

**BHARTI AIRTEL NIGERIA B.V.**

Annual Report and Financial Statements for the year ended 31 March 2022

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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 2021 and ending on 31 March 2022 of the Company (hereinafter referred to as the "**Year 2021/2022**").

We have prepared the annual accounts of the Year 2021/2022 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 2022 and the Income Statement for the Year 2021/2022 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 2022 is showing a deficit of USD 861,398 thousands (31 March 2021: USD 952,423 thousands) and the Income Statement for the Year 2021/2022 is showing a post-tax profit of USD 91,025 thousands (2020/2021: loss of USD 52,080 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 – 21 July 2022

**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, 2022	31 March, 2021
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Financial fixed assets</b>			
Participations in group companies	(5) (a)	1,392,825	1,372,579
Receivables from group companies	(b)	12,291	13,365
Other receivables	(6)	4,719	4,719
<b>Total Financial fixed assets</b>		<b>1,409,835</b>	<b>1,390,663</b>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group companies	(7)	17,161	14,129
<b>Other Current Assets</b>		-	-
<b>Cash</b>	(8)	1	0
<b>Total current assets</b>		<b>17,162</b>	<b>14,129</b>
<b>Total assets</b>		<b>1,426,997</b>	<b>1,404,792</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's equity</b>			
Issued share capital	(9)	20	21
Other reserves		(952,443)	(900,364)
Unappropriated results		91,025	(52,080)
		(861,398)	(952,423)
<b>Current liabilities</b>			
Payable to group company	(10)	2,288,395	2,357,215
<b>Total liabilities</b>		<b>2,288,395</b>	<b>2,357,215</b>
<b>Total equity and liabilities</b>		<b>1,426,997</b>	<b>1,404,792</b>

**Bharti Airtel Nigeria B.V.**  
**Income Statement**

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

	Notes	For the year ended	
		31 March, 2022	31 March, 2021
<b>Income</b>	(12)		
Dividend income	(a)	167,073	13,941
Interest income	(b)	3	988
<b>Total operating income</b>		167,076	14,929
<b>Expense</b>			
Other expenses	(13)	8	(61)
Interest expense and similar charges	(14)	57,133	65,990
<b>Total operating expenses</b>		57,141	65,929
<b>Result from operations</b>		109,935	(51,000)
Foreign currency exchange differences loss/(gain)	(15)	6,380	(40)
<b>Result before taxation</b>		103,555	(50,960)
Taxation	(16)	12,530	1,120
<b>Net result for the year</b>		<b>91,025</b>	<b>(52,080)</b>

# **Bharti Airtel Nigeria B.V.**

## **Notes to the Financial Statements**

*(All amounts are in US dollar thousands, 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 Bharti Airtel Nigeria Holdings II B.V. and the step-up parent companies are:

- Bharti Airtel Africa B.V., The Netherlands
- 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 which have not been valued at net capital value:

<b>Name, statutory registered office</b>	<b>Share in issued capital</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
	%	%
Airtel Networks Limited Lagos, Nigeria	99.96	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'.

#### **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.

## **Bharti Airtel Nigeria B.V.**

### **Notes to the Financial Statements**

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

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#### **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.

#### **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.

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

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

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**2.12 Income**

Income would 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).

**2.13 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 different 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 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 2021/2022 the Company had no employees, and hence incurred no salaries or related social security charges (2020/2021: 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**

	<b>As of</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
(a) Participation in group company	1,392,825	1,372,579
(b) Receivable from group company	12,291	13,365
	<b>1,405,116</b>	<b>1,385,944</b>

**(a) Participation in group company**

	<b>As of</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Airtel Networks Limited, Lagos, Nigeria <sup>1</sup>	1,392,825	1,372,579
	<b>1,392,825</b>	<b>1,372,579</b>

<sup>1</sup>This Participation is towards conversion of partly paid up into fully paid up shares.

	<b>As of</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>(b) Receivable from group company</b>		
Loan receivable from Airtel Networks Limited	12,291	13,365
	<b>12,291</b>	<b>13,365</b>

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**

	<b>As of</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Withholding tax	4,719	4,719
	<b>4,719</b>	<b>4,719</b>

**7. Receivables from group companies**

	<b>As of</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Amounts owed by Bharti Airtel International (Netherlands) B.V.	3,937	3,987
Amounts owed by Airtel Networks Limited	10,071	10,007
Dividend receivables	3,153	135
	<b>17,161</b>	<b>14,129</b>

**8. Cash**

	<b>As of</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Cash at Bank	1	0
	<b>1</b>	<b>0</b>

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

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

**9. Shareholder's Equity**

	As of	
	31 March 2022	31 March 2021
<b>Issued and paid-up share capital</b>		
18,000 Ordinary shares of EUR 1.00	20	21
	20	21

The authorized share capital amounts to Euro 90,000 (31 March 2021: Euro 90,000). The Company's Euro denominated share capital is translated into USD at an exchange rate of Euro 1.116 as at 31 March 2022 (31 March 2021: Euro 1.173). Translation differences are recorded in Other reserves.

	For the year ended	
	31 March 2022	31 March 2021
<b>Other reserves</b>		
Balance as of 1 April	(900,362)	(851,348)
Allocation of previous year result	(52,080)	(49,014)
	(952,442)	(900,362)
Foreign currency changes on share capital	(1)	(2)
Balance as of 31 March	(952,443)	(900,364)

	For the year ended	
	31 March 2022	31 March 2021
<b>Unappropriated results</b>		
Balance as of 1 April	(52,080)	(49,014)
Unappropriated results	91,025	(52,080)
	38,945	(101,094)
Appropriation of previous year result	52,080	49,014
Balance as of 31 March	91,025	(52,080)

**10. Payable to group company**

	As of	
	31 March 2022	31 March 2021
Loan payable to Bharti Airtel Nigeria Holdings II B.V.	2,288,395	2,357,215
	2,288,395	2,357,215

The calculated interest as at year end is based on 3 month libor+ 225 bps (in 2020/2021: 3 month libor+ 225 bps). The agreement between the Company and Bharti Airtel Nigeria Holdings II B.V. was amended in May 2021. Under the amendment the final maturity date for repayment of principal and interest accrued thereon was changed to 31 December 2026, unless agreed otherwise between lender and borrower in writing.

**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 2022	31 March 2021
Dividend income from Airtel Networks Limited	167,073	13,941
	167,073	13,941

**b. Interest income**

	For the year ended	
	31 March 2022	31 March 2021
Interest income on loans to Airtel Networks Limited	3	988
	3	988

**13. Other expenses**

	For the year ended	
	31 March 2022	31 March 2021
Professional and legal fees	8	(61)
	8	(61)

**14. Interest expense and similar charges**

	For the year ended	
	31 March 2022	31 March 2021
Interest expenses on loan from Bharti Airtel Nigeria Holdings II B.V.	57,130	65,990
Bank Charges	3	0
	57,133	65,990

**15. Foreign currency exchange differences loss/(gain)**

	For the year ended	
	31 March 2022	31 March 2021
Unrealised foreign currency exchange differences (gain)/loss	(12)	1
Realized foreign currency exchange differences loss/ (gain)	6,392	(41)
	6,380	(40)

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

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

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**16. Taxation**

	<b>For the year ended</b>	
	<b>31 March 2022</b>	<b>31 March 2021</b>
Withholding tax on dividend income	12,530	1,046
Withholding taxes on interest income	-	74
	<u>12,530</u>	<u>1,120</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:** 21 July 2022

## **Bharti Airtel Nigeria B.V.**

### **Other Information**

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

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#### **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 2020/2021**

The annual accounts for the year 2020/2021 were adopted by the General Meeting held on June 30, 2021. The General Meeting has determined the appropriation of the result as it was proposed.

#### **4. Proposed appropriation of result for the Year 2021/2022**

The management board proposes to transfer the profit for the Year 2021/2022 to the Other Reserves for an amount of USD 91,025 thousands. The financial statements do not yet reflect this proposal.

#### **5. Post Balance Sheet events**

During the month of June and July, FY 2022-23, the Company declared interim dividend amounting to USD 110,000 thousands.

The Company received a Letter of Comfort dated May 26, 2022 from its step up parent Bharti Airtel Africa B.V. where the latter affirmed its commitment to ensure the solvency of the Company by providing and/or procuring financial support if and when required, so that that the Company will be able to meet its legitimate liabilities, obligations and commitments, as and when they fall due.

During Q1 2022-23, the Company recognised dividend income amounting to USD 612,346 thousands from Airtel Networks Limited.

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