

BHARTI AIRTEL ZAMBIA HOLDINGS B.V.

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

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Bharti Airtel Zambia Holdings B.V. Management Report

To the shareholders,
Bharti Airtel Zambia Holdings 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. 1st July 2024)
- J.C. Uneken- van de Vreede (Resigned w.e.f. 30th June 2024)
- D. van Kootwijk
- J.K. Paul

FINANCIAL PERFORMANCE

The shareholder's equity as on 31 March 2024 is showing a total amount of USD 217,458 thousands (31 March 2023: equity of USD 214,068 thousands) and the Income Statement for the Year 2023/2024 is showing a post-tax profit of USD 48,002 thousands (2022/2023: profit of USD 43,444 thousand).

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 Zambia Holdings 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)	213,385	214,006
Other receivables	(6)	55	55
Total Financial fixed assets		213,440	214,061
Current assets			
Receivables			
Receivables from group companies	(7)	3,936	1
Other receivables	(8)	46	-
Cash	(9)	36	6
Total current assets		4,018	7
Total assets		217,458	214,068
EQUITY AND LIABILITIES			
Shareholder's equity			
Issued share capital	(10)	20	20
Other reserves		169,436	170,604
Unappropriated results		48,002	43,444
		217,458	214,068
Total equity and liabilities		217,458	214,068

Bharti Airtel Zambia Holdings 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)	52,907	46,103
Interest income	(b)	44	10
Total operating income		52,951	46,113
Expense			
Interest expense and other similar charges	(13)	1	-
Loss on disposal of investments	(14)	47	-
Total operating expenses		48	-
Result from operations		52,903	46,113
Foreign currency exchange differences loss	(15)	3,057	345
Result before taxation		49,846	45,768
Taxation	(16)	1,844	2,324
Net result for the year		48,002	43,444

Bharti Airtel Zambia Holdings 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.

Immediate parent Company is Bharti Airtel Africa B.V. and the step up parent Companies are:

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

1.3 List of participating interests

The Company has the following capital interests:

Name, statutory registered office	Share in issued capital	
	31 March 2024	31 March 2023
	%	%
Airtel Networks Zambia Plc Lusaka, Zambia	96.08	96.36

On 01 April 2023 the Company held 96.36% of the shares in Airtel Networks Zambia plc (ANZplc) and 3.64% was held by the Zambian Public. In order to comply with the Listing Rules of the Lusaka Securities Exchange, the Company is obliged to sell up to 25% of its shareholding in ANZplc to the Public.

During the year under review, the Company was able to sell 0.28% of its shareholding, resulting in an increased free float of ANZplc's shares from 3.64% to 3.92% and a decrease in the Company's shareholding to 96.08% on 31 March 2024.

During the year ended 31 March 2024, the Company succeed to sell its shareholding through free float of 0.28%.

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'.

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.

Bharti Airtel Zambia Holdings B.V.

Notes to the Financial Statements

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

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.

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.

Bharti Airtel Zambia Holdings B.V.
Notes to the Financial Statements

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

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 Income

Income mainly comprises of interest and dividend for the reporting period. Dividend income from investments in subsidiaries is recognized when the shareholder's 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).

2.13 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 Zambia Holdings 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
Participation in group company	213,385	214,006
	213,385	214,006

Participation in group company

	As of	
	31 March 2024	31 March 2023
Airtel Networks Zambia Plc	213,385	214,006
	213,385	214,006

Refer note 1.3, the Company had sold 0.28% its shareholding through free float.

6. Other receivables

	As of	
	31 March 2024	31 March 2023
Withholding tax	55	55
	55	55

7. Receivables from group company

	As of	
	31 March 2024	31 March 2023
Receivables from group companies	2	1
Dividend Receivable from Airtel Networks Zambia Plc	3,934	-
	3,936	1

8. Other receivables

	As of	
	31 March 2024	31 March 2023
Claim receivables	46	-
	46	-

Refer note 1.3, the Company had sold 0.28% its shareholding in Airtel Networks Zambia Plc through free float and above sale proceeds is yet to be settled.

9. Cash and cash equivalents

	As of	
	31 March 2024	31 March 2023
Cash at Bank	36	6
	36	6

10. Shareholder's Equity

	As of	
	31 March 2024	31 March 2023
Issued and paid-up share capital		
18,152 Ordinary shares of EUR 1.00	20	20
	20	20

The authorized share capital amounts to Euro 90,760 (31 March 2023: Euro 90,760). 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.

Bharti Airtel Zambia Holdings B.V.
Notes to the Financial Statements

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

	As of	
	31 March 2024	31 March 2023
Other reserves		
Balance as of 1 April	170,604	214,160
Allocation of previous year result	43,444	12,658
	214,048	226,818
Dividend declared	(44,612)	(56,214)
Foreign currency changes on share capital	(0)	(0)
Balance as of 31 March	169,436	170,604

	As of	
	31 March 2024	31 March 2023
Unappropriated results		
Balance as of 1 April	43,444	12,658
Unappropriated results	48,002	43,444
	91,446	56,102
Appropriation of previous year result	(43,444)	(12,658)
Balance as of 31 March	48,002	43,444

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 Zambia Plc	52,907	46,103
	52,907	46,103

(b) Interest Income

	For the year ended	
	31 March 2024	31 March 2023
Interest on Bank Balances	44	10
	44	10

13. Interest expense and other similar charges

	For the year ended	
	31 March 2024	31 March 2023
Bank Chgarges	1	-
	1	-

14. Loss on disposal of investments

	For the year ended	
	31 March 2024	31 March 2023
Loss on disposal of investments	47	-
	47	-

Refer note 1.3, the Company had sold 0.28% its shareholding in Airtel Networks Zambia Plc through free float and incurred loss on sale of investments.

Bharti Airtel Zambia Holdings B.V.
Notes to the Financial Statements

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

15. Foreign currency exchange differences loss

	For the year ended	
	31 March 2024	31 March 2023
Unrealised foreign currency exchange differences loss	339	-
Realised foreign currency exchange differences loss	2,718	345
	<u>3,057</u>	<u>345</u>

16. Taxation

	For the year ended	
	31 March 2024	31 March 2023
Withholding tax on dividend income	1,844	2,324
	<u>1,844</u>	<u>2,324</u>

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

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, these 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 Year 2022/2023

The annual accounts for the Year 2022/2023 were adopted by the General Meeting held on 04 July 2023. The General Meeting determined the appropriation of the result proposed.

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

The management board proposes to transfer the profit for the Year 2023/2024 to the Other Reserves for an amount of USD 48,002 thousands. The financial statements do not yet reflect this proposal.

5. Post Balance Sheet events

The Company has declared dividend of USD 11,142 thousand to its parent company. Apart from this, there is no post balance sheet event occurred which would have a material effect on the financial statements as at and for the year ended 31 March 2024.