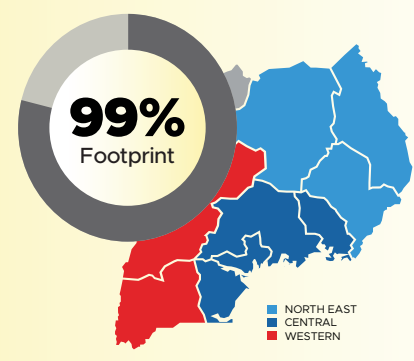
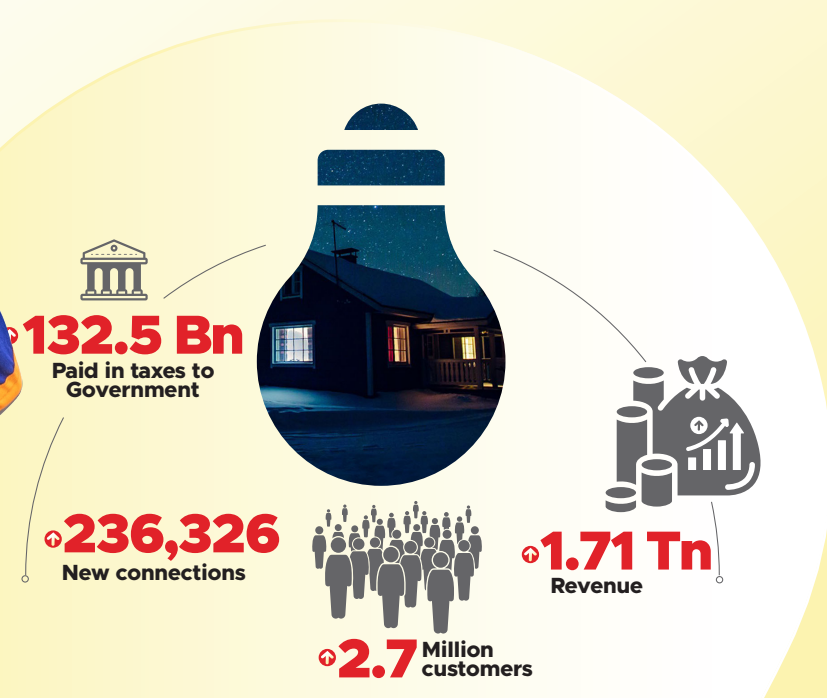




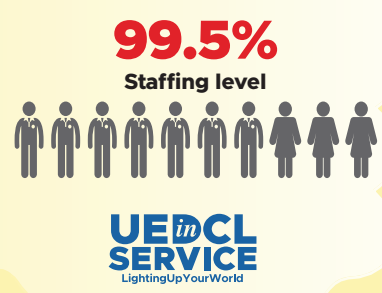
ONE YEAR LATER!

The electricity sub-sector underwent a significant shift **25 years ago**, giving rise to three successor firms: UEGCL, UETCL, and UEDCL. Since the first and second generation of reforms, UEDCL received seven concessions, and it currently operates the largest distribution network in the country. From 31 March 2025, this has been UEDCL's journey thus far...



LANDMARK DATES

- UEDCL was incorporated in 2001 following the unbundling of UEB.
- In 2005, it leased its assets to Umeme Limited for a 20-year concession.
- On April 1 2025, UEDCL took over the 6 private operator (Umeme Limited).



UEDCL One Year Later



The Big Switch has impacted the nation's industrial capacity, Gross Domestic Product, social and economic transformation, and created job opportunities for Ugandans.

I am pleased to announce that the grid has relatively stabilised and investments are now flowing into the asset."

**Paul Mwesigwa
Managing Director, UEDCL.**



The electricity sub-sector underwent a significant shift 25 years ago, giving rise to three successor firms: UEGCL, UETCL, and UEDCL. Since the first and second generations of reforms, UEDCL received seven concessions, and it currently operates the largest distribution network in the country after the asset retransfer on March 31, 2025 from Umeme Limited. This bold decision to give the distribution back to GoU is surrounded by a favorable political, economic, and regulatory environment.

The Big Switch has impacted the nation's industrial capacity, Gross Domestic Product, social and economic transformation, and created job opportunities for Ugandans.

I am pleased to announce that the grid has relatively stabilized and that investments are now flowing into the asset. The last 12 months have been an amazing test for UEDCL because of the many power outages and transformer problems that occurred during the first 6 months of the big switch.

But during that time, we had the chance to study the asset, optimize the nation's outdated and overloaded substations, start Capex and Opex procurements, realign personnel, and all of this while making sure the lights remained on.

The past year demanded strong leadership, focus and resilience. I can only tell Ugandans that our country has a promising future with the GoU in power.

INVESTMENTS TO STABILIZE THE GRID

With a total projected investment of over USD 994 million, the UEDCL has created a thorough five-year investment master plan which covers 2026 to 2030. The strategy is in line with National Development IV and the government's second-generation electricity sector reforms.

This program is a systematic recovery and growth strategy, not only a capital plan, with the goal of turning an aging distribution network into a contemporary, dependable, scalable, and smart power distribution system.

It is responding to UEDCL's expanded mandate following the takeover of Umeme operations plus the other five private operators taken over since 2017.

It is building on the assessment of the distribution network condition in 2025 and the urgent need to support national growth.

The investment is deliberately targeted across three critical fronts. First, significant resources are being deployed to expand access and connect new customers, with a strong focus on achieving national electrification targets through last-mile connections and grid expansion. Second, the Company is investing heavily in network reliability and quality of supply, addressing long-standing issues such as power outages, poor voltage profiles, and weak infrastructure through feeder refurbishment, automation, and substation upgrades.

Third, a substantial portion of the investments is directed towards asset replacement and modernisation, ensuring that obsolete and end-of-life equipment is systematically replaced to restore network integrity and operational efficiency driven by smart technology.

These investments will be rolled out progressively over the five-year period, with front-loaded spending in the early years to stabilise the network, followed by sustained investments to support industrial growth, reduce losses, and improve service quality.

The ultimate beneficiaries of this programme will be over 300,000 new customer additions per year for a period of five years. This is projected to add a minimum of an

extra 1,500,000 for the next five years new customers, existing domestic and commercial users, and a rapidly growing base of industrial consumers.

The plan provides a transformative roadmap aimed at enabling the Company to deliver safe, reliable, affordable and sustainable electricity services while strengthening institutional capacity and operational efficiency.

FORECAST FINANCIAL PERFORMANCE

UEDCL's financial performance for FY 2025/26 reflects a stable start following the transition, with results up to February 2026 indicating steady revenue generation and controlled costs.

Revenue to date stands at UGX 1.71 trillion, with a gross margin of 22% and EBITDA margin of 9%. Performance is projected to strengthen in the remaining months, with full-year revenue expected to reach UGX 2.62 trillion and EBITDA improving to UGX 251 billion, reflecting a stronger margin of 10%.

Under the projected 2026 performance scenario, UEDCL anticipates a return to a positive operating position driven by a combination of revenue growth and improved system efficiency.

The outlook is anchored on the new connections of approximately 300,000 customers per year and an estimated 15% growth in electricity sales, supported by ongoing capital investments to unlock network capacity and meet rising demand. The Company is targeting a reduction in energy losses to 13.7% as per ERA target through network rehabilitation, enhanced metering, and strengthened operational controls.

These interventions are aimed at improving reliability, stabilizing operations and improve financial performance.

r, After the Big Switch!



▲ L-R: Permanent Secretary Eng. Irene Batebe, Energy State Minister Hon. Okaasai Sidronius Opolot, Umeme MD Selestino Babungi, Umeme Chairman Partrick Bitature, Energy Minister Hon. Dr. Canon Ruth Nankabirwa, ERA CEO Eng. Ziria Tibalwa Waako, ERA Chairperson Dr. Sarah Wasagali Kanaabi, former UEDCL Chairman Francis Tumuheirwe, UEDCL MD Paul Mwesigwa, Joseph Hirya Director Audit (OAG) and Jonan Kiiza, UEDCL Head of Corporate and Stakeholder Affairs.

COST OF SALES, GROSS PROFIT AND EBITDA

The cost of sales remains largely driven by electricity purchases from UETCL, which represents the largest component of UEDCL's operational expenditure. Gross profit reflects the margin between electricity sales revenue and the cost of electricity purchases.

PAYMENTS TO UETCL

As the national electricity distributor, UEDCL purchases bulk electricity from UETCL for onward sale to customers (commercial & domestic). These payments represent a significant component of the Company's operating expenditure and are made in accordance with the power purchase agreements with UETCL as per ERA licenses.

The Company paid a total of UGX 1.71 trillion to UETCL within the first 10 months of its operations, demonstrating its commitment to maintaining financial discipline and supporting the stability of the electricity supply chain.

TAXES PAID TO GOVERNMENT

UEDCL continued to meet its statutory tax obligations to Government of Uganda under various tax heads. These contributions reflect the Company's role not only as a national utility but also as a significant contributor to public revenue, by the end of 2025, UEDCL had remitted a total of UGX 132.5 billion.

ABILITY TO MOBILIZE INVESTMENT FINANCING

Following the transition of electricity distribution operations, UEDCL not only assumed responsibility for a significantly expanded network but also the obligation to mobilize the financial resources required

to rehabilitate, maintain and expand the distribution network. While the condition of the inherited infrastructure The required substantial investment, the Company has demonstrated a strong ability to attract and structure funding from both internal and external sources to support its capital growth programme.

A key pillar of this financing capability lies within the regulatory framework approved by the Electricity Regulatory Authority (ERA), which provides tariff-based funding to support both network and non-network capital investments. Through this mechanism, UEDCL can recover prudent investment costs and secure predictable funding flows aligned to its capital expenditure requirements.

In addition, the Company continues to benefit from pre-transition allocations embedded within the tariff structure, as well as a return on prior investments and capital recovery provisions.

UEDCL has successfully accessed external financing, as demonstrated by the secured USD 50 million facility from Absa Bank, further strengthening its capacity to execute large-scale infrastructure investments. UEDCL becomes the first GoU agency to directly borrow for investment and moreover at reasonable interest as low as 8% inclusive of taxes as compared to 20% ROI net of tax as per the previous concession.

NON-FINANCIAL PERFORMANCE

In addition to financial indicators, UEDCL monitors several operational performance metrics that are critical to the effective functioning of the electricity distribution network. These indicators provide insight into electricity demand trends, system efficiency and revenue collection performance.



UEDCL Board Chairperson Lydia Proscovia Ochieng-Obbo and Absa Uganda CEO David Wandera exchanging the signed loan facility agreement at the UEDCL Headquarters in Nakasero, December 2025.

USD 50 MILLION
Secured for investment



UEDCL becomes the first GoU agency to directly borrow for investment and moreover at reasonable interest as low as 8% inclusive of taxes as compared to 20% ROI net of tax as per the previous concession.



USD 994
MILLION

PROJECTED
INVESTMENT
INTO THE SECTOR



ELECTRICITY DEMAND GROWTH

The domestic maximum demand is a key indicator of electricity consumption and overall network utilisation. The trend over the period April 2025 to February 2026 reflects changes in customer demand, driven by factors such as new connections, economic activities, and supply reliability.

Domestic maximum demand increased steadily from 986 MW in April 2025 to 1,188 MW in February 2026, reflecting a 20.4% overall growth. The upward trend was consistent throughout the period, with particularly strong growth between June and August 2025.

ENERGY PURCHASES AND SALES

UEDCL purchases electricity from the national grid through UETCL and sells it to customers across the country. The relationship between energy purchased and energy sold, provides insight into the operational scale of the Company as well as distribution network performance.

At the distribution end we have observed a 12% growth in average daily purchases from UETCL over the recent 12-month period from 17.2 to 19.1 GWh. This growth is facilitated by strong distribution backbone serving our industrial customers and a significant increase in customer base of 236,326.

ENERGY LOSSES

Energy losses represent the difference between electricity purchased and electricity sold. These losses arise from both technical factors within the distribution network and commercial factors such as metering inaccuracies and energy theft.

Reducing energy losses remains a key operational priority and forms part of the performance targets approved by ERA.

CASH COLLECTION PERFORMANCE

The efficiency of UEDCL's revenue collection mechanisms in relation to billed power sales is gauged by cash collection performance. Strong collection performance, which averaged 101%, guaranteed the prompt fulfillment of sector obligations and supported the power distribution system's financial sustainability.

ICT TRANSITION AND SYSTEMS STABILIZATION

At the point of transition, UEDCL stepped into a critical moment with the immediate task of putting up its own ICT backbone.

By March 31, 2025, the Company successfully decoupled from Umeme by fully migrating all core vending and billing systems ensuring that revenue collection and customer service continued seamlessly from day one. With stability achieved, the focus shifted to building strength and resilience.

By the end of 2026, UEDCL would have established the digital foundation required to support a growing, more efficient, and more accountable national electricity distributor.

HUMAN RESOURCE TRANSITION AND WORKFORCE STABILISATION

Following the transition, UEDCL moved to establish a workforce capable of supporting its expanded national mandate. The approved manpower structure of 2,712 staff is organised into 12 departments operating across three regions—Central, Western and North West—and cascaded into 15 territories and 98 service centres.

Through this phased approach, UEDCL rapidly stabilized its workforce, achieving a staffing level of 99.5 percent of the approved establishment by 28 February 2026.

CONDITION OF THE DISTRIBUTION NETWORK AT HANDOVER

Despite the public outrage over the frequent outages of feeders and substations; the distribution network's condition rather than the company's ability to run the grid is the primary cause. In order to determine the actual state of the assets inherited at the conclusion of the 20-year concession period, UEDCL conducted a thorough technical examination when it took over management of the national electricity distribution network on April 1, 2025.

This analysis has showed that although the network had grown considerably, a number of vital components had aged and, in certain situations, outlived their recommended functional lives.

Although the infrastructure is still in use and supports the nation's power supply, the evaluation found a number of assets that needed to be replaced and renovated. These include a number of distribution transformers running without sufficient protection mechanisms, aging transformers, and portions of medium- and low-voltage pole equipment nearing the end of their useful lives. The results thus emphasize the necessity of focused investment in modernizing and rehabilitating the distribution network in order to boost safety, increase reliability, and meet the growing demand for power.

Since then, UEDCL has made these interventions a top priority as part of its larger plan to fortify and stabilize the network while still fulfilling its financial and operational commitments to the industry.

SUBSTATION STABILIZATION PROGRAMME

In order to alleviate shortages at crucial substations, UEDCL implemented targeted transformer relocation operations as part of the network's immediate stabilization. The company redeployed transformers from places with comparatively lower demand to substations facing overload and rapid load

growth in order to maximize existing assets rather than waiting for new purchases.

By March 31, 2025, Kumi, Masaka Central, Kabale, Kakiri, Kampala South, and Mubende are among the substations that had limited capacity before these improvements. Through the relocation effort, UEDCL upgraded smaller units in certain substations and doubled installed capacity in others.

Together, these interventions have enhanced load distribution, decreased the risk of overloading, and increased capacity to accommodate new connections and rising demand. Over 138,000 consumers are benefiting from the relocation program overall, especially in high-demand locations like Masaka and Kampala South, where the impact on network performance and service reliability is greatest.

In parallel with the transformer relocation programme, UEDCL implemented a series of targeted feeder and protection system upgrades aimed at improving reliability across key parts of the distribution network. A total of 18 interventions were undertaken across substations including Kasese, Bombo, Mbale Industrial, Kitgum, Mukono, Soroti, Jinja Industrial, Kajjansi, Hoima, Kisugu, Mutundwe and Kapeeka, focusing primarily on the replacement and installation of auto reclosers, circuit breakers and associated protection equipment on both 11kV and 33kV feeders.

These interventions were designed to improve fault detection, isolation and restoration times, thereby reducing the frequency and duration of outages experienced by customers. In total, the programme is benefiting over 66,000 customers, with particularly high-impact improvements recorded in areas such as Bombo, Kajjansi, Mutundwe and Kapeeka, where large customer bases are served through critical feeders. Specific interventions were also undertaken to restore and stabilise supply to strategic and high-value customers, including industrial loads and critical installations.

MAJOR PROCUREMENTS APPROVED

The current activities indicate the scale and breadth of UEDCL's ongoing procurement programme, covering critical areas such as transformers, cables, meters, protection systems, network materials and operational support services. Huge contracts for material and labour supplies have been executed.

These contracts, most of which have already been signed and are at various stages of delivery and implementation, demonstrate a deliberate and coordinated effort to address the infrastructure gaps identified at the time of takeover. The major approved procurements represent a commitment of approximately UGX 412 billion (USD 110 million), underscoring the scale of investment required to rehabilitate and expand the distribution network.



▲ UEDCL Technicians commissioning a transformer as part of the Company's strategic effort to stabilize power supply. The Company has increased the capacity of seven major substations across the Country to boost reliability

In addition to the supply of materials and equipment, UEDCL has also made targeted provisions for labour and transport services to ensure effective execution of works on the ground. The Company has committed over UGX 20 billion towards these services, with contractors already deployed across its 15 service territories.

The deployment model is structured to ensure that each territory is supported by at least two contractors: one focused on new connections and network expansion, and another dedicated to maintenance and capital investment works.

This approach is intended to accelerate customer connections, reduce fault resolution times, and ensure timely implementation of capital projects.

COMMUNICATION, PR, BRAND AND MARKETING

A pre and post transition communication plan was approved by the Joint Technical Committee for implementation before the asset re-transfer.

The technocrats from MEMD, ERA, and UEDCL used purposeful messaging as the catalyst for the peaceful asset retransfer to set a positive tone. As a result, the transition was successfully closed on March 31, 2025, in what was known as "TheBigSwitch."

After March 31 2025, UEDCL identified a number of communication, public relations, and stakeholder gaps, such as the ongoing (planned and unplanned) outages, public scrutiny of UEDCL's capacity to manage

the asset, high tariffs, brand and reputation confusion, power theft and vandalism, public safety—causing public mistrust.

In order to address the aforementioned gaps, the Corporate and Stakeholder Affairs department launched intentional campaigns to educate consumers.

To offer the Company a fresh outlook, UEDCL undertook a rebranding campaign of its fleet, digital platforms, personnel, facilities including; substations and switching stations, service centres.

VANDALISM IMPACT ON THE NETWORK

Despite the scale and speed of interventions undertaken across the network, the Company continues to operate in an environment of persistent and widespread vandalism. What emerges from the data is not a series of isolated incidents, but a recurring pattern of deliberate damage to critical infrastructure from low voltage ABC conductors to medium voltage lines, transformers, and underground cables often in the very areas where restoration works have just been completed.

In many instances, sections of the network that have been replaced are vandalized again within a short period. This creates a cycle where resources are repeatedly diverted from planned investments into emergency response. In many reported instances, the entire spans of conductors are vandalized, customer meters stolen, and key feeders are disrupted, directly affecting supply reliability, increasing insecurity, public safety incidents and

disrupting service.

This challenge is further compounded by the geographic spread of incidents, cutting across multiple regions and area offices, which places additional strain on operational teams causing delays in response time.

While the Company remains committed to restoring supply as quickly as possible, a significant number of cases remain pending at any given time, reflecting both the volume of incidents and the pressure on available resources.

FINAL COMMITMENT TO SERVICE

In order to fulfill the demands of an expanding economy, UEDCL had to take over the nation's long-standing energy distribution network, which required renewed investment, coordinated action, and persistent operational focus.

UEDCL is totally dedicated to providing reliable, accountable, and purposeful electricity service to Uganda.

VANDALISM

Vandalism disrupts and delays service delivery and places your lives at risk. Reports suspected cases to 0800-285285/0800-385385 or to Police

Simple Fast Convenient

UEDCL LIGHT APP

Great Customer Service is core to our business...