

**AIRTEL MOBILE COMMERCE MADAGASCAR B.V.**

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

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To the shareholders  
Airtel Mobile Commerce Madagascar 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 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 31 March 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 31 March 2021 is USD 5,568 and the Income Statement for the Year 2020/2021 is showing a post-tax loss of USD 142 (2019/2020 : Nil).

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

On behalf of the management board of the Company

Sd/-

J.C. Uneken - van de Vreede  
Managing Director

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

	Notes	As of	
		31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Financial fixed assets</b>			
Participation in group company	(4)	7,796,875	7,796,875
<b>Current assets</b>			
Cash and cash equivalents	(5)	486	-
		<u>486</u>	<u>-</u>
<b>Total assets</b>		<b><u>7,797,361</u></b>	<b><u>7,796,875</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
	(6)		
Issued and paid-up share capital		5,865	5,519
Other reserves		(155)	191
Unappropriated results		(142)	-
		<u>5,568</u>	<u>5,710</u>
<b>Current liabilities</b>			
Payable to group company	(7)	7,791,793	7,791,165
<b>Total equity and liabilities</b>		<b><u>7,797,361</u></b>	<b><u>7,796,875</u></b>

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

	Notes	For the year ended	
		31 March 2021	31 March 2020
<b>Finance expenses</b>			
Bank Charges		14	-
Foreign currency exchange differences loss	(9)	128	-
<b>Financial expenses</b>		142	-
<b>Loss before taxation</b>		(142)	-
Taxation on result		-	-
<b>Loss after taxation</b>		(142)	-

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

## **Notes to the Financial Statements**

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

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### **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 Airtel Mobile Commerce 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
	%
Airtel Mobile Commerce Madagascar S.A. Analamanga, Madagascar	99.76

### **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 art.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.

#### **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.

#### **2.3 Reclassification/regrouping**

Previous year's figures have been regrouped / reclassified where necessary to confirm to current year's classification.

## **2.4 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.

## **2.5 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.

## **2.6 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.

## **2.7 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.

## **2.8 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.

## **2.9 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.

## **2.10 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.

## **2.11 Current liabilities**

Liabilities are valued at nominal value, unless determined differently.

## **2.12 Other costs**

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

## **2.13 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)

## **2.14 Expenses**

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

## **2.15 Taxes**

The Company forms a fiscal unity for corporate income tax purposes with Airtel Mobile Commerce B.V. The Company is jointly and severally liable for the taxes payable by the group.

## **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 Madagascar B.V.**  
**Notes to the Financial Statements**

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

**4. Financial fixed assets**

**Participations in group company**

	<b>As of</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Airtel Mobile Commerce Madagascar S.A.	7,796,875	7,796,875
	<u>7,796,875</u>	<u>7,796,875</u>

**5. Cash and cash equivalents**

	<b>As of</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Cash at Bank	486	-
	<u>486</u>	<u>-</u>

**6. Shareholder's Equity**

	<b>As of</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Issued and paid-up share capital</b>		
5,000 Ordinary shares of EUR 1.00	5,865	5,519
	<u>5,865</u>	<u>5,519</u>

The authorized share capital amounts to Euro 5,000. The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.173 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 01 April	-	-
Allocation of previous year result	-	-
	-	-
Foreign currency changes on share capital	(155)	191
Balance as of 31 March	<u>(155)</u>	<u>191</u>

	<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Unappropriated results</b>		
Balance as of 01 April	-	-
Unappropriated results	(142)	-
	(142)	-
Appropriation of previous year result	-	-
Balance as of 31 March	<u>(142)</u>	<u>-</u>

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

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

**Current liabilities**

**7. Payables to group company**

	<b>As of</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Amount owed to Airtel Mobile Commerce B.V.	7,768,355	7,767,727
Amount owed to Airtel Mobile Commerce Holding B.V.	23,438	23,438
	<b>7,791,793</b>	<b>7,791,165</b>

**8. Assets and Commitments not shown in the Balance sheet**

**Tax-group liability**

The Company forms a fiscal unity for corporate income tax purposes with Airtel Mobile Commerce B.V. The Company is jointly and severally liable for the taxes payable by the group.

**9. Foreign currency exchange differences loss**

	<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Realised foreign currency exchange differences loss	128	-
	<b>128</b>	<b>-</b>

**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 Madagascar B.V.**

### **Other Information**

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

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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, the annual accounts do not include an audit report.

#### **2. Statutory appropriation of profit**

According to the Company's Articles of Association, article 14, the General Meeting of shareholders determines the appropriation of the Company's net result for the year.

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

The management board proposes to transfer the loss to the other reserves for an amount of USD 142. The financial statements do not yet reflect this proposal.

#### **4. Post Balance Sheet events**

There is no post Balance Sheet event to report.