

**AIRTEL MOBILE COMMERCE B.V.**

Annual Report and Financial Statements for the year ended 31 March 2021

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## **Airtel Mobile Commerce B.V. Management Report**

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

Dear shareholders,

Please find attached the financial statements for the year starting on 1 April, 2020 and ending on 31 March, 2021 of the Company (hereinafter referred to as the "**Year 2020/2021**").

We have prepared the annual accounts of the Year 2020/2021 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, 2021 and the Income Statement for the Year 2020/2021 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.

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

### **FINANCIAL PERFORMANCE**

The shareholder's equity as on March 31, 2021 is USD 40,292 thousands and the Income Statement for the Year 2020/2021 is showing a post-tax profit of USD 42,616 thousands (2019/2020: loss of USD 1,169 thousands).

On behalf of the management board of the Company

Sd/-

J.C. Uneken - van de Vreede  
Managing Director

## Airtel Mobile Commerce B.V. Fiscal Position

### 1.1 Fiscal unity

For purposes of corporate income tax, the Company, as parent company, forms a fiscal unity with its subsidiaries in the Netherlands. The corporate income tax of the subsidiaries is calculated as if the subsidiary is independently tax liable. The parent company takes responsibility for any deficits arising from the tax group.

### 1.2 Taxable amount for the Year 2020/2021

The taxable amount for the Year 2020/2021 has been calculated as follows:

	2020/2021
	USD'000
Result before taxes	51,627
<b>Tax differences:</b>	
Result participations	(53,464)
<b>Taxable amount for the Year 2020/2021</b>	<b>(1,837)</b>

The company is yet to file the return for the Year 2020/2021.

### 1.3 Tax losses available for set-off

As at March 31, 2021 the compensable losses amount to USD 4,624 thousands. Out of this amount, losses totaling USD 1,888 thousands relating to the period 2015-2019 can be carried forward for a period of nine years. The remainder of the losses totaling USD 2,736 thousands and relating to the period 2020-2021 can be carried forward for a period of six years due to a change of law as from January 2019.

The loss incurred during the year of USD 1,837 thousands can be compensated within a term of six years with future fiscal profits. The losses to be settled have not been valued due to the uncertainty of future tax profits.

A new law, which will become effective from 1 January 2022, will allow losses incurred after 2013 to be carried forward indefinitely, but it will impose limits on the amounts that can be offset annually.

#### 1.3.1 Table offset losses

Tax year	Offsetable losses as of April 1, 2020	Loss in 2020/21	Offsetable losses as of March 31, 2021
	USD'000	USD'000	USD'000
2014/2015	480	-	480
2015/2016	97	-	97
2016/2017	470	-	470
2018/2019	841	-	841
2019/2020	899	-	899
2020/2021	-	1,837	1,837
	<u>2,787</u>	<u>1,837</u>	<u>4,624</u>

**Airtel Mobile Commerce B.V.****Balance Sheet***(All amounts are in US dollar thousands; unless stated other)*

	Notes	As of	
		31 March, 2021	31 March, 2020
<b>ASSETS</b>			
<b>Financial fixed assets</b>			
Participations in group companies	(4)		
Receivables from group companies	(a)	3,180	3,112
	(b)	20,539	13,900
		<u>23,719</u>	<u>17,012</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group companies	(5)	46,676	8,544
Cash and cash equivalents	(6)	1	1,057
<b>Total current assets</b>		<u>46,677</u>	<u>9,601</u>
<b>Total assets</b>		<b><u>70,396</u></b>	<b><u>26,613</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Issued share capital	(7)	21	20
Other reserves		(2,345)	(1,177)
Unappropriated results		42,616	(1,169)
		<u>40,292</u>	<u>(2,326)</u>
<b>Non-current liabilities</b>			
Payable to group company	(8)	28,601	27,788
<b>Current liabilities</b>			
Other payables	(9)	1,503	1,151
<b>Total equity and liabilities</b>		<b><u>70,396</u></b>	<b><u>26,613</u></b>

**Airtel Mobile Commerce B.V.****Income Statement***(All amounts are in US dollar thousands; unless stated other)*

	Notes	For the year ended	
		31 March, 2021	31 March, 2020
<b>Income</b>	(10)		
Dividend income	(a)	53,344	-
Interest income	(b)	0	1
		<hr/>	<hr/>
		53,344	1
<b>Expense</b>	(11)		
Other expenses	(a)	406	-
Interest expense and similar charges	(b)	742	1,170
		<hr/>	<hr/>
		1,148	1,170
<b>Profit from operations</b>		<hr/>	<hr/>
		52,196	(1,169)
Foreign currency exchange differences loss	(12)	689	-
		<hr/>	<hr/>
<b>Profit before taxation</b>		51,507	(1,169)
Taxation on result	(13)	8,891	-
		<hr/>	<hr/>
<b>Profit after taxation</b>		42,616	(1,169)

## Airtel Mobile Commerce B.V. Notes to Financial Statements

(All amounts are in US dollar thousands; unless stated other)

### 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 International (Netherlands) B.V. and the step up parent Companies are;

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

#### 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, 2021	31 March, 2020
	%	%
Airtel Mobile Commerce Holdings B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Madagascar S.A. Analamanga, Madagascar	0.100	0.100
Airtel Money S.A. Port Gentile, Gabon	100.00	100.00
Airtel Mobile Commerce Zambia Limited Lusaka, Zambia	99.00	99.00
Airtel Mobile Commerce Limited Lilongwe, Malawi	99.00	99.00
Airtel Mobile Commerce Uganda Limited Kampala, Uganda	-	99.00
Airtel Mobile Commerce Tanzania Limited Dar es Salaam, Tanzania	99.90	99.90
Airtel Money (RDC) S.A, Kinshasa, Democratic Republic of the Congo	5.17	5.17
Airtel Mobile Commerce (Kenya) Limited Nairobi, Kenya	99.00	99.00
Airtel Mobile Commerce Rwanda Limited Kigali, Rwanda	-	100.00
Airtel Mobile Commerce (Seychelles) Ltd Victoria, Seychelles	99.00	99.00
Airtel Mobile Commerce Nigeria Limited Nigeria	0.000002	0.000002
Airtel Mobile Commerce Rwanda B.V. Amsterdam, The Netherlands	100.00	100.00

**Airtel Mobile Commerce B.V.**  
**Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

Name, statutory registered office	Share in issued capital	
	March 31, 2020	March 31, 2020
	%	%
Airtel Mobile Commerce Nigeria B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Zambia B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Uganda B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Kenya B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Madagascar B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Malawi B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce (Seychelles) B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Tchad B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce Congo B.V. Amsterdam, The Netherlands	100.00	100.00
Airtel Mobile Commerce DRC B.V. Amsterdam, The Netherlands	100.00	-
Airtel Mobile Commerce Gabon B.V. Amsterdam, The Netherlands	100.00	-
Airtel Mobile Commerce Niger B.V. Amsterdam, The Netherlands	100.00	-

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

### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with the general provisions of Title 9, Book 2 of the Dutch Civil Code. As stipulated in article 2:396 paragraph 6 of the Dutch Civil Code, the valuation of the assets and liabilities and the determination of the result will be 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 based on 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. Further, amounts which are less than half a thousand are appearing as '0'.

### **2.2 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 Airtel Africa plc, United Kingdom. A copy of the consolidated accounts of Airtel Africa plc is filed together with these financial statements and is available at the Trade Register of the Chamber of Commerce in Amsterdam.



## **Airtel Mobile Commerce B.V.** **Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

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### **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 within finance income and expenses. 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 and affiliated 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. They are included in the current assets.

### **2.7 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.

### **2.8 Cash and cash equivalents**

Cash includes cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash is stated at face value.

### **2.9 Non-current liabilities**

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

**Airtel Mobile Commerce B.V.**  
**Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

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**2.10 Current liabilities**

Liabilities are valued at nominal value, unless determined differently.

**2.11 Other costs**

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

**2.12 Income**

Income comprises of interest and dividend income for the current reporting period. 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).

**2.13 Expenses**

Expenses comprises of interest expense on loans for the current reporting period.

**2.14 Taxes**

Tax is calculated on the profit/ (loss) before taxation in the Income Statement, taking into account any losses carried forward from previous financial years, tax exempted items and non-deductible expenses, and using current tax rates

**3. Staff members**

During the Year 2020/2021 the Company had no employees, and hence incurred no wages, salaries or related social security charges (2019/2020: NIL).

**Airtel Mobile Commerce B.V.**  
**Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

**4. Financial fixed assets**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
(a) Participations in group companies	3,180	3,112
(b) Receivables from group companies	20,539	13,900
	<b>23,719</b>	<b>17,012</b>

**(a) Participations in group companies**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Airtel Money (RDC) S.A.	2,500	2,500
Airtel Mobile Commerce Madagascar S.A.	28	28
Other group companies <sup>1</sup>	652	584
	<b>3,180</b>	<b>3,112</b>

<sup>1</sup>During the Year 2020/2021, the Company sold the following investments:

- 100% shareholding in Airtel Mobile Commerce Rwanda Limited to Airtel Mobile Commerce Rwanda B.V.
- 100% shareholding in Airtel Mobile Commerce Uganda Limited to Airtel Mobile Commerce Uganda B.V.

<sup>1</sup>During the Year 2020/2021, the Company made additional investment in Airtel Mobile Commerce Limited (Malawi).

<sup>1</sup>During the Year 2020/2021, the Company made investment in Airtel Mobile Commerce Niger B.V., Airtel Mobile Commerce Gabon B.V. and Airtel Mobile Commerce DRC B.V.

**(b) Receivables from group company**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Loan receivable from Airtel Mobile Commerce Nigeria B.V.	13,855	13,900
Loan receivable from Airtel Mobile Commerce Uganda B.V.	2,734	-
Loan receivable from Airtel Mobile Commerce Niger B.V.	2,198	-
Loan receivable from Airtel Mobile Commerce Chad B.V.	858	-
Loan receivable from Airtel Mobile Commerce Congo B.V.	845	-
Loan receivable from Other group companies	49	-
	<b>20,539</b>	<b>13,900</b>

**5. Receivables from group companies**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Dividend receivable from Airtel Money S.A., Gabon	32,904	-
Dividend receivable from Airtel Mobile Commerce Zambia Limited	5,012	-
Amounts owed by Airtel Mobile Commerce Madagascar B.V.	7,773	7,773
Amounts owed by other group companies	987	771
	<b>46,676</b>	<b>8,544</b>

**6. Cash and cash equivalents**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Cash at Bank	1	1,057
	<b>1</b>	<b>1,057</b>

Cash balances are free for disposal by the Company.

**Airtel Mobile Commerce B.V.**  
**Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

**7. Shareholder's Equity**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
<b>Issued share capital</b>		
18,000 Ordinary shares of EUR 1.00	21	20
	21	20

The authorized share capital amounts to Euro 90,000. The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.173 as at 31 March, 2021 (31 March, 2020: Euro 1.104).

Translation differences are recorded in Other reserves.

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
<b>Other reserves</b>		
Balance as of April 1	(1,175)	(724)
Allocation of previous year result	(1,169)	(451)
	(2,344)	(1,175)
Foreign currency changes on share capital	(1)	(2)
Balance as of March 31	(2,345)	(1,177)

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
<b>Unappropriated results</b>		
Balance as of April 1	(1,169)	(451)
Unappropriated results	42,616	(1,169)
	41,447	(1,620)
Appropriation of previous year result	1,169	451
Balance as of March 31	42,616	(1,169)

**8. Payable to shareholder**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Loan payable to Bharti Airtel International (Netherlands) B.V.	28,601	27,788
	28,601	27,788

The calculated interest as at year end is based on 3 month libor+ 200 bps (in 2019/2020: 3 month libor +200 bps). Any outstanding principal loan amounts and accrued interest thereon will be payable in full by December 31, 2026, unless agreed otherwise between borrower and lender in writing.

**9. Other payable**

	<b>As of</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Payable to Airtel Mobile Commerce Holdings B.V.	377	25
Payable to other group companies	57	57
Payable to trade partners <sup>1</sup>	1,069	1,069
	1,503	1,151

<sup>1</sup>USD 1 Mn relates to strategic partnership signed with Mastercard.

**Airtel Mobile Commerce B.V.**  
**Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

**10 (a) Dividend income**

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Dividend income from Airtel Money S.A., Gabon	41,489	-
Dividend income from Airtel Mobile Commerce Zambia Limited	11,855	-
	<u>53,344</u>	<u>-</u>

**10 (b) Interest income**

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Interest income from group companies	0	1
	<u>0</u>	<u>1</u>

**11 (a) Other expenses**

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Legal & Professional charges	406	-
	<u>406</u>	<u>-</u>

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

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Interest expenses on loan payable	740	1,170
Bank Charges	2	0
	<u>742</u>	<u>1,170</u>

**12. Foreign currency exchange differences loss**

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Realized foreign currency exchange differences loss	73	-
Unrealized foreign currency exchange differences loss	616	-
	<u>689</u>	<u>-</u>

**Airtel Mobile Commerce B.V.**  
**Notes to Financial Statements**

*(All amounts are in US dollar thousands; unless stated other)*

**13. Taxation on result**

	<b>For the year ended</b>	
	<b>31 March, 2021</b>	<b>31 March, 2020</b>
Withholding tax on dividend income	8,891	-
	<u>8,891</u>	<u>-</u>

**On behalf of the management board of the Company**

Sd/-

J.C. Uneken - van de Vreede  
Managing Director

Sd/-

D. van Kootwijk  
Managing Director

Sd/-

J.K. Paul  
Managing Director

**Date:**

## **Airtel Mobile Commerce B.V.**

### **Other Information**

*(All amounts are in US dollar thousands; unless stated other)*

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#### **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 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 2019/2020**

The annual accounts for the Year 2019/2020 were adopted by the General Meeting held on July 14, 2020. The General Meeting has determined the appropriation of the result as it was proposed.

#### **4. Proposed appropriation of result for the Year 2020/2021**

The management board proposes to transfer the profit for the Year 2020/2021 to the other reserves for an amount of USD 42,616 thousands. The financial statements do (not yet) reflect this proposal.

#### **5. Significant transactions**

On 18 March 2021, the immediate parent company i.e. Bharti Airtel International (Netherlands) B.V. ("BAIN") entered into an agreement under which The Rise Fund Aurora II Sarl, the global impact investing platform of leading alternative investment firm TPG ("TPG"), will invest USD 200 million in the Company, by way of purchase of a portion of the shares held by BAIN in the Company. The transaction will close in two stages, i.e. upon receipt of USD 150 million at first close and USD 50 million at second close, based on certain closing conditions, as defined in the sale agreement, having been met. Further, so as to provide them liquidity, under the terms of the transaction, and only in very limited circumstances, TPG will have the option to sell its shares in the Company to the Airtel Africa group or its affiliates at fair market value, subject to a minimum and maximum payable amount. As of 31 March 2021 the transaction has no accounting implications.

On 31 March 2021, BAIN entered into an agreement under which Mastercard will invest USD 100 million in the Company by way of purchase of a portion of BAIN's shareholding in the Company. The transaction will close in two stages i.e. upon receipt of USD 75 million at first close and USD 25 million at second close, based on certain closing conditions, as defined in the sale agreement, having been met. Further, so as to provide them liquidity, under the terms of the transaction, and only in very limited circumstances, Mastercard will have the option, to sell its shares in the Company to the Airtel Africa group or its affiliates at fair market value, subject to a minimum and maximum payable amount. As at 31 March 2021, the transaction has no accounting implications.

#### **6. Post Balance Sheet events**

There is no post Balance Sheet event to report.