	
Amounts due from related parties	17(b)	21,223	31,910
		4,799,562	7,585,621
Total Assets		11,748,944	10,693,945
EQUITY AND LIABILITIES			
Equity			
Share capital	19(a)	420,000	420,000
Proposed dividend	19(b)	295,336	586,700
Retained earnings	26	9,586,684	8,897,564
Total Equity		10,302,020	9,904,264
LIABILITIES			
Non-current liabilities			
Lease liability		651,031	-
Current liabilities			
Amounts due to related parties	16(b)	166,803	-
Lease liability	25	422,598	599,343
Trade and other payables	13(d)	-	55,105
Income tax payable	27	156,892	135,233
Deferred income		795,893	789,681
Total Liabilities		1,446,924	789,681
TOTAL EQUITY AND LIABILITIES		11,748,944	10,693,945

The financial statements were approved by the Board of Directors on **26 March 2025** and signed on its behalf by:


Chief Executive Officer


Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

ASSETS	Note	2025 Ushs '000	2024 Ushs '000
Non-current Assets			
Intangible assets	14	270,076	188,046
Equipment	15	159,139	186,616
Right of use asset	16(a)	771,583	-
Unquoted investment	18	65,176	65,176
Government securities at amortised cost	22	5,561,490	2,519,632
Investment in subsidiary	24	90,001	90,001
Deferred tax asset	13(c)	115,366	141,276
		7,032,831	3,190,747
Current Assets			
Cash and bank balances	23	311,477	219,675
Short term investments	21	3,853,493	6,776,853
Government securities at amortised cost	22	146,085	158,953
Trade and other receivables	20	241,597	394,914
		224,373	
Amounts due from related parties	17(b)	448,947	236,575
		5,225,972	7,786,970
TOTAL ASSETS		12,258,803	10,977,717
EQUITY AND LIABILITIES			
Equity			
Share capital	19(a)	420,000	420,000
Proposed dividend	19(b)	295,336	586,700
Retained earnings	26	10,137,724	9,203,081
Total Equity		10,853,060	10,209,781
LIABILITIES			
Non-current liabilities			
Lease liability		651,031	-
		651,031	-
Current liabilities			
Lease liabilities: current portion	16(b)	49,600	-
Trade and other payables	25	166,803	-
Income tax payable	13(d)	381,417	577,598
Deferred income	27	-	55,105
		156,892	135,233
Total Liabilities		754,712	767,935
TOTAL EQUITY AND LIABILITIES		1,405,743	767,935
		12,258,803	10,977,717

The financial statements were approved by the Board of Directors on **26 March 2025** 2025 and signed on its behalf by:


Chief Executive Officer


Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital Ushs '000	Retained earnings Ushs '000	Proposed dividend Ushs '000	Total Ushs '000
At 1 January 2024	420,000	8,000,510	662,873	9,083,383
				1,834,008
Profit for the year	-	1,483,754	-	1,483,754
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,483,754	-	1,483,754
Dividends paid	-	-	(662,873)	(662,873)
Proposed dividend	-	(586,700)	586,700	-
At 31 DECEMBER 2024	420,000	8,897,564	586,700	9,904,264
At 1 January 2025	420,000	8,897,564	586,700	9,904,264
Profit for the year	-	984,456	-	984,456
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	984,456	-	984,456
Proposed dividend	-	(295,336)	295,336	-
Dividends paid	-	-	(586,700)	(586,700)
At 31 DECEMBER 2025	420,000	9,586,684	295,336	10,302,020



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital Ushs '000	Retained earnings Ushs '000	Proposed dividend Ushs '000	Total Ushs '000
At 1 January 2024	420,000	8,113,495	662,873	9,196,368
				1,834,008
Profit for the year	-	1,676,286	-	1,676,286
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,676,286	-	1,676,286
Dividends paid	-	-	(662,873)	(662,873)
Proposed dividend	-	(586,700)	586,700	-
At 31 DECEMBER 2024	420,000	9,203,081	586,700	10,209,781
At 1 January 2025	420,000	9,203,081	586,700	10,209,781
				984,456
Profit for the year	-	1,229,979	-	1,229,979
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	1,229,979	-	1,229,979
Dividends paid	-	-	(586,700)	(586,700)
Proposed dividends	-	(295,336)	295,336	-
At 31 DECEMBER 2025	420,000	10,137,724	295,336	10,853,060

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs'000	2024 Ushs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,102,465	2,065,157
Adjusted for:			
Depreciation of equipment	15	46,550	59,150
Amortisation of intangibles	14	43,141	55,655
Depreciation of right of use assets	16(a)	192,896	185,160
Net changes in expected credit losses	11	76,844	(9,545)
Interest on lease liabilities	16(c)	119,244	19,531
Accrued interest income	22	(781,321)	(416,250)
Gain on disposal of fixed assets	6	-	(274)
		1,136,959	1,958,584
Changes in working capital			
Decrease/(increase) in trade and other receivables		163,555	(46,840)
Decrease in amounts due from related parties		10,687	38,880
Increase in trade and other payables		(169,364)	(261,869)
Increase in amounts due to related parties		49,600	-
Increase in deferred income		21,659	967
Cash generated from operating activities		875,956	1,689,722
Tax paid	13(d)	(371,578)	(589,704)
Interest paid on lease liabilities	16(b)	(119,245)	(19,531)
Net cash generated from operating activities		385,133	1,080,487
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	15	(12,617)	(39,595)
Purchase of intangible assets	14	(122,518)	(121,424)
Proceeds on sale of equipment	6	-	274
Investments in fixed deposits	21	2,923,361	(299,316)
Purchase of government securities	22	(3,028,991)	-
Interest received on government securities	22	686,158	416,250
Net cash generated from/(used in) investing activities		445,393	(43,811)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of principal portion of lease liabilities	16(d)	(146,645)	(246,359)
Dividend payments to shareholders	19(b)	(586,700)	(662,873)
Net cash used in financing activities		(733,345)	(909,232)
Increase in cash and cash equivalents		97,181	127,444
Cash and cash equivalents at beginning of year		222,991	100,717
Effects of exchange rate changes on cash and cash equivalents		(7,381)	(5,170)
Cash and cash equivalents at end of year	23	312,792	222,991



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 Ushs'000	2024 Ushs'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,347,988	2,257,689
Adjusted for:			
Depreciation of equipment	15	40,094	61,212
Amortisation of intangibles	14	40,489	54,558
Depreciation of right of use asset	16(a)	192,896	185,160
Net changes in expected credit losses	11	76,844	(9,545)
Interest on lease liabilities	16(c)	119,245	19,531
Accrued interest income	22	(781,321)	(416,250)
Gain on disposal of fixed assets	6	-	(274)
		1,036,235	2,152,074
Changes in working capital			
Increase in trade and other receivables		153,317	(46,840)
Decrease in amounts due from related parties		(212,372)	(140,152)
Decrease in trade and other payables		(170,489)	(274,940)
Increase in amounts due to related parties		49,600	-
Increase in deferred income		21,659	967
Cash generated from operating activities		877,950	1,691,116
Tax paid	13(d)	(371,578)	(589,704)
Interest paid on lease liabilities	16(b)	(119,245)	(19,531)
Net cash generated from operating activities		387,127	1,081,881
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment	15	(12,617)	(39,595)
Purchase of intangible assets	14	(122,518)	(113,924)
Proceeds on sale of equipment	6	-	274
Investments in fixed deposits	21	2,923,361	(299,316)
Purchase of government securities	22	(3,028,991)	-
Interest received on government securities	22	686,158	416,250
Net cash used in investing activities		445,393	(36,311)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of principal portion of lease liabilities	16(d)	(146,645)	(246,359)
Dividend payments to shareholders	19(b)	(586,700)	(662,873)
Net cash used in financing activities		(733,345)	(909,232)
Increase/(decrease) in cash and cash equivalents		99,175	136,338
Cash and cash equivalents at beginning of year		219,675	88,717
Effects of exchange rate changes on cash and cash equivalents		(7,373)	(5,380)
Cash and cash equivalents at end of year	23	311,477	219,675

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. REPORTING ENTITY

Uganda Securities Exchange Limited is a Company limited by shares and incorporated in Uganda under the Companies Act Cap. 106 of Uganda.

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

2. BASIS OF PREPARATION

(a) Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act Cap. 106 of Uganda. Refer to note 3(n) for the Group’s accounting policy adopted for consolidation of financial statements.

The financial statements have been prepared on the historical cost basis, except where otherwise stated in the material accounting policy information below. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

(b) Functional and presentation currency

The financial statements are presented in Uganda Shillings in thousands (Ushs ‘000), which is the Group and the Company’s functional and presentation currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) New Standards, amendments and interpretation

The financial statements have been prepared in compliance with the standards and interpretations applicable for financial periods commencing on or after 1 January 2025.

New and amended standards and interpretations that were effective during the reporting period.

The new and amended standards which are effective for annual periods beginning on or after 1 January 2025 had no impact on the company’s financial statements.

Below we indicate the amendment that was effective for the year;

- **Lack of exchangeability – Amendments to IAS 21;** The amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

New and revised International Financial Reporting Standards issued but 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 company’s financial statements are disclosed below. The Bank intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Standards issued but not yet effective that are expected to have a material impact on the company’s financial statements

IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual periods on or after 1 January 2027)

In April 2025, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

IFRS 18 – Presentation and Disclosure in Financial Statements (Effective for annual periods on or after 1 January 2027) (Continued)

IFRS 18, and the consequential amendments to the other accounting standards, is effective for reporting periods beginning on or after 1 January 2027 and must be applied retrospectively. Early adoption is permitted and must be disclosed.

The directors are still making assessments of the impact of the systems to the company’s financial reporting process and systems and intend to adopt the requirements when they become effective.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

Standards issued but not yet effective that are not expected to have a material impact on the company’s financial statements

- › Classification and Measurement of Financial instruments- Amendments to IFRS 9 and IFRS 7(Effective for annual periods on or after 1 January 2026)
- › Annual Improvements to IFRS Accounting Standards— Volume 11 (Effective for annual periods on or after 1 January 2026)
- › Power Purchase Agreements – Amendments to IFRS 9 and IFRS 7 (Effective for annual periods on or after 1 January 2026)
- › IFRS 19 - Subsidiaries without Public Accountability: Disclosures Effective for annual periods on or after 1 January 2027)
- › Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 - Effective for annual periods on or after 1 January 2027)
- › Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 (No effective date or transition requirements)
- › Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting)

(b) Revenue recognition

i) Fees and commissions income

The core principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Refer to note 5(b) for details of the Group’s revenue streams and how each of the revenue streams is recognised.

ii) Other income

Other income comprises income earned by the Group from activities that are incidental to its principal operations and that arise from contracts with customers within the scope of IFRS 15 – Revenue from Contracts with Customers, or from other transactions that meet the definition of income under IFRS Accounting Standards as issued by the International Accounting Standards Board.

The Group recognises other income at a point in time when the relevant performance obligation has been satisfied, that is, when control of the promised good or service has transferred to the customer. Control is considered to have transferred when the Company has a present right to payment for the asset or service provided and the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset or service.

Other income streams recognised at a point in time include but not limited to management fees from the guarantee fund, virtual AGM fees, registry services, Securities Central Depository (SCD) income and data vending services.

(c) Equipment

Equipment is stated at the cost of bringing the assets to their present location and condition less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment on a straight-line basis using the following annual rates:

Motor vehicles	25.00%
Furniture and fittings	12.50%
Office partitions	33.33%
Computer equipment	33.33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Gains and losses on disposal of equipment is determined by reference to their carrying amount and are taken into account in determining operating profit.

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(d) Intangible assets

Software

Software acquired by the Group is measured at cost less accumulated amortisation and any accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development.

The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs and are amortised over its useful life.

Internally developed software is stated at capitalised cost less accumulated amortisation and impairment. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortised on a straight-line basis over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is three years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(e) Impairment of tangible and intangible assets

At each end of reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also

allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Financial instruments

I. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

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A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

II. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- › it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- › its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

Financial assets

- › it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- › its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI.

This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- › the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- › how the performance of the portfolio is evaluated and reported to the Group's management;
- › the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- › how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- › the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- › contingent events that would change the amount or timing of cash flows;
- › terms that may adjust the contractual coupon rate, including variable-rate features;
- › prepayment and extension features; and
- › terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or

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loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

III. De-recognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not de-recognized.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

IV. Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

The Group did not offset any financial assets and liabilities in the financial statements.

V. Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount minus any reduction for impairment.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. In simplified approach, the Group does not have to determine the stage of a financial asset because the impairment loss is measured at lifetime ECL for all assets. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Under the simplified approach, lifetime ECLs are always recognized. Accordingly, the simplified approach eliminates the need for an entity to calculate the 12-month ECLs and the instrument can only fall in Stage 2 or 3. In addition, there is no need to evaluate whether the credit quality has deteriorated significantly since initial recognition to determine whether a change between Stage 1 and 2 took place. A common practical expedient applied to measure ECLs for trade receivables is the use of a provision matrix.

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A provision matrix could be as simple as assigning default rates to different time periods reflecting aging of the trade receivables.

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 company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group's definition of default reflects its internal credit risk management practices, historical recovery experience and the nature of its financial assets. The 360-day past-due threshold is considered an appropriate indicator of significant credit deterioration in the Group's operating environment, while qualitative default indicators ensure that forward-looking information and recovery expectations are appropriately incorporated.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when:

- › The rights to receive cash flows from the asset have expired;

Or

- › The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has

retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group's determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

VI. Fair value measurement

'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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument.



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A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

VII. Fair value measurement

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

Identification and measurement of impairment

At each reporting date the Group assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(g) Leases

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to the lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- › fixed payments, including in-substance fixed payments;
- › variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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- › amounts expected to be payable under a residual value guarantee; and
- › the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone selling prices. When the Group acts as a lessor, it determines at lease inception whether the lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(h) Retirement benefit obligations

National Social Security Fund

The Group makes contributions to the National Social Security Fund (NSSF), which is a statutory retirement benefit scheme established under the NSSF Act. This is a defined contribution scheme into which the Group contributes 10% of the employees' gross cash emoluments. The Group's contribution is charged to profit or loss as it falls due.

(i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments that are within a maturity period of three months from the date of their acquisition and bank overdrafts.

(j) Translation of foreign currencies

Assets and liabilities at the end of the reporting period that are expressed in foreign currencies are translated into Uganda Shillings at the rate of exchange ruling at the reporting date. Foreign currency transactions during the year are translated into Uganda Shillings at the rates ruling at the transaction dates. The resulting differences are dealt with in profit or loss in the year in which they arise.

(k) Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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Deferred tax is not recognised for:

- › Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- › Temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis, or their tax assets and liabilities will be realized simultaneously.

(l) Dividends

Dividends on ordinary shares are recognised as a liability in the financial statements in the period in which they are declared. In the case of interim dividends, these are considered to be declared when they are paid. The Group and Company evaluate the financial position to determine ability to pay dividends to its shareholders in any particular year.

(m) Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to control, any retained interest in the company is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that company are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(n) Share Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, the directors have made the following judgments, apart from those involving estimations, which have had significant effects on the measurement and presentation of the amounts recognized in the financial statements.

(i) Critical judgments in applying accounting policies

Measurement of ECL allowance for financial assets at amortised cost

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. In simplified approach, the Group does not have to determine the stage of a financial asset because the impairment loss is measured at lifetime ECL for all assets. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authority. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the tax authority. Such differences of interpretation may arise on a wide variety of issues, depending on the conditions prevailing in the country.

Going Concern

The directors applied significant judgement in determining that the Company will have access to sufficient resources to enable it to continue as a going concern for the foreseeable future and that the shareholders shall not demand for repayment of the amounts due to them in a manner that would jeopardize the going concern of the Company.

Right of Use Asset

IFRS 16 states that one has the right to direct how and for what purpose the asset is used throughout its period of use or the relevant decisions about use are pre-determined and one has the right to operate the asset throughout the period of use without having the right to change these operating instructions. The right of use asset involves estimating the lease term and the discount rate.

The lease term is the non-cancellable period and any optional renewal periods if the Group reasonably with certainty exercises it and periods after the termination date if lessee is reasonably certain not to terminate.

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5. FEES AND COMMISSIONS

a) Revenue Streams

The Group has several revenue streams which stem primarily from fees charged by the exchange to listed entities, brokers and custodians, traded equity instruments such as government treasury bonds and corporate bonds. The Group recognizes revenue at the point the fees are charged. These are detailed below:

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
Equity listing fees	1,168,432	1,099,754	1,168,432	1,099,754
Bonds listing fees	3,000	3,000	3,000	3,000
Application and entrance fees	5,500	-	5,500	-
Brokerage commission	236,583	867,907	236,584	867,907
Membership fees	12,500	12,500	12,500	12,500
Government treasury bonds	1,600,000	1,350,000	1,600,000	1,350,000
SCD Swift Fees	32,091	32,091	32,091	32,091
Government treasury bills	125,000	125,000	125,000	125,000
Commodities trading	5,622	-	-	-
	3,188,728	3,490,252	3,183,107	3,490,252

b) Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including payment terms, and the related revenue recognition policies.

Type of Product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Equity listing	These are fees charged to clients who list their shares on the exchange. This is charged at the beginning of the year.	Revenue from this service is recognised over time as the services are provided.
Bonds Listing	These are fees charged on the listing of corporate bonds. The fee is charged at the point of listing of the bonds.	Revenue related to transactions is recognised overtime as the services are provided.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

5. FEES AND COMMISSIONS (CONTINUED)

Type of Product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Application and entrance fees	These are fees charged to clients to list on the Uganda Securities Exchange. They are a one-time fee that accompany the application to list.	Revenue from this product is recognised at a point in time as and when the clients list on the exchange.
Brokerage	The exchange offers trading services to brokers and custodians. Brokerage fees are charged on a monthly basis based on fixed rates.	Revenue from this product is recognised at a point in time as and when brokers and custodians make trades.
Membership	The exchange charges annual membership fees to members.	Revenue from this service is recognised over time as the services are provided.
Government treasury bonds or bills	These are fees charged on the listing of government treasury bonds or bills on an annual basis. This fee is charged at the point of listing of the bonds or bills.	The Group recognizes this revenue over time as the service is provided.
Access to SCD Platform	These are servicing fees that are charged for access to the SCD platform in order to carry out trades.	The Group recognizes the revenue when the members pay for use of the SCD Platform.

The Group generates its revenue from seven major forms of income as stated above. These are charged according to USE Rules, Charges and Penalties Rules 2024. The Group recognises 85% of the revenue (brokerage commission) generated from the use of the Automated Trading System (ATS) as disclosed under Note 14.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

6. OTHER INCOME

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Securities Central Depository (SCD) income	320,555	647,906
APN fees	12,744	12,744
Miscellaneous income*	163,405	-
Registry services	167,964	170,131
Data vending services	205,065	101,137
Penalties	42,000	35,000
Virtual AGM Fees	20,193	20,863
Gain on disposal of assets	-	274
Training income	54,780	77,447
Insurance claims	4,189	72,022
Management fees from the guarantee fund	2,768	12,938
	993,663	1,150,462
		932,602

*Miscellaneous income comprises of one-off income earned from website advertising and the organisation of the university challenges.

7. INTEREST INCOME AND FINANCE COSTS

(a) Interest Income

Group and Company

	2025 Ushs '000	2024 Ushs '000
Interest income on government securities	781,321	462,500
Interest earned on short term deposits	618,603	818,847
Interest earned on bank account	1,457	1,316
	1,401,381	1,282,663

(b) Finance costs

Group and Company

	2025 Ushs '000	2024 Ushs '000
Interest on lease liability (Note 16(b))	119,245	19,531
	119,245	19,531

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

8. OPERATING EXPENSES

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
SCD operational expenses	3,000	3,000	3,000	3,000
SCD operational expenses – Swift fees	25,949	27,933	25,949	27,933
Motor vehicle and equipment costs	51,474	9,976	51,474	9,976
Withholding tax	112,420	46,250	112,420	46,250
African Securities Exchange Association expenses	7,213	7,561	7,213	7,562
Maintenance and repair costs	19,605	7,635	19,605	7,635
Software licenses	91,446	73,400	91,446	73,400
Board allowances and related governance costs	94,051	86,371	88,401	83,871
Annual subscription	8,609	8,609	8,609	8,609
EASEA Secretariat	3,751	-	3,751	-
Penalty income reversed	-	70,000	-	70,000
Registry expenses	2,500	5,714	2,500	5,714
Business Development	14,844	-	14,844	-
	434,862	346,449	429,212	343,950

9. ADMINISTRATIVE EXPENSES

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
Communication costs	77,594	81,243	77,605	81,243
Insurance costs	130,299	113,677	122,998	112,659
Depreciation of equipment	46,550	59,155	40,094	61,212
Amortisation of intangible assets	43,141	55,655	40,489	54,558
Advertising and publicity	294,714	249,605	275,129	242,275
Fuel and lubricants	32,900	28,573	32,900	28,573
Auditor's remuneration	88,667	68,505	79,666	59,504
Other professional fees	227,780	202,532	195,695	161,936
General office expense	511,391	356,905	488,811	315,509
Stationery and printing costs	5,758	10,655	5,715	10,655
Security costs	3,481	3,257	3,481	3,257
Bank charges	17,617	12,655	15,598	12,655
Membership and subscription	33,648	26,792	28,316	26,252
Depreciation – Right of Use	192,896	185,160	192,896	185,160
Penalties expenses	5,000	-	2,000	-
	1,711,436	1,454,369	1,601,393	1,355,448

*Other professional fees comprise of expenses relating to internal audit services, consultancy, tax advisory and legal services.

**General office comprises expenses such as data center infrastructure costs, data configuration services, office meetings and travel, group shared costs, cleaning and fumigation and utilities.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

10. STAFF COSTS

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
Salaries and wages	1,551,130	1,447,268	1,438,437	1,368,042
Staff annual bonus	159,857	226,679	159,857	226,679
Staff welfare	162,226	139,382	155,536	139,382
Staff training	27,586	23,418	27,586	23,418
NSSF employer contribution	157,853	144,230	146,584	136,307
5% Staff Provident Fund	75,223	70,394	70,423	66,432
	2,133,875	2,051,371	1,998,423	1,960,260

11. IMPAIRMENT OF FINANCIAL ASSETS

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Increase in expected credit loss on trade receivables	76,844	19,761
Decreases in expected credit loss on related party balances	-	(10,216)
	76,844	9,545

All qualifying financial assets have been assessed for impairment, and the resulting impairment losses have been appropriately recognised in the financial statements. Financial assets for which no impairment loss has been recognised were assessed and determined not to have a material impact on the financial statements

12. PROFIT BEFORE TAXATION

Profit before tax is stated after debiting:

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
The profit before taxation is arrived at after charging:				
The profit before taxation is arrived at after charging:				
Auditor's remuneration	88,667	68,505	79,666	59,504
Staff costs	2,133,875	2,051,371	2,133,875	2,051,371
Depreciation of Equipment and Right of Use Asset	239,446	248,738	232,990	246,372
Amortization of intangible assets	43,141	55,657	40,489	54,560

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

13. TAXATION

Group and Company		
	2025	2024
	Ushs '000	Ushs '000
(a) Taxation charge		
Current taxation	92,099	510,587
Deferred tax charge (Note 13(c))	25,910	70,816
	118,009	581,403
(b) Reconciliation of taxation charge		
Accounting profit before taxation	1,347,988	2,257,689
Tax applicable rate of 30% (2024: 30%)	404,399	677,307
Tax effect of non-deductible expenses	(286,390)	(95,903)
	118,009	581,404

(c) Deferred income tax asset

Deferred income tax is calculated in full, on all temporary differences under the liability method using a principal tax rate of 30% (2024: 30%). The movement in the deferred income tax liability is detailed below:

Group			
31 December 2025	At 1 January 2025	Charge/(credit) to profit or loss	At 31 December 2025
Ushs '000	Ushs '000	Ushs '000	Ushs '000
Accelerated capital allowances	(40,321)	40,256	(65)
Provisions	(429,051)	45,547	(383,504)
Tax losses	(306,475)	(242,801)	(549,276)
Deferred tax asset not recognised - subsidiary	304,927	243,365	548,292
Total temporary differences	(470,920)	86,368	(384,552)
Deferred tax asset	(141,276)	25,910	(115,366)
31 December 2024	At 1 January 2024	Charge/(credit) to profit or loss	At 31 December 2024
Ushs '000	Ushs '000	Ushs '000	Ushs '000
Accelerated capital allowances	(37,000)	(3,321)	(40,321)
Provisions	(668,984)	239,933	(429,051)
Tax losses	(110,977)	(195,498)	(306,475)
Deferred tax asset not recognised - subsidiary	109,986	194,941	304,927
Total temporary differences	(706,975)	236,055	(470,920)
Deferred tax asset	(212,093)	70,817	(141,276)



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Company			
31 December 2025	At 1 January 2025	Charge/(credit) to profit or loss	At 31 December 2025
Ushs '000	Ushs '000	Ushs '000	Ushs '000
Accelerated capital allowances	(41,869)	40,821	(65)
Provisions	(429,051)	45,547	(383,504)
Total temporary differences	(470,920)	86,368	(549,276)
Deferred tax asset	(141,276)	25,910	(115,366)
31 December 2024	At 1 January 2024	Charge/(credit) to profit or loss	At 31 December 2024
Ushs '000	Ushs '000	Ushs '000	Ushs '000
Accelerated capital allowances	(37,000)	(3,321)	(40,321)
Provisions	(668,984)	239,933	(429,051)
Tax losses	(110,977)	(195,498)	(306,475)
Deferred tax asset not recognised - subsidiary	109,986	194,941	304,927
Total temporary differences	(706,975)	236,055	(470,920)
Deferred tax asset	(212,093)	70,817	(141,276)

(b) Tax (recoverable)/payable

Group and Company		
	2025	2024
	Ushs '000	Ushs '000
At 1 January	55,106	134,222
Charge for the year	92,099	510,587
Tax paid	(215,760)	(332,997)
Withholding tax paid	(155,818)	(256,706)
At 31 December	(224,373)	55,106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

14. INTANGIBLE ASSETS

GROUP

	ATS Software Ushs '000	SCD Software Ushs '000	Other software Ushs '000	WIP Ushs '000	AGM MGT System Ushs '000	Easy Portal Platform Ushs '000	SWIFT Platform Ushs '000	Total Ushs '000
COST								
At 1 January 2024	675,111	529,051	179,157	87,948	42,561	15,548	56,969	1,586,345
Additions	-	-	68,837	52,587	-	-	-	121,424
At 31 December 2024	675,111	529,051	247,994	140,535	42,561	15,548	56,969	1,707,769
Additions	-	-	106,018	16,500	-	-	-	122,518
At 31 December 2025	675,111	529,051	354,012	157,035	42,561	15,548	56,969	1,830,287
DEPRECIATION								
At 1 January 2024	675,111	529,051	179,157	-	26,006	10,364	37,976	1,457,665
Charge for the year	-	-	17,294	-	14,191	5,182	18,988	55,655
At 31 December 2024	675,111	529,051	196,451	-	40,197	15,546	56,964	1,513,320
Charge for the year	-	-	40,777	-	2,364	-	-	43,141
At 31 December 2025	675,111	529,051	237,228	-	42,561	15,546	56,964	1,556,461
CARRYING AMOUNT								
At 31 December 2025	-	-	116,784	157,035	-	2	5	273,826
At 31 December 2024	-	-	51,543	140,535	2,364	2	5	194,449

*Work in progress comprise of costs relating to the development of the African Securities Exchanges Association (ASEA) linkage platform, data vending app (Data analytics software) and the easy portal platforms that are being developed by the Group to enhance trading and data analysis.

**The Group entered into a joint arrangement with Trading Systems Technology International (a software development Company registered in South Africa) for the development of the Automated Trading System (ATS). The ATS was capitalized under Intangible Assets under ATS software in the financial statements in accordance with IAS 38. Under the agreement, the Group is required to pay Trading Systems Technology International (TSTI) 15% of annual fees generated by the Group through the use of ATS as license, support and maintenance fees.

The arrangement is governed by a contract between Uganda Securities Exchange Limited and TSTI indicating the annual fees payable to TSTI from the use of the ATS and the agreement specifies the ratios to be used in the arrangement. The corresponding annual license, support and maintenance fees due to TSTI for the year is Ushs 36 million (2024: Ushs 130 million) as shown below. The revenue sharing was effective on 17 July 2016.

	2025 Ushs '000	2024 Ushs '000
Brokerage commission (USE) - See Note 5	236,583	867,907
Brokerage commission (TSTI)	35,487	130,186

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

15. EQUIPMENT

GROUP

	Motor Vehicles Ushs '000	Furniture & Fittings Ushs '000	Office Partitions Ushs '000	Computer Equipment Ushs '000	Total Ushs '000
COST					
At 1 January 2024	359,243	391,849	162,530	486,651	1,400,273
Additions	-	31,883	-	7,712	39,595
Disposals	-	(3,000)	-	(370)	(3,370)
At 31 December 2024	359,243	420,732	162,530	493,993	1,436,498
Additions	-	1,003	3,539	16,157	20,699
At 31 December 2025	359,243	421,735	166,069	510,150	1,457,197

DEPRECIATION

At 1 January 2024	359,243	333,618	49,462	450,473	1,192,796
Charge for the year	-	29,391	-	29,764	59,155
Disposal	-	(3,000)	-	(244)	(3,244)
At 31 December 2024	359,243	360,009	49,462	479,993	1,248,707
Charge for the year	-	30,206	3,539	12,805	46,550
At 31 December 2025	359,243	390,215	53,001	492,798	1,295,257

CARRYING AMOUNT

At 31 December 2025	-	31,520	113,068	17,352	161,940
At 31 December 2024	-	60,723	113,068	14,000	187,791

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY

	Motor Vehicles	Furniture & Fittings	Office Partitions	Computer Equipment	Total
	Ushs '000	Ushs '000	Ushs '000	Ushs '000	Ushs '000
COST					
At 1 January 2024	359,243	391,849	162,530	479,571	1,393,193
Additions	-	31,883	-	12,134	44,017
Disposals	-	(3,000)	-	(370)	(3,370)
At 31 December 2024	359,243	420,732	162,530	491,335	1,433,840
Additions	-	1,003	-	11,614	12,617
At 31 December 2025	359,243	421,735	162,530	502,949	1,446,457
DEPRECIATION					
At 1 January 2024	359,243	333,618	49,462	446,933	
Charge for the year	-	33,808	-	27,404	61,212
Disposal	-	(3,000)	-	(244)	(3,244)
At 31 December 2024	359,243	364,426	49,462	474,093	1,247,224
Charge for the year	-	28,915	-	11,179	40,094
At 31 December 2025	359,243	393,341	49,462	485,272	1,287,318
CARRYING AMOUNT					
At 31 December 2025	-	28,394	113,068	17,677	159,139
At 31 December 2024	-	56,306	113,068	17,242	186,616



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

16. LEASES

The Group leases a building apartment where its offices are located. The lease runs for a period of 5 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals.

Information about the lease for which the Group is a lessee is presented below;

a) Right of use asset

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Cost		
As at 1 January	1,110,960	1,110,960
Additions	964,479	-
At 31 December	2,075,439	1,110,960
Amortisation		
As at 1 January	1,110,960	925,800
Depreciation charge for the year	192,896	185,160
As at 31 December	1,303,856	1,110,960
Carrying amount	771,583	-

b) Lease liability

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
As at 1 January	-	246,359
Additions	964,479	-
Interest accretion	119,245	19,531
Payments made during the year	(265,890)	(265,890)
As at 31 December	817,834	-
Maturity analysis		
Due within 1 year	166,803	
Due within 2 to 5 years	651,031	
	817,834	

c) Amounts recognised in the statement of comprehensive income

	Group and Company
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	2025 Ushs '000	2024 Ushs '000
Leases under IFRS 16		
Interest on lease liabilities	119,245	19,531
Depreciation	192,896	185,160
	312,141	204,691

d) Amounts recognised in the statement of cash flows

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Interest expense payment	119,245	19,531
Principal payment	146,645	246,359
Total cash outflow for leases	265,890	265,890

17. RELATED PARTY BALANCES AND TRANSACTIONS

(a) Related parties include:

Shareholders	Other related parties
— African Alliance (Uganda) Limited	— Securities Industry Training Institute
— Baroda Capital Markets (U) Limited	— USE Commodities Exchange Limited
— Crane Financial Services Limited	
— Crested Stocks and Securities Limited	
— Equity Stock Brokers (Uganda) Ltd	
— Dyer and Blair (Uganda) Ltd	
— UAP Old Mutual Financial Services Limited	

The Company is limited by shares. The Company has authorised share capital of Ushs 1 billion comprising of 100,000,000 shares of Ushs 10 each. 6 million shares were issued to each of the above shareholders implying that 42 million shares were issued out of the 100 million shares. Of the total issued share capital, only 60,000,000 is paid up and the balance is included under note 16 (b) as amounts due from related parties.

The shareholders stated above are also brokers through which the public is able to buy shares from the listed entities.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

(b) Amounts due from related parties

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
Shareholders				
African Alliance (Uganda) Limited	-	880	-	880
Dyer and Blair (Uganda) Ltd	2,808	1,439	2,808	1,439
Equity Stock Brokers (Uganda) Limited	-	103	-	103
Crested Stocks and Securities Ltd	6,148	33,539	6,148	33,539
Old mutual Investment Group	-	1,328	-	1,328
USE Commodities Exchange Limited	-	-	427,724	204,665
Less: Provision for impairment of losses	-	(17,647)	-	(17,647)
	8,956	19,642	436,680	224,307
Other related parties				
Securities Industry Training Institute (SITI)	12,267	12,268	12,267	12,268
	21,223	31,910	448,947	236,575

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Movement in Expected Credit Losses		
At start of the year	17,647	7,431
Charge to profit and loss account	17,647	10,216
At end of the year	35,294	17,647

Outstanding balances at the year-end are unsecured, interest free and have no fixed repayment date. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2024: 18 million).

This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The above receivables relate to the unpaid share capital and brokerage fees not settled at year end.

(c) Amounts due to related parties

	Group		Company	
	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
Brokerage commission	49,600	-	49,600	-
	49,600	-	49,600	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

17. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(d) Related party transactions comprise	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Brokerage commission	41,331	32,548
	41,331	32,548

Brokerage commission is paid to Uganda Securities Exchange Limited by brokers. This is computed basing on the total trade considerations for the year.

(e) Key management compensation	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Salaries and other benefits	551,514	550,421
	551,514	550,421

(f) Director's emoluments	Group and Company	
	2025 Ushs '000	2024 Ushs '000
Board allowances	75,010	38,100
	75,010	38,100

18. UNQUOTED INVESTMENTS

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
CDSC Kenya	65,176	65,176
As 31 December	65,176	65,176

The unquoted investment relates to an equity investment in the CDSC Kenya classified as available for sale. This investment is In 2014, USE bought 25,000 ordinary shares at a total cost of Ushs 65,176,000. Within the same year, CDSC issued bonus shares (75 shares for every 100 shares owned) bringing the total number of shares to 43,750. The bonus shares carry zero cost

The unquoted investment relates to an equity investment in the CDSC Kenya. This investment is measured at fair value through profit or loss. As at 31 December 2025, the fair value of this investment was assessed at Ushs 65,176,000 (2024: Ushs 65,176,000). These shares are held at cost as proxy for fair value.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

19. SHARE CAPITAL

Following the enactment of the Capital Markets Authority Act Cap. 64 of Uganda on 20th May 2016, demutualization became a regulatory requirement to be fulfilled within 2 years from that date and hence USE was required to comply with the law by 20th May 2018.

In accordance with the above requirement, Uganda Securities Exchange (USE) Limited was incorporated on 18th May 2017 as a public Company limited by shares with authorized share capital of Uganda shillings 1 billion (Ushs 1,000,000,000) of 100 million shares of a nominal value of Ushs 10 shillings each.

Issued share capital is Uganda Shillings four hundred twenty million (Ushs 420,000,000) of 42 million shares. Each shareholder has 6,000,000 shares at a nominal value of Ushs 10 shillings each and each shareholder at incorporation currently holds 14.29% of the Company. All shared capital is paid up. The initial shareholders are African Alliance (Uganda) Limited, Baroda Capital Markets (U) Limited, Dyer and Blair (Uganda) Ltd, Equity Stock Brokers (Uganda) Limited, Crested Stocks and Securities Ltd, UAP Old Mutual Financial Services Limited and USE Commodities Exchange Limited. There is no ultimate controlling party. Each trading participant is required to reduce their shareholding to not more than 10% within 3 years of incorporating the demutualized exchange. All trading participants will not hold more than 40% collectively after 3 years from incorporation.

	Group and Company			Group and Company	
	2025 Ushs '000	2024 Ushs '000		2025 Ushs '000	2024 Ushs '000
(a) Authorised and not Issued:			Issued and fully paid		
At 01 January			At 01 January		
58,000,000 Ordinary shares of Ushs 10 each	580,000	580,000	42,000,000 Ordinary shares of Ushs 10 each	420,000	420,000
At 31 December	580,000	580,000	At 31 December	420,000	420,000
Authorised and Issued:					

The total authorised and fully paid-up number of ordinary shares is 42,000,000 with a par value of Ushs 10 per share. Each ordinary share is entitled to one vote per share at annual and other general meetings of the Company. Holders of ordinary shares are entitled to dividends when declared.

	Group and Company	
	2025 Ushs '000	2024 Ushs '000
(b) Distribution proposed		
At 01 January	586,700	662,873
Dividends proposed	295,336	586,700
Dividends paid	(586,700)	(662,873)
At 31 December	295,336	586,700

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

20. TRADE AND OTHER RECEIVABLES

Group and Company		
	2025 Ushs '000	2024 Ushs '000
Trade receivables	307,426	374,449
Less: provision for impairment of losses	(237,380)	(142,889)
Net trade receivables	70,046	231,560
Other receivables	107,427	36,464
Financial assets	177,473	268,024
Prepayments	64,124	126,890
Total trade and other receivables	241,597	394,914

During the year, the receivables were impaired in accordance with IFRS 9. The carrying amount of the trade and other receivables approximate their fair value.

Group and Company		
Movement in Expected Credit Losses	2025 Ushs '000	2024 Ushs '000
At start of the year	142,889	162,651
(Credit)/charge to profit and loss account	94,491	(19,762)
At end of the year	237,380	142,889

21. SHORT TERM INVESTMENTS

Group and Company		
	2025 Ushs '000	2024 Ushs '000
Fixed deposit in I&M Bank	3,000,000	3,749,040
Fixed deposit in I&M Bank – Accrued interest	313,657	363,616
UAP Money Market Fund	-	11,232
UAP Money Market Fund – Accrued interest	-	4,511
UAP Umbrella Trust Fund	341,978	1,464,278
UAP Umbrella Trust Fund – Accrued interest	216,967	108,415
DFCU Fixed deposit	-	1,000,000
DFCU FD Accrued interest	-	94,871
Less: Provision for impairment of losses	(19,110)	(19,110)
	3,853,492	6,776,853

The deposits held in UAP are not fixed for any particular period. A daily interest is earned on these deposits at a floating interest rate.



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

22. GOVERNMENT SECURITIES AT AMORTISED COST

Group and Company		
	2025 Ushs '000	2024 Ushs '000
Treasury bond	5,561,491	2,519,632
Accrued interest	146,085	158,953
	5,707,576	2,678,585
As at 1st January	2,678,585	2,678,585
Purchases	3,028,991	-
Accrued interest	781,321	462,500
Withholding tax	(95,163)	(46,250)
Interest received	(686,158)	(416,250)
As at 31 December	5,707,576	2,678,585

Group and Company		
Maturity analysis	2025 Ushs '000	2024 Ushs '000
Current portion	146,085	158,953
Non-current portion	5,561,491	2,519,632
	5,707,576	2,678,585

23. CASH AND BANK BALANCES

	2025 Ushs '000	2024 Ushs '000	2025 Ushs '000	2024 Ushs '000
Cash at Bank	312,792	222,991	311,477	219,675
	312,792	222,991	311,477	219,675

The above cash and bank balances comprise of cash and cash equivalents for purposes of the statement of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

23. CASH AND BANK BALANCES

	Group		Company	
	2025	2024	2025	2024
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Cash at Bank	222,991	100,717	219,675	88,717
	222,991	100,717	219,675	88,717

24. INVESTMENT IN SUBSIDIARY

	2025	2024
	Ushs '000	Ushs '000
Investment in subsidiary	90,001	90,001
	90,001	90,001

On 27 October 2020, Uganda Securities Exchange Uganda Limited and Mr. Paul Bwiso resolved to establish a new entity in the names of USE Commodities Exchange Limited ("the Subsidiary"), with shareholding of 99.999% and 0.001% respectively.

The Company was incorporated on 27 October 2020 with authorized share capital of Ushs 100,000,000 divided into

100,000 ordinary shares of Ushs 1,000 each. The nominal amount of shares so allotted is Ushs 90,001,000 (90,001 ordinary shares at Ushs 1,000 per share).

The investment in subsidiary is recognised at cost considering the amount of shares allotted.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Trade payables	100,136	260,258	76,313	238,512
Other payables	93,542	53,821	81,336	53,821
Financial liabilities	193,678	314,079	157,649	292,333
Bonuses payable	163,498	224,404	163,498	224,404
PAYE payable	42,411	40,647	39,757	40,647
WHT payable	1,086	1,722	1,086	1,722
Net salaries payable	1,234	205	161	205
NSSF liability	20,691	18,286	19,266	18,287
At 31 December	422,598	599,343	381,417	577,598

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

26. RETAINED EARNINGS

	Group		Company	
	2025	2024	2025	2024
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
At 1 January	8,897,565	8,000,510	9,203,081	8,113,495
Total comprehensive income for the year	984,455	1,483,754	1,229,979	1,676,286
Proposed Dividends	(295,336)	(586,700)	(295,336)	(586,700)
At 31 December	9,586,684	8,897,564	10,137,724	9,203,081

27. DEFERRED INCOME

	Group and Company	
	2025	2024
	Ushs '000	Ushs '000
Deferred income	156,892	134,233
	156,892	134,233

28. FINANCIAL RISK MANAGEMENT

The below are the categories of financial instruments held by the Group:

	Group	
	2025	2024
	Ushs '000	Ushs '000
Financial assets at amortised cost		
Trade and other receivables	177,473	268,024
Cash and bank balances	312,792	222,991
Amounts due from related parties	21,223	31,910
Government securities at amortised cost	5,707,576	2,678,585
Unquoted investments	65,176	65,176
Short term investments	3,853,492	6,776,853
	10,137,732	10,043,539
Financial liabilities at amortised cost		
Trade and other payables	193,678	292,333
Lease liabilities	817,834	-
	1,011,512	292,333

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

The Group's principal business activity is to provide, maintain and regulate suitable premises and facilities for conducting all the business of the securities exchange. The Group's principal financial liabilities comprised of trade and other payables, and lease liabilities. The Group's financial assets include trade and other receivables, amounts due from related parties, government securities, short term investments and cash and bank balances. All the Group's financial assets are classified as debt instruments at amortised cost while the financial liabilities are classified as financial liabilities at amortised cost.

The main risks arising from the Group's financial instruments are liquidity risk, market risk and credit risk. Market risk comprises interest rate risk, foreign exchange risk and price risk. The Group does not have significant exposure to price risk since no price sensitive financial instruments are held.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risk adherence to limits. Risk management policies are reviewed and agreed upon at Group level in order to manage the financial risks as summarised below:

	12-month or lifetime ECL	Gross carrying amount	Expected credit losses	Net carrying amount
Group		Ushs '000	Ushs '000	Ushs '000
Trade receivables	Lifetime ECL	307,426	(237,380)	70,046
Other receivables	Lifetime ECL	107,427	-	107,427
Cash and bank balances	Lifetime ECL	312,792	-	312,792
Due from related parties	Lifetime ECL	21,223	-	21,223
Government securities at amortised cost	Lifetime ECL	5,707,576	-	5,707,576
Short term investments	Lifetime ECL	3,872,602	(19,110)	3,853,492
Total		10,321,468	(237,380)	10,084,088

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Potential concentrations of credit risk consist principally of amounts due from related parties, trade and other receivables, bank balances and fixed deposit balances. The Group deposits cash only with regulated banks. The significant risk is with trade and other receivables. Trade receivables comprise a large and widespread customer base and the Group performs on going credit evaluations based on the internally developed credit ratings of its customers.

Credit rating is an estimate of the ability of a person or organization to fulfil their financial commitments, based on previous dealings. The amounts presented in the statement of financial position are net of expected credit loss, estimated by the Group's management based on prior experience, the current economic environment and forward-looking information. The carrying amount of financial assets represents the maximum credit exposure.

The amount that best represents the Group maximum exposure to credit risk at 31 December 2025 without taking account of the value of any collateral obtained is made up as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

The amount that best represents the Group maximum exposure to credit risk at 31 December 2023 without taking account of the value of any collateral obtained is made up as follows:

	12-month or lifetime ECL	Gross carrying amount	Expected credit losses	Net carrying amount
Company		Ushs '000	Ushs '000	Ushs '000
Trade receivables	Lifetime ECL	307,426	(237,380)	70,046
Other receivables	Lifetime ECL	107,427	-	107,427
Cash and bank balances	Lifetime ECL	311,477	-	311,477
Due from related parties	Lifetime ECL	448,947	-	448,947
Government securities at amortised cost	Lifetime ECL	5,707,576	-	5,707,576
Short term investments	Lifetime ECL	3,872,602	(19,110)	3,853,492
Total		10,755,455	(237,380)	10,498,965

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain The amount that best represents the Group maximum exposure to credit risk at 31 December 2024 without taking account of the value of any collateral obtained is made up as follows:

	12-month or lifetime ECL	Gross carrying amount	Expected credit losses	Net carrying amount
Group		Ushs '000	Ushs '000	Ushs '000
Trade receivables	Lifetime ECL	374,449	(142,889)	231,560
Other receivables	Lifetime ECL	36,464	-	36,464
Cash and bank balances	Lifetime ECL	222,991	-	222,991
Due from related parties	Lifetime ECL	49,557	(17,647)	31,910
Government securities at amortised cost	Lifetime ECL	2,678,585	-	2,678,585
Short term investments	Lifetime ECL	6,795,963	(19,110)	6,776,853
Total		10,158,009	(179,646)	9,978,363

		Ushs '000	Ushs '000	Ushs '000
Company				
Trade receivables	Lifetime ECL	374,449	(142,889)	231,560
Other receivables	Lifetime ECL	36,464	-	36,464
Cash and bank balances	Lifetime ECL	219,675	-	219,675
Due from related parties	Lifetime ECL	254,222	(17,647)	236,575
Government securities at amortised cost	Lifetime ECL	2,678,585	-	2,678,585
Short term investments	Lifetime ECL	6,795,963	(19,110)	6,776,853
Total		10,359,358	(179,646)	10,179,712

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

28. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Credit risk (Continued)

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.

The changes in the gross carrying amounts of trade and other receivables is explained by revenue from contracts with customers and payments by the customers. This explains the changes in the ECL.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The ageing analysis for the trade receivables was as follows:

Group and Company					
Loss rate	2025		2024		
	Ushs '000	ECLs Ushs '000	Ushs '000	ECLs Ushs '000	
1 - 45 days	4%	51,607	(2,064)	221,901	(8,227)
46 - 90 days	65%	51,299	(33,128)	31,275	(17,655)
91 - 136 days	83%	3,309	(2,746)	23,641	(19,622)
136 - 180 days	97%	58,981	(57,212)	8,226	(7,979)
More than 180 days	100%	142,230	(142,230)	89,406	(89,406)
		307,426	(237,380)	374,449	(142,889)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk arises because of the possibility that the entity could be required to pay its liabilities earlier than expected or at a time when the Group does not have liquid assets that can be used to settle the liability.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation

Management of the liquidity risk

The Group's approach of managing liquidity is to ensure that as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

In order to manage liquidity risk, the Group invests its surplus reserves in time deposits and securities with maturities concentrated in medium term maturities aligned to the Group's liquidity plans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The table below indicates the contractual timing of cash flows arising from financial liabilities at the end of the year.

	Group	
	< 1 year Ushs '000	> 1 year Ushs '000
At 31 DECEMBER 2025		
Lease liabilities	166,803	735,665
Amounts due to related parties	49,600	-
Trade and other payables	193,678	-
	410,081	735,665

At 31 DECEMBER 2024		
Trade payables	314,079	-
	314,079	

	Company	
	< 1 year Ushs '000	> 1 year Ushs '000
At 31 DECEMBER 2025		
Lease liabilities	166,803	735,665
Amounts due to related parties	49,600	-
Trade and other payables	157,649	-
	374,052	735,665

At 31 DECEMBER 2024		
Trade payables	292,333	-
	292,333	

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk on sales, purchases and bank balances that are denominated in foreign currencies. The dominant trading currency is the functional currency, Ugandan shillings (Shs) as most customers are invoiced in this currency. Other trading currencies include US Dollars (USD). The currencies to which the Group was exposed to are summarised in the table below. All amounts are in Ugandan shillings (Ushs) rounded in thousands.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

	USD	USD Ushs '000	Group Total Ushs '000
At 31 December 2025			
Assets			
Trade and other receivables	5,162	18,711	18,711
Cash and bank balances	43,356	157,154	157,154
	48,518	175,865	175,865
Liabilities			
Trade payables	74,662	270,630	270,630
	74,662	270,630	270,630
Currency exposure gap	(26,144)	(94,765)	(94,765)
At 31 December 2024			
Assets	15,328	58,626	58,626
Cash and bank balances	15,328	58,626	58,626
Liabilities			
Trade payables	-	-	-
	-	-	-
Currency exposure gap	15,328	58,626	58,626

The table below sets out the impact on future earnings of an incremental 10% parallel fall or rise in all foreign denominated balances as at 31 December 2025.

Assuming no management actions, a series of such rise and fall would impact the future earnings and capital as illustrated in the table below:

	Change in USD rate	Impact on profit Ushs '000	Impact on equity Ushs '000
31 December 2025			
USD	+/- 10%	9,477	6,634
31 December 2024			
USD	+/- 10%	5,863	4,104



NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Interest rate risk

All the Group's interest bearing financial instruments have fixed interest rates and they are measured at amortise cost, thus changes in the market interest rates has no impact on the carrying amounts or the cashflows. Hence no exposure to interest rate risk.

(d) Capital risk 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 limit the amount of dividends paid to shareholders, issue new shares, 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 less cash and cash equivalents. Total capital is calculated as equity plus net debt.

As of 31 December 2025, the Group had no external debt that would necessitate the calculation and assessment of the above ratio (2024: Nil)

29. FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments e.g., quoted equity securities. These items are exchange traded positions.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using; quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. As at 31 December 2025, the Group had a financial instrument (unquoted investments) measured at fair value through profit or loss.

The Company did not have financial assets and liabilities measured at fair value as at 31 December 2025 (2024: Nil) and the carrying amounts of the financial assets/liabilities approximate their fair values.

30. COMMITMENTS

The Group had no commitments in 2025 (2024: Nil).

31. GUARANTEE FUND

Section 65 of the Securities Central Depository (SCD) Act, 2009 provided for the establishment of a Guarantee Fund (the "Fund") that is further guided by regulation 16(5) of the SCD Regulations (SI No. 38 of 2009).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

The Fund serves as a vital safeguard for the Uganda Securities Exchange by ensuring the seamless completion of trades and uninterrupted settlement cycles even in the event of counterparty insolvency. By absorbing the financial impact of member defaults, the fund mitigates systemic risk and prevents broader \market contagion, ultimately upholding the long-term stability and institutional credibility of the Ugandan capital markets. The fund is maintained as a ring-fenced account, subject to rigorous independent oversight and managed through a prudent investment strategy aligned with the Uganda Securities Exchange’s regulatory mandate.

Ultimately, the guarantee fund acts as the exchange’s primary financial safety cushion, underwriting the reliability of the clearing and settlement process and reinforcing investor confidence in the Ugandan capital markets.

The above regulation requires each of the approved Securities Central Depository Agents (SCDA’s) to deposit Ushs 100 million to the Fund to provide the financial safety cushion as disclosed above. The monies deposited by the stockbrokers are managed by the Company in trust and in line with the guidelines specified in the Capital Markets Authority Cap.64 of Uganda, the SCD Act and the Guarantee Fund procedures.

As of 31 December 2025, the Fund held assets to the tune of Ushs 6,336 million (2024: Ushs 5,558 million).

32. ULTIMATE CONTROLLING PARTY

The Group is limited by shares and does not have any immediate or ultimate controlling party.

33. CAPITAL MANAGEMENT

The primary objective of the Group’s capital management policy is to ensure that the Group maintains healthy capital ratios in order to support its business and to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. The Group’s Board Audit Committee is charged with the responsibility of assessing the adequacy of its capital and on a quarterly basis assesses the capital requirements of the Group.

The Group had no capital commitments as at 31 December 2025 (2024: Nil).

34. CONTINGENT LIABILITIES

The Group had no contingent liabilities in 2025 (2024: Nil).

35. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that require adjustment in the financial statements.

CORPORATE INFORMATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

BOARD OF DIRECTORS	Mr. Samuel Frederick Mwogeza Ms. Leah Nyambura-Kagumba Ms. Jennifer Kabanyana Mwijukye Dr. Rachel Mindra Katoroogo Mr. Paul William Bwiso (Chief Executive Officer) Mr. Tumuramye Dan — Appointed 3 July 2025 Mr. Richard Patrick Byarugaba — Resigned on 8 August 2025
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COMPANY SECRETARY	Jacintah Akino UAP Nakawa Business Park Plot 3-5, New Port Bell Road, Block A, 4th Floor P. O. Box 23552 Kampala, Uganda
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REGISTERED OFFICE	UAP Nakawa Business Park Plot 3-5, New Port Bell Road, Block A, 4th Floor P. O. Box 23552 Kampala, Uganda
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AUDITOR	Ernst & Young Certified Public Accountants EY House Plot 18, Clement Hill Road Shimoni Office Village P.O Box 7215 Kampala, Uganda
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BANKERS	Citibank Uganda Limited Corporate Banking Division Plot 4 Ternan Avenue P. O. Box 7505, Kampala Centenary Bank Mapeera House Plot 44-46 Kampala Road & Plot 2 Burton Street P.O Box 1892 Kampala, Uganda
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Supplementary Information



NOTICE OF THE 9TH ANNUAL GENERAL MEETING

FOR THE YEAR ENDED 31 DECEMBER 2025

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of **UGANDA SECURITIES EXCHANGE LIMITED** ("the Company") for the year ended 31st December 2025 will be held at the **Four Points by Sheraton, Kampala on Friday 17th July 2026 at 02:30pm** to conduct the following business:

PRELIMINARIES

1. To table the proxies and to note the presence of quorum.
2. To read the notice convening the meeting and to confirm any other business for which notice has been received by the Secretary at least 48 hours before the meeting.
3. To receive Communication from the Chairman.
4. To confirm the minutes of the Extraordinary General Meeting held on 3rd July 2025.

ORDINARY RESOLUTIONS

5. To consider and if deemed fit, approve the audited financial statements for the year ended 31st December 2025 together with the reports of the Chairman, the Directors, and the External Auditors.
6. To receive and adopt the Directors' recommendation for the declaration of a proposed gross dividend of UGX 295,336,500 (two hundred and ninety-five million, three hundred and thirty-six thousand, five hundred Uganda Shillings) for the year ended 31st December 2025.

7. Rotation, Re-election and resignation of directors

To consider and if deemed fit, pass a resolution in accordance with the provisions of the Company's Articles of Association under Articles 110 & 111 as follows:

- i. Ms. Jeniffer Kabanyana Mwijukye, who was appointed to the Board in September 2021 retires by rotation and being eligible, offers herself for re-election.
- ii. Mr. Samuel Mwogeza who was appointed to the Board in September 2019 retires by rotation and does not offer himself re-election.
- iii. Dr. Rachel Mindra Katoroogo who was appointed to the Board in September 2019 retires from the Board and does not offer herself for re-election.



8. Appointment of new directors

To consider, and if deemed appropriate, approve the appointment of the following directors on the Board, pursuant to Article 109 of the Company's Articles of Association.

- i. Ms. Angela Kiryabwire Kanyima as the Board Chairperson of the Company.
- ii. Mr. Conrad Kirunda Nkutu as an independent non-executive director on the Board of the Company.
- iii. Mr. Andrew Bugembe as an issuer representative director on the Board of the Company.
- iv. Ms. Sophie Achak as issuer representative director on the Board of the Company.

9. To consider and if deemed fit, approve the re-appointment of the External Auditors, EY, for the year ending 31st December 2026 and authorize the Directors to fix their remuneration.

SPECIAL RESOLUTIONS

10. To consider and if deemed fit, approve the proposal to amend the Articles of Association of the Exchange in line with the CMA (Corporate Governance) regulations 2025.

11. To consider and if deemed fit, approve the issuance of Bonus Shares to capitalize the Uganda Securities Exchange and USE Commodities Exchange in compliance with Regulatory Requirements.

Dated 19th June 2026

By Order of the Board

Jacintah Akino

COMPANY SECRETARY

NOTES

Shareholders are urged to note the following information.

- 1. Audited financial statements: The audited financial statements, annual report and minutes for the previous meeting will be circulated to shareholders via email ahead of the meeting.
- 2. Proxies: A shareholder who is unable to attend the AGM may appoint a proxy to attend the meeting on his or her behalf. a. A copy of the proxy form accompanies this notice. b. Duly completed proxy forms must be emailed to the company secretary at address jakino@use.or.ug to be received at least 48 hours before the meeting.
- 3. Shareholders who wish to attend the meeting virtually shall confirm with the company secretary via email: jakino@use.or.ug. Scheduling of the AGM: Under Article 95 of the Articles of Association of the company, an annual general meeting may be held by audio or audio-visual means.
- 4. In order to access the meeting, shareholders or their proxies should login through the Microsoft Teams meeting platform via the link and/ or the login details below:

https://teams.microsoft.com/l/meetupjoin/19%3ameeting_YmZiY2MyNjMtMWIxZS00NDA0LWExMTQtNzA1YmVjYWZjOWFk%40th read.v2/0?content=%7b%22Tid%22%3a%22bfe03b7e-38e0-40fc-b8c1150b0c0af98e%22%2c%22Oid%22%3a%22c38797d4-91e5-46e9-a71ee9b5d639bfcf%22%7d

Meeting ID: 375 171 090 744 463

Passcode: oA7Sw7Hi

PROXY FORM

For the Attention of
The Company Secretary
Uganda Securities Exchange Limited
4th Floor Block A Nakawa Business Park
P.O Box 23552 Kampala
Email: jakino@use.or.ug

I/We the undersigned, being a member in the above company hereby appoint
..... of
address as my/
our proxy to attend and vote on my behalf at the 9th Annual General meeting of the Company to
be held at Four Points by Sheraton, Kampala at 02:30 pm or to any adjournments thereof.

Signed:
Name:
Date:

- Notes:**
- 1. This proxy should be delivered to the Company Secretary at the registered offices of the Company of not later than 48 hours before the time appointed for the meeting, and in default, the instrument of proxy shall be treated as invalid. Please note that delivery by electronic mail copy will be deemed delivery of the Proxy Form. The original hard copy shall however be required to be submitted by the appointed proxy at the meeting or soon thereafter.
 - 2. In case of a corporation, the proxy must be signed by an authorized official of the member company.
 - 3. The completion and lodging of this form does not preclude the ordinary representative of the member from attending the AGM instead of the proxy.



Uganda
Securities Exchange