

## Airtel Africa plc



January 28, 2020

The financial statements included in this quarterly report fairly presents in all material respects the financial position, results of operations and cash flow of the Group as of, and for the periods presented in this report.

## Supplemental Disclosures

**Basis of preparation:** The financial information contained in this report is drawn from Airtel Africa plc's interim condensed consolidated financial statements prepared under IAS 34 for the third quarter and nine months ended 31 December 2019 and extracted from Airtel Africa plc's Historical Financial Information prepared under International Financial Reporting Standard (IFRS) (as contained in the prospectus) for all the comparative periods presented.

**Use of certain Non-GAAP measures:** This result announcement contains certain information on the Group's results of operations and cash flows that have been derived from amounts calculated in accordance with International Financial Reporting Standard (IFRS), but are not in themselves IFRS measures. They should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be read in conjunction with the equivalent IFRS measures.

Further, disclosures are also provided under "7.2 Use of Non - GAAP Financial Information" on page 33

**Safe Harbor:** The IAS 34 financials considered for the purpose of this report is unaudited.

**Convenience translation:** - We publish our financial statements in United States Dollars. All references herein to "US dollars", "USD" and "US\$" are to United States dollars. Translation of income statement items have been made from local currencies of Africa operating units to USD (unless otherwise indicated) using the respective monthly average rates. Translation of statement of financial position items has been made using the closing rate. All amounts translated as described above are provided solely for the convenience of the reader, and no representation is made that the local currencies or USD amounts referred to herein could have been or could be converted into USD or local currencies respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

**Others:** In this report, the terms "we", "us", "our", "Airtel - Africa", or "Africa", unless otherwise specified or the context otherwise implies, refer to the Airtel Africa plc and its subsidiaries, Bharti Airtel International (Netherlands) B.V., Africa Towers N.V., Airtel (Seychelles) Limited, Airtel Congo S.A., Airtel Gabon S.A., Airtel Madagascar S.A., Airtel Malawi plc, Airtel Mobile Commerce B.V., Airtel Mobile Commerce Holdings B.V., Airtel Mobile Commerce Kenya Limited, Airtel Mobile Commerce Limited (Malawi), Airtel Mobile Commerce Madagascar S.A., Airtel Mobile Commerce Rwanda Limited, Airtel Mobile Commerce (Seychelles) Limited, Airtel Mobile Commerce Tanzania Limited, Airtel Mobile Commerce Tchad SARL, Airtel Mobile Commerce Uganda Limited, Airtel Mobile Commerce Zambia Limited, Airtel Money RDC S.A., Airtel Money Niger S.A., Airtel Money S.A. (Gabon), Airtel Networks Kenya Limited, Airtel Networks Limited, Airtel Networks Zambia plc, Airtel Rwanda Limited, Airtel Tanzania plc (formerly known as Airtel Tanzania Limited), Airtel Tchad S.A., Airtel Uganda Limited, Bharti Airtel Africa B.V., Bharti Airtel Chad Holdings B.V., Bharti Airtel Congo Holdings B.V., Bharti Airtel Developers Forum Limited, Bharti Airtel Gabon Holdings B.V., Bharti Airtel Kenya B.V., Bharti Airtel Kenya Holdings B.V., Bharti Airtel Madagascar Holdings B.V., Bharti Airtel Malawi Holdings B.V., Bharti Airtel Mali Holdings B.V., Bharti Airtel Niger Holdings B.V., Bharti Airtel Nigeria B.V., Bharti Airtel Nigeria Holdings II B.V., Bharti Airtel RDC Holdings B.V., Bharti Airtel Services B.V., Bharti Airtel Tanzania B.V., Bharti Airtel Uganda Holdings B.V., Bharti Airtel Zambia Holdings B.V., Celtel (Mauritius) Holdings Limited, Airtel Congo RDC S.A., Celtel Niger S.A., Channel Sea Management Company (Mauritius) Limited, Congo RDC Towers S.A., Gabon Towers S.A. (under dissolution), Indian Ocean Telecom Limited, Madagascar Towers S.A., Malawi Towers Limited, Mobile Commerce Congo S.A., Montana International, Partnership

Investments S.A.R.L., Société Malgache de Telephonie Cellulaire SA, Tanzania Towers Limited, Bharti Airtel Rwanda Holdings Limited, Airtel Money Transfer Ltd, Airtel Money Tanzania Limited, Airtel Mobile Commerce Nigeria Limited (incorporate w.e.f. August 31, 2017), Airtel Mobile Commerce Nigeria B.V. (incorporated w.e.f. 5th December, 2018), Airtel Mobile Commerce (Seychelles) B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Congo B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Kenya B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Madagascar B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Malawi B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Rwanda B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Tchad B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Uganda B.V. (incorporated w.e.f. 29th January, 2019), Airtel Mobile Commerce Zambia B.V. (incorporated w.e.f. 29th January, 2019), Airtel International LLP (incorporated w.e.f. 27th March, 2019).

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References in this presentation to "Airtel Africa", "Group", "we", "us" and "our" when denoting opinion refer to Airtel Africa plc and its subsidiaries.

### Forward-looking statement

This document contains certain forward-looking statements including "forward-looking" statements made within the meaning of Section 21E of the United States Securities Exchange Act of 1934, regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions.

It is believed that the expectations reflected in this document are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Airtel Africa's financial condition; changes or differences in domestic or

international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Airtel Africa.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this document reflect the knowledge and information available to Airtel Africa at the date of preparation of this document and Airtel Africa undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa plc for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa plc.

Financial data included in this document are presented in US\$ rounded to the nearest Millions. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.

#### **No profit or earnings per share forecasts**

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa.

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## SECTION 1

### PERFORMANCE AT A GLANCE

Particulars	Unit	Financial Year Ended			Quarter Ended				
		IFRS			IFRS				
		2019	2018	2017	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Operating Highlights</b>									
Total Customer Base	000's	98,851	89,262	76,726	107,140	103,881	99,670	98,851	97,922
Total Minutes on Network	Mn Min	207,334	159,549	134,614	65,086	60,795	55,329	52,866	52,445
Data MBs	Mn MBs	392,631	237,563	125,101	189,798	162,394	139,303	120,674	105,338
Mobile Money Transaction Value	US\$ Mn	24,723	19,322	14,051	8,576	7,978	7,208	6,474	6,509
Network Towers	Nos	21,059	19,731	18,959	22,253	21,936	21,385	21,059	20,582
Total Employees	Nos	3,075	3,273	3,439	3,286	3,184	3,100	3,075	3,071
No. of countries of operation	Nos	14	14	14	14	14	14	14	14
Population Covered	Mn	369	357	351	383	381	375	369	367
<b>Consolidated Financials (US\$ Mn)</b>									
<b>Ongoing Operations</b>									
<b>(Reported Currency)</b>									
Revenue	US\$ Mn	3,077	2,910	2,884	883	844	796	781	783
EBITDA	US\$ Mn	1,332	1,139	842	399	372	348	344	339
EBIT	US\$ Mn	796	600	195	245	219	198	199	203
Cash profit from operations before Derivative and Exchange Fluctuations	US\$ Mn	1,001	786	324	326	293	267	271	250
Profit before Tax	US\$ Mn	441	158	(308)	167	153	117	129	136
Net Income (after NCI)	US\$ Mn	412	(138)	(630)	90	90	125	83	123
Capex	US\$ Mn	630	411	395	150	147	99	305	170
Operating Free Cash Flow (EBITDA - Capex)	US\$ Mn	702	728	447	249	225	248	39	169
Net Debt	US\$ Mn	4,005	7,755	7,596	3,233	3,191	4,081	4,005	4,189
Shareholder's Equity	US\$ Mn	2,627	(1,085)	(768)	3,529	3,556	2,783	2,627	2,346
Total Capital Employed	US\$ Mn	6,631	6,670	6,828	6,762	6,747	6,864	6,631	6,534
<b>Key Ratios</b>									
EBITDA Margin	%	43.3%	39.1%	29.2%	45.2%	44.1%	43.7%	44.0%	43.3%
EBIT Margin	%	25.9%	20.6%	6.8%	27.7%	25.9%	24.8%	25.5%	25.9%
Net Profit Margin	%	13.4%	(4.7%)	(21.8%)	10.1%	10.6%	15.7%	10.6%	15.7%
Net Debt to EBITDA (LTM)	Times	3.01	6.81	9.02	2.21	2.28	3.00	3.01	3.23
Net Debt to EBITDA (Annualised)	Times	3.01	6.81	9.02	2.03	2.15	2.94	2.91	3.09
Interest Coverage ratio	Times	3.86	3.46	2.43	5.43	4.80	4.52	4.90	3.83
Return on Shareholder's Equity	%	15.7%			11.0%	11.8%	14.2%	15.7%	12.0%
Return on Capital employed	%	12.0%	8.9%	2.6%	12.8%	12.3%	12.2%	12.1%	11.9%

## SECTION 2

### FINANCIAL HIGHLIGHTS

The financial results presented in this section are extracted from Airtel Africa plc's historical financial information prepared in accordance with IFRS on underlying basis (as contained in the prospectus) for all the comparative periods presented.

#### 2.1 Summary of Consolidated Financial Statements

##### 2.1.1 Consolidated Summarized Statement of Operations – (in Reported Currency)

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>883</b>	<b>783</b>	<b>13%</b>	<b>2,522</b>	<b>2,296</b>	<b>10%</b>
EBITDA	399	339	18%	1,118	988	13%
<i>EBITDA / Revenue</i>	<i>45.2%</i>	<i>43.3%</i>	<i>1.8 pp</i>	<i>44.3%</i>	<i>43.0%</i>	<i>1.3 pp</i>
EBIT	245	203	21%	661	596	11%
Finance cost (net)	77	65	18%	226	283	(20%)
Profit before tax (before exceptional items)	167	136	22%	436	313	40%
Income tax expense	95	13	619%	210	77	172%
<b>Profit after tax (before exceptional items)</b>	<b>73</b>	<b>123</b>	<b>(41%)</b>	<b>227</b>	<b>235</b>	<b>(4%)</b>
Non Controlling Interest (before exceptional items)	10	8	31%	23	23	0%
Net Income (before exceptional items)	62	115	(46%)	203	212	(4%)
Exceptional Items (net of tax)	(30)	(9)	(225%)	(105)	(126)	17%
<b>Profit after tax (after exceptional items)</b>	<b>103</b>	<b>133</b>	<b>(23%)</b>	<b>331</b>	<b>362</b>	<b>(8%)</b>
Non Controlling Interest	13	9	37%	26	32	(20%)
<b>Net Income (after NCI)</b>	<b>90</b>	<b>123</b>	<b>(27%)</b>	<b>305</b>	<b>329</b>	<b>(7%)</b>
Capex	150	170	(12%)	396	325	22%
Operating Free Cash Flow (EBITDA - Capex)	249	169	47%	722	663	9%
Total Capital Employed	6,762	6,534	3%	6,762	6,534	3%

## 2.1.2 Consolidated Summarized Statement of Operations – (in Constant Currency)

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>896</b>	<b>785</b>	<b>14%</b>	<b>2,551</b>	<b>2,271</b>	<b>12%</b>
EBITDA	404	340	19%	1,130	978	16%
<i>EBITDA / Revenue</i>	<i>45.1%</i>	<i>43.4%</i>	<i>1.8 pp</i>	<i>44.3%</i>	<i>43.1%</i>	<i>1.2 pp</i>
EBIT	248	204	22%	668	591	13%
Finance cost (net)	73	88	(18%)	230	255	(10%)
Profit before tax*	175	114	53%	438	336	31%
Income tax expense	96	13	611%	213	72	194%
Profit after tax (before exceptional items)	80	101	(21%)	225	263	(14%)
Non Controlling Interest (before exceptional items)	10	8	26%	23	23	(1%)
Net Income (before exceptional items)	70	93	(25%)	203	240	(16%)
Exceptional Items (net of tax)	(30)	(10)	(210%)	(105)	(127)	18%
<b>Profit after tax (after exceptional items)</b>	<b>110</b>	<b>111</b>	<b>(1%)</b>	<b>330</b>	<b>390</b>	<b>(15%)</b>
Non Controlling Interest	13	9	34%	25	32	(21%)
<b>Net Income (after NCI)</b>	<b>97</b>	<b>101</b>	<b>(4%)</b>	<b>305</b>	<b>358</b>	<b>(15%)</b>
Capex	150	170	(12%)	396	325	22%
Operating Free Cash Flow (EBITDA - Capex)	254	170	49%	734	654	12%
Total Capital Employed	6,762	6,534	3%	6,762	6,534	3%

\*Derivative and Exchange fluctuation impact is excluded to calculate Profit before tax and Profit after tax in Constant Currency.

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex and Capital Employed.

## 2.2 Consolidated - Summary of Statement of Financial Positions (in Reported Currency)

*Amount in US\$ Mn*

Particulars	As at	As at
	Dec 31, 2019	Mar 31, 2019
<b>Assets</b>		
Non-current assets	7,642	7,685
Current assets	2,046	1,427
<b>Total assets</b>	<b>9,688</b>	<b>9,112</b>
<b>Liabilities</b>		
Non-current liabilities	3,604	3,575
Current liabilities	2,723	3,105
<b>Total liabilities</b>	<b>6,327</b>	<b>6,680</b>
<b>Equity and Non Controlling Interests</b>		
Equity	3,529	2,627
Non controlling interests	(168)	(195)
<b>Total Equity and Non Controlling Interests</b>	<b>3,361</b>	<b>2,432</b>
<b>Total Equity and liabilities</b>	<b>9,688</b>	<b>9,112</b>

## SECTION 3

### SEGMENT WISE – SUMMARY OF FINANCIAL STATEMENTS

Segmental reporting includes all businesses of that geography.

#### 3.1 Summarized Statement of Operations

##### 3.1.1 Nigeria

##### In Reported Currency

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
	<i>Amount in US\$ Mn, except ratios</i>					
<b>Revenue</b>	<b>355</b>	<b>285</b>	<b>24%</b>	<b>995</b>	<b>805</b>	<b>24%</b>
EBITDA	194	143	36%	535	389	37%
<i>EBITDA / Revenue</i>	<i>54.7%</i>	<i>50.1%</i>	<i>4.7 pp</i>	<i>53.7%</i>	<i>48.4%</i>	<i>5.4 pp</i>
EBIT	146	106	37%	398	274	45%
Capex	64	68	(6%)	180	112	60%
Operating Free Cash Flow (EBITDA - Capex)	130	74	75%	355	277	28%

##### In Constant Currency

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
	<i>Amount in US\$ Mn, except ratios</i>					
<b>Revenue</b>	<b>357</b>	<b>288</b>	<b>24%</b>	<b>998</b>	<b>809</b>	<b>23%</b>
EBITDA	195	144	36%	536	391	37%
<i>EBITDA / Revenue</i>	<i>54.7%</i>	<i>50.0%</i>	<i>4.7 pp</i>	<i>53.7%</i>	<i>48.4%</i>	<i>5.4 pp</i>
EBIT	147	107	37%	399	276	45%
Capex	64	68	(6%)	180	112	60%
Operating Free Cash Flow (EBITDA - Capex)	131	76	74%	357	279	28%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 3.1.2 East Africa (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

#### In Reported Currency

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>313</b>	<b>283</b>	<b>11%</b>	<b>891</b>	<b>829</b>	<b>7%</b>
EBITDA	127	117	8%	360	329	10%
<i>EBITDA / Revenue</i>	<i>40.5%</i>	<i>41.4%</i>	<i>-0.9 pp</i>	<i>40.4%</i>	<i>39.6%</i>	<i>0.8 pp</i>
EBIT	70	59	20%	186	159	17%
Capex	61	65	(7%)	121	139	(13%)
Operating Free Cash Flow (EBITDA - Capex)	66	52	27%	239	190	26%

#### In Constant Currency

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>321</b>	<b>282</b>	<b>14%</b>	<b>908</b>	<b>811</b>	<b>12%</b>
EBITDA	130	117	11%	368	322	14%
<i>EBITDA / Revenue</i>	<i>40.6%</i>	<i>41.4%</i>	<i>-0.9 pp</i>	<i>40.5%</i>	<i>39.6%</i>	<i>0.9 pp</i>
EBIT	72	59	23%	191	156	22%
Capex	61	65	(7%)	121	139	(13%)
Operating Free Cash Flow (EBITDA - Capex)	69	52	33%	247	183	35%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 3.1.3 Rest of Africa (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

#### In Reported Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>218</b>	<b>221</b>	<b>(2%)</b>	<b>644</b>	<b>677</b>	<b>(5%)</b>
EBITDA	82	85	(4%)	222	261	(15%)
<i>EBITDA / Revenue</i>	<i>37.5%</i>	<i>38.3%</i>	<i>-0.8 pp</i>	<i>34.5%</i>	<i>38.5%</i>	<i>-4.1 pp</i>
EBIT	32	45	(29%)	79	126	(37%)
Capex	24	36	(32%)	93	72	29%
Operating Free Cash Flow (EBITDA - Capex)	57	49	17%	129	189	(32%)

#### In Constant Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>222</b>	<b>221</b>	<b>0%</b>	<b>653</b>	<b>666</b>	<b>(2%)</b>
EBITDA	83	85	(2%)	225	257	(13%)
<i>EBITDA / Revenue</i>	<i>37.4%</i>	<i>38.3%</i>	<i>-0.9 pp</i>	<i>34.4%</i>	<i>38.6%</i>	<i>-4.2 pp</i>
EBIT	33	45	(28%)	80	125	(36%)
Capex	24	36	(32%)	93	72	29%
Operating Free Cash Flow (EBITDA - Capex)	59	49	20%	132	185	(29%)

*Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.*

### 3.2 Segment Wise Contribution (in Constant Currency)

#### Quarter Ended:

Amount in US\$ Mn, except ratios

Region	Quarter Ended Dec 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	357	40%	195	48%	64	43%
East Africa	321	36%	130	32%	61	40%
Rest of Africa	222	25%	83	21%	24	16%
<b>Total before Elimination/Others</b>	<b>899</b>	<b>100%</b>	<b>408</b>	<b>101%</b>	<b>149</b>	<b>99%</b>
Eliminations / Others	(3)	0%	(4)	-1%	1	1%
<b>Total</b>	<b>896</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>150</b>	<b>100%</b>

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

#### Nine Months Ended:

Amount in US\$ Mn, except ratios

Region	Nine Months Ended Dec 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	998	39%	536	47%	180	45%
East Africa	908	36%	368	33%	121	30%
Rest of Africa	653	26%	225	20%	93	23%
<b>Total before Elimination/Others</b>	<b>2,559</b>	<b>100%</b>	<b>1,129</b>	<b>100%</b>	<b>393</b>	<b>99%</b>
Eliminations / Others	(8)	0%	2	0%	3	1%
<b>Total</b>	<b>2,551</b>	<b>100%</b>	<b>1,130</b>	<b>100%</b>	<b>396</b>	<b>100%</b>

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

## SECTION 4

### PRODUCT WISE – SUMMARY OF FINANCIAL STATEMENTS

#### 4.1 Mobile Services- Summarized Statement of Operations

##### 4.1.1 Consolidated Summarized Statement of Operations

##### In Reported Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>826</b>	<b>743</b>	<b>11%</b>	<b>2,366</b>	<b>2,179</b>	<b>9%</b>
EBITDA	363	316	15%	1,006	913	10%
<i>EBITDA / Revenue</i>	<i>43.9%</i>	<i>42.5%</i>	<i>13 pp</i>	<i>42.5%</i>	<i>41.9%</i>	<i>0.6 pp</i>
EBIT	210	184	14%	556	499	12%
Capex	145	167	(13%)	386	317	22%
Operating Free Cash Flow (EBITDA - Capex)	217	149	45%	620	596	4%

##### In Constant Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>838</b>	<b>746</b>	<b>12%</b>	<b>2,392</b>	<b>2,155</b>	<b>11%</b>
EBITDA	367	317	16%	1,017	905	12%
<i>EBITDA / Revenue</i>	<i>43.8%</i>	<i>42.6%</i>	<i>13 pp</i>	<i>42.5%</i>	<i>42.0%</i>	<i>0.5 pp</i>
EBIT	212	185	14%	561	496	13%
Capex	145	167	(13%)	386	317	22%
Operating Free Cash Flow (EBITDA - Capex)	222	150	48%	630	588	7%

*Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.*

#### 4.1.2 Nigeria

##### In Reported Currency

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>354</b>	<b>284</b>	<b>25%</b>	<b>991</b>	<b>801</b>	<b>24%</b>
EBITDA	194	141	37%	531	385	38%
<i>EBITDA / Revenue</i>	<i>54.7%</i>	<i>49.7%</i>	<i>5.0 pp</i>	<i>53.6%</i>	<i>48.1%</i>	<i>5.5 pp</i>
EBIT	146	105	39%	394	270	46%
Capex	64	68	(6%)	180	112	60%
Operating Free Cash Flow (EBITDA - Capex)	130	73	78%	352	273	29%

##### In Constant Currency

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>356</b>	<b>286</b>	<b>24%</b>	<b>994</b>	<b>805</b>	<b>24%</b>
EBITDA	195	142	37%	532	387	38%
<i>EBITDA / Revenue</i>	<i>54.7%</i>	<i>49.7%</i>	<i>5.0 pp</i>	<i>53.6%</i>	<i>48.1%</i>	<i>5.5 pp</i>
EBIT	147	106	39%	395	272	45%
Capex	64	68	(6%)	180	112	60%
Operating Free Cash Flow (EBITDA - Capex)	131	74	77%	353	275	28%

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

#### 4.1.3 East Africa (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

##### In Reported Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>272</b>	<b>254</b>	<b>7%</b>	<b>779</b>	<b>747</b>	<b>4%</b>
EBITDA	101	101	(1%)	291	290	0%
<i>EBITDA / Revenue</i>	<i>37.1%</i>	<i>40.0%</i>	<i>-2.9 pp</i>	<i>37.3%</i>	<i>38.8%</i>	<i>-14 pp</i>
EBIT	45	45	1%	120	123	(3%)
Capex	57	63	(9%)	115	133	(14%)
Operating Free Cash Flow (EBITDA - Capex)	44	39	14%	176	156	13%

##### In Constant Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>279</b>	<b>254</b>	<b>10%</b>	<b>794</b>	<b>730</b>	<b>9%</b>
EBITDA	104	101	2%	298	283	5%
<i>EBITDA / Revenue</i>	<i>37.2%</i>	<i>40.0%</i>	<i>-2.8 pp</i>	<i>37.5%</i>	<i>38.7%</i>	<i>-13 pp</i>
EBIT	47	45	4%	124	121	3%
Capex	57	63	(9%)	115	133	(14%)
Operating Free Cash Flow (EBITDA - Capex)	47	39	21%	183	149	22%

*Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.*

#### 4.1.4 Rest of Africa (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

##### In Reported Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>202</b>	<b>208</b>	<b>(3%)</b>	<b>600</b>	<b>639</b>	<b>(6%)</b>
EBITDA	68	74	(8%)	184	238	(23%)
<i>EBITDA / Revenue</i>	<i>33.7%</i>	<i>35.4%</i>	<i>-17 pp</i>	<i>30.7%</i>	<i>37.3%</i>	<i>-6.6 pp</i>
EBIT	18	35	(47%)	42	105	(60%)
Capex	24	36	(32%)	92	71	29%
Operating Free Cash Flow (EBITDA - Capex)	44	38	15%	92	167	(45%)

##### In Constant Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>205</b>	<b>208</b>	<b>(1%)</b>	<b>609</b>	<b>629</b>	<b>(3%)</b>
EBITDA	69	74	(6%)	187	235	(20%)
<i>EBITDA / Revenue</i>	<i>33.6%</i>	<i>35.4%</i>	<i>-18 pp</i>	<i>30.6%</i>	<i>37.3%</i>	<i>-6.7 pp</i>
EBIT	19	35	(46%)	42	104	(59%)
Capex	24	36	(32%)	92	71	29%
Operating Free Cash Flow (EBITDA - Capex)	45	38	18%	95	163	(42%)

*Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.*

## 4.2 Mobile Services - Segment Wise Contribution (in Constant Currency)

### Quarter Ended:

Amount in US\$ Mn, except ratios

Region	Quarter Ended Dec 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	356	42%	195	53%	64	44%
East Africa	279	33%	104	28%	57	39%
Rest of Africa	205	24%	69	19%	24	17%
<b>Total before Elimination/Others</b>	<b>840</b>	<b>100%</b>	<b>367</b>	<b>100%</b>	<b>145</b>	<b>100%</b>
Eliminations / Others	(2)	0%	0	0%	0	0%
<b>Total</b>	<b>838</b>	<b>100%</b>	<b>367</b>	<b>100%</b>	<b>145</b>	<b>100%</b>

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### Nine Months Ended:

Amount in US\$ Mn, except ratios

Region	Nine Months Ended Dec 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Nigeria	994	42%	532	52%	180	47%
East Africa	794	33%	298	29%	115	30%
Rest of Africa	609	25%	187	18%	92	24%
<b>Total before Elimination/Others</b>	<b>2,396</b>	<b>100%</b>	<b>1,017</b>	<b>100%</b>	<b>386</b>	<b>100%</b>
Eliminations / Others	(4)	0%	0	0%	0	0%
<b>Total</b>	<b>2,392</b>	<b>100%</b>	<b>1,017</b>	<b>100%</b>	<b>386</b>	<b>100%</b>

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 4.3 Mobile Money - Summarized Statement of Operations

#### 4.3.1 Consolidated Summarized Statement of Operations

##### In Reported Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>82</b>	<b>64</b>	<b>27%</b>	<b>228</b>	<b>167</b>	<b>36%</b>
EBITDA	40	29	41%	110	65	69%
<i>EBITDA / Revenue</i>	<i>49.0%</i>	<i>44.4%</i>	<i>4.6 pp</i>	<i>48.5%</i>	<i>39.1%</i>	<i>9.4 pp</i>
EBIT	39	26	48%	106	60	77%
Capex	4	2	69%	7	6	18%
Operating Free Cash Flow (EBITDA - Capex)	36	26	38%	103	59	74%

##### In Constant Currency

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Revenue</b>	<b>84</b>	<b>64</b>	<b>31%</b>	<b>232</b>	<b>165</b>	<b>40%</b>
EBITDA	41	29	44%	112	65	72%
<i>EBITDA / Revenue</i>	<i>48.9%</i>	<i>44.4%</i>	<i>4.4 pp</i>	<i>48.4%</i>	<i>39.4%</i>	<i>9.0 pp</i>
EBIT	40	26	52%	108	60	80%
Capex	4	2	69%	7	6	18%
Operating Free Cash Flow (EBITDA - Capex)	37	26	41%	105	59	78%

*Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.*

#### 4.4 Product Wise Contribution (in Constant Currency)

##### Quarter Ended:

Amount in US\$ Mn, except ratios

Products	Quarter Ended Dec 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile Services	838	94%	367	91%	145	97%
Mobile Money	84	9%	41	10%	4	2%
<b>Total before Elimination/Others</b>	<b>922</b>	<b>103%</b>	<b>408</b>	<b>101%</b>	<b>149</b>	<b>99%</b>
Eliminations / Others	(26)	(3%)	(4)	-1%	1	1%
<b>Total</b>	<b>896</b>	<b>100%</b>	<b>404</b>	<b>100%</b>	<b>150</b>	<b>100%</b>

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

##### Nine Months Ended:

Amount in US\$ Mn, except ratios

Products	Nine Months Ended Dec 2019					
	Revenue	% of Total	EBITDA	% of Total	Capex	% of Total
Mobile Services	2,392	94%	1,017	90%	386	97%
Mobile Money	232	9%	112	10%	7	2%
<b>Total before Elimination/Others</b>	<b>2,624</b>	<b>103%</b>	<b>1,129</b>	<b>100%</b>	<b>393</b>	<b>99%</b>
Eliminations / Others	(72)	(3%)	2	0%	3	1%
<b>Total</b>	<b>2,551</b>	<b>100%</b>	<b>1,130</b>	<b>100%</b>	<b>396</b>	<b>100%</b>

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

## SECTION 5

### OPERATING HIGHLIGHTS

The financial figures used for computing ARPU & Revenue per Site are based on IFRS.

#### 5.1 Operational Performance (Quarter Ended)

##### 5.1.1 Consolidated Operational Performance

Parameters	Unit	Dec-19	Sep-19	Q-on-Q Change	Dec-18	Y-on-Y Change
Customer Base	000's	107,140	103,881	3.1%	97,922	9.4%
Net Additions	000's	3,258	4,211	(22.6%)	3,827	(14.9%)
Monthly Churn	%	5.2%	4.5%	0.7 pp	4.7%	0.6 pp
Average Revenue Per User (ARPU)	US\$	2.8	2.8	1.5%	2.7	3.5%
<b>Voice</b>						
Voice Revenue	\$ Mn	513	491	4.4%	484	6.0%
Minutes on the network	Mn	65,086	60,795	7.1%	52,445	24.1%
Voice Average Revenue Per User (ARPU)	US\$	1.6	1.6	0.9%	1.7	(3.9%)
Voice Usage per customer	min	206	199	3.4%	183	12.5%
<b>Data</b>						
Data Revenue	\$ Mn	247	229	7.7%	175	41.3%
Data Customer Base	000's	32,887	31,910	3.1%	29,264	12.4%
As % of Customer Base	%	30.7%	30.7%	0.0 pp	29.9%	0.8 pp
Total MBs on the network	Mn MBs	189,798	162,394	16.9%	105,338	80.2%
Data Average Revenue Per User (ARPU)	US\$	2.6	2.5	3.7%	2.1	23.6%
Data Usage per customer	MBs	1,967	1,748	12.5%	1,248	57.6%
<b>Mobile Money</b>						
Transaction Value	\$ Mn	8,576	7,978	7.5%	6,509	31.7%
Transaction Value per Sub	US\$	177	178	(0.0%)	156	13.5%
Mobile Money Revenue	\$ Mn	84	79	5.8%	64	30.6%
Active Customers	000's	16,634	15,521	7.2%	13,805	20.5%
Mobile Money ARPU	US\$	1.7	1.8	(1.6%)	1.5	12.5%
<b>Network and Coverage</b>						
Network towers	Nos	22,253	21,936	317	20,582	1,671
Owned Towers	Nos	4,454	4,461	(7)	4,441	13
Leased Towers	Nos	17,799	17,475	324	16,141	1,658
Of which Mobile Broadband towers	Nos	19,133	18,274	859	15,734	3,399
Total Mobile Broadband Base stations	Nos	43,174	40,187	2,987	29,650	13,524
Revenue Per Site Per Month	US\$	13,485	13,100	2.9%	12,837	5.0%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

## 5.2 Nigeria Operational Performance

Parameters	Unit	Dec-19	Sep-19	Q-on-Q Change	Dec-18	Y-on-Y Change
Customer Base	000's	39,855	39,512	0.9%	36,608	8.9%
Net Additions	000's	343	2,044	(83.2%)	2,427	(85.9%)
Monthly Churn	%	6.8%	4.7%	2.1 pp	4.2%	2.6 pp
Average Revenue Per User (ARPU)	US\$	3.0	2.8	5.1%	2.7	9.8%
<b>Voice</b>						
Voice Revenue	\$ Mn	219	200	9.4%	190	15.5%
Minutes on the network	Mn	18,812	15,687	19.9%	15,368	22.4%
Voice Average Revenue Per User (ARPU)	US\$	1.8	1.7	5.9%	1.8	2.3%
Voice Usage per customer	min	158	136	16.0%	145	8.5%
<b>Data</b>						
Data Revenue	\$ Mn	116	106	9.8%	67	73.8%
Data Customer Base	000's	15,234	15,471	(1.5%)	13,580	12.2%
As % of Customer Base	%	38.2%	39.2%	-0.9 pp	37.1%	1.1 pp
Total MBs on the network	Mn MBs	96,313	80,247	20.0%	54,005	78.3%
Data Average Revenue Per User (ARPU)	US\$	2.5	2.3	8.0%	1.7	51.2%
Data Usage per customer	MBs	2,105	1,784	18.0%	1,358	55.1%
<b>Network and Coverage</b>						
Network towers	Nos	8,924	8,878	46	7,997	927
Owned Towers	Nos	177	261	(84)	259	(82)
Leased Towers	Nos	8,747	8,617	130	7,738	1,009
Of which Mobile Broadband towers	Nos	8,093	7,695	398	6,311	1,782
Total Mobile Broadband Base stations	Nos	13,865	13,209	656	10,369	3,496
Revenue Per Site Per Month	US\$	13,340	12,559	6.2%	12,279	8.6%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

### 5.3 East Africa Operational Performance (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

Parameters	Unit	Dec-19	Sep-19	Q-on-Q Change	Dec-18	Y-on-Y Change
Customer Base	000's	47,366	45,007	5.2%	42,535	11.4%
Net Additions	000's	2,359	1,955	20.6%	1,270	85.7%
Monthly Churn	%	3.8%	3.8%	0.0 pp	4.7%	-0.9 pp
Average Revenue Per User (ARPU)	US\$	2.3	2.3	0.3%	2.3	2.8%
<b>Voice</b>						
Voice Revenue	\$ Mn	161	158	1.8%	154	4.3%
Minutes on the network	Mn	39,177	38,290	2.3%	30,048	30.4%
Voice Average Revenue Per User (ARPU)	US\$	1.2	1.2	(2.4%)	1.2	(5.6%)
Voice Usage per customer	min	284	290	(2.0%)	241	18.1%
<b>Data</b>						
Data Revenue	\$ Mn	83	75	10.7%	67	24.4%
Data Customer Base	000's	12,903	12,142	6.3%	10,807	19.4%
<i>As % of Customer Base</i>	%	27.2%	27.0%	0.3 pp	25.4%	1.8 pp
Total MBs on the network	Mn MBs	74,285	66,644	11.5%	41,353	79.6%
Data Average Revenue Per User (ARPU)	US\$	2.2	2.1	3.7%	2.1	5.3%
Data Usage per customer	MBs	1,991	1,905	4.5%	1,310	52.0%
<b>Network and Coverage</b>						
Network towers	Nos	8,838	8,678	160	8,346	492
<i>Owned Towers</i>	Nos	2,475	2,421	54	2,425	50
<i>Leased Towers</i>	Nos	6,363	6,257	106	5,921	442
<i>Of which Mobile Broadband towers</i>	Nos	7,542	7,386	156	6,487	1,055
Total Mobile Broadband Base stations	Nos	20,340	19,564	776	14,234	6,106
Revenue Per Site Per Month	US\$	12,162	11,809	3.0%	11,321	7.4%

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

#### 5.4 Rest of Africa Operational Performance (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

Parameters	Unit	Dec-19	Sep-19	Q-on-Q Change	Dec-18	Y-on-Y Change
Customer Base	000's	19,919	19,362	2.9%	18,779	6.1%
Net Additions	000's	557	212	163.1%	129	330.1%
Monthly Churn	%	5.4%	5.8%	-0.4 pp	5.5%	-0.1 pp
Average Revenue Per User (ARPU)	US\$	3.8	3.8	(1.5%)	4.0	(4.8%)
<b>Voice</b>						
Voice Revenue	\$ Mn	136	135	0.3%	147	(7.5%)
Minutes on the network	Mn	7,097	6,818	4.1%	7,029	1.0%
Voice Average Revenue Per User (ARPU)	US\$	2.3	2.3	(1.6%)	2.6	(12.0%)
Voice Usage per customer	min	121	118	2.2%	126	(4.0%)
<b>Data</b>						
Data Revenue	\$ Mn	48	48	(1.3%)	41	15.9%
Data Customer Base	000's	4,749	4,297	10.5%	4,877	(2.6%)
<i>As % of Customer Base</i>	%	23.8%	22.2%	1.7 pp	26.0%	-2.1 pp
Total MBs on the network	Mn MBs	19,200	15,503	23.8%	9,980	92.4%
Data Average Revenue Per User (ARPU)	US\$	3.5	3.7	(5.3%)	3.2	12.4%
Data Usage per customer	MBs	1,429	1,202	18.9%	766	86.6%
<b>Network and Coverage</b>						
Network towers	Nos	4,491	4,380	111	4,239	252
<i>Owned Towers</i>	Nos	1,802	1,779	23	1,757	45
<i>Leased Towers</i>	Nos	2,689	2,601	88	2,482	207
<i>Of which Mobile Broadband towers</i>	Nos	3,498	3,193	305	2,936	562
Total Mobile Broadband Base stations	Nos	8,969	7,414	1,555	5,047	3,922
Revenue Per Site Per Month	US\$	16,604	16,936	(2.0%)	17,356	(4.3%)

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for Constant currency.

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## SECTION 6

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 6.1 Reporting Methodology

- The information contained in this report is based on Airtel Africa plc interim condensed consolidated financial statements prepared under IAS 34 for the three and nine months ended 31 December 2019.
- The information, apart from the extract of the Financial Statements in Section 7, is on underlying basis and exceptional items are shown separately. This enables an organic comparison of results with past periods.

#### 6.2 Key company developments

##### **MSCI inclusion**

On 7 November 2019, Airtel Africa plc was added to the MSCI Small Cap index.

##### **Nigeria spectrum acquisition**

In November 2019, Airtel Networks Limited (“Airtel Nigeria”) signed an agreement with InterCellular Nigeria Limited, in order to acquire an additional 10 MHz spectrum in the 900 MHz band in Nigeria for a consideration of \$70 million, excluding NCC Fees as per the NCC Spectrum Trading Guidelines. The acquisition of this additional spectrum will allow Airtel Nigeria to expand and strengthen its LTE network across the country.

The Acquisition is subject to regulatory approval by the Nigerian Communications Commission (NCC).

##### **Airtel TV**

In December 2019, we launched Airtel TV in Nigeria and Zambia with more than 5000 hours of videos free of any subscription fees. The Airtel TV app is available in Android as well as iOS and it is a one stop platform for Live TV, Music videos, news, sports and much more. In addition, Airtel TV also offers live TV on popular channels such as Trace (Africa, Urban, Tropical, Mziki, Sport Stars and Gospel), Bloomberg Television, Gametoon, Bollywood, Fashion Box, God TV, Nautical, Al Jazeera English and Inspiration TV, among others.

##### **Western Union**

In January 2020, Airtel Group has signed a strategic partnership with Western Union. Through this partnership, Airtel Money customers will be able to reliably send and receive international money transfers directly from their phones, using the Airtel Africa mobile money wallet. This paves the way for Airtel Africa to further cater to the needs of local and global community members to move money and enable international cross-border payments. This partnership helps Airtel Africa to take an active part in the international money transfer business that happens to and from its operating countries.

##### **Tanzania additional spectrum**

Airtel Tanzania has been allocated an additional spectrum of 10 MHz in 1800 MHz band with an annual fee of \$ 0.6 Mn. With this allocation, Airtel Tanzania has 22.5 MHz spectrum in 1800 Band. In addition, Airtel Tanzania has been authorized by the TCRA (Tanzania Communications Regulatory Authority) to use 10 MHz in the 700 MHz band for 8 months from 21st October. The license of 700 MHz band will be issued post completion of a total of \$ 12 Mn payment to the regulatory authorities in June 2020.

##### **Announcement of Airtel Malawi listing on Malawi Stock Exchange**

On 24 December 2019, further to its announcement of 11 December 2019 of its intention to float its local business Airtel Malawi plc (“Airtel Malawi” or the “Subsidiary”) on the Malawi Stock Exchange, it was announced that the price for the initial public offering had been set at MK 12.69 (\$ 0.02) per ordinary share. The offer is expected to comprise of 1.65 billion shares, representing 15% of the issued share capital. An additional 550 million shares, representing 5% of the issued share capital will be made available subject to the exercise of the over-allotment option. Airtel Malawi expects to raise gross proceeds of up to MK 27.92 billion (\$ 37.5 million) and the price implies a market capitalisation on admission of MK 139.59 billion (\$ 187.4 million).

## 6.3 Results of Operations

*The financial results presented in this section are compiled based on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the underlying information.*

### Key Highlights – For Nine-month period ended on December 31, 2019

- Customer base grew by 9.4% to 107.1 Mn
- Revenue increased by 9.9% to \$ 2,522 Mn for the nine-month period ended 31 December 2019, with Q3'20 revenue growth increasing to 12.8%
- In constant currency terms, revenue grew by 12.4% during the nine-month period ended 31 December 2019 and 14.2% in Q3'20. This was the 8<sup>th</sup> consecutive quarter of double-digit constant currency growth.
- Growth was recorded across all services, with revenue in Voice, Data and Mobile Money up by 3.9%, 39.0% and 40.4% respectively in constant currency
- EBITDA was \$1,118 Mn for the nine-month period, up 13.2%, while constant currency EBITDA growth was 15.5% over the same period
- EBITDA margin in reported currency was 44.3%, an increase of 1.3 pp, while there was an increase of 1.2 pp in constant currency terms
- Operating profit increased by 21.3% and was up 23.7% in constant currency
- Free cash flow almost doubled to \$ 391 Mn in the period
- EPS before exceptional items was \$ 5.8¢ and Basic EPS was \$ 8.6¢
- Net debt to EBITDA was 2.2x, compared to 3.2x as of December 2018

### Key Highlights – For the Quarter ended December 31, 2019

- Reported revenues increased to \$ 883 Mn, up 12.8%, with constant currency growth of 14.2%. This was the 8<sup>th</sup> consecutive quarter of double-digit constant currency growth.
- Revenue growth of 14.2% in constant currency as a result of continued strong performance in Nigeria and East Africa and an improvement in the performance of the Rest of Africa
- Growth was broad based across all services with revenue in Voice, Data and Mobile Money up by 5.3%, 41.3% and 30.6% respectively
- Reported EBITDA was \$ 399 Mn, up 17.5%, while constant currency EBITDA growth was 18.9%
- EBITDA margin in reported currency was 45.2%, an increase of 1.8 pp and the same is in constant currency.

### Results for the Nine-month period ended on December 31, 2019

#### 6.4.1 Airtel Africa Consolidated

Revenue increased by 9.9%, with constant currency growth of 12.4% being partially offset by currency devaluation. Growth in the third quarter accelerated to 14.2% in constant currency as a result of continued strong performance in Nigeria and East Africa and an improvement in the performance of the Rest of Africa. Revenue growth of 12.4%, was largely driven by the robust growth of our customer base, up by 9.4%, to 107.1 Mn and ARPU growth of 2.2%. Revenue growth was broad-based across all services; voice revenue up 3.9%, data revenue up 39.0% and mobile money up 40.4% during the period in constant currency.

Operating profit amounted to \$ 657 Mn, up 21.3% in reported currency and 23.7% in constant currency, as a result of strong revenue growth, while operating expenditures as a percentage of revenue remained broadly stable.

Finance costs reduced by \$ 57 Mn driven by a 17% decrease in interest costs, which more than offset an increase in other finance charges as a result of one off gains incurred in the prior year, higher costs related to the initial public offering and higher impact of foreign exchange on debt.

The total tax charge for the period was \$ 170 Mn, as compared to a tax credit of \$ 111 Mn in the same period last year, as a result of higher operating profit and withholding tax on dividends, as Airtel Nigeria, our largest and most profitable market, declared a first dividend. In addition, the prior year period benefitted from one-off items which included deferred tax recognition in Nigeria of \$ 170 Mn and a reversal of tax provision of \$ 55 Mn.

Profit after tax was \$ 331 Mn, down by 2.2% due to one-off deferred tax recognition in Nigeria in the nine-month period ending 31 December 2018.

Basic EPS was \$ 8.6¢, down 53.6%, due to the increase in the number of shares issued. If all the shares as at 31 December 2019 had been issued on 1 April 2018, the restated Basic EPS for nine months ended 31 December 2019 would have been \$ 8.1¢ and nine months ended 31 December 2018 would have been \$ 8.1¢.

EBITDA was \$ 1,118 Mn, up 13.2% largely driven by 15.5% constant currency growth, partially offset by currency devaluation. EBITDA margin was at 44.3%, an improvement of 1.3 pp compared to the previous year largely driven by revenue growth

and operating efficiencies. EBITDA margin in Q3'20 expanded by 1.8 pp in constant currency.

Foreign exchange had an adverse impact of \$ 54.2 Mn on revenue and \$ 21.8 Mn on EBITDA, largely driven by the devaluation of the Zambian Kwacha and Central African Franc. The currency exchange rates in other markets remained broadly stable compared to the same period last year.

The adjusted effective tax rate for the current period was 37.4% as compared to 40.3% in the same period of last year. The adjusted effective tax rate is lower compared to the previous financial year primarily on account of deferred tax asset recognition in Rest of Africa.

The adjusted effective tax rate is higher than the weighted average statutory tax rate of ~ 33% largely due to the profit mix between various countries.

Exceptional items of \$ 104 Mn for the nine-months ended 31 December 2019, mainly consisted of a \$ 72 Mn gain related to the expired indemnity to certain pre-IPO investors and Q3'20 benefitted from \$ 27 Mn one-off gain largely as a result of the reassessment of the life of customers leading to a deferment of customer acquisition costs.

Free cash flow was \$ 391 Mn, up by 90.4%. The EBITDA increase and lower interest payments due to lower debt were only partially offset by capex increase, due to network modernization as well as roll-out of additional sites.

Earnings Per Share before exceptional items was \$ 5.8¢, down 50.1%, as a result of an increase in the number of shares issued. However, if these shares had been issued on 1st April 2018, the restated EPS before exceptional items for nine-month ended 31 December 2019 would have been \$ 5.4¢ and \$ 5.0¢ cents for the nine-month ended 31 December 2018.

#### 6.4.2 Net Debt

In December 2019, net debt was \$ 3,233 Mn compared to \$ 4,189 Mn in December 2018. The reduction in net debt of \$ 956 Mn is a result of an increase in cash from the net IPO proceeds of \$ 670 Mn and a reduction in debt by \$ 143 Mn. As a result, leverage reduced to 2.2x as of December 2019.

#### 6.4.3 Going Concern

As part of their assessment of going concern the Directors have taken into account all factors likely to affect its future performance and financial position, including the Group's cash flow under both base and a number of reasonable worst case scenarios. Additionally, the Directors have considered the potential financial impact on the Group of the adverse judgement of the Honourable Supreme Court of India on 24 October 2019 on its intermediate parent company.

Since that time, the Group's intermediate parent company has successfully raised approximately \$3 billion of additional capital through a combination of qualified institutional equity placement and convertible bond offerings.

In the Director's opinion the execution of these activities has reduced the level of uncertainty about the ability of the Group's intermediate parent company to comply with the judgement.

As a result, the Directors have concluded that the previously highlighted material uncertainty around the Group's ability to continue as a going concern no longer exists and that the Group has adequate committed and non-committed facilities to operate as a going concern.

#### 6.4.3 Segment Wise – Africa

##### 6.4.3.1 Nigeria

Reported revenue was up 23.6% for the nine-month period ended 31 December 2019, with Q3'20 growth of 24.4%. Growth in constant currency was 23.4% for the nine-month period and Q3'20 of 23.9% which is largely in line with the reported growth as a result of a stable foreign exchange rate.

Constant currency revenue growth of 23.4%, was driven largely by the voice revenue growth of 13.9% and data growth of 75%. Data revenue growth in Q3'20 was 73.8% in constant currency.

The voice revenue increase of 13.9% was driven by customer base growth of 8.9%. The customer base expansion was driven by the efficient sales and distribution network supported by the accelerated rollout of our network infrastructure.

Data revenue increased by 75% and contributed 71% to overall revenue growth for the nine-month period. Data revenue growth was driven by the increase in the data customer base, as a result of the growth in the 4G network rollout and data ARPU growth. The data customer base grew by 12.2% driven by the accelerated rollout of our 4G network, (as of 31 December 2019, 63.7% of the total sites are 4G). Data ARPU grew by 45.8% in the nine-month period with Q3'20 growth of 51.2%. Data usage increased by 86.2% and now 49.3% (as of Q3'20) of the total usage is on the 4G network. In the nine-month period, data revenue accounted for 31.6% of Nigeria revenue compared to a 22.3% in the prior period and 32.5% in Q3'20.

EBITDA margin in constant currency increased by 5.4 pp as a result of revenue growth and operating efficiencies.

Exceptional item in nine-month period December 2019 benefitted from \$ 9.3 Mn one-off gain largely as a result of reassessment of life of customers leading to a deferment of customer acquisition costs.

Capital expenditure amounted to \$ 180 Mn, an increase from \$ 112 Mn in the prior period as the business continued to expand and invest in the network infrastructure, as the number of 4G sites increased 1.4x.

Operating Free Cash Flow was \$ 355 Mn, up 28.2%, largely as a result of double-digit EBITDA growth partially offset by an increase in capital expenditures.

##### 6.4.3.2 East Africa

Revenue in East Africa grew by 7.5% in the nine-month period ended 31 December 2019. Constant currency growth of 12.0% was partially offset by currency devaluation in Zambia and Malawi.

Revenue growth of 12.0% in constant currency was driven by growth across all services. All countries delivered a solid performance and contributed to revenue growth, with the exception of Rwanda.

Voice revenue was up 4.5%, largely driven by customer growth of 11.4% and an increased usage per customer of 14.1%.

Data revenue increased by 17.4%, and by 24.4% in Q3'20. Data revenue growth of 17.4% was driven by the increase in the data customer base, up 19.4% and an increase in data usage per customer, up 55.1%. The growth was supported by the rollout of the 4G network. Smartphone penetration was up 2.6%. We continued to offer popular "more for more" data bundles which supported the overall growth of data usage. In the nine-month period data revenue accounted for 25.2% of total revenue in East Africa. The improvement in Q3'20 data revenue growth was mainly driven by Kenya, Malawi and Zambia as a result of increased 4G data usage, up by almost 4x, and data ARPU increase.

Mobile money revenue increased by 44.1% in reported currency and by 48.6% in constant currency. The increase was driven by customer base growth of 19.9% and transaction value per customer growth of 23.1%. We continued to expand the mobile money distribution network (increasing the number of agents, kiosks and Airtel Money Branches). In Q3'20, the YoY expansion slowed compared to the same period in the prior year which benefitted from extensive distribution roll out in Zambia and Tanzania.

EBITDA margin in constant currency increased by 0.9 pp as a result of revenue growth and operating leverage. EBITDA margin slightly reduced in Q3'20 due to an increase in operating expenses as a result of investment in network expansion and higher marketing spend.

Exceptional item in nine-month period December 2019 benefitted from \$ 14 Mn one-off gain largely as a result of reassessment of life of customers leading to a deferment of customer acquisition costs.

Capital expenditure amounted to \$ 121 Mn, slightly lower than the prior period as a large part of the network modernization in East Africa was completed in the previous year. As a result of lower capex and higher EBITDA, operating free cash flow amounted to \$ 239 Mn, up 26.2%.

#### 6.4.3.3 Rest of Africa

Performance in Rest of Africa continued to improve and in the third quarter the business was broadly stable as a result of improved performance in voice and continued good performance in data and mobile money. Nevertheless, Rest of Africa continued to be impacted by macroeconomic weakness in some of the countries in the region.

Revenue decreased by 4.9% in reported currency and 1.9% in constant currency, as growth in data, mobile money and other revenue did not fully offset a decline in voice revenue. Performance improved in Q3 with revenue broadly stable as growth in Democratic Republic of Congo, Chad and Seychelles was offset by decline in the rest of the region.

Voice revenue decreased by 9.7%, largely due to the reduction in interconnect usage charges in Niger, Madagascar and Chad and overall market weakness in some of the countries in the segment.

Data revenue was up 19.8% largely driven by the increase in data usage per sub by 61.2% resulting from the accelerated rollout of 4G services and network upgrade. During the period, more than 1,500 additional sites were rolled out on the 4G network, which accounted for more than 55% of the total sites. More than 3,900 broadband base stations were rolled out during the nine-month period.

Mobile money revenue was up 27.3% with all key markets delivering double-digit growth, supported by the growth of mobile money customer base (+25.5%) and further expansion of the distribution network.

EBITDA margin in constant currency decreased by 4.2 pp as a result of lower revenue and one-off quality of services charge in Gabon in the first quarter.

Exceptional item in nine-month period December 2019 benefitted from \$ 3.5 Mn one-off gain largely as a result of reassessment of life of customers leading to a deferment of customer acquisition costs.

Capital expenditure amounted to \$ 93 Mn compared with \$ 72 Mn in the previous period, as we continued to invest in network modernization, the rollout of the 4G network, more than doubling the number of 4G sites.

#### 6.4.4 Product wise Africa

##### 6.4.4.1 Mobile services:

Voice revenue increased by 1.6% in reported currency and by 3.9% in constant currency, largely driven by customer growth of 9.4%, as a result of a stable churn at 4.9% and the expansion of distribution network and expansion of infrastructure network. In Q3'20 revenue growth improved as a result of improved performance in Nigeria and Rest of Africa.

Voice ARPU decreased 5.5% in constant currency terms, largely driven by weakness in Rest of Africa and a decrease in interconnect usage charges across key markets in East Africa and Rest of Africa.

Data Revenue was up 39% in constant currency in the nine-month period, largely driven by an increase in data customer base, 4G network rollout and data usage growth. Data customer growth of 12.4% was driven by a rollout of our 4G network, which represented 62.3% of the sites on 4G network, increase in smartphone penetration by 2.3%, accelerated rollout of the 4G network and the addition of more than 13,500 broadband base stations. 30.7% of the total customer base is data users, increased from 29.9% in the previous period.

Overall data usage increased 80.7% and data usage per customer was up 56.3% to 1,760MB/subs/month, supported by an expansion of our 4G network and continuation of popular "more for more" data bundles, contributing data ARPU growth of 20.3%.

Data revenue accounted for 26.8% of total revenue, up from 21.7% in the prior period in constant currency.

#### 6.4.4.2 Mobile Money

In the nine-month period, mobile money revenue amounted to \$ 228 Mn, up 36.3% in reported currency and by 40.4% in constant currency, driven by the growth of the customer base which was up 20.5%, and transaction value growth of 30.2%. Growth in the customer base was largely driven by the expansion of the distribution network, as we continued to invest in exclusive kiosks and mobile money branches, up 30.6% and 157% respectively compared to last year. The expansion of the merchant ecosystem and the provision of more affordable tariffs further contributed to transaction value growth.

Revenue growth slowed to 30.6% in constant currency largely as a result of the benefit from extensive distribution roll out in Zambia and Gabon incurred in the same period last year.

EBITDA in mobile money increased by 69.1%, amounting to \$ 110 Mn, driven by the revenue growth and lean cost structure, resulting in a better flow through in EBITDA. As a result, underlying the EBITDA margin improved to 48.5%, up from 39.1%.

Total transaction value was up 30.2% in constant currency, with an annualized value of more than \$ 34.3 billion (Q3'20 annualized) driven by the expansion of our distribution network.

Mobile money active customer base amounted to 16.6 Mn, up 20.5% versus the previous year with the mobile money customer base currently representing 15.5% of the total base.

Mobile money ARPU was up 18.5% driven by a growth of transaction value per sub and higher contribution from P2P and merchant payment

### Results for the Quarter ended December 31, 2019

#### 6.5.1 Airtel Africa Consolidated

As on 31 Dec 2019, the group had a customer base of 107 Mn as compared to 98 Mn in the corresponding quarter last year, an increase of 9.4%. Total minutes on network during the quarter registered a growth of 24.1% to 65.1 Bn as compared to 52.4 Bn in the corresponding quarter last year.

Data customers increased by 3.6 Mn to 32.9 Mn as compared to 29.2 Mn in the corresponding quarter last year. Increase in data subscribers is mainly led by increased smartphone penetration, up 2.5 % to 31.5%, and the expansion of 3G and 4G network (13,500 broadband base stations added and 4G sites now contributing for 62% total sites). The total MBs on the network grew at 80.2% to 189.8 Bn MBs compared to 105.3 Bn MBs in the corresponding quarter last year. Data usage per customer during the quarter was at 1,967 MBs as compared to 1,248 MBs in the corresponding quarter last year, an increase of 57.6%.

Mobile Money revenue in constant currency grew by 30.6% driven by customer growth of 20.5% and transaction value growth of

31.7%. Growth was largely driven by the expansion of the distribution infrastructure, as the business invested in exclusive kiosks and mobile money branches, up 59% and 157% respectively compared to last year. In addition, expansion of the merchant ecosystem and affordable tariffs has contributed to transaction value growth.

Reported Gross revenue increased by 12.8% and constant currency growth of 14.2% was partially offset by currency devaluation. Constant currency revenue growth was largely driven by 9.4% increase in the customer base, to 107 Mn, and ARPU growth of 3.5% at \$ 2.8. The growth was contributed by double digit revenue growth in Nigeria and East Africa and an improvement in the performance in Rest of Africa segment. Across products, revenue growth in constant currency was widespread with mobile Voice up 5.3%, Data up 41.3%, and Mobile Money up 30.6%.

For the quarter, EBITDA in reported currency was \$ 399 Mn, up 17.5%, constant currency growth was 18.9%, partially offset by currency devaluation. EBITDA margin was at 45.2%, an improvement of 1.8 pp.

In constant currency, EBITDA for quarter was at \$ 404.4 Mn as compared to \$ 340.3 Mn in the corresponding quarter last year. EBITDA margin improved by 1.8 pp and was at 45.1% for the quarter as compared to 43.4% in the corresponding quarter last year.

On reported basis, net Finance costs increased by \$ 12 Mn due to forex loss of \$ 5 Mn in current quarter as compared to forex gain of \$ 23 Mn in corresponding quarter last year. This led to increase in Net finance cost by \$ 28 Mn partially offset by lower interest cost by \$ 16 Mn as a result of lower debt.

The total tax charge for the period was \$ 83 Mn, as compared to a tax credit of \$ 28 Mn in the same period last year as a result of higher operating profit and withholding tax on dividends, as Airtel Nigeria, our largest and most profitable market, declared a first dividend. In addition, prior year period benefitted from one-off items which included deferred tax recognition in Nigeria of \$ 47 Mn and a reversal of tax provision of \$ 27 Mn.

On reported basis, Profit after Tax was \$ 90.2 Mn, a decrease of \$ 33 Mn compared to the prior year, which is largely contributed by higher tax expense as explained above.

Capital expenditure during the quarter was \$ 150 Mn, largely on account of investment in data capacities and network modernization.

Operating free cash flow in Constant Currency during the quarter is at \$ 254 Mn, as compared to \$ 170 Mn in the corresponding quarter last year.

## 6.5.2 Segment Wise – Africa

### 6.5.2.1 Nigeria

Revenue in Nigeria was up 24.4% in reported currency and 23.9% in constant currency as a result of a stable foreign exchange rate.

Constant currency revenue growth of 23.9%, was driven largely by the voice revenue growth of 15.5% and data growth of 73.8%.

The voice revenue increase of 15.5% was driven by customer base growth of 8.9%. Customer base expansion was driven by the efficient sales and distribution network supported by the accelerated rollout of our network infrastructure.

Data revenue increased by 73.8% and Data revenue growth was driven by the increase in the data customer base, 4G network rollout and data ARPU growth. The data customer base grew by 12.2% driven by accelerated rollout of our 4G network, (as of 31 December 2019, 63.7% of the total sites are 4G). Data ARPU grew by 51.2% in the three-month period ended on 31st Dec'20. Data usage increased by 78.3% and as of Q3'20 49.3% of the total usage is on 4G network.

EBITDA margin in constant currency increased by 4.7 pp as a result of revenue growth and operating efficiencies. The increase in network expenses, resulting from the expansion of network infrastructure was more than offset by data and voice revenue growth.

Capital expenditure amounted to \$ 64 Mn, as the business continued to expand and invest in the network infrastructure, as the number of 4G sites increased by 40%.

Operating Free Cash Flow was \$ 131 Mn, up 73.5%, largely as a result of double-digit EBITDA growth

### 6.5.2.2 East Africa

Revenue in East Africa grew by 10.7% in the three-month period ended 31 December 2019 and constant currency growth of 13.6% was partially offset by the currency devaluation in Zambia and Rwanda. Revenue growth of 13.6% in the constant currency was driven by a growth across all services. All countries delivered a solid performance and contributed to revenue growth, with the exception of Rwanda.

Voice revenue was up 4.3%, largely driven by customer growth of 11.4% and an increased usage per customer of 18.1%.

Data revenue increased by 24.4% in Q3'20 as compared to corresponding quarter last year. The Data revenue growth of 24.4% was driven by the increase in the data customer base, up 19.4% and an increase in data usage per customer, up 52.0%. The growth was supported by the rollout of 4G network and launch of 4G services in Tanzania. Smartphone penetration was up 4.3%. In the three-month period data revenue accounted for 25.8% of total revenue in East Africa.

Mobile money revenue up by 36.6% in reported currency and 40.3% in constant currency. The increase was driven by a customer base growth 19.9% and a transaction value per customer growth of 30.8%. We continued our efforts in terms of the further expansion of the mobile money distribution network (increasing the number of Agents, Kiosks and Airtel Money Branches).

EBITDA margin in constant currency reported at 40.6% reflecting of drop of 0.9 pp.

Capital expenditure amounted to \$ 61 Mn, slightly lower than prior period as a large part of the network modernization in East Africa was completed in the previous year. As a result of lower capex and higher EBITDA, operating free cash flow amounted to \$ 76 Mn, up 34.1% in constant currency.

### 6.5.2.3 Rest of Africa

Performance in Rest of Africa continued to improve and in the third quarter the business was broadly stable as a result of improved performance in voice and continued good performance in data and mobile money. Nevertheless, Rest of Africa continued to be impacted by macroeconomic weakness in some of the countries in the region.

Revenue increased by 0.1% in the constant currency, mainly driven by growth in data, mobile money. Performance improved in Q3 with revenue broadly stable as growth in Democratic Republic of Congo, Chad and Seychelles was offset by decline in the rest of the region.

Voice revenue decreased by 7.5%, largely due to the reduction in interconnect usage charges in Niger, Madagascar and Chad and overall market weakness in some of the countries in the segment.

Data revenue was up 15.9% largely driven by the increase in data usage per sub by 86.6% resulting from the accelerated rollout of 4G services and network upgrade. During the period, more than 1,500 additional sites were rolled out on 4G network, which accounted for more than 55% of the total sites. More than 3,900 broadband base stations were rolled out during the nine-month period.

Mobile money revenue was up 18.5% with all key markets delivering double-digit growth, supported by the growth of mobile money customer base (+25.5%) and further expansion of a distribution network.

EBITDA margin in constant currency reported at 37.4% reflecting of drop of 0.9 pp.

Capital expenditure amounted to \$ 24 Mn compared with \$ 36 Mn in the previous period, as we continued to invest in network modernization, the rollout of 4G network, more than doubling the number of 4G sites.

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### **6.5.3 Product wise Africa**

ARPU up 12.5% driven by a growth of transaction value per sub and higher contribution from P2P and merchant payments.

#### **6.5.3.1 Mobile services:**

During the quarter ended 31 December 2019, Mobile Services revenue grew by 11.1% in reported currency and 12.4% in constant currency. The growth was broad based across voice and data revenue.

Voice revenue increased by 4.0% in reported currency and by 5.3% in constant currency, largely driven by customer growth of 9.4%. Voice revenue growth improved as a result of improved performance in Nigeria and Rest of Africa.

Voice ARPU decreased 4.6% in constant currency terms, largely driven by a weakness in Rest of Africa and decrease in interconnect usage charges across key markets in East Africa and Rest of Africa.

Data Revenue was up 41.3% in constant currency, largely driven by increase in data customer base, 4G network rollout and data usage growth. Data customer growth of 12.4% was driven by a rollout of our 4G network, 62.3% of the sites on 4G network, increase in smartphone penetration by 2.3%, and more than 13,500 broadband base stations added. 30.7% of total customer base are data users, an increase from 29.9% in the corresponding quarter last year.

Overall data usage increased 80.2% and data usage per customer was up 57.6% to 1,967MB/subs/month, supported by an expansion of our 4G network and continuation of popular “more for more” data bundles, contributing data ARPU growth of 23.6%. Data revenue accounted for 29.4% of total revenue, up from 23.4% in the corresponding quarter last year in constant currency.

#### **6.5.3.2 Mobile Money**

Mobile money revenue amounted to \$ 82 Mn, up 27.5% in reported currency and by 30.6% in constant currency, driven by the growth of customer base, by up 20.5%, and transaction value growth of 31.7%. Growth of customer base was largely driven by the expansion of the distribution network, as we continued to invest in exclusive kiosks and mobile money branches, up 32% and 141% respectively compared to last year. The expansion of the merchant ecosystem and the provision of more affordable tariffs further contributed to transaction value growth.

EBITDA in mobile money increased by 40.6%, amounting to \$ 40.2 Mn, driven by the revenue growth and lean cost structure, resulting in a better flow through in EBITDA. As a result, the EBITDA margin for the quarter ended December 2019 was 49.0%, up from 44.4% i.e. in corresponding quarter last year.

The transaction value up 31.7% in constant currency, with an annualized value of more than \$ 34.3 billion (Q3'20 annualized) driven by the expansion of our distribution network.

Mobile money active customer base increased to 16.6 Mn, up 20.5% versus the previous year with the mobile money customer base currently representing 15.5% of the total base. Mobile money

## SECTION 7

### DETAILED FINANCIAL AND RELATED INFORMATION

**7.1 The financial information contained in this report is drawn from Airtel Africa plc's interim condensed consolidated financial statements prepared under IAS 34 for the third quarter and nine months ended 31 December 2019 and extracted from Airtel Africa plc's Historical Financial Information prepared under International Financial Reporting Standard (IFRS) (as contained in the prospectus) for all the comparative periods presented.**

#### 7.1.1 Consolidated Statement of Comprehensive Income

Particulars	<i>Amount in US\$ Mn, except ratios</i>					
	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Income</b>						
Revenue	883	783	13%	2,522	2,296	10%
Other income	4	5	(22%)	15	22	(32%)
	<b>887</b>	<b>788</b>	<b>13%</b>	<b>2,537</b>	<b>2,318</b>	<b>9%</b>
<b>Expenses</b>						
Network operating expenses	162	142	14%	459	416	11%
Access Charges	98	87	13%	282	257	10%
License fee / spectrum charges (revenue share)	44	46	(4%)	138	138	(0%)
Employee benefits expense	61	59	4%	172	177	(3%)
Sales and marketing expenses	19	36	(48%)	102	112	(9%)
Impairment loss on financial assets	(3)	(2)	(36%)	(1)	14	(109%)
Other expenses	81	97	(17%)	247	240	3%
Depreciation and amortisation	163	145	13%	481	422	14%
	<b>625</b>	<b>610</b>	<b>2%</b>	<b>1,880</b>	<b>1,776</b>	<b>6%</b>
<b>Operating profit</b>	<b>262</b>	<b>178</b>	<b>47%</b>	<b>657</b>	<b>542</b>	<b>21%</b>
Finance costs	86	140	(38%)	296	338	(13%)
Finance income	(10)	(68)	85%	(70)	(48)	(45%)
Non (operating income) / expenses, (net)	-	-		(70)	-	
Share of loss / profit of joint ventures and associate	0	1	(72%)	(0)	1	(108%)
<b>Profit before tax</b>	<b>186</b>	<b>105</b>	<b>78%</b>	<b>501</b>	<b>251</b>	<b>100%</b>
<b>Tax expense / (credit)</b>						
Current tax	65	36	80%	134	73	85%
Deferred tax	18	(64)	128%	36	(184)	120%
<b>Profit for the period</b>	<b>103</b>	<b>133</b>	<b>(22%)</b>	<b>331</b>	<b>362</b>	<b>(9%)</b>

## 7.1.2 Consolidated Statement of Comprehensive Income

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended			Nine Months Ended		
	Dec-19	Dec-18	Y-on-Y Change	Dec-19	Dec-18	Y-on-Y Change
<b>Profit for the period</b>	<b>103</b>	<b>133</b>	<b>(22%)</b>	<b>331</b>	<b>362</b>	<b>(9%)</b>
<b>Other comprehensive income ('OCI'):</b>						
Items to be reclassified subsequently to profit or loss :						
Net gains / (loss) due to foreign currency translation differences	(7)	18	(143%)	(31)	(177)	82%
Share of OCI of associate	-	(0)	100%	-	0	(100%)
Net Gains / (losses) on net investments hedge	(4)	9	(139%)	3	37	(91%)
Net Gains / (Losses) on cash flow hedge	4	(3)	206%	0	(13)	103%
<b>Other comprehensive income / (loss) for the period</b>	<b>(7)</b>	<b>24</b>	<b>(132%)</b>	<b>(28)</b>	<b>(153)</b>	<b>82%</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>96</b>	<b>157</b>	<b>(39%)</b>	<b>303</b>	<b>209</b>	<b>45%</b>
<b>Profit for the period Attributable to:</b>	<b>103</b>	<b>133</b>	<b>(22%)</b>	<b>331</b>	<b>362</b>	<b>(9%)</b>
Owners of the Company	90	123	(27%)	305	330	(8%)
Non-controlling interests	13	10	31%	26	32	(20%)
<b>Other comprehensive income / (loss) for the period attributable to :</b>	<b>(7)</b>	<b>24</b>	<b>(132%)</b>	<b>(28)</b>	<b>(153)</b>	<b>82%</b>
Owners of the Company	(20)	24	(185%)	(40)	(150)	73%
Non-controlling interests	13	0	11,297%	12	(3)	475%
<b>Total comprehensive income / (loss) for the period attributable to :</b>	<b>96</b>	<b>157</b>	<b>(39%)</b>	<b>303</b>	<b>209</b>	<b>45%</b>
Owners of the Company	70	147	(52%)	265	180	47%
Non-controlling interests	26	10	163%	38	29	31%
<b>Earnings per share (In USD)</b>						
Basic	0.02	0.05		0.09	0.20	
Diluted	0.02	0.05		0.09	0.20	

### 7.1.3 Consolidated Summarized Financial Position

Particulars	Amount in US\$ Mn	
	As at Dec 31, 2019	As at Mar 31, 2019
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment (including CWIP and Right of use assets)	2,655	2,617
Intangible assets	4,514	4,545
Investment	3	3
<b>Financial Assets</b>		
Other financial assets	9	54
Deferred tax assets (net) [including Income tax (net)]	343	377
Other non-current assets	118	89
	<b>7,642</b>	<b>7,685</b>
<b>Current assets</b>		
<b>Financial Assets</b>		
- Trade receivables	128	121
- Cash and cash equivalents	1,385	848
- Other Bank balance	318	259
- Others	71	78
Other current assets	144	121
	<b>2,046</b>	<b>1,427</b>
<b>Total Assets</b>	<b>9,688</b>	<b>9,112</b>
<b>Equity and liabilities</b>		
Equity attributable to owners of the Parent	3,529	2,627
Non-controlling interests ('NCI')	(168)	(195)
	<b>3,361</b>	<b>2,432</b>
<b>Non-current liabilities</b>		
<b>Financial Liabilities</b>		
- Borrowings	3,499	3,474
- Others	16	14
Deferred tax liabilities (net)	36	33
Other non-current liabilities	53	54
	<b>3,604</b>	<b>3,575</b>
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
- Borrowings	1,142	1,365
- Trade Payables	764	712
- Others	398	700
Current tax liabilities (net)	104	67
Other current liabilities	315	261
	<b>2,723</b>	<b>3,105</b>
<b>Total Liabilities</b>	<b>6,327</b>	<b>6,680</b>
<b>Total Equity and liabilities</b>	<b>9,688</b>	<b>9,112</b>

#### 7.1.4 Consolidated Summarized Statement of Cash Flows

Particulars	Amount in US\$ Mn	
	Nine Months Ended	
	Dec-19	Dec-18
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>501</b>	<b>251</b>
<b>Adjustments for -</b>		
Depreciation and amortisation	481	422
Finance income	(70)	(48)
Finance cost	296	338
Other adjustments	(104)	25
<b>Operating cash flow before changes in working capital</b>	<b>1,103</b>	<b>989</b>
<b>Changes in working capital -</b>		
Trade receivables	(7)	(52)
Trade payables	54	(9)
Other assets and liabilities	(68)	(112)
<b>Net cash generated from operations before tax</b>	<b>1,082</b>	<b>817</b>
Income tax paid	(95)	(106)
<b>Net cash generated from operating activities (a)</b>	<b>987</b>	<b>711</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(548)	(379)
Purchase of intangible assets	(38)	(78)
Proceeds on sale of tower assets	-	42
Interest received	22	17
<b>Net cash (used in) / generated from investing activities (b)</b>	<b>(564)</b>	<b>(398)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	680	2,187
Proceeds from issue of shares to NCI	3	-
Acquisition of non- controlling interest	-	(74)
Payment of share issue expenses	(17)	-
Proceeds from borrowings	169	379
Repayment of borrowings	(341)	(2,416)
Proceeds from sale and lease back of towers	-	23
Repayment of lease liabilities	(137)	(122)
Dividend paid to non-controlling interests	-	(4)
Interest and other finance charges paid	(247)	(302)
Proceeds from borrowings from related parties	-	337
Share stabilisation proceeds	7	-
Proceeds from maturity of derivatives	122	-
Dividend paid (including tax)	(113)	-
<b>Net cash (used in) / generated from financing activities (c)</b>	<b>126</b>	<b>8</b>
<b>Net increase / (decrease) in cash and cash equivalents during the period (a+b+c)</b>	<b>549</b>	<b>321</b>
Effect of exchange rate on cash and cash equivalents	2	1
Cash and cash equivalents as at beginning of the period	632	56
<b>Cash and cash equivalents as at end of the period</b>	<b>1,183</b>	<b>378</b>

## 7.2 Use of Non-GAAP Financial Information

In presenting and discussing the Group's reported financial position, operating results and cash flows, certain information is derived from amounts calculated in accordance with IFRS, but this information is not in itself an expressly permitted GAAP measure. Such non - GAAP measures should not be viewed in isolation as alternatives to the equivalent GAAP measures, if any.

A summary of non - GAAP measures included in this report, together with details where additional information and reconciliation to the nearest equivalent GAAP measure can be found, is shown below.

Non – GAAP measure	Equivalent GAAP measure for IFRS	Location in this results announcement of reconciliation and further information
Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA)	Operating profit	Page 33
Underlying Operating Expenses	Expenses	Page 33
Finance Cost (net)	Finance Cost and Finance Income	Page 34
Profit / (loss) before tax (before exceptional item)	Profit / (Loss) Before Tax	Page 34
Profit / (loss) after tax (before exceptional item)	Profit / (loss) after tax	Page 34
Capex	Refer glossary	NA
Operating free cash flow	Refer glossary	NA
Capital Employed	Refer glossary	NA

### 7.2.1 Reconciliation between GAAP and Non - GAAP Measures

#### 7.2.1.1: EBITDA and Margin

Particulars	UoM	Nine Months Ended	
		Dec-19	Dec-18
<b>Operating profit</b>	<b>\$ Mn</b>	<b>657</b>	<b>542</b>
<b>Add:</b>			
Depreciation and amortization	\$ Mn	481	422
Charity and donation	\$ Mn	4	3
Exceptional items	\$ Mn	(24)	20
<b>EBITDA</b>	<b>\$ Mn</b>	<b>1,118</b>	<b>988</b>
<b>Revenue</b>	<b>\$ Mn</b>	<b>2,522</b>	<b>2,296</b>
<b>EBITDAMargin (%)</b>	<b>\$ Mn</b>	<b>44.3%</b>	<b>43.0%</b>

#### 7.2.1.2: Underlying Operating Expenditure

Particulars	UoM	Nine Months Ended	
		Dec-19	Dec-18
<b>Expenses</b>	<b>\$ Mn</b>	<b>1,880</b>	<b>1,776</b>
<b>Less:</b>			
Access charges	\$ Mn	(282)	(257)
Depreciation and amortization	\$ Mn	(481)	(422)
Charity and donation	\$ Mn	(4)	(3)
Exceptional items	\$ Mn	24	(20)
<b>Underlying Operating Expenditure</b>	<b>\$ Mn</b>	<b>1,137</b>	<b>1,073</b>

### 7.2.1.3: Finance Cost

Particulars	UOM	Nine Months Ended	
		Dec-19	Dec-18
Finance cost	\$ Mn	296	338
Less: Finance income	\$ Mn	(70)	(48)
Less : Exceptional items	\$ Mn	(1)	(8)
<b>Finance cost (net)</b>	<b>\$ Mn</b>	<b>226</b>	<b>283</b>

### 7.2.1.4: Profit / (Loss) Before Tax

Particulars	UoM	Nine Months Ended	
		Dec-19	Dec-18
<b>Profit / (loss) for the year Before Tax</b>	<b>\$ Mn</b>	<b>501</b>	<b>251</b>
Exceptional items	\$ Mn	(65)	63
<b>Profit / (loss) before tax (before exceptional item)</b>	<b>\$ Mn</b>	<b>436</b>	<b>313</b>

### 7.2.1.5: Profit / (Loss) After Tax

Particulars	UoM	Nine Months Ended	
		Dec-19	Dec-18
<b>Profit / (loss) after tax</b>	<b>\$ Mn</b>	<b>331</b>	<b>361</b>
Exceptional items	\$ Mn	(104)	(126)
<b>Profit / (loss) after tax (before exceptional item)</b>	<b>\$ Mn</b>	<b>227</b>	<b>235</b>

### 7.2.1.6: Operating Free Cash Flow

Particulars	UoM	Nine Months Ended	
		Dec-19	Dec-18
<b>Net Cash Generated from Operating Activities</b>	<b>\$ Mn</b>	<b>987</b>	<b>711</b>
Add: Income tax paid	\$ Mn	95	106
<b>Cash Generation from Operation before tax</b>	<b>\$ Mn</b>	<b>1,082</b>	<b>817</b>
<b>Less: Changes in working capital</b>	<b>\$ Mn</b>	<b>21</b>	<b>173</b>
<b>Operating cash flow before changes in working capital</b>	<b>\$ Mn</b>	<b>1,103</b>	<b>989</b>
Other adjustments		35	(25)
Charity and donation	\$ Mn	4	3
Exceptional items	\$ Mn	(24)	20
<b>EBITDA</b>	<b>\$ Mn</b>	<b>1,118</b>	<b>988</b>
Less: Capital Expenditure	\$ Mn	(396)	(325)
<b>Operating Free Cash Flow</b>	<b>\$ Mn</b>	<b>722</b>	<b>663</b>

## SECTION 8

### NET DEBT AND COST SCHEDULES

#### 8.1 Consolidated Schedule of Net Debt

*Amount in US\$ Mn*

Particulars	As at	As at	As at
	Dec 31, 2019	Dec 31, 2018	Mar 31, 2019
Long term borrow ing, net of current portion	2,503	2,779	2,452
Short-term borrow ings and current portion of long-term borrow ing	949	771	1,184
<b>Less:</b>			
Cash and Cash Equivalents	1,385	572	848
<b>Net Debt excluding Lease Obligations</b>	<b>2,067</b>	<b>2,977</b>	<b>2,787</b>
Lease Obligations	1,166	1,211	1,218
<b>Net Debt including Lease Obligations</b>	<b>3,233</b>	<b>4,189</b>	<b>4,005</b>

#### 8.2 Consolidated Schedule of Net Finance Cost (in Reported Currency)

*Amount in US\$ Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
	Interest on borrow ings and Finance charges	48	65	156
Interest on Lease Obligation	32	31	96	95
Investment (income)/ loss	(8)	(8)	(22)	(17)
<b>Finance cost excluding Derivatives and Forex</b>	<b>72</b>	<b>88</b>	<b>229</b>	<b>255</b>
Add : Derivatives and exchange (gain)/ loss	5	(23)	(4)	28
<b>Finance cost (net of Derivatives and Forex)</b>	<b>77</b>	<b>65</b>	<b>226</b>	<b>283</b>

#### 8.3 Consolidated Schedule of Operating Expenses (in Constant Currency)

*Amount in US\$ Mn*

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
Access charges	99	87	285	255
Cost of goods sold	39	30	105	81
License fee / spectrum charges (revenue share)	45	46	140	136
Netw ork operations costs	163	145	453	414
Employee benefits expense	66	62	186	182
Selling, general and administration expense	85	81	272	248
<b>Operating Expenses</b>	<b>497</b>	<b>451</b>	<b>1,440</b>	<b>1,317</b>

*Closing currency rates as on March 1, 2019 considered for Constant currency.*

#### 8.4 Consolidated Schedule of Depreciation and Amortization before exceptional item (in Constant Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
Depreciation	135	117	395	331
Amortization	21	19	63	53
<b>Depreciation and Amortization</b>	<b>155</b>	<b>135</b>	<b>458</b>	<b>384</b>

Closing currency rates as on March 1, 2019 considered for Constant currency.

#### 8.5 Consolidated Schedule of Income Tax before exceptional item (in Constant Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
Current tax expense	63	30	135	81
Deferred tax expense / (income)	33	(17)	78	(9)
<b>Income tax expense</b>	<b>96</b>	<b>13</b>	<b>213</b>	<b>72</b>

Closing currency rates as on March 1, 2019 considered for Constant currency.

#### 8.6 Consolidated Schedule of Operating Expenses (in Reported Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
Access charges	98	87	282	257
Cost of goods sold	38	30	103	83
License fee / spectrum charges (revenue share)	44	46	138	138
Network operations costs	161	145	448	419
Employee benefits expense	65	62	184	185
Selling, general and administration expense	83	81	268	252
<b>Operating Expenses</b>	<b>489</b>	<b>450</b>	<b>1,423</b>	<b>1,333</b>

#### 8.7 Consolidated Schedule of Depreciation and Amortization before exceptional item (in Reported Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
Depreciation	132	117	391	335
Amortization	20	19	62	53
<b>Depreciation and Amortization</b>	<b>153</b>	<b>135</b>	<b>453</b>	<b>389</b>

#### 8.8 Consolidated Schedule of Income Tax before exceptional item (in Reported Currency)

Amount in US\$ Mn

Particulars	Quarter Ended		Nine Months Ended	
	Dec-19	Dec-18	Dec-19	Dec-18
Current tax expense	62	30	133	87
Deferred tax expense / (income)	32	(17)	77	(10)
<b>Income tax expense</b>	<b>95</b>	<b>13</b>	<b>210</b>	<b>77</b>

## SECTION 9

### TRENDS AND RATIO ANALYSIS

#### 9.1 Based on Statement of Operations

##### 9.1.1 Consolidated Statement of Operations: (in Reported Currency)

*Amount in US\$ Mn, except ratios*

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>883</b>	<b>844</b>	<b>796</b>	<b>781</b>	<b>783</b>
Access charges	98	94	90	88	87
Cost of goods sold	38	34	30	29	30
<b>Net revenues</b>	<b>747</b>	<b>715</b>	<b>676</b>	<b>664</b>	<b>666</b>
Operating Expenses (Excl Access Charges, cost of goods sold and License Fee)	308	302	286	280	286
Licence Fee	44	48	46	45	46
<b>EBITDA</b>	<b>399</b>	<b>372</b>	<b>348</b>	<b>344</b>	<b>339</b>
Cash Profit from operations before Derivative and Exchange Flucations	326	293	267	271	250
EBIT	245	219	198	199	203
Share of results of associate	(0)	0	0	1	(1)
Profit before Tax	167	153	117	129	136
<b>Profit after Tax (before exceptional items)</b>	<b>73</b>	<b>85</b>	<b>69</b>	<b>96</b>	<b>123</b>
Non Controlling Interest (before exceptional items)	10	6	6	6	8
Net Income (before exceptional items)	62	78	63	89	115
Exceptional items (net)	(30)	(11)	(64)	7	(9)
<b>Profit after Tax (after exceptional items)</b>	<b>103</b>	<b>96</b>	<b>133</b>	<b>89</b>	<b>133</b>
Non Controlling Interest	13	6	7	6	9
<b>Net Income</b>	<b>90</b>	<b>90</b>	<b>125</b>	<b>83</b>	<b>123</b>
Capex	150	147	99	305	170
Operating Free Cash Flow (EBITDA - Capex)	249	225	248	39	169
Total Capital Employed	6,762	6,747	6,864	6,631	6,534

	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>As a % of Revenue</b>					
Access charges	11.1%	11.2%	11.3%	11.2%	11.1%
Cost of goods sold	4.3%	4.1%	3.8%	3.7%	3.8%
<b>Net revenues</b>	<b>84.6%</b>	<b>84.7%</b>	<b>84.9%</b>	<b>85.0%</b>	<b>85.1%</b>
Operating Expenses (excluding access charges, cost of goods sold and license fee)	34.9%	35.8%	36.0%	35.9%	36.6%
Licence Fee	5.0%	5.7%	5.7%	5.7%	5.9%
<b>EBITDA</b>	<b>45.2%</b>	<b>44.1%</b>	<b>43.7%</b>	<b>44.0%</b>	<b>43.3%</b>
Cash Profit from operations before Derivative and Exchange Flucations	36.9%	34.7%	33.5%	34.8%	31.9%
EBIT	27.7%	25.9%	24.8%	25.5%	25.9%
Share of results of associate	(0.0%)	0.0%	0.0%	0.1%	(0.1%)
Profit before Tax	18.9%	18.1%	14.7%	16.5%	17.4%
<b>Profit after Tax (before exceptional items)</b>	<b>8.2%</b>	<b>10.0%</b>	<b>8.7%</b>	<b>12.2%</b>	<b>15.8%</b>
Non Controlling Interest (before exceptional items)	1.2%	0.8%	0.8%	0.8%	1.0%
Net Income (before exceptional items)	7.0%	9.3%	7.9%	11.5%	14.7%
Exceptional items (net)	(3.4%)	(1.3%)	(8.0%)	0.9%	(1.2%)
<b>Profit after Tax (after exceptional items)</b>	<b>11.6%</b>	<b>11.3%</b>	<b>16.7%</b>	<b>11.3%</b>	<b>16.9%</b>
Non Controlling Interest	1.5%	0.7%	0.9%	0.8%	1.2%
Net Income	10.1%	10.6%	15.7%	10.6%	15.7%

## 9.1.2 Consolidated Statement of Operations: (in Constant Currency)

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>896</b>	<b>853</b>	<b>802</b>	<b>782</b>	<b>785</b>
Access charges	99	95	90	88	87
Cost of goods sold	39	35	31	29	30
<b>Net revenues</b>	<b>758</b>	<b>723</b>	<b>681</b>	<b>665</b>	<b>668</b>
Operating Expenses (Excl Access Charges, cost of goods sold and License Fee)	313	305	288	280	287
Licence Fee	45	49	46	45	46
<b>EBITDA</b>	<b>404</b>	<b>376</b>	<b>350</b>	<b>344</b>	<b>340</b>
Cash Profit from operations before Derivative and Exchange Flucations	331	296	269	272	251
EBIT	248	221	199	200	204
Share of results of associate	(0)	0	0	1	(1)
Profit before Tax (before exceptional items)*	175	143	120	129	114
<b>Profit after Tax (before exceptional items)</b>	<b>80</b>	<b>74</b>	<b>72</b>	<b>96</b>	<b>101</b>
Non Controlling Interest (before exceptional items)	10	6	6	6	8
Net Income (before exceptional items)	70	68	65	90	93
Exceptional items (net)	(30)	(11)	(64)	7	(10)
<b>Profit after Tax (after exceptional items)</b>	<b>110</b>	<b>85</b>	<b>136</b>	<b>89</b>	<b>111</b>
Non Controlling Interest	13	6	7	6	9
<b>Net Income</b>	<b>97</b>	<b>79</b>	<b>129</b>	<b>83</b>	<b>101</b>
Capex	150	147	99	305	170
Operating Free Cash Flow (EBITDA - Capex)	254	229	251	39	170
Total Capital Employed	6,762	6,747	6,864	6,631	6,534

	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>As a % of Revenue</b>					
Access charges	11.0%	11.2%	11.3%	11.3%	11.1%
Cost of goods sold	4.4%	4.1%	3.8%	3.7%	3.8%
<b>Net revenues</b>	<b>84.6%</b>	<b>84.7%</b>	<b>84.9%</b>	<b>85.0%</b>	<b>85.1%</b>
Operating Expenses (excluding access charges, cost of goods sold and license fee)	34.9%	35.8%	36.0%	35.9%	36.6%
Licence Fee	5.0%	5.7%	5.8%	5.7%	5.9%
<b>EBITDA</b>	<b>45.1%</b>	<b>44.0%</b>	<b>43.7%</b>	<b>44.0%</b>	<b>43.4%</b>
Cash Profit from operations before Derivative and Exchange Flucations	36.9%	34.7%	33.5%	34.8%	32.0%
EBIT	27.7%	25.9%	24.8%	25.5%	26.0%
Share of results of associate	(0.0%)	0.0%	0.0%	0.1%	(0.1%)
Profit before Tax	19.6%	16.7%	15.0%	16.6%	14.6%
<b>Profit after Tax (before exceptional items)</b>	<b>8.9%</b>	<b>8.7%</b>	<b>8.9%</b>	<b>12.3%</b>	<b>12.8%</b>
Non Controlling Interest (before exceptional items)	1.1%	0.7%	0.8%	0.8%	1.0%
Net Income (before exceptional items)	7.8%	7.9%	8.2%	11.5%	11.8%
Exceptional items (net)	(3.4%)	(1.2%)	(8.0%)	0.9%	(1.2%)
<b>Profit after Tax (after exceptional items)</b>	<b>12.2%</b>	<b>9.9%</b>	<b>16.9%</b>	<b>11.4%</b>	<b>14.1%</b>
Non Controlling Interest	1.4%	0.7%	0.9%	0.8%	1.2%
Net Income	10.8%	9.2%	16.1%	10.6%	12.9%

\*Derivative and Exchange fluctuation impact is excluded to calculate Profit before tax and Profit after tax in Constant Currency.

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex and Capital Employed.

## 9.2 Based on Segment Wise Statement of Operations

### 9.2.1 Nigeria

#### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>355</b>	<b>327</b>	<b>313</b>	<b>301</b>	<b>285</b>
EBITDA	194	174	167	161	143
<i>EBITDA / Revenue</i>	<i>54.7%</i>	<i>53.1%</i>	<i>53.3%</i>	<i>53.4%</i>	<i>50.1%</i>
EBIT	146	129	122	119	106
Capex	64	62	53	67	68
Operating Free Cash Flow (EBITDA - Capex)	130	112	113	93	74

#### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>357</b>	<b>328</b>	<b>313</b>	<b>301</b>	<b>288</b>
EBITDA	195	174	167	161	144
<i>EBITDA / Revenue</i>	<i>54.7%</i>	<i>53.1%</i>	<i>53.3%</i>	<i>53.4%</i>	<i>50.0%</i>
EBIT	147	129	122	119	107
Capex	64	62	53	67	68
Operating Free Cash Flow (EBITDA - Capex)	131	112	113	94	76

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 9.2.2 East Africa (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

#### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>313</b>	<b>301</b>	<b>277</b>	<b>273</b>	<b>283</b>
EBITDA	127	123	111	114	117
<i>EBITDA / Revenue</i>	<i>40.5%</i>	<i>40.7%</i>	<i>40.0%</i>	<i>41.7%</i>	<i>41.4%</i>
EBIT	70	65	51	58	59
Capex	61	30	30	119	65
Operating Free Cash Flow (EBITDA - Capex)	66	93	81	(5)	52

#### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>321</b>	<b>307</b>	<b>281</b>	<b>272</b>	<b>282</b>
EBITDA	130	125	113	113	117
<i>EBITDA / Revenue</i>	<i>40.6%</i>	<i>40.7%</i>	<i>40.2%</i>	<i>41.6%</i>	<i>41.4%</i>
EBIT	72	66	53	57	59
Capex	61	30	30	119	65
Operating Free Cash Flow (EBITDA - Capex)	69	95	83	(5)	52

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 9.2.3 Rest of Africa (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

#### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>218</b>	<b>217</b>	<b>209</b>	<b>211</b>	<b>221</b>
EBITDA	82	76	64	79	85
<i>EBITDA / Revenue</i>	37.5%	34.9%	30.8%	37.4%	38.3%
EBIT	32	29	18	33	45
Capex	24	54	14	118	36
Operating Free Cash Flow (EBITDA - Capex)	57	22	50	(39)	49

#### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>222</b>	<b>221</b>	<b>211</b>	<b>211</b>	<b>221</b>
EBITDA	83	77	65	79	85
<i>EBITDA / Revenue</i>	37.4%	34.9%	30.7%	37.4%	38.3%
EBIT	33	29	18	33	45
Capex	24	54	14	118	36
Operating Free Cash Flow (EBITDA - Capex)	59	23	50	(39)	49

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 9.3 Based on Product Wise Statement of Operations

#### 9.3.1 Mobile Services - Summarized Statement of Operations

##### 9.3.1.1 Consolidated Mobile:

##### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>826</b>	<b>790</b>	<b>750</b>	<b>739</b>	<b>743</b>
EBITDA	363	335	309	321	316
<i>EBITDA / Revenue</i>	43.9%	42.4%	41.2%	43.4%	42.5%
EBIT	210	186	161	179	184
Capex	145	145	96	297	167
Operating Free Cash Flow (EBITDA - Capex)	217	189	213	24	149

##### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>838</b>	<b>798</b>	<b>755</b>	<b>740</b>	<b>746</b>
EBITDA	367	338	311	321	317
<i>EBITDA / Revenue</i>	43.8%	42.3%	41.2%	43.4%	42.6%
EBIT	212	187	162	179	185
Capex	145	145	96	297	167
Operating Free Cash Flow (EBITDA - Capex)	222	193	216	24	150

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

##### 9.3.1.2 Nigeria Mobile Services

##### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>354</b>	<b>326</b>	<b>311</b>	<b>299</b>	<b>284</b>
EBITDA	194	172	165	159	141
<i>EBITDA / Revenue</i>	54.7%	52.9%	53.1%	53.3%	49.7%
EBIT	146	127	121	118	105
Capex	64	62	53	67	68
Operating Free Cash Flow (EBITDA - Capex)	130	110	112	92	73

### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>356</b>	<b>327</b>	<b>311</b>	<b>300</b>	<b>286</b>
EBITDA	195	173	165	160	142
EBITDA / Revenue	54.7%	52.9%	53.1%	53.3%	49.7%
EBIT	147	128	121	118	106
Capex	64	62	53	67	68
Operating Free Cash Flow (EBITDA - Capex)	131	110	112	92	74

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 9.3.1.3 East Africa Mobile Services (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

#### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>272</b>	<b>263</b>	<b>244</b>	<b>243</b>	<b>254</b>
EBITDA	101	99	91	92	101
EBITDA / Revenue	37.1%	37.6%	37.3%	37.8%	40.0%
EBIT	45	42	33	37	45
Capex	57	29	29	112	63
Operating Free Cash Flow (EBITDA - Capex)	44	70	62	(20)	39

#### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>279</b>	<b>267</b>	<b>248</b>	<b>243</b>	<b>254</b>
EBITDA	104	101	93	92	101
EBITDA / Revenue	37.2%	37.8%	37.5%	37.8%	40.0%
EBIT	47	43	34	37	45
Capex	57	29	29	112	63
Operating Free Cash Flow (EBITDA - Capex)	47	72	64	(20)	39

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 9.3.1.4 Rest of Africa Mobile Services (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

#### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>202</b>	<b>203</b>	<b>196</b>	<b>199</b>	<b>208</b>
EBITDA	68	64	53	69	74
<i>EBITDA / Revenue</i>	33.7%	31.4%	26.9%	35.0%	35.4%
EBIT	18	16	7	24	35
Capex	24	54	13	117	36
Operating Free Cash Flow (EBITDA - Capex)	44	9	39	(48)	38

#### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>205</b>	<b>206</b>	<b>197</b>	<b>199</b>	<b>208</b>
EBITDA	69	65	53	70	74
<i>EBITDA / Revenue</i>	33.6%	31.3%	26.8%	34.9%	35.4%
EBIT	19	17	7	24	35
Capex	24	54	13	117	36
Operating Free Cash Flow (EBITDA - Capex)	45	10	40	(48)	38

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

### 9.3.2 Mobile Money - Summarized Statement of Operations

#### 9.3.2.1 Mobile Money:

##### In Reported Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>82</b>	<b>78</b>	<b>68</b>	<b>67</b>	<b>64</b>
EBITDA	40	38	33	32	29
<i>EBITDA / Revenue</i>	<i>49.0%</i>	<i>48.2%</i>	<i>48.1%</i>	<i>48.4%</i>	<i>44.4%</i>
EBIT	39	37	31	31	26
Capex	4	2	2	8	2
Operating Free Cash Flow (EBITDA - Capex)	36	36	31	24	26

##### In Constant Currency

Amount in US\$ Mn, except ratios

Particulars	Quarter Ended				
	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
<b>Revenue</b>	<b>84</b>	<b>79</b>	<b>69</b>	<b>66</b>	<b>64</b>
EBITDA	41	38	33	32	29
<i>EBITDA / Revenue</i>	<i>48.9%</i>	<i>48.1%</i>	<i>48.1%</i>	<i>48.5%</i>	<i>44.4%</i>
EBIT	40	37	31	31	26
Capex	4	2	2	8	2
Operating Free Cash Flow (EBITDA - Capex)	37	37	31	24	26

Closing currency rates as on March 1, 2019 considered for Constant currency. Reported currency rates considered for Capex.

## 9.4 Operational Performance Trends (Quarter Ended)

### 9.4.1 Consolidated - Operational Performance

Parameters	Unit	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
Customer Base	000's	107,140	103,881	99,670	98,851	97,922
Net Additions	000's	3,258	4,211	819	929	3,827
Monthly Churn	%	5.2%	4.5%	5.0%	5.4%	4.7%
Average Revenue Per User (ARPU)	US\$	2.8	2.8	2.7	2.6	2.7
<b>Voice</b>						
Voice Revenue	\$ Mn	513	491	472	482	484
Minutes on the network	Mn	65,086	60,795	55,329	52,866	52,445
Voice Average Revenue Per User (ARPU)	US\$	1.6	1.6	1.6	1.6	1.7
Voice Usage per customer	min	206	199	186	179	183
<b>Data</b>						
Data Revenue	\$ Mn	247	229	209	187	175
Data Customer Base	000's	32,887	31,910	30,001	30,024	29,264
<i>As % of Customer Base</i>	%	30.7%	30.7%	30.1%	30.4%	29.9%
Total MBs on the network	Mn MBs	189,798	162,394	139,303	120,674	105,338
Data Average Revenue Per User (ARPU)	US\$	2.6	2.5	2.3	2.1	2.1
Data Usage per customer	MBs	1,967	1,748	1,550	1,375	1,248
<b>Mobile Money</b>						
Transaction Value	US\$ Mn	8,576	7,978	7,208	6,474	6,509
Transaction Value per Subs	US\$	177	178	163	157	156
Mobile Money Revenue	\$ Mn	84	79	69	66	64
Active Customers	000's	16,634	15,521	14,600	14,216	13,805
Mobile Money ARPU	US\$	1.7	1.8	1.6	1.6	1.5
<b>Network and Coverage</b>						
Network towers	Nos	22,253	21,936	21,385	21,059	20,582
<i>Owned towers</i>	Nos	4,454	4,461	4,500	4,422	4,441
<i>Leased towers</i>	Nos	17,799	17,475	16,885	16,637	16,141
Of which Mobile Broadband towers	Nos	19,133	18,274	17,049	16,426	15,734
Total Mobile Broadband Base stations	Nos	43,174	40,187	35,283	32,501	29,650
Revenue Per site Per Month	US\$	13,485	13,100	12,565	12,487	12,837

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

### 9.4.2 Nigeria - Operational Performance

Parameters	Unit	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
Customer Base	000's	39,855	39,512	37,468	37,121	36,608
Net Additions	000's	343	2,044	347	513	2,427
Monthly Churn	%	6.8%	4.7%	5.3%	5.7%	4.2%
Average Revenue Per User (ARPU)	US\$	3.0	2.8	2.8	2.7	2.7
<b>Voice</b>						
Voice Revenue	\$ Mn	219	200	198	201	190
Minutes on the network	Mn	18,812	15,687	15,809	15,878	15,368
Voice Average Revenue Per User (ARPU)	US\$	1.8	1.7	1.8	1.8	1.8
Voice Usage per customer	min	158	136	141	143	145
<b>Data</b>						
Data Revenue	\$ Mn	116	106	94	80	67
Data Customer Base	000's	15,234	15,471	14,628	14,667	13,580
<i>As % of Customer Base</i>	%	38.2%	39.2%	39.0%	39.5%	37.1%
Total MBs on the network	Mn MBs	96,313	80,247	71,108	62,968	54,005
Data Average Revenue Per User (ARPU)	US\$	2.5	2.3	2.1	1.9	1.7
Data Usage per customer	MBs	2,105	1,784	1,626	1,479	1,358
<b>Network and Coverage</b>						
Network towers	Nos	8,924	8,878	8,523	8,368	7,997
<i>Owned towers</i>	Nos	177	261	260	260	259
<i>Leased towers</i>	Nos	8,747	8,617	8,263	8,108	7,738
<i>Of which Mobile Broadband towers</i>	Nos	8,093	7,695	7,115	6,810	6,311
Total Mobile Broadband Base stations	Nos	13,865	13,209	12,223	11,729	10,369
Revenue Per site Per Month	US\$	13,340	12,559	12,315	12,260	12,279

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

### 9.4.3 East Africa - Operational Performance (Uganda, Zambia, Tanzania, Kenya, Malawi and Rwanda)

Parameters	Unit	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
Customer Base	000's	47,366	45,007	43,052	42,858	42,535
Net Additions	000's	2,359	1,955	194	323	1,270
Monthly Churn	%	3.8%	3.8%	4.8%	5.1%	4.7%
Average Revenue Per User (ARPU)	US\$	2.3	2.3	2.2	2.1	2.3
<b>Voice</b>						
Voice Revenue	\$ Mn	161	158	144	143	154
Minutes on the network	Mn	39,177	38,290	32,660	30,202	30,048
Voice Average Revenue Per User (ARPU)	US\$	1.2	1.2	1.1	1.1	1.2
Voice Usage per customer	min	284	290	254	236	241
<b>Data</b>						
Data Revenue	\$ Mn	83	75	71	67	67
Data Customer Base	000's	12,903	12,142	11,219	10,920	10,807
As % of Customer Base	%	27.2%	27.0%	26.1%	25.5%	25.4%
Total MBs on the network	Mn MBs	74,285	66,644	55,875	47,291	41,353
Data Average Revenue Per User (ARPU)	US\$	2.2	2.1	2.1	2.1	2.1
Data Usage per customer	MBs	1,991	1,905	1,671	1,459	1,310
<b>Network and Coverage</b>						
Network towers	Nos	8,838	8,678	8,572	8,449	8,346
Owned towers	Nos	2,475	2,421	2,468	2,401	2,425
Leased towers	Nos	6,363	6,257	6,104	6,048	5,921
Of which Mobile Broadband towers	Nos	7,542	7,386	6,888	6,644	6,487
Total Mobile Broadband Base stations	Nos	20,340	19,564	16,903	15,551	14,234
Revenue Per site Per Month	US\$	12,162	11,809	10,967	10,784	11,321

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

#### 9.4.4 Rest of Africa- Operational Performance (DRC, Gabon, Congo B, Madagascar, Niger, T Chad and Seychelles)

Parameters	Unit	Dec-19	Sep-19	Jun-19	Mar-19	Dec-18
Customer Base	000's	19,919	19,362	19,150	18,872	18,779
Net Additions	000's	557	212	278	93	129
Monthly Churn	%	5.4%	5.8%	5.2%	5.6%	5.5%
Average Revenue Per User (ARPU)	US\$	3.8	3.8	3.7	3.8	4.0
<b>Voice</b>						
Voice Revenue	\$ Mn	136	135	133	142	147
Minutes on the network	Mn	7,097	6,818	6,860	6,786	7,029
Voice Average Revenue Per User (ARPU)	US\$	2.3	2.3	2.3	2.5	2.6
Voice Usage per customer	min	121	118	121	121	126
<b>Data</b>						
Data Revenue	\$ Mn	48	48	44	40	41
Data Customer Base	000's	4,749	4,297	4,154	4,437	4,877
As % of Customer Base	%	23.8%	22.2%	21.7%	23.5%	26.0%
Total MBs on the network	Mn MBs	19,200	15,503	12,320	10,415	9,980
Data Average Revenue Per User (ARPU)	US\$	3.5	3.7	3.4	3.2	3.2
Data Usage per customer	MBs	1,429	1,202	970	815	766
<b>Network and Coverage</b>						
Network towers	Nos	4,491	4,380	4,290	4,242	4,239
Owned towers	Nos	1,802	1,779	1,772	1,761	1,757
Leased towers	Nos	2,689	2,601	2,518	2,481	2,482
Of which Mobile Broadband towers	Nos	3,498	3,193	3,046	2,972	2,936
Total Mobile Broadband Base stations	Nos	8,969	7,414	6,157	5,221	5,047
Revenue Per site Per Month	US\$	16,604	16,936	16,433	16,569	17,356

KPIs in Constant Currency rates. Closing currency rates as on March 1, 2019 considered for constant currency.

## SECTION 10

### KEY ACCOUNTING POLICIES (AS PER IFRS)

- **Property, plant and equipment and capital work-in-progress**

An item is recognized as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE is initially recognized at cost.

The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognizes such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognized from the consolidated statement of financial position and cost of the new item of PPE is recognized.

The expenditures that are incurred after an item of PPE has been ready to use, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Asset Categories	Years
Leasehold improvement	Period of lease or 10-20 years, as applicable, whichever is less
Buildings	20
Plant and equipment - Network equipment (including passive infrastructure)	3-20
Computer equipment	3
Furniture & fixture and office equipment	2-5
Vehicles	3-5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognized from the consolidated statement of financial position and the resulting gains / (losses) are included in the consolidated statement of comprehensive income within other expenses / other income.

PPE in the course of construction is carried at cost, less any accumulated impairment and presented separately as capital work-in-progress in the consolidated statement of financial position until capitalized. Such cost comprises of purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost.

- **Goodwill**

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortized; however it is tested for impairment and carried at cost less any accumulated impairment losses. The gains/ (losses) on the disposal of a cash-generating unit ('CGU') include the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to Group of CGUs; it is determined on the basis of the relative fair value of the operations sold).

- **Other Intangible assets**

Identifiable intangible assets are recognized when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

The intangible assets that are acquired in a business combination are recognized at fair value as on acquisition date. Other intangible assets are recognized at cost. These assets having a definite useful life are carried at cost less accumulated amortization and any impairment losses. Amortization is computed using the straight-line method over the expected useful life of intangible assets.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

- a. **Licenses (including spectrum)**

Acquired licenses and spectrum are amortized commencing from the date when the related network is available for intended use in the relevant jurisdiction. The useful lives range from two to twenty-five years.

In addition, the Group also incurs a fee on licenses/spectrum that is calculated based on the revenue amount of the period. Such revenue-share based fee is recognized as a cost in the consolidated statement of comprehensive income when incurred.

- b. **Software:** Software are amortized over the period of the license, generally not exceeding three years.

- c. **Other acquired intangible assets:** Other acquired intangible assets include the following:

- **Customer relationships:** Over the estimated life of such relationships which ranges from one year to five years.

The useful lives and amortization method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortization method is accounted prospectively, and accordingly,

the amortization is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development includes the amount of spectrum allotted to the Group and related costs (including borrowing costs that are directly attributable to the acquisition or construction of qualifying assets), if any, for which services are yet to be rolled out and are presented separately in the consolidated statement of financial position.

#### • Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in associate is accounted for using equity method; from the date on which the Group starts exercising significant influence over the associate.

At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of investment and its carrying value.

#### • Leases

At inception of a contract, the Group assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset, the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

##### a. Group as a lessee

The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the consolidated statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index ('CPI'), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the Group's incremental borrowing rate.

Subsequently, the lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments including due to changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to

the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain re-measurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying property and equipment.

In the consolidated statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate stand-alone price of the non-lease components.

##### Short-term leases

The Group has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### b. Group as a lessor

Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under a finance lease are recognized as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to the periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group enters into 'Indefeasible right to use' ('IRU') arrangements wherein the right to use the assets is given over the substantial part of the asset life. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Group, such arrangements are recognized as operating lease. The contracted price is recognized as revenue during the tenure of the agreement. Unearned IRU revenue received in advance is presented as deferred revenue within liabilities in the consolidated statement of financial position.

- **Derivative financial instruments**

Derivative financial instruments, including separated embedded derivatives that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognized at fair value. They are subsequently measured at their fair value, with changes in fair value being recognized in profit or loss within finance income / finance costs.

- **Hedging activities**

- i. **Fair value hedge**

Some of the Group's entities use derivative financial instruments (e.g. interest rate / currency swaps) to manage / mitigate their exposure to the risk of change in fair value of the borrowings. The Group designates certain interest swaps to hedge the risk of changes in fair value of recognized borrowings attributable to the hedged interest rate risk. The effective and ineffective portion of changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss within finance income / finance costs, together with any changes in the fair value of the hedged liability that is attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortized to profit or loss over the period to remaining maturity of the hedged item.

- ii. **Cash flow hedge**

Some of the Group's entities use derivative financial instruments (e.g. foreign currency forwards, options, swaps) to manage their exposure to foreign exchange and price risk. Further, the Group designates certain derivative financial instruments (or its components) as hedging instruments for hedging the exchange rate fluctuation risk attributable to either a recognized item or a highly probable forecast transaction ('Cash flow hedge'). The effective portion of changes in the fair value of derivative financial instruments (or its components) that are designated and qualify as cash flow hedges, are recognized in other comprehensive income and held as cash flow hedge reserve ('CFHR') – within other components of equity. Any gains / (losses) relating to the ineffective portion, are recognized immediately in profit or loss within finance income / finance costs. The amounts accumulated in equity are re-classified to the profit and loss in the periods when the hedged item affects profit / (loss).

When a hedging instrument expires or is sold, or when a cash flow hedge no longer meets the criteria for hedge accounting, any cumulative gains / (losses) existing in equity at that time remains in equity and is recognized (on the basis as discussed in the above paragraph) when the forecast transaction is ultimately recognized in the profit and loss. However, at any point of time, when a forecast transaction is no longer expected to occur, the cumulative gains / (losses) that were reported in equity is immediately transferred to the profit and loss within finance income / finance costs.

- iii. **Net investment hedge**

The Group hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognized in other comprehensive income as foreign currency translation reserve ('FCTR') – within other

components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognized in profit or loss. The amounts accumulated in equity are included in the profit and loss when the foreign operation is disposed or partially disposed.

- **Revenue**

Revenue is recognized upon transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange of those products or services, net of any taxes / duties and discounts. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that received from the intermediary. To the extent that the intermediary is considered an agent, the consideration to which the Group is entitled is determined to be the amount received from the customer; the discount provided to the intermediary is recognized as a cost of sale.

The Group has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The stand-alone selling prices are determined based on the prices at which the Group sells equipment and network services separately.

Revenue is recognized when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

- a. **Service revenue**

Service revenue is derived from the provision of telecommunication services and mobile money services to customers. The majority of the customers of the Group subscribe to the services on a pre-paid basis.

Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

A contract liability is recognized for amounts received in advance, until the services are provided or when the usage of services becomes remote.

The Group recognizes revenue from these services as they are provided. Revenue is recognized based on actual units of

telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided.

Subscription charges are recognized over the subscription pack validity period. Customer onboarding revenue and associated cost is recognized upon successful onboarding of customer i.e. upfront.

Revenues recognized in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced / collected from a customer are in excess of revenue recognized, a deferred revenue / advance income is recognized.

Service revenues also includes revenue from interconnection / roaming charges for usage of the Group's network by other operators for voice, data, messaging and signaling services. These are recognized upon transfer of control of services being transferred over time.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognized on provision of services and over the period of respective arrangements.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on transfer of monies from one customer wallet to another. Such commissions are recognized as revenue on provision of these services by the Group.

#### **b. Equipment sales**

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognized when the control of equipment is transferred to the customer i.e. transferred at a point in time.

#### **• Alternative performance measures (APM)- Exceptional items (Non-GAAP Measure)**

Management exercises judgment in determining the adjustments to apply to IFRS measurements in order to derive APMs which provide additional useful information on the underlying trends, performance and position of the Group. This assessment covers the nature of the item being one-off or non-routine, whether the cause of occurrence was within the Group's control or not and the scale of impact of that item on reported performance in accordance with the exceptional items policy.

To monitor the financial performance, the Group uses "Underlying Profit / loss before tax", an APM representing profit or loss before tax for the period excluding the impact of exceptional items. Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items.

#### **• Foreign currency transactions**

##### **a. Functional and presentation currency**

The items included in financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (i.e. 'functional currency').

The financial statements are presented in US Dollar which is the functional and presentation currency of the Group.

##### **b. Transactions and balances**

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates 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 reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognized in the consolidated statement of comprehensive income within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement / settlement, recognized in the profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

##### **c. Foreign operations**

The assets and liabilities of foreign operations (including the goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into US Dollar at the exchange rates prevailing at the reporting date whereas their statements of profit and loss are translated into US Dollar at monthly average exchange rates and the equity is recorded at the historical rate. The resulting exchange differences arising on the translation are recognized in other comprehensive income and held in foreign currency translation reserve ('FCTR'), a component of equity. On disposal of a foreign operation (that is, disposal involving loss of control), the component of other comprehensive income relating to that particular foreign operation is reclassified to profit or loss.

#### **• Income-taxes**

The income tax expense comprises of current and deferred income tax. Income tax is recognized in the profit and loss, except to the extent that it relates to items recognized in the other comprehensive income or directly in equity, in which case the related income tax is also recognized accordingly.

##### **a. Current tax**

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income. The payment made in excess / (shortfall) of the respective Group entities' income tax obligation for the period are recognized in the consolidated statement of financial position under non-current income tax assets / liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognized within finance costs.

The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are

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subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### **b. Deferred tax**

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Further, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Moreover, deferred tax is recognized on temporary differences arising on investments in subsidiaries and associate - unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The unrecognized deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the consolidated statement of financial position, if and only when, (a) the Group currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

#### **• Transactions with non-controlling interests**

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognized in 'transactions with NCI reserve', within equity.

## SECTION 11

### GLOSSARY

#### Technical and Industry Terms

Company Related	
<b>Average Customers</b>	Average customers are derived by computing the average of the monthly average customers for the relevant period.
<b>Average Revenue per user (ARPU)</b>	Average revenue earned per user per month, which is derived by dividing total revenue during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
<b>Capital Expenditure</b>	It is not a GAAP measure and is defined as investment in gross fixed assets (tangible and intangible excluding spectrum/license) and capital work in progress (CWIP) excluding provisions on CWIP for the period.
<b>Capital Employed</b>	It is not a GAAP measure and is defined as sum of shareholder's equity and net debt.
<b>Cash Profit from Operations before Derivative and Exchange Fluctuation</b>	It is not a GAAP measure and is defined as profit from operating activities before depreciation, amortization and exceptional items adjusted for finance cost (net of finance income) before adjusting for derivative and exchange (gain)/ loss.
<b>Churn</b>	The total number of customer disconnections during the relevant period divided by the average customers in the relevant period.
<b>Customer Base</b>	Total number of subscribers that used any of our services (voice calls, SMS, data usage or Mobile Money transaction) in the last 30 days.
<b>Data Customer Base</b>	Total subscribers that consumed at least 1MB on the Group's GPRS, 3G or 4G network in the last 30 days.
<b>Data Usage per Customer</b>	The average data consumption per data subscriber on a monthly basis. It is calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period, and dividing the result by the number of months in the relevant period.
<b>Earnings Per Basic Share</b>	Basic EPS are computed by dividing the profit for the period attributable to the owners of the parent by the weighted average number of shares outstanding during the period.
<b>Earnings Per Diluted Share</b>	<p>The calculation of Net Profit/ (loss) per diluted share adjusts net profit or loss and the weighted average number of ordinary shares outstanding, to give effect to all dilutive potential ordinary shares that were outstanding during the year.</p> <ul style="list-style-type: none"> <li>(i) Deferred shares have not been considered for EPS computation as they do not have right to participate in profits.</li> <li>(ii) The difference between the basic and diluted number of shares at the end of September 2019 being relates to awards committed but not yet issued under the Group's share-based payment schemes.</li> </ul>
<b>EBITDA</b>	It is not a GAAP measure; it is defined as operating profit before depreciation, amortization, CSR cost and exceptional items.
<b>EBITDA Margin</b>	It is not a GAAP measure; It is computed by dividing EBITDA for the relevant period by total revenue for the relevant period.
<b>EBIT</b>	It is not a GAAP measure and is defined as EBITDA adjusted for depreciation and amortization.
<b>Free Cash Flow</b>	Free Cash Flow defined as Operating Free Cash Flow less cash interest, cash tax and change in operating working capital.

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<b>Interest Coverage Ratio</b>	EBITDA for the relevant period divided by interest on borrowing for the relevant period.
<b>Lease Obligation</b>	Lease Obligation represents the present value of the future lease payment obligation.
<b>Mobile Broadband Base stations</b>	It includes all the 3G and 4G Base stations deployed across all technologies/spectrum bands.
<b>Mobile Broadband Towers</b>	It means the total number of network towers (defined below) in which unique number of either 3G or 4G Base stations are deployed, irrespective of their technologies. Total numbers of Mobile Broadband Towers are subset of Total Network Towers.
<b>Minutes of Usage</b>	Total voice minutes used by customers on the Group's network during the relevant period.
<b>Network Towers/Sites</b>	Comprises of Base Transmission System (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio links protocols with the mobile device. It includes all the Ground based, Roof top and In Building Solutions as at the end of the period. Towers as referred to be revenue generating Towers.
<b>Net Debt</b>	It is not a GAAP measure and is defined as the long-term borrowings, short term borrowings and leased liability less cash and cash equivalents.
<b>Net Debt to EBITDA (LTM)</b>	It is not a GAAP measure and is computed by dividing Net Debt as at the end of the relevant period by EBITDA for preceding last 12 months (from the end of the relevant period).
<b>Net Debt to EBITDA (Annualized)</b>	It is not a GAAP measure and is computed by dividing net debt as at the end of the relevant period by EBITDA for the relevant period (annualized).
<b>Net Revenues</b>	It is not a GAAP measure and is defined as total revenues adjusted for access charges and cost of goods sold for the relevant period.
<b>Net profit margin</b>	It is computed by dividing Cash Profit From Operations before Derivative and Exchange Fluctuation by total revenue.
<b>Operating Profit</b>	It is a GAAP measure and is computed as Revenue less operating expenditure including depreciation & amortization and operating exceptional items.
<b>Operating Free Cash flow</b>	It is computed by subtracting Capital Expenditure from EBITDA.
<b>Profit / (Loss) after current tax expense</b>	It is not a GAAP measure and is defined as Profit / (Loss) before taxation adjusted for current tax expense.
<b>Return On Capital Employed (ROCE)</b>	For the full year ended ROCE is computed by dividing the earnings before interest and tax for the period by average (of opening and closing) capital employed. For the quarterly computation, it is computed by dividing the earnings before interest and tax for the preceding (last) 12 months from the end of the relevant period by average capital employed. Average capital employed is calculated by considering average of quarterly average for the preceding (last) four quarters from the end of the relevant period.
<b>Return On Equity attributable to equity holders of parent</b>	For the full year ended it is computed by dividing net profit for the period by the closing Equity attributable to equity holders of parent. For the quarterly computations, it is computed by dividing net profit for the preceding last 12 months from the end of the relevant period by the closing Stockholder's equity for the relevant period.
<b>Revenue per Site per month</b>	Revenue per Site per month is computed by: dividing the total revenues, excluding sale of goods (if any) during the relevant period by the average sites; and dividing the result by the number of months in the relevant period.

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<b>Total Employees</b>	Total on-roll employees as at the end of respective period.
<b>Total MBs on Network</b>	Includes total MBs consumed (uploaded & downloaded) via our network during the relevant period.
<b>Voice Minutes on Network</b>	Includes usage on our network (incoming, outgoing and in-roaming minutes) during the relevant period.
<b>Voice Minutes of Usage per Customer per month</b>	Total voice minutes of usage the Group's network during the relevant period divided by the average number of customers during the same period, divided by the number of months in the relevant period.

#### **Abbreviations**

3G	Third - Generation Technology
4G	Fourth - Generation Technology
LTM	Last twelve months
GAAP	Generally Accepted Accounting Principles
Group	The Airtel Africa plc, together with its subsidiary undertakings referred to as the 'Group'
KYC	Know Your Customer
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
PPE	Property, Plant and equipment
Mn	Million
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EPS	Earnings Per Share
MI	Minority Interest (Non-Controlling Interest)
MB	Megabyte
GB	Gigabyte
ARPU	Average Revenue per user
pp	Percentage points
P2P	Person to Person

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