

Airtel Africa plc

Results for year ended 31 March 2021

12 May 2021

Continued strong revenue growth, increased profitability and cash flow, and continued deleveraging

Highlights

- Reported revenue grew by 14.2% to \$3,908m, with Q4'21 reported revenue growth of 15.4%.
- Constant currency underlying revenue growth was 19.4%, with Q4'21 growth of 21.7%. Growth was recorded across all regions: Nigeria up 21.9%, East Africa up 23.5% and Francophone Africa up 10%; and across key services, with revenues for voice up 11.0%, data up 31.2% and mobile money up 35.5%.
- Underlying EBITDA was \$1,792m, up 18.3% in reported currency, and growing 25.2% in constant currency.
- Underlying EBITDA margin was 46.1%, adding 181 basis points (210 basis points higher in constant currency). Underlying EBITDA margin for Q4'21 was 47.7%, an increase of 389 basis points in constant currency.
- Operating profit increased 24.2% to \$1,119m in reported currency, and by 32.8% in constant currency.
- Free cash flow was \$647m, up 42.8% on the prior year.
- Basic EPS was 9.0 cents, down 12.6%, largely due to prior year exceptional items and a one-off derivative gain. Excluding these, basic restated EPS rose 44.5%. EPS before exceptional items was 8.2 cents.
- Our customer base grew by 6.9% to 118.2 million, with increased penetration across mobile data (customer base up 14.5%) and mobile money services (customer base up 18.5%). The recent slowdown in customer base growth has been due to new SIM registration regulations in Nigeria.
- The Board has recommended a final dividend of 2.5 cents per share, making the total dividend for FY21 4.0 cents per share.

Alternative performance measures ⁴ (Year ended)					GAAP measures (Year ended)			
Description	March-21 \$m	March-20 \$m	Reported currency change %	Constant currency change %	Description	March-21 \$m	March-20 \$m	Reported currency change %
Underlying revenue ¹	3,888	3,422	13.6%	19.4%	Revenue	3,908	3,422	14.2%
Underlying EBITDA	1,792	1,515	18.3%	25.2%	Operating profit	1,119	901	24.2%
Underlying EBITDA margin	46.1%	44.3%	181 bps	210 bps	Profit before tax ²	697	598	16.7%
Free cash flow	647	453	42.8%		Profit after tax ²	415	408	1.8%
EPS before exceptional items (cents)	8.2	7.3	12.8%		Basic EPS (cents)	9.0	10.3	(12.6%)
EPS before exceptional items (cents) - restated ³	8.2	6.9	18.2%		Basic EPS (cents) - restated ³	9.0	9.8	(8.4%)

⁽¹⁾ Underlying revenue excludes one-time exceptional revenue of \$20m relating to a settlement in Niger in the year ended 31 March 2021. ⁽²⁾ PBT and PAT growth lagged operating profit growth largely due to one-off items incurred in the same period in the prior year. Excluding the benefit of exceptional items and a one-off derivative gain in the prior period, PBT and PAT increased by 40.7% and 47% respectively. Please refer to page 4 for explanations of GAAP measure movements. ⁽³⁾ In July 2019, after the announcement of Initial Public Offering (IPO), the company issued 676,406,927 new shares. EPS has been restated to reflect the position if all the shares as of 31 March 2021 been issued on 1 April 2019, for a like-for-like comparison. ⁽⁴⁾ Alternative performance measures (APM) are described on page 49.

Raghunath Mandava, chief executive officer, on the trading update:

"In these challenging times I want to say a huge thank you to all our employees, our business partners, and governments and regulators who have supported us, and in turn facilitated our continued support to the economies and communities we serve.

Our performance has been strong, with reported growth of 13.6% in underlying revenue and 18.3% in underlying EBITDA, and constant currency growth of 19.4% and 25.2% respectively. Contributions to this growth came across all regions, with particular improvement in Francophone Africa, and across all our major services, with mobile money, data and voice each posting double-digit revenue growth.

Our customer base also grew strongly for most of the year with new customer registration requirements in Nigeria stemming our onboarding of new customers in the final quarter, and these restrictions were lifted in second half of April.

In line with our strategy of unlocking value in our mobile money business, we will soon welcome two new minority investors (The Rise Fund and Mastercard) in agreed transactions which value this part of our business at \$2.65bn, as well as bringing \$300m into the Group. We have also agreed to sell more of our tower portfolio, yielding yet more cash for the business.

The Covid pandemic had eased during the course of the year, however, more recently we have seen a surge in cases. So far this has had no adverse impact on the business, though we will continue to monitor the situation closely.

In these times, our purpose of transforming lives has never been more critical. It has always meant more than simply providing mobile and financial services; it is about our drive to create a sustainable future. To that end, this year the leadership team has worked to create our sustainability framework, outlining the role we can play and the focus areas where we can make the biggest difference for each of our business, our people, our community, and our environment. We will report back with our goals later this year and deliver our first sustainability report in 2022.

The combination of bringing connectivity to underpenetrated mobile markets and improving financial inclusion through banking the unbanked, across our territories of operation, together provide us with a sizeable runway of sustainable profitable growth potential, and one we remain very confident of delivering."

About Airtel Africa

Airtel Africa is a leading provider of telecommunications and mobile money services, with a presence in 14 countries in Africa, primarily in East Africa and Central and West Africa.

Airtel Africa offers an integrated suite of telecoms solutions to its subscribers, including mobile voice and data services as well as mobile money services, both nationally and internationally. We aim to continue providing a simple and intuitive customer experience through streamlined customer journeys.

Enquiries

Airtel Africa – Investor Relations

Pier Falcione	+44 7446 858 280
Morten Singleton	+44 7464 830 011
Investor.relations@africa.airtel.com	+44 207 493 9315

Hudson Sandler

Nick Lyon	
Bertie Berger	
airtelafrika@hudsonsandler.com	+44 207 796 4133

Conference call

The management team will host an analyst and investor conference call / webcast at 1:00pm UK time (BST), on Wednesday 12 May 2021, including a Question and Answer session.

To participate in the conference call and webcast, and to ask questions, please register before the event using the following link:

<https://www.diamondpass.net/8501685>

Please note that you will only receive your dial in number and link to the webcast upon registration.

Key financial information

Description	Unit of measure	Year ended				Quarter ended			
		Mar-21	Mar-20	Reported currency change %	Constant currency change %	Mar-21	Mar-20	Reported currency change %	Constant currency change %
Profit and loss summary									
Underlying revenue ¹	\$m	3,888	3,422	13.6%	19.4%	1,038	899	15.4%	21.7%
Voice revenue	\$m	2,083	1,970	5.8%	11.0%	547	510	7.2%	12.8%
Data revenue	\$m	1,157	930	24.3%	31.2%	315	253	24.2%	31.7%
Mobile money revenue ²	\$m	401	311	29.1%	35.5%	110	83	32.7%	38.7%
Other revenue	\$m	347	302	14.9%	20.0%	91	77	18.1%	23.7%
Expenses	\$m	(2,107)	(1,924)	9.5%	14.5%	(544)	(505)	7.7%	12.9%
Underlying EBITDA ³	\$m	1,792	1,515	18.3%	25.2%	495	397	24.7%	32.4%
Underlying EBITDA margin	%	46.1%	44.3%	181 bps	210 bps	47.7%	44.1%	354 bps	389 bps
Depreciation and amortization ⁴	\$m	(681)	(605)	12.5%	17.2%	(176)	(152)	16.0%	21.1%
Operating exceptional items ⁵	\$m	14	(4)	(479.9%)	(399.8%)	1	-	0.0%	0.0%
Operating profit ⁶	\$m	1,119	901	24.2%	32.8%	319	244	30.7%	40.3%
Net finance costs	\$m	(423)	(372)	13.5%		(104)	(147)	(29.5%)	
Non-operating exceptional items	\$m	-	69	(100.0%)		-	-	0.0%	
Profit before tax	\$m	697	598	16.7%		215	97	121.6%	
Tax	\$m	(318)	(237)	34.0%		(82)	(28)	197.3%	
Tax - exceptional items	\$m	36	47	(24.3%)		21	8	179.9%	
Total tax charge ⁷	\$m	(282)	(190)	48.5%		(61)	(20)	204.4%	
Profit after tax ⁸	\$m	415	408	1.8%		154	77	100.0%	
Non-controlling interest	\$m	(76)	(38)	100.8%		(22)	(12)	74.6%	
Profit attributable to owners of the company - before exceptional items	\$m	308	261	18.0%		121	57	111.7%	
Profit attributable to owners of the company	\$m	339	370	(8.4%)		132	65	104.8%	
EPS - before exceptional items	cents	8.2	7.3	12.8%		3.2	1.5	111.8%	
EPS - before exceptional items - restated ⁹	cents	8.2	6.9	18.2%		3.2	1.5	111.7%	
Basic EPS	cents	9.0	10.3	(12.6%)		3.5	1.7	105.0%	
Weighted average no of shares	million	3,758	3,586	4.8%		3,756	3,758	(0.1%)	
Capex	\$m	614	642	(4.3%)		211	246	(14.2%)	
Operating free cash flow	\$m	1,178	873	34.9%		284	151	87.9%	
Free cash flow	\$m	647	453	42.8%		181	65	179.4%	
Net debt	\$m	3,530	3,247			3,530	3,247		
Leverage (net debt to underlying EBITDA)	times	2.0x	2.1x			2.0x	2.1x		
Return on capital employed	%	16.5%	14.0%	2.5%		16.4%	13.7%	2.7%	
Operating KPIs									
ARPU	\$	2.8	2.7	2.4%	7.7%	2.9	2.7	6.6%	12.4%
Total customer base	million	118.2	110.6	6.9%		118.2	110.6	6.9%	
Data customer base	million	40.6	35.4	14.5%		40.6	35.4	14.5%	
Mobile money customer base	million	21.7	18.3	18.5%		21.7	18.3	18.5%	

⁽¹⁾ Underlying revenue includes intra-segment eliminations of \$100m for the year ended 31 March 2021 and \$91m for the prior period. And it excludes one-time exceptional revenue of \$20m relating to a settlement in Niger in year ended 31 March 2021.

⁽²⁾ Mobile money revenue post intra-segment eliminations with mobile services was \$301m for the year ended 31 March 2021 and \$220m for the prior period.

⁽³⁾ Underlying EBITDA includes other income of \$11m for the year ended 31 March 2021 and \$17m for the prior period.

⁽⁴⁾ Depreciation and amortisation increase of \$76m is mainly due to investment in capex and additional spectrum in Nigeria.

⁽⁵⁾ Operating exceptional items in the year ended 31 March 2021 includes exceptional revenue on account of a one-time settlement in Niger amounting to \$20m.

⁽⁶⁾ Operating profit includes \$6m CSR (Corporate Social Responsibility) expense in the year ended 31 March 2021 and \$5m in the prior period.

⁽⁷⁾ Tax charges increased more than the PBT growth mainly due to a forex loss in non-DTA operating & HoldCo entities of \$42m in the year ended 31 March 2021 as compared to a gain of \$21m in the previous year.

⁽⁸⁾ Profit after tax for the year ended 31 March 2021 was largely flat compared with the previous year due to: (i) higher exceptional benefits of \$51m in the prior year (excluding tax exceptional item); (ii) other finance costs in the prior year included a derivative gain of \$47m; and (iii) higher tax in the year ended 31 March 2021 due to increased profits.

⁽⁹⁾ In July 2019, following the announcement of the Initial Public Offering (IPO), the company issued 676,406,927 new shares. EPS has been restated to reflect the position if all the shares as of 31 March 2021 been issued on 1 April 2019, for a like-for-like comparison.

Financial review for the year ended 31 March 2021

These results continue to demonstrate the effective execution of our strategy, delivering strong revenue growth and the significant expansion of our underlying EBITDA margin. As a result, we were able to deliver double-digit underlying revenue growth of 17.6% in mobile services in constant currency (11.9% in reported currency) and 35.5% revenue growth in mobile money services (29.1% in reported currency).

Basic EPS was 9.0 cents, lower than the 10.3 cents from the prior year, largely a result of the lower number of average shares in the previous period (EPS impact of 0.5 cents), an increase in tax charges due to higher operating profits and withholding tax on dividends by subsidiaries, a one-off derivative gain in the prior year amounting to \$47m in other finance costs, and recognition of a one-off gain of \$72m related to the expired indemnity to certain pre-IPO investors which was accounted for as an exceptional item. Non-controlling interest more than doubled largely due to improved profits in several operating companies ("OpCos") with minority shareholdings, including Airtel Tanzania, Airtel Niger and Airtel Malawi. Excluding exceptional items and the one-off \$47m derivative gain, basic restated EPS increased by 44.5%.

GAAP measures

Revenue

Reported revenue grew by 14.2%, driven by 19.4% growth in underlying constant currency revenue, partially offset by currency devaluations, mainly in the Nigerian naira (10%), Zambian kwacha (34%) and Kenyan shilling (5.7%), in turn partially offset by appreciation in the Central African franc (7.1%). Reported revenue benefitted from a one-time exceptional revenue of \$20m relating to a settlement in Niger.

Operating profit

Operating profit was \$1,119m, up 24.2% in reported currency, largely a function of strong revenue growth and lower operating expenditures in proportion to revenue. In constant currency operating profit grew by 32.8%.

Net finance costs

Net finance costs were \$423m, an increase of \$51m, driven by higher other finance costs which more than offset the reduced interest costs of \$8m from lower average gross debt. The increase in other finance costs was due to a one-off derivative gain of \$47m in the previous year.

Taxation

Total tax charges increased \$92m, to \$282m. The increase in tax charges was due to higher operating profits and withholding tax on dividends by subsidiaries. The prior year also benefitted from the recognition of higher deferred tax credit of \$51m in DRC compared with only \$36m in Tanzania during the current year.

Profit after tax

Profit after tax, at \$415m, increased by 1.8%. This was largely flat compared with the previous year a result of the prior period recognition of a one-off gain of \$72m related to the expired indemnity to certain pre-IPO investors and a higher deferred tax credit of \$15m and one-off derivative gain of \$47m in the prior year, as well as higher tax in the current year. Excluding the prior year benefits from exceptional items and the one-off derivative gain, profit after tax increased 47%.

Basic EPS

Basic EPS was 9.0 cents, reduced from 10.3 cents in the prior year, due to the lower number of average shares in the previous period (EPS impact of 0.5 cents), several one-off gains in the prior year: i) derivative gain of \$47m in other finance costs; ii) higher exceptional item benefits of \$51m mainly from the recognition of a one-off gain of \$72m related to the expired indemnity to certain pre-IPO investors; iii) an increase in tax charges due to higher operating profit and withholding tax on dividends by subsidiaries; and iv) higher non-controlling interests due to higher profit contributions in OpCos with minority shareholdings. Excluding exceptional items and the one-off \$47m derivative gain, basic EPS increased 44.5%. The \$38m increase in non-controlling interest (up 100.8%), mainly reflects higher profit contributions from OpCos with minority shareholdings, including Airtel Tanzania, Airtel Niger and Airtel Malawi.

Alternative performance measures¹

Underlying revenue

Underlying revenue growth of 19.4% in constant currency was primarily driven by the combination of 6.9% customer base growth to 118.2 million, and 7.7% ARPU growth. Underlying revenue growth was recorded across all our regions; Nigeria growing by 21.9%, East Africa by 23.5% and Francophone Africa by 10%. Double-digit revenue growth was also achieved across all our service segments, with voice growing 11.0%, data 31.2% and mobile money 35.5%, all in constant currency.

Reported currency revenue growth further accelerated to 15.4% in Q4'21, with constant currency revenue growth of 21.7%.

Underlying EBITDA

Underlying EBITDA, at \$1,792m, increased 18.3% in reported currency while in constant currency underlying EBITDA grew by 25.2%. The growth in underlying EBITDA was driven by underlying revenue growth of 19.4% and improved efficiency in operating expenses. Underlying EBITDA margin was 46.1%, an improvement of 181 basis points in reported currency and 210 basis points in constant currency.

Foreign exchange had an adverse impact of \$171m on revenue and \$86m on underlying EBITDA, reflecting currency devaluations, mainly the Nigerian naira, Zambian kwacha and Kenya shilling, partially offset by appreciation in the Central African franc.

Underlying EBITDA margin in Q4'21 was 47.7%, an improvement of 354 basis points in reported currency and 389 basis points in constant currency.

Tax

The effective tax rate was 43.2% compared to 48.6% in the prior year, largely a result of profit mix changes amongst the OpCos. The effective tax rate is higher than the weighted average statutory corporate tax rate of approximately 33%, largely due to the profit mix between various OpCos and higher withholding tax on dividends by subsidiaries.

The adjusted effective tax rate was 38.2% compared to 38.7% in the previous period.

Exceptional items

An exceptional gain of \$50m in the year ended 31 March 2021 consists of (i) a one-time benefit of \$20m which represents recognition of revenues pertaining to earlier years on a cumulative catch-up basis, arising out of a settlement agreement entered with a customer in one of the Group's subsidiaries (referred to as the Niger telecom settlement) (ii) a deferred tax credit of \$36m in Tanzania, partially offset by (iii) one-off costs of \$6m in one of the Group's subsidiary in Francophone Africa. Exceptional items for the year ended 31 March 2020 mainly consisted of a \$72m gain related to the expired indemnity to certain pre-IPO investors and a deferred tax credit of \$51m in DRC.

Free cash flow

Free cash flow was \$647m, 42.8% higher than last year due to the combination of an increase in underlying EBITDA and slightly lower capex (due to logistical challenges during the Covid-19 pandemic). This benefit was partially offset by an \$81m increase in income tax paid resulting from higher operating profits.

EPS before exceptional items

Restated EPS before exceptional items was 8.2 cents, an increase of 18.2% on last year, with higher profits more than offsetting the increase in other finance costs due to the recognition of a \$47m derivative gain in the prior period, higher non-controlling interest due to higher profit in OpCos with minority shareholdings, and an increase in tax charges due to the higher operating profit and withholding tax on the dividends by subsidiaries. Excluding the one-time derivative gain of \$47m, restated EPS grew by 44.5%. The increase in non-controlling interest by \$38m (100.8%) is due to higher profits in several OpCos with minority shareholdings, including Airtel Tanzania, Airtel Niger and Airtel Malawi.

Leverage

Leverage (net debt to underlying EBITDA) improved to 2.0x (from 2.1x at 31 March 2020) despite investing \$247m of intangible capex to renew licences in two of our largest markets, Nigeria and Uganda, and acquiring additional spectrum across a few of our markets. The increase in underlying EBITDA more than offset the increase in net debt.

¹ Alternative performance measures (APM) are described on page 49.

Covid-19

The Covid-19 pandemic has contributed to a rapid acceleration of already existing macro trends across the countries where we operate, with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion.

These challenging times have shown that the telecoms industry is a key and essential service for these economies, allowing customers to work remotely, reduce their travel, keep connected and have access to affordable entertainment and financial services.

Covid-19 presented significant challenges to the business, particularly during the initial phase of the pandemic when mobile money and services growth slowed. However, the actions taken by the board in Q1 enabled the continued execution of our strategy, including meeting increased customer demand for data, mobile money and mobile services. We say a huge thank you to all our people, who even during lockdowns and in times of national crisis managed to keep our distribution channels available and our networks fully operational despite increased demand. We also pay tribute to our business partners who continued to deliver their services despite numerous logistical challenges, and to the governments and regulators who continued to support the industry and helped facilitate our continued support to the economies of these countries and the communities we serve.

At the beginning of the pandemic, which coincided with the start of our financial year, most governments in the countries where we operate acted swiftly to implement and enforce restrictions on the movement of people to prevent contagion. These swift actions, along with low population density, less frequent travel, and local experience in dealing with contagious diseases, resulted in lower infection rates in sub-Saharan Africa relative to some other regions. The Covid pandemic eased during the course of the year, and with that came some easing of restrictions and improvement of local economies, although many consumers still feel cautious about social and working habits. More recently we have seen a surge in cases. Thus far, this has had no adverse impact on the business, though we will continue to monitor the situation closely.

Around the world the vaccination effort has started, with many governments hinting at a possible significant easing of social distancing rules and travel restrictions this year, though it looks like Africa may lag other economies in attaining full vaccination cover. Despite the resilience demonstrated by our business during the year, we are constantly monitoring how the situation is evolving to identify key risks and put in place adequate mitigation plans to minimise any potential disruptions.

The Group will continue to focus on ensuring the safety of our employees, our outsourced partners and our customers; ensuring that our network and distribution channels remain fully operational and available; ensuring that our customers continue to have access to financial services and ensuring that at Group level we are in the right financial position to meet our financial obligations at all times.

SAFETY: The Covid-19 crisis has led to profound changes in operating environments across our markets and throughout the last year, as a key priority, we continued to reinforce health and safety measures for all our employees, for outsourced partners and for our customers. All our offices continue to offer the option of remote working, or working in shifts and with social distancing practices, depending upon the critical needs of individual functions. Our OpCos still have a large percentage of employees working from home with increased digital access to enable a seamless workflow. All employees continue to be on full pay and, along with their family members, continue to receive full medical insurance cover which includes any diagnostic testing, associated physician visits and vaccination cost related to Covid-19. We have also granted immediate paid medical leave for any employees diagnosed with Covid-19. More recently we launched an employee assistance programme which allows our employees access to free consultations with mental healthcare professionals. The aim of this programme is to help employees achieve mental well-being by ensuring harmony between work and personal life and by providing access to support when employees need to speak to someone.

The outsourced staff in our call centres have all been given the option and equipment to either work from home with strict data security protocols, or if necessary, from the office following strict social distancing practices and regulatory guidelines. Protective equipment and hand sanitisers have also been made available within our shops to keep both our staff and customers safe.

The safety of our customers is paramount to us. We have delivered a range of educational digital campaigns explaining best practices during the Covid-19 outbreak, and the importance of being safe. We have significantly enhanced our self-care mobile app by adding features to enable customers to self-service, removing the need for a visit to a shop or an agent. We have also made a number of educational websites accessible free of charge to give students continuous access to quality education. Our staff across all our OpCos have also generously contributed and sacrificed from their salaries a total of \$362k, which we have matched like-for-like as a company and donated to the respective governments to support the communities where we operate.

NETWORK: for many of our customers our network remains the main source for their social interactions, their work and entertainment. The key business continuity plans we implemented at the start of the pandemic ensured that both active and passive

maintenance services could be safely carried out even when the movement of people was restricted. During an increase in data traffic of more than 74%, and voice traffic of more than 29% our network did not experience any significant disruption.

DISTRIBUTION: ensuring customers retain access to our services remains a key priority for us. When lockdown restrictions were implemented, we increased stock levels of SIM cards and recharge vouchers to ensure continued availability in our shops and enable customers to buy recharges whenever convenient. We have also encouraged customers to use digital methods of recharge, including through Unstructured Supplementary Service Data (USSD), bank portals or our app. In April 2020 we launched the new MyAirtel self-care app in all 14 countries. Using the app, a customer can check airtime or bundles and purchase them using Airtel Money or any credit or debit cards. It also has various Airtel Money features so that customers can send money to Airtel and other operators, pay bills, pay merchants, scan and pay using Airtel's or Mastercard's QR codes and virtual cards, and use Airtel Money and e-recharge to minimise the impact of any possible disruption to our distribution network. We have pushed the e-recharge scheme even further by allowing customers to e-recharge both friends' and loved ones' accounts, for which they also receive benefits in return. As lockdown restrictions have eased, we have been able to expand our distribution, in line with our strategy, and we continued to carry higher stock levels to mitigate the risks that possible future restrictions on the movement of people could have on our stock levels and the ability of customers to access our recharge vouchers.

MOBILE MONEY: during the initial phase of the pandemic, mobile money revenue growth slowed to 26.3% as the business was impacted by social distancing measures and non-essential service closures, reducing customers' ability to deposit and withdraw cash. Additionally, several governments asked mobile money operators to waive fees on certain transactions, including person-to-person and merchant payments. Afterwards, as lockdown restrictions were generally eased and nearly all fees on transactions reinstated, revenue growth for the full year rebounded to 35.5%, reaching 38.7% in Q4, with mobile money contributing over 10.6% of Group revenue in the quarter.

LIQUIDITY and CAPEX: our financial position continued to improve during the year. Free cash flow increased 42.8% during the financial year and underlying EBITDA margin continued to improve by 210 basis points to 46.1%. Our net debt to underlying EBITDA ratio improved to 2.0x, despite investing \$247m of intangible capex to renew licences in two of our largest markets, Nigeria and Uganda, and acquiring additional spectrum across several markets. Our cash balances, in conjunction with more than \$1.1bn of committed undrawn facilities, ensure we can continue to meet our financial obligations. We have \$2.4bn in long-term bonds with the first repayment of \$879m (€750m) due in May 2021 which will be paid through a mix of cash held as well as from the proceeds of a \$500m inaugural multi-bank long-term facility (part of the \$1.1bn undrawn facilities mentioned above) entered into by Airtel Africa plc in April 2021. Post this repayment, only \$1.5bn of long-term bonds will remain outstanding for the Group, with the next major bond repayment of \$505m not due until March 2023. In recent months we have announced several transactions including asset monetisation through tower sales and strategic initiatives to unlock value in our mobile money business, amounting to c\$400m of expected proceeds to be received which will further improve our financial position and continue our deleveraging. Additionally, we have agreed longer payment terms of up to around 12 months with strategic vendors in certain markets to facilitate continued investment in modernising the network, while also increasing liquidity.

We have continued to invest in our network with tangible capex spend for the year of \$614m. This was slightly below our committed spend of between \$650m to \$700m due largely to the impact of import logistics and on-field deployment challenges during the pandemic. Our capex guidance for the next financial year remains in the range of \$650m to \$700m as we continue to invest in our network and distribution.

We have identified several ways to retain cash, reduce costs and mitigate risks from Covid-19. In addition, we have continued to invest in revenue driving expenditures, while reducing discretionary spend.

See pages 27 for our going concern assessment.

FOREIGN EXCHANGE: The global economic slowdown combined with lower oil and commodity prices has resulted in currencies devaluing across our markets, including the Nigerian naira, Kenyan shilling and Zambian kwacha. By far our largest exposure is in Nigeria, which represents 40% of our revenue and 47% of underlying EBITDA. On a 12-month basis, we estimate that a 1% Nigerian naira devaluation will have a negative \$14m impact on revenue, \$8m on underlying EBITDA and \$6m on finance costs.

Other significant updates

Post year end announcement of appointment of new CEO, and other senior executive changes

On 29 April 2021, Airtel Africa announced that Olusegun “Segun” Ogunsanya, managing director and chief executive officer Airtel Nigeria is to succeed Raghunath “Raghu” Mandava, as managing director and chief executive officer following Raghu Mandava’s informing the Board of his intention to retire. Segun Ogunsanya will join the Board of Airtel Africa plc with effect from 1 October 2021.

Segun Ogunsanya joined Airtel Africa in 2012 as managing director and chief executive officer Airtel Nigeria and has been responsible for the overall management of our operations in Nigeria, our largest market in Africa. Segun has more than 25 years’ business management experience in banking, consumer goods and telecoms. Before joining Airtel in 2012, Segun held leadership roles at Coca-Cola in Ghana, Nigeria, and Kenya (as managing director and chief executive officer). He has also been the managing director of Nigerian Bottling Company Ltd (Coca-Cola Hellenic owned) and Group head of retail banking operations at Ecobank Transnational Inc, covering 28 countries in Africa. He is an electronics engineer and also a chartered accountant.

Raghu Mandava will be retiring as managing director and chief executive officer, as a director of Airtel Africa plc and as a member of the Market Disclosure Committee on 30 September 2021. Arrangements have been made to ensure a smooth transition of responsibilities. Following his cessation of employment at Airtel Africa, Mr. Mandava will be available to advise the Chairman, the Airtel Africa Board and the newly appointed managing director and chief executive officer for a 9-month period.

Jaideep Paul, chief financial officer, has been appointed as an executive director and will join the Board of Airtel Africa plc with effect from 1 June 2021.

Strategic investments in our mobile money business by The Rise Fund and Mastercard

In March, Airtel Africa signed agreements with both TPG’s The Rise Fund and Mastercard who will invest \$200m and \$100m respectively into Airtel Mobile Commerce BV (“AMC BV”), a wholly owned subsidiary of Airtel Africa plc. AMC BV is the holding company for several of Airtel Africa’s mobile money operations; and is intended to own and operate the mobile money businesses across all of Airtel Africa’s 14 operating countries.

These transactions value Airtel Africa’s mobile money business at \$2.65 billion on a cash and debt free basis. The Rise Fund and Mastercard will each hold a minority stake in AMC BV upon completion of the transactions, with Airtel Africa continuing to hold the remaining majority stake. The transactions are subject to customary closing conditions including necessary regulatory filings and approvals, as necessary, and the inclusion of specified mobile money business assets and contracts into AMC BV.

Alongside the investment, the Group and Mastercard also signed a new commercial framework agreement and detailed commercial arrangements which will deepen our commercial partnerships across numerous areas including card issuance, payment gateway, payment processing, merchant acceptance and remittance solutions, amongst others.

It is the aim of Airtel Africa to explore the potential listing of the mobile money business within four years. The Group is open to the possibility of further minority investments into Airtel Money, up to a total of 25% of the issued share capital of AMC BV. There can be no certainty that further transactions will be concluded, or as to the final terms of any transactions.

The proceeds from The Rise Fund and Mastercard’s investments in AMC BV will be used to reduce Group debt and invest in network and sales infrastructure in the respective operating countries.

Agreements for tower sales in Madagascar and Malawi and potential tower sales in Chad and Gabon

In early March, the Group signed agreements to sell its telecommunications tower companies in Madagascar and Malawi to Helios Towers plc (“Helios Towers”), a leading independent telecommunications infrastructure company in Africa. The Group’s tower portfolios in these two markets together comprise 1,229 towers which form part of the Group’s wireless telecommunications infrastructure network.

These transactions, comprising two separate agreements, one in respect of each jurisdiction, are subject to customary closing conditions including required regulatory approvals and are not inter-conditional on each other. The transactions are expected to close in or around calendar Q4 2021.

The aggregate gross consideration for the transactions is expected to be approximately \$108m. Under the terms of the transactions, the Group’s subsidiaries will continue to develop, maintain and operate their equipment on the towers under separate lease arrangements, largely made in local currencies, with Helios Towers. In addition, as part of the transactions, the Group has agreed to build to suit commitments with Helios Towers for an additional 195 sites across Madagascar and Malawi over the three years following completion, for which a further \$11m of consideration is payable.

In addition, Airtel Africa has also entered into exclusive Memorandum of Understanding agreements for the potential sale of its tower assets in Chad and Gabon with Helios Towers (“proposed transactions”). These proposed transactions are subject to the signing of definitive legal agreements for sale, including customary closing conditions such as required regulatory approvals. It is envisaged that the proposed transactions will also incorporate lease arrangements with Helios Towers and build to suit commitments

in Chad and Gabon. The proposed transactions are not inter-conditional and are expected to close before the end of our fiscal year 2022.

The Group expects to disclose consideration details for the proposed transactions upon signing of the acquisition agreements in each market. The Group's tower portfolios in the two markets of the proposed transactions together comprise c.1,000 towers which form part of the Group's wireless telecommunications infrastructure network.

These transactions and proposed transactions are the latest strategic divestment of the Group's tower portfolio as it focusses on an asset-light business model and on its core subscriber-facing operations.

The proceeds from the transactions and proposed transactions will be used to reduce Group external debt and to invest in network and sales infrastructure in the respective operating countries.

Dividend

The Board has recommended a final dividend of 2.5 cents per ordinary share. The proposed final dividend will be paid on 23 July 2021 to all ordinary shareholders who are on the register of members at the close of business on 25 June 2021. We paid an interim dividend of 1.5 cents per ordinary share in December 2020.

In October 2020 the Board approved a new progressive dividend policy during the period due to the combination of continued strong business performance, significant opportunities to invest in future growth and the aim to continue to reduce leverage. The newly adopted dividend policy aims to grow the dividend annually by a mid to high single digit percentage from a base of 4 cents per share for FY 2021, until reported leverage (calculated as net debt to underlying EBITDA) falls below 2.0x. At the point when reported leverage (calculated as net debt to underlying EBITDA) is below 2.0x, the Board will reassess the dividend policy in the light of the prevailing growth outlook for the Group.

New SIM registration rules in Nigeria

Following a directive issued by the Nigerian Communications Commission (NCC) on 15 December 2020 to all Nigerian telecom operators, Airtel Nigeria has been working with the government to ensure that all our subscribers provide their valid National Identification Numbers (NINs) to update SIM registration records.

Initially, new customer acquisitions were barred until significant progress had been made on linking the active customer base with verified NINs. Natural churn in the customer base led to a loss of 2.5 million active mobile customers in the final quarter of the year, however the financial impact has been minimal, with continued revenue growth in Nigeria, due largely to the significantly lower ARPU of the churned base and increased usage by the active base. In April, the NCC announced that it would allow new customer enrolment to recommence from certified outlets. Airtel Nigeria has so far received interim approvals for c800 outlets and new customer registrations have recommenced in those outlets accordingly.

The directive set an initial deadline for customers to register their NIN with their SIM of 30 December 2020. This was subsequently moved several times with the latest deadline set for 30 June 2021.

We have made significant progress on capturing existing NINs and building the database in collaboration with National Identity Management Commission (NIMC). To date, out of Airtel Nigeria's 42.0 million active customers, we have collated NIN information for 23.2 million active mobile customers. To complete the registration process, we must also verify the NIN information we have received from our subscribers with the NIMC.

For the still significant proportion of the population, and our customers, that do not have a NIN we have opened enrolment centres in collaboration with the NIMC and we are in the process of rolling out thousands of devices to further NIN enrolment. We continue to work closely with the government to ensure full compliance.

Post year end refinancing

In April 2021, Airtel Africa agreed a new \$500m loan facility with a group of relationship banks.

The new committed facility consists of a combination of a revolving credit facility and term loans with tenor of up to 4 years. The facility will be used to partially refinance the Group's €750m euro denominated bond (\$879m) due 20 May 2021. The balance of the euro denominated bond will be repaid with existing Group cash to reduce gross debt and associated interest costs.

The new loan facility further strengthens the core liquidity of the Group. It also has prepayment flexibilities that will allow the Group to optimise the efficiency of its capital structure with the free cash flows and cash receipts anticipated over the next 12 months following the recent announcements related to tower sales and mobile money minority investments.

This new loan facility establishes a standalone credit score for the Group, requiring no parent guarantees from Bharti Airtel.

Licence renewal in Nigeria

In January 2021, Airtel Networks Limited ("Airtel Nigeria"), announced that its application for renewal of the spectrum licences in the 900MHz and 1800MHz bands had been approved by the Nigerian Communications Commission ("NCC"). Pursuant to Section 43 of the Nigerian Communications Act, 2003 and Condition 20 of the Unified Access Service Licence (UASL), Airtel Nigeria applied to renew the UASL (operations licence) and spectrum licences in the 900MHz and 1800MHz bands which would otherwise expire on 30 November 2021.

Following the application, the NCC offered Airtel Nigeria the opportunity to renew its spectrum licences in the 900MHz and 1800MHz bands for a period of ten years, with effect from 1 December 2021 until 30 November 2031, which Airtel Nigeria accepted. Under the terms of the spectrum licences Airtel Nigeria paid 71.61 billion naira (\$182 million) in respect of the licence renewal fees.

The UASL is still under consideration by the NCC and formal confirmation of renewal is expected before the expiry date of 30 November 2021.

New licence in Uganda

In December, Airtel Uganda Limited (Airtel Uganda) was issued with a National Telecom Operator (NTO) Licence following a period of negotiation and transition to a new licensing regime.

The new licence is with effect from 1 July 2020 and is for a period of 20 years, until 30 June 2040. Airtel Uganda will retain all its current spectrum subject to the law and terms of assignment. The scope of services is the provision of basic telecommunication services, infrastructure services, and value-added telecommunication services. In addition, Airtel Uganda commits to achieving coverage of 90% of the geographical boundary of Uganda within five years of the effective date of the licence, with a minimum obligation of providing voice and data services.

Under the terms of the licence Airtel Uganda has paid \$74.6m for the first ten years of the licence, which includes VAT of \$11.4m. After the first 10 years, Airtel will be invoiced for the licence fee for the remaining 10 years.

Under Article 16 of the NTO, Airtel Uganda is obliged to comply with the sector policy, regulations and guidelines requiring the listing of part of its shares on the Uganda Stock Exchange. The current Uganda Communications (Fees & Fines) (Amendment) Regulations 2020, create a public listing obligation for all NTO licensees, and specifies that 20% be listed within 2 years of the date of the effective date of the licence.

New shareholding requirements in Kenya

On 9 April 2021, the Minister for ICT published an amendment to the National Information Communications and Technology (ICT) Policy Guidelines, 2020 (ICT Policy). The ICT Policy amendment will affect Airtel Africa's Kenya business as follows:

- Airtel Networks Kenya Limited, which currently holds an indefinite exemption from the Minister for ICT, dated 20 March 2013, has 3 years with effect from 9 April 2021 to comply with the requirement to have a 30% local shareholding.
- Airtel Money Kenya Limited, which holds a Content Service Provider Licence from the Communications Authority of Kenya, with effect from November 2020, has 3 years from the date of the licence to comply with the requirement to have a 30% local shareholding.

Under the amended ICT policy, a licensee may apply to the ICT Minister for an extension of time to comply with the requirement, or to obtain an exemption.

New sustainability framework

Our new sustainability framework features in this year's Annual Report. It articulates at the highest level the four pillars of our environmental, social and governance (ESG) strategy, outlining for each of "our business", "our people", "our community" and "our environment" pillars, both the role that we can play, and the focus areas where we can make the biggest difference.

Aligned with our sustainability framework, we have identified the six UN Sustainability Development Goals (SDGs) where we believe we can have the biggest impact. These are delivering Quality Education (SDG 4); Gender Equality (SDG 5); Decent Work and Economic Growth (SDG 8); Industry Innovation & Infrastructure (SDG 9); Reduced Inequalities (SDG 10) and Responsible Consumption & Production (SDG 12).

We have also defined our ESG materiality matrix through in-depth analysis of industry benchmarks and best practice, ESG ratings and reporting frameworks.

We are currently in the process of engaging with representatives of all our stakeholder groups to review our approach and findings.

The full details of our sustainability framework, materiality matrix, and the genuine, meaningful and measurable contribution we can make to our six key SDGs are laid out in this year's Annual Report.

In Q3'22, we will be publishing the measurable medium to long-term goals we set ourselves. Work is underway to identify the programmes and investments needed, along with roll-out plans and key milestones on our journey towards these goals.

We are also committing to report annually on our progress, and in 2022, we will be publishing our first Sustainability Report, which will be prepared in compliance with Global Reporting Initiative and Task Force on Climate-Related Financial Disclosures frameworks.

At Airtel Africa, transforming lives is more than just our purpose, it is our DNA. The sustainability framework we have established, and the detailed plans we will be publishing in October will build upon the strong foundation of work we are already undertaking of an environmental, social and governance nature, not just at Group level, but in each of our local operations.

Directorate change

On 27 October 2020, we announced the appointment of Kelly Bayer Rosmarin as a non-executive director with immediate effect.

Ms. Bayer Rosmarin's appointment was by nomination of the controlling shareholder pursuant to the terms of the relationship agreement dated 17 June 2019 between the Company, Bharti Airtel, Airtel Africa Mauritius Limited, the majority shareholder and an indirect subsidiary of Bharti Airtel, and Bharti Telecom. Ms. Bayer Rosmarin replaced Arthur Lang who stepped down as a non-executive director on the same date.

Ms. Bayer Rosmarin is currently CEO of Singtel Optus and Consumer Australia. She was previously with Commonwealth Bank of Australia, where she held several senior positions and varied portfolios, before being appointed as Group Executive of Institutional Banking and Markets. Ms Bayer Rosmarin is recognised for leveraging technology, data and analytics to develop leading customer services and experience. She was named in the Top 10 Businesswomen in Australia and the Top 25 Women in Asia Pacific Finance and holds a variety of board and advisory responsibilities.

Ms. Bayer Rosmarin has, since February 2019, served as an independent non-executive director on the board of OpenPay, listed on the Australian Securities Exchange, and will continue in that role. Openpay is a payments technology company based in Australia.

Additional spectrum

In June 2020, Airtel Malawi plc was allocated 10 MHz of spectrum in the 2600 band. In October, additional spectrum of 10 MHz in the 2600 band and 5 MHz in the 1800 band was allocated to Airtel Uganda. In December, Airtel Chad received 5 MHz of spectrum in the 900 band and Airtel Zambia received 10 MHz in the 800 band.

Abandonment of merger of Airtel Networks Kenya Limited with Telkom Kenya Limited

In August 2020, Airtel Africa plc announced that its subsidiary Airtel Networks Kenya Limited ("Airtel Kenya") and Telkom Kenya Limited ("Telkom") had decided to no longer pursue completion of an M&A transaction. The transaction was announced in February 2019 and was subject to the satisfaction of various conditions precedent, including regulatory approvals. Despite Airtel Africa plc and Telkom's respective endeavours to reach a successful closure, the transaction had gone through a very lengthy process which led the parties to reconsider their stance.

Partnership with UNICEF

In May 2020, Airtel Africa announced a partnership with UNICEF aimed at providing children with access to remote learning and enabling access to cash assistance for their families via mobile cash transfers. Under this partnership, UNICEF and Airtel Africa will use mobile technology to benefit an estimated 133 million school age children currently affected by school closures in 13 countries across sub-Saharan Africa during the Covid-19 pandemic.

Mobile money

(a) Partnership with remittance leading institutions

Airtel Africa has entered into several strategic partnerships with MoneyGram, Mukuru and WorldRemit. Through these partnerships, more than 21 million Airtel Money customers in 12 countries can transfer and receive funds across the globe directly from and into their mobile money wallets on their phone. Mobile money service alliances with these leading international money transfer or remittance service providers will extensively enhance customer access to the digital world.

(b) Partnership with Standard Chartered Bank

In August 2020, Airtel Africa announced a strategic partnership with Standard Chartered Bank, a leading international banking group, to drive financial inclusion across key markets in Africa by providing customers with increased access to mobile financial services. Standard Chartered and Airtel Africa work together to co-create new, innovative products aimed at enhancing the accessibility of financial services and ultimately, better serve people across Africa. In line with this, Airtel Money's customers will be able to make real-time online deposits and withdrawals from Standard Chartered bank accounts, receive international money transfers directly to their wallets, and access savings products amongst other services.

(c) Partnerships with Mastercard, Samsung and Asante

In September 2020, Airtel Africa announced an expansion of its partnership with Mastercard by launching a Pay-on-Demand payments platform to drive the digital economy across Africa. This Pay-on-Demand platform enables safe, secure, and convenient consumer financing, provided by Asante, on Samsung devices with an embedded Knox security platform, through Airtel Africa's mobile network. The partnership facilitates usage-based payments and builds creditworthiness.

These partnerships align with the Group's strategy of expanding the range and depth of Airtel Money offerings to drive customer growth and penetration.

Information on additional KPIs

An investor relations pack with information on the additional KPIs and balance sheet is available to download on our website at airtel.africa/investors.

Strategic overview

The Group provides telecoms and mobile money services in 14 emerging markets of sub-Saharan Africa. Our markets are characterised by huge geographies with relatively sparse populations, high population growth rates, high proportions of youth in the population, low smartphone penetration, low data penetration and relatively unbanked populations. Unique mobile user penetration across the Group's footprint was only 46%, and banking penetration was under 50%. These indicators illustrate the significant opportunity still available to Airtel Africa to enhance both digital and financial inclusion in the communities we serve, enriching their lives at the same time as growing our revenues, profitably, across each of our key services of voice, data and mobile money.

The Group continued to invest in its network and distribution infrastructure to enhance both mobile and connectivity and financial inclusion across our countries of operation. In particular, we continued to invest in expanding our 4G network footprint to increase data capacity in our networks to support future business growth, as well as deploying new sites, especially in rural areas, to enhance coverage and connectivity.

Our 'Win with' strategy describes the six strategic pillars through which we actively work to achieve this. Cutting across these pillars are our commitment to transforming lives, driving sustainable development and acting as a responsible business. We continued to make good progress across each of our core strategic pillars: Win with network, Win with customers, Win with data, Win with mobile money, Win with cost and Win with people.

Win with network

The Group's strategy is to invest in our network by expanding 4G coverage and building capacity to cater for the future needs of our customers and to continue providing them with high-speed data. The expansion of the 4G network across our footprint and connecting rural areas through deployment of new sites continued to be our key focus areas. Our investment in the 4G network through single RAN technology has resulted in both expansion of our 4G coverage and enhanced network's capacity. 76.5% of our total sites are now on 4G, compared to 64.7% in the previous period. We aim to build a leading, modernised network that can provide the data capacity to meet rapidly growing demand, and enhanced connectivity and digitalisation needs of our markets. Our network data capacity increased by 59.4% in the year, reaching 12,000+ TB per day, with additional capacity being added at only very marginal cost. We continued to modernise our network across all our countries of operation, with 89% of our sites on Single RAN.

The Group added over 11,500km of additional fibre, with total fibre now over 54,500km. Furthermore, we have increased the total number of sites connected to fibre (increased by 15.6%) enhancing our network uptime metrics and delivering high-speed data to more of our customers.

The Group also added additional spectrum in a few of our markets. We have added 10 MHz in the 2600 band in Malawi, 10 MHz in the 2600 band and 5 MHz in the 1800 band in Uganda, 5 MHz in the 900 band in Chad and 10 MHz in the 800 band in Zambia. These allocations will help us to maximise network capacity and coverage.

Capital expenditure related to investment activities during the period was \$614m, excluding spectrum acquisitions and licence renewal.

Win with customers

Sub-Saharan Africa is characterised by low penetrated markets, with unique subscriber penetration at 46%. The Group continued to build a unique mix of multi-brand and exclusive franchise channels, combined with a simplified and enhanced self-service app to provide a seamless customer onboarding experience. These have enabled us to add customers, resulting in customer base growth of 6.9% for the year. This has also helped us to grow voice revenue by 11.0% in constant currency.

The Group continued its investment in strengthening our distribution network infrastructure, with a focus on rural distribution networks. During the period, the Group expanded its exclusive franchise stores, adding more than 15,400 kiosks and mini-shops as exclusive franchise stores across our footprint.

We are driving loyalty and consumption through our smart product approach and tailored pricing. We provide simple, transparent offerings, 'more for more' bundles offering lower unit prices with longer validity and segmented offers based on balance, usage and type of devices.

The launch of our digital onboarding app has helped us to enhance customer experience; allowing customers to use our services within just a few minutes of the sale of a SIM card. The digital app captures all regulatory requirements, delivering a mostly paperless

activation process. Further, the MyAirtel self-care app and our interactive and dynamic IVR (interactive voice response) have further improved customer experience by facilitating both speedier query resolution and digital recharge capabilities.

The Group continues to focus on increasing the adoption of 'more for more' bundles to enhance both usage and ARPU. The Group's smart offerings and attractive pricing proposition led to 16.4% higher usage per customer, contributing to a voice revenue increase of 11.0%.

Win with data

The Group continued to invest in the expansion of our 4G network, adding significant data capacity to the network at only marginal cost, expanding both home broadband and enterprise business services to greater leverage the 4G network; growing data ARPU and data revenue. We continue to focus on increasing smartphone ownership and increasing data usage at scale, largely via smartphone offerings through OEM (Original Equipment Manufacturer) device partnerships, and through expanding our network of smartphone device selling outlets.

Our improved 4G network contributed to an increase in smartphone penetration, in data customers and in up-take of large data volumes, resulting in greater data consumption per customer. Smartphone penetration was up by 1 percentage points to 33% and our data customer base grew by 14.5%, now representing 34.3% of our total customer base.

Data usage per customer reached 2.6 GB per customer (from 1.8 GB per customer) led by an increase in smartphone penetration and expansion of our home broadband and enterprise customers. This helped us grow data revenue 31.2% in constant currency. Growing penetration and usage of 3G and 4G data customers helped us grow data ARPU 8.2%. 4G data usage more than doubled in the year, contributing 62.2% of total data usage on the network in Q4'21.

Win with mobile money

The Group has continued to drive financial inclusion across its footprint. The low penetration of traditional banking services across our footprint leaves a large footprint of unbanked customers whose needs can be largely fulfilled through mobile money services. We aim to drive the uptake of Airtel Money services in all our markets, harnessing the ability of our profitable mobile money business model to enhance financial inclusion in some of the most 'unbanked' populations in the world.

The Group continued to expand the exclusive distribution network of kiosks, mini-shops and Airtel Money branches, so that customers can access their cash with relative ease. We have increased the number of mobile money agents by 30.7%, kiosks by 68.8% and mobile money branches by 95%. Throughout the year, the expansion of our mobile money product portfolio, both through partnerships with leading financial institutions and through expansion of our merchant ecosystem, have further strengthened our mobile money propositions.

Our distribution expansion and enhanced offerings helped drive 18.5% growth in our mobile money customer base. Our mobile money business now serves over 21.7 million customers, representing 18.3% of our total customer base.

Mobile money continues to be one of our fastest growing service segments, delivering revenue growth of 35.5% for the year. It is an increasingly important part of our business, delivering \$51bn of annualised (Q4'21) transaction value and accounting for 10.6% of total revenue in Q4'21.

Mobile money ARPU increased by 6.6% over the year, driven by increased transaction values and higher contributions from merchant payments, cash transactions, P2P transfers and mobile services recharges through Airtel Money.

Win with cost

Our operating cost model is focused on enhancing cost efficiency and digitalisation initiatives. We embrace robust cost discipline and continuously seek to improve processes to deliver one of the highest underlying EBITDA margins in the industry. We use the latest technology to optimally design our network to improve the efficiency of our capital expenditure; enabling us to build large incremental capacities at lower marginal cost.

As we continued to expand our business, various cost efficiency initiatives were undertaken during the year, relating mainly to: (i) energy and loading cost savings, as we benefit from single RAN network modernisation; (ii) incremental sites at a lower rate; (iii) remodelling of managed services; and (iv) leased line capacity optimisation and implementation of dynamic and contextual IVR. In addition to these initiatives, we reduced travel and facility expenses during the year due largely to Covid-related restrictions on movements and working from home initiatives.

This has contributed to an expansion of our underlying EBITDA margin by 181 basis points in reported currency and 210 basis points in constant currency. Our underlying EBITDA margin was 46.1% for the year, and operating expenditure as a percentage of revenue improved by 2.0 percentage points.

Win with people

Our people continue to be at the centre of everything we do with employees based in 17 countries and a workforce representing 34 nationalities. We share a passion for the way we do business and the lives we transform. Together, we are growing and continue to make a positive impact on the communities and nations we serve.

Our talented and diverse people have continued to demonstrate incredible dedication, resilience and adaptability to deliver business results, despite the challenges faced. More importantly, we worked collaboratively to build and connect our teams.

Gender diversity and inclusion remain a key focus area and we are continuously striving to make further progress on this.

We continue to invest in opportunities for learning and development of our people across all our operations. This was accelerated through the launch of several digital platforms. Building strong functional expertise and capability is a key driver of our performance.

Keeping our people connected and engaged was facilitated through a series of town halls, upward feedback sessions, the annual strategic and award conclave, employee engagement surveys and one-on-ones with senior management.

The Group reward system is based on simple and consistent metrics that drive a high-performance culture. We align our people performance metrics to our business priorities.

Our benefits continue to be aligned with best market practices and include fully paid medical insurance and an employee assistance program which allows our people free consultation to wellbeing and healthcare professionals.

We continue to make strides to be an employer of choice with a diverse and inclusive work environment.

Financial review for the year, ended 31 March 2021

Nigeria

Description	Unit of measure	Year ended				Quarter ended			
		March-21	March-20	Reported currency change %	Constant currency change %	March-21	March-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Revenue	\$m	1,552	1,373	13.1%	21.9%	422	377	12.0%	22.9%
Voice revenue ¹	\$m	897	850	5.6%	13.9%	240	234	2.9%	12.9%
Data revenue	\$m	549	435	26.3%	36.2%	152	120	26.4%	38.8%
Other revenue ¹	\$m	106	88	20.2%	29.7%	30	23	29.0%	41.7%
Underlying EBITDA	\$m	839	744	12.8%	21.6%	232	209	10.6%	21.5%
Underlying EBITDA margin	%	54.1%	54.2%	(15) bps	(14) bps	54.8%	55.5%	(68) bps	(65) bps
Depreciation and amortisation	\$m	(236)	(183)	28.9%	38.9%	(60)	(47)	26.8%	41.0%
Exceptional item	\$m	-	5	(100.0%)	(100.0%)	-	-	0.0%	0.0%
Operating profit ²	\$m	602	565	6.5%	14.9%	172	162	6.0%	15.9%
Capex	\$m	275	325	(15.3%)	(15.3%)	97	145	(33.4%)	(33.4%)
Operating free cash flow	\$m	564	419	34.6%	53.6%	135	64	110.9%	170.6%
Operating KPIs									
ARPU	\$	3.0	2.9	2.2%	10.2%	3.3	3.1	6.6%	17.0%
Total customer base	million	42.0	41.8	0.5%		42.0	41.8	0.5%	
Data customer base	million	17.7	16.7	5.6%		17.7	16.7	5.6%	

⁽¹⁾ Voice revenue and other revenue includes inter-segment revenue of \$1m and \$2m respectively in the year ended 31 March 2021. Excluding inter-segment, voice revenue was \$896m and other revenue was \$104m in the year ended 31 March 2021.

⁽²⁾ The operating profit in above table includes a CSR (Corporate social responsibility) expense of \$0.7m in the year ended 31 March 2021 and \$1m in the year ended 31 March 2020.

Revenue grew by 13.1% in reported currency, with constant currency growth of 21.9% offset by Nigerian naira devaluation of 10% (YoY). Reported currency revenue grew by 12.0% in Q4'21, and 22.9% in constant currency.

Voice revenue grew by 13.9% in the year. This was driven by customer base growth of 0.5%, and voice ARPU growth of 2.9%, supported by an increase in voice usage per customer, up 12.4%. The customer base growth was supported by continued expansion of our distribution network and network infrastructure, with a slowdown in customer base growth in the second half of the year attributable to new "Know-Your-Customer" (KYC) requirements in Nigeria. In Q4'21, voice revenue grew by 12.9% in constant currency, mainly driven by voice ARPU growth of 7.5%, largely due to increased voice usage per customer.

Data revenue continues to be the key driver of Nigeria revenue growth, with constant currency revenue growth of 36.2%. This was driven by 5.6% growth in the number of data customers, and 15.3% growth in data ARPU. The data customer base growth was supported by expansion of our 4G network, with 84% of total sites now on 4G. Data customer penetration increased to 42.1%, up 2 percentage points from the prior year. Data ARPU increased 15.3% from increased data usage per customer, which was up 47.4% in the year from 1.9 GB per month to 2.8 GB per month. Q4'21 data usage was 3.2 GB per customer. Data revenue accounted for 35.4% of total revenue in the year, up 3.7 percentage points from 31.7% in the prior year.

Other revenue grew by 29.7%, with the main contribution coming from growth in VAS revenue, led by airtime credit services.

Underlying EBITDA grew by 12.8% to \$839m in reported currency, with a constant currency growth of 21.6%. At 54.1%, the underlying EBITDA margin was broadly in line with the prior year. The slight decline year on year in the Q4 underlying EBITDA margin to 54.8% (from 55.5%) was due to increased operating expenses, largely from the rollout of new sites (over 1,400 added in the year).

Capital expenditure was \$275m, marginally lower than the prior year, largely due to logistical challenges faced during the pandemic. Operating free cash flow was \$564m, up 53.6%, from the combination of underlying EBITDA growth and capex reduction.

Description	Unit of measure	Year ended				Quarter ended			
		March-21	March-20	Reported currency change %	Constant currency change %	March-21	March-20	Reported currency change %	Constant currency change %
Summarised statement of operations									
Revenue ²	\$m	1,381	1,201	15.0%	23.5%	358	310	15.4%	23.9%
Voice revenue ³	\$m	650	606	7.4%	15.4%	164	153	7.6%	15.5%
Data revenue	\$m	354	307	15.4%	23.9%	92	82	12.2%	20.5%
Mobile money revenue ⁴	\$m	291	213	36.1%	47.2%	79	58	36.4%	47.8%
Other revenue ³	\$m	150	131	14.2%	20.8%	38	32	18.1%	24.7%
Underlying EBITDA	\$m	631	485	30.0%	40.2%	168	125	34.4%	44.0%
Underlying EBITDA margin	%	45.7%	40.4%	529 bps	541 bps	47.0%	40.3%	665 bps	653 bps
Depreciation and amortisation	\$m	(221)	(229)	(3.7%)	2.5%	(57)	(55)	2.3%	8.9%
Exceptional item	\$m	-	10	(100.0%)	(100.0%)	-	-	0.0%	0.0%
Operating profit ⁵	\$m	408	266	53.7%	67.8%	111	70	59.8%	72.3%
Capex	\$m	249	181	37.5%	37.5%	81	61	33.9%	33.9%
Operating free cash flow	\$m	382	304	25.6%	42.0%	87	64	34.8%	54.3%
Operating KPIs									
ARPU	\$	2.3	2.2	2.5%	10.0%	2.3	2.2	5.2%	13.0%
Total customer base	million	53.1	48.6	9.2%		53.1	48.6	9.2%	
Data customer base	million	16.2	13.3	21.5%		16.2	13.3	21.5%	
Mobile money customer base	million	18.0	15.5	16.4%		18.0	15.5	16.4%	

⁽¹⁾ The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

⁽²⁾ Revenue includes intra-segment eliminations of \$64m for the year ended 31 March 2021 and \$56m for the year ended 31 March 2020.

⁽³⁾ Voice revenue and other revenue includes inter-segment revenue of \$1m and \$3m respectively in the year ended 31 March 2021. Excluding inter-segment, voice revenue was \$649m and other revenue was \$147m in the year ended 31 March 2021.

⁽⁴⁾ Mobile money revenue post intra-segment eliminations with mobile services was \$227m for the year ended 31 March 2021 and \$157m for the prior year.

⁽⁵⁾ Operating profit includes a CSR (Corporate social responsibility) expense of \$1.7m in the year ended 31 March 2021.

East Africa delivered a strong business performance with revenue growth of 15.0% in reported currency and 23.5% in constant currency. The growth in revenue was evident across all key business segments; with voice up 15.4%, data up 23.9% and mobile money growing 47.2% in constant currency. Constant currency revenue growth of 23.5% was partially offset by currency devaluation, mainly in Zambia and Kenya. Reported currency revenue grew by 15.4% in Q4'21, and 23.9% in constant currency.

Voice revenue grew by 15.4% for the year, driven by customer base growth of 9.2% and voice ARPU growth of 2.9%. Customer base growth was driven largely by the expansion of our distribution network, with the number of activating outlets up 15.5%. Voice ARPU growth was driven largely by the increase in voice usage per customer of 18.3%, to 330 minutes per customer per month. In Q4'21, voice revenue grew by 15.5% in constant currency, mainly driven by the customer base growth of 9.2% and ARPU growth of 5.3%.

Data revenue grew by 23.9%, driven by data customer base growth of 21.5% and data ARPU growth of 1.1%. Growth was recorded across all OpCos in the region, driven by expansion of our 4G network infrastructure, with 76% of sites now on 4G in East Africa, compared with 66% during the prior year. Total data usage on the network grew by 70.7%, led by the 39.3% increase in data usage per customer per month to 2.7 GB per customer from 1.9 GB in the prior year, and from the data customer base growth detailed above.

During the period "pay-as-you-go" (PAYG) tariffs in certain markets were revised and this resulted in change of revenue allocation of bundled products between voice and data in these tariffs. On a like-for-like basis, voice and data revenue growth was 11% and 32.6% respectively.

Mobile money revenue grew by 47.2%, largely driven by growth in Tanzania, Zambia, Uganda and Malawi. Revenue growth was driven by 16.4% growth in the customer base and 28.6% growth in the transaction value per customer, thanks largely to the expansion of our distribution network. The increase in transaction value per customer was the main contributor to mobile money ARPU growth of 16.0%. Consistent with the year, Q4 posted mobile money revenue growth of 47.8% in constant currency.

Underlying EBITDA margin was 45.7%, an improvement of 529 basis points in reported currency and 541 basis points in constant currency, led by both accelerated growth in revenue and efficiency improvement in operating expenses.

Capital expenditure was \$249m, up 37.5% due to planned network expansion. Operating free cash flow was \$382m, up 42%, largely due to the growth in underlying EBITDA.

Francophone Africa¹

Description	Unit of measure	Year ended				Quarter ended			
		March-21	March-20	Reported currency change %	Constant currency change %	March-21	March-20	Reported currency change %	Constant currency change %
<u>Summarised statement of operations</u>									
Underlying revenue ²	\$m	964	859	12.3%	10.0%	260	215	20.9%	15.9%
Voice revenue ³	\$m	541	525	2.9%	0.5%	143	127	12.4%	7.3%
Data revenue	\$m	254	189	34.4%	31.9%	70	51	38.6%	33.0%
Mobile money revenue ⁴	\$m	110	93	18.1%	15.0%	31	25	24.1%	18.2%
Other revenue ³	\$m	96	86	11.5%	11.0%	25	22	14.8%	12.6%
Underlying EBITDA	\$m	364	292	24.6%	21.7%	110	70	55.7%	49.1%
Underlying EBITDA margin	%	37.7%	34.0%	372 bps	363 bps	42.1%	32.7%	942 bps	935 bps
Depreciation and amortisation	\$m	(207)	(189)	9.7%	7.7%	(52)	(47)	11.7%	8.1%
Exceptional item ⁵	\$m	14	(12)	(217.8%)	(209.6%)	1	-	0.0%	0.0%
Operating profit ⁶	\$m	170	91	86.7%	80.5%	59	23	149.6%	131.6%
Capex	\$m	88	133	(33.9%)	(33.9%)	32	40	(19.3%)	(19.3%)
Operating free cash flow	\$m	276	159	73.2%	68.2%	78	30	154.3%	136.7%
<u>Operating KPIs</u>									
ARPU	\$	3.8	3.7	3.6%	1.5%	3.9	3.6	8.6%	4.1%
Total customer base	million	23.1	20.2	14.5%		23.1	20.2	14.5%	
Data customer base	million	6.7	5.4	24.6%		6.7	5.4	24.6%	
Mobile money customer base	million	3.6	2.8	30.6%		3.6	2.8	30.6%	

⁽¹⁾ The Francophone Africa business region includes Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and The Seychelles.

⁽²⁾ Underlying revenue includes intra-segment eliminations of \$36m for the year ended 31 March 2021 and \$34m for the year ended 31 March 2020. It also excludes a one-time exceptional revenue of \$20m relating to a settlement in Niger in the year ended 31 March 2021.

⁽³⁾ Voice revenue includes inter-segment revenue of \$3m, excluding inter-segment the voice revenue was \$538m in the year ended 31 March 2021. Voice revenue represents underlying revenue excluding the impact of a settlement in Niger (\$20m).

⁽⁴⁾ Mobile money revenue post intra-segment eliminations with mobile services was \$74m in the year ended 31 March 2021 and \$59m in the year ended 31 March 2020.

⁽⁵⁾ Operating exceptional items in the year ended 31 March 2021 includes exceptional revenue from a one-time settlement in Niger amounting to \$20m.

⁽⁶⁾ Operating profit includes a CSR (Corporate Social Responsibility) expense of \$1.1m in the year ended 31 March 2021.

Our performance in Francophone Africa improved through the year, with reported underlying revenue growth of 12.3% and constant currency growth of 10%. The growth in reported currency is higher than in constant currency due to appreciation of the Central African franc. Performance across the region was mixed, with revenue growth in Chad, Democratic Republic of the Congo (DRC), Gabon and Niger partially offset by marginal decline in other countries in the region. In Q4, revenue growth was significantly higher, at 20.9% in reported currency and 15.9% in constant currency.

Voice revenue growth was broadly flat at 0.5%. This marginal underlying growth reflects 14.5% growth in the customer base (largely coming later in the year) balanced with a decline in voice ARPU due to a reduction in roaming revenue and interconnect rates. Q4'21 reflected an improvement in voice revenues of 7.3%, driven by customer base growth of 14.5% offset by a slight decline in voice ARPU of 3.6%, mainly due to reductions in roaming revenue and interconnect rates in Gabon and Chad. Q4'21 total voice minutes on the network grew by 27.0% due to increased voice usage per customer (up 14.1%) and customer base growth.

Data revenue grew by 31.9% driven by customer growth of 24.6% and data ARPU growth of 2.8%. Data usage per customer increased 51.7% to 1.9 GB per month, from 1.3 GB per customer per month in the prior year. The data customer base growth was driven largely by the expansion of our 4G network, with 60% of total sites now on 4G, and the success of our "more for more" bundle offerings, driving data uptake by customers.

Mobile money revenue grew by 15.0% largely driven by a 30.6% increase in the mobile money customer base, supported by the expansion of our distribution network through more agents (up 29.6%) and Airtel Money branches (up 91.5%).

Underlying EBITDA margin was 37.7% during the period, an improvement of 363 basis points in constant currency. The Q4'21 underlying EBITDA margin of 42.1%, reflects an improvement of 9.4 percentage points in constant currency, driven by revenue growth and increased efficiency in operating expenses.

Capital expenditure was \$88m, lower for the year, mainly due to a significant network modernisation project last year. Operating free cash flow was \$276m, up 68.2% year on year, due to the improvement in underlying EBITDA and lower capital expenditure.

Mobile services

Description	Unit of measure	Year ended				Quarter ended			
		March-21	March-20	Reported currency change %	Constant currency change %	March-21	March-20	Reported currency change %	Constant currency change %
<u>Summarised statement of operations</u>									
Underlying revenue ¹	\$m	3,592	3,210	11.9%	17.6%	955	844	13.1%	19.3%
Underlying EBITDA	\$m	1,639	1,372	19.5%	26.5%	456	366	24.7%	32.5%
Underlying EBITDA margin	%	45.6%	42.7%	289 bps	323 bps	47.7%	43.3%	442 bps	477 bps
Depreciation and amortisation	\$m	(654)	(595)	10.0%	14.6%	(165)	(146)	13.3%	18.1%
Operating exceptional items	\$m	14	3	307%	508.4%	1	-	0.0%	0.0%
Operating profit ²	\$m	995	780	27.6%	37.0%	291	220	32.6%	42.5%
Capex	\$m	580	626	(7.4%)	(7.4%)	185	240	(22.9%)	(22.9%)
Operating free cash flow	\$m	1,059	746	42.0%	57.9%	271	126	115.5%	152.2%
<u>Operating KPIs</u>									
Mobile voice									
Voice revenue ³	\$m	2,083	1,970	5.8%	11.0%	547	510	7.2%	12.8%
Customer base	million	118.2	110.6	6.9%		118.2	110.6	6.9%	
Voice ARPU	\$	1.5	1.6	(4.6%)	0.1%	1.5	1.6	(1.0%)	4.2%
Mobile data									
Data revenue	\$m	1,157	930	24.3%	31.2%	315	253	24.2%	31.7%
Data customer base	million	40.6	35.4	14.5%		40.6	35.4	14.5%	
Data ARPU	\$	2.5	2.4	2.5%	8.2%	2.6	2.5	5.5%	11.8%

⁽¹⁾ Mobile service underlying revenue after intersegment eliminations amounted to \$3,587m in the year ended 31 March 2021 and \$3,207m in the year ended 31 March 2020. It also excludes a one-time exceptional revenue of \$20m relating to a settlement in Niger in the year ended 31 March 2021.

⁽²⁾ Operating profit includes a CSR (Corporate Social Responsibility) expense of \$3.5m in the year ended 31 March 2021 and \$1m in the year ended 31 March 2020.

⁽³⁾ Voice revenue represents underlying revenue excluding the impact of a settlement in Niger (\$20m).

Underlying revenue for mobile services grew by 11.9% in reported currency and by 17.6% in constant currency, with both voice and data revenue contributing to the growth.

Voice revenue increased 11.0% in constant currency, driven by customer base growth of 6.9% driven by expansion of the distribution network and network infrastructure. The slight slowdown in customer base growth was due to new KYC regulations in Nigeria, excluding Nigeria the customer base grew by 10.7%. Voice usage per customer increased 16.4% to 234 minutes per customer, resulting in overall minutes growth of 29.1%. Voice revenue in Q4'21 grew by 12.8% with an improved performance across all regions.

Data revenue grew by 31.2% in constant currency, largely driven by an increase in the data customer base and data usage growth. The data customer base grew by 14.5%, driven by expansion of our 4G network infrastructure, with 76.5% of sites now operating on 4G, compared with 64.7% in the prior year, and increased smartphone penetration up 1 percentage points. The data customer base as a proportion of total customers reached 34.3%, an increase of 2.3 percentage points. Total data usage on our network grew by 74.8%, led by an increase in data usage per customer and the growth of the data customer base. Data usage per customer per month was 2.6 GB, up 44.2% year on year, largely driven by our 4G network expansion and increasingly popular data bundle offerings. Growing penetration on our 4G network helped drive up data ARPU growth to 8.2%, with 4G data usage more than doubling and contributing 62.2% to total data usage on the network in Q4'21.

Data revenue contribution reached 29.8% of total Group revenue, up from 27.2% in the prior year.

Mobile money

Description	Unit of measure	Year ended				Quarter ended			
		March-21	March-20	Reported currency change %	Constant currency change %	March-21	March-20	Reported currency change %	Constant currency change %
<u>Summarised statement of operations</u>									
Revenue ¹	\$m	401	311	29.1%	35.5%	110	83	32.7%	38.7%
Underlying EBITDA	\$m	195	150	30.5%	36.2%	54	39	36.5%	42.1%
Underlying EBITDA margin	%	48.7%	48.2%	52 bps	27 bps	48.7%	47.3%	138 bps	117 bps
Depreciation and amortisation	\$m	(10)	(7)	48.2%	54.0%	(4)	(3)	34.6%	40.4%
Operating profit	\$m	185	143	29.6%	35.3%	50	36	36.7%	42.3%
Capex	\$m	32	12	165.8%	165.8%	25	5	357.7%	357.7%
Operating free cash flow	\$m	163	138	18.7%	24.9%	29	34	(15.1%)	(10.2%)
<u>Operating KPIs</u>									
Mobile money key KPIs									
Transaction value	\$m	46,009	31,598	45.6%	53.6%	12,538	8,266	51.7%	59.2%
Active customers	million	21.7	18.3	18.5%		21.7	18.3	18.5%	
Mobile money ARPU	\$	1.7	1.6	1.6%	6.6%	1.7	1.6	6.0%	10.8%

⁽¹⁾ Mobile money service revenue post inter-segment eliminations with mobile services was \$301m in the year ended 31 March 2021 and \$220m in the year ended 31 March 2020.

Mobile money revenue grew by 35.5% to \$401m driven by 18.5% growth of the customer base and transaction value growth of 53.6%. Customer base growth was largely driven by expansion of our distribution network, as we continued to invest in exclusive kiosks and mobile money branches. Throughout the year, the expansion of our mobile money product portfolio, through partnerships with leading financial institutions, and the expansion of our merchant ecosystem further strengthened our mobile money propositions.

Underlying EBITDA for mobile money grew by 30.5% to \$195m in reported currency. In constant currency, underlying EBITDA grew by 36.2%. Underlying EBITDA margin was 48.7%, an improvement of 27 basis points. The growth in total transaction value in constant currency, of 53.6%, was driven by customer base growth of 18.5% and growth in the transaction value per customer per month of 20.9%. The Q4'21 annualised transaction value reached \$51bn in constant currency, with mobile money revenue accounting for 10.6% of total revenue in the quarter.

The mobile money customer base reached 21.7 million, up 18.5% from the prior year, with Airtel Money customers now representing 18.3% of our total customer base, an increase of 1.8 percentage points. Mobile money ARPU increased 6.6%, driven by the increase in transaction values and a higher contribution from merchant payments, cash transactions, P2P transfers and mobile services recharges through Airtel Money.

Forward looking statements

This document contains certain forward-looking statements 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 dollars rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. The percentages included in the tables throughout the document are based on numbers calculated to the nearest \$1,000 and therefore minor rounding differences may result in the tables. Growth metrics are provided on a constant currency basis unless otherwise stated. The Group has presented certain financial information on a constant currency basis. This is calculated by translating the results for the current financial year and prior financial year at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for business and product segments are provided in constant currency as this better represents the underlying performance of the business.

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

(All amounts are in US dollar millions unless otherwise stated)

	Notes	For the year ended	
		31 March 2021	31 March 2020
Income			
Revenue	5	3,908	3,422
Other income		11	17
		3,919	3,439
Expenses			
Network operating expenses		694	628
Access charges		376	376
License fee / spectrum usage charges		198	189
Employee benefits expense		275	234
Sales and marketing expenses		187	148
Impairment loss/(reversal) on financial assets		7	(2)
Other operating expenses		382	333
Depreciation and amortisation		681	632
		2,800	2,538
Operating profit		1,119	901
Finance costs		432	440
Finance income		(9)	(67)
Non-operating income		-	(70)
Share of profit of associate		(1)	(0)
Profit before tax		697	598
Income tax expense	7	282	190
Profit for the year		415	408
Profit before tax (as presented above)		697	598
Less: Exceptional items (net)	6	(14)	(65)
Underlying profit before tax		683	533
Profit after tax (as presented above)		415	408
Less: Exceptional items (net)	6	(50)	(112)
Underlying profit after tax		365	296

	Notes	For the year ended	
		31 March 2021	31 March 2020
Profit for the year (continued from previous page)		415	408
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
Net losses due to foreign currency translation differences		(138)	(219)
Net (loss)/gain on net investments hedge		(11)	5
Net loss on cash flow hedge		-	(2)
		(149)	(216)
Items not to be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans		(0)	1
Tax credit/(expense) on above		0	(0)
		(0)	1
Other comprehensive loss for the year		(149)	(215)
Total comprehensive income for the year		266	193
Profit for the year attributable to:		415	408
Owners of the Company		339	370
Non-controlling interests		76	38
Other comprehensive loss for the year attributable to:		(149)	(215)
Owners of the Company		(140)	(224)
Non-controlling interests		(9)	9
Total comprehensive income for the year attributable to:		266	193
Owners of the Company		199	146
Non-controlling interests		67	47
Earnings per share			
Basic	8	9.0c	10.3c
Diluted	8	9.0c	10.3c

Consolidated Statement of Financial Position

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

		As of	
	Notes	31 March 2021	31 March 2020
Assets			
Non-current assets			
Property, plant and equipment	9	2,066	1,832
Capital work-in-progress	9	166	259
Right of use assets		799	639
Goodwill	10	3,835	3,943
Other intangible assets		558	456
Intangible assets under development		177	30
Investment in associate		4	3
Financial assets			
- Investments		0	0
- Derivative instruments		6	0
- Security deposits		8	7
- Others		9	1
Income tax assets (net)		33	39
Deferred tax assets (net)		314	333
Other non-current assets		112	112
		8,087	7,654
Current assets			
Inventories		7	3
Financial assets			
- Derivative instruments		6	10
- Trade receivables		113	132
- Cash and cash equivalents	11	813	1,010
- Other bank balances	11	282	6
- Balance held under mobile money trust		440	295
- Others		66	66
Other current assets		147	149
Assets of disposal group classified as held for sale	17	31	-
		1,905	1,671
Total assets		9,992	9,325

		As of	
	Notes	31 March 2021	31 March 2020
Current liabilities			
Financial liabilities			
- Borrowings	12	342	235
- Current maturities of long-term borrowings	12	1,126	429
- Lease liabilities		240	199
- Derivative instruments		7	3
- Trade payables		366	416
- Mobile money wallet balance		432	292
- Others		448	461
Provisions		65	65
Deferred revenue		135	124
Current tax liabilities (net)		173	149
Other current liabilities		151	115
Liabilities of disposal group classified as held for sale	17	19	-
		3,504	2,488
Net current liabilities		(1,599)	(817)
Non-current liabilities			
Financial liabilities			
- Borrowings	12	1,871	2,446
- Lease liabilities		1,037	970
- Derivative instruments		6	4
- Others		91	15
Provisions		25	23
Deferred tax liabilities (net)		81	69
Other non-current liabilities		24	29
		3,135	3,556
Total liabilities		6,639	6,044
Net Assets		3,353	3,281
Equity			
Share capital	13	3,420	3,420
Retained earnings		2,975	2,805
Other reserves		(2,990)	(2,837)
Equity attributable to owners of the company		3,405	3,388
Non-controlling interests ('NCI')		(52)	(107)
Total equity		3,353	3,281

The consolidated financial statements (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 11 May 2021 and were signed on its behalf by:

Raghunath Mandava
Chief Executive Officer
11 May 2021

Consolidated Statement of Changes in Equity

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

	Equity attributable to owners of the company						Non-controlling interests (NCI)	Total equity	
	Share Capital		Share premium	Retained earnings	Other reserves				Equity attributable to owners of the company
	No of shares	Amount			Transactions with NCI reserve	Other components of equity			
As of 1 April 2019	3,081,744,577	3,082	470	1,688	(580)	(2,034)	2,626	(196)	2,430
Profit for the year	-	-	-	370	-	-	370	38	408
Other comprehensive loss	-	-	-	1	-	(225)	(224)	9	(215)
Total comprehensive income / (loss)	-	-	-	371	-	(225)	146	47	193
Transaction with owners of equity									
Reduction in nominal value of shares [Note 13(1)]	-	(1,541)	-	-	-	-	(1,541)	-	(1,541)
Issue of deferred share capital [Note 13(1)]	3,081,744,577	1,541	-	-	-	-	1,541	-	1,541
Issue of share capital [Note 13(2)]	676,406,927	338	342	-	-	-	680	-	680
Issue of share capital to NCI	-	-	-	-	-	-	-	13	13
Share issue costs	-	-	(3)	(14)	-	-	(17)	-	(17)
Share stabilisation proceeds	-	-	-	-	-	7	7	-	7
Employee share-based payment expenses	-	-	-	-	-	0	0	-	0
Reversal of indemnities	-	-	-	64	-	-	64	-	64
Court approved reduction in share premium	-	-	(809)	809	-	-	-	-	-
Transactions with NCI	-	-	-	-	(5)	-	(5)	36	31
Dividend to owners of the company	-	-	-	(113)	-	-	(113)	-	(113)
Dividend (including tax) to NCI	-	-	-	-	-	-	-	(7)	(7)
As of 31 March 2020	6,839,896,081	3,420	-	2,805	(585)	(2,252)	3,388	(107)	3,281
Profit for the year	-	-	-	339	-	-	339	76	415
Other comprehensive loss	-	-	-	(0)	-	(140)	(140)	(9)	(149)
Total comprehensive income / (loss)	-	-	-	339	-	(140)	199	67	266
Transaction with owners of equity									
Employee share-based payment expenses	-	-	-	(0)	-	0	0	-	0
Purchase of own shares	-	-	-	-	-	(4)	(4)	-	(4)
Transactions with NCI	-	-	-	-	(9)	-	(9)	1	(8)
Dividend to owners of the company [Note 4 (a) & (b)]	-	-	-	(169)	-	-	(169)	-	(169)
Dividend (including tax) to NCI (1)	-	-	-	-	-	-	-	(13)	(13)
As of 31 March 2021	6,839,896,081	3,420	-	2,975	(594)	(2,396)	3,405	(52)	3,353

(1) Dividend to NCI includes tax of \$0m.

Consolidated Statement of Cash Flows (All amounts are in US dollar millions, unless otherwise stated)

	For the year ended	
	31 March 2021	31 March 2020
Cash flows from operating activities		
Profit before tax	697	598
Adjustments for -		
Depreciation and amortization	681	632
Finance income	(9)	(67)
Finance cost	432	440
Share of profit of associate	(1)	(0)
Non-operating income adjustments	-	(70)
Other adjustments ⁽¹⁾	(15)	(45)
Operating cash flow before changes in working capital	1,785	1,488
Changes in working capital		
Increase in trade receivables	(8)	(11)
Increase in inventories	(4)	(1)
Decrease in trade payables	(38)	(15)
Increase in mobile money wallet balance	139	53
Increase in provisions	1	2
Increase in deferred revenue	17	20
Decrease in income received in advance	(1)	(11)
Increase in other financial and non-financial liabilities	18	4
Increase in other financial and non-financial assets	(48)	(28)
Net cash generated from operations before tax	1,861	1,501
Income taxes paid	(195)	(114)
Net cash generated from operating activities (a)	1,666	1,387
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(645)	(656)
Purchase of intangible assets	(270)	(155)
Investment in term deposits with banks	(257)	-
Payment of deferred consideration for past business combination	-	(19)
Interest received	14	29
Net cash used in investing activities (b)	(1,158)	(801)
Cash flows from financing activities		
Proceeds from issue of shares to owners of the Company	-	680
Proceeds from sale of shares to non-controlling interests	-	34
Acquisition of non-controlling interests	(7)	-
Purchase of own shares by ESOP trust	(4)	-
Payment of share issue expenses	-	(17)
Proceeds from borrowings	407	174
Repayment of borrowings	(265)	(720)
Repayment of lease liabilities	(208)	(189)
Dividend paid to non-controlling interests	(9)	(5)
Dividend paid to owners of the Company	(169)	(113)
Interest and other finance charges paid	(317)	(318)
Share stabilisation proceeds	-	7
Proceeds from cancellation of derivatives	-	122
Payment on maturity of derivatives	(3)	(25)
Net cash (used) in/generated from financing activities (c)	(575)	(370)
(Decrease)/increase in cash and cash equivalents during the year (a+b+c)	(67)	216
Currency translation differences relating to cash and cash equivalents	(17)	1
Cash and cash equivalent as at beginning of the year	1,087	870
Cash and cash equivalents as at end of the year (Note 11) ⁽²⁾	1,003	1,087

- For the year ended 31 March 2021, this mainly includes recognition of revenue pertaining to earlier years on a cumulative catch-up basis, arising out of a settlement agreement entered with a customer in one of the Group's subsidiaries. For the year ended 31 March 2020, this mainly includes deferment of customer acquisition costs and reversal of provision for capital work in progress.
- Includes balance held under mobile money trust of USD 440m (2020: USD 295m) on behalf of mobile money customers which are not available for use by the Group.

Notes to Consolidated Financial Statements

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

1. Corporate information

Airtel Africa plc ('the company') is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales (registration number 11462215). The registered address of the company is First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom. The company listed on London Stock Exchange ('LSE') on 3 July 2019 and on Nigerian Stock Exchange ('NSE') on 9 July 2019. The company is a subsidiary of Airtel Africa Mauritius Limited ('the parent'), a company registered in Mauritius. The registered address of the parent is C/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius.

The company, together with its subsidiary undertakings (hereinafter referred to as 'the Group') has operations in Africa. The principal activities of the Group and its associate consist of provision of telecommunications and mobile money services.

2. Basis of preparation

The results for the year ended 31 March 2021 are an abridged statement of the full annual report which was approved by the Board of directors on 11 May 2021 and signed on its behalf on 11 May 2021. The consolidated financial statements within the full annual report are prepared in accordance with the Companies Act 2006 and IFRS standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The auditor's report on those consolidated financial statements was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 498(2) or 498(3) of the Companies Act 2006.

The financial information set out above does not constitute the company's statutory accounts for the years ended 31 March 2021 and 2020, but is derived from those accounts. Statutory accounts for March 2020 have been delivered to the Registrar of Companies and those for 2021 will be delivered following the company's annual general meeting.

The financial information included in this release announcement does not itself contain sufficient information to comply with IFRS. The company will publish full financial statements that comply with IFRS, in May 2021.

All the amounts included in the financial statements are reported in United States dollars, with all values rounded to the nearest millions (USD m) except when otherwise indicated. Further, amounts which are less than half a million are appearing as '0'.

3. Going concern

These financial statements have been prepared on a going concern basis. In making this going concern assessment, the Group has considered cash flow projections to June 2022 under both base and reasonable worst case scenarios taking into considerations its principal risks and uncertainties including a reduction in revenue and EBITDA, the potential impact of Covid-19 and a significant devaluation of the various currencies in the markets in which the Group operates (including Nigerian Naira) and the impact on the possible inability of repatriating funds from subsidiaries. As part of this evaluation, the Group has considered available ways to mitigate these risks and uncertainties and has also considered that the Group has committed undrawn facilities of USD 1,140m as of the date of authorisation of these financial statements (out of which USD 1,036m are

due to expire beyond the next 12 months), which will fulfil the Group's cash flow requirement under both base and reasonable worst-case scenarios.

We have USD 2,384m in long-term bonds, with the first repayment of USD 879m (EURO 750m) due in May 2021 which will be paid through a mix of cash held as well as from the proceeds of a USD 500m inaugural multi-bank long-term facility (part of the USD 1,036m undrawn facilities mentioned above) entered into by Airtel Africa plc in April 2021.

Having considered the above factors impacting the Group's businesses, including the scheduled EURO bond repayment of USD 879m (EURO 750m) due in May 2021, the impact of downside sensitivities, and the mitigating actions available, including a reduction and deferral of capital expenditure, the Board is satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing the Group and company financial statements.

4. Significant transactions/new developments

- a) The shareholders declared a final dividend of 3 cents per ordinary share for the year ended 31 March 2020, which was paid on 24 July 2020 to the holders of ordinary shares on the register of members at the close of business on 3 July 2020.
- b) The interim dividend of 1.5 cents per share was approved by the Board on 22 October 2020 paid on 11 December 2020 to the holders of ordinary shares on the register of members at the close of business on 13 November 2020.
- c) During the year, Airtel Uganda Limited was issued with a National Telecom Operator licence under the new Licensing Regime applicable in Uganda. Thus USD 65m (i.e. total payment of USD 74m less recoverable VAT of USD 9m) has been capitalised to intangible assets as a result. The license takes effect from 1 July 2020 and is for a period of 20 years.

In Airtel Nigeria, the application for renewal of the spectrum licences (due to expire on 30 November 2021) in the 900MHz and 1800MHz bands have been approved for a period of ten years by the licensing authority. Under the terms of the spectrum licences, Airtel Nigeria has paid USD 182m in respect of the licence renewal fees. The amount has been held under intangible assets under development being an advance and shall be capitalized and subsequently amortised with effect from 1 December 2021.
- d) On 18 March 2021, the Group entered into an agreement, under which The Rise Fund, the global impact investing platform of leading alternative investment firm TPG, will invest USD 200m in Airtel Mobile Commerce BV ("AMC BV"), a wholly owned subsidiary of the Group, by way of purchase of a portion of AMC BV's shareholding from the Group. The transaction will close in two stages i.e. upon receipt of USD 150m at first close and USD 50m at second close based on closing conditions defined in sale agreements. On respective closings, the Group will record a transaction with non-controlling interest in equity. Further, under the terms of the transaction, and in very limited circumstances, TPG would have the option, so as to provide liquidity to them, to sell its shares in AMC BV to Airtel Africa or its affiliates at fair market value subject to a minimum and maximum payable amount. As of 31 March 2021, there are no accounting implications under this transaction.
- e) On 31 March 2021, the Group entered into an agreement under which Mastercard, will invest USD 100m in Airtel Mobile Commerce B.V. ('AMC BV'), a wholly owned subsidiary of the Group, by way of purchase of a portion of AMC BV's shareholding from the Group. The transaction will close in two stages i.e. upon receipt of USD 75m at first close and USD 25m at second close based on closing conditions defined in sale agreements. On respective closings, the Group will

record transaction with non-controlling interest in equity. Further, under the terms of the transaction, and in very limited circumstances, Mastercard would have the option, so as to provide liquidity to them, to sell its shares in AMC BV to Airtel Africa or its affiliates at fair market value subject to a minimum and maximum payable amount. As of 31 March 2021, there are no accounting implications under this transaction.

- f) On 23 March 2021, the Group signed two separate agreements to sell its telecommunications tower companies in Madagascar and Malawi at an aggregate consideration of USD 108m to Helios Towers plc under a sale and leaseback arrangement. The completion of the sale of the tower company holding 494 towers in Madagascar is considered highly probable and is only subject to conditions that are usual and customary. Consequently, the Group has classified the assets and liabilities of the Madagascar tower company as held for sale as of 31 March 2021.

The completion of the sale of company holding 735 towers in Malawi, in addition to certain customary conditions, is also subject to a non-customary condition which is beyond the Group's control. As of 31 March 2021, the Group cannot ascertain the likelihood of this condition as being highly probable and consequently has not classified the assets of the Malawian tower company as held for sale.

On the same date, the Group also entered into exclusive Memorandum of Understanding agreements with Helios for the potential sale of its tower assets in Chad and Gabon, however since no binding sale agreement has been signed between the parties, the assets are not considered as held for sale as of 31 March 2021.

On 22 February 2021, the Group signed an agreement to sell 162 towers in Rwanda to IHS Rwanda Ltd under a sale and lease back arrangement. As at 31 March 2021, the sale of such tower assets are subject only to usual and customary conditions and the sale is highly probable within the next 12 months. Consequently, the Group has classified such assets and related liabilities as held for sale.

For disclosures on the Madagascar and Rwanda assets held for sale, please refer note 17.

5. Segmental Information

The Group's segment information is provided on the basis of geographical clusters to the Group's chief executive officer (chief operating decision maker - 'CODM') for the purposes of resource allocation and assessment of performance. The Group's reporting segments are as follows:

Nigeria

East Africa - Comprising operations in Kenya, Uganda, Rwanda, Tanzania, Malawi and Zambia

Francophone Africa - Comprising operations in Niger, Gabon, Chad, Congo B, DRC, Madagascar and Seychelles

Each segment derives revenue from mobile services, mobile money and other services. Expenses, assets and liabilities primarily related to the corporate headquarters of the Group are presented as Unallocated Items.

The amounts reported to CODM are based on the accounting principles used in the preparation of the financial statements. Each segment's performance is evaluated based on segment revenue and segment result.

The segment result is Underlying EBITDA i.e. earnings before interest, tax, depreciation and amortisation before exceptional items as adjusted for charitable donation. This is the measure reported to the CODM for purposes of resource allocation and assessment of segment performance.

Inter-segment pricing and terms are reviewed and changed by the management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur.

Inter-segment revenues eliminated upon consolidation of segments/Group accounting policy alignments are reflected in the 'Eliminations/Adjustments' column.

Segment assets and segment liabilities comprise those assets and liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work in progress, right-to-use assets, intangibles assets, inventories and cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises investment in property, plant and equipment, capital work in progress, intangible assets (excluding licenses) and capital advances.

Investment elimination upon consolidation and resulting goodwill impacts are reflected in the 'elimination /adjustment' column.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2021 is as follows:

	Nigeria	East Africa	Francophone Africa	Unallocated	Eliminations	Total
Revenue from external customers						
Voice revenue	896	649	558	0	-	2,103
Data revenue	549	354	254	-	-	1,157
Mobile money revenue ⁽¹⁾	0	227	74	-	-	301
Other revenue ⁽²⁾	104	147	96	-	-	347
	1,549	1,377	982	0	-	3,908
Inter-segment revenue	3	4	3	-	(10)	-
Total revenue	1,552	1,381	985	0	(10)	3,908
Segment results: Underlying EBITDA	839	631	364	(30)	(12)	1,792
Less:						
Depreciation and amortisation	236	221	207	2	15	681
Finance costs						432
Finance income						(9)
Share of profit of associate						(1)
Charitable donation	1	2	1	2	-	6
Exceptional items pertaining to operating profit	-	-	(14)	-	-	(14)
Profit before tax						697
Other segment items						
Capital expenditure	275	249	88	2	-	614
As of 31 March 2021						
Segment assets	1,889	2,042	1,791	25,622	(21,352)	9,992
Segment liabilities	1,192	2,989	2,715	16,895	(17,152)	6,639
Investment in associate (included in segment assets above)	-	-	4	-	-	4

(1) intra-segment elimination of USD 100m adjusted with Mobile money revenue. It includes USD 64m pertaining to East Africa and balance USD 36m pertaining to Francophone Africa.

(2) it includes messaging, value added services, enterprise, site sharing and handset sale revenue.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2020 is as follows:

	Nigeria	East Africa	Francophone Africa	Unallocated	Eliminations	Total
Revenue from external customers						
Voice revenue	848	605	522	(5)	-	1,970
Data revenue	435	307	189	-	-	930
Mobile money revenue ⁽¹⁾	4	157	59	-	-	220
Other revenue ⁽²⁾	84	131	86	-	-	302
	1,371	1,200	856	(5)	-	3,422
Inter-segment revenue	2	1	3	-	(6)	-
Total revenue	1,373	1,201	859	(5)	(6)	3,422
Segment results: Underlying EBITDA	744	485	292	2	(8)	1,515
Less:						
Depreciation and amortisation (excluding exceptional items)	183	229	189	2	2	605
Finance costs						440
Finance income						(67)
Non-operating Income, (net)						(70)
Share of loss of associate						(0)
Charitable donation	1	0	0	4	-	5
Exceptional items pertaining to operating profit	(5)	(10)	12	-	7	4
Profit before tax						598
Other segment items						
Capital expenditure	325	181	133	3	-	642
As of 31 March 2020						
Segment assets	1,476	1,672	1,663	26,202	(21,688)	9,325
Segment liabilities	1,078	2,678	2,632	16,985	(17,329)	6,044
Investment in associate (included in segment assets above)	-	-	3	-	-	3

(1) intra-segment elimination of USD 91m adjusted with mobile money revenue. It includes USD 57m pertaining to East Africa and balance USD 34m pertaining to Francophone Africa.

(2) it includes messaging, value added services, enterprise, site sharing and handset sale revenue.

Geographical information disclosure on non-current assets (PPE, CWIP, ROU, Intangible assets including goodwill and intangible assets under development):

	As of	
	31 March 2021	31 March 2020
United Kingdom	1	1
Nigeria	1,455	1,142
Netherlands	3,782	3,891
Others	2,363	2,126
Total	7,601	7,160

6. Exceptional items

Underlying profit/loss before tax excludes the following exceptional items:

	For the year ended	
	31 March 2021	31 March 2020
Profit before tax	697	598
Add: Exceptional items		
- Service revenues ⁽¹⁾	(20)	-
- Employee restructuring ⁽²⁾	6	-
- Reversal of indemnities ⁽³⁾	-	(72)
- Network modernisation ⁽⁴⁾	-	27
- Deferment of customer acquisition cost ⁽⁵⁾	-	(27)
- Share issue and IPO related expenses ⁽⁶⁾	-	(7)
	(14)	(65)
Underlying profit before tax	683	533

- (1) represents recognition of revenue pertaining to earlier years on a cumulative catch-up basis, arising out of a settlement agreement entered with a customer in one of the Group's subsidiaries in Niger.
- (2) comprises the cost of employee restructuring completed during the year ended 31 March 2021 in one of the Group's subsidiaries, including settlement of severance pay defined benefit plans.
- (3) represents expiry of indemnity obligation on the publication of registration document of the company. This is presented as 'Non-operating income' in the statement of comprehensive income.
- (4) this relates to the accelerated depreciation which arose on non-usable uninstalled equipment as part of the modernisation programme. This specific programme started in 2017 and was completed during the year ended 31 March 2020.
- (5) represents the impact relating to previous periods of USD 27m on deferment of customer acquisition costs following reassessment of expected average customer life.
- (6) includes equity issuance related expenses under IPO of the company including cost and fair value changes of derivatives taken for IPO proceeds and equity issuance related expenses of rights issue in a subsidiary, Congo B.

Underlying profit after tax excludes the following exceptional items:

	For the year ended	
	31 March 2021	31 March 2020
Profit after tax	415	408
-Exceptional items (as above)	(14)	(65)
- Tax on above exceptional items	-	4
- Deferred tax asset recognition ^{(1) (2)}	(36)	(51)
	(50)	(112)
Underlying profit after tax	365	296

- (1) During the year ended 31 March 2021, the Group recognised deferred tax assets in Airtel Tanzania. Airtel Tanzania has carried forward losses and temporary differences on which deferred tax was not recognized in the past. Considering that Airtel Tanzania has been in continuous and cumulative profits and on the basis of likely timing and the level of future taxable profits, the Group has determined that it is now probable that taxable profits will be available against which the tax losses and temporary differences can be utilized in the foreseeable future. Consequently, the deferred tax asset recognition criteria are met, leading to recognition of USD 36m during the year ended 31 March 2021.
- (2) During the year ended 31 March 2020, the Group recognised deferred tax assets in Airtel DRC on meeting the recognition criteria.

Profit attributable to non-controlling interests include benefit of USD 19m and USD 3m during the year ended 31 March 2021 and 2020 respectively, relating to the above exceptional items.

7. Income tax

The tax expense is as follows:

	For the year ended	
	31 March 2021	31 March 2020
Current tax	242	176
Deferred tax	40	14
Income Tax expense	282	190

8. Earnings per share ('EPS')

The details used in the computation of basic EPS:

	For the year ended	
	31 March 2021	31 March 2020
Profit for the year attributable to owners of the Company	339	370
Weighted average ordinary shares outstanding for basic EPS ⁽¹⁾	3,757,550,081	3,585,634,531
Basic EPS	9.0c	10.3c

(1) During the year ended 31 March 2020, the company as part of its IPO issued 676,406,927 shares.

The details used in the computation of diluted EPS:

	For the year ended	
	31 March 2021	31 March 2020
Profit for the year attributable to owners of the Company	339	370
Weighted average ordinary shares outstanding for diluted EPS ⁽¹⁾⁽²⁾⁽³⁾	3,759,122,452	3,586,678,328
Diluted EPS	9.0c	10.3c

- (1) The difference between the basic and diluted number of shares at the end of March 2021 being 1,572,371 (March 2020: 1,150,280) relates to awards committed but not yet issued under the Group's share-based payment schemes.
- (2) Refer Note 13 for detail on the ordinary share movements as part of the initial public offering process during the year ended 31 March 2020.
- (3) Deferred shares have not been considered for EPS computation as they do not have right to participate in profits.

9. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended 31 March 2021 and 31 March 2020:

	Leasehold Improvements	Building	Land	Plant and Equipment (2)	Furniture & Fixture	Vehicles	Office Equipment	Computer	Total	Capital work in progress (3)
Gross carrying value										
Balance as of 1 April 2019	50	52	30	1,957	18	27	29	670	2,833	367
Additions / capitalization	2	0	0	689	13	0	11	34	749	655
Disposals / adjustments (1)	(0)	-	(3)	(17)	(3)	(3)	(0)	(8)	(34)	(747)
Exchange differences	(2)	(5)	(1)	(221)	(3)	(0)	(3)	(35)	(270)	(16)
Balance as of 31 March 2020	50	47	26	2,408	25	24	37	661	3,278	259
Additions / capitalisation	1	1	0	648	14	0	9	26	699	611
Disposals / adjustments (1)	(1)	(0)	(0)	(32)	(1)	(0)	(0)	0	(34)	(696)
Transferred to assets held for sale	-	-	-	(77)	-	0	-	(0)	(77)	(0)
Exchange differences	0	(2)	1	(89)	(1)	0	(1)	(11)	(103)	(8)
Balance as of 31 March 2021	50	46	27	2,858	37	24	45	676	3,763	166
Accumulated Depreciation										
Balance as of 1 April 2019	41	13	2	506	8	25	14	627	1,236	-
Charge	3	3	0	362	6	0	8	24	406	-
Disposals / adjustments (1)	(0)	-	(1)	(12)	(3)	(3)	(0)	(2)	(21)	-
Exchange differences	(2)	(1)	0	(134)	(2)	(0)	(3)	(33)	(175)	-
Balance as of 31 March 2020	42	15	1	722	9	22	19	616	1,446	-
Charge	2	3	0	341	6	1	9	27	389	-
Disposals / adjustments (1)	(0)	(0)	0	(28)	(0)	(1)	(0)	1	(28)	-
Transferred to assets held for sale	-	-	-	(58)	-	(0)	-	(0)	(58)	-
Exchange differences	0	(1)	(0)	(41)	(0)	0	(1)	(9)	(52)	-
Balance as of 31 March 2021	44	17	1	936	15	22	27	635	1,697	-
Net carrying value										
As of 1 April 2019	9	39	28	1,451	10	2	15	43	1,597	367
As at 31 March 2020	8	32	25	1,686	16	2	18	45	1,832	259
As at 31 March 2021	6	29	26	1,922	22	2	18	41	2,066	166

(1) Related to the reversal of gross carrying value and accumulated depreciation on retirement of PPE and reclassification from one category of asset to another.

(2) Includes PPE amounting to USD 50m and USD 4m as at 31 March 2021 and 2020 respectively, pledged against the Group's borrowings.

(3) The carrying value of capital work-in-progress as at 31 March 2021 and 2020 mainly pertains to plant and equipment.

10. Impairment review

The carrying amount of goodwill is attributed to the following groups of CGUs:

	As of	
	31 March 2021	31 March 2020
Nigeria	1,298	1,373
East Africa	1,821	1,853
Rest of Africa	716	717
	3,835	3,943

The Group tests goodwill for impairment annually on 31 December. The carrying value of Goodwill as of 31 December 2020 was USD 1,349m, USD 1,836m and USD 730m for Nigeria, East Africa and Francophone Africa, respectively. The recoverable amounts of the above group of CGUs are based on value-in-use, which are determined based on ten-year business plans that have been approved by the Board.

The Group operates in emerging markets which are underpenetrated when compared to developed markets. In such emerging markets, short-term plans (for example, five years) are not indicative of the long-term future prospects and performance of the Group. Considering this, the life of the Group's regulatory licences and network assets, which are at an average of 10 years, and the potential opportunities of the emerging African telecom sector, which is mostly a 2-3 player market with lower smartphone penetration, the Group has adopted a ten-year plan for the purpose of internal forecasts and impairment testing. Accordingly, the Board approved that this planning horizon reflects the assumptions for medium to long-term market developments, appropriately covers market dynamics of emerging markets and better reflects the expected performance in the markets in which the Group operates.

While using the ten-year plan, the Group also considers external market data to support the assumptions used in such plans, which is generally available only for the first five years. Considering the degree of availability of external market data beyond year five, the Group has performed sensitivity analysis to assess the impact on impairment of using a five-year plan. The results of this sensitivity analysis demonstrate that the initial five-year plan with appropriate changes including long-term growth rates applied at the end of this period does not result in any impairment and does not impact the headroom by more than 6% in any of the group of CGUs as compared to the headroom using the ten-year plan. In performing this sensitivity, the Group has changed the long-term growth rate for Nigeria from 2.51% to 4.51% while retaining the long-term growth rates for the other group of CGUs. The change in Nigerian long-term growth rate is aligned to the level of penetration and growth opportunities in the Nigerian telecom market towards the expiry of the five-year period and is in line with our view of combined growth over years six to ten and after ten years. Further, the Group is confident that projections for years six to ten are reliable and can demonstrate its ability, based on past experience, to forecast cash flows accurately over a longer period. Accordingly, the Board has approved and the Group continues to follow a consistent policy of using an initial forecast period of ten years for the purpose of impairment testing.

The cash flows beyond the planning period are extrapolated using appropriate long-term terminal growth rates. The long-term terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with internal/external sources of information.

The input used in performing the impairment assessment at 31 December 2020 were as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Pre-tax Discount Rate	22.45%	14.82%	14.25%
Capital expenditure ⁽¹⁾	8% - 19%	6% - 17%	5% - 10%
Long term growth rate	2.51%	5.11%	3.70%

(1) Capital expenditure is expressed as a percentage of Gross Revenue over the plan period.

At 31 December 2020, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs.

The key assumptions in performing the impairment assessment were as follows:

Assumptions	Basis of assumptions
Discount rate	Discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for respective CGUs. Following the onset of the COVID-19 outbreak, the Group had concluded that in determining the discount rate at 31 March 2020, using spot country risk premiums would not give a discount rate that a market participant would expect at the balance sheet date in determining the present value of cash flows over a ten-year period. At 31 December 2020 this significant market volatility has reduced and management have reverted to using a spot rate.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the capital expenditure required to meet coverage and capacity requirements relating to voice, data and mobile money services.
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal / external sources of information.

At 31 December 2020, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs. The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by USD 1,719m for Nigeria (69%), USD 4,811m for East Africa (155%) and USD 1,811m for Francophone Africa (107%). The Group therefore concluded that no impairment was required to the Goodwill held against each group of CGUs.

- Sensitivity in discount rate and capital expenditure**

Management believes that no reasonably possible change in any of the key assumptions would cause the difference between the carrying value and recoverable amount for any cash-generating unit to be materially different from the recoverable value in the base case. The table below sets out the breakeven pre-tax discount rate for each group of CGUs, which will result in the recoverable amount being equal with the carrying amount for each group of CGU's:

	Nigeria	East Africa	Francophone Africa
Pre-tax Discount Rate	33.28%	29.04%	26.32%

The table below presents the increase in isolation in capital expenditure which will result in equating the recoverable amount with the carrying amount of each group of CGUs:

Assumptions	Nigeria	East Africa	Francophone Africa
Capital expenditure	6.81%	13.94%	9.86%

No reasonably possible change in the terminal growth rate would cause the carrying amount to exceed the recoverable amount.

11. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2021	March 31, 2019
Balances with banks		
- On current accounts	486	153
- Bank deposits with original maturity of 3 months or less	290	836
Cheques on hand	0	0
Balance held in wallets	36	20
Cash on hand	1	1
	813	1,010

Other bank balances

	As of	
	31 March 2021	31 March 2020
Term deposits with banks	257	-
Margin money deposits ⁽¹⁾	25	6
Unpaid dividend	0	-
	282	6

(1) Margin money deposits represents amount given as collateral for legal cases and/or bank guarantees for disputed matters, and deposit against derivative contracts.

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

	As of	
	31 March 2021	31 March 2020
Cash and cash equivalents as per balance sheet	813	1,010
Balance held under mobile money trust	440	295
Bank overdraft	(251)	(218)
Cash and cash equivalents classified as held for sale (refer note 17)	1	-
	1,003	1,087

12. Borrowings

Non-current

	As of	
	31 March 2021	31 March 2020
Secured		
Term loans	50	0
Less: Current portion (A)	(50)	(0)
	-	0
Unsecured		
Term loans	544	522
Non- convertible bonds ⁽¹⁾	2,403	2,353
	2,947	2,875
Less: Current portion (B)	(1,076)	(429)
	1,871	2,446
	1,871	2,446
Current maturities of long-term borrowings (A + B)	1,126	429

Current

	As of	
	31 March 2021	31 March 2020
Secured		
Term Loans	-	0
Bank overdraft	-	4
	-	4
Unsecured		
Term loans	92	17
Bank overdraft	250	214
	342	231
	342	235

(1) It includes impact of fair value hedges and debt origination costs. During the year ended 31 March 2020, the Group repaid non-convertible bonds of CHF 350m at maturity.

13. Share capital

	As of	
	31 March 2021	31 March 2020
Authorised shares		
3,758,151,504 Ordinary shares of USD 0.5 each (March 2020: 3,758,151,504)	1,879	1,879
3,081,744,577 Deferred shares of USD 0.5 each (March 2020: 3,081,744,577)	1,541	1,541
	3,420	3,420
Issued, Subscribed and fully paid-up shares		
3,758,151,504 Ordinary shares of USD 0.5 each (March 2020: 3,758,151,504) ⁽¹⁾ ⁽²⁾	1,879	1,879
3,081,744,577 Deferred shares of USD 0.5 each ⁽¹⁾ (March 2020: 3,081,744,577)	1,541	1,541
	3,420	3,420

- (1) On 27 June 2019, the company sub-divided and converted each ordinary share of USD 1 into:
- One ordinary share of USD 0.5 each having the same rights and being subject to the same restrictions as the existing ordinary shares of the company; and
 - One deferred share of USD 0.5 each.
- (2) On 3 July 2019 and 9 July 2019, the company completed its listing on the London Stock Exchange (LSE) and Nigerian Stock Exchange (NSE) respectively and raised USD 680m (including share premium of USD 342m) from the issue of 676,406,927 new ordinary shares.
- (3) During the year 31 March 2020, in order to meet the share capital requirements for re-registration as a public limited company, the company allotted 50,000 redeemable deferred shares of GBP 1 each (the 'Redeemable Deferred Shares') to AAML. In accordance with approval of High Court in London on 22 October 2019, these shares were reduced to Nil and the amount was paid to the shareholder.

14. Contingent liabilities and commitments

(i) Contingent liabilities

	As of	
	31 March 2021	31 March 2020
(i) Taxes, Duties and Other demands (under adjudication / appeal / dispute)		
-Income tax	23	30
- Value added tax	30	56
-Customs duty & Excise duty	8	7
-Other miscellaneous demands	9	13
(ii) Claims under legal and regulatory cases including arbitration matters	87	83
	157	189

There are uncertainties in the legal, regulatory and tax environments in the countries in which the Group operates and there is a risk of demands, which may be raised based on current or past business operations. Such demands have in past been challenged and contested on merits with appropriate authorities and appropriate settlements agreed. Other than amounts provided where the Group believes there is a probable settlement and contingent liabilities where the Group has assessed the additional possible amounts, there are no other legal, tax or regulatory obligations which may be expected to be material to the financial statements.

The movement in contingent liabilities during the year ended 31 March 2021 of USD 32m primarily comprises of reduction in a Value added tax (VAT) and withholding tax assessment received by one of the subsidiaries of the Group amounting to USD 23m.

One of the subsidiaries of the Group is involved in a dispute with one of its distributors, with respect to alleged unpaid commissions, bonuses and benefits, totalling approximately USD 12m, over a period of around eleven years of its business relationship with the subsidiary. In March 2012, the distributor filed a claim against the subsidiary in the High Court. On 4 October 2016, the High Court ruled against the subsidiary and ordered to pay the claimed amount of approximately USD 12m to the distributor. On 5 October 2016, the subsidiary filed an appeal in the Court of Appeal against the order of the High Court, which on 24 July 2020 was ruled against the subsidiary. On 7 August 2020, the subsidiary filed an appeal against the decision of the Court of Appeal, in the Supreme Court. Record of appeal has been transmitted to the Supreme Court and briefs of argument are currently being prepared.

Despite the strength of the subsidiary's line of defence, as both the High Court and Court of Appeal have ruled against the subsidiary, it is appropriate to disclose this matter as contingent liability for USD 12m, pending the decision of the Supreme Court. No provision has been made against the said claim.

Guarantees:

Guarantees outstanding as of 31 March 2021 and 31 March 2020 amounting to USD 12m and USD 10m respectively have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for sub judice matters, the amounts with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments**Capital Commitments**

The Group has contractual commitments towards capital expenditure (net of related advances paid) of \$232m and \$234m as of 31 March 2021 and 31 March 2020 respectively.

15. Related Party disclosure**(a) List of related parties****i. Parent company**

Airtel Africa Mauritius Limited

ii. Intermediate parent entity

Network i2i Limited

Bharti Airtel Limited

Bharti Telecom Limited

iii. Ultimate controlling entity

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the company.

iv. Associate

Seychelles Cable Systems Company Limited

v. Other entities with whom transactions have taken place during the reporting period**a. Fellow subsidiaries**

Bharti Airtel International (Mauritius) Limited

Nxtra Data Limited

Bharti Airtel Services Limited

Bharti International (Singapore) Pte Ltd

Bharti Airtel (UK) Limited

Bharti Airtel (USA) Limited

Bharti Airtel (France) SAS

Bharti Airtel Lanka (Private) Limited

Bharti Hexacom Limited

b. Other related parties

Airtel Ghana Limited

Singapore Telecommunication Limited

vi. Key Management Personnel ('KMP')

a. Executive director

Raghunath Venkateswarlu Mandava

b. Non-executive directors

Sunil Bharti Mittal

Awuneba Ajumogobia (since April 2019)

Douglas Baillie (since April 2019)

John Danilovich (since April 2019)

Andrew Green (since April 2019)

Akhil Gupta

Shravin Bharti Mittal

Annika Poutiainen (since April 2019)

Ravi Rajagopal (since April 2019)

Arthur Lang (till October 2020)

Kelly Bayer Rosmarin (since October 2020)

c. Others

Segun Ogunsanya

Ian Ferrao (since September 2019)

Michael Foley (since February 2020)

Jaideep Paul

Razvan Ungureanu

Luc Serviant (since December 2019)

Daddy Mukadi

Neelesh Singh

Ramakrishna Lella

Olivier Pognon

Rogany Ramiah (since May 2019)

Stephen Nthenge (since May 2019)

Vimal Kumar Ambat (since February 2021)

Ashish Malhotra (since October 2020)

Vinny Puri (since March 2021)

In the ordinary course of business, there are certain transactions among the Group entities and all these transactions are on arm's length basis. However, the intra-Group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with remaining related parties for the years ended 31 March 2021 and 2020 respectively, are described below:

The summary of transactions with the above-mentioned parties is as follows:

Relationship	For the year ended									
	31 March 2021					31 March 2020				
	Parent company	Intermediate parent entity	Fellow subsidiaries	Associates	Other related parties	Parent company	Intermediate parent entity	Fellow subsidiaries	Associates	Other related parties
Sale / rendering of services	-	6	66	-	1	-	8	84	-	0
Purchase / receiving of services	-	17	52	1	0	-	26	64	1	0
Rent and other charges	-	1	-	-	-	-	1	-	-	-
Guarantee and collateral fee paid	-	10	-	-	-	-	11	-	-	-
Purchase of assets	-	0	0	-	-	-	-	9	-	-
Dividend paid	95	-	-	-	-	63	-	-	-	-

The outstanding balance of the above-mentioned related parties are as follows:

Relationship	Parent company	Intermediate parent entity	Fellow subsidiaries	Associate	Other related parties
As of 31 March 2021					
Trade payables	-	9	29	1	2
Trade receivables	-	3	37	-	3
Corporate guarantee fee payable	-	2	-	-	-
Guarantees and collaterals taken (including performance guarantees)	-	7,056	-	-	-
As of 31 March 2020					
Trade payables	-	20	32	0	1
Trade receivables	-	3	24	-	1
Corporate guarantee fee payable	-	4	-	-	-
Guarantees and collaterals taken (including performance guarantees)	-	7,056	-	-	-

Key management compensation

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. For the Group, these include executive committee members. Remuneration to key management personnel were as follows:

	For the year ended	
	31 March 2021	31 March 2020
Short-term employee benefits	8	7
Performance linked incentive	3	2
Share-based payment	1	0
Other long-term benefits	4	2
Other benefits	1	2
	17	13

16. Fair Value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

		Carrying value as of		Fair value as of	
		31 March 2021	31 March 2020	31 March 2021	31 March 2020
Financial assets					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	12	9	12	9
- Currency swaps and interest rate swaps	Level 2	0	2	0	2
- Cross currency swaps	Level 3	1	-	1	-
Investments	Level 2	0	0	0	0
Amortised cost					
Security deposits		8	7	8	7
Trade receivables		113	132	113	132
Cash and cash equivalents		813	1,010	813	1,010
Other bank balances		282	6	282	6
Balance held under mobile money trust		440	295	440	295
Other financial assets		75	67	75	67
		1,744	1,528	1,744	1,528
Financial liabilities					
FVTPL					
Derivatives					
- Forward and option contracts	Level 2	6	4	6	4
- Currency swaps and interest rate swaps	Level 2	2	0	2	0
- Cross currency swaps	Level 3	3		3	
- Embedded derivatives	Level 2	1	3	1	3
Amortised cost					
Borrowings - fixed rate	Level 1	2,403	2,353	2,479	2,274
Borrowings - fixed rate	Level 2	100	48	98	48
Borrowings - floating rate		836	710	836	710
Trade payables		367	416	367	416
Mobile money wallet balance		432	292	432	292
Other financial liabilities		539	476	539	476
		4,689	4,302	4,763	4,223

The following methods/assumptions were used to estimate the fair values:

- The carrying value of bank deposits, trade receivables, trade payables, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The fair value of non-current financial assets, long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable.

During the year ended 31 March 2021 and year ended 31 March 2020 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets/liabilities as of 31 March 2021 and 31 March 2020:

Financial assets / liabilities	Inputs used
- Currency swaps, forward and option contracts	Forward foreign currency exchange rates, Interest rate
- Interest rate swaps	Prevailing / forward interest rates in market, Interest rate
- Embedded derivatives	Prevailing interest rates in market, inflation rates
- Other financial assets / fixed rate borrowing / other financial liabilities	Prevailing interest rates in market, Future payouts, Interest rates

17. Assets and Liabilities held for sale

As described under Note 4(f), assets and liabilities of disposal groups held for sale at 31 March 2021 relate to our telecommunication tower subsidiary in Madagascar (part of Francophone Africa segment) and 162 towers and related liabilities in Rwanda (part of East Africa segment). The disposals do not meet the definition of a discontinued operation per IFRS 5.

For these disposals, the Group has agreed a selling price with the prospective purchaser which is used as the fair value for the impairment test and the same is classified as Level 3 on the fair value hierarchy. The disposals are expected to result in profits and therefore no impairment has been recognized on classification as held for sale.

The disposal groups were stated at their carrying values and comprised the following assets and liabilities:

	As of	
	31 March 2021	31 March 2020
Assets of disposal group classified as held for sale		
Property, plant and equipment	19	-
Capital work-in-progress	0	-
Right of use assets	5	-
Income tax assets	0	-
Deferred tax assets	2	-
Trade receivables	0	-
Cash and cash equivalents	1	-
Loans and security deposits	0	-
Other current assets	4	-
	31	-
Liabilities of disposal group classified as held for sale		
Lease liabilities	7	-
Provisions	1	-
Deferred tax liabilities (net)	1	-
Trade payables	2	-
Other current liabilities	8	-
	19	-

The cumulative other comprehensive loss relating to the disposal group classified as held for sale is USD 4m.

18. Events after the balance sheet date

No subsequent events or transactions have occurred since the date of statement of financial position or are pending that would have material effect on the financial statements as at and for the year ended 31 March 2021 except as follows:

- On 20 April 2021, the Group has entered into an inaugural multi-bank long-term facility amounting to \$500m.
- The Board recommended a final dividend of 2.5 cents per share on 11 May 2021.

Appendix

Additional information pertaining to three months ended March 31, 2021

Consolidated Statement of Comprehensive Income (unaudited)

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

	For three months ended	
	31 March 2021	31 March 2020
Income		
Revenue	1,038	899
Other income	1	3
	1,039	902
Expenses		
Network operating expenses	183	168
Access charges	97	94
License fee / spectrum usage charges	53	51
Employee benefits expense	67	62
Sales and marketing expenses	50	46
Impairment loss / (reversal) on financial assets	(1)	(1)
Other expenses	97	86
Depreciation and amortisation	174	152
	720	658
Operating profit	319	244
Finance costs	106	159
Finance income	(2)	(12)
Share of profit for associate	(0)	(0)
Profit before tax	215	97
Tax expense	61	20
Profit for the period	154	77
Profit before tax (as presented above)	215	97
Less: Exceptional items (net)	(1)	-
Underlying profit before tax	214	97
Profit after tax (as presented above)	154	77
Less: Exceptional items (net)	(22)	(7)
Underlying profit after tax	132	70
Other comprehensive income ('OCI')		
Items to be reclassified subsequently to profit or loss:		
Net losses due to foreign currency translation differences	(94)	(186)
Net loss on net investments hedge	9	2
Net gain on cash flow hedge	-	(2)
	(85)	(186)
Items not to be reclassified subsequently to profit or loss:		
Re-measurement loss on defined benefit plans	(0)	(0)
Tax credit on above	-	(0)
	(0)	(0)
Other comprehensive loss for the period	(85)	(186)

	For three months ended	
	31 March 2021	31 March 2020
Total comprehensive income/(loss) for the period	69	(109)
Profit for the period attributable to:	154	77
Owners of the Company	132	65
Non-controlling interests	22	12
Other comprehensive loss for the period attributable to:	(85)	(186)
Owners of the Company	(80)	(183)
Non-controlling interests	(5)	(3)
Total comprehensive income/(loss) for the period attributable to:	69	(109)
Owners of the Company	52	(118)
Non-controlling interests	17	9

Alternative performance measures (APMs)

Introduction

In the reporting of financial information, the directors have adopted various APMs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods and geographical units (such as like-for-like sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance. Consequently, APMs are used by the directors and management for performance analysis, planning, reporting and incentive-setting purposes.

The directors believe the following metrics to be the APMs used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. These measures provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business.

The following metrics are useful in evaluating the Group's operating performance:

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Table reference (1)	Definition and purpose
Underlying revenue	Revenue	<ul style="list-style-type: none"> Exceptional items 	Table A	<p>The Group defines underlying revenue as revenue for the period adjusted for exceptional items.</p> <p>The directors view underlying revenue to be a meaningful measure to analyse the Group's revenue, excluding exception items.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying revenue.</p>
Underlying EBITDA and margin	Operating profit	<ul style="list-style-type: none"> Depreciation and amortisation Charity and donation Exceptional items 	Table B	<p>The Group defines underlying EBITDA as operating profit/ (loss) for the period before depreciation and amortization, charity and donation and adjusted for exceptional items.</p> <p>Group defines underlying EBITDA margin as underlying EBITDA divided by total underlying revenue.</p> <p>Underlying EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. Underlying EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, underlying EBITDA and margin are APM.</p> <p>Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at underlying EBITDA and margin.</p> <p>Charity and donations are not related to the trading performance of the Group and hence adjusted to arrive at underlying EBITDA and margin.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBITDA and margin.</p>

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Table reference (1)	Definition and purpose
Underlying profit / (loss) before tax	Profit / (loss) before tax	<ul style="list-style-type: none"> Exceptional items 	Table C	<p>The Group defines underlying profit / (loss) before tax as profit/ (loss) before tax adjusted for exceptional items.</p> <p>The directors view underlying profit / (loss) before tax to be a meaningful measure to analyse the Group's profitability.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit / (loss) before tax.</p>
Effective tax rate	Reported tax rate	<ul style="list-style-type: none"> Exceptional items Foreign exchange rate movements One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences 	Table D	<p>The Group defines effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one-off tax items of prior year adjustment, tax settlements and impact of permanent differences on tax.</p> <p>This provides an indication of the current on-going tax rate across the Group.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at effective tax rate.</p> <p>Foreign exchange rate movements are specific items that are non-tax deductible in few of the entities which are loss making and where DTA is not yet triggered and hence are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis and therefore excluded to arrive at effective tax rate.</p> <p>One-off tax impact on account of prior year adjustment, any tax litigation settlement and tax impact on permanent differences are additional specific items that because of their size and frequency in the results, are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis.</p>
Adjusted effective tax rate	Reported tax rate	<ul style="list-style-type: none"> Deferred tax triggered during the year and accounted as exceptional tax item. 	Table D	<p>The Group defines adjusted effective tax rate as effective tax rate after normalizing any impact arising on account of deferred tax triggered during the year for the first time which has been reported as exceptional item.</p> <p>This provides an indication of the tax rate across the Group for the current financial year after considering any deferred tax triggered during the year.</p>
Underlying profit/(loss) after tax	Profit/(loss) for the period	<ul style="list-style-type: none"> Exceptional items 	Table E	<p>The Group defines underlying profit / (loss) after tax as profit / (loss) for the period adjusted for exceptional items.</p> <p>The directors view underlying profit / (loss) after tax to be a meaningful measure to analyse the Group's profitability.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) after tax.</p>
Earnings per share before exceptional items	EPS	<ul style="list-style-type: none"> Exceptional items 	Table F	<p>The Group defines earnings per share before exceptional items as profit/ (loss) for the period before exceptional items attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period.</p> <p>This measure reflects the earnings per share before exceptional items for each share unit of the company.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at earnings for the purpose of earnings per share before exceptional items.</p>

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Table reference ⁽¹⁾	Definition and purpose
Operating free cash flow	Cash generated from operating activities	<ul style="list-style-type: none"> Income tax paid, Changes in working capital, Other non-cash items, Non-operating income, Charity and donation Exceptional items Capital expenditures 	Table H	The Group defines operating free cash flow as net cash generated from operating activities before income tax paid, changes in working capital, other non-cash items, non-operating income, charity and donation and exceptional items less capital expenditures. The Group views operating free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Free cash flow	Cash generated from operating activities	<ul style="list-style-type: none"> Changes in working capital, Capital expenditures Income tax paid Cash interest 	Table I	<p>The Group defines free cash flow as net cash generated from operating activities after change in operating working capital, income tax paid & cash interest. It is calculated as “Underlying EBITDA less change in operating working capital, capital expenditure, income tax paid and cash interest.”</p> <p>The Group views free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.</p>
Net debt and leverage ratio	No direct equivalent	<ul style="list-style-type: none"> Borrowing Lease liabilities Cash and cash equivalent Term deposits with banks Fair value hedges 	Table J	<p>The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.</p> <p>The Group defines leverage ratio as net debt divided by underlying EBITDA.</p> <p>The directors view net debt and the leverage ratio to be meaningful measures to monitor the Group’s ability to cover its debt through its earnings.</p>
Return on capital employed	No direct equivalent	<ul style="list-style-type: none"> Exceptional items to arrive at underlying EBIT 	Table K	<p>Group defines return on capital employed (‘ROCE’) as underlying EBIT divided by average capital employed.</p> <p>The directors view return on capital employed as a financial ratio that measures Group’s profitability and the efficiency with which its capital is being utilised.</p> <p>The Group defines underlying EBIT as operating profit/ (loss) for the period adjusted for exceptional items.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group’s performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at Underlying EBIT.</p> <p>Capital employed is defined as sum of equity attributable to owners of the company, non-controlling interests and net debt. Average capital employed is average of capital employed at the closing and beginning of the relevant period.</p>

⁽¹⁾ Refer “Reconciliation between GAAP and alternative performance measures” for respective table.

Some of the Group’s IFRS measures and APMs are translated at constant currency exchange rates to measure organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period’s results have been converted using exchange rates prevailing as on 31 March 2020. Reported currency percentage change is derived on the basis of average actual periodic exchange rates for that financial period. Variance between constant currency and reported currency percentage are due to exchange rate movements between previous financial reporting period and current period.

Changes to APMs

Definition of underlying EBITDA margin has been clarified as underlying EBITDA divided by underlying revenue. Underlying revenue is included in the APM and is defined as revenue for the period adjusted for exceptional items. The reason for using underlying revenue is because exceptional revenue has been recorded for the first time in the Year ended 31 March 2021. Return on capital employed has been included in the APM and is defined as Underlying EBIT divided by average capital employed. ROCE is a financial ratio that measures Group’s profitability and efficiency with which its capital is being utilised.

Reconciliation between GAAP and Alternative Performance Measures

Table A: Underlying revenue

Description	Unit of measure	Year ended	
		March 2021	March 2020
Revenue	\$m	3,908	3,422
Less:			
Exceptional items	\$m	(20)	-
Underlying revenue	\$m	3,888	3,422

Table B: Underlying EBITDA and margin

Description	Unit of measure	Year ended	
		March 2021	March 2020
Operating profit	\$m	1,119	901
Add:			
Depreciation and amortisation	\$m	681	632
Charity and donation	\$m	6	5
Exceptional items	\$m	(14)	(23)
Underlying EBITDA	\$m	1,792	1,515
Underlying revenue	\$m	3,888	3,422
Underlying EBITDA margin (%)	%	46.1%	44.3%

Table C: Underlying profit / (loss) before tax

Description	Unit of measure	Year ended	
		March 2021	March 2020
Profit / (loss) before tax	\$m	697	598
Exceptional items (net)	\$m	(14)	(65)
Underlying profit / (loss) before tax	\$m	683	533

Table D: Effective tax rate and adjusted effective tax rate

Description	Unit of measure	Year ended					
		March 2021			March 2020		
		Profit before taxation	Income tax expense	Tax rate %	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate	\$m	697	282	40.5%	598	190	31.8%
Adjusted for:							
Exceptional items (provided below)	\$m	(14)	36		(65)	47	
Foreign exchange rate movements for non-DTA OpCos & HoldCos	\$m	42			(21)		
One-off tax adjustment	\$m		(5)			12	
Effective tax rate	\$m	725	313	43.2%	512	249	48.6%
Deferred tax triggered during the year	\$m		(36)			(51)	
Adjusted effective tax rate	\$m	725	277	38.2%	512	198	38.7%
Exceptional items							
1. Deferred tax asset recognition	\$m		36			51	
2. Network modernisation	\$m				27	2	
3. Employee restructuring	\$m	6					
4. Service revenues	\$m	(20)					
5. Reversal of indemnities	\$m				(72)		
6. Share issue and IPO related expenses	\$m				6		
7. Finance cost	\$m				1		
8. Customer acquisition cost	\$m				(27)	(6)	
Total	\$m	(14)	36		(65)	47	

Table E: Underlying profit / (loss) after tax

Description	Unit of measure	Year ended	
		March 2021	March 2020
Profit / (loss) after tax	\$m	415	408
Exceptional items	\$m	(50)	(112)
Underlying profit / (loss) after tax	\$m	365	296

Table F: Earnings per share before exceptional items

Description	Unit of measure	Year ended	
		March 2021	March 2020
Profit / (loss) after tax before exceptional items attributable to owners of the company (refer Table G)	\$m	308	261
Weighted average number of ordinary shares in issue during the financial period.	million	3,758	3,586
Earnings per share before exceptional items	Cents	8.2	7.3

Table G: Earnings per share –Restated

Description	Unit of measure	Year ended	
		March 2021	March 2020
Weighted average shares	million	3,758	3,586
Weighted average shares - Restated	million	3,754	3,754
Profit for the period attributable to owners of the company	\$m	339	370
Operating and non-operating exceptional items	\$m	(14)	(65)
Tax exceptional items	\$m	(36)	(47)
Non-controlling interest exceptional item	\$m	19	3
Profit attributable to owners of the company - pre-exceptional items	\$m	308	261
Basic EPS	cents	9.0	10.3
EPS before exceptional items	cents	8.2	7.3
Basic EPS -restated ⁽¹⁾	cents	9.0	9.8
EPS before exceptional items -restated ⁽¹⁾	cents	8.2	6.9

⁽¹⁾ EPS has been restated to reflect the position if all the shares as of 31 March 2021 been issued on 1 April 2019, for a like-for-like comparison.

Table H: Operating free cash flow

Description	Unit of measure	Year ended	
		March 2021	March 2020
Net cash generated from operating activities	\$m	1,666	1,387
Add: Income tax paid	\$m	195	114
Net cash generation from operation before tax	\$m	1,861	1,501
Less: Changes in working capital			
Increase in trade receivables	\$m	8	11
Increase in inventories	\$m	4	1
Decrease in trade payables	\$m	38	15
Increase in mobile money wallet balance	\$m	(139)	(53)
Increase in provisions	\$m	(1)	(2)
Increase in deferred revenue	\$m	(17)	(20)
Decrease in income received in advance	\$m	1	11
Increase in other financial and non-financial liabilities	\$m	(18)	(4)
Increase in other financial and non-financial assets	\$m	48	28
Operating cash flow before changes in working capital	\$m	1,785	1,488
Other non-cash adjustments	\$m	15	45
Charity and donation	\$m	6	5
Exceptional items	\$m	(14)	(23)
Underlying EBITDA	\$m	1,792	1,515
Less: Capital expenditure	\$m	(614)	(642)
Operating free cash flow	\$m	1,178	873

Table I: Free cash flow

Description	Unit of measure	Year ended	
		March 2021	March 2020
Underlying EBITDA	\$m	1,792	1,515
Less: Capital expenditure	\$m	(614)	(642)
Operating free cash flow	\$m	1,178	873
Add: Changes in working capital			
Increase in trade receivables	\$m	(8)	(11)
Increase in inventories	\$m	(4)	(1)
Decrease in trade payables	\$m	(38)	(15)
Decrease in income received in advance	\$m	(1)	(11)
Increase in deferred revenue	\$m	17	20
Operating cash flow after changes in working capital	\$m	1,144	855
Less: Income tax paid	\$m	(195)	(114)
Less: Cash interest (net)	\$m	(302)	(288)
Free cash flow	\$m	647	453

Table J: Net debt and leverage

Description	Unit of measure	As at March 2021	As at March 2020
Long term borrowing, net of current portion	\$m	1,871	2,446
Short-term borrowings and current portion of long-term borrowing	\$m	1,468	664
Add: Processing costs related to borrowings	\$m	5	5
Add/(less): Fair value hedge adjustment	\$m	(21)	(27)
Less: Cash and cash equivalents	\$m	(813)	(1,010)
Less: Term deposits with banks	\$m	(257)	-
Net debt excluding Lease liabilities	\$m	2,253	2,078
Add: Lease liabilities	\$m	1,277	1,169
Net debt including Lease liabilities	\$m	3,530	3,247
Underlying EBITDA (LTM)	\$m	1,792	1,515
Leverage (LTM)	times	2.0	2.1

Table K: Return on capital employed

Description	Unit of measure	Year ended	
		March 2021	March 2020
Operating profit	\$m	1,119	901
Less:			
Exceptional items	\$m	(14)	4
Underlying EBIT	\$m	1,105	905
Equity attributable to owners of the company	\$m	3,405	3,388
Non-controlling interests (NCI)	\$m	(52)	(107)
Net debt (refer Table J)	\$m	3,530	3,247
Capital employed	\$m	6,883	6,528
Average capital employed ⁽¹⁾	\$m	6,705	6,481
Return on capital employed	%	16.5%	14.0%

⁽¹⁾ Capital employed at the beginning of year ended 31 March 2021 and 2020 is \$6,528m and \$6,435m respectively.

Glossary

Technical and Industry Terms

4G data customer	A customer having a 4G handset and who has used at least 1MB on any of the Group's GPRS, 3G & 4G network in the last 30 days.
Airtel Money	Airtel Money is the brand name for Airtel Africa's mobile money products and services. The term is used interchangeably with "mobile money" when referring to our mobile money business, finance, operations and activities.
Airtel Money ARPU (mobile money ARPU)	Mobile money average revenue per user. This is derived by dividing total mobile money revenue during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtel Money customer base (mobile money customer base)	Total number of active subscribers who have enacted any mobile money usage event in last 30 days.
Airtel money customer penetration (mobile money customer penetration)	The proportion of total Airtel Africa active mobile customers who use mobile money services. Calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value (mobile money transaction value)	Any financial transaction performed on Airtel Africa's mobile money platform.
Airtel money transaction value per customer per month (mobile money transaction value per customer per month)	Calculated by dividing the total mobile money transaction value on the Group's mobile money platform during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
ARPU	Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers during the period and dividing the result by the number of months in the relevant period.
Average customers	The average number of active customers for a period. Derived from the monthly averages during the relevant period. Monthly averages are calculated using the number of active customers at the beginning and the end of each month.
Broadband base stations	Base stations that carry either 3G and/or 4G capability across all technologies and spectrum bands.
Capital expenditure	An alternative performance measure (non-GAAP). Defined as investment in gross fixed assets (both tangible and intangible but excluding spectrum and licences) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.
Constant currency	The Group has presented certain financial information that is calculated by translating the results for the current financial year and previous financial years at a fixed 'constant currency' exchange rate, which is done to measure the organic performance of the Group. Growth rates for business and product segments are in constant currency as it better represent the underlying performance of the business. Constant currency growth for prior years are calculated using closing exchange rates as at the end of prior year.
Churn	Churn is derived by dividing the total number of customer disconnections during the relevant period by the average number of customers and dividing the result by number of months in the relevant period.
Customer	Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.
Customer base	The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transaction) in the last 30 days.
Data ARPU	Data ARPU is derived by dividing total data revenue during the relevant period by the average number of data customers and dividing the result by the number of months in the relevant period.
Data customer base	The total number of subscribers who have consumed at least 1MB on the Group's GPRS, 3G or 4G network in the last 30 days.
Data customer penetration	The proportion of customers using data services. Calculated by dividing the data customer base by the total customer base.
Data usage per customer	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.
Diluted earnings per share	Diluted EPS is calculated by adjusting the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares actually been issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.
Earnings per share (EPS)	EPS is calculated by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.
Foreign exchange rate movements for non-DTA operating companies and holding companies	Foreign exchange rate movements are specific items that are non-tax deductible in a few of our operating entities, hence these hinder a like-for-like comparison of the Group's effective tax rate on a period-to-period basis and are therefore excluded when calculating the effective tax rate.

Free cash flow	An alternative performance measure (non-GAAP). Free cash flow is defined as operating free cash flow less cash interest, income tax paid and change in operating working capital.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, videoconferencing, social networking, and other media applications and services.
Interconnect user charges (IUC)	Interconnect user charges are the charges paid to the telecom operator on whose network a call is terminated.
Lease liability	Lease liability represents the present value of future lease payment obligations.
Leverage	An alternative performance measure (non-GAAP). Leverage (or leverage ratio) is calculated by dividing net debt at the end of the relevant period by the underlying EBITDA for the preceding 12 months.
Minutes of usage	Minutes of usage refer to the duration in minutes for which customers use the Group's network for making and receiving voice calls. It is typically expressed over a period of one month. It includes all incoming and outgoing call minutes, including roaming calls.
Mobile services	Mobile services are our core telecom services, mainly voice and data services, but also including revenue from tower operation services provided by the Group and excluding mobile money services.
Net debt	An alternative performance measure (non-GAAP). The Group defines net debt as borrowings including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.
Net debt to underlying EBITDA (LTM)	An alternative performance measure (non-GAAP) Calculated by dividing net debt as at the end of the relevant period by underlying EBITDA for the preceding 12 months (from the end of the relevant period). This is also referred to as the leverage ratio.
Network towers or "sites"	Physical network infrastructure comprising a base transmission system (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio link protocols with the mobile device. It includes all ground-based, roof top and in-building solutions.
Operating company (OpCo)	Operating company (or OpCo) is a defined corporate business unit, providing telecoms services and mobile money services in the Group's footprint.
Operating free cash flow	An alternative performance measure (non-GAAP). Calculated by subtracting capital expenditure from underlying EBITDA.
Operating leverage	An alternative performance measure (non-GAAP). Operating leverage is a measure of the operating efficiency of the business. It is calculated by dividing operating expenditure (excluding regulatory charges) by total revenue.
Operating profit	Operating profit is a GAAP measure of profitability. Calculated as revenue less operating expenditure (including depreciation and amortisation, and operating exceptional items).
Other revenue	Other revenue includes revenues from messaging, value added services (VAS), enterprise, site sharing and handset sale revenue.
Reported currency	Our reported currency is US dollars. Accordingly, actual periodic exchange rates are used to translate the local currency financial statements of OpCos into US dollars. Under reported currency the assets and liabilities are translated into US dollars at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollars at monthly average exchange rates.
Smartphone	A smartphone is defined as a mobile phone with an interactive touch screen that allows the user to access the internet and additional data applications, providing additional functionality to that of a basic phone which is used only for making voice calls and sending and receiving text messages.
Smartphone penetration	Calculated by dividing the number of smartphone devices in use by the total number of customers.
Total MBs on network	Total MBs consumed (uploaded & downloaded) by customers on the Group's GPRS, 3G and 4G network during the relevant period.
Underlying EBIT	An alternative performance measure (non-GAAP). Defined as operating profit before exceptional items.
Underlying EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation, CSR cost and exceptional items.
Underlying EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing underlying EBITDA for the relevant period by underlying revenue for the relevant period.
Unstructured Supplementary Service Data	Unstructured Supplementary Service Data (USSD), also known as "quick codes" or "feature codes", is a communications protocol for GSM mobile operators, similar to SMS messaging. It has a variety of uses such as WAP browsing, prepaid callback services, mobile-money services, location-based content services, menu-based information services, and for configuring phones on the network.
Voice minutes of usage per customer per month	Calculated by dividing the total number of voice minutes of usage on the Group's network during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Weighted average number of shares	The weighted average number of shares is calculated by multiplying the number of outstanding shares by the portion of the reporting period those shares covered, doing this for each portion and then summing the total.

Abbreviations

2G	Second-generation mobile technology
3G	Third-generation mobile technology
4G	Fourth-generation mobile technology
AAML	Airtel Africa Mauritius Limited
ARPU	Average revenue per user
bps	Basis points
bn	Billion
CAGR	Compound annual growth rate
Capex	Capital expenditure
CSR	Corporate social responsibility
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
FPPP	Financial position and prospects procedures
GAAP	Generally accepted accounting principles
GB	Gigabyte
GDP	Gross domestic product
HoldCo	Holding company
IAS	International accounting standards
ICT	Information and communication technologies
ICT (Hub)	Information communication technology (Hub) IFRS
IFRS	International financial reporting standards
IMF	International monetary fund
IPO	Initial public offering
KPIs	Key performance indicators
KYC	Know your customer
LTE	Long-term evolution (4G technology)
LSE	London stock exchange
LTM	Last 12 months
m	Million
MB	Megabyte
MI	Minority interest (non-controlling interest)
NGO	Non-governmental organisation
NSE	Nigerian stock exchange
OpCo	Operating company
P2P	Person to person
PAYG	Pay-as-you-go
ppts	Percentage points
QoS	Quality of service
RAN	Radio access network
SIM	Subscriber identification module
Single RAN	Single radio access network
SMS	Short messaging service

SPOC	Single point of contact (Vendor SPOC: Designated person from vendor's side who interacts with Airtel teams on a regular basis for various requirements)
TB	Terabyte
Telecoms	Telecommunications
UoM	Unit of measure
USSD	Unstructured supplementary service data

Risk Factors

The Group's business and the industry in which it operates, together with all other information contained in this document, including, in particular, the risk factors summarized below. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deem immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations and financial condition.

Principal risks summarised

1. We operate in an increasingly competitive environment and aggressive competition by existing players, or the entry of a new player could put a downward pressure on prices, adversely affecting our revenue and profitability.
2. Failure to innovate through simplifying the customer experience, developing adequate digital touchpoints in line with changing customer needs and competitive landscape could lead to loss of customers and market share.
3. An inability to invest and upgrade our network and IT infrastructure would affect our ability to compete effectively in the market.
4. Cybersecurity threats through internal or external sabotage or system vulnerabilities could potentially result in customer data breaches and/or service downtimes.
5. Adverse changes in our external business environment and / or supply chain processes leading to a significant increase in our operating cost structure and negatively impacting profitability.
6. Due to shortage of skilled telecommunications professionals in some markets, inability identify and develop successors for key leadership positions could lead to disruptions in the execution of our corporate strategy.
7. Our internal control environment is subject to the risk that controls may become inadequate due to changes in internal or external conditions, new accounting requirements, delays, or inaccuracies in reporting.
8. Our telecommunications networks are subject to risks of technical failures, aging infrastructure, human error, wilful acts of destruction or natural disasters.
9. Our multinational footprint means we are exposed to the risk of currency fluctuations including the availability of funds for repatriation to the Group company triggered by adverse macroeconomic conditions in the markets where we operate.
10. We operate in a diverse and dynamic legal and regulatory environment. A failure to comply with relevant laws and regulations could lead to regulatory penalties, sanctions, and reputational damage.
11. Disruptions and uncertainties caused by the Covid-19 pandemic may impact the Group's ability to operate its business effectively and achieve its objectives.