

AIRTEL MOBILE COMMERCE NIGERIA B.V.

AT AMSTERDAM

Financial Report for the period starting from December 05, 2018 to March 31, 2019

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Airtel Mobile Commerce Nigeria B.V. at Amsterdam

To the shareholders of
Airtel Mobile Commerce Nigeria B.V. (the "Company")
Overschiestraat 65
1062 XD Amsterdam

Dear shareholders,

Please find attached the financial statements for the year starting on December 05, 2018 and ending on March 31, 2019 of the Company (hereinafter referred to as the "Year 2018/2019").

We have prepared the annual accounts of the Year 2018/2019 of the Company in accordance with Part 9 of Book 2 of the Dutch Civil Code. The financial statements comprise the Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the Year 2018/2019 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

The activities of the Company consist of providing holding and finance services. On March 31, 2019 the board of directors is formed by;

- J.C. Uneken- van de Vreede
- D. Van Kootwijk
- J. Paul

The Balance Sheet is showing a total amount of USD 13,905,687 and the Profit and Loss Account is showing a result of USD Nil.

For purposes of corporate income tax, the Company forms a fiscal unity with Airtel Mobile Commerce B.V. The corporate income tax of the subsidiaries of the Company is reported in the accounts of Airtel Mobile Commerce B.V. We will gladly provide further explanations upon request.

Sincerely yours,



J.C. Uneken - van de Vreede
On Behalf of the management board of the Company

FINANCIAL STATEMENTS

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Airtel Mobile Commerce Nigeria B.V. at Amsterdam

Financial statements starting from December 05, 2018 to March 31, 2019

I. BALANCE SHEET AS AT MARCH 31, 2019
(Before appropriation of results)

	Notes	<u>March 31, 2019</u> USD
ASSETS		
Financial fixed assets	(1)	
Other receivables		13,869,625
Current assets	(2)	
Receivables from group company		5,687
Cash and cash equivalents	(3)	30,375
		<u>13,905,687</u>
EQUITY AND LIABILITIES		
Shareholder's equity	(4)	
Issued share capital		5,615
Other reserves		72
Unappropriated results		-
Long term debt	(5)	
Payable to group companies		13,900,000
		<u>13,905,687</u>

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Airtel Mobile Commerce Nigeria B.V. at Amsterdam

Financial statements starting from December 05, 2018 to March 31, 2019

II. PROFIT & LOSS ACCOUNT FOR THE PERIOD STARTING FROM DECEMBER 05, 2018 TO MARCH 31, 2019

	Notes	<u>2018/2019</u>
Finance income and expenses		
Interest income from group companies		-
Interest expense and similar charges		-
Foreign currency exchange differences		-
Financial income and expenses		<u>-</u>
Result from operations before taxation		<u>-</u>
Taxation on result from operations		-
Result from after taxation		<u><u>-</u></u>

Financial statements starting from December 05, 2018 to March 31, 2019

III. NOTES TO THE COMPANY ACCOUNTS

GENERAL

Activities

The activities of the Company consist of providing holding and finance services. The Company has its registered office at Overschiestraat 65, 1062 XD Amsterdam, Netherlands.

The Company is registered on December 05, 2018, hence comparative information not been presented for previous year.

Group structure

The Company forms part of the Bharti Airtel Group of companies. Immediate parent Company is Airtel Mobile Commerce B.V. and the step up parent Companies are;

- Airtel Africa Limited, United Kingdom
- Bharti Airtel Limited, India.

GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS

The financial statements have been prepared in accordance with the general provisions of Title 9, Book 2 of the Dutch Civil Code. As allowed in art.2:396 paragraph 6 of the Dutch Civil Code, the valuation of the assets and liabilities and the determination of the result is based on the principles for determination of the taxable profit, as meant in chapter II of the Corporate Income Tax Act 1969. The annual report and financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in US Dollars. These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

Financial instruments

Financial instruments are both primary financial instruments, such as receivables and payables, and financial derivatives. For the principles of primary financial instruments, reference is made to the treatment per Balance Sheet item.

The Company does not use derivatives.

Translation of foreign currency

The financial statements are presented in US dollar, which is the Company's functional and presentation currency, this based on the currency in which its main transactions are concluded.

Transactions in foreign currencies (transactions not in the functional currency of the transaction entity) are translated at the foreign exchange rate at transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rate prevailing at the Balance Sheet date. All differences are taken to the income statement. Share capital, which is denominated in Euro, is translated at the exchange rate prevailing at the Balance Sheet date; differences are taken to the Other reserves within shareholder's equity.

Financial statements starting from December 05, 2018 to March 31, 2019

Staff members

During the Year 2018/2019 the Company had no employees, and hence incurred no wages, salaries or related social security charges.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

Current Assets

Receivables are valued at nominal value. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

Banks

The cash is valued at face value. If cash equivalents are not freely disposable, then this has been taken into account in the valuation.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Principles for determination of the result

Profit or loss is determined as the difference between the realizable value of services rendered, and the costs and other charges for the year. Revenues on transactions are recognized in the year in which they are realized.

Other costs

Other costs are recognized based on the historical cost convention and are allocated to the reporting year to which they relate.

Financial income and expenses

Financial income and expenses comprises of interest income and expense of loans for the current reporting period.

Taxes

The Company forms a fiscal unity with Airtel Mobile Commerce B.V. A consolidated tax return is filed in which Airtel Mobile Commerce B.V. accounts for the Dutch tax implications of the group.



Financial statements starting from December 05, 2018 to March 31, 2019

IV. NOTES TO THE SPECIFIC ITEMS OF THE BALANCE SHEET AS PER MARCH 31, 2019

1. Financial fixed assets

	<u>March 31, 2019</u>
	USD
Other receivables	13,869,625
	<u>13,869,625</u>

This amount, which is equivalent to Naira 5,000,000,000, has been deposited with the Central Bank of Nigeria in support of a Payment Services Bank licence application for a subsidiary of the Company (currently still under incorporation).

Current assets

2. Other Receivables

	<u>March 31, 2019</u>
	USD
Receivables from group company	
Airtel Mobile Commerce B.V., at Amsterdam	5,687
	<u>5,687</u>

3. Cash and cash equivalents

	<u>March 31, 2019</u>
	USD
Cash at Bank	30,375
	<u>30,375</u>

EQUITY AND LIABILITIES

4. Shareholder's Equity

	<u>March 31, 2019</u>
	USD
Issued share capital	
5,000 Ordinary shares of EUR 1.00	5,615
	<u>5,615</u>

The share capital is unpaid as on 31 March, 2019. The statutory share capital amounts to Euro 5,000. The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.123 as at 31 March 2019. Translation differences are recorded in Other reserves.

Airtel Mobile Commerce Nigeria B.V. at Amsterdam

Financial statements starting from December 05, 2018 to March 31, 2019

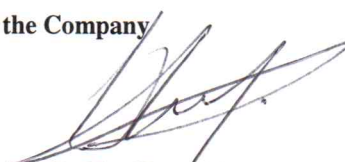
	<u>March 31, 2019</u>
	USD
Other reserves	
Balance as of December 05	-
Allocation of previous financial year net result	-
	<hr/>
	-
Foreign currency changes on share capital	72
Balance as of March 31	<u>72</u>

5. Long term debt

	<u>March 31, 2019</u>
	USD
Payable to group company	
Airtel Mobile Commerce B.V., at Amsterdam	13,900,000
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	<u>13,900,000</u>

On behalf of the management board of the Company


J.C. Uneken - van de Vreede
Director


D. Van Kootwijk
Director

J. Paul
Director

Date: 1st July 2019

Airtel Mobile Commerce Nigeria B.V. at Amsterdam

Financial statements starting from December 05, 2018 to March 31, 2019

	<u>March 31, 2019</u>
	USD
Other reserves	
Balance as of December 05	-
Allocation of previous financial year net result	-
	-
Foreign currency changes on share capital	<u>72</u>
Balance as of March 31	<u><u>72</u></u>

5. Long term debt

Payable to group company

	<u>March 31, 2019</u>
	USD
Airtel Mobile Commerce B.V., at Amsterdam	13,900,000
	<u><u>13,900,000</u></u>

On behalf of the management board of the Company

J.C. Uneken - van de Vreede
Director

D. Van Kootwijk
Director


J. Paul
Director

Date: *1st July 2019*

Financial statements starting from December 05, 2018 to March 31, 2019

ASSETS AND COMMITMENTS NOT SHOWN IN THE BALANCE SHEET

Contingent liabilities

Tax-group liability

The Company forms a fiscal unity for corporate income tax purposes with Airtel Mobile Commerce B.V. as of December 05, 2018. Under the Tax Collection Act, the Company is jointly and severally liable for the taxes payable by the group.



OTHER INFORMATION

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Financial statements starting from December 05, 2018 to March 31, 2019

OTHER INFORMATION

1 Notification regarding the absence of an audit report

The Company is exempt from audit requirement because it is within the limits set in Article 2: 396 paragraph 1 of the Dutch Civil Code. Therefore the annual accounts do not include an audit report.

2 Statutory appropriation of profit

According to the Company's Articles of Association, article 22, the annual meeting of shareholders determines the appropriation of the Company's net result for the year.

3 Post Balance Sheet event

The Company's share capital fully paid on April 02, 2019.

