

BHARTI AIRTEL CONGO HOLDINGS B.V.

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

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To the shareholders,
Bharti Airtel Congo Holdings B.V.
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 showing a total amount of USD 97,271 thousands and the Income Statement for the Year 2020/2021 is showing a post-tax loss of USD 5,730 thousands (2019/2020: profit of USD 2,886 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/-

J.C. Uneken - van de Vreede

Managing Director

Date: 29 June 2021

Bharti Airtel Congo Holdings B.V.
Balance Sheet

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

	Notes	As of	
		31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Financial fixed assets			
Participation in group company	(4) (a)	141,485	141,485
Receivable from group company	(b)	114,968	114,968
Other receivables	(5)	2,924	2,924
		<u>259,377</u>	<u>259,377</u>
Current assets			
Cash and cash equivalents	(6)	0	1
Total current assets		<u>0</u>	<u>1</u>
Total assets		<u>259,377</u>	<u>259,378</u>
EQUITY AND LIABILITIES			
Shareholder's equity			
Issued and paid-up share capital	(7)	21	20
Other reserves		102,980	100,095
Unappropriated results		(5,730)	2,886
		<u>97,271</u>	<u>103,001</u>
Non-current liabilities			
Payables to group companies	(8)	150,990	145,240
Current liabilities			
Payable to group company	(9)	11,116	11,137
Total equity and liabilities		<u>259,377</u>	<u>259,378</u>

Bharti Airtel Congo Holdings B.V.
Income Statement

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

	Notes	For the year ended	
		31 March 2021	31 March 2020
Income			
Other income	(11)	20	-
		<hr/> 20	<hr/> -
Foreign currency exchange differences (net)	(12)	(5,750)	2,886
		<hr/> (5,730)	<hr/> 2,886
(Loss)/profit before taxation			
Taxation on result		-	-
		<hr/> -	<hr/> -
(Loss)/profit after taxation		<hr/> (5,730)	<hr/> 2,886

Bharti Airtel Congo 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. with 100% shareholding in the Company. 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 Congo S.A. Brazzaville, Republic of Congo	88.65	88.65

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 2:408 of the Dutch Civil Code. The annual accounts of the Company and its subsidiary 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.

Bharti Airtel Congo Holdings B.V. **Notes to the Financial Statements**

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

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 is based on the currency in which its main transactions are concluded.

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

Subsequent to initial recognition, 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 under 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 under 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 2:408 of the Dutch 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 under 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.

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

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

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 income for the current reporting period.

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

3. Staff members

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

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

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

4. Financial fixed assets

	As of	
	31 March 2021	31 March 2020
(a) Participation in group company	141,485	141,485
(b) Receivable from group company	114,968	114,968
	256,453	256,453

	As of	
	31 March 2021	31 March 2020
(a) Participation in group company		
Airtel Congo S.A. at Brazzaville, Republic of Congo	141,485	141,485
	141,485	141,485

	As of	
	31 March 2021	31 March 2020
(b) Receivable from group company		
Loan receivable from Airtel Congo S.A.	114,968	114,968
	114,968	114,968

The loan is unsecured, bears interest at the rate of 0% per annum (2019/20: 0%) with maturity date of 31 December 2021. Any outstanding principal loan amounts and accrued interest thereon will be payable in full upon request of the lender by giving a 3 (three) months advance notice to the borrower.

5. Other receivables

	As of	
	31 March 2021	31 March 2020
Withholding tax	2,924	2,924
	2,924	2,924

Current assets

6. Cash and cash equivalents

	As of	
	31 March 2021	31 March 2020
Cash at Bank	0	1
	0	1

Cash balances are free for disposal by the Company.

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

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

7. Shareholder's Equity

	As of	
	31 March 2021	31 March 2020
Issued and paid-up share capital		
18,152 Ordinary shares of EUR 1.00	21	20
	21	20

The authorized share capital amounts to Euro 90,760. The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.173 as at 31 March 2021 (31 March 2020: Euro 1.104). Translation differences are recorded in Other reserves.

	For the year ended	
	31 March 2021	31 March 2020
Other reserves		
Balance as of 1 April	100,096	99,184
Allocation of previous financial year net result	2,886	912
	102,982	100,096
Foreign currency changes on share capital	(2)	(1)
Balance as of 31 March	102,980	100,095

	For the year ended	
	31 March 2021	31 March 2020
Unappropriated results		
Balance as of 1 April	2,886	912
Unappropriated results	(5,730)	2,886
	(2,844)	3,798
Appropriation of result previous year	(2,886)	(912)
Balance as of 31 March	(5,730)	2,886

Non-current liabilities

8. Payables to group companies

	As of	
	31 March 2021	31 March 2020
Loan payable to Bharti Airtel Africa B.V., The Netherlands ¹	53,127	53,127
Amounts owed to Airtel Congo S.A. ²	97,863	92,113
	150,990	145,240

¹The agreement between Bharti Airtel Africa B.V. and the Company has been amended in May 2021 wherein any outstanding principal loan amounts and accrued interest thereon will be payable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

²During the Year 2019/2020, the Company's subsidiary Airtel Congo S.A issued 155,961 new shares with a nominal value of XAF 520,000 each by way of a rights issue. The Company subscribed to 140,365 out of a total of 155,961 new shares. An amount of USD 97.86 Mn (XAF 54,742.3 Mn) is outstanding as payable to Airtel Congo S.A. as on 31 March 2021 in relation to this subscription. The amount owed to Airtel Congo S.A. has been revalued as per the exchange rate prevailing at the Balance Sheet date and USD 5.7 Mn exchange loss has been recorded as finance expense in the Profit and Loss Account in Year 2020/2021.

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

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

Current liabilities

9. Payables to group company

	As of	
	31 March 2021	31 March 2020
Amounts owed to Airtel Congo S.A	11,116	11,137
	<u>11,116</u>	<u>11,137</u>

10. 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.

11. Income

	For the year ended	
	31 March 2021	31 March 2020
Other income	20	-
	<u>20</u>	<u>-</u>

12. Foreign currency exchange differences (net)

	For the year ended	
	31 March 2021	31 March 2020
Unrealised foreign currency exchange differences (loss)/gain ¹	(5,750)	2,436
Realised foreign currency exchange differences gain	-	450
	<u>(5,750)</u>	<u>2,886</u>

¹Refer note 8.

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: 29 June 2021

Bharti Airtel Congo Holdings 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, 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 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 loss for the Year 2020/2021 to the Other Reserves for an amount of USD 5,730 thousands. The financial statements do not yet reflect this proposal.

5. Post Balance Sheet events

There is no post Balance Sheet event to report.