



NEWSLETTER

MACHAPALA GROUP

SECOND QUARTER 2026

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CEB's Editorial

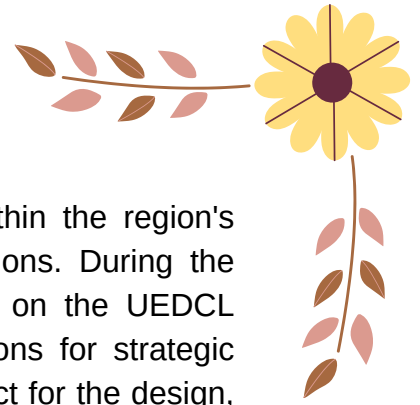
The past financial year has been one of purposeful transformation for Samanga Utilities Limited. As infrastructure development across East Africa continues to accelerate, we have strengthened our position as an integrated infrastructure and technology company, delivering innovative solutions across Energy, Transport, ICT, Water, Smart Mobility, and Digital Infrastructure.

Our strategy is founded on a simple principle: the future of infrastructure lies in integration. Today's infrastructure must be intelligent, connected, and sustainable. Rather than delivering standalone products and services, we combine engineering expertise with advanced digital technologies to provide complete solutions that improve operational efficiency, strengthen public service delivery, enhance revenue collection, and create lasting value for our customers and shareholders. During the year, we made significant progress in strengthening our core business pillars.

Our Transport Department continued to expand its capabilities in intelligent traffic management systems, smart street lighting, railway solutions, Weigh-in-Motion (WIM) technologies and smart mobility platforms. Through MyParking, we continue to redefine urban mobility by integrating intelligent parking management with cashless payment solutions, creating safer, more efficient and data-driven transport ecosystems that support modern cities.

Our ICT Division has evolved into the technology backbone of both Samanga Utilities and the wider Machapala Group. Beyond delivering enterprise infrastructure, cybersecurity, cloud technologies and data center solutions, the department is driving the Group's digital transformation agenda by integrating core business processes into a unified digital ecosystem. Through automation, enterprise systems and intelligent reporting platforms, we are improving operational efficiency, governance, transparency and decision-making across the Group. This digital foundation is further strengthened through KiliPay's payment capabilities, enabling secure cashless transactions and integrated financial workflows.





The Energy Department continues to strengthen our position within the region's power sector through innovative and reliable infrastructure solutions. During the year, we successfully deployed SCADA-enabled smart switches on the UEDCL distribution network, implemented renewable solar backup solutions for strategic institutions, including URA and UNEB, and secured a major contract for the design, supply, and installation of automation and DC excitation systems at the Nalubaale, Kiira, and Isimba Hydropower Stations. These achievements reinforce our commitment to supporting utility modernization while expanding our technical capabilities and project portfolio.

Our Water Department has continued to broaden its service offerings by positioning itself to deliver smart water infrastructure, irrigation systems, water treatment solutions, and EPCF (Engineering, Procurement, Construction, and Financing) projects. As governments and private-sector organizations place greater emphasis on water security, agricultural productivity, and sustainable resource management, we are well positioned to deliver innovative solutions that improve operational efficiency while supporting resilient communities.

Beyond Uganda, our regional presence continues to grow. Samanga Solutions Tanzania Limited recorded significant progress during the year, strengthening its position in the utility, mining, defense and transport sectors. The business secured strategic project awards in smart metering and solar street lighting, maintained full regulatory compliance and advanced several high-value opportunities that will support future growth across the region.

As we look ahead, our priorities remain clear. We will continue investing in innovation, strengthening strategic partnerships and expanding our footprint across East Africa. Our focus is on building recurring revenue through managed services, digital platforms and long-term infrastructure partnerships while maintaining disciplined governance, operational excellence and prudent investment.

The opportunities before us have never been greater. Governments across the region are increasing investment in transport, energy, ICT and water infrastructure to drive economic growth and improve public services. Samanga Utilities is uniquely positioned to support this transformation through an integrated business model that combines engineering excellence, technology innovation and regional expertise.





On behalf of Management, I extend my sincere appreciation to our Board of Directors, shareholders, employees, customers and strategic partners for their continued confidence and support. Your trust continues to inspire us to innovate, grow and deliver excellence.

As we move into the next chapter of our journey, we remain committed to building more than infrastructure. We are building intelligent systems, stronger institutions and sustainable solutions that will contribute to the long-term development of East Africa.

Rahel Nkya
Chief Executive Officer
Samanga Utilities Limited



TECHNOLOGY SOLUTIONS



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INFRASTRUCTURE, ENERGY & MOBILITY HIGHLIGHTS

Samanga continued to make significant progress across its infrastructure, transport, and energy portfolios through a combination of strategic partnerships, technical capacity building, and successful project delivery. The company participated in key international engagements in Amsterdam and Madrid, gaining valuable insights into emerging transport technologies, mobility solutions, and railway infrastructure management while strengthening relationships with global industry partners.

Locally, Samanga successfully completed the installation of 196 solar streetlights in Entebbe and six units at the Uganda Revenue Authority headquarters, while ongoing works in Mbale City continue to enhance urban safety, visibility, and energy efficiency. The Energy Division was further strengthened with the appointment of Mr. Peter Ssebabi as Manager – Energy Solutions (Solar Utilities), alongside the deployment of backup power systems at key URA locations. Leadership also conducted stakeholder visits to the Nalubaale and Kiira Hydroelectric Power Stations, reinforcing the company's commitment to sustainable infrastructure, reliable energy solutions, and smart mobility development across Uganda.



CAPACITY BUILDING & PROFESSIONAL DEVELOPMENT

April was a productive month for SDS Systems' Drones and Radios Department, marked by significant progress in capacity building and professional development. The team successfully completed Quality Management System (QMS), Safety Management System (SMS), and Safety Assurance (SA) training as part of its ongoing certification journey for drone-related operations. The training strengthened internal compliance processes, risk management practices, and the organization's overall safety culture.

In partnership with Motorola, the department also delivered Capacity Max training for the Uganda Police Force, focusing on integrated communication systems, real-time data transmission, and coordinated operations. The initiative enhanced technical capabilities while strengthening collaboration with a key client. These achievements reinforce SDS Systems' commitment to operational excellence, continuous learning, and delivering world-class technology solutions.



TECHNOLOGY SOLUTIONS UPDATES

February marked another milestone for Kilimanjaro Telecom as the company continued to strengthen both its technical capabilities and contribution to Uganda's digital infrastructure. CEO Alex Nkuyahaga successfully completed the International Telecommunication Union (ITU) Academy training on Strategic Fiber Optic Infrastructure Deployment and Regulatory Management in Abuja, Nigeria. The programme brought together telecommunications professionals from across Africa and provided valuable insights into fiber deployment, regulatory frameworks, and regional connectivity development, further enhancing Kilimanjaro Telecom's long-term infrastructure strategy.

The company also successfully delivered a Distributed Denial of Service (DDoS) mitigation solution to the National Information Technology Authority – Uganda (NITA-U) under the Uganda Digital Acceleration Project (UDAP-GovNet). The deployment strengthens the security and resilience of government digital services through advanced DDoS protection, network integration, and technical knowledge transfer. This achievement reinforces Kilimanjaro Telecom's growing role as a trusted provider of secure digital infrastructure and managed cybersecurity solutions supporting Uganda's digital transformation agenda.

INDUSTRIES UPDATES



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MACHAME INDUSTRIES - CRANE MILLERS

Crane Millers continues to make significant progress as it prepares for commissioning, attracting growing interest from regional stakeholders and reinforcing its commitment to operational excellence. In June, the facility hosted the Tanzanian Ambassador to Uganda, H.E. Maj. Gen. Paul Kisesa Simuli, who toured the plant and commended the company's innovative approach to agro-processing, particularly its upcoming gluten-free pasta production line. The visit highlighted the project's potential to drive regional industrial growth, create employment opportunities, and strengthen agricultural value addition across East Africa.



The company also conducted a comprehensive staff medical screening exercise as part of its health, safety, and regulatory compliance programme. The initiative ensured employees meet national health standards while supporting the company's certification requirements. In addition, Machapala Group leadership carried out a high-level inspection of the facility and expressed satisfaction with the project's progress and operational readiness ahead of commissioning. These developments reflect Crane Millers' commitment to quality, safety, and becoming a leading agro-processing hub in the region.

MACHAME INDUSTRIES - MACHAME FARMS

Machame Farms continues to build on its strong performance, with significant progress recorded across crop production, livestock development, and environmental sustainability initiatives. During the first cropping season of 2026, the farm planted approximately 200 acres each of soybean and upland rice, with harvesting expected to begin in July. Expansion efforts have also increased operational capacity, enabling preparations for the cultivation of approximately 1,300 acres during the upcoming main season.



The livestock division is set for further growth through the introduction of Boer goat breeding stock to enhance productivity and strengthen livestock as a sustainable revenue stream. Meanwhile, the farm's apiary project is showing encouraging results, with 30 of 100 beehives successfully colonised and initial honey harvests already recorded. These achievements, together with positive feedback from a recent visit by senior management and directors, reflect Machame Farms' continued growth and commitment to sustainable agricultural development.



Abja Forests continues to evolve into a strategic long-term investment for the Machapala Group, offering opportunities in sustainable forestry, renewable energy, environmental conservation, and hospitality. Located on the shores of Lake Victoria in Bukaleba, Mayuge District, the project is progressing through ongoing engagements with the National Forestry Authority to establish a clear development roadmap and unlock the site's full potential.

Key opportunities under consideration include the development of sustainable biomass plantations to support growing demand for renewable energy, as well as participation in emerging carbon credit and climate-finance initiatives. The property's extensive Lake Victoria frontage also presents strong potential for future eco-tourism and hospitality developments. With continued planning and strategic partnerships, Abja Forests is positioning itself as a flagship project that combines environmental sustainability with long-term commercial value for both the Group and surrounding communities.



March was a productive month at Abja Farm, supported by favorable seasonal weather and ongoing improvements across our farming operations. The farm continued to perform strongly in horticulture, with sweet peppers emerging as the top-performing crop among our greenhouse enterprises.

Key developments included the assessment and commencement of irrigation system operations for the Gonja (plantain) enterprise, reinforcing our commitment to climate-smart agriculture. Newly planted plantain blocks responded well to the onset of rains, while soil fertility enhancement efforts through intercropping with nitrogen-fixing legumes progressed successfully.

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Farm sales remained strong, driven by sweet peppers, cucumbers, onions, and honey. During March, the farm marketed 677 kg of sweet peppers, 426 kg of cucumbers, 215 kg of onions, and 40 liters of honey.

As part of our monthly feature, we shared a delicious Peperonata recipe—a colorful stewed bell pepper dish that showcases one of our signature farm products.



ENERGIES UPDATES



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Machame Energies continues to strengthen its position as a diversified energy company through significant progress across its renewable energy, waste-to-energy, and refining businesses. During June 2026, the Group recorded major milestones that reinforce its long-term strategy of delivering sustainable and reliable energy solutions across the region.

At the Nyenga Pyrolysis Plant, operations officially commenced on 1 June 2026 with the newly recruited production team successfully running a series of production batches. The plant converts waste tyres into pyrolysis oil, steel, and carbon black, while syngas generated during the process is reused to fuel the reactor, promoting a circular and environmentally responsible production model. Rising global energy prices have further increased market interest in the plant's products, and initial production batches have already attracted orders exceeding available output, particularly from industrial heating customers.

Meanwhile, the Olwiyo 20MW Solar Power Project achieved several critical milestones. The project secured a 22-year power generation licence from the Electricity Regulatory Authority, signed a Power Purchase Agreement with Uganda Electricity Transmission Company Limited, and received environmental clearance from National Environment Management Authority. On 1 June 2026, the EPC contractor mobilised to site and began construction of the 10.2 km transmission line that will connect the solar plant to the Olwiyo substation. Additional technical staff have also been onboarded to support delivery of the project within the targeted timeline.

In the refining business, Machame Refineries advanced its regional expansion through a joint venture with Nigerian partners to develop a refinery project in Nigeria. As part of the strategy, the company entered a seven-year tolling agreement with an existing refinery to begin generating cash flows while developing its own facility. Following completion of refinery modifications and regulatory approvals, crude oil was received in June and commercial operations are expected to commence shortly, with an initial refining capacity of 4,000 barrels per day and plans to scale up to 7,000 barrels per day within the first half-year of trading. Together, these developments demonstrate Machame Energies' growing footprint across solar power, sustainable fuels, and refinery operations, positioning the company as an important contributor to Africa's evolving energy landscape and the transition toward more diversified and resilient energy systems.

Namuwongo Blazers

Charge Into Playoffs

After Dominant Regular Season

The Namuwongo Blazers have enjoyed an outstanding 2026 regular season, finishing with an impressive 20 wins from 22 games. The defending champions have once again established themselves as one of the most dominant teams in the National Basketball League, displaying consistency, resilience, and championship pedigree throughout the campaign.

With a remarkable 90.9% winning record, the Blazers head into the playoffs as one of the favorites for the title, carrying momentum and confidence as they seek to successfully defend their crown and add another championship to their growing legacy.

Quarter finals will start on the 10th day of July 2026 and Namuwongo will face JT Jaguars in the best of three quarter finals. We await the full fixtures from the Federation.

Two of Namuwongo players have been sermon for national team duty ;

- **Franck Fataki Nyembo -Congo**
- **Peter Obleng - Uganda**

The tournaments are due to take place early next month.

