

**BHARTI AIRTEL NIGERIA HOLDINGS II B.V.  
AT AMSTERDAM**

Annual Report 2018/2019

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To the shareholders of  
Bharti Airtel Nigeria Holdings II B.V. (the "Company")  
Overschiestraat 65  
1062 XD Amsterdam

Dear shareholders,

Please find attached the financial statements for the year starting on April 1, 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 management board consists of three persons as follow:

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

The Balance Sheet is showing a total amount of USD 2,254,280,156 and the Profit and Loss Account is showing a post-tax result of USD Nil. The profit for the Year 2018/2019 amounts to USD Nil compared with a loss for the year 2017/2018 of USD 160,275.

For purposes of corporate income tax, the Company forms a fiscal unity with Bharti Airtel International (Netherlands) B.V. The corporate income tax of the subsidiaries of the Company is reported in the accounts of Bharti Airtel International (Netherlands) B.V. The withholding taxes paid by the subsidiaries of the Company are reported in the accounts of the subsidiaries. The withholding taxes are recognized in the Profit and Loss Account as general expenses. 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**

**I. BALANCE SHEET AS AT MARCH 31, 2019**

(Before appropriation of results)

	Notes	March 31, 2019		March 31, 2018	
		US\$*1,000	US\$*1,000	US\$*1,000	US\$*1,000
<b>ASSETS</b>					
<b>Financial fixed assets</b>					
Participations in group companies	(a)	16		-	
Receivables from group companies	(b)	2,254,264		2,130,822	
			2,254,280		2,130,822
			<u>2,254,280</u>		<u>2,130,822</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholder's equity</b>					
Issued and paid-up share capital	(2)	20		22	
Other reserves		(1,658)		(1,820)	
Unappropriated results		-		160	
			(1,638)		(1,638)
<b>Long-term debts</b>					
Payable to group companies	(3)		2,255,902		2,132,460
<b>Current liabilities</b>					
Payable to group companies	(4)		16		-
			<u>2,254,280</u>		<u>2,130,822</u>

**II. PROFIT & LOSS ACCOUNT 2018/2019**

	Notes	2018/2019 US\$*1,000	2017/2018 US\$*1,000
<b>Finance income and expenses</b>	(5)		
Interest income from group companies	(a)	103,327	78,794
Interest expense and similar charges	(b)	(103,327)	(78,634)
<b>Financial income and expenses</b>		-	160
<b>Result from operations before taxation</b>		-	160
Taxation on result from operations		-	-
<b>Result from after taxation</b>		-	160

**III. NOTES TO THE COMPANY ACCOUNTS****GENERAL****Activities**

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

**Group structure**

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

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

**Consolidation**

In accordance with article 2:407 part 2A of the Dutch Civil Code no consolidated financial statements have been prepared. The Company also avails itself of the facility of article 408, Book 2 of the Dutch Civil Code. The annual accounts of the Company and its subsidiaries are consolidated into the annual accounts of Bharti Airtel Limited, India. Copies of the consolidated accounts are available at the Trade Register of the Chamber of Commerce in Amsterdam. The consolidated accounts will be filed together with the financial statements of the Company.

**LIST OF PARTICIPATING INTERESTS**

The Company has the following capital interests which have not been valued at net capital value:

Name, statutory registered office	Share in issued capital
<hr/>	<hr/>
	%
Bharti Airtel Nigeria B.V. Amsterdam	100.00

**GENERAL ACCOUNTING PRINCIPLES FOR THE PREPARATION OF THE ANNUAL ACCOUNTS**

The financial Statement have been prepared in accordance with Title 9 Book 2 of the Dutch Civil Code.

Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific Balance Sheet item, assets and liabilities are valued according to the cost model.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the Balance Sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

**Assumption of continuity**

The Company has an equity deficit of USD 1,637,715 as of March 31, 2019. The deficit is fully funded by intercompany loans. The Company's ability to continue as a going concern is highly contingent on the willingness on the part of group companies to continue the said loans. The group Companies confirmed their willingness to continue the loans. In view of this, the accounting policies used in these financial statements are based on the expectation that the Company will be able to continue as a going concern.

**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.

**Staff members**

During the Year 2018/2019 the Company had no employees, and hence incurred no wages, salaries or related social security charges, nor during the previous period.

**PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES****Impairment**

At each Balance Sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**Financial fixed assets**

Due to the international structure of the group and the use of the consolidation exemption of Article 408, Book 2 of the Dutch Civil Code, participations are recognised at cost. If an asset qualifies as impaired, it is measured at its impaired value; any write offs are disclosed in the income statement.



Receivables disclosed under financial assets are initially stated at the fair value. Following initial measurement, the receivables are carried at amortized costs based on the effective interest method less any reductions for impairment or uncollectable. The receivables of group companies are included in financial fixed assets, except for maturities less than 12 months after Balance Sheet date. They are included in the current assets.

**Current Assets and accrued income**

Liabilities are valued at nominal value, unless disclosed differently.

**Cash and cash equivalents**

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

**Non-current liabilities**

Liabilities are valued at nominal value, unless determined differently.

**Current liabilities**

Liabilities are valued at nominal value, unless determined differently.

**Long-term debts**

Borrowings are valued at nominal value. Payables to group companies are included in long-term debts, except for maturities less than 12 months after Balance Sheet date. They are included in the current liabilities.

**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.

**Financial income and expenses**

Interest income is recognized pro rata in the profit and loss account, taking into account the effective interest rate for the asset concerned, provided the income can be measured and the income is probable to be received.

Interest expense is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts, are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognized in the profit and loss account, with the amortized cost of the liabilities being recognized in the Balance Sheet. Period interest charges and similar charges are recognized in the year in which they fall due.

**Taxes**

The Company forms a fiscal unity with Bharti Airtel International (Netherlands) B.V. A consolidated tax return is filed in which Bharti Airtel International (Netherlands) B.V. accounts for the Dutch tax implications of the group.

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

**ASSETS**

**1. Financial fixed assets**

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
(a) Participations in group companies	16	-
(b) Receivables from group companies	2,254,264	2,130,822
	<u>2,254,280</u>	<u>2,130,822</u>
	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
<b>(a) Participations in group companies</b>		
Nigeria Holding B.V. at Netherlands	16	-
	<u>16</u>	<u>-</u>
	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
<b>(b) Receivables from group companies</b>		
Nigeria Holding B.V. at Netherlands	2,254,264	2,130,822
	<u>2,254,264</u>	<u>2,130,822</u>

The calculated interest rate as at year end is based on 3 months libor+ 250 bps (in 2017/2018: 3 month libor+ 225 bps). Any outstanding principal loan amounts and accrued interest thereon will be payable in fully by December 31, 2021, unless agreed otherwise between borrower and lender in writing.

**EQUITY AND LIABILITIES****2. Shareholder's Equity**

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
<b>Issued and paid-up share capital</b>		
18,152 Ordinary shares of EUR 1.00	20	22
	<u>20</u>	<u>22</u>

The statutory share capital amounts to Euro 90,760. The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.123 as at 31 March 2019 (31 March 2018: Euro 1.230). Translation differences are recorded in Other reserves.

<b>Other reserves</b>	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
Balance as of April 1	(1,817)	(1,806)
Allocation of previous financial year net result	160	(11)
	(1,657)	(1,817)
Foreign currency changes on share capital	(1)	(3)
Balance as of March 31	<u>(1,658)</u>	<u>(1,820)</u>

<b>Unappropriated results</b>	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
Balance as of April 1	160	(11)
Unappropriated results	-	160
	160	149
Appropriation of result previous year	(160)	11
Balance as of March 31	<u>-</u>	<u>160</u>

**3. Long-term debts****Payable to shareholder**

	<u>March 31, 2019</u> US\$*1,000	<u>March 31, 2018</u> US\$*1,000
Bharti Airtel Africa B.V.	2,255,902	2,132,460
Balance as of March 31	<u>2,255,902</u>	<u>2,132,460</u>

The calculated interest as at year end is based on 3 month libor+ 225 bps (in 2017/2018: 3 months+225 bps). Any outstanding principal loan amounts and accrued interest thereon will be payable in full by December 31, 2021, unless agreed otherwise between borrower and lender in writing.

**Current Liabilities****4. Payables to group companies**

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	US\$*1,000	US\$*1,000
Bharti Airtel Africa B.V.	16	-
	<u>16</u>	<u>-</u>

**ASSETS AND COMMITMENTS NOT SHOWN IN THE BALANCE SHEET***Tax-group liability*

The Company forms a fiscal unity for corporate income tax purposes with Bharti Airtel International (Netherlands) B.V. as of 8 June, 2010. Under the Tax Collection Act, the Company is jointly and severally liable for the taxes payable by the group.

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**V. NOTES TO THE SPECIFIC ITEMS OF THE PROFIT & LOSS ACCOUNT 2018/2019****5. Finance income and expenses****(a) Interest and other income from group companies**

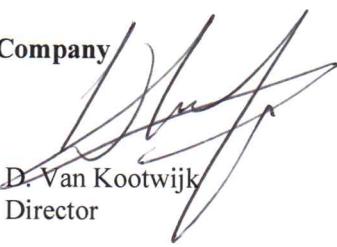
	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest income on loans to Nigeria Holding B.V.	103,327	78,794
	<u>103,327</u>	<u>78,794</u>

**(b) Interest expense and similar charges**

	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest expenses on loan from Bharti Airtel Africa B.V.	(103,327)	(78,634)
	<u>(103,327)</u>	<u>(78,634)</u>

On behalf of the management board of the Company

  
 J.C. Uheken - van de Vreede  
 Director

  
 D. Van Kootwijk  
 Director

 J. Paul  
 Director
Date: 24<sup>th</sup> June 2019

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**V. NOTES TO THE SPECIFIC ITEMS OF THE PROFIT & LOSS ACCOUNT 2018/2019**
**5. Finance income and expenses****(a) Interest and other income from group companies**

	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest income on loans to Nigeria Holding B.V.	103,327	78,794
	<u>103,327</u>	<u>78,794</u>

**(b) Interest expense and similar charges**

	<u>2018/2019</u> US\$*1,000	<u>2017/2018</u> US\$*1,000
Interest expenses on loan from Bharti Airtel Africa B.V.	(103,327)	(78,634)
	<u>(103,327)</u>	<u>(78,634)</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: 24<sup>th</sup> June 2019

**OTHER INFORMATION**

**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 General Meeting of shareholders determines the appropriation of the Company's net result for the year.

**3 Appropriation of the result for the 2017/2018 financial year**

The annual accounts for the Year 2017/2018 were adopted by the General Meeting held on July 12, 2018. The General Meeting has determined the appropriation of the result as it was proposed.

**4 Proposed appropriation of result for the financial year 2018/2019**

The management board proposes to add the 2018/2019 profit from the Other reserves for an amount of USD Nil. The financial statements do (not yet) reflect this proposal.

**5 Post Balance Sheet events**

There is no post Balance Sheet event to report.

