

BHARTI AIRTEL NIGERIA B.V.

Annual Report and Financial Statements for the year ended 31 March 2024

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To the shareholders,
Bharti Airtel Nigeria B.V. (the "Company")
Overschiestraat 65
1062 XD Amsterdam, The Netherlands

Dear shareholders,

Please find attached the financial statements for the year starting on 1 April 2023 and ending on 31 March 2024 of the Company (hereinafter referred to as the "**Year 2023/2024**").

We have prepared the annual accounts of the Year 2023/2024 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 31 March 2024 and the Income Statement for the Year 2023/2024 with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment and holding company.

DIRECTORS

The following directors appointed in terms of the Articles of Association of the company served office during the period:

- M.L. van Dam (appointed w.e.f. 01 July 2024)
- J.C. Uneken- van de Vreede (resigned w.e.f. 30 June 2024)
- D. van Kootwijk
- J.K. Paul

FINANCIAL PERFORMANCE

The shareholder's equity as on 31 March 2024 is showing a deficit of USD 881,312 thousands (31 March 2023: deficit of USD 568,714 thousands) and the Income Statement for the Year 2023/2024 is showing a post-tax loss of USD 212,750 thousands (2022/2023: profit of USD 412,683 thousands).

For purposes of VAT and corporate income tax, the Company forms a fiscal unity with Bharti Airtel International (Netherlands) B.V. We will gladly provide further explanations upon request.

On behalf of the management board of the Company

sd/-

M.L. van Dam
Managing Director
Date: 25 July 2024

Bharti Airtel Nigeria B.V.**Balance Sheet (before appropriation of result)***(All amounts are in US dollar thousands, unless stated otherwise)*

	Notes	As of	
		31 March 2024	31 March 2023
ASSETS			
Fixed assets			
Financial fixed assets			
Participations in group companies	(5) (a)	1,392,825	1,392,825
Receivables from group companies	(b)	22,298	22,298
Other receivables	(6)	4,719	4,719
Total Financial fixed assets		1,419,842	1,419,842
Current assets			
Receivables			
Receivables from group companies	(7)	4,555	146,711
Cash	(8)	13	25
Total current assets		4,568	146,736
Total assets		1,424,410	1,566,578
EQUITY AND LIABILITIES			
Shareholder's equity			
Issued share capital	(9)	20	20
Other reserves		(668,582)	(981,417)
Unappropriated results		(212,750)	412,683
		(881,312)	(568,714)
Current liabilities			
Payable to group company	(10)	2,305,722	2,135,292
Total liabilities		2,305,722	2,135,292
Total equity and liabilities		1,424,410	1,566,578

Bharti Airtel Nigeria B.V.
Income Statement

(All amounts are in US dollar thousands, unless stated otherwise)

	Notes	For the year ended	
		31 March 2024	31 March 2023
Income	(12)		
Dividend income	(a)	-	612,346
Interest income	(b)	58	26
Total operating income		58	612,372
Expense			
Other expenses	(13)	0	3
Interest expense and similar charges	(14)	165,675	114,799
Total operating expenses		165,675	114,802
Result from operations		(165,617)	497,570
Foreign currency exchange differences loss/(gain)	(15)	47,133	38,961
Result before taxation		(212,750)	458,609
Taxation	(16)	-	45,926
Net result for the year		(212,750)	412,683

Bharti Airtel Nigeria B.V.

Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

1. Corporate information

1.1 Activities

The activities of the Company are that of an investment and holding company. The Company has its registered office at Overschiestraat 65, 1062 XD Amsterdam, The Netherlands.

1.2 Group structure

The Company forms part of the Airtel Africa Group of companies with below group structure:

Immediate parent-company:

- Bharti Airtel Nigeria Holdings II B.V. (till 28 March 2024)
- Bharti Airtel Africa B.V. (w.e.f. 28 March 2024)

Step up parent companies:

- Bharti Airtel Africa B.V. (till 28 March 2024)
- Bharti Airtel International (Netherlands) B.V.
- Airtel Africa plc, United Kingdom
- Bharti Airtel Limited, India.

On 28 March 2024, the immediate parent company Bharti Airtel Nigeria Holdings II B.V. ("NGH II BV") was dissolved and all the shares in the Company were acquired by Bharti Airtel Africa B.V. ("BAA BV") vide deed of transfer of shares dated 28 March 2024. With this, Bharti Airtel Africa B.V. became the immediate parent company of the Company.

In conjunction with the aforementioned dissolution, further confirmed by novation agreement dated 28 March 2024 between NGH II BV and BAA BV, all receivables owed by the Company to NGH II BV were novated to the new parent company BAA BV.

1.3 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	
	31 March 2024	31 March 2023
	%	%
Airtel Networks Limited Lagos, Nigeria	91.74	91.74

2. General accounting principles for the preparation of the annual accounts

2.1 Basis of preparation

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2, of Dutch Civil Code and the Dutch Accounting Standard applicable to small legal entities, as published by the Dutch Accounting Standard Board ('Raad voor de Jaarverslaggeving'). The annual report and financial statements have been prepared on the historical cost basis and based on the principal accounting policies set out below. They are presented in US Dollar. These financial statements will be submitted for consideration and approval at the

forthcoming annual meeting of shareholders of the Company. Further, amounts which are less than half a thousand are appearing as '0'.

Bharti Airtel Nigeria B.V.
Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

2.2 Consolidation

The Company 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 Airtel Africa plc, United Kingdom. A copy of the consolidated accounts of Airtel Africa plc will be filed together with these financial statements and will thereafter be available at the Trade Register of the Chamber of Commerce in Amsterdam.

2.3 Financial instruments

Financial assets and financial liabilities are recognized on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial instruments can be both primary financial instruments, such as receivables and payables, and financial derivatives.

The Company does not use derivatives.

2.4 Translation of foreign currency

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

Transactions in foreign currencies (other than functional currency of the Company) are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the Balance Sheet date. Foreign exchange differences on subsequent re-statement/settlement are recognised in the Profit and Loss Account. Share capital, which is denominated in Euro, is translated at the exchange rate prevailing at the Balance Sheet date; foreign exchange differences are taken to the other reserves within shareholder's equity.

2.5 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.

2.6 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 Netherlands Civil Code, participating interests in group companies are carried at cost less any impairment.

Receivables are valued at nominal value, unless disclosed differently. The receivables of group companies are included in financial fixed assets, except for maturities less than 12 months after balance sheet date which are included in the current assets. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

2.7 Current assets

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

Bharti Airtel Nigeria B.V.
Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

2.8 Cash and cash equivalents

Cash includes cash at bank.

2.9 Non-current liabilities

Borrowings are valued at amortised cost. Payables to group companies are included in non-current liabilities, except for maturities less than 12 months after balance sheet date which are included in the current liabilities.

2.10 Current liabilities

Liabilities are valued at nominal value, unless determined differently.

2.11 Other expenses

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

2.12 Assumption of continuity

The Company has an equity deficit of USD 881,312 thousands as at 31 March 2024. 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.

2.13 Income

Income mainly comprise of interest and dividend for the reporting periods. Dividend income from investments in subsidiaries is recognized when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

2.14 Taxes

The Company forms a fiscal unity for VAT and corporate income tax purposes with Bharti Airtel International (Netherlands) B.V. The Company is jointly and severally liable for the tax payable by the fiscal unity.

3. Estimates

In applying the principles and policies for drawing up the financial statements, the directors of the company make estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under article 362, sub 1, book 2 of the Dutch Civil Code that the nature of these estimates and judgments, including related assumptions, is disclosed in the Notes to the relevant financial statement item.

4. Staff members

During the Year 2023/2024 the Company had no employees, and hence incurred no salaries or related social security charges (2022/2023: NIL).

Bharti Airtel Nigeria B.V.
Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

5. Financial fixed assets

	As of	
	31 March 2024	31 March 2023
(a) Participation in group company	1,392,825	1,392,825
(b) Receivable from group company	22,298	22,298
	<u>1,415,123</u>	<u>1,415,123</u>
	As of	
	31 March 2024	31 March 2023
(a) Participation in group company		
Airtel Networks Limited, Lagos, Nigeria	1,392,825	1,392,825
	<u>1,392,825</u>	<u>1,392,825</u>
	As of	
	31 March 2024	31 March 2023
(b) Receivable from group company		
Loan receivable from Airtel Networks Limited	22,298	22,298
	<u>22,298</u>	<u>22,298</u>

Any outstanding principal loan amounts and accrued interest thereon will be payable in fully by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

6. Other receivables

	As of	
	31 March 2024	31 March 2023
Withholding tax	4,719	4,719
	<u>4,719</u>	<u>4,719</u>

7. Receivables from group companies

	As of	
	31 March 2024	31 March 2023
Amounts owed by Bharti Airtel International (Netherlands) B.V.	3,923	3,923
Amount owed by Airtel Networks Limited	64	64
Amounts owed by Bharti Airtel Africa B.V.	15	15
Dividend receivables	553	142,709
	<u>4,555</u>	<u>146,711</u>

8. Cash

	As of	
	31 March 2024	31 March 2023
Cash at Bank	13	25
	<u>13</u>	<u>25</u>

9. Shareholder's Equity

	As of	
	31 March 2024	31 March 2023
Issued and paid-up share capital *		
18,000 Ordinary shares of EUR 1.00	20	20
	<u>20</u>	<u>20</u>

The authorized share capital amounts to Euro 90,000 (31 March 2023: Euro 90,000). The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.080 as at 31 March 2024 (31 March 2023: Euro 1.090). Translation differences are recorded in Other reserves.

*refer note 1.2, all the shares in the Company had been acquired by Bharti Airtel Africa B.V., Netherlands vide deed of transfer of shares dated 28 March 2024.

Bharti Airtel Nigeria B.V.
Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

	For the year ended	
	31 March 2024	31 March 2023
Other reserves		
Balance as of 1 April	(981,417)	(952,442)
Dividend declared during the year	(99,849)	(120,000)
Allocation of previous year result	412,683	91,025
	(668,582)	(981,417)
Foreign currency changes on share capital	(0)	(0)
Balance as of 31 March	(668,582)	(981,417)

	For the year ended	
	31 March 2024	31 March 2023
Unappropriated results		
Balance as of 1 April	412,683	91,025
Unappropriated results	(212,750)	412,683
	199,933	503,708
Appropriation of previous year result	(412,683)	(91,025)
Balance as of 31 March	(212,750)	412,683

10. Payable to group company

	As of	
	31 March 2024	31 March 2023
(a) Loan taken from group companies*	2,282,458	2,116,786
(b) Others payable to group companies*	23,264	18,506
	2,305,722	2,135,292

*refer note 1.2, all payables by the Company to NGH II BV were novated to the new parent company BAA BV

	As of	
	31 March 2024	31 March 2023
(a) Loan payable to group companies		
Loan payable to Bharti Airtel Nigeria Holdings II B.V.	-	2,116,786
Loan payable to Bharti Airtel Africa B.V.	2,282,458	-
	2,282,458	2,116,786

The calculated interest as at year end is based on 3 month SOFRr+ 225 bps (in 2022/2023: 3 month libor+ 225 bps). The agreement between the Company and Bharti Airtel Nigeria Holdings II B.V. (per note 1.2 novated to Bharti Airtel Africa B.V.) was amended in May 2021 confirming that any outstanding principal loan amount and interest accrued thereon will be payable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

	As of	
	31 March 2024	31 March 2023
(b) Other payable to group companies		
Dividend payable to Bharti Airtel Africa B.V.*	4,759	-
Other payable to Bharti Airtel Africa B.V.*	18,505	-
Other payable to Bharti Airtel Nigeria Holdings II B.V.*	-	18,506
	23,264	18,506

*refer note 1.2, all payables to NGH II BV were novated to the new parent company BAA BV and all the shares in the Company had been acquired by Bharti Airtel Africa B.V.

Bharti Airtel Nigeria B.V.
Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

11. Assets and Commitments not shown in the Balance sheet

Contingent liabilities

Tax-group liability

The Company forms a fiscal unity for VAT and corporate income tax purposes with Bharti Airtel International (Netherlands) B.V. The Company is jointly and severally liable for the tax payable by the fiscal unity.

12. Income

a. Dividend income

	For the year ended	
	31 March 2024	31 March 2023
Dividend income from Airtel Networks Limited	-	612,346
	-	612,346

b. Interest income

	For the year ended	
	31 March 2024	31 March 2023
Other interest income	58	26
	58	26

13. Other expenses

	For the year ended	
	31 March 2024	31 March 2023
Professional and legal fees	0	3
	0	3

14. Interest expense and similar charges

	For the year ended	
	31 March 2024	31 March 2023
Interest expenses on loan from group companies*	165,672	114,796
Bank Charges	3	3
	165,675	114,799

*refer note 1.2, all borrowings by the Company payable to NGH II BV were novated to the new parent company BAA BV

15. Foreign currency exchange differences loss/(gain)

	For the year ended	
	31 March 2024	31 March 2023
Unrealised foreign currency exchange differences (gain)/loss	(13,466)	14,633
Realized foreign currency exchange differences loss/ (gain)	60,599	24,328
	47,133	38,961

Bharti Airtel Nigeria B.V.
Notes to the Financial Statements

(All amounts are in US dollar thousands, unless stated otherwise)

16. Taxation

	For the year ended	
	31 March 2024	31 March 2023
Withholding tax on dividend income	-	45,926
	-	45,926

On behalf of the management board of the Company

sd/-

M.L. van Dam
Managing Director

sd/-

D. van Kootwijk
Managing Director

sd/-

J.K. Paul
Managing Director

Bharti Airtel Nigeria B.V.
Other Information

(All amounts are in US dollar thousands, unless stated otherwise)

1. Notification regarding the absence of an audit report

The Company is exempt from audit as 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 result for the Year 2022/2023

The annual accounts for the year 2022/2023 were adopted by the General Meeting held on 30 June 2023. The General Meeting has determined the appropriation of the result as it was proposed.

4. Proposed appropriation of result for the Year 2023/2024

The management board proposes to transfer the loss for the year 2023/2024 to the Other Reserves for an amount of USD 212,750 thousands. The financial statements do not yet reflect this proposal.

5. Post Balance Sheet events

Subsequent to the novation as per note 1.2, the Company, by Deed of issue of shares dated 25 April 2024, has issued 2,157,065,389 ordinary shares, each with a nominal value of one Euro (EUR 1.00) to BAA BV in exchange for settlement of the payable amount of USD 2,312,462,896 relating to loans, accrued interest and other inter-company payables.

Apart from the above mentioned, there is no other post Balance Sheet event to report.