airtel

Airtel Africa plc
Annual Report and
Accounts 2022

Transforming lives

Strategic report

1 Airtel Africa overview
12 Chair's statement
14 Chief executive officer's review
16 Our investment proposition
17 Our key performance indicators
20 Our market environment
23 Legal and regulatory framework
24 Our business model
26 Stakeholder engagement
31 Our strategy
43 Our sustainability strategy
59 Corporate social responsibility
62 Business reviews
62 – Nigeria
64 – East Africa
66 – Francophone Africa
68 – Mobile services
70 – Airtel Money
72 Airtel Business
73 Digital Labs
74 CFO's introduction to the financial review
76 Financial review
80 Managing our risk
83 Principal risks and mitigation
87 Our long-term viability statement

Governance report

90 Our Board of directors
94 Our Executive Committee
96 Chair's introduction
98 Our leadership
103 Board evaluation
104 Audit and Risk Committee report
114 Nominations Committee report
119 Our compliance with the UK Corporate Governance Code
123 Directors' report
127 Directors' responsibilities statement
128 Directors' remuneration report

Financial statements

152 Independent auditors' report
162 Consolidated statement of comprehensive income
163 Consolidated statement of financial position
164 Consolidated statement of changes in equity
165 Consolidated statement of cash flows
168 Notes to consolidated financial statements
225 Company statement of financial position
226 Company statements of changes in equity
227 Notes to company only financial statements

Other information

235 Forward-looking statements
236 Glossary
240 General shareholders' information

Airtel Africa is **transforming lives** across Africa.

Connecting the unconnected. Including the financially excluded. Bridging the digital divide.

By providing critical services to customers and societies across our continent, Airtel Africa is unlocking the potential for people, businesses and economies to grow.

128.4m total customers	**14** sub-Saharan countries
46.7m data customers	**26.2m** Airtel Money customers

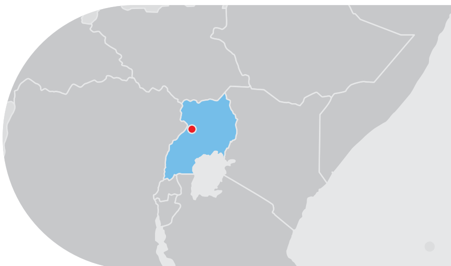
'The power of data'

Watch Violet's story in full on our corporate website at www.airtel.africa

Meeting Africa's urgent need for connection

"Nikimpa ekitiisa muno okurora engonye zange nizijwarwa abakyara abantakaroraga – ago nigo amanyi ga data.

It makes me proud to see my designs being worn by women I've never met – and that's the power of data."



Violet Kabaramizo is using Airtel Africa's 4G network and Airtel Money to run her online clothes business from her village in Western Uganda, sending designs directly to Kampala.

Unlocking potential through our network

Africa is a dynamic continent full of possibility, with a young population that's growing fast. Millions of people have business dreams that could transform their lives – if only they could make them happen. But while mobile telecoms penetration is rapidly expanding, at 1.8% CAGR growth (2021-2025)*, it is still far lower than in much of the world. Too many people still lack quality access to mobile, digital and banking services – and that's holding back individuals, businesses, and whole economies.

We're bringing mobile banking, data and telecoms to communities across sub-Saharan Africa – and helping to unlock the potential of people and societies.

* Source: Global GSMA report (2022)

598 million
population across the Group's footprint

47%
unique mobile user penetration

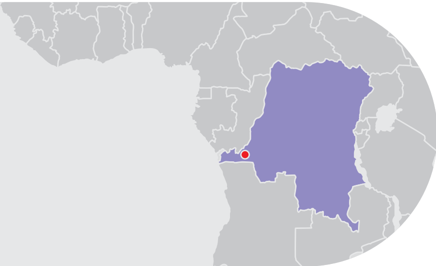
» For information about our 'Win with network' strategy, see **pages 32-33**

» For information about our 'Win with data' strategy, see **pages 36-37**

Including the excluded – and creating possibility

"Je suis heureux qu'il y ait un kiosque Airtel dédié près de chez moi – cela me facilite la vie.

I am happy there is a dedicated Airtel kiosk close to my home – it makes my life much easier."



Thanks to our network expansion programme, **Jean-Francis Muya** can access our mobile services in the marketplace within a short walk from his house in Bandalungwa, Kinshasa.

Getting closer to our customers, wherever they are

Everything changes for people in remote areas when our network reaches their community. In markets like the Democratic Republic of the Congo, people can be hundreds of miles from the nearest bank, and cut off from banking services as well as many friends and family members.

We've reached an estimated 41.5 million people through our network expansion programme to-date, making it possible for them to use Airtel Money, data and mobile services to connect with loved ones and the wider economy. We're now serving 10.7 million customers overall in the DRC – including 4.6 million in remote or rural locations where infrastructure is limited or non-existent.

41.5 million
people reached through our network expansion programme

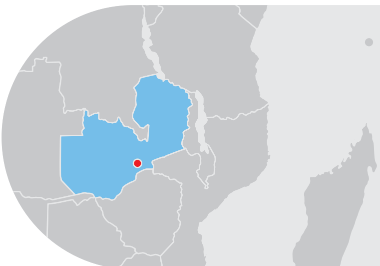
» For more information on our 'Win with distribution' strategy, see **pages 34-35**


airtel
money
ULTIMATE TREK
DESTINATION
GREAT OUTDOOR

The more we serve, the more we grow

“Ndabuka cila bushiku ukuwamya imikalile yandi mukubombesha, nemikalile ya bantu bambi.

I wake up every day, not just to make my life better by working hard, but to enhance other people’s lives as well.”



Olivia Chichenga is founder and director of Glonet Connections Limited, based in Lusaka, Zambia. She’s now running three Airtel Money branches, employing 12 people and supporting 350 agents while helping us reach more customers through our unique distribution network.

Reaching the financially excluded and bridging the digital divide

We’re passionate about providing more services, to more customers – because their success drives ours. Our ‘Win with’ strategy is built around delivering critical services that create social value for all the communities in our 14 markets – and the more we grow our distribution network, the more people we can reach. This year, we’ve reached more than 69,000 exclusive retail touchpoints, including minishops, kiosks and Airtel Money branches.

We’ve also delivered underlying revenue growth of 21.3% and profit after tax growth of 82.0%, while strengthening our balance sheet and reducing our debt. It means we can keep bridging the digital divide for millions of people – and ensures we can play our part in building a brighter future.

78.3%
population coverage at the Group level

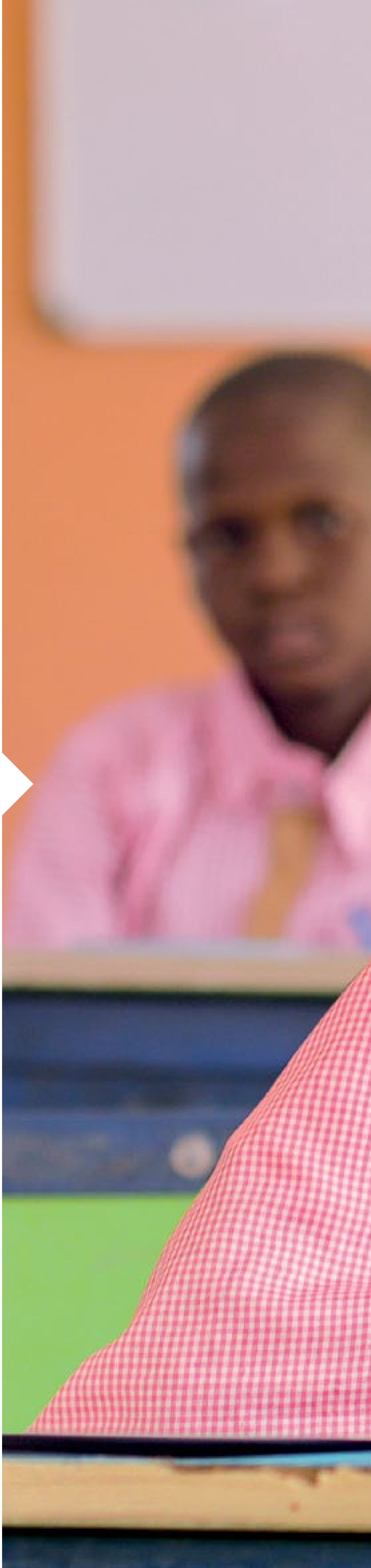
41.7%
of our sites are in the rural areas

» For information on our ‘Win with mobile money’ strategy, see **pages 38-39**

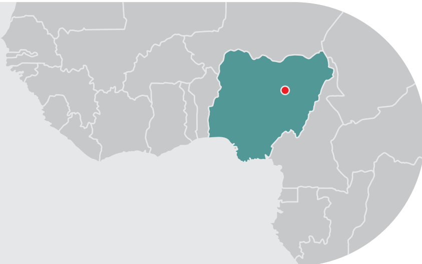
Building a sustainable future in Africa

"Ilmi shine mabudin dukkan alkhairi ga matasan Africa da alummomin su baki daya.

Education is the key to unlocking opportunity for young people and their communities across Africa."



Already, we've reached thousands of students like **Aishatu** at the Government Day Nursery and Primary School Pantami, in Gombe State, Nigeria, with our 'Adopt a school' programme – and now, like us, she is part of Africa's sustainable future.



Delivering on our purpose of transforming lives

Africa is full of opportunity – but it also faces challenges, and we've always been determined to play our part in addressing them. Our sustainability strategy is at the heart of everything we do, shaping how we reduce our environmental impact, drive equitable digital and financial inclusion, create rewarding jobs, and help build the vital education services that are critical for lifting millions of families out of poverty.

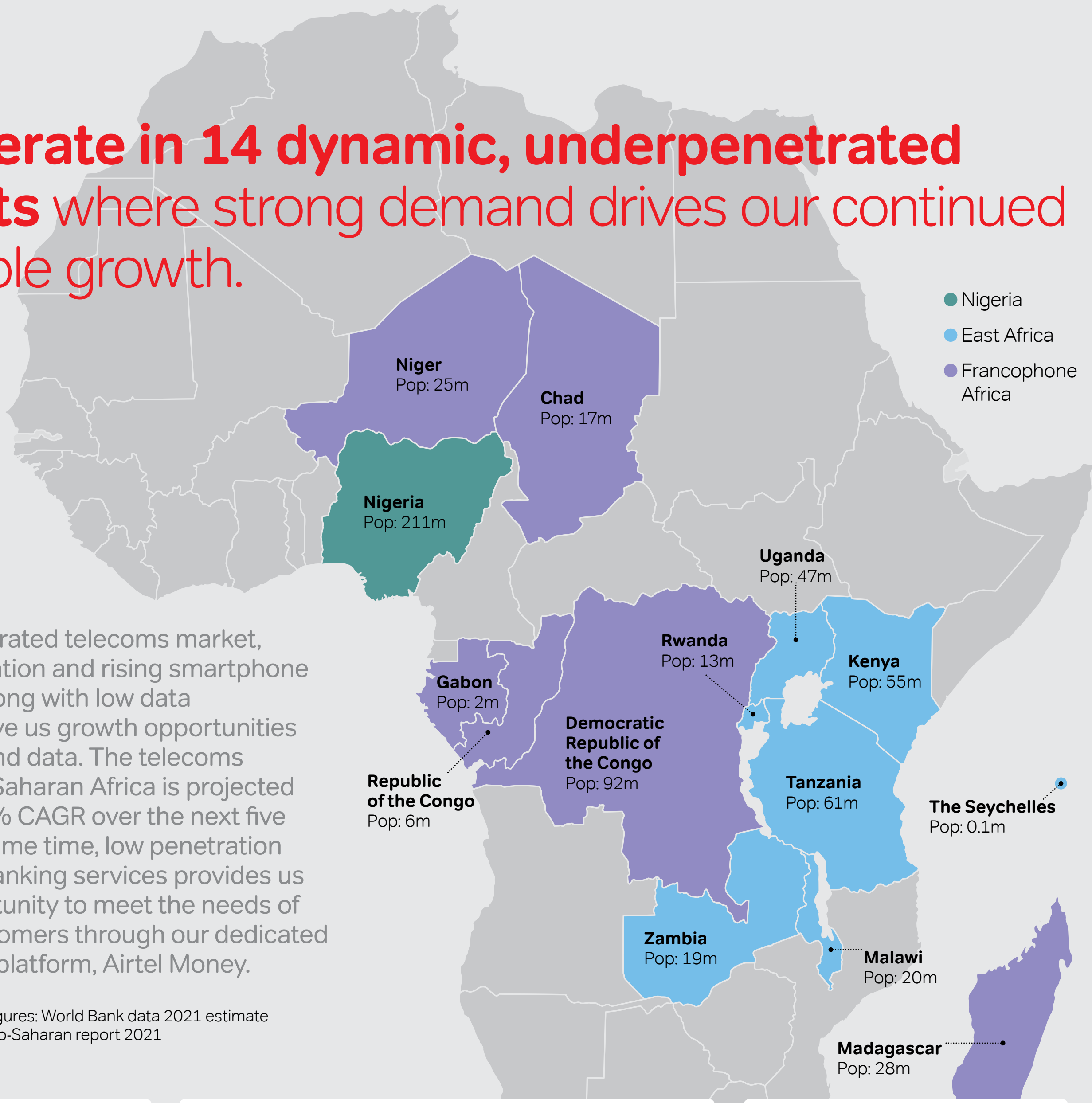
1 million+
children to access quality education through our programmes by 2027

$57m
financial and in-kind contribution to UNICEF over the fve years to accelerate digital learning

» For more information on our sustainability strategy, see **pages 43-58**

At a glance

We operate in 14 dynamic, underpenetrated markets where strong demand drives our continued profitable growth.



An underpenetrated telecoms market, a young population and rising smartphone affordability, along with low data penetration, give us growth opportunities in both voice and data. The telecoms market in sub-Saharan Africa is projected to grow by 4.9% CAGR over the next five years. At the same time, low penetration of traditional banking services provides us with the opportunity to meet the needs of unbanked customers through our dedicated mobile money platform, Airtel Money.

Source for population figures: World Bank data 2021 estimate
CAGR source: GSMA sub-Saharan report 2021

Underlying revenue
$4,714m
Reported currency +21.3%
Constant currency +23.3%

Underlying EBITDA
$2,311m
Reported currency +29.0%
Constant currency +31.2%

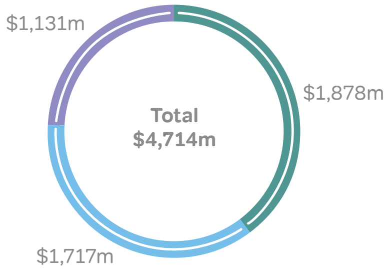
Operating profit
$1,535m
Reported currency +37.2%
Constant currency +39.4%

Capex
$656m
% change +6.9%

Basic earnings per share
16.8 cents
% change +86.5%

Underlying revenue contribution by region

	Year to March 2022 $m	Year to March 2021 $m	Growth in constant currency %
Nigeria	**1,878**	1,552	27.7
East Africa	**1,717**	1,381	22.7
Francophone Africa	**1,131**	964	17.2
Total*	**4,714**	**3,888**	**23.3**



14
markets in our diversified portfolio

1st or 2nd
largest operator by customer market share in 13 markets

2.7%
projected compound annual population growth in our region by 2026

23.3%
revenue growth in constant currency for Airtel Africa in FY'22, 20.6% in reported currency

* Breakdown of underlying revenue as stated in above table will not add up to total revenue, since it also includes inter-segment elimination of $12m (2021: $10m). The difference between reported and underlying revenue in March 2021 relates to one-time exceptional revenue of $20m relating to a settlement in Niger. There is no difference in March 2022
All financial numbers are in reported currency

Our voice, data and mobile money services are reaching more people than ever, and transforming customers' lives.

By extending our distribution network in both rural and semi-urban areas and providing resilient, far-reaching coverage, we've enabled millions of people to access telecoms and banking services. By leading the way in the rollout of 4G networks and enabling people to progress from 2G to 3G to 4G, we've helped drive digitisation. Our expanding footprint of retailers, agents and exclusive franchises, supplemented by our unique operations, have helped deliver services across our markets. And we're helping build a new financial ecosystem that's full of opportunity. Our focus on increasing the number of mobile money use cases through international partnerships and product innovation have helped drive the take up of our mobile money services, boosting financial inclusion.

Voice

We offer pre- and post-paid wireless voice services, international roaming and fixed-line telephony services.

128.4m
total customers

Data

We offer a suite of data communications services, including 2G, 3G and 4G. We provide 4G services in all 14 of our markets.

46.7m
data customers

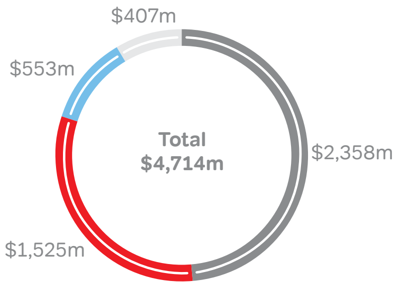
Airtel Money

We offer mobile money services, including digital wallet payments systems, microloans, savings and international money transfers.

26.2m
Airtel Money customers

Underlying revenue contribution by service

	Year to March 2022 $m	Year to March 2021 $m	Growth in constant currency %
Voice	**2,358**	2,083	15.4%
Data	**1,525**	1,157	34.6%
Airtel Money	**553**	401	34.9%
Other^	**407**	347	19.9%
Total*	**4,714**	**3,888**	**23.3%**



28,797
infrastructure sites

87.6%
sites providing 4G coverage

>2.2m
retail touchpoints (agents and distributors) in our network

4G
services available in all 14 markets

64.5k+
kilometers of connecting fibre

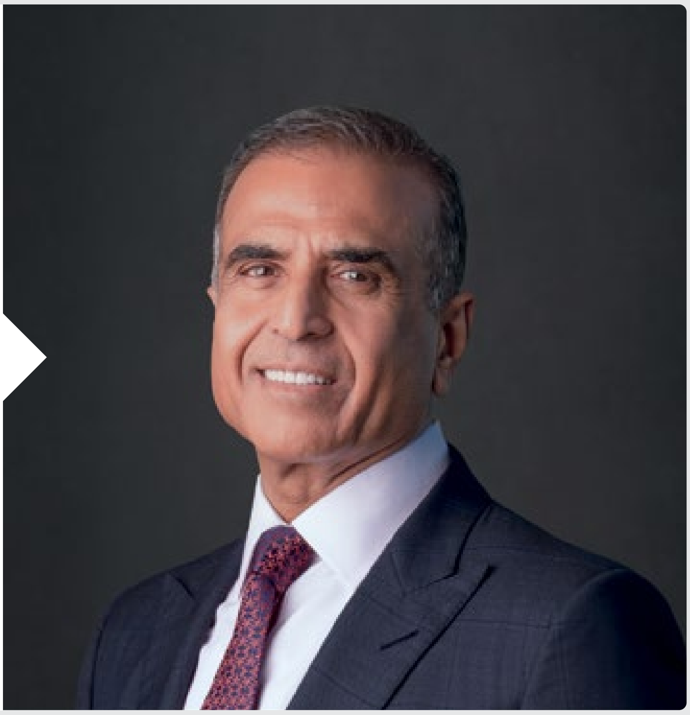
We're driving Airtel Money growth and financial inclusion through strategic partnerships.

WesternUnion WU · mastercard · Ecobank The Pan African Bank

* Breakdown of revenue as stated in above table will not add up to total revenue, since it also includes intra-segment revenues of $129m (2021: $100m). The difference between reported and underlying revenue in March 2021 relates to one-time exceptional revenue of $20m relating to a settlement in Niger. There is no difference in March 2022

^ Other revenue includes messaging, value added services, tower sharing and enterprise

> The launch of our sustainability strategy this year is another important step forward for our business, which has shown once again that by consistently focusing on providing essential, inclusive services for our customers, we transform lives and communities while delivering sustainable, profitable growth.
>
> Sunil Bharti Mittal
> Chair



Providing essential services, and delivering on our purpose of transforming lives

We have always aimed to create a model for providing affordable telecoms services that is sustainable as well as profitable – because for us, sustainability and profitability are inextricably linked.

The markets we operate in are often underserved by telecoms services, and they all have powerful underlying macroeconomic and demographic trends that drive demand – which is reflected in this year's further growth in our customer base to 128.4 million, and in our revenues to $4,714m. We know that meeting that demand goes hand in hand with addressing the challenges faced by the millions of people who still lack access to data services, to effective communications infrastructure, and to financial services. That is why, as well as investing in networks and distribution channels to bring us closer to customers, and enabling financial inclusion through our mobile money services, the business has always delivered programmes in areas such as education, health and disaster relief that address local needs and benefit our communities.

This year we took a further important step, with the launch in October 2021 of our ambitious sustainability strategy, which underpins our well-established corporate purpose of transforming lives. The strategy demonstrates our commitment to developing the infrastructure and services that will drive digital and financial inclusion for people across Africa, and provides a framework for us to contribute to six of the United Nations' Sustainable Development Goals (UN SDGs). The Board was closely involved in overseeing the development of the strategy, which builds on the strong foundations of the work we are already doing at a Group level and across all our local operations. It covers every aspect of our business activities, and has environmental, social and governance criteria at its core.

Going further than ever to support education

Our initial progress against our sustainability strategy is described on pages 43-58, and we will provide our stakeholders with regular updates in the future. I would like to mention two aspects of the strategy here: our commitment to net zero carbon, and our ongoing dedication to supporting education in Africa.

Our ambition is to achieve net zero greenhouse gas (GHG) emissions ahead of the 2050 deadline set out in the Paris Agreement, and we've committed to launching a sector-leading decarbonisation pathway in 2022, ahead of the publication of our first Sustainability Report. This is an exciting development, and further details are on page 54.

Education has long been a priority for me and for everyone at Airtel Africa, so I am particularly pleased to highlight our education goal of transforming the lives of over one million children through improving access to education, including the provision of education content through our five-year partnership with UNICEF, announced in November 2021.

Maintaining resilient services to support customers through the Covid-19 pandemic

The Covid-19 pandemic has seen many of our customers and their communities facing continued disruption and difficulty over the last year. The situation has varied widely across our region and we, like our customers, have had to adapt to changing circumstances, while continuing to look out for our neighbours. There are signs of recovery in many markets, which we welcome, while maintaining our readiness to respond if needed.

Throughout the crisis, it has been very clear that data and telecoms services have been essential to people and economies, and everyone at Airtel Africa should be proud of the work we have done to maintain our services and keep serving our customers. The Board is confident that the business has had the right measures in place to protect our colleagues and customers, and we have also supported programmes to address social and health needs in our markets, some of which are described on pages 59-61. Our biggest contribution – which will continue throughout the recovery – is to ensure our operations remain resilient, so they can keep supporting vital services and include more and more people in financial eco-systems and the telecoms and digital economies.

A consistent strategy that creates value for all stakeholders

This year has seen several changes for the Airtel Africa Board. We welcomed Segun Ogunsanya as our managing director and chief executive officer following Raghu Mandava's retirement, and Segun was appointed to the Board in October 2021, when we were also joined by a new independent non-executive director, Ms Tsega Gebreyes. Jaideep Paul, our chief financial officer, joined the Board with effect from 1 June 2021. They have all shown themselves to be valuable additions.

While we continue to evolve as a business, our underlying strategy remains unchanged in its fundamentals. We maintain a continuous focus on serving customers' needs so we can deliver sustainable, profitable growth, while mitigating our risks through our risk management framework, which is described on page 80-86. Our performance this year is reflected in underlying EBITDA growth of 29.0%, with underlying EBITDA margin of 49.0%, an improvement of 294 basis points in reported currency, and profit after tax increased by 82.0% which supports our ability to deliver on our sustainability ambitions and create value for all our stakeholders.

At the same time, we have a longstanding focus on strengthening our balance sheet. Our leverage (net debt to underlying EBITDA) improved to 1.3x (2.0x as of 31 March 2021).

We're strengthening the business in other ways, too. Last year I described the important steps we have taken in our pursuit of asset monetisation opportunities, including the potential listing of our mobile money business within four years from first closing. This work has continued. We have now received a total of $550m cumulative proceeds from minority stake sales in Airtel Money from four investors. We have also received first closing on tower sales in Tanzania, Malawi and Madagascar. These transactions are described in more detail in the financial review on pages 76-79.

In October 2021, the Board approved an upgrade to our progressive dividend policy to reflect our continued strong business performance and the significant progress made in reducing the leverage ratio. The new policy aims to grow the dividend annually by a mid- to high-single-digit percentage from a new base of 5 cents per share for FY'22, with a continued focus on further strengthening the balance sheet. The Board has recommended a final dividend of 3 cents on 10 May 2022, making a total dividend of 5 for the year.

Strong performance made possible by committed people

None of the transformations we have achieved over recent years would have been possible without the hard work and commitment of our employees and the support of all our stakeholders. In particular, Airtel Africa people have overcome very significant challenges during the pandemic while maintaining our services and providing passionate support to our customers and communities. I would like to thank them all for their continuing dedication to transforming lives.

Sunil Bharti Mittal
Chair

10 May 2022

> The continued strength of our business performance reinforces our belief that serving and empowering customers and their communities is the only way to sustainable success. We earned the licence to be part of people's lives by caring about the things that they care about, and understanding the challenges they face.

Olusegun Ogunsanya
Chief executive officer

Growing our business sustainably, and standing by our promises

This has been an important year for Airtel Africa, in which our continued strong financial performance has meant we could make further progress on our purpose of transforming lives.

The growth in all our services speaks for itself: we have grown underlying revenues in data by 34.6%, in voice services by 15.4%, and in mobile money by 34.9% in constant currency. Reported revenue grew by 20.6% to $4,714m. It is to the credit of everyone at Airtel Africa that we've continued to provide essential services in all our markets throughout the year, and to serve more customers than ever before, reaching 128.4 million in total.

But when you look beyond these figures there is growth of a kind that is equally, or even more important. In October 2021 we launched our sustainability strategy, which builds on the work we have done for years in the societies and communities where we live and operate. It has four focused pillars – each with specific and measurable goals or commitments – designed to help develop a sustainable future for individuals, families, communities and businesses across Africa. The progress we have made to start delivering on these commitments is described on pages 43-58 – and I'd like to thank Airtel Africa's people and all our stakeholders for helping make this possible.

Succeeding by serving customers and communities

Our strong business performance reinforces our belief that serving and empowering customers and their communities is the only way to success. The nature of our services means we are always close to our customers – part of their daily lives, of their family connections, and of the way they interact with the economy and the world.

We must continue to earn the right to that relationship every day – the licence to be part of people's lives. We do that by caring about the things that they care about, and understanding the challenges they face: challenges such as climate change, a lack of access to basic education and healthcare services, poor infrastructure in rural areas that restrict digital communication, and financial inclusion. This has never been more relevant than during the Covid-19 pandemic, which has hit hard among the markets we serve. This year again meant doing business in ways that safeguarded our people and customers, and continuing to provide essential services. Economies and societies are now recovering from that impact – but there is still a need for businesses like ours to invest in the future of our communities.

This year, we announced a five-year partnership with UNICEF to help accelerate digital learning. By providing equal access to quality digital learning, particularly for the most vulnerable children, the partnership will help to ensure that every child reaches their full potential. We were the first African private sector partner to make a multi-million dollar commitment to UNICEF's 'Reimagine education' initiative, and our $57m financial and in-kind contribution over five years will benefit learners in Chad, Congo, Democratic Republic of the Congo, Gabon, Kenya, Madagascar, Malawi, Niger, Nigeria, Rwanda, Tanzania, Uganda and Zambia.

There is always more we can do, though, to increase our positive social and environmental impact. In the year ahead we will continue to work on our net zero ambition and on the other key pillars of our sustainability strategy – which include expanding financial inclusion and digitalisation for customers across the region, as well as working to make sure our own employees continue to enjoy a work culture that is inclusive and rewarding.

Strengthening our 'Win with' strategy

Formally embedding our sustainability goals into everything we do has strengthened our business strategy for the future. That strategy continues to be underpinned by the key trends we see in our markets: a continuous and expanding demand for data, mobile money and mobile services from young, growing populations who are underserved by infrastructure, especially in remote rural areas.

We succeed by providing affordable, transparent telecoms services in a sustainable manner, reducing the digital divide and enhancing financial inclusion. We have leading positions in many of our markets, but like any business we should always be alive to our competitive environment – whether that competition comes from telecoms businesses, or from FinTech companies.

One of our key assets continues to be our exclusive distribution network – which gives us the ability to win and stay close to our customers. This year our total Airtel Money branches and kiosks has grown to over 16,000 and 53,000, respectively. We have also added digitalisation as an overarching strategic intent – because further digitising our services, creating digital products, and digitising our own processes will play a vital role in our success, increasing the attractiveness and efficiency of our offer, and building 'stickiness', which helps us retain our customers.

At the same time, we continuously build on our network in rural areas and improve quality and capacity in urban areas. This year we added more than 3,400 sites, taking our total sites to 28,797, of which 87.6% are on 4G. Our fibre network has now reached over 64,500+ km. And we continue to focus on the mobile money opportunity, which is closely aligned with our ambition of supporting financial inclusion in line with the UN Sustainable Development Goals (UN SDGs). Our mobile money customers grew by 20.7% during the year, while strategic partnerships, cross-border money transfers and digital payments, including merchant payments, have helped grow our mobile money transaction value by 37.0%, and mobile money revenues by 34.9%.

» Our progress against our 'Win with' strategy is described in full on **pages 31-42**

Transforming lives

Successful delivery of our strategy this year has meant that our provision of essential services to customers and communities has driven our profitable growth, which in turn fuels our ability to keep advancing our sustainability ambitions. This would not be possible without our stakeholders, including the governments of the countries in which we operate, who recognise the value we bring to their own goals for building a digital, inclusive economy, and with whom we aim to work in partnership on sustainable development.

Above all, of course, it would not be possible without the hard work of Airtel Africa people and the support of stakeholders. I'd like to thank them again for their efforts as, together, we continue to transform lives.

Olusegun Ogunsanya
Chief executive officer

10 May 2022

Our investment proposition

Our operations in 14 sub-Saharan African countries offer substantial market potential across voice, data and mobile money services.

The countries we operate in have some of the highest population growth projections in the world. Combined with the currently low levels of unique mobile customers, low minutes of usage, low data consumption and limited traditional banking services, this creates huge opportunity for the growth of Airtel Africa.

See overview of our market environment on **pages 20-21**

We have the diversity and scale to deliver value-for-money telecoms and mobile money services to our customers. Our well-invested asset base, strong brand values and recognition and effective distribution channels (both direct and indirect) give us sustainable differentiation in the market.

Our strong track record of delivering growth and improved operational performance continues. We have a lean and simplified operating model which, combined with our effective management team, has delivered double-digit revenue growth, strong profitability and cash flow. Strong country-level management teams with deep knowledge of their markets are supported by subject matter experts at Group level. We also benefit from the strength and support of our shareholder Bharti Airtel, one of the world's largest telecoms operators.

See our financial review on **pages 76-79**

Led by our purpose of transforming lives, with a customer-centric vision of enriching the lives of our customers, we deliver sustainable, profitable and market-leading growth through our six pillar strategy: Win with…network, distribution, data, mobile money, cost and people. We are reducing the digital divide and enhancing financial inclusion, including through partnerships with governments in the countries where we operate. We are focused on digitising how we operate, as well as how our customers use our products. And our new sustainability strategy, published in October 2021, further embeds environmental, social and corporate governance (ESG) considerations into everything we do.

Our strategy for growth is described on **pages 31-42**

For more information about our sustainability strategy, see **pages 43-58**

Our strong balance sheet and conservative capital structure allow us to fully execute our growth strategy and create value for all our stakeholders: customers, communities, regulators and governments, partners and suppliers, our people, and our shareholders.

Our key performance indicators

KPIs give our Board and management a clear sense of progress that we are making and areas to improve.

Measuring the success of our strategy

Our operational and financial key performance indicators (KPIs) give us a crucial insight into our business performance and the progress being made towards our strategic intent.

Our selected KPIs help us to communicate the Group's strategy across all levels of the organisation, and form part of our governance and performance management process.

Ensuring our KPIs are meaningful and responsive

Our primary operational KPIs include sites, data capacity, customer base, net additions, average revenue per user (ARPU), usage per customer and Airtel Money transactions, while our financial KPIs are revenue, underlying EBITDA, operating profit, profit after tax, operating free cash flow, net cash generated from operating activities, leverage, earnings per share, and return on capital employed. We are in the process of finalising KPIs relating to our non-financial performance in line with our sustainability strategy, launched in October 2021.

» See more details about our sustainability strategy on **pages 43-58**

We keep our operational and financial KPIs under review to make sure they stay relevant to our strategy and our business.

» See definition and reconciliation of our alternative performance measures on **pages 229-234**

Linkage with remuneration

Our remuneration targets are linked with financial KPIs (revenue, underlying EBITDA and operational free cash flow). Further, we benchmark our shareholder return performance with a peer group of companies for our long-term incentive scheme.

Financial KPIs

APM KPI	FY'22	FY'21
Underlying revenue*	$4,714m Reported currency +21.3% Constant currency +23.3%	$3,888m +19.4%
Underlying EBITDA and margin	$2,311m Reported currency +29.0% Constant currency +31.2% Margin 49.0%	$1,792m +25.2% Margin 46.1%
Operating free cash flow**	$1,655m +40.5%	$1,178m +34.9%
Leverage	1.3x	2.0x
Return on capital employed	23.3%	16.5%

GAAP KPI	FY'22	FY'21
Operating profit	$1,535m Reported currency +37.2% Constant currency +39.4%	$1,119m +32.8%
Profit after tax**	$755m +82.0%	$415m +1.8%
Net cash generated from operating activities**	$2,011m +20.7%	$1,666m
Basic earnings per share**	16.8 cents +86.5%	9.0 cents (12.6%)

* Underlying revenue growth rates excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended 2020/21

** Growth percentage is in reported currency

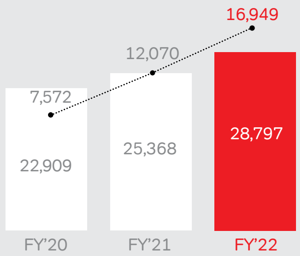
Note: growth percentages in KPIs are in constant currency unless specified

Our key performance indicators continued

Operational KPIs

Total sites and data capacity

- Total sites number
- Total data capacity tb/day

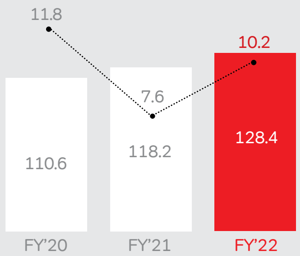


Performance

During the year, as part of our strategic drive to Win with network, we have deployed more than 3,400 sites, reaching 28,797 sites in total as of 31 March 2022. We further added 3,900+ 3G sites (96.5% of sites are now 3G), more than 5,800+ sites to 4G (87.6% of sites are now 4G) and added almost 10,000 km of fibre (64,500+ km of fibre as at 31 March 2022). Data capacity was increased by 40.4% to 16,900+ terabytes (TB) per day, with peak hour data utilisation at 46%.

Customer base and customer net additions

- Customer base m
- Customer net ads m



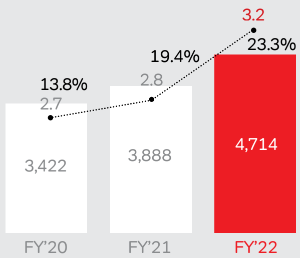
Performance

Customer base grew by 8.7% to 128.4 million. This growth was supported by further investment in sales and distribution infrastructure in both urban and rural markets, including expansion of our exclusive distribution channel of kiosks and mini-shops.

We endeavour to ensure availability of SIM cards and recharge across our footprint. Customer base grew across all three regions: Nigeria by 5.8%, East Africa by 7.8%, and Francophone Africa by 15.9%.

Group underlying revenue and ARPU

- Group underlying revenue $m
- ARPU $

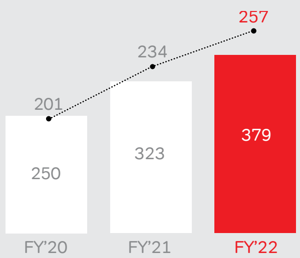


Performance

Total underlying revenue was $4,714m, grew by 23.3% in constant currency led by both customer base growth of 8.7% and ARPU growth of 15.4%. ARPU growth of 15.4% was driven by all our key services: with data contributing 7.7%, voice contributing 4.3%, mobile money contributing 2.7%, and with the balance coming from growth in other revenue.

Voice traffic and usage per customer

- Voice traffic bn mins
- Usage per customer mins

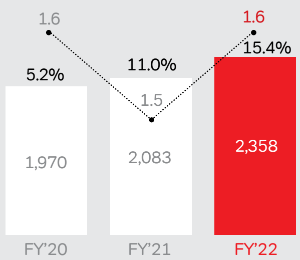


Performance

Voice traffic grew to 379 billion minutes in FY'22, an increase of 17.3% mainly driven by customer base growth of 8.7% and an increase of voice usage per customer of 9.8% to 257 minutes per customer per month. The voice usage growth was driven by investment in rural sales and distribution along with expanded rural network coverage. Additionally, higher adoption of voice bundles amongst our customers contributed to the growth in voice usage, bundle penetration reached 54% by 31 March 2022.

Voice underlying revenue and voice ARPU

- Voice underlying revenue $m
- Voice ARPU $

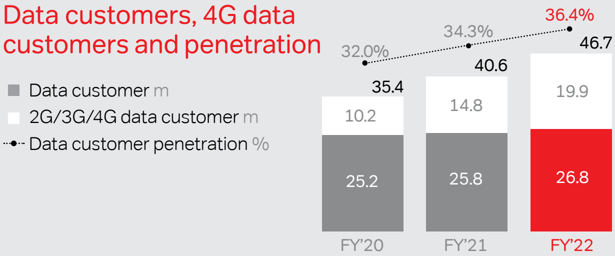


Performance

During the year, voice underlying revenue grew by 15.4% in constant currency to $2,358m. Voice revenue growth was driven by an increase in our customer base by 8.7% and voice ARPU growth of 8.0%, led by an increase in voice usage per customer by 9.8%. Voice ARPU increased to $1.6 per customer per month.

Constant currency growth rates are calculated using the prevailing exchange rates as of 31 March of the preceding year

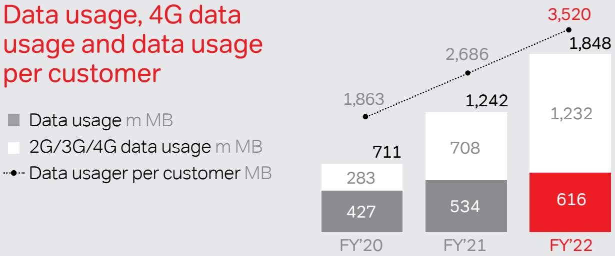
Data customers, 4G data customers and penetration



Performance

Our data customer base reached 46.7 million, growing by 15.2% and now contributing to 36.4% of our total customer base. Our 4G customer base reached almost 20 million, which is 42.6% of our total data customer base. Customer base growth was driven by further expansion of our data network, increase in our network data capacity and 3G/4G enabled smartphone penetration (which increased to 34.2%, of which 59% are 4G) smartphones.

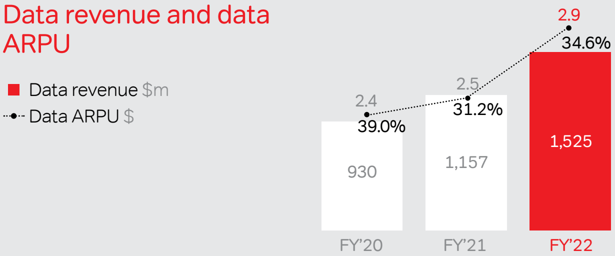
Data usage, 4G data usage and data usage per customer



Performance

Total data usage increased by 48.7% in FY'22 to 1,848 billion MB. 4G data usage contributes to 66.7% of total data usage. Data usage per customer per month reached 3.4 GB, an increase of 31.0%, mainly due to 4G network densification, increase in smartphone penetration and higher adoption of data bundles. Additionally, 4G data usage per customer reached 5.5 GB, supporting the usage growth.

Data revenue and data ARPU

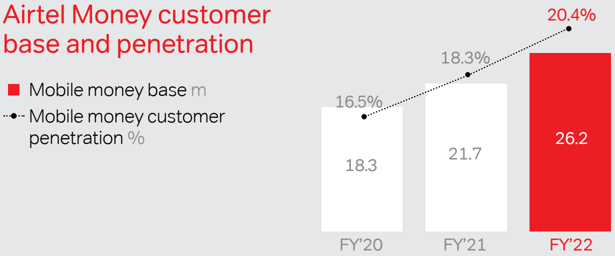


Performance

Data revenue was $1,525m, grew by 34.6% in constant currency led by both customer base growth of 15.2% and data ARPU growth of 18.6%.

Data ARPU increased to $2.9 per customer per month. The data ARPU growth was supported by an increase in the number of 4G customers.

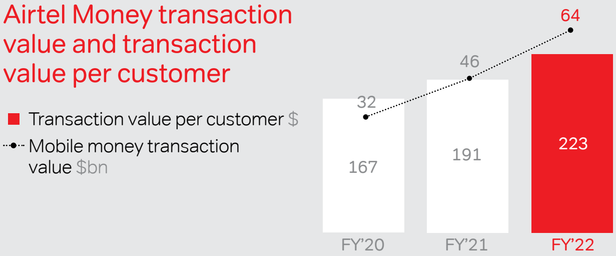
Airtel Money customer base and penetration



Performance

Airtel Money customer base reached 26.2 million, growing by 20.7%, and now representing 20.4% of our total customer base. Customer base growth was largely driven by the expansion of our mobile money agents, merchant ecosystems and continued investment in our exclusive franchise channel of kiosks and Airtel money branches.

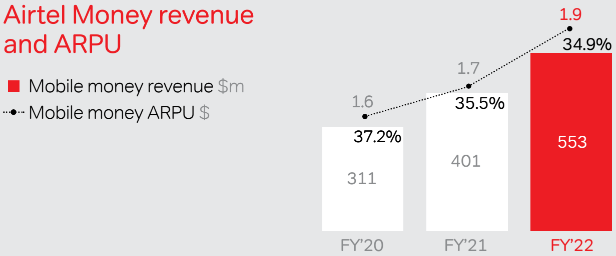
Airtel Money transaction value and transaction value per customer



Performance

Total transaction value increased to $64.4bn, up by 37.0% in FY'22 in constant currency. Transaction value per customer per month was $223, an increase of 13.9% in constant currency. This was driven by both customer base growth and increased adoption of Airtel Money services, mainly in P2P, cash-in and cash-out transactions. Annualised transaction value now stands at $64.3bn in Q4'22 in constant currency. The slight slowdown in revenue growth was due to the implementation of new levies in Tanzania.

Airtel Money revenue and ARPU



Performance

Airtel money revenue increased to $553m, up by 34.9% in constant currency, led by both customer base growth of 20.7% and Airtel Money ARPU growth of 12.2%. Airtel Money ARPU was $1.9 per customer per month. ARPU growth was driven by an increase in transaction value per customer of 13.9%, largely due to increased adoption of Airtel Money services.

Demand for voice, data and mobile money services continues to grow at pace across sub-Saharan Africa, which is home to more than one billion people.*

Populations are young and expanding rapidly, the middle class is growing, and people need to connect with each other and with local and global economies. Yet infrastructure is limited, and there is huge scope to increase the reach and penetration of effective, affordable telecoms services, and to include more people in the digital economy.

The region has been hit hard by the impact of the Covid-19 pandemic. Its continuing recovery has underlined the need for telecoms services as a way to foster financial inclusion, bridge the digital divide, and drive economic growth.

Economic recovery, underpinned by strong demographics

According to the IMF report (April 2022), real GDP in sub-Saharan Africa is projected to grow by 3.8% in 2022, and by 4% in 2023, recovering from the contractions brought about by the impact of the Covid-19 pandemic on populations with relatively low vaccination rates. There remain challenges to growth, but the World Bank identifies the region as the world's largest free trade area – a market of 1.2 billion people. Over the next three decades, the population is set to nearly double, to around 2 billion.

We operate in youthful markets, with 33% of the population in our markets aged between 10 and 24 years*. The middle class is also growing, alongside a longstanding trend of urbanisation. We offer a mix of products, content and pricing structures to attract and retain this growing customer base – and our strategic focus on distribution means we are well-placed to win new customers.

» See our 'Win with' strategy on **pages 31-42**

Limited infrastructure, and low mobile connectivity

Many parts of Africa lack landline infrastructure, and broadband levels remain far lower than in developed markets. Mobile networks will continue to be the primary source of voice and data services in many places – which means that our focus on expanding our networks, and extending rural coverage in particular, plays a vital role in bringing people into the mobile and digital economy. And there is a significant opportunity to extend network coverage. Across Africa, mobile connectivity remains low relative to other markets – though it is growing fast. By the end of 2020, 495 million people had subscribed to mobile services in sub-Saharan Africa, representing 46% of the population – almost 20 million more than in 2019[i]. The GSM Association (GSMA) projects that this figure will reach 615 million people by 2025.

Digitalisation – the key to growth

Digitalisation will be at the heart of Africa's future growth – as many governments in our markets have recognised. Secure, reliable, competitively-priced data is essential to a wide range of service providers, and to businesses both large and small. Mobile technology enables digital solutions and supports the growing use of online channels by consumers.

While growing fast, smartphone adoption in our region remains relatively low. The availability of 4G is also expanding, but is not yet available everywhere. The GSMA projects that 4G coverage will reach 64% of the population in sub-Saharan Africa by 2025, and that customer usage of 4G will more than double from 12% in 2020 to 28% by 2025, still some way short of the global average of 57%.

Digitalisation is therefore a clear opportunity to fulfill our purpose of transforming lives as well as grow our business – driven by our strategic focus on winning with data, our digital products and content, including Airtel TV, and our focus on supporting enterprises through Airtel Business. This is all supported by our continuing investment in expanding our 4G network.

» See our business reviews on **pages 62-71**

Increasing financial inclusion through mobile money

The launch and growth of digital financial services in Africa has led to an unprecedented increase in the number of people enjoying access to formal financial services. The continent, which has historically been underserved by formal banking, is now home to almost half of digital financial services users worldwide, according to the International Finance Corporation (IFC)[ii]. This growth is critical to wider development: financial inclusion has been identified as an enabler for seven of the 17 UN Sustainable Development Goals (UN SDGs).

The Covid-19 pandemic made clear that mobile technology, and mobile money in particular, has a huge role to play in keeping people connected, delivering vital financial support and providing safe, no-contact ways to pay for food, electricity and other life essentials. Telecoms providers continue to play a critical role in building smartphone penetration, increasing mobile broadband penetration and providing competitively-priced data to customers – both retail and business – to enable digital inclusion and access to more opportunities.

Airtel Money is well-placed to be part of this opportunity. We continue to build the mobile money ecosystems that help customers join the digital economy, and to win new customers through services, including inter-operator money transfers, payments, microloans and international money transfers.

» See our Airtel Money business review on **pages 70-71**

* According to the World Bank at www.worldbank.org/en/region/afr/overview#1

Transforming lives spotlight

Working with Access Bank and the World Food Programme to support displaced people in Nigeria

There are hundreds of thousands of internally displaced people (IDPs) in Borno State, Nigeria – and our services are helping them meet their basic needs and connecting them to financial inclusion, while boosting the local economy.

As well as making telecoms services available to this vulnerable group, Airtel Africa is part of a collaboration involving Access Bank and international organisations, including the World Food Programme that helps people access their daily meals. Beneficiaries receive credits to mobile money wallets set up by the partnership, which can be used to pay for meals at Dalori IDP camp. The programme, known as the Airtel Access Money Cash Disbursement powered by WFP, is also creating employment for around 15 people in the camp who support Airtel Africa's Know Your Customer registrations and recharge card sales.

Managing risk and ensuring we contribute to sustainable development

Some of the countries in our operating markets face political, economic, or environmental challenges. While contributing relatively little to global emissions, Africa is disproportionately affected by climate change(iii), while fluctuating currencies and high rates of inflation can affect economies in sub-Saharan Africa. Our sustainability strategy is designed to ensure we make a meaningful contribution to the societies and economies where we live and work, while our risk management framework helps the business to identify and mitigate risks. We manage foreign exchange risk as one of our principal risks as described in detail on page 85.

» See how we manage our risks on **pages 80-86**

» For information about our sustainability strategy, **see pages 43-58**

Growing markets in which affordability and accessibility are vital

The sub-Saharan African mobile landscape is dominated by a few large competitors, with smaller regional companies in some markets. We compete for customers through our range of services, our advertising and brand image, the quality and reliability of our service, the geographical breadth of our coverage, the capacity and resilience of our data networks – and price. We offer pricing plans that are simple and transparent, based on the principle of 'more for more'. We use a tailored pricing strategy that varies depending on our position in each market. Our focus on distribution is designed to give us a competitive advantage in recruiting and winning new customers.

Working alongside governments and complying with regulations

The telecoms sector is highly regulated in our markets. All operators must work within the frameworks created by governments and regulatory authorities, covering telecoms regulations, banking regulations and licences.

Know Your Customer regulations apply in many of our markets – these require customers to register their identity to access mobile services. Providing easy access to a fast and compliant registration process is a key part of our 'Win with' distribution approach.

Alongside strict compliance with regulations, we aim to work collaboratively with governments to make sure we integrate our services into their key initiatives, and play our part in strengthening economies and transforming lives.

» See our legal and regulatory review on **page 23**

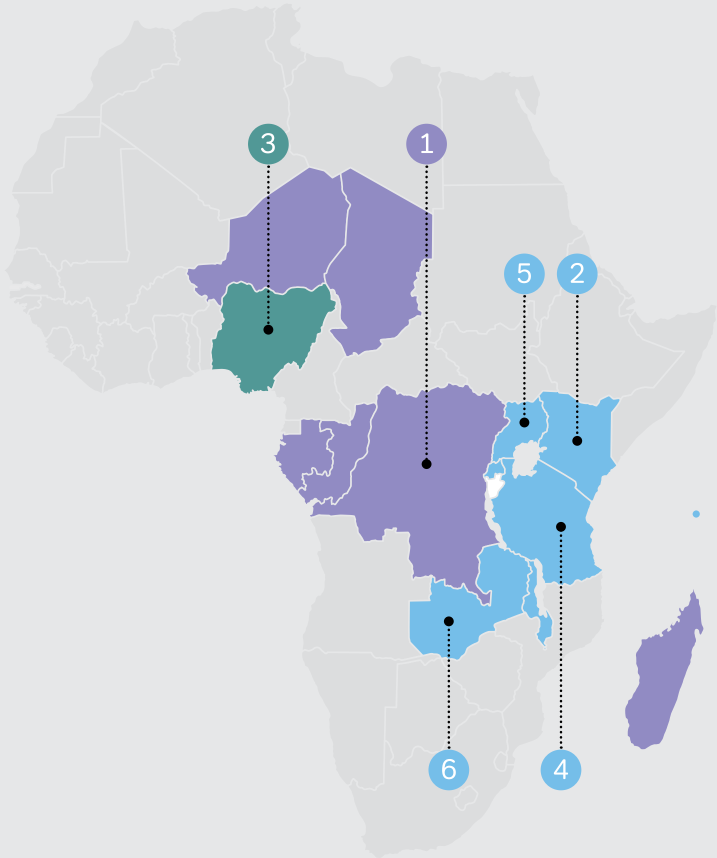
Data sources:

(i) www.gsma.com/mobileeconomy/sub-saharan-africa/

(ii) www.ifc.org/wps/wcm/connect/region__ext_content/ifc_external_corporate_site/sub-saharan+africa/resources/201805_report_digital-access-africa

(iii) www.unep.org/regions/africa/regional-initiatives/responding-climate-change

Key market profiles



Our top six markets*

1 DRC	2021	2020
Population	**92m**	90m
GDP	**$57bn**	$49bn
Mobile customers	**47m**	41m
Unique mobile penetration	**43%**	41%
Mobile money users	**9m**	9m

2 Kenya	2021	2020
Population	**55m**	54m
GDP	**$110bn**	$99bn
Mobile customers	**65m**	61m
Unique mobile penetration	**61%**	61%
Mobile money users	**35m**	32m

3 Nigeria	2021	2020
Population	**211m**	206m
GDP	**$442bn**	$429bn
Mobile customers	**195m**	204m
Unique mobile penetration	**47%**	46%

* in alphabetical order

4 Tanzania	2021	2020
Population	**61m**	60m
GDP	**$70bn**	$63bn
Mobile customers	**54m**	51m
Unique mobile penetration	**54%**	53%
Mobile money users	**35m**	32m

5 Uganda	2021	2020
Population	**47m**	46m
GDP	**$42bn**	$38bn
Mobile customers	**30.2m**	28m
Unique mobile penetration	**43%**	43%
Mobile money users	**23m**	23m

6 Zambia	2021	2020
Population	**19m**	18m
GDP	**$21bn**	$19bn
Mobile customers	**20m**	19m
Unique mobile penetration	**58%**	57%

Data sources:

- Population and GDP from the International Monetary Fund (IMF)
- Mobile customers and mobile money customers from respective telecoms regulatory authorities' published data
- Unique mobile penetration report from Omdia market analysts

Legal and regulatory frameworks

We work within the laws and regulatory frameworks of governments and regulatory agencies to bridge the digital divide and expand financial inclusion across Africa.

Rapid changes in technology have led to amendments in legislation and regulation to maintain a fair and stable business environment. We work with governments and regulators in various jurisdictions to harmonise these changes with business needs.

The legal and regulatory frameworks we work within fall into three categories: telecoms services, mobile financial services and broadcasting services. In some of our markets, there are also competition laws. We are abreast of the regulatory changes, and we keep it under continuous review. We publish significant developments on our corporate website, under 'Regulatory news'. Here we detail the most significant developments in our largest markets in FY'22.

Kenya, Uganda and Tanzania

In 2021, several East African governments reviewed their respective tax legislations to increase consumer taxes.

- In Kenya, the excise duty payable for telephone services rose from 15% to 20%.
- In Uganda, the over the top (OTT) tax was replaced with a 12% excise duty on internet data.
- In Tanzania, a new tax on money transfer/withdrawals was brought in from 1 July 2021. This ranged from Tshs10 to 10,000 depending on the transaction amount. In August, the government reduced this by 30% in response to public sentiment. There was also a new tax on mobile network operators – this varies from Tshs10 to 200 per SIM card owner based on their daily recharge capability.

Zambia

The Data Protection Act came into force in 2021, which protects customers by regulating the collection, use, transmission, storage and processing of personal data. Airtel Networks Zambia plc has put in place measures to ensure compliance with this new act. We're aiming at full compliance once regulations operationalising the Data Protection Act are published by the regulator.

Nigeria

In December 2021, the Nigerian Communications Commission (NCC) auctioned two lots of 100 MHz each in the 3.5 GHz band ranging from 3500 to 3600 MHz and from 3700 to 3800 MHz. The spectrum was offered on a nationwide basis covering all states of the Federation and the Federal Capital Territory of Nigeria. The reserve price for one lot of 100 MHz was $197.4m. Airtel Africa qualified to participate in the bidding process but withdrew in the course of the auction. MTN and MAFAB were awarded the two available lots of 100 MHz. We're now working with the regulator and government to find ways to access remaining unassigned lots.

In April 2022, Airtel Africa received final approval from the Central Bank of Nigeria (CBN) to offer services under a super-agent licence and under a Payment Service Bank (PSB) licence. This follows the issue by the Central Bank of Nigeria of the approval in principle in respect of the two licences in November 2021. We are getting ready to launch both services as guided by the Central Bank.

Kenya

The Kenyan regulator has stipulated a reduction in mobile termination rates (MTR) from KES 0.99 per minute to KES 0.12 per minute from 1 January 2022. While this is being challenged by another mobile operator, we welcome this move as it seeks to remove the unfair subsidisation of the dominant operator by competing players in the market. Kenya has one of the highest MTR regimes in Africa, and rates were last reviewed in 2010.

Uganda

In May 2021, Airtel Mobile Commerce Uganda Limited (an Airtel Money entity) was licensed to operate a payment system and provide electronic money in Uganda.

We were reminded by the regulator that we have to list on a licensed securities exchange in Uganda within two years of the date of our licence, 16 December 2020. We are in talks with the regulator, the capital markets authority and investors on how best to meet this requirement, given that the recent listing by another national telecoms operator on the market was significantly undersubscribed.

Uganda listing obligation

Under Article 16 of Airtel Uganda's National Telecom Operator (NTO) licence, Airtel Uganda Limited (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 (USE). The current Uganda Communications (Fees and Fines) (Amendment) Regulations 2020, creates a public listing obligation for all NTO licensees, and specifies that 20% of the shares of the operator must be listed within two years of the date of the effective date of the licence. Currently, this imposes a listing requirement by 15 December 2022 on Airtel Uganda.

On 5 April 2022 we applied to the Uganda Communications Commission (UCC) for an extension on the deadline for a period of one year.

Our dynamic business model is underpinned by our sustainability strategy and delivers value to stakeholders while transforming lives through digitalisation and financial inclusion.

Vision

Our vision
is to enrich the lives of our customers.

Values

Alive
We act with passion and a can-do attitude. Innovation and an entrepreneurial spirit drive us.

Inclusive
We champion diversity. We're at the heart of our communities, and anticipate, adapt and deliver solutions that enrich the lives of the people we serve.

Respectful
We act with humility and are always open and honest. We deliver on our promises to customers, stakeholders and each other.

How we create value

An efficient network and business structure in 14 markets across sub-Saharan Africa

- **Spectrum assets** in every country, with multiple layers of data capacity
- **A modernised network** offering 2G, 3G and 4G, largely on efficient single RAN technology
- **28,797** network towers and data capacity of **16,900+** terabytes per day
- **64,500+** km of fibre across our markets
- **3,700+** employees

Other key inputs and enablers:

- Compliance with regulatory framework in all markets
- A sound capital allocation strategy and financial management that targets revenue growth ahead of the market and underlying EBITDA margin improvement
- Mobile network partnerships that outsource the management and operation of our network infrastructure
- A strong management structure with operating companies in each market that can leverage Group expertise
- Our sustainability strategy underpins everything we do. It is aligned with the UN SDGs and supported by goals and active policies to respect human rights, drive positive social impacts, protect the natural environment and conserve resources
- Sound and transparent governance
- A network of over 2,400 partners, including mobile brands, IT companies and telecoms infrastructure providers

Delivering outstanding services and products

- Voice
- Data
- Airtel Money

- **Other services**, including fixed-line telephony, home broadband and data centres

Through a unique distribution network that is close to our customers

- More than **69,000** exclusive retail touchpoints (including minishops, kiosks and Airtel Money branches)
- More than **251,000** activating outlets
- A wide network of more than **2.2 million** retail touchpoints
- **Strategic collaborations** with regional and international partners to offer financial and money transfer services

Other key inputs and enablers:

- Efficient Know Your Customer (KYC) processes
- Easier onboarding processes, self-service through our self-care MyAirtel app, currently available in all markets

99.3%
of our customers use pre-paid services

2.2+ million
people financially empowered through direct employment, business partnerships and our distribution network

99%
of customer requests processed digitally

» Our purpose of transforming lives is supported by our sustainability strategy, described on **pages 43-58**

» Our strategy is supported by a robust framework for monitoring and managing risk, described on **pages 80-86**

What makes us different?

There are many aspects of our strategy and business model that are unique to us. If we had to choose three important ways in which we stand apart from the competition, they would be:

Rapidly-expanding coverage that's reliable and high-quality

We have an extensive, resilient and reliable 4G network that's meeting the growing demand for data, while our network expansion programmes are connecting the unconnected in rural and urban areas.

Simple, transparent pricing and service

Our straightforward pricing models, simple 'more for more' offers and intuitive customer journeys are helping us to win and keep customers all over Africa.

A unique distribution network

By building exclusive channels and developing effective, digitised onboarding processes, we've been able to grow our customer base faster than the market.

Offering simple customer journeys and competitive pricing

- **Simple**, convenient and intuitive customer journeys
- **Straightforward** pricing plans based on the principle of 'more for more'
- **A tailored** pricing strategy that varies depending on market position

Other key inputs and enablers:

- Marketing and brand-building to increase consumer awareness and build customer loyalty

To reach:

128.4 million
total customers

including

46.7 million
data customers

and

26.2 million
Airtel Money customers

Creating value for:

Our customers

- **Convenient and competitive** services that enable people to connect, live and work
- **Financial inclusion** and opportunity through connections to local and global economies

Our economies

- **Accelerated sustainable development** through financial inclusion and 'banking the unbanked'
- **Direct and indirect contributions** of $1.5bn in 2021/22 (vs $1.4bn in 2020/21)
- **2.2 million people earning through working with Airtel Africa** as entrepreneurs and in our distribution networks

Our people

- **Direct employment** in a growing business offering competitive pay and training

Our communities

- **Programmes to support** education, health and wellbeing, and disaster relief

Our shareholders

- Constant currency underlying revenue growth of **23.3%** in 2021/22
- Underlying EBITDA margin of **49.0%**
- Total dividend of **5 cents** (interim and final as recommended by the Board)

Putting people at the heart of our business decisions

This year, we continued to engage with our most important stakeholder groups to build shared understanding and mutual long-lasting value. Strong, supportive relationships not only help our business thrive, they help us make sure we're contributing in meaningful ways to the communities we serve.

How we work to understand our stakeholders

Treating our stakeholders fairly starts with understanding the interests of each group. Directors receive information about our stakeholders through various channels. This includes direct interaction and engagement – something we place much importance on at Airtel Africa. This year, for example, we engaged directly with stakeholders on our sustainability strategy and our remuneration policy.

The Board also receives reports and updates from our senior leadership team who engage directly with stakeholders. Every Board paper now includes stakeholder interests relevant to the proposed actions. We also continue to plan director visits to local operations and schedule Board meetings at regional locations, with representatives from the local business present.

Our section 172 statement

This section describes how the directors have acted in relation to their duties under section 172 (a) to (f) of the Companies Act 2006 to promote the success of the company with regard to the needs of wider society and stakeholders, including customers, consistent with our core business objectives.

Each year, directors receive training from our corporate legal advisers Herbert Smith Freehills LLP to remind them of their duties to apply section 172 to their considerations and decisions. Consistently applying our purpose, vision and core values (particularly 'respectful') when making decisions and delivering our strategy helps us meaningfully engage with all of our stakeholders, regardless of the outcome of any particular decision.

The information in this section explains how the Board oversaw stakeholder interests and concerns and considered stakeholders when making decisions in FY'22.

We're committed to regular communication with all of our stakeholders. That is why we're developing a stakeholder engagement policy to formalise why, when and how we communicate with each group. We expect this to be published before our June AGM.

How we consider stakeholder interests

Our directors put stakeholder views at the heart of key decisions for Airtel Africa.

Our chair is committed to ensuring that both positive and negative stakeholder input is communicated to the Board, and our executive team supports with this. The chair, the chairs of each committee, independent directors, CEO, CFO and our company secretary are available to address any concerns raised by stakeholders.

Considering stakeholder interests sometimes involves distilling data and other metrics to inform decisions. At other times, it involves a direct consultation, such as the one between our Remuneration Committee and shareholders. In September 2021, Doug Baillie wrote to our top 20 shareholders and proxy agencies inviting them to review the details of the exit terms of our CEO, Raghunath Mandava, and the appointment of his successor, Segun Ogunsanya. He wrote again in March 2022 inviting them to discuss the proposed changes to our remuneration policy in more detail.

To consider our people's interests, the Board receives regular updates on employee engagement from the chief human resources officer and chair of the Remuneration Committee and management team. Our second externally facilitated employee engagement survey is due to take place in 2022. Its results will help the Board assess the culture of our organisation.

We also have clear business standards with stakeholder interests at their core. Our Code of Conduct covers everything from respect for human rights to data privacy to acting lawfully. This sets out our high expectations for how all of us at Airtel Africa should act in ways that create value for, and build trust among, our many stakeholders.

Our customers

More than 128.4 million customers across Africa use our data, voice and mobile money services to connect, live and work.

How we engaged during the year

Our customers continue to help us define the success of our products and services. To be able to meet and exceed our customers' needs, we proactively engaged customers across all touch points during the financial year. The insights we gain are central to our improvements to our customer experience and our innovations to our products and services.

We completed the rollout out of automated SMS surveys across all our markets during the year. We also opened a further 300+ retail experience stores to increase our footprint and establish a closer presence to many of our customers. And we expanded our opening times to be able to support customers for longer.

Our Board continued to be informed of significant customer concerns and priorities through the CEO's regular update.

Interests and concerns

We know that customers of all types want to be able to easily use our products and services at times that are most convenient for them. While most people prefer self-service, they also want quick and easy support. Our younger customers want to be able to use our services easily on the go and to find these on the digital platforms they're already using. Airtel Money customers are looking for an always-on, error-free, safe and secure mobile money service. And for our enterprise customers, network uptime is critical.

Outcome and actions

We've continued to improve our customer service across all platforms. To strengthen our self-care suite of channels, we further automated our phone support systems for customers. We brought in a new interactive voice response (IVR) system in our regional call centres to offer customers more assistance with our products and services.

The rising number of people downloading our MyAirtel app – and using it to check their minutes, buy bundles and access mobile money services – illustrates this growing preference for self-service. We registered 3.5 million new customers this year to reach 11 million users in total. Active users doubled from last year, with a total monthly transaction value of $90m.

For our Airtel Money customers, we focused on minimising the potential for error and expanding our services to more digital channels and platforms.

To further improve our customer support service, we continued to integrate and strengthen our customer data systems. Our latest upgrade allows frontline teams to see all customer information on a single screen so that they can resolve issues more thoroughly and quickly.

We're working to create a quick and easy customer experience at every Airtel Africa touchpoint.

Our people

We aim to make Airtel Africa a great place to work for our more than 3,700 full-time permanent employees encompassing 35 nationalities in 18 countries. Our people are at the heart of our business success.

How we engaged during the year

Our Board actively engages with employees in a variety of ways to better understand how we can enhance our people strategy and continue to bring our values to life. They also stay on top of employee-related matters through their involvement with our Sustainability Committee.

During FY'22, Board members met with employees to discuss both professional and personal matters – including feedback on moving our headquarters to Dubai from Nairobi, team capabilities and how we can best build an agile high-performance culture. We also encourage employees to share feedback through our open-door policy, where anyone can speak to our Group CEO or any Executive Committee (ExCo) member.

The Board also stays close to employee-related issues through:

- Quarterly CEO-led town halls in English and French, where senior executives update employees on our business performance and organisational changes, and take questions from employees
- Remuneration Committee updates from our chief human resources officer (CHRO) on remuneration, people, culture, conduct and diversity
- Regular Board presentations and one-to-one meetings as necessary from our CHRO
- Quarterly Board reports from the HR Forum and Remuneration Forum chair on people, culture and wellbeing
- The results of our employee engagement survey and regular pulses shared in various OpCos and OpCo-led town halls
- One-to-one meetings between our ExCo and OpCo managing directors and other leaders to discuss employee-related matters
- Regular ExCo market visits where leaders interact with teams at all levels of the business

Interests and concerns

In addition to staying safe from Covid-19, our people continue to be primarily interested in developing their careers and broadening their skills.

Outcome and actions

We're working to continue to attract, develop, and retain a highly skilled, diverse and engaged employees. To this end, we're focusing on building a supportive and agile culture, centred on simplicity and accountability – one that allows us to quickly respond to the changing needs of our customers.

This year, we continued to look after the safety and wellbeing of our people through awareness campaigns around Covid-19 safety and general fitness, fully paid medical cover, our employee assistance programme, free Covid-19 testing and on-site vaccinations. We also supported employees working remotely with more flexibility to help them balance home demands and business needs.

Our latest bi-annual employee engagement survey achieved an 87% response rate, with an overall engagement score of 79%.

We also worked to enhance career opportunities and lifelong learning through a new initiative called Africa Mobility, where employees can take on assignments in other business areas and countries to learn new skills, support key initiatives and advance their careers. This is in addition to our critical skills training in areas like IT and data security and our leadership programmes to prepare people for the future of work. During the financial year, over 20,000 courses were completed on our digital training platform.

We're also working to enhance values-led performance through creating useful incentives (our pay-for-performance philosophy) based on improved appraisal analytics and processes.

Our communities

With operations in 14 African countries, we live and work closely with our communities – doing all we can to support their needs and create positive change.

How we engaged during the year

We heard from people in our communities through letters, emails and text messages about their individual situations and concerns. Governments and other organisations made public appeals, as well as direct approaches to our operating companies, about key community issues during the year. We also connect to people through our community initiatives, such as the Airtel Touching Lives programme in Nigeria, which received more than 70,000 requests for support in FY'22.

Our CEO reports on the ongoing impact of Covid-19 and other emergencies on our communities at Board meetings. The Board also regularly reviews our formal programme of community initiatives.

Interests and concerns

In FY'22, our communities continued to face health and economic challenges linked to Covid-19. More people were thrown into poverty, and a lack of basic healthcare led to more health issues beyond the impact of Covid-19.

Outcome and actions

We worked with governments across Africa to transform the lives of some of the most vulnerable people on the continent by:

- creating educational opportunities, especially for less privileged children
- supporting people in times of need and emergency
- bridging the digital divide through financial inclusion and other initiatives

Our OpCos worked with governments to continue to help communities deal with the ongoing impact of Covid-19. In Nigeria, we also invested in refurbishing a ward at the Lagos University Teaching Hospital to offer more treatment for Covid-19 and other infectious diseases.

We also focused on improving access to online educational resources, particularly for less privileged children in more remote locations. In November 2021, we launched a five-year, $57m partnership with the United Nations Children's Educational Fund (UNICEF). Covering 13 of our markets, this partnership will champion digital education for African children through online platforms, connectivity and access to quality digital learning. Seven of our 13 OpCos have already begun initiatives through this partnership, targeting more than 350,000 children in 280 schools.

We supported our communities through a host of other initiatives, including a cyber-awareness campaign in Gabon, a crime prevention partnership with the police in Zambia, and a partnership with the World Food Programme (WFP) using mobile money to provide cash to people displaced by terrorism in the northeast and northwest of Nigeria.

» For more details about our community support, see **pages 59-61**

Partners and suppliers

We work with more than 2,400 suppliers across Africa, including mobile brands, IT companies and telecoms infrastructure providers – with the top 100 suppliers accounting for just over 88% of our procurement.

How we engaged during the year

We continued to engage with our top suppliers during the year at both Group and OpCo levels. The Board receives regular information from these engagements through the CEO's report. During the year, our CFO also presented a discussion paper covering payment terms, payment practices and vendor liabilities. The chief supply chain officer also attended the Board meetings on two occasions to provide a functional report which included feedback on our relationships with suppliers. The Board's response was then relayed to the business and leaders at the CEO's regular ExCo and business review meetings.

With social distancing still in place during the year, we met suppliers through a combination of online meetings and face-to-face interactions, when it was safe to do so. The relocation to Dubai of our key sourcing team has allowed us to hold more meetings on the ground and improve engagement levels. We met with our major suppliers at least once each quarter, and at major conventions, including MWC Barcelona and AfricaCom.

These meetings included governance meetings, commercial meetings and, where necessary, grievance meetings. Our OpCo teams continued to discuss operational matters with suppliers at country level, and our partners tell us that they value the proactive approach we take in resolving issues.

Many of our partners were, like us, part of providing essential services to communities – and we are grateful to partners on the ground such as fuel suppliers and maintenance workers for helping us keep our networks running and serving customers.

Interests and concerns

We have a strong track record of partnership and many partners seek us out to discuss win-win solutions. Partners and suppliers also provide information on the latest developments and support us with the adoption of new technologies, and we discuss sales and project plans, bids and proposals, and payments.

Outcomes and actions

In November 2021, we concluded an agreement with new partner Cisco for upgrading our Call Centre Technology Platform (CCT). We have been using our CCT platform from an alternative vendor for the past five years and the new partnership with Cisco provides Airtel Africa with the latest technology platform leading to substantially enhanced capability and features. The rollout is in progress.

As a result of the launch of our sustainability strategy in 2021 and following an assessment of our current policies and procedures, we will be aligning our supply chain sustainability targets with expectations we have from our top 100 current vendors in 2022 and beyond.

» For more information about our Code of Conduct and the modern slavery statement, see our website **www.airtel.africa**

Regulators and governments

With mobile telecoms and financial services seen as essential services we continued to work closely with governments and regulators to build digital and financial inclusion.

How we engaged during the year

We work hard to influence and stay ahead of regulatory changes in the 14 different countries where we operate. Our Board continues to have a productive and open dialogue with regulatory bodies and policymakers and sets high standards of governance across our business. A special adviser to the chair and the Board provides advice to the management on political, legal and regulatory issues regarding our strategy in Africa. The Board has empowered the CEOs and chief regulatory officers of our operating companies to represent them at country-level engagements with governments and regulators. Management also informs the Board about regulatory developments in the markets each month. From time to time, we also commission audits to verify levels of regulatory compliance.

In FY'22, we continued to engage with governments to understand key policy considerations and the direction in which governments are driving their countries. Due to the ongoing pandemic and travel restrictions, much of our engagement with government and regulators was held online through video conferencing.

We engage in a variety of ways with regulatory stakeholders around potential changes to licencing frameworks, market and competition structures, new government policy initiatives and new laws affecting our business. Depending on the complexity of the issue and the level of the stakeholder, a matter might be dealt with by our regulatory affairs directors, or our Group chief regulatory officer working alongside a local team, or directly by our Group CEO or chair.

Interests and concerns

Governments and regulators continued to monitor the ongoing health and economic emergency, and to cooperate closely with industry in doing so. Across Africa, the focus has been on opening up society safely, removing government support when appropriate, and continuing to improve data security. We've seen Know Your Customer requirements enhanced across many of our markets. Governments also closely monitored telecoms providers to make sure the industry was able to meet changing demands related to new patterns of working.

Outcomes and actions

Governments across Africa continued to support our industry as the pandemic rolled on for another year.

We held various discussions with regulators to release spectrum that had initially been allocated on a temporary basis more permanently to accommodate ongoing patterns of working from home. As lockdowns eased and businesses started to get back to normal, governments also allowed mobile financial service providers to once again charge transaction fees. In some countries, governments began to raise taxes and remove tax rebates that businesses and employees had enjoyed in FY'21.

Regulators in some markets (Nigeria, Niger, Kenya, Tanzania, Uganda and Zambia) worked to improve security by enhancing Know Your Customer requirements – see page 23 for more.

Telecom operators continued to enjoy recognition as essential service providers. This helped us keep our networks open and people and service providers connected. And it meant our employees could continue to maintain facilities, distribute SIM cards and Airtime, and serve our customers.

Engaging with our **stakeholders**

Over the last reporting year, we rolled out a new way of managing compliance to our 14 operating markets. This involves five steps:

1. Understanding and mapping the regulatory requirements in the specific country
2. Cascading relevant regulatory requirements to business units so they know what is expected of them from a compliance perspective
3. Auditing the level of adherence to compliance requirements – this is done by the regulatory function, internal audit and sometimes external auditors
4. Identifying gaps in meeting compliance requirements, analysing the cause and proposing remedial action
5. Implementing remedial measures and repeating the cycle

This process has helped our operating companies become more aware of the compliance requirements in their markets, leading to improved compliance overall.

Shareholders

Through their investments, our shareholders enable us to deliver our strategy and create long-term value and ongoing business success.

How we engaged during the year

Our engagement with investors is led on a day-to-day basis by our investor relations team who maintain a two-way dialogue between the investment community and Group management, executives and the Board.

We want to encourage shareholder participation by understanding and acting on shareholder feedback and by being clear and transparent when communicating with our shareholders. To this end, in FY'22 we:

- Held interactive conference calls with analysts and shareholders on the day of our quarterly results announcements
- Held virtual investor roadshows after publishing our full year and half year results in May and October 2021, as well as ad hoc meetings and calls with both existing and prospective shareholders
- Attended online investor and industry conferences throughout the year to allow both existing and prospective shareholders opportunities to speak directly with our executive management
- Proactively engaged with the sell-side equity research community
- Through briefings to analysts and the press, encouraged shareholders to attend our hybrid AGM in June 2021 and to vote on resolutions
- Collected and reviewed feedback from shareholders on our engagement with them

The CEO provides monthly insight to the Board on all investor relations activities and associated feedback. Led by our deputy CFO and head of investor relations, this report includes a summary of shareholder and share price market activity and commentary on investor meetings, roadshows and equity research analyst coverage. The Board also receives regular updates direct from our brokers.

As set out in the remuneration report, our Remuneration Committee consults with shareholders each year on remuneration policy and, as part of this, the committee chair engages directly with shareholders and their representative bodies.

» For more information about our Remuneration Committee, see **page 98**

Interests and concerns

Understandably, investors continue to focus on our business financials. They expect to see sustainable profitable growth, free cash flow and dividends, and sustained high standards of governance at Airtel Africa.

Many shareholders are interested in our outlook on trading and market demand, our guidance for FY'23 and beyond, our approach towards addressing foreign currency risks and particularly our progress in improving our natural currency hedging by localising debt in our operating companies, and our repatriation of funds from the OpCos to Group level. They are also interested in our other financial targets, our approach to capital allocation, and particularly our dividend policy. In light of the increased interest in our approach to environmental, social and governance-related policies and matters, we have worked closely with shareholders to develop our sustainability strategy this year.

Outcomes and actions

With the insights provided in monthly Board updates, our directors are able to take major strategic and operational decisions with a good awareness of the views of our shareholders.

In response to increasing demand from investors and other stakeholders, in 2021 we began to formally articulate how our strategy and business model align with environmental, social and governance best practices. This led to the publication of our detailed sustainability strategy in October 2021 and has informed our ESG agenda. We'll publish our progress against this strategy in our first Sustainability Report later this year.

» For more information about our sustainability strategy, see **pages 43-58**

Transforming lives spotlight

Supporting our hospitals during Covid-19

In response to Covid-19, we've formed a partnership with one of the leading University Teaching Hospitals in Nigeria – The Lagos University Teaching Hospital (LUTH). This year, with our support, LUTH successfully renovated and remodeled an entire 111-bed ward in its medical wing to improve the access to quality and affordable health care in Nigeria – part of our commitment to helping our communities build back stronger in 2022.

» For more information on how we manage our risk related to Covid-19, see **page 83**

Our 'Win with' strategy is underpinned by our sustainability strategy and delivers long-term value for all our stakeholders.

We're transforming lives across sub-Saharan Africa through products, services and programmes that foster financial inclusion, drive digitalisation and empower our 128.4 million customers and the communities in which they live. To continue to serve our vision of enriching the lives of our customers, we have a clear business objective: to grow market share profitably and create superior enterprise value while delivering our sustainability strategy.

Our 'Win with' strategy has six strategic pillars through which we aim to deliver sustainable, profitable growth. Underpinning each pillar are two constant themes that inform everything we do: digitalisation, and our commitment to contribute to sustainable development and responsible business through our sustainability strategy, which is described on pages 43-58.

Working with the governments and institutions of the countries in which we operate is a central element of our strategy. We aim to help them realise their goals for sustainable development by working to expand connectivity and mobile money services as parts of digitised, dynamic, and financially-inclusive economies, while ensuring our strict and continued compliance with local laws and regulations.

We aim to act as a responsible business at all times. That means doing business transparently and with a sound governance structure. It also means being a good partner and an active contributor to society, by creating jobs, paying taxes and respecting the environment. We also continue to support communities by working with local stakeholders on our longstanding commitment to improving digital education, improving health and supporting communities through disaster relief, as described on pages 59-62.

Win with network

We aim to create a leading, modernised network that can provide the data capacity to meet rapidly growing demand and enhance connectivity and digitalisation in our markets.

That means improving basic network uptime, quality and resilience as well as expanding our network footprint and our 4G capabilities.

Our approach includes:

Focusing on rural coverage expansion through new site rollouts, recognising that access to a reliable service is the critical first step for providing previously underserved communities with the opportunity for digital and financial inclusion

Focusing on our network resilience and service continuity, and adding capacity through aggregation

Building and modernising our network through optimal end-to-end design, including spectrum additions

Expanding the reach of 4G coverage and building capacity through our 2G>3G>4G approach, and future-proofing through 5G compatibility

Delivering best-in-class voice service quality while improving network uptime

Our progress in FY'22

Delivering best-in-class service and 4G networks in our markets remains a key focus, and our goal is to be the market leader everywhere we operate, while continuing to include more people in our network, particularly in underserved rural areas. This year we continued to invest in making our data network more resilient and expanding the potential of our 4G network, investing in data centres that can also provide revenue streams from third-party users, and evolving our fibre network to add additional fibre routes to our customers, strengthening the stability and continuity of our service. We continued to improve our fibre provision in metro, intercity, and international networks, including through cost-effective partnerships and co-investment programmes.

Our investment in new and existing sites has enabled us to increase data speeds as well as coverage. In addition to our KPIs, below, we track our progress by measures that include rural population coverage: this year, that increased from 65% to 68%. We also measure the number of new sites in rural areas, a target that supports our sustainability strategy: this year we added almost 1,400 new sites in rural areas.

How we measure progress

We measure network through a number of KPIs, described on pages 17-19, including:

Total sites and data capacity: we deployed more than 3,400 additional sites, reaching 28,797 sites in total as of 31 March 2022. During the year, we added 3,900 more sites to 3G (96.5% of sites on 3G), 5,800 more sites to 4G (87.6% of sites now on 4G) and added an incremental 10,000 km of fibre (64,500+ km of fibre as of 31 March 2022). Data capacity increased by 40.4% to 16,900+ terabytes (TB) per day, with peak hour data utilisation at 46%.

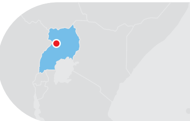
» For information on how we manage risk, see pages 80-86

» For information about our sustainability, see pages 43-58

Our **network** strategy in action

"Eby'empuliziganya byagonjodwa.

We've never been so well connected."



Nalweyiso Shabibah
Hairdresser
Nakasongora,
Central Uganda

Delivering best-in-class service: Uganda

Our ability to help transform customers' lives depends on delivering fast, reliable and responsive services – and on leading the way in our markets.

In March 2022, Airtel Uganda was recognised as Uganda's fastest mobile network at the Mobile World Congress (MWC) in Barcelona, Spain, after speed tests carried out by Ookla, a global independent leader in mobile and broadband network intelligence, testing applications and related technologies.

It is a vote of confidence in our services – and a reflection of the consistent investment we continue to make in our networks. In Uganda, our 4G network is now country-wide and uses the latest 4G technology. We now have 4G mobile coverage of 90% of Uganda's population. In Kampala, 79% of our sites are also connected to fibre.

This high-quality service has helped make Uganda one of our best-performing markets – but we're not stopping there. We're already planning our 5G roadmap for Uganda, while continuing to roll out enhancements to our 4G network that will further improve our customers' experience and open up more opportunities for the digital economy.

» For our East Africa business review, see **pages 64-65**

98.7%

population coverage in Uganda

57%

of our sites are in rural areas in Uganda

Win with distribution

We aim to build on our unique distribution network to increase our ability to reach and serve customers in all our markets.

This year we updated the name of this pillar from 'Win with customers' to reflect the fact that our distribution network empowers our business by extending our brand and ability to offer interlinked services, as well as through customer recruitment and retention.

Our approach includes:

Strengthening our distribution infrastructure to win more quality customers by increasing our depth and breadth, with a particular focus on rural areas

Enhancing customer experience through simplified digital customer onboarding processes, including the Know Your Customer (KYC) process

Broadening our offer to enhance usage and ARPU, while further **refining our approach to distribution** so we can focus faster and more responsively on the needs and issues of customers in smaller geographies, **increasing our net customer reach**

Our progress in FY'22

We have continued to expand our distribution network to get closer to customers, developing our infrastructure so that we could drive customer growth and retention, as reflected in the KPIs on pages 17-19.

Fast, effective digital onboarding is also a continuing priority, bringing new customers to our service in ways that are 100% compliant with local Know Your Customer (KYC) requirements while being as efficient as possible – this year, for example, adapting to new requirements in Kenya and Rwanda. In Nigeria, we are working as partners with the government to deliver its national identity number (NIN) programme, which makes collecting NINs a requirement for new and existing customers. Across every market, we have now developed an app for digital registration, and most onboarding processes are achieved in five minutes or less.

How we measure progress

We measure distribution through a number of KPIs, described on pages 17-19, including:

Customer base and net adds: Our customer base grew 8.7% to 128.4 million as of 31 March 2022. Customer activating outlets grew by 21.0% to 251,000+. The overall growth reflects our continuous focus on investment in sales and distribution infrastructure in urban and rural markets, including our exclusive Airtel Money distribution channel of kiosks and branches. Our enhanced distribution channel ensures availability of SIM cards, recharges and money float. Our underlying voice revenue grew by 15.4% in constant currency.

» For information on how we manage risk, see pages 80-86

Our **distribution** strategy in action

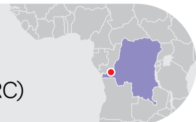
“

Il est plus facile que jamais de contrôler mes finances.

It is easier than ever to control my finances.

”

Bibi Sombola
Microentrepreneur
Kinsuka, Kinshasa (DRC)



Never more than 1 km away: getting closer to customers in DRC

Less than 26% of the population in Democratic Republic of the Congo (DRC) has access to traditional banking – so mobile money is essential to individual and country-wide financial inclusion and prosperity. But to get the most out of mobile money, the DRC customers need to be able to access it where they live – which is why we've set ourselves the goal of ensuring our distribution network serves everyone, and that no-one should have to travel more than 1 km to access Airtel Money.

Our aim is to open a dedicated kiosk for every 2,500 people in the DRC, and create at least one Airtel Money branch (AMB) for every 10,000 people – a programme that will create 4,000 jobs in our network. We've invested in pre-fabricated, ready-to-install facilities for our distributors, who also have access to our customised systems for balancing their cash and float.

The programme is working. In FY'22 in the DRC our customer activating outlets have grown by 36%, and AMBs have increased by 67%. Our customer base increased by 20.7%.

» For more about our Francophone Africa business, see **pages 66-67**

36%
growth in customer activating outlets in the DRC

20.7%
increase in total customers in the DRC

Win with data

We aim to maximise the value of data-based services and increase data penetration in all our markets.

That means encouraging smartphone ownership and increasing data usage at scale, while increasing access to the digital economy for customers in all our markets.

Our approach includes:

Leveraging our **4G network** for data ARPU and revenue growth and using our technology to win and/or maintain market leadership

Smartphone offerings for all new handsets through **well-priced, transparent** bundles

Further developing our **wireless home broadband business**

Developing innovative products and data solutions for corporate and SME customers through Airtel Business

Continuing to focus on **data security** for our customers in line with our **sustainability strategy**

Our progress in FY'22

Our success in achieving our ambitions for data is closely linked to our ability to extend and maintain fast, reliable networks, and to being close to our customers through distribution. Our network programme in Nigeria, for example, increased our data capacity by 40.5%, while we modernised our network in Niger and added 550+ sites in Kenya. Our performance is also linked to smartphone ownership, which again grew this year: 42.6% of our data customer base now has 4G devices, compared to 36.4% last year.

Being the leading 4G provider, and offering competitive, transparent data bundles, gives us a competitive advantage when it comes to new customer acquisitions. Airtel Kenya, for example, launched new 'Bazu' data bundles this year that offer customers more data and choice at no extra cost, complementing the rollout of a high-speed 4G network countrywide. Our ability to provide capacity and excellent digital services also helps drive usage. The strong presence of our outlets and our marketing investment support this network advantage – this year we carried out smartphone offerings in 11 markets. As the KPIs below show, our customer base and data usage both grew in FY'22. Our home broadband customer base grew by 54%, driving revenue from this segment up by 63%.

How we measure progress

We measure data through a number of KPIs, described on pages 17-19, including:

Data customers, 4G data customers and penetration: Our data customer base increased by 15.2% to 46.7 million as of 31 March 2022, and now constitutes 36.4% of our total customer base. Our total data usage increased by 48.7% to 1,848 billion MB. Data usage per customer per month reached 3.4 GB, an increase of 31.0%. 4G data usage contributed 66.7% to total data usage.

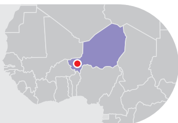
» For information on how we manage risk, see **pages 80-86**
» For more information about our sustainability strategy, see **pages 43-58**

Our **data** strategy in action

"L'internet offre des opportunités!

Data brings opportunity!"

Djamila M.
University student
Niamey, Niger



Enabling the rapid growth in data use in Chad and Niger

There is no doubt about the demand for data in our markets – and our strategy aims to meet it by reaching more people with data services by enhancing our data capacity through network modernisation and expanding our 4G network, strengthening our unique distribution channels, and offering transparent, well-priced offers that customers love.

Data growth in Chad and Niger show this strategy is delivering. Both countries are landlocked and contain geographically remote areas – but that does not prevent us expanding our distribution network and capacity to win more customers. In Niger, we increased our exclusive outlets by 61% and customer activating outlets by 48% this year, supported by increase in total data capacity by 55% led by new fibre-sharing agreements to build network resilience.

In Chad, continued investment in our network, data capacity more than doubled and a 63% increase in our exclusive outlets alongside a choice of transparent data bundles delivered growth of 35% in customer numbers.

In both countries, more people than ever are gaining access to digital opportunities – and data usage grew by 112% in Chad, and 61% in Niger.

» For more about our Francophone Africa business, see **pages 66-67**

63%
increase in our exclusive outlets in Chad

55%
increase in total data capacity in Niger

Win with mobile money

We aim to accelerate the digital ecosystem by rapidly enabling Airtel Money services in all our markets, harnessing the ability of a profitable mobile money business to enhance financial inclusion in some of the most 'unbanked' populations in the world.

Our approach includes:

Further strengthening our distribution channel of kiosks, mini shops and dedicated Airtel Money branches, so customers can access assured float and cash

Build and scale Airtel Money across all our markets

Make Airtel Money the currency of choice by expanding our mobile money portfolio through additional mobile money services, including merchant and commercial payments, benefit transfers, loans and savings

Focusing on technology as an enabler and competitive advantage

Continuing to recruit customers from our mobile services base

Our progress in FY'22

We have continued to execute our mobile money strategy, focusing on our distribution network and float availability, our technology, and our drive to increase Airtel Money's acceptance as the currency of choice across the financial ecosystem on the path to becoming a 'financial supermarket'. As the KPIs below show, these measures have widened our customer base and driven increased revenues.

Our distribution reach continued to grow through our Airtel Money branches, which expanded by almost 60% in FY'22, and kiosks, which increased by 40%. We also increased the number of multi-brand agents in our network by 41.7%.

Our reach has also been increased by our use of technology as a key enabler for competitive advantage. We are creating design-driven digital journeys for customers that will underpin our ability to offer a full suite of financial services. Our Payment Service Bank (PSB) licence has been granted by the Central Bank of Nigeria in April 2022, and described on page 62.

How we measure progress

We measure mobile money progress through a number of KPIs, described on page 17-19, including:

Airtel Money customer base and penetration: our Airtel Money customer base grew by 20.7% to 26.2 million in FY'22.

Airtel Money transaction value and transaction value per customer: our transaction value grew 37.0% to $64.4bn in FY'22. Transaction value per customer grew 13.9% in constant currency.

Airtel Money revenue and ARPU: Airtel Money revenue grew by 34.9% in constant currency in FY'22. Airtel Money ARPU was $1.9, up by 12.2% in constant currency.

» For information on how we manage risk, see **pages 80-86**
» For more information about our sustainability strategy, see **pages 43-58**

Our **mobile money** strategy in action

“Kuti nachita ifintu ifingi na mobile money.

I can do more with mobile money.”

Florence Chipoma
Mini-AMB agent
Lusaka, Zambia

Staying ahead in a competitive marketplace: Zambia

Few regions in the world have embraced the possibilities of mobile money as thoroughly as East Africa. It makes it a dynamic and exciting place to operate, where the sustainable development benefits of digitalisation are clear – while also being highly competitive, driving innovation and entrepreneurship in our teams.

Zambia, our second-largest Airtel Money market after Uganda, is a great example of how we're winning with mobile money. In FY'22 we continued to extend and broaden our distribution network in Zambia through the successful deployment of 391 'mini-AMBs' – compact outlets that offer the services of an Airtel Money Branch and can be rolled out at scale. They get us closer to customers and include more people in the financial ecosystem – reflected this year by an increase of 99% in merchant payments, and of 54% in transaction value volumes.

By growing even more visible and available, we're winning more customers with our affordable products – this year in Zambia our customer base grew by 25.6%.

» For more details, see our East Africa business review on **pages 64-65**

20.7%
mobile money customer base growth at the Group level

34.9%
mobile money revenue growth in constant currency at the Group level

Win with cost

We aim to achieve an efficient operational model, leading to an effective cost structure and improved margins. This enables us to build large incremental capacity at low marginal cost.

Our approach includes:

Our cost efficiency initiatives, which seek to optimise site operational and maintenance expenses, and bandwidth cost

A detailed analysis of expenses with the aim of improving operating margins in individual markets

Ensuring fail-safe network design with optimal cost structures, for example through multiple fibre routes and high-capacity IRUs

Increasing availability of digital recharges and self-care services

Our progress in FY'22

Our cost model is focused on ensuring that we can provide substantial additional capacity at marginal additional cost. We do this through continued network design optimisations, constant focus on value in our inputs and our contracts, and volume optimisation. Increasingly we look for areas where we can share costs and increase our operational resilience while improving our offer to customers – for example, by exploring options to use multiple fibre routes into and out of landlocked countries through partnerships.

How we measure progress

We measure cost optimisation through:

Underlying EBITDA for FY'22 was $2,311m, up by 31.2% in constant currency. The growth in underlying EBITDA was led by revenue growth and supported by better controls on operating cost. Underlying EBITDA margin improved to 49.0%, an improvement of 296 basis points in constant currency. In FY'22 we added almost 10,000 km of new fibre which helped us increase data capacity at marginal cost.

» For information on how we manage risk, see **pages 80-86**

Win with people

We aim to be the employer of choice with a diverse and inclusive work environment that continues to foster a culture of high performance, employee wellbeing, skills enhancement and coaching. We have a long-term commitment to our people and our employer brand.

We will achieve this by:

Accelerating our diverse pipeline of talent to meet current and future business needs

Improving coaching and functional skills through our digital learning platform, functional programmes and cognitive assessments

Digitising our people processes to improve the overall employee experience and make Airtel Africa an even more engaging place to work

Continually improving our processes and procedures and evolving our work environment to ensure we remain an attractive employer that recruits and retains the best

For information about how we manage risk, see pages 80-86
For information about our sustainability strategy, see pages 43-58

Our progress in FY'22

Our focus over the year continued to be on three key areas: talent, capability and technology, underpinned by our work to reinforce the entrepreneurial culture and spirit of the organisation. In FY'22 we continued to recruit top talent and reduced our time to hire for key roles, while our internal development programmes resulted in 39% of our promotions into senior management/ExCo roles being appointed internally.

We made further progress on gender diversity, reaching 26% women in our workforce. While there is clearly still more for us to do, this is high relative to our industry in our operating markets. We continued to reinforce our commitment to diversity through activations, including International Women's Day.

We continued to digitise our processes, including through our digital learning platforms, evolve our policies and procedures, including those relating to increased hybrid working. We also expanded the ways in which we engage with employees, including through a new programme through which employees engage with Human Resources on a monthly basis to put their questions and raise any issues. Our employee engagement survey continues to provide us with insight and feedback from our people.

Further details of our engagement and programmes, including our employee assistance programme, are on page 27 in 'Our stakeholders' section.

How we measure progress

We measure our progress on people through a number of metrics, including:

- Diversity – by gender (26% women in our workforce, 28% women in ExCo at the OpCo level) and nationality (employees from 35 nationalities)
- Skills development – delivered key functional and leadership training through accelerated on-demand learning programmes, which in return improved productivity and overall performance
- Employee engagement – our latest bi-annual employee engagement survey achieved an 87% response rate, with an overall engagement score of 79%
- Voluntary attrition – the war on talent, especially on the digital front, has contributed to an increase in our voluntary attrition rate from 6.6% to 13%. We are putting measures in place to ensure we retain our top talent.

Our **people** strategy in action

"Imiti ikula empanga.

Growing trees today become tomorrow's forests."

Francescellah Bwalya Offiah
Electrical Engineering
Lusaka, Zambia

Supporting STEM graduates, identifying talent: Zambia

There's a worldwide shortage of highly-skilled technical recruits – as well as a global imbalance in the number of women in roles requiring STEM (science, technology, engineering and maths) expertise. At Airtel Zambia, our graduate programme is helping to address both issues – while working to ensure that we continue to attract and retain the best people to support our future growth.

In FY'22 Airtel Zambia launched a graduate training programme designed to recruit and train technical specialists with degrees in STEM subjects, including Telecommunications, Electronic Engineering, Computer Science and Information Technology. In the 12-month programme, trainees work in functional and cross-functional roles and receive training in business, leadership, functional expertise and personal effectiveness, alongside mentoring from a designated personal coach.

We developed the course and attracted applications by engaging with local universities, specifically encouraging women to apply – and the response was extraordinary. We had over 1,700 applications for the 14 places in our inaugural programme, of which half were secured by women. We're delighted by the pilot programme – and will explore ways to expand it in the future.

1,733
total applications received

7 out of 14
graduates who joined our training programme are women

Sustainability is at the heart of everything we do.

Our sustainability strategy, launched in October 2021, sets out ambitious targets and long-term goals to help us deliver on our promise of transforming lives. The strategy responds to the materiality assessment we carried out in 2021. It is supported by clear programmes and initiatives within a simple framework of four pillars, each of which is aligned to the United Nations' Sustainable Development Goals (UN SDGs), and is designed to deliver real and positive impact. In this Annual Report, we provide an interim, narrative update on our progress since the launch of our strategy, rather than full disclosure. We will publish our first full Sustainability Report later in 2022, detailing our performance and the progress we have made towards our targets and goals.

To succeed, our sustainability strategy must be embedded in all Board decisions and across our operations. Details of our sustainability governance structure can be found on page 99 of this report. Our Sustainability Committee continues to meet monthly to direct and monitor the progress of all the programmes in our strategy.

> "We have a clear pathway to ensure we deliver on our purpose and build our business on a foundation of sustainability."

Olusegun Ogunsanya
Chief executive officer

Letter from the CEO

The launch of our sustainability strategy in late 2021 was a significant step forward for Airtel Africa. Not only did it set out our ambitious goals to transform the lives of individuals, families, communities and businesses across Africa, it is transforming our business by putting sustainability at the heart of everything we do. Today, our commitment to sustainability underpins all our corporate strategic pillars and it will continue to be a key consideration in every decision the Board and Executive Committee make. Our sustainability strategy is driving our investment in our people and our infrastructure. It is influencing the development of new products and services. It is informing the partnerships we establish. And, with every operating company, division and business function involved in the delivery of our sustainability strategy, it is transforming our culture and contributing to operational efficiency. Quite simply, it is fundamental to who we are and how we operate.

Our sustainability strategy is built around a strong framework that reflects our business and the impact we can have. The four pillars of our strategy – Our Business, Our People, Our Community, and Our Environment – set out a clear pathway for the business, providing us with focus, and enabling us to set long-term goals and establish detailed programmes to deliver them. This structure ensures we have absolute clarity around the contribution we can make to the United Nations' Sustainable Development Goals (UN SDGs) and how we can help to address inequality and support economic growth across Africa.

Pillar 1 – Our business

Our ambition is to increase digital inclusion in Africa through the expansion and increased reliability of our network. This will provide the connectivity to contribute to the economic growth of individuals, families, communities and nations across the continent.

Pillar 2 – Our people

Our ongoing commitment is to provide rewarding employment opportunities and to achieve genuine diversity and inclusion at all levels across the business.

Since the launch of the strategy, I have been delighted to welcome Olubayo 'Bayo' Adekanmbi into the business as chief strategy, partnerships and sustainability officer. His appointment underlines our unswerving commitment to achieving our goals and ensuring sustainability remains at the heart of our corporate strategy. Bayo is building a team to oversee and support the implementation of our sustainability programmes with a dedicated environmental and social lead already in place.

We have pledged to be transparent throughout the delivery of our strategy. Publishing our goals and programmes and reporting regularly on our progress allows our stakeholders to track our performance and hold us to account. I look forward to sharing Airtel Africa's first Sustainability Report before the end of 2022 and, prior to that, providing details of our specific decarbonisation pathway.

We have always been dedicated to our corporate purpose of transforming lives. Now, with long-term goals and credible programmes established, with every part of the business involved, and with a genuine commitment to protecting the environment, we have a clear pathway to ensure we deliver on our purpose and build our business on a foundation of sustainability.

Olusegun Ogunsanya
Chief executive officer

Pillar 3 – Our community

Our ambition is to drive digital and financial inclusion and access to education for people and communities across Africa through the provision of data and mobile services underpinned by our network expansion. This is vital to the positive transformation of lives across Africa.

Pillar 4 – Our environment

Our ambition is to address and minimise the impact of our operations on the environment. This is critical for the world we live in.

Message from the Board

I am pleased that Airtel Africa's new sustainability strategy and long-term commitments have been received positively by the company's stakeholders. Investors, regulators, suppliers and partners can now see how the Group plans to work with them for the many years that this strategy will drive the business. The transparency that has been built into the strategy means they can have complete trust in the journey that Airtel Africa has embarked upon and can track the company's progress. We all know that even the best laid plans sometimes need calibration along the way and that these can cause delays or force a rethink – I know that Airtel Africa will be open about any issue or challenge it encounters along the pathway to the goals it has set. This is important as it allows peers in Africa and the wider global telecoms industry to learn and to collaborate to address any problem that may arise.

The most critical stakeholders, however, are the people that make this business and the communities across Africa that it serves. With the Board of Airtel Africa absolutely focused on the delivery of this strategy, employees in every market can have complete confidence that the Group is working actively to build an ever-more inclusive and supportive working environment where everyone will have the opportunity to develop their potential and build flourishing careers. And I am determined to ensure that every one of the individuals, families and communities the Group serves in 14 markets recognises the value Airtel Africa brings and can access the growing range of services that are designed, specifically, to transform their lives and futures.

In the six months since launch, there has been progress across all the goals that have been set. I am delighted that, through the expansion of Airtel Africa's business across the continent, the Group has achieved a 2.1% increase in the number of people in both urban and rural areas that can access the network. This is key to driving digital inclusion and underpins all Airtel Africa's work to increase children's access to education. In addition, growth in the number of women using Airtel Money indicates that the company is making a contribution to female economic empowerment on the continent. I am pleased that diversity and inclusion has been embedded in every aspect of the business – including increased female representation at board level – and the appointment of environmental officers in each market is already improving the Group's environmental performance.

Airtel Africa has taken the first steps on a long journey, and I am excited to see the impact of the developments it will be introducing over the coming months and years.

Annika Poutiainen
Independent non-executive director and Airtel Africa's sustainability champion

Pillar 1 – Our business

Our ambition is to increase digital inclusion in Africa through the expansion and increased reliability of our network. This will provide the connectivity to contribute to the economic growth of individuals, families, communities and nations across the continent.

SDG alignment

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

This pillar of our strategy sets out the programmes we are introducing to ensure our services and the way we work meets our commitment to transforming lives. Our ambitions are to give our customers confidence that we are working towards implementing industry-leading data security, to increase digital inclusion in Africa through the expansion and increased reliability of our network, and to ensure our suppliers are aligned with our sustainability priorities. Achieving the three goals in this pillar will provide individuals, families, communities and nations across the continent with secure data and increased connectivity that will support economic growth.

We have made good early progress on all our programmes. We are on target to deliver against our first milestones for our data security and service quality goals. We are also introducing key events for our main suppliers over the coming months to ensure they are completely aligned with our ambitions and to support delivery of all the key initiatives in our supplier management goal.

Our data security goal

Our goal is to establish industry-leading data security for our customers.

We will achieve this through investment in technology and expertise, updated processes and consumer awareness, delivered through programmes with clear targets and timelines.

MATERIAL TOPIC: DATA SECURITY

Our progress

Data security is Airtel Africa's priority material topic – this is highlighted in the risks section of this report on page 84. Over the six months to 31 March 2022, the business has made good initial progress against three of the targets we set out around confidentiality, integrity and availability.

For our target of embedding the **best tools and technologies**, we have started developing the first stage of our security upgrade programme. We anticipate that this will be completed by June 2024 and will ensure we deliver on our milestone within this goal: the implementation of a complete security upgrade programme by 2025. In addition, we have started work on the introduction of a policy to ensure that all legacy security platforms which are not supported by suppliers are replaced by 2025. Over the last few months, we have begun a detailed process to identify all legacy security platforms and we expect to complete this work by August 2022. Once finalised, we are planning to establish a programme to replace all outdated security solutions by October 2022.

Another of our targets is the **development of an industry-leading in-house team**, and we are pleased to report progress with the appointment of a Group chief information security officer in January 2022 to ensure that data security is, and remains, our top business priority. Additional recruitment to build a strong and focused team is underway.

Finally, we have also set a target to build the **resilience of our processes** and, by 2030, establish a best-in-class recovery plan for our core network and IP services to be deployed during natural disasters. By 31 March 2022 we hit our target of implementing an approved Network Recovery Plan and Disaster Recovery testing guidelines for core network and IP services in all our markets.

Our service quality goal

Our goal is to provide underserved communities with access to reliable network and connectivity across our 14 markets.

Providing network accessibility to rural areas is key to building digital inclusion. We will achieve it through the rollout of new infrastructure sites and technology, and improved fibre connectivity and capacity delivered through programmes with clear targets and timelines.

Our progress

Our service quality goal is focused on three key areas – increasing accessibility to our network, improving customer experience through new offerings and technologies, and building the speed and reliability of our service – each of which is supported by specific targets. Delivering on these targets allows us to provide millions more people in urban and rural areas across Africa with fast and reliable access to broadband.

We have made progress against all three of these key areas.

Our first target focuses on increasing the percentage of people who have **access to our network**, with the ultimate goal of achieving 88-90% penetration in each market by 2030. We will achieve this through the rollout of new 2G, 3G and 4G sites, increasing the number of people in each of our markets who can access our network.

Our progress in the past six months:

78.26%	72.23%	62.59%
have access to 2G	have access to 3G	have access to 4G
+ 0.83%	+ 0.96%	+ 4.53%

Our second target includes a commitment to building an **uninterrupted service** and improving customers' experience of using our network. Specifically, we are working towards exceeding regulatory KPIs and achieving a network availability rate of 99.99% by 2030. We are on track to achieve our milestones and our network availability stands at 99.52% as of March 2022.

In line with our third target, we are building the **reliability and speed of our service** for people across Africa through the rollout of fibre in our network. Not only will this provide customers with faster mobile connections but it also improves the resilience of our connectivity infrastructure. As of 31 March 2022, 15.7% of our sites and 55.4% of our data centres have fibre connectivity – this represents an increase of 1.4% and 0.6%, respectively, since the launch of our sustainability strategy.

Our supply chain goal

Our goal is to ensure all our suppliers are aligned with our sustainability agenda.

We will achieve this through programmes to increase supplier disclosure and audit their Environmental, Social and Governance (ESG) performance. This way we can monitor suppliers' compliance with legal and regulatory requirements, respect for human and labour rights, and work to minimise their environmental impacts.

MATERIAL TOPIC: SUPPLY CHAIN

Our progress

We understand we have a responsibility to drive improvement across our entire value chain. We have set a supply chain management goal which will build on the standards and disclosure we expect of all our suppliers and will introduce a process of regular monitoring. The goal we have set is structured around two focus areas:

1. enhanced due diligence which will increase the level of disclosure we expect of suppliers during the onboarding process, and
2. improved ongoing monitoring of suppliers' ESG compliance, policies and controls through the full term of suppliers' contracts.

We have specific targets to support both of these focus areas and have made good progress in the six months to 31 March 2022.

To ensure enhanced due diligence for new suppliers, we are in the process of developing a detailed questionnaire to be completed by any company applying for a contract with Airtel Africa. In addition to covering standard ESG requirements, it will also include specific questions relating to the areas that we have identified as material topics. We will test this questionnaire before we introduce it during 2022.

We have also made progress against our targets to improve our ongoing ESG monitoring of existing suppliers. In 2022 we will be holding an event for our top 100 current vendors (who represent approximately 90% of all our purchase spend) to present our entire sustainability strategy and explain exactly what we expect of them in line with our supply chain goal. We will be asking all these existing vendors to complete our new questionnaire to ensure we have the same level of detail on both new and more established supplier relationships.

In addition, and in line with our targets, on 31 March 2022 Airtel Africa joined the Joint Alliance for CSR (JAC). JAC verifies and assesses CSR implementation across the leading suppliers to the ICT industry. JAC members collaborate to ensure best practice in the shared supply chain and this collaboration has significantly increased the number of audits and corrective programmes that have been implemented, driving improved standards across the supply chain.

We will implement a periodic audit process for vendors to monitor compliance with ESG criteria by 2023.

> "Our programmes are set out to ensure our services and the way we work meet our commitment to transforming lives."

Service quality in action

Maintaining our services when they're needed most: Malawi

One of the most important ways we can serve our customers is by keeping our networks available, especially in hard times.

In Malawi in early 2022, tropical storms, cyclones and heavy flooding led to a tragically high number of deaths, as well as destruction and disruption that affected nearly a million people. Power lines and roads were destroyed, bridges washed away, and power stations were put out of action. The extreme weather had an impact on our operations, too, with equipment damaged, vehicles lost, and travel made highly challenging – and initially we had outages at 15% of our sites.

Our Malawi teams took immediate action to restore our network, despite the ongoing conditions. On the day following the worst event, Tropical Storm Ana in January, they put a plan in place to make sure expert teams and fuel could reach our sites and keep the network running for our customers. Within five days our teams restored 97% of our affected sites – meaning that families could keep in contact, government agencies and NGOs could coordinate on the ground, and Airtel Money customers could receive financial support from their families. It is a clear example of the resourcefulness and determination of our teams – and of our commitment to service quality.

Pillar 2 – Our people

Our ongoing commitment is to provide rewarding employment opportunities and to achieve genuine diversity and inclusion at all levels across the business This goes to the core of who we are.

SDG alignment

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

We have made encouraging progress against our commitments. Over the six months to 31 March 2022, we have updated policies and introduced new measures to improve gender diversity in our candidate pool, supporting our wider initiatives to achieve a diverse and inclusive workforce. We have launched development programmes with a specific focus on driving functional expertise, leadership skills and supporting female university students on their transition to the workforce. We continue to focus on creating a healthy and safe working environment.

Diverse and inclusive workforce

Our commitment is to continue creating a diverse and inclusive workforce – with specific goals of increasing the total percentage of female employees from 28% in September 2021 to 30% in 2025, and female senior executives from 25% in September 2021 to 30% in 2025.

We will achieve this through recruitment, development programmes and enhancing our work environment. We are proud to be an equal opportunity employer and remain fully committed to diversity and inclusion in our workplace.

We have made good progress on our goals, building on our longstanding commitment to diversity and inclusion, which is embedded in our values.

Our maternity and parental leave policy and our health and safety policy have both been refreshed and will be rolled out across the business in the coming months.

We have strengthened gender diversity within our workforce, as reflected in the increase in female hires and internal promotions. The proportion of female employees in senior management who were promoted in the last six months was 23.1% as compared to 20% in the first half of the year.

We are also committed to welcoming people from a diverse range of communities and nationalities into the business. Our workforce is made up of employees from 35 different nationalities.

Finally, we are making progress towards achieving the FTSE Women Leaders Review target of 40% female representation on the Board. With the appointment of Tsega Gebreyes to the Board in October 2021, we have 31% female representation at Board level and are working towards 40% by 2025. Currently, female representation at the ExCo level (including OpCos) stands at 28% and we are committed to building on this in the future.

Training and development

Our commitment is to continue to provide all our permanent employees with access to functional and leadership programmes. Ongoing coaching and mentoring programmes aim to facilitate growth and career enhancement.

We are working with our external partners to ensure they support us in developing the next generation of talent. As part of this, we have started to roll out coaching and mentoring programmes designed specifically to support female graduates and post-graduates into the workplace and to nurture the skills that will allow them to develop rewarding careers. We are supporting this with internship programmes for female graduates which we are currently implementing in Zambia, Republic of the Congo and Niger. In addition, we are setting up 'leadership potential' programmes for employees offering dedicated training and counsel to those who have the ability and ambition to take their careers to management level.

Healthy and safe work environment

Our commitment is to maintain a healthy and safe work environment.

We are committed to providing the highest standards of health and safety for our employees. We will achieve this through the introduction of a best practice social, health and safety management system, improved policies and full compliance with all local legislation and regulation.

Our Health and Safety Committee now reports to the Sustainability Committee as well as the Executive Committee (ExCo). This means that health and safety is now addressed as a key component in the delivery of our commitments to our people as well as a critical business and commercial consideration. Supporting this, a new and enhanced Group health and safety policy has been developed and will be launched shortly. This will formalise our approach to setting, monitoring and maintaining robust standards.

Employee engagement

Our commitment is to engage with and listen to our employees.

Our people are at the heart of our business success, and we aim to make Airtel Africa a great place to work for our 3,700+ full-time permanent employees.

We have always enjoyed a good level of employee engagement and we will not take this for granted, as we are committed to strengthening and building on it. In addition to regular communications, presentations and market visits by members of the ExCo, including quarterly CEO-led townhalls in English and French, we run engagement surveys every two years which provide all our people with the opportunity to share their views. Our previous year's employee engagement survey achieved an 87% response rate, with an overall engagement score of 79% – we aim to improve further in the upcoming survey.

We will continue to listen to our people through management's daily interactions with teams, our monthly managing director townhalls, our quarterly CEO townhalls and 'skip level' meetings with senior managers.

> "We are committed to strengthening and building on our good level of employee engagement in the future."

Diversity and inclusion spotlight

Celebrating International Women's Day: #BreakTheBias

This year's International Women's Day (IWD) campaign invited people everywhere to imagine a gender equal world, free of bias, stereotypes, and discrimination – chiming with our own ambition to create an organisation where people are included and engaged.

So, on 8 March 2022 we celebrated diversity and inclusion across Airtel Africa by affirming and supporting the #IWD2022 theme #BreakTheBias.

Pillar 3 – Our community

Our ambition is to drive digital and financial inclusion and access to education for people and communities across Africa through the provision of data and mobile services underpinned by our network expansion. This is vital to the positive transformation of lives across Africa.

SDG alignment

4 QUALITY EDUCATION

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

Since we launched our sustainability strategy, we have made progress on all our targets, including reaching more people by rolling out new sites and service centres, serving more customers in rural areas, and expanding our data capacity. At the same time, our landmark partnership on digital inclusion with UNICEF has taken a significant step forward: all our relevant markets are now involved in the creation of national rollout programmes, and these have been combined into an overarching continental implementation plan which will guide our work with UNICEF over the coming years.

Our digital inclusion goal

Our goal is to significantly improve digital inclusion across Africa.

We will do this by increasing our retail and support services which will drive penetration in mobile telephony, smartphones and home broadband in rural areas. This is key to addressing the digital divide.

MATERIAL TOPIC: DIGITAL INCLUSION

Our progress

We have three specific targets to support our goal to increase digital inclusion: the development of new retail and support centres in rural areas; increasing the number of people who can access our digital services; and promoting convenient payment solutions for all our customers. In the six months to 31 March 2022, we have made progress against all of these targets.

Key to our first target is the increase of the number of **people in rural areas who can access our network** from 67.1% in September 2021 to 80% by 2025. Since the launch of our sustainability strategy, we have improved our coverage to 68.2%. As a result of this expansion, we have grown our customer base in rural areas to 63.3 million, an improvement of 6.7%. This progress opens real opportunities for people today and tomorrow – from accessing online education to future employment.

Alongside this network expansion, in the last six months, we have increased the number of retail touchpoints by 11.7% to 2.2 million as of 31 March 2022 – ensuring that people also have the retail and support facilities they need to purchase devices and access support. This expansion of our retail network also builds employment opportunities for anyone – regardless of gender or disability – who would like to run an Airtel Africa franchise or open a kiosk serving their local community.

Our second target is to **increase smartphone penetration** from a baseline of 33.6% in September 2021 to 45% by 2025 through collaboration with original equipment manufacturers (OEMs) to develop attractive data bundles for first-time buyers. In the six months to 31 March 2022, our progress has been in line with our expectations, and we have enhanced bundled products in all our markets, increasing smartphone penetration to 34.2%. An example of this is our special 'Learn from home' bundles which we launched in Malawi and Uganda for learners to access educational resources. These products are 50-60% cheaper than standard bundles available in the market.

Our third target for driving digital inclusion is the **development of services** to make it easy for customers to top up their balance at any time and from any location, measured by an increase in digital recharges from 39.7% in September 2021 to 60% in 2025. We are creating digital communities that ensure our services are always available to customers by rolling out apps that allow customers to buy additional talk time at the touch of a button. This ease of access to top ups is critical for meeting the needs of people across Africa and, in particular, those in rural locations. We expect to see the number of digital recharges increase in the coming months as a result of this activity.

Our financial inclusion goal

Our goal is to significantly increase financial inclusion in Africa – with particular support for women.

We will do this through the development of affordable financial products to meet the needs of the un- and under-banked, a reliable service and financial confidence and literacy.

MATERIAL TOPIC: FINANCIAL INCLUSION

Our progress

Financial inclusion is a key driver in poverty alleviation and a critical goal of our sustainability strategy. Our work is based around three focus areas:

- the affordability of products and services designed to meet the needs of the un- and under-banked
- ensuring our services are accessible wherever people are
- building awareness and knowledge among our customers.

We have set targets to ensure we deliver and monitor our progress against each of these focus areas. Since the launch of our sustainability strategy in October 2021, we have made strong progress against some of these targets we have set in this goal.

As a result of this expansion, our total mobile money customer base across all markets has grown by 20.7% in this time, and transaction value has grown by 37.0%, indicating that our customer base is becoming more financially active.

We have increased the number of women who have become Airtel Money customers and are using our services. We will provide specific details in our first Sustainability Report later in 2022.

Finally, in Uganda, we have launched a savings product to advance financial inclusion – it will be rolled out in other markets over the course of 2022. We are commited to designing more savings products targeted specifically at women in the coming months.

> "Financial inclusion of women is particularly important for gender equality and women's economic empowerment."

Adopt a school spotlight

'Adopt a school' in Gombe State, Nigeria

Supporting schools in need is an essential part of our sustainability strategy – whether that's through data, connectivity, or improvements to the school's buildings and teaching environment. In Nigeria, we've adopted 7 schools across the country, providing refurbishment, installing drinking water and sanitation facilities where they're needed, and helping teachers and students through training and educational resources. The impact can be transformational – often meaning children have access to books for the first time.

This year we extended the programme to include the Government Day Nursery and Primary School Pantami, in Gombe State, which serves 7,117 nursery and primary school students. It brings us closer to the communities we share with our customers – and underpins our goal of supporting access to education, everywhere we operate.

Our access to education goal

Our goal is to transform the lives of over one million children through education by 2027.

We will achieve this through programmes and partnerships to connect schools to the internet, provide access to quality learning content and support the schools that are most in need.

MATERIAL TOPIC: EDUCATION AND DIGITAL LITERACY

This goal is central to Airtel Africa's corporate purpose and philosophy. We know that education is the key to unlocking potential and building better lives, better futures and better economic prospects, and in our sustainability strategy we detail how we will achieve this through three key programmes:

1. Our landmark partnership with UNICEF

We are delighted to be working in collaboration with UNICEF to deliver programmes that will have a positive impact on individuals and their wider communities. We believe that education is a right for all children, and we will look for every opportunity to advocate for this as our partnership continues. We have agreed a five-year partnership with UNICEF that will drive access to education in 13 of our 14 markets. We signed the agreement on 27 October 2021 and, with UNICEF, have developed a detailed plan to roll out the partnership programme. The partnership is based around three pillars:

- advocacy and championing digital education for children
- the provision of accessible learning platforms
- connecting schools to the internet to enable digital learning.

In the six months since the partnership agreement was signed, each of our markets has been involved in 'co-creation' workshops with UNICEF to define how they can support the three activities, and the work required. The markets then developed detailed country plans. These have been assessed and refined and have been brought together to create a phased continental implementation plan.

2. Connecting 1,400 schools to the internet by 2027

In addition to our work with UNICEF, we continue our work with a range of partners to provide the infrastructure and equipment necessary to connect an additional 1,400 schools to the internet. Detailed plans have been created in our countries of operation and progress is on track. The number of schools we have connected to the internet will be reported in our Sustainability Report later this year.

3. Adopting and supporting schools in every market to bring them up to national standards

We have extended our existing programme of school adoption and will report on the number of adopted schools in our Sustainability Report later this year.

> Education is the key to transforming the future of Africa's children. And access to data and information is key to education in some of the remotest communities on the planet. That is why our education-focused work on the ground in each of our markets and through our partnership with UNICEF is so vital.
>
> Olubayo Adekanmbi
> Chief strategy, partnerships and sustainability officer

Access to education in action

> This partnership reflects our purpose of transforming lives as we seek to invest in children – the future of the continent – as well as offer them access to quality educational content.
>
> Olusegun Ogunsanya
> Chief executive officer

Our partnership with UNICEF

We are delighted we have signed and committed to a five-year partnership with UNICEF that will fundamentally transform access to quality education – and therefore life opportunities – for thousands of children across 13 of our 14 markets to 2027. We are committing $57m financial and in-kind contribution to UNICEF's 'Reimagine Education' initiative over the five years to accelerate digital learning, a first for the African private sector.

In the six months since the launch of our sustainability strategy, we have been working hard on identifying the needs of more than 200 selected schools across the 13 markets.

We have developed a continental rollout plan in collaboration with UNICEF focused on the needs of each of the markets and aligned with their national curricula and their readiness to engage with digital learning programmes. Work has started on all three pillars of the partnership, and we are on track to hit our Year One target of providing 200,000 children with access to digital learning solutions through connecting schools and multi-media centres to the internet and by providing zero-rated content to students like Abubakar, pictured.

unicef | for every child

"Education is the right of every child. It should be free and fair, with equal access for girls and boys."

Article 28, Convention on the Rights of the Child, 1989

Three pillars of our partnership with UNICEF

Championing digital education

Our progress

Our stated target is to advocate for ambitious policies and frameworks to ensure children's rights to education and to promote the tools and platforms to keep them safe online, a key part of our work with UNICEF.

In December 2021, our CEO, Segun Ogunsanya, spoke at the RewirED Summit in Dubai, a three-day event that brought together the most influential global stakeholders in education. The summit was focused on the need for the global community of policymakers, investors and educators to explore new approaches to tackling education challenges, particularly in developing regions.

He also spoke at UNICEF's first ever Global Forum for Children and Youth, which brought together leaders from the United Nations, government, business, philanthropy and civil society. The forum focused on the acceleration of new solutions to create change and mobilise resources to advance child rights to meet the Sustainable Development Goals by 2030. At the same time, our OpCos in Gabon, the Democratic Republic of the Congo and Nigeria took the opportunity to announce the partnership at national level and bring stakeholders to the table to discuss the needs of children and advance the right to education.

To further our advocacy, we have identified key global and Africa-focused events for our leadership to attend and, as part of every country plan, we have developed an extensive programme of engagement with national political and funding stakeholders.

In addition to the advocacy work already underway, we have a number of local partnerships with UNICEF in place which support and supplement the five-year Group-level partnership. These include a national programme in Kenya focused on online safety for children.

Accessible digital educational content

Our progress

Our partnership with UNICEF is also focused on providing learners with access to digital educational content free of charge.

As part of the UNICEF-led 'co-creation' workshops, each of our markets developed a detailed roadmap for the rollout of zero-rated content and identified government-supported digital platforms. By 31 March 2022, 15 suitable platforms across seven of our markets – Kenya, Madagascar, Malawi, Nigeria, Rwanda, Tanzania and Uganda – had been identified and approved. Also in March, the Government of Nigeria, UNICEF, Airtel Nigeria and other partners launched the Nigeria Learning Passport (NLP), an online, mobile and soon-to-be offline learning platform that will provide continuous education to three million learners in 2022 alone, and a total of 12 million by 2025*.

The provision of free digital content in these markets began in May 2022. We will work to accelerate the launch of government-supported platforms in other markets, or advocate their development where they do not yet exist.

Connecting schools for digital learning

Our progress

UNICEF's 'GIGA' initiative aims to connect every school to the internet by 2050. Through the partnership, we are supporting this ambitious goal in 13 African markets.

We have agreed a phased approach to delivering school connectivity and have identified nine countries for the first phase of the rollout: Democratic Republic of the Congo, Republic of the Congo, Gabon, Kenya, Malawi, Niger, Nigeria, Tanzania and Uganda. As of 31 March 2022, detailed programmes for all nine countries were approved and will contribute to our Year One targets of bringing connectivity to over 250 primary and secondary schools and 30 youth centres. This will ensure that over 100,000 learners and 1,000 teachers will have access to Airtel Africa's network.

We will work together to assess schools' capacity and build capability among teachers as part of the programme.

Over the course of our partnership with UNICEF, we will collaborate with other partners in our sector which share our values to support our work and further increase connectivity for learners across Africa.

* Source: https://african.business/2022/03/apo-newsfeed/12-million-nigerian-students-to-have-increased-access-to-education-through-new-learning-passport/

> Addressing the learning crisis in Africa is a priority for UNICEF. This partnership is the first of its kind. It builds on the expertise and footprint of our two organisations to reach marginalised children with digital learning opportunities. It also creates new approaches to scalable and sustainable results.
>
> Rania Dagash
> Deputy Regional Director, UNICEF – Eastern and Southern Africa

Pillar 4 – Our environment

Our ambition is to address and minimise the impact of our operations on the environment.

SDG alignment

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our greenhouse gas reduction goal

Our ultimate goal is to achieve net zero greenhouse gas (GHG) emissions ahead of 2050.

To achieve this we must fully identify, measure and reduce our GHG emissions which can only be achieved in partnership with our peers and the wider industry.

MATERIAL TOPIC: CLIMATE CHANGE

Our progress

Recognising the impact of the climate crisis on Africa, we acknowledge the responsibility we have to limit our environmental impact. We are focused on reducing our direct carbon emissions and are investigating ways to optimise our operational energy efficiency. We fully support the 2015 Paris Agreement to limit global temperature rises below 1.5°C, and the GSMA Task Force defining the emission reduction pathway for the telecoms industry.

In the six months from the launch of our sustainability strategy, we have been carrying out internal assessments, collecting data and working with the Carbon Trust, the leading global environmental consultancy, to evaluate our current Scope 1, 2 and 3 GHG emissions and establish a carbon accounting policy, which will guide our approach to carbon accounting and provide an overview of Scope 1, 2 and 3 emissions. It will allow us to accurately set our baseline emissions ahead of target-setting. We have also carried out high-level analysis to identify carbon hotspots in our operations and functions, which will be focus points for our decarbonisation programme.

This is essential foundation work for our 'pathway to net zero' strategy, which we will launch ahead of our first Sustainability Report, due to be published later in 2022.

Responsible use of energy

In the United Kingdom, our energy consumption is approx. 22,000 kWh. As the energy consumption of the UK-incorporated entities in the Group, excluding oversees subsidiaries, is less than 40,000kWh the Company has relied on the exemption set out in paragraph 15(5) of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008/410.

Our environmental stewardship goal

Our goal is to eliminate hazardous waste from our operations, significantly reduce our non-hazardous waste and minimise our water consumption.

We will achieve this through programmes to replace damaging materials, expand recycling schemes and build employees' awareness around protection of natural resources.

MATERIAL TOPIC: CIRCULAR ECONOMY

Our progress

Our environmental stewardship goal is supported by three specific targets:

- the elimination of hazardous waste from our operations by 2040
- the reduction in non-hazardous waste by 2025
- reduction in water consumption by 2030.

Between the launch of our sustainability strategy and 31 March 2022, our focus has been on the reduction of our non-hazardous waste through established internal processes. We have appointed environmental officers in all our 14 markets, typically existing facilities managers, so we embed responsible consumption into every aspect of our offices and draw on an existing network of expertise. In February, we provided training to all environmental officers and set targets around reduction, recycling and reusing in support of the circular economy. The training covered topics, including monitoring water consumption, reducing electricity usage and responsible disposal of waste. In addition, our environmental officers regularly sign up to UN Global Compact's circular economy training sessions where they learn about global best practice in monitoring standards so they can apply them to Airtel Africa's facilities.

In line with our commitment, we have built on existing waste management initiatives in our markets and have consolidated them under a Group-wide initiative. We are working towards a robust improvement plan for recycling and will report the improvements in our first Sustainability Report later in 2022.

Reducing our paper and plastic waste through effective recycling is particularly important. Therefore, we have carried out an internal assessment to understand paper recycling facilities across all our premises and, where needed, we have begun buying new recycling bins.

Currently each market is developing a 'Green plan' which will commit them to initiatives to address the specific challenges they face. Once completed and approved, these plans will be incorporated into our Group-wide programmes to deliver our environmental goals.

TCFD disclosure

Airtel Africa is committed to transparency in our disclosure and reporting of all sustainability-related data.

We're also committed to analysing our climate-related risks and readiness and to working towards achieving the 11 disclosure recommendations of the Task Force for Climate-related Financial Disclosure (TCFD). This is the very start of our sustainability journey. It's the right time to assess our current performance and establish a programme to bring our disclosure to at least the level of our global telecoms peers.

Governance
Disclose the organisation's governance around climate-related risks and opportunities.

Risk management
Disclose how the organisation identifies, assesses and manages climate-related risks.

Strategy
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Metrics and targets
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

In the six months from the launch of our sustainability strategy to 31 March 2022, we appointed the Carbon Trust to undertake a thorough gap analysis. This assessed our current disclosure readiness and maturity against the TCFD's four thematic areas – governance, strategy, risk management, and metrics and targets – as well as against the 11 underlying recommendations. This is part of a wider climate strategy project with the Carbon Trust to establish our carbon accounting policy, define a credible carbon reduction programme and, ultimately, deliver our long-term goal of carbon neutrality.

The Carbon Trust has completed the gap analysis based on a thorough review of publicly available information, scrutiny of internal documents and ongoing engagement with Airtel Africa to raise questions. It scored our current performance against TCFD's 11 recommendations, using a five-level scoring system: Good Practice, High, Medium, Low, and No Disclosure. The resulting report shares key findings and gives us priority recommendations for actions and a detailed three-year roadmap to align our disclosure with the TCFD's recommendations.

Our pathway to TCFD-aligned reporting

To match the industry uptake of the TCFD and comply with mandatory requirements, we will be enhancing our reporting as outlined below:

Current status and roadmap

TCFD recommendations	Carbon Trust gap analysis	Airtel Africa response			Page
		Annual Report 2021/22	Annual Report 2022/23	Annual Report 2023/24	
Governance					
Describe the Board's oversight of climate-related risks and opportunities	Partial	Disclosures now describe CROs and the Board's oversight and management's role Disclosure now describes how the Board considers climate-related issues	Set CRO review as a recurring Board agenda item (via Sustainability and Audit and Risk Committee reports)	Set CRO review as a recurring Board agenda item (via Sustainability and Audit and Risk Committee reports)	56
Describe management's role in assessing and managing climate-related risks and opportunities	Partial				
Strategy					
Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term	Partial	Process started to define short-, medium- and long-term time horizons and ensure these are aligned with our business, strategy, and financial planning	Undertake full assessment of the CROs to prioritise based on likelihood, time horizon, and magnitude of impact (including scenario analysis in this work)	Undertake and disclose 'deep dives' of prioritised CROs to fully understand financial, business and strategy implications Disclose how 'deep dives' inform formulation of strategic and business planning	57
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	No				
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	No				
Risk management					
Describe the organisation's processes for identifying and assessing climate-related risks	Low	Disclose the process for identifying and assessing climate-related risk described	Ensure ongoing integration of climate-related risk considerations into overall risk management activities	Develop processes to monitor the emergence of new CROs and ensure their ongoing integration with existing risk taxonomy – disclose examples of how processes have informed decisions on mitigating actions	58
Describe the organisation's processes for managing climate-related risks	No				
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	No				
Metrics and targets					
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	No	Analysis of GHG emissions for Scope 1, 2 and 3, and pathway to net zero currently ongoing	Measure and disclose Scope 1, 2 and 3 emissions and set science-based reductions targets Develop metrics and targets linked to specific CROs	Disclose progress against science-based targets	58
Disclose Scope 1, 2 and, if appropriate, Scope 3 GHG emissions and the related risks	No				
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	No				

Governance

Describe the Board's oversight of climate-related risks and opportunities

The Board has overall responsibility for the management of Airtel Africa's climate-related risks and opportunities (CROs). Our Board maintains this oversight through two of its committees – the Audit and Risk Committee and the Sustainability Committee. The Audit and Risk Committee oversees our risk management processes, including the assessment and mitigation of CROs. The Sustainability Committee, meets monthly and is responsible for implementing our sustainability strategy, including the climate response actions addressed within the environment pillar of the strategy.

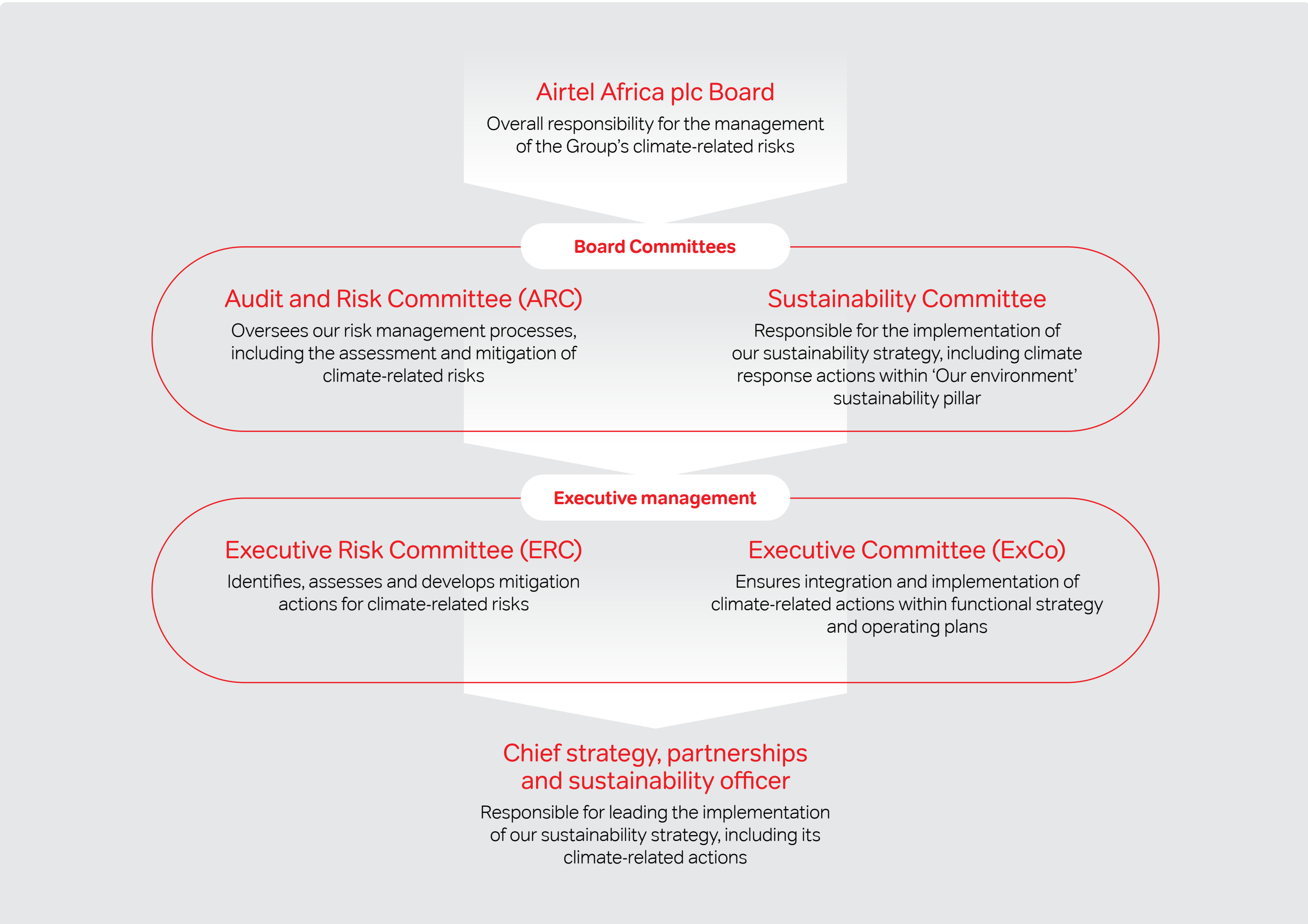
Our CEO currently chairs the Sustainability Committee and attends every Audit and Risk Committee meeting and those of the Executive Risk Committee (ERC). He provides a direct link to the management of CROs as does our Board sustainability champion, Annika Poutiainen, who also attends Board, Audit and Risk Committee and the Sustainability Committee meetings. Annika reports to the Board on the work of the Sustainability Committee and, together with the CEO, supported by relevant members of the management team, will seek approval for any actions.

Describe management's role in assessing and managing climate-related risks and opportunities

Through the ERC, management oversees our risk management processes, including the assessment and development of mitigation actions for CROs. The ERC meets on a quarterly basis. Our Executive Committee (ExCo) ensures that our climate actions are integrated into our operational business strategy. The two components of our strategy towards CROs are environmental stewardship and reduction in GHG emissions. In light of this two-pronged approach, our chief technology officer and chief supply chain officer jointly lead the 'Our environment' pillar of our sustainability strategy.

Our materiality assessment shows that energy use from our data centres, network operating centres and infrastructure sites constitute a large percentage of the total energy consumption within our business. So, our chief technology officer oversees our strategy to bring energy-efficient initiatives into our core operational process. A significant percentage of our infrastructure sites (93%) is owned by tower companies (towercos) and we lease space from the towercos. Our chief supply chain officer leads our efforts to generate climate action from our towerco vendors to achieve energy efficiency and reduce GHG emissions.

We have also appointed a chief strategy, partnerships and sustainability officer to lead our climate actions and ensure a seamless integration between our business strategy and climate response actions. The chief strategy, partnerships and sustainability officer is a member of the Group ExCo and reports to our CEO who chairs the Sustainability Committee.



Strategy: risk and opportunities

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

Category	Risk type	Nature of impact	Planning horizon
Transition risks	Customer pressure	Revenue loss due to customers choosing more environmentally conscious brands	Medium (five years)
	New regulations	Regulations and attendant penalties or carbon taxes could adversely impact profitability	Medium
	Shareholder/stakeholder advocacy	Lack of a credible action on climate change could result in increased stakeholder advocacy negatively impacting our operations	Short (three years)
	Reputation	Damage to brand reputation arising from a perceived lack of action on climate initiatives	Short
Physical risks	Flooding attributed to rising sea level or an increase in rainfall	Increase in frequency and severity of flooding attributed to rising sea level and/or increases in rainfall could damage company infrastructure	Long (ten+ years)
	Extreme weather events, such as tropical storms, cyclones, typhons	Increase in the frequency and severity of extreme weather events could result in damage to company infrastructure	Long
	Heat	Increase in extreme heat events and days could increase cooling requirements and costs and negatively affect company infrastructure	Long
	Business disruptions	Loss of revenue and productivity due to business disruptions attributed to climate-related physical events	Long
Opportunities	Enhanced market valuation	Improved ESG performance will have a positive effect on share price performance and investor perception	Short
	Access to capital	Increased access to and lower cost of sustainable financing options	Short
	Cost efficiency	Adopting energy efficient methods and cheaper environmentally friendly business processes will improve cost efficiencies	Medium
	Reputation	Improved company reputation will help us to attract and retain customers and employees	Medium

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

During the financial year, we revised our "Win with" strategy to embed sustainability as a key enabler of each of the strategic pillars. This reflects our ambition to deliver profitable growth in the long-term by integrating sustainability into the core of our business strategy (see pages 43-58). 'Our environment' pillar, encompassing climate risks and opportunities, is one of the four pillars of our recently published sustainability strategy. This highlights our focus on environmental stewardship and our ambition to achieve net zero within our operations. See pages 31-42 for more information about our strategy.

This financial year we completed a climate risk assessment. This identifies both transition and physical risks which could affect our business in the short to long terms. We also considered each CRO within our business, strategy, and financial planning horizons. See table on page 57 for time horizons for each of the CROs.

Our current impact assessment of CROs is qualitative. We haven't yet completed a CRO impact quantification, scenario analysis or testing for strategy resilience. We plan to integrate this into our sustainability reporting as we adopt a systematic and structured approach for identifying, assessing, and monitoring CROs. Our risk assessment has already identified mitigation actions which are being integrated into our operational strategy.

For example, in addressing transition risks in relation to stakeholder expectations, we've started work with the Carbon Trust to accurately capture and report all GHG emissions within our operations, including our supply chain.

In parallel, Airtel Africa has joined industry initiatives, such the GSMA Climate Action Taskforce and the Carbon Disclosure Project to work with industry peers to find common solutions to address the climate crisis. We've started an industry-leading approach to meet the challenges of creating a credible carbon reduction plan without a viable industry-wide solution to diesel powered towers, and the reporting and accounting of emissions from leased towers. Our aim is to find and agree a common industry approach to ensure credible long-term decarbonisation plans and targets.

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Following the Group's risk assessment on its CROs in line with the TCFD's recommendations, we have initiated a scenario analysis for the identified climate risks (physical and transition) and opportunities which we expect to report in the Annual Report 2022/23. The outcome of the scenario analysis exercise will improve the Group's resilience and preparedness to address climate risks in a varying range of possible outcomes.

Risk management

Describe the organisation's processes for identifying and assessing climate-related risks

We have a robust enterprise risk management process which is uniformly implemented across all our operating subsidiaries. Our process for identifying and assessing climate-related risks follows our established risk management framework. The classification of climate risk has been completed using the TCFD's recommendations around physical and transition risks. See page 80 for details of our enterprise risk management framework.

As climate change has been recognised by the Board as an emerging risk, this receives the ongoing attention of the ERC and the Audit and Risk Committee as part of our risk review process. We mitigate physical climate risks through our business continuity management processes, as well as the current initiatives to address transition risks detailed within the environment pillar of our sustainability strategy.

Describe the organisation's processes for managing climate-related risks

The ERC assess and mitigate climate-related risks, with oversight by the Board through the Audit and Risk Committee. Our Board's Sustainability Committee also oversees the implementation of our sustainability strategy, including climate-related actions and programmes related to our environmental objectives. We have also appointed a chief strategy, partnerships and sustainability officer, a member of our executive management team, who is primarily responsible for the design and implementation of our climate response actions.

Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management

We have identified and assessed our climate-related risks based on likelihood and impact and are developing appropriate quantitative metrics for measuring and tracking the climate impact of our operations. Determining current baseline metrics will allow us to carry out scenario analysis to guide our climate action plan and monitor and report on ongoing processes. We intend to publish our pathway to net zero later this year, when we'll provide data on our GHG emissions baseline, pathway to net zero and scenario analysis in line with the TCFD recommendations.

Airtel Africa plc has complied with the requirements of LR 9.8.6R by including **climate-related financial disclosures consistent with the TCFD recommendations** and recommended disclosures except for the following metrics and targets.

Metrics and targets

While we're gathering data for our Scope 1, 2 and 3 GHG emissions, we're not ready to disclose these and we haven't yet developed decarbonisation targets. In due course, we will set science-based reduction targets for all emission scopes. This work is already underway, and we'll disclose our benchmark Scope 1, 2 and 3 emissions when we publish our pathway to net zero programme ahead of our first Sustainability Report later this year.

We have established sustainability KPIs but haven't yet developed specific metrics to monitor and manage CROs.

Members of our ExCo are financially incentivised to reduce our company's carbon footprint, and our incentive plan includes performance against achievement of our CROs as part of our broader sustainability strategy.

We have started the process to disclose current and planned workstreams for the next reporting cycle (Scope 1, 2 and 3 and SBTi).

We have made our first climate-related financial disclosures consistent with the TCFD recommendations in compliance with the requirements of LR 9.8.6R.

Giving back to the communities where we live and work.

Everyone at Airtel Africa feels strongly about supporting projects and activities that make a real difference to the lives of some of the most vulnerable and underserved people on the continent.

Alongside the transformational impact we make through our business and its embedded sustainability strategy (see pages 44-58), we've long been committed to giving back to the communities in which we operate by partnering with governments and non-governmental organisations (NGOs), and by reaching out directly to individuals and communities to address some of the socio-economic and environmental challenges that face the people around us.

As well as our corporate donations in cash or kind, employees volunteer and offer support in a wide range of community programmes – because this is who we are as a team, and as Airtel Africa people. Our Group-wide approach to key community activities focuses on three main areas: education, health and wellbeing, and disaster relief.

Focus on education

We've been committed to supporting education in our communities for many years, because supporting child growth, development and wellbeing is important to everyone at Airtel Africa, and we know that education is a powerful tool for breaking the cycle of poverty and one of the best ways to close gaps in social inequality. It is also an important driver of wider economic prosperity: according to UNICEF, on average, one additional year of education can increase an individual's earnings by 10%. Girls' education has a particular benefit, to individuals and to future generations – children of educated mothers are much more likely to go to school than children of mothers with little or no education.

- By 2055 Africa will be home to **one billion children** under the age of 18, making Africa's child population larger than that of any other continent
- Youth unemployment rates are on average **54%, rising to 70%** in some countries
- School closures during the Covid-19 pandemic have affected around **250 million students** in sub-Saharan Africa, and learning completely stopped for most of them
- A total **of 81 million children** were already out of school in sub-Saharan Africa before the pandemic
- **87% of children** in sub-Saharan Africa were unable to read a simple paragraph by the age of 10 before the pandemic

Source: UNICEF

Our commitment to education is reflected in the fact that it is a prominent goal of our sustainability strategy, and our partnership with UNICEF, to enhance digital inclusion, especially for less privileged children in hard-to-reach locations, is described on pages 52-53.

Examples of our other education projects are described on page 60.

$2.2m
total CSR expense in 2021/22

Focus on health and wellbeing, and helping out in emergencies

The continuing Covid-19 pandemic has shown how challenging it can be to access healthcare. Since the pandemic began, we've been donating healthcare equipment to support governments and communities, and set up call centres in many markets to help health and security agencies deal with the crisis.

In June 2021, for example, we donated $75,000 to the Nigeria Primary Healthcare Development Agency to support the rollout of Covid-19 vaccines in Nigeria.

In Madagascar, we donated oxygen oncentrators worth $11,500 to the Covid-19 Treatment Centre, and paid $2,000 for PPE for health personnel in three public hospitals in Antananarivo. In Uganda, we donated four 10-litre oxygen concentrators to Bukwo General Hospital, Kampala.

And in Niger we provided support worth 65,000,000 FCFA (equivalent to $100,000) to the government as part of the fight against the pandemic. Other examples of our support can be found on pages 60-61.

"The philosophy behind our social investments is underpinned by the hope of goodness begetting greatness. We support our communities in the firm belief that being a good corporate organisation of good people will ultimately translate to greatness, and love for and loyalty to our company and brand by the people we serve and support."

Emeka Oparah
Vice president, Communications and CSR

Focus on education spotlight

Kazipower – 'Girl power' – in Zambia

In 2021, Airtel Zambia partnered with the SMART Zambia Institute to provide digital skills training to school-aged girls in a new project called 'Kazipower' – Girls in ICT.

The partnership was part of the Digital Transformation Centre's initiative launched by the International Telecommunication Union (ITU), the United Nation's agency for ICT, alongside digital communications and technology firm, Cisco. The project aims to support countries in developing digital skills, focusing on underprivileged and marginalised communities.

In Zambia, 150 girls from underprivileged secondary schools in three provinces received six months of ICT training designed to help them pursue careers in Science, Technology, Engineering and Mathematics (STEM). The top-performing 16 girls went on to receive job-shadowing opportunities at Airtel Zambia, working with dedicated mentors from our staff.

Focus on education spotlight

Supporting graduates in Niger

There's no substitute for experience when it comes to successful job applications – so our Niger office decided to encourage graduates from the community by offering a one-year internship to strengthen their skills and employability in our operations.

Launched in April 2021, the scheme saw 35 graduates join our teams, supported by Niger's National Agency of Employment. They were given the chance to see at first hand how a business like ours operates, while learning the skills required to work in our offices and in the field. Three graduates have already been taken on by Airtel Niger as a result of the programme.

Focus on health and wellbeing spotlight

A better future for mothers and babies in Uganda

Childbirth should be safer for mothers and babies – which is why, in July 2021, we donated mobile ultrasound scan devices to the maternity health facility at the Bukwo General Hospital in Eastern Uganda, and provided training to midwives through the 'Safe Motherhood' programme.

Uganda's Bureau of Standards estimates that in Uganda mortality ratio, the annual number of deaths of women from pregnancy-related causes per 100,000 live births, stands at 343 – significantly higher than the UN target of reducing maternal mortality below 70 deaths per 100,000.

We believe the UN target is achievable if we all set out to provide accessible, affordable quality health services, especially to marginalised communities. The Airtel Safe Motherhood programme has sponsored two midwives from Bukwo General Hospital to undertake practical training in obstetric ultrasound services, which means they can now offer obstetric ultrasound care to the expectant mothers and follow up with primary care. More than 1,300 mothers have now had access to the mobile ultrasound scan service through the Airtel 'Safe Motherhood' programme.

Focus on health and wellbeing spotlight

Supporting our communities in Malawi

This year Airtel Malawi made donations around K25m towards the education and health sectors initiatives.

We partnered with the Ministry of Gender and donated Perkins Braille machines, Braille hand-frames, styli and embossed papers valued at K15m to various schools to assist students with visual challenges.

The handover took place on 15 July, 2021 at Capital Hill in Lilongwe.

Also, around the same time, our Airtel Malawi employees raised K10m (Malawian kwacha) and, in partnership with Onjezani Kenani's Private Citizens Initiative, supported Chiradzulu District Hospital in Blantyre by donating this sum towards construction of a solar powered water supply solution as part of #BeSmartBeSafe initiative.

Focus on disaster relief spotlight

Goma's Nyiragongo volcano programme in the DRC

The eruption of the 11,500-foot-high volcano Nyiragongo in May 2021 and resulting earthquakes killed at least 32 people and destroyed more than 3,600 homes, public buildings, schools and health structures. Over 20,000 people were made homeless, around 400,000 were displaced, and businesses were closed for a week.

After the eruption it emerged that the Observatoire Volcanologique De Goma (OVG) had been without internet access to monitor seismic activities for six months, due to lack of funding.

As part of our response to the emergency, Airtel Africa provided drinking water to displaced people in need and donated a daily allowance of free voice and data for people in Goma for several weeks. At the same time, we entered a two-year partnership with the OVG, giving them free internet to allow them to monitor the activities of the volcano, and supported the installation of 16 seismic probes and their required data connection.

Focus on disaster relief spotlight

Empowering refugees through financial inclusion in Uganda

Inclusion in the digital economy and financial ecosystem is important for everyone – and particularly for refugees seeking to support themselves in new places. According to United Nations figures, Uganda is Africa's largest refugee host, with 1.1 million evacuees calling it their new home. In the Adjumani and Yumbe districts in West Nile, at least half of the population are refugees.

Airtel Uganda has been supporting this new population for some years, including through our telecoms masts in the Bidi Bidi and Palabek Refugee centres. Now we're reaching out to the 'unbanked' refugee communities of Uganda, bringing them online with the offer of access to financial services and collaborating with the United Nations Capital Development Fund (UNCDF) to boost mobile money and bridge the digital finance divide.

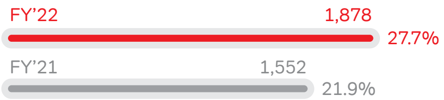
The area is served by 115 of our distribution agents and 32 franchise partners, creating jobs for some former refugees, including eight who joined our distribution network in 2021/22. At the last count, more than 25,000 refugees in Adjumani and Yumbe districts had been empowered with mobile phones, SIM cards and financial services.

Nigeria

Partnering our customers on the journey to a digital future.

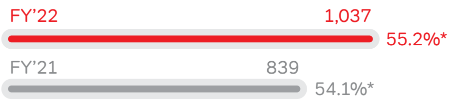
Underlying revenue	Underlying EBITDA	Operating profit	ARPU
$1,878m	$1,037m	$769m	$3.8
Reported currency 21.0% Constant currency 27.7%	Reported currency 23.6% Constant currency 30.4%	Reported currency 27.8% Constant currency 34.8%	Reported currency 26.1% Constant currency 33.0%

Underlying revenue ($m)



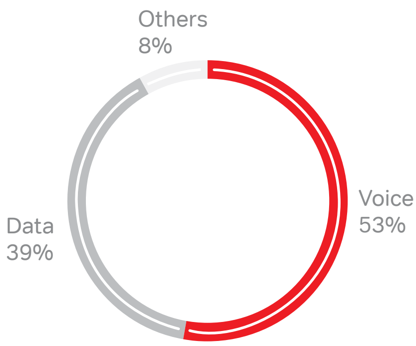
Growth % in constant currency

Underlying EBITDA ($m)



* Underlying EBITDA margin

Revenue split



> "Nigeria is a country where demand for data and mobile services is strong and growing stronger, and where the government continues to see digital entrepreneurship as an engine of economic progress. We aim to support our customers through this transformation."

Surendran Chemmenkotil
MD & CEO, Airtel Nigeria

Summarised statement of operations

Description	Unit of measure	Year ended Mar-22	Mar-21	Reported currency change %	Constant currency change %
Revenue	$m	**1,878**	1,552	21.0%	27.7%
Voice revenue[1]	$m	**985**	897	9.8%	15.9%
Data revenue	$m	**734**	549	33.7%	41.1%
Other revenue[1]	$m	**159**	106	50.0%	58.2%
Underlying EBITDA	$m	**1,037**	839	23.6%	30.4%
Underlying EBITDA margin	%	**55.2%**	54.1%	115 bps	114 bps
Depreciation and amortisation	$m	**(268)**	(236)	13.2%	19.5%
Operating exceptional items	$m	**–**	–	–	–
Operating profit	$m	**769**	602	27.8%	34.8%
Capex	$m	**251**	275	(8.8%)	(8.8%)
Operating free cash flow	$m	**786**	564	39.3%	50.7%
Operating KPIs					
ARPU	$	**3.8**	3.0	26.1%	33.0%
Total customer base	million	**44.4**	42.0	5.8%	
Data customer base	million	**20.3**	17.7	14.9%	

1 Voice revenue includes inter-segment revenue of $1m and other revenue includes inter-segment revenue of $2m in the year ended 31 March 2022. Excluding inter-segment revenue, voice revenue was $984m and other revenue was $157m in the year ended 31 March 2022

Other market participants

- MTN
- Globacom
- 9 Mobile
- MAFAB Communications (successfully bid for the 5G spectrum)

Our market

Nigeria is Airtel Africa's largest single country market, with a growing population of more than 210 million people, more than half of whom are under 30 years old. It is a country where demand for data and mobile services is strong and growing stronger, and where the government continues to see digital entrepreneurship as an engine of economic progress.

We aim to join with and support our customers through this transformation, and this year we've made further investments in network upgrades to boost capacity and reinforce resilience. At the same time we've continued to expand our distribution network, while developing our offer to customers. We're also helping people move along the ladder from 2G to 3G to 4G: in particular, we've expanded our 4G footprint by 34.2% to reach more communities to support digital transformation and drive economic empowerment.

This year has seen us create centres where new customers can get SIM registrations and register under the National Identity Number (NIN) regulations introduced in December 2020. As of April 2022, we had collated NIN information for 35.9 million of our active customer base. This supported the government's implementation of the scheme while easing the delay in registration that many customers experienced in FY'21. In April 2022, we were also notified that all SIMs that had not been linked to a NIN would have outgoing voice calls barred with immediate effect. Subscribers can still link their SIMs to their NINs in order that these restrictions can be lifted. Outgoing voice revenues for active subscribers who have not yet linked their NIN with their SIM amount to around 7% of our total revenues from Nigeria. We continue to work closely with the regulator and will make every effort to minimise disruption and ensure customers benefit from full service connectivity as soon as possible.

We're also developing our mobile money offer. In April 2022, Airtel Africa received final approval from the Central Bank of Nigeria (CBN) to offer services under a super-agent licence and under a Payment Service Bank (PSB) licence. This follows the issue by the Central Bank of Nigeria of the approval in principle in respect of the two licences in November 2021. We are getting ready to launch both services as guided by the Central Bank, allowing Airtel Africa to create an agency network to serve the customers of licensed Nigerian banks, payment service banks, and licensed mobile money operators in Nigeria, as described on page 23.

There have been challenges at times during the year. The Covid-19 pandemic has continued to have an impact on customers and communities, with lockdowns in some regions. We've also closely monitored Nigeria's foreign exchange situation: our analysis of foreign exchange risk is described on page 85. Overall, however, this has been another year of growth, with our customer base growing by 5.8%, and revenues by 27.7% in constant currency.

Our performance

Reported currency revenue grew by 21.0% to $1,878m with constant currency growth of 27.7%. The differential in growth rates was due to devaluation of the Nigerian naira by 5.6%. The constant currency revenue growth of 27.7% was driven by both customer base growth of 5.8% and ARPU growth of 33.0% largely driven by higher data and voice usage.

Voice revenue grew by 15.9%, driven by an increase in voice usage per customer of 20.8% which led to an ARPU increase of 20.7%. Customer base growth was affected by the NIN-SIM linkage regulations in Nigeria during the first half of the year but returned to growth, adding 4 million customers in the second half of the year, achieving net growth of 2.4 million customers over the full year. The number of regulatory approved outlets expanded to over 19,100 as of 31 March 2022.

Data revenue grew by 41.1% in constant currency, driven by data customer base growth of 14.9% and data ARPU growth of 37.6%, led by growth in data usage per customer to 4.0 GB per month (from 2.8 GB in the prior year). Our continued 4G network expansion and increased smartphone penetration has supported data usage growth. Almost 99% of our sites in Nigeria are now delivering 4G, and smartphone penetration of our customers has increased by almost 1 percentage point. Data revenue accounted for 39.1% of total revenue in Nigeria in the year, up by 3.7% on the prior year. For Q4'22, 43.6% of our data customer base were 4G users, contributing to 76.0% of total data usage. Data usage per customer reached 4.2 GB per month and 4G data usage per customer reached 6.5 GB per month, a significant increase on the 4.6 GB usage per customer per month of Q4'21.

Other revenue grew by 58.2%, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Underlying EBITDA was $1,037m, growing by 23.6% in reported currency and representing constant currency growth of 30.4%. Underlying EBITDA margin improved to 55.2%, an increase of 115 basis points in reported currency and 114 basis points in constant currency, as a result of improvements in operational efficiency.

Operating free cash flow was $786m, up by 50.7% in constant currency, due to the expansion of underlying EBITDA.

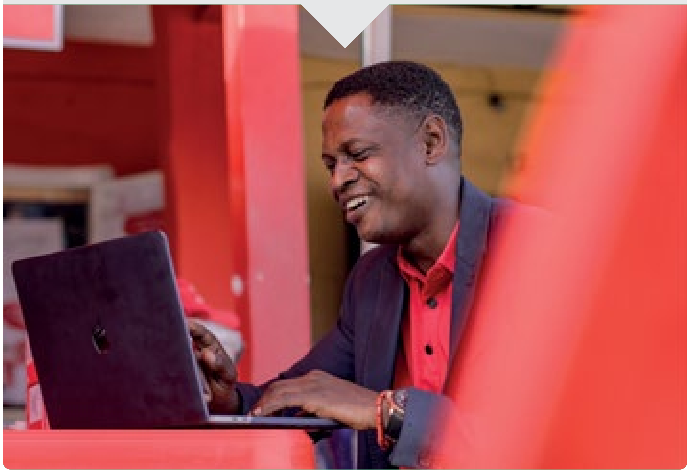
Transforming lives spotlight

Harnessing entrepreneurship, creating value

Adeleye Adetimilehin typifies the entrepreneurial spirit on which our distribution network depends – as well as the positive economic impact our business can have in our communities.

Made redundant from his last job but determined to support his family, Mr. Adetimilehin enrolled as a freelance Airtel Field Sales Agent in 2016. His performance quickly earned him an accreditation as an Airtel SIM distributor, operating in Benin city, Edo State. Focusing only on subscriber acquisition, Mr. Adetimilehin made rapid progress and set up his own company, Aleyetonto Nigeria Ltd, which deals exclusively with Airtel Africa business – and by December 2021 he controlled 10 Airtel Africa shops, employed 18 people and grossed around N100m (over $200,000) monthly, activating an average of 20,000 new subscriptions through his network each month.

Inspired by our 'Touching lives' programme, Mr. Adetimilehin has also developed his own ways to give back to the community, supporting widows, youths and vulnerable people in his area.



East Africa

“For the 215 million people in our region, our products and services are a gateway to financial and digital opportunity. Our strategy is simple: to connect the unconnected and unlock commercial and digital benefits for our customers, their communities, and our business.”

Ian Ferrao
Regional director, East Africa

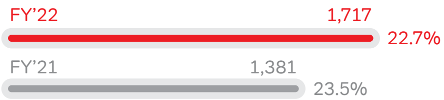
Other market participants

Kenya: Safaricom and Telkom
Malawi: TNM
Rwanda: MTN
Tanzania: Vodacom, Tigo, Halotel and TTCL
Uganda: MTN, UTL and Africell
Zambia: MTN and Zamtel

Connecting millions more customers to digital opportunity.

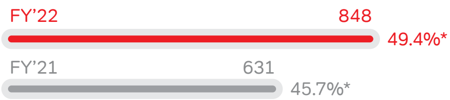
Underlying revenue	Underlying EBITDA	Operating profit	ARPU
$1,717m	$848m	$576m	$2.5
Reported currency 24.3%	Reported currency 34.4%	Reported currency 41.0%	Reported currency 12.2%
Constant currency 22.7%	Constant currency 31.6%	Constant currency 36.8%	Constant currency 10.7%

Underlying revenue ($m)



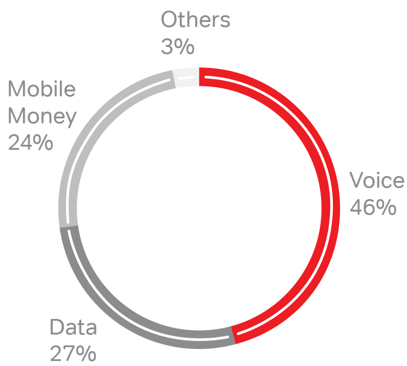
Growth % in constant currency

Underlying EBITDA ($m)



* Underlying EBITDA margin

Revenue split



Revenue contribution of others includes eliminations

Summarised statement of operations

Description	Unit of measure	Year ended Mar-22	Year ended Mar-21	Reported currency change %	Constant currency change %
Revenue[2]	$m	**1,717**	1,381	24.3%	22.7%
Voice revenue[3]	$m	**783**	650	20.3%	19.2%
Data revenue	$m	**457**	354	29.1%	27.4%
Mobile money revenue[4]	$m	**411**	291	41.5%	37.1%
Other revenue[3]	$m	**152**	150	1.1%	1.6%
Underlying EBITDA	$m	**848**	631	34.4%	31.6%
Underlying EBITDA margin	%	**49.4%**	45.7%	369 bps	331 bps
Depreciation and amortisation	$m	**(240)**	(221)	8.7%	7.9%
Operating exceptional items[5]	$m	**(32)**	–	–	–
Operating profit	$m	**576**	408	41.0%	36.8%
Capex	$m	**271**	249	8.8%	8.8%
Operating free cash flow	$m	**577**	382	51.1%	46.8%
Operating KPIs					
ARPU	$	**2.5**	2.3	12.2%	10.7%
Total customer base	million	**57.2**	53.1	7.8%	
Data customer base	million	**18.3**	16.2	12.9%	
Mobile money customer base	million	**21.7**	18.0	20.5%	

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

2 Revenue includes intra-segment eliminations of $85m for the year ended 31 March 2022 and $64m for the prior period

3 Voice revenue includes inter-segment revenue of $1m and other revenue includes inter-segment revenue of $6m in the year ended 31 March 2022. Excluding inter-segment revenue, voice revenue was $782m and other revenue was $146m in the year ended 31 March 2022

4 Mobile money revenue post intra-segment eliminations with mobile services was $326m for the year ended 31 March 2022 and $227m for the prior period

5 Operating exceptional items of $32m in the year ended 31 March 2022 consist of $12m provision for expected settlement of a contractual dispute in which one of Group's subsidiaries is a party and $20m cost of settlement of agreed historical spectrum fees in one of the Group's subsidiaries

Our market

Our six markets in East Africa include the fastest-growing economies in the continent, as well as some of the world's youngest populations. For the 215 million* people in our region, our products and services are a gateway to financial and digital opportunity.

Our strategy is simple: to connect the unconnected and unlock commercial and digital benefits for our customers, their communities, and our business. This year we have continued to improve our network, simplify our products and increase customer touchpoints for our services. We grew from 53.1 million customers to nearly 57.2 million, and our services are now accessible in more households across East Africa, a reach that we aim to continually expand.

To strengthen our network we deployed over 1,400 sites and grown our base of 4G sites by nearly 30%, resulting in data usage growth of 47.4%. We simplified our product portfolio and diversified customer touchpoints to Airtel App, USSD and Airtel shops. Furthermore, in order to strengthen our product offerings, we have continued to build strong partnerships with SMEs, banks, merchants, startups and governments across our markets.

Distribution is a critical level in our business. This year, we grew our kiosks, mini-shops and Airtel Money branches (AMBs) by nearly 20% as we strive to ensure that our products and services are available where our customers live, work and play.

Airtel Money continues to remain a key business enabler for individuals and SMEs in our markets. This year our active Airtel Money customer base crossed the 20 million mark which is a testament to our relentless focus on building products that meet customer needs. Our goal remains to become the transactional platform for households and SMEs through solving the financial barriers that customers face.

In our efforts to run an asset-light and agile business, we have closed tower sales in five out of six of markets over the last five years. Recently, we closed tower sale deals in Tanzania and Malawi.

The Covid-19 pandemic continued to affect people and communities, an intermittent curfew and some disruption to supply chains created headwinds for our business. Despite this, we were able to deliver another year of growth while maintaining Covid-19 protocols to protect our people and our customers, and supporting local campaigns to support affected communities.

Our performance

East Africa revenue in reported currency grew by 24.3% to $1,717m with constant currency revenue growth of 22.7%. This growth was delivered across all key services; voice revenue grew by 19.2%, data revenue by 27.4% and mobile money revenue by 37.1% in constant currency. Reported currency revenue growth was slightly higher than constant currency rates due to currency appreciation in the Ugandan shilling and Zambian kwacha, partially offset by currency devaluation in the Malawian kwacha.

Voice revenue grew by 19.2%, driven by both customer base growth of 7.8% and voice ARPU growth of 7.5%. The customer base growth was largely driven by expansion of both network coverage and the distribution network. Voice usage per customer increased by 5.8% to 349 minutes per customer per month, thereby driving voice ARPU growth of 7.5%.

Data revenue grew by 27.4%, largely driven by data customer base growth of 12.9% and data ARPU growth of 5.6%. We continued to invest in our network and expanded our 4G network infrastructure which helped us to grow both data usage and the data customer base. The data customer base increased 12.9% to 18.3 million, with 4G customers accounting for 40.5% of our total data customer base and contribute 60.2% of total data usage. 85.8% of our total sites are now on 4G, compared with 76.4% at the end of the prior year. Data usage per customer reached 3.3 GB per customer per month, up by 22.1%

Mobile money revenue was up by 37.1%, largely driven by growth in Zambia, Uganda and Malawi. The mobile money customer base grew by 20.5% and mobile money ARPU increased by 14.5%, due largely to expansion of our distribution network. The transaction value per customer reached $183 per customer per month, up by 16.0% from $153 per customer per month in the prior year. The slowdown in mobile money revenue growth was due to implementation of additional levies by the Government of Tanzania on mobile money withdrawal and P2P transactions from July 2021, which were subsequently revised downwards in early September 2021.

The underlying EBITDA margin reached 49.4%, an improvement of 331 basis points in constant currency, as a result of strong revenue growth and improvements in operating efficiency.

Operating free cash flow was $577m, up by 46.8% in constant currency, due largely to the expansion of underlying EBITDA.

Source: World Bank report (2021)

Francophone Africa

"Airtel Africa has a critical role to play in building opportunity and a sustainable future in Francophone Africa. Even in our most economically challenged markets, affordable, fast and reliable connectivity and mobile financial services are essential for growth."

Michael Foley
Regional director, Francophone Africa

Other market participants

Chad: Maroc, Sotel

The Democratic Republic of the Congo: Vodacom, Orange and Africell

Gabon: Moov (Maroc Telecom)

Madagascar: Orange and Telma

Niger: Zamani, Moov (Maroc Telecom), Niger Telecom

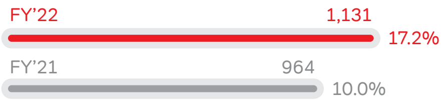
Republic of the Congo: MTN

The Seychelles: Cable & Wireless and Intelvision

Growing sustainably through strong networks and great distribution.

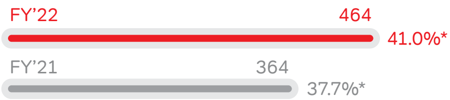
Underlying revenue	Underlying EBITDA	Operating profit	ARPU
$1,131m	$464m	$261m	$3.7
Reported currency 17.2%	Reported currency 27.6%	Reported currency 53.7%	Reported currency (1.9%)
Constant currency 17.2%	Constant currency 27.7%	Constant currency 54.6%	Constant currency (1.9%)

Underlying revenue ($m)



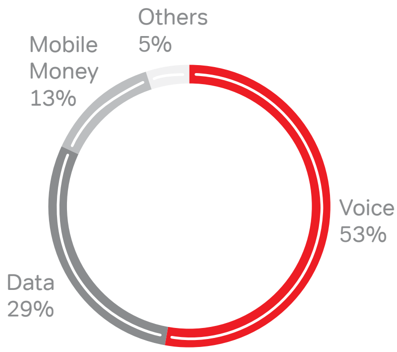
Growth % in constant currency

Underlying EBITDA ($m)



* Underlying EBITDA margin

Revenue split



Revenue contribution of others includes eliminations

Summarised statement of operations

Description	Unit of measure	Year ended Mar-22	Year ended Mar-21	Reported currency change %	Constant currency change %
Underlying revenue[2]	$m	**1,131**	964	17.2%	17.2%
Voice revenue[3]	$m	**594**	541	9.9%	10.0%
Data revenue	$m	**334**	254	31.5%	31.0%
Mobile money revenue[4]	$m	**142**	110	29.0%	29.6%
Other revenue[3]	$m	**104**	96	8.9%	8.3%
Underlying EBITDA	$m	**464**	364	27.6%	27.7%
Underlying EBITDA margin	%	**41.0%**	37.7%	332 bps	337 bps
Depreciation and amortisation	$m	**(203)**	(207)	(2.0%)	(2.1%)
Operating exceptional items[5]	$m	**0**	14	–	–
Operating profit	$m	**261**	170	53.7%	54.6%
Capex	$m	**125**	88	42.0%	42.0%
Operating free cash flow	$m	**339**	276	23.0%	23.1%
Operating KPIs					
ARPU	$	**3.7**	3.8	(1.9%)	(1.9%)
Total customer base	million	**26.8**	23.1	15.9%	
Data customer base	million	**8.2**	6.7	21.3%	
Mobile money customer base	million	**4.4**	3.6	21.8%	

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 $44m for the year ended 31 March 2022 and $36m for the prior period. It also excludes 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 $2m in the year ended 31 March 2022. Excluding inter-segment revenue, voice revenue was $592m in the year ended 31 March 2022

4 Mobile money revenue post intra-segment eliminations with mobile services was $98m in the year ended 31 March 2022 and $74m in the prior period

5 Operating exceptional items in prior period includes exceptional revenue relating to a one-time settlement in Niger for $20m partially offset by one-off cost of $6m in Francophone Africa

Our market

Across all our businesses, usage has increased materially, showing how fast the communities we serve are digitising and embracing mobile services. Our customer base grew by 15.9%, data users grew by 21.3%, and mobile money users grew by 21.8%.

The continuing demand for our services is clear. More than 170 million people live in our Francophone Africa segment*, which is made up of Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and the Seychelles. Currently only around 58% of this population*, which has a median age of 16.2*, is reached by mobile services. That means there's a great opportunity to expand network coverage, win more customers, and help drive local economies by increasing people's access to the digital economy and finance services.

This year, we expanded our fibre optic coverage across our portfolio and built essential metro fibre networks in Niamey, Niger, and N'Djamena, Chad. We also implemented extensive intercity fibre projects in the Democratic Republic of the Congo to enhance our network resilience. Altogether, 384 coverage and capacity sites were added across our Francophone markets, and in Malé, the capital of the Seychelles, we commissioned a modern data centre, contributing to the transformation of a tourism-based economy badly impacted by the Covid-19 crisis.

Our performance was also supported by a continued increase in our retail distribution points, reaching 760,000+, an increase of 47% over the last two years.

As a result of our continued investment in infrastructure as well as the digitalisation and expansion of our distribution channels, our partnerships with communities and governments have grown, making Airtel Africa an essential contributor to the societies we serve.

Our performance

Underlying revenue grew by 17.2% both in reported currency and in constant currency. This growth was largely driven by DRC, Chad, Niger and Gabon. The slight currency devaluation of the Central African franc was offset by appreciation in the Seychelles rupee.

Voice underlying revenue grew by 10.0% in constant currency, driven by customer base growth of 15.9% partially offset by voice ARPU decline of 7.9%. The ARPU decline was mainly driven by reductions in international call revenue and local incoming call revenue (the latter due to changes in local interconnect rates in Gabon, Niger and Republic of the Congo). The customer base growth was driven by expansion of both network coverage and distribution infrastructure.

Data revenue grew by 31.0% in constant currency, supported by both customer base growth of 21.3% and data ARPU growth of 1.3%. We continued to expand our 4G network (65.3% of sites now on 4G) and data network coverage, and we enhanced our distribution infrastructure supporting further growth of the data customer base. 30.5% of the Francophone Africa customer base now use data services. 4G data usage contributes 64.1% of total data usage and 44.8% of data users were 4G customers. Data usage per customer was 2.4 GB per month (up 23.1% on the prior year) while 4G data usage per customer reached 4.5 GB (up 3.4%).

Mobile money revenue grew by 29.6% in constant currency, driven by both customer base growth of 21.8% and mobile money ARPU growth of 5.2%. The mobile money ARPU growth was driven by an increase in the transaction value per customer of 8.3%, now at $422 per customer per month. Expansions of our exclusive distribution network and the number of agents helped us to grow the mobile money customer base by 21.8%.

Underlying EBITDA grew by 27.6% with a margin of 41.0%, an improvement of 332 basis points in reported currency and 337 basis points in constant currency. This underlying EBITDA growth was driven by both revenue growth and increased efficiency in operating expenses.

Operating free cash flow was $339m, up 23.1% in constant currency, due to the expansion in underlying EBITDA.

* Source: World Bank report (2021)

Transforming lives spotlight

Driving digital, financial and social inclusion by empowering disabled people in Madagascar

Claude Rasolonjanahary, better known by the name 'Bonne Réflexion', has been working with Airtel Africa as an exclusive retailer for over ten years. Based in Antsirabe, Madagascar, he helps us serve our customers by selling SIM cards and recharges and handling Airtel Money transactions from his Airtel Africa kiosk.

Claude, who has a mobility impairment, uses his income from his work for us to support his wife, who is blind, and their son.

'Bonne Réflexion' said: "Thanks to Airtel Africa, I have a decent job to support my family, and am empowered to contribute to my community".

Mobile services

> Customers need to be able to connect and access our services, so for both voice and data our performance improvements rely on our strategic focus on network expansion and excellent distribution. This year, along with continued investment in the quality and capacity of our network, we increased our exclusive retail footprint by 44.2% year-on year.

Ashish Malhotra
Chief sales and marketing officer

Meeting growing customer demand through connection, distribution, and transparent products.

Underlying revenue
$4,294m
Reported currency 19.6%
Constant currency 22.0%

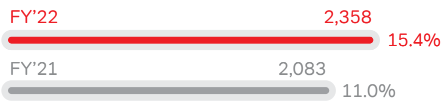
Underlying EBITDA
$2,077m
Reported currency 26.8%
Constant currency 29.7%

Operating profit
$1,348m
Reported currency 35.5%
Constant currency 39.0%

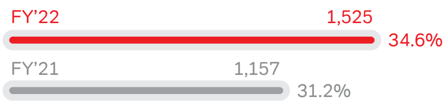
Voice ARPU
$1.6
Reported currency 5.9%
Constant currency 8.0%

Data ARPU
$2.9
Reported currency 16.1%
Constant currency 18.6%

Underlying revenue – Voice ($m)



Underlying revenue – Data ($m)



Growth % in constant currency

Summarised statement of operations

Description	Unit of measure	Year ended Mar-22	Year ended Mar-21	Reported currency change %	Constant currency change %
Underlying revenue[1]	$m	**4,294**	3,592	19.6%	22.0%
Underlying EBITDA	$m	**2,077**	1,639	26.8%	29.7%
Underlying EBITDA margin	%	**48.4%**	45.6%	276 bps	286 bps
Depreciation and amortisation	$m	**(697)**	(654)	6.5%	8.4%
Operating exceptional items[2]	$m	**(32)**	14	–	–
Operating profit	$m	**1,348**	995	35.5%	39.0%
Capex	$m	**621**	580	7.1%	7.1%
Operating free cash flow	$m	**1,456**	1,059	37.6%	42.6%
Operating KPIs					
Mobile voice					
Voice revenue	$m	**2,358**	2,083	13.2%	15.4%
Customer base	million	**128.4**	118.2	8.7%	
Voice ARPU	$	**1.6**	1.5	5.9%	8.0%
Mobile data					
Data revenue	$m	**1,525**	1,157	31.8%	34.6%
Data customer base	million	**46.7**	40.6	15.2%	
Data ARPU	$	**2.9**	2.5	16.1%	18.6%

1 Mobile service revenue after intersegment eliminations was $4,290m in the year ended 31 March 2022 and $3,587m in the prior year. Underlying revenue for Mobile service excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended 31 March 2021

2 Operating exceptional items of $32m in the year ended 31 March 2022 consist of a $12m provision for expected settlement of a contractual dispute in which one of the Group's subsidiaries is a party and $20m costs of settlement of agreed historical spectrum fees in one of the Group's subsidiaries. The prior year operating exceptional items include exceptional revenue on account of a one-time settlement in Niger amounting to $20m, partially offset by one-off costs of $6m in Francophone Africa

Our market

Demand for mobile services in all our markets remains strong, and we continued to grow our customer base in 2021/22 by connecting more people, offering transparent voice and data products that meet their needs, and growing our distribution network so that more customers can access our services effectively and efficiently. Customer growth of 8.7% this year has meant we're now connecting 128.4 million subscribers across our 14 markets.

We see clear opportunities for further growth. Our markets are characterised by growing populations of aspirational, price-conscious consumers, who are actively looking for ways to connect with each other, with engaging content, and with opportunities in the local and global economy.

Customers need to be able to connect and access our services, so for both voice and data our performance improvements rely on our strategic focus on network expansion and excellent distribution. This year, along with continued investment in the quality and capacity of our network, we increased our exclusive retail footprint by 44.2% year-on-year.

Handset ownership and telecom penetration continue to build, feeding demand for our voice services, and enabling us to expand or customer base despite some headwinds from Know Your Customer requirements in markets, including Nigeria, Kenya and Rwanda. Our voice ARPU grew by 8.0% compared to 2020/21, and overall our mobile voice business line – which includes pre- and post-paid wireless voice services, international roaming, fixed-line phone services and interconnect revenue – contributed 50% to Airtel Africa's consolidated revenue in 2021/22.

Our leadership in 4G in most markets is an important driver for our data performance, as smartphone ownership continues to grow across sub-Saharan Africa. Our 4G base increased to almost 20 million, growing by 34.8% in 2020/21. We'll continue to invest in our 4G network, which supports the digital inclusion ambitions of our sustainability strategy at the same time as creating further opportunity for growth.

Our performance

Mobile services underlying revenue in reported currency grew by 19.6%, with constant currency growth of 22.0%, supported by growth in both voice and data services.

Voice underlying revenue grew by 15.4% in constant currency, supported by customer base growth of 8.7% and voice ARPU growth of 8.0%. The customer base growth was driven by expansion of our network and distribution infrastructure. The slowdown in customer base growth was due to the introduction of new SIM registration regulations in Nigeria. Excluding Nigeria, the customer base grew by 10.2%. In Nigeria, our customer base returned to growth in the second half of the year, adding a net 2.4 million customers for the full year. Voice minutes per customer reached 257 minutes per month, up by 9.8%, resulting in voice ARPU growth of 8.0%. Total network minutes increased by 17.3%.

Data revenue continued to be a key driver of growth, up by 34.6% in constant currency. This was driven by data customer base growth of 15.2% and data ARPU growth of 18.6%. Our continued investment in our network and expansion of our 4G network infrastructure helped us to expand our data customer base. 87.6% of our Group sites are now operating on 4G, compared with 76.5% in the prior year. 36.4% of our total customer base were data users, up from 34.3% in the prior year. 4G data usage per customer increased to 5.5 GB per month compared with 5.0 GB in the prior year. 4G data usage reached 5.9 GB per customer per month for Q4'22. Total data usage per customer reached 3.4 GB per month, up 31.0% from the 2.6 GB of the prior year. At the end of the year, 42.6% of the total data customer base were 4G data customers, up from 36.4% in the prior year. The increase in 4G data customer penetration has helped to drive data ARPU growth.

Data revenue contribution reached 32.3% of total Group revenue in the year, up from 29.8% in the prior year.

Transforming lives spotlight

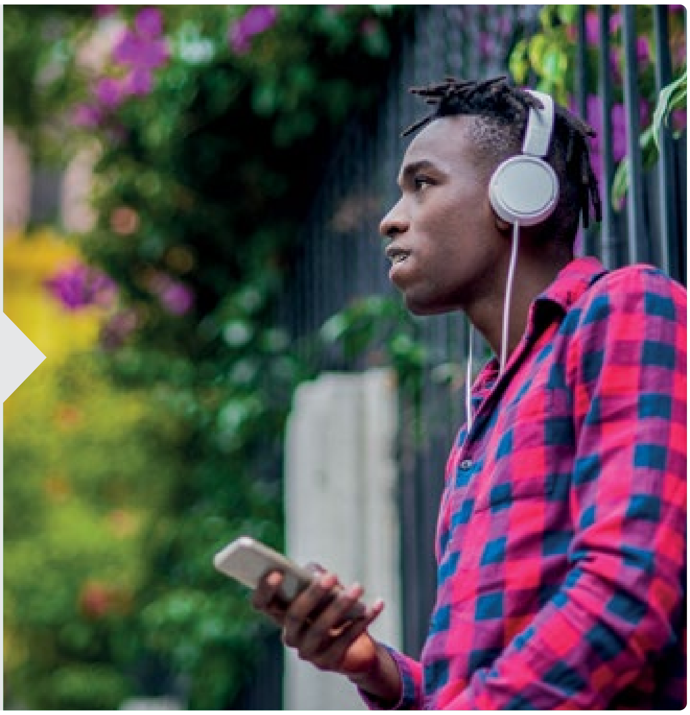
Partnering on great content for our customers: Airtel Nigeria and Spotify

People across our markets are hungry for content, and our data strategy seeks ways to partner with providers to give our customers access to digital resources that will entertain, excite, delight and reward them.

That's why Airtel Nigeria has partnered with the global audio streaming service, Spotify, and provides music lovers across Nigeria with daily complimentary data to access the Spotify platform.

Under the partnership, Airtel Nigeria's 44.4 million customers have uninterrupted access to the Spotify platform's 70 million songs without worrying about data costs or mobile internet plans, using complimentary data that can be used exclusively on the Spotify platform whenever they purchase data bundles.

It brings joy to our customers – and helps strengthen our position as the network of first choice for music, youth culture and innovation.



Airtel Money

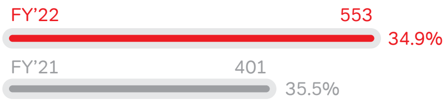
“We’re expanding the scope of our services, creating increased ‘use cases’ and offering our customers a ‘one stop shop’ for all their financial needs. Across the region, mobile money is an increasingly important driver of economic growth.”

Vimal Kumar Ambat
CEO, Airtel Money

Airtel Money: a ‘one stop shop’ for all financial services.

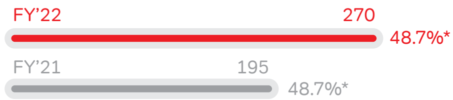
Underlying revenue	Underlying EBITDA	Operating profit	ARPU
$553m	$270m	$256m	$1.9
Reported currency 37.9%	Reported currency 38.1%	Reported currency 38.3%	Reported currency 14.7%
Constant currency 34.9%	Constant currency 34.2%	Constant currency 34.4%	Constant currency 12.2%

Underlying revenue ($m)



Growth % in constant currency

Underlying EBITDA ($m)



* Underlying EBITDA margin

Summarised statement of operations

		Year ended		Reported currency change %	Constant currency change %
Description	Unit of measure	**Mar-22**	Mar-21		
Revenue[1]	$m	**553**	401	37.9%	34.9%
Underlying EBITDA	$m	**270**	195	38.1%	34.2%
Underlying EBITDA margin	%	**48.7%**	48.7%	5 bps	(27) bps
Depreciation and amortisation	$m	**(14)**	(10)	34.8%	30.9%
Operating profit	$m	**256**	185	38.3%	34.4%
Capex	$m	**25**	32	(19.9%)	(19.9%)
Operating free cash flow	$m	**245**	163	49.6%	44.8%
Operating KPIs					
Mobile money key KPIs					
Transaction value	$m	**64,436**	46,009	40.1%	37.0%
Active customers	million	**26.2**	21.7	20.7%	
Mobile money ARPU	$	**1.9**	1.7	14.7%	12.2%

1 Mobile money service revenue post inter-segment eliminations with mobile services was $424m in the year ended 31 March 2022 and $301m in the prior year

Our market

As part of our focus on the long-term growth of Airtel Money, we continue to prioritise assured float availability and the expansion of our distribution network of exclusive Airtel Money branches and kiosks, as well as our growing multi-brand agent network. At the same time, we're expanding the scope of our services, creating increased 'use cases' and offering our customers a one-stop shop for all their financial needs, including mobile wallet deposits and withdrawals, merchant payments, enterprise disbursements, international money transfer, and loans and savings. We also continue to explore partnerships that expand payment opportunities for customers, including with Terrapay, Thunes and MFS Africa for cross-border payments, and the expansion of the Airtel Money Mastercard Virtual Card to Zambia.

Having successfully set up mobile money services across other markets, we have a clear opportunity to replicate our model in Nigeria. In November 2021, we received approval in principle for a licence to offer payment services as a bank (PSB) independently. The PSB licence would allow us to accept deposits from individuals and small businesses, carry out payment and remittance services within Nigeria, and issue debit and prepaid cards among other activities set out by the Central Bank of Nigeria (CBN); we have completed and submitted the associated administrative requirements and now await full licence approval. In another development, in April 2022 the CBN awarded Airtel Mobile Commerce Nigeria Ltd a full 'super-agent' licence, allowing us to create an agency network to serve the customers of licensed Nigerian banks, payment service banks, and licensed mobile money operators in Nigeria, as described on page 23.

While the overall story is one of growth in mobile money services, we do face some challenges. In 2021, for example, Tanzania introduced a mobile money tax that increases prices on mobile money transactions, including sending, withdrawing, and transferring money. We believe this will have significant consequences for the mobile money ecosystem, as it will affect the supply chain pricing for value-added services.

Across the region as a whole, however, mobile money is an increasingly important driver of economic growth across all sectors. Economies are becoming cashless, consumer behaviour is changing, and larger businesses are finding it cheaper, faster and more convenient to make bulk payments direct to their employees or customers' mobile money wallets. At the same time, mobile money is key to the financial inclusion of under- and un-banked people, creating access to basic financial services that would otherwise be unavailable to them, and helping to transform lives.

It remains our aim to explore the potential listing of our mobile money business, as described in the financial review on pages 76-79.

Our performance

Reported currency mobile money revenue grew by 37.9% with a constant currency growth of 34.9%. The slowdown in mobile money revenue growth since July 2021 has been due to the implementation of levies by the Government of Tanzania on mobile money withdrawal and P2P transactions (subsequently revised downwards in early September 2021). Excluding Tanzania, revenue grew by 41.6% in constant currency. The constant currency revenue growth of 34.9% was driven by both customer base growth of 20.7% and ARPU growth of 12.2%. The mobile money customer base growth was due to the expansion of our distribution network, particularly our exclusive channels of Airtel money branches and kiosks. We continued to expand our mobile money portfolio through partnerships with leading financial institutions, and the expansion of our merchant ecosystem further strengthened our mobile money propositions. The increase in transaction value per customer to $223 per month, up by 13.9%, led to mobile money ARPU growth of 12.2%.

Q4'22 annualised transaction value reached $67.2bn in reported currency, with mobile money revenue contributing 12.0% of total revenue in the quarter.

The mobile money customer base grew by 20.7% to 26.2 million in the year. Mobile money customer base penetration reached 20.4%, an increase of 2 percentage points. The ARPU growth of 12.2% was largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments, P2P transfers and mobile service recharges through Airtel Money.

Underlying EBITDA was $270m, up by 38.1% in reported currency, with a constant currency growth of 34.2%. The reported currency growth rate was higher than the constant currency growth rate due to appreciation in the Zambian kwacha. The underlying EBITDA margin for the year was 48.7%, broadly in line with the prior year.

Transforming lives spotlight

Harnessing the entrepreneurial spirit around us in Zambia

The people in our distribution network are an essential part of creating opportunity for us – and for themselves and those around them, as they fulfill their own entrepreneurial ambitions and create value in their communities.

Olivia Chichenga, founder and director of Glonet Connections Limited, has built her own successful business as a partner to our Airtel Money operations in Lusaka, Zambia – and her network of Airtel Money branches employs 12 people and provides opportunities for many more agents in the city.

Her success has come from doing things differently. She saw the opportunities for mobile money services in Zambia while she was a team leader at Airtel Zambia, and left with our blessing to found Glonet Connections. And she found what was a new niche at the time: opening her first Airtel Money branch in a thriving shopping centre, Waterfalls Mall in Lusaka. She now owns three Airtel Money branches and is looking to the future. As Olivia says, "the only thing standing in your way would be your mind; believe you can do it and just do it, it will not be easy, but it will be worth it."

Empowering entrepreneurs and supporting the organisations that drive Africa's growth.

> Internet penetration is rising across Africa and systems are even more connected as digital transformation is driving growth for organisations. We support SMEs and entrepreneurs across Africa with their end-to-end digital presence and a secure, reliable internet.

Luc Serviant
Group enterprise director

Our market

Airtel Business is our B2B offer, providing dynamic, reliable communications to support the enterprises that are helping to drive economic growth and opportunity across Africa.

We offer a comprehensive suite of business ICT (Information and Communication Technologies) and digital services, including mobile and fixed data services for major corporate offices, non-governmental organisations, government departments, diplomatic missions, start-ups and small- and medium-sized businesses (SMEs). We also offer conferencing and collaboration services, cloud and data centre co-location services, and mobile money services from Airtel Money.

By supporting our customers' success, we're helping them create value and unlock the possibilities of digitalisation in the wider economy. We're also creating value for Airtel Africa: this year we have seen a significant growth in enterprise customer connections, fixed and mobile.

+35%
fixed data connections

+18%
enterprise mobile subscribers

Partnerships are a key focus for us. In November 2021 we agreed a new partnership with Cisco to provide secure internet access for SMEs, which will initially be available in Kenya, Uganda, Republic of the Congo and Madagascar before rolling out to the rest of our markets.

And in February 2022, Airtel Business signed a memorandum of understanding with Avaya Holdings Corp, to help organisations across the continent deliver better customer and employee experiences.

The agreement will see Airtel Business Africa empower its enterprise customers with the Avaya OneCloud™ AI-powered experience platform, which includes workstream collaboration, contact centre, unified communications, and a communications platform as a service solution.

Transforming lives spotlight

Serving Nigeria's largest bank – and supporting its sustainable growth ambitions

Through Airtel Business we support major companies such as Access Bank, the largest bank in Nigeria and Africa's leading bank by customer base, employing 28,000 people in its operations in Nigeria, sub-Saharan Africa and the United Kingdom, and at representative offices in China, Lebanon, India and the UAE.

Like us, Access Bank is committed to widening financial inclusion, and we're proud to support its work for its 36 million customers through a business relationship that started in 2013. We provide over 240 domestic links to connect the offices and branches of the bank in Lagos, as well as eight international links to Sierra Leone, Ghana, the DRC, Gambia, South Africa, Botswana, Guinea Conakry, and Senegal. At the same time, we're connecting 16,000 points of sale across Nigeria with machine-to-machine SIM cards.

> "Through Airtel's partnership in providing connectivity pan-Africa, we have been able to put smiles on the faces of our trusted customers through efficient banking and innovative solutions".

Steve Obiago
Subsidiaries IT and Networks Head at Access Bank, Lagos

At the heart of our digitised strategy.

Airtel Africa Digital Labs is our in-house digital hub for developing and delivering technology platforms and digital products. We work with country teams across our 14 markets and draw on Airtel Africa's scale and market leadership to innovate technologies that enhance customers' experiences, drive financial inclusion, and harness the power of digitalisation. Our product development focus is wide-ranging: we work on analytics, platforms, digital consumer products, enterprise product engineering, and more.

One focus this year has been improving customer service, developing digitised systems that help our teams meet customers' needs faster through a unified customer dashboard called CS Fusion, which has brought service handling times at our shops or call centres down by 15% on average.

We also develop products to enhance customers' use of services such as Airtel Money. In November 2021, we launched our upgraded, secure and seamless Airtel Africa Developer Portal, which uses several Open APIs and solutions to integrate remote payments with Airtel Money wallets. We also launched new products to support collections, Airtel Money remittances, bundles purchases, and more. Our innovations are helping to shape customers' futures – and we see huge opportunities ahead as Airtel Africa continues to put digitalisation at the heart of its strategy.

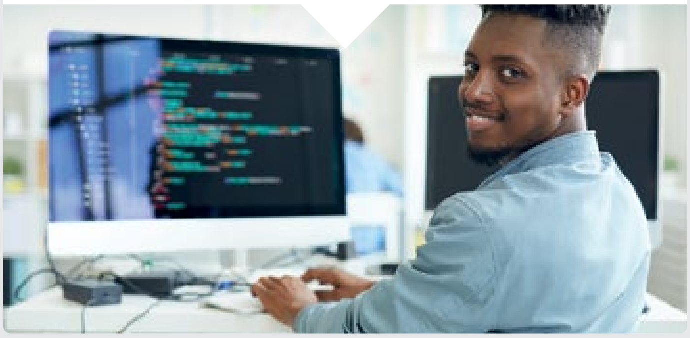
Transforming lives spotlight

Airtel Africa Developer Portal: seamlessly expanding mobile money opportunities

Our upgraded Airtel Africa Developer Portal, launched in November 2021, is a further step in our drive to deliver innovative products that support customers and expand the mobile money eco-system.

The self-service portal helps startups, small- and medium-size enterprises and service providers to integrate with our Airtel Money platform to process payments for their goods and services – for example, by allowing merchants to collect Airtel Money payments and disburse into Airtel Money wallets. It is a single platform that can support customers across diverse markets which has been designed to meet customers' needs for data security – as well as meeting the requirements of regulators in each market.

The portal has already been adopted by over one thousand such partners – and, as of 31 March 2022, has helped them make close to 5 million payment transactions, supporting their financial ambitions, ease of payments for our customers and the growth of Airtel Money.



airtel africa DIGITAL LABS

> We're at the centre of creating the bold, problem-solving innovations that transform customers' experience. Digital Labs is helping to drive Airtel Africa's contribution to a digitised future for our customers, the economies in which we work, and for our business.

Neelesh Singh
Chief information officer

Chief financial officer's introduction to the financial review

"The countries we operate in continue to present clear opportunities, both for our growth, and for our vision of enriching the lives of our customers. Our dynamic business model continues to deliver value to all our stakeholders."

Jaideep Paul
Chief financial officer

Underlying revenue
$4,714m
Reported currency +21.3%
Constant currency +23.3%

Underlying EBITDA
$2,311m
Reported currency +29.0%
Constant currency +31.2%

Operating profit
$1,535m
Reported currency +37.2%
Constant currency +39.4%

Capex
$656m
% change +6.9%

Basic earnings per share
16.8 cents
% change +86.5%

All financial numbers are in reported currency

Strengthening our balance sheet and seizing growth opportunities

The effective execution of our strategy resulted in a strong performance across all our regional segments and key services this year, enabling us to continue creating value for our stakeholders. We continued to deliver strong revenue growth and even stronger underlying EBITDA growth, with improved profitability coming from both scale benefits and increased efficiencies.

The countries we operate in continue to present clear opportunities, both for our growth, and for our vision of enriching the lives of our customers. Our markets remain underpenetrated in both mobile and mobile money services, and our strategy is delivering strong financial results while helping to bridge digital divides and drive financial inclusion.

Profit and loss snapshot

Description	Unit of measure	Year ended Mar-22	Year ended Mar-21	Reported currency change %	Constant currency change %
Underlying revenue[1]	$m	**4,714**	3,888	21.3%	23.3%
Voice revenue	$m	**2,358**	2,083	13.2%	15.4%
Data revenue	$m	**1,525**	1,157	31.8%	34.6%
Mobile money revenue[2]	$m	**553**	401	37.9%	34.9%
Other revenue	$m	**407**	347	17.4%	19.9%
Expenses	$m	**(2,413)**	(2,107)	14.5%	16.4%
Underlying EBITDA[3]	$m	**2,311**	1,792	29.0%	31.2%
Underlying EBITDA margin	%	**49.0%**	46.1%	294 bps	296 bps
Depreciation and amortisation	$m	**(744)**	(681)	9.3%	11.3%
Operating exceptional items[4]	$m	**(32)**	14	–	–
Operating profit	$m	**1,535**	1,119	37.2%	39.4%
Net finance costs[5]	$m	**(403)**	(423)	(4.6%)	
Non-operating exceptional items[6]	$m	**92**	–	–	
Profit before tax	$m	**1,224**	697	75.6%	
Tax	$m	**(471)**	(318)	48.2%	
Tax – exceptional items	$m	**2**	36	–	
Total tax charge	$m	**(469)**	(282)	66.3%	
Profit after tax	$m	**755**	415	82.0%	
Non-controlling interest	$m	**(124)**	(76)	62.9%	
Profit attributable to owners of the company – before exceptional items	$m	**602**	308	95.9%	
Profit attributable to owners of the company	$m	**631**	339	86.3%	

1 Revenue includes intra-segment eliminations of $129m for the year ended 31 March 2022 and $100m for the prior year. And it also excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended 31 March 2021

2 Mobile money revenue post intra-segment eliminations with mobile services was $424m for the year ended 31 March 2022, and $301m for the prior year

3 Underlying EBITDA includes other income of $10m for the year ended 31 March 2022, and $11m for the prior year

4 Operating exceptional items of $32m in the year ended 31 March 2022 consists of a $12m provision for expected settlement of a contractual dispute in which one of the Group's subsidiaries is a party and $20m costs of agreeing historical spectrum fees in one of the Group's subsidiaries. The prior year operating exceptional items includes exceptional revenue relating to a one-time settlement in Niger for $20m, partially offset by one-off costs of $6m in Francophone Africa

5 Net finance costs in the year ended 31 March 2022 excludes a one-off cost of $19m on prepayment of $505m bonds in March 2022

6 Non-operating exceptional items in the year ended 31 March 2022 include a gain of $111m on the sale of telecommunication tower assets in the Group's subsidiaries in Tanzania, Malawi, Madagascar, and Rwanda, partially offset by costs of $19m on prepayment of $505m of bonds

From a financial perspective, we continued our focus on four main objectives this year:

1. Growing our operating profitability

We continued to invest in improving our operating profitability by driving higher revenue growth and, through our focus on operating efficiencies, improving our underlying EBITDA flowthrough. Underlying EBITDA margin improved by 294 basis points to 49.0% and operating profit during the year grew by 37.2% in reported currency, with constant currency growth of 39.4%.

2. Improving our return on capital

We continually monitor our return on capital to ensure that our capex has been deployed efficiently and effectively. Telcoms is a capital-intensive business, so regular monitoring of our return on capital helps us track the performance of our assets while also taking long-term financing into consideration. Our return on capital employed has improved to 23.3%, from 16.5% in the prior year.

3. Strengthening our balance sheet and improving leverage

Our short-term objective is to strengthen our balance sheet by continually reducing our debt at Holdco level, increase debt in our OpCos and reduce our leverage position. I am please we delivered on all 3 objectives. In the last 12 months, we repaid a $915m bond when due in May 2021, and in March 2022 repaid $505m bonds one year earlier than their March 2023 redemption date. We were able to make these repayments because of our increased cash generation, and by using the proceeds from Airtel Money minority investments and tower sales.

Our leverage position continued to improve (1.3x as of March 2022) driven both by EBITDA expansion and reducing our debt.

Finally, our balance sheet continued to be de-risked through a reduction of net debt and increased localisation of our debt into the OpCos, such that our gross OpCo debt of $2,921m is now higher than our remaining HoldCo debt of $1,000m. Going forward we will continue to focus on continuing strengthening our balance sheet.

4. Returns to shareholders

Our fourth financial objective was to enhance returns to shareholders over the medium- to longer-term.

During the year, the Board approved an upgrade to the progressive dividend policy, aiming to grow the dividend annually by a mid- to high-single-digit percentage from a new base of 5 cents per share for FY'22. We paid an interim dividend of 2 cents per ordinary share in December 2021. The Board recommended a final dividend of 3 cents per share and increase of 25% compared to the prior year.

Basic EPS was 16.8 cents, an improvement of 7.8 cents, up from 9.0 cents in the prior period.

Outlook

Our dynamic business model continues to deliver value to all our stakeholders, not just financially but by transforming lives in our communities and supporting the economies of the countries where we operate. We believe that the fundamentals of our business remain strong, and we remain well positioned to seize growth opportunities while at the same time continuing to strengthen our balance sheet, improve our return on capital and increase return to shareholders.

Jaideep Paul
Chief financial officer

10 May 2022

Performance highlights

- Reported revenue grew by 20.6% to $4,714m and constant currency underlying revenue grew 23.3% for the year.
- Constant currency underlying revenue growth was strong in all regions: Nigeria up 27.7%, East Africa up 22.7% and Francophone Africa up 17.2%; and across all key services, with revenue in Voice up 15.4%, Data up 34.6% and Mobile Money up 34.9%.
- Underlying EBITDA of $2,311m, grew by 29.0% in reported currency.
- Underlying EBITDA margin of 49.0%, increased by 294 basis points.
- Operating profit grew by 37.2% to $1,535m in reported currency.
- Profit after tax grew by 82.0% to $755m.
- Basic EPS of 16.8 cents, an increase of 86.5%. EPS before exceptional items of 16.0 cents (FY'21: 8.2 cents).
- Operating free cash flow of $1,655m, up 40.5%, with net cash generated from operating activities up 20.7% to $2,011m. Over the last twelve months the business has repaid nearly $1.4bn of debt at Holdco as a result of strong cash upstreaming across its OpCos and proceeds from minority investments in mobile money and tower sales.
- Leverage ratio improved to 1.3x from 2.0x in the prior year, with $1bn of debt now held at HoldCo (FY'21: $2.4bn).
- Customer base of 128.4 million, up 8.7%, with increased penetration across mobile data (customer base up 15.2%) and mobile money services (customer base up 20.7%). NIN/SIM regulations in Nigeria impacted customer growth in H1, but then returned to strong growth, adding 4 million customers in Nigeria during H2'22.
- The Board recommends a final dividend of 3 cents per share, making total FY'22 dividend 5 cents per share (FY'21: 4 cents).

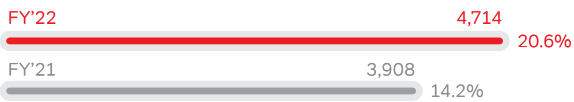
Financial review

GAAP measures

Revenue

Reported revenue grew by 20.6% to $4,714m. The prior year benefited from a one-time exceptional revenue of $20m relating to a settlement in Niger. Excluding this, revenue grew by 21.3% in reported currency and by 23.3% in constant currency. Constant currency growth of 23.3% was partially offset by currency devaluations, mainly in the Nigerian naira (5.6%) and the Malawian kwacha (7.2%), in turn partially offset by appreciation in the Ugandan shilling (4.1%) and Zambian kwacha (4.4%). Revenue growth for the year benefited from a weakened performance in the first quarter of the prior year during the peak period of Covid-19 restrictions across the region.

Underlying revenue ($m)



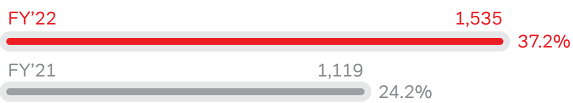
1 Revenue includes one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended March 2021

2 Growth % in reported currency

Operating profit

Operating profit grew by 37.2% to $1,535m in reported currency as a result of strong revenue growth and improvements in operating efficiency across all our regions. Operating profit included a one-time cost of $32m consisting of a $12m provision for expected settlement of a contractual dispute in which one of Group's subsidiaries is a party, and $20m costs relating to an agreement on historic spectrum fees in one of the Group's subsidiaries. This compared to the prior year which included a gain of $20m for a one-time settlement in Niger, which was partially offset by one-off costs of $6m in Francophone Africa. Excluding exceptional items, operating profit grew by 41.9%.

Operating profit ($m)



Growth % in reported currency

Net finance costs

Net finance costs were broadly flat, as lower foreign exchange and derivative losses, higher interest income and a one-time $12m gain in other finance charges as a result of the reversal of an interest provision in one of our operating entities were offset by a one-off cost of $19m for the applicable premium paid on the early repayment of the $505m bonds in March 2022. Additionally, interest costs were also broadly flat as lower interest costs on our reduced market debt were offset by an increase in interest costs on lease liabilities.

The Group effective interest rate increased to 5.6% compared to 4.9%, largely driven by repayment of the EUR750m bond in May 2021, which carried a lower-than-average coupon, and due to higher local currency debt at the OpCo level. In line with our strategy to continue to reduce foreign currency debt at Holdco, we also repaid $505m bonds in March 2022, one year earlier than their March 2023 redemption date. One-off costs of $19m, including applicable premium, have been recorded under non-operating exceptional items, while the Group will save an aggregate of c.$26m on interest payments from the early redemption.

Taxation

Total tax charges were $469m, an increase of $187m, driven by higher operating profit and withholding tax on dividends by subsidiaries. The prior year also benefited from the recognition of a deferred tax credit of $36m in Tanzania.

Profit after tax

Profit after tax increased by 82.0% to $755m. This increase was mainly led by higher operating profits and stable net finance costs which more than offset the associated increase in tax charges. Exceptional gains were also $12m higher than the prior year.

Basic EPS

Basic EPS climbed to 16.8 cents, an improvement of 7.8 cents (+86.5%) from 9.0 cents in the prior year. This increase was mainly due to higher operating profits which more than offset increased tax charges and higher non-controlling interests (due to higher profit contributions in OpCos with minority shareholdings, new minority shareholdings in Airtel Money partially offset by lower minority interests in Airtel Nigeria as a result of the successful share buy-back).

Net cash generated from operating activities

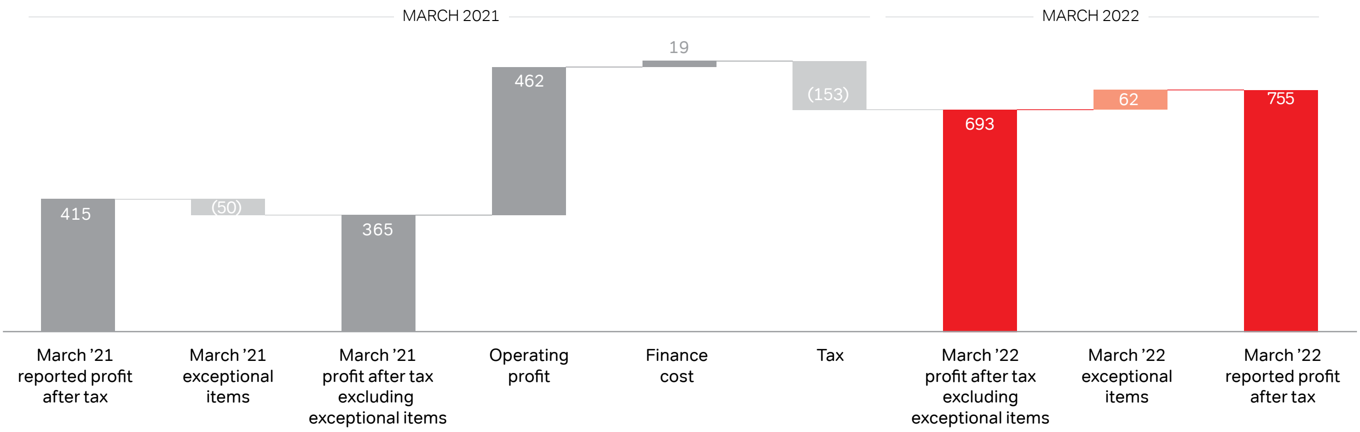
Net cash generated from operating activities was $2,011m, an increase of 20.7% from $1,666m in the prior period. The increase was largely driven by higher profit before tax of $527m, which was partially offset by higher tax payments on the increased profits and withholding tax on dividends by subsidiaries. Over the last twelve months the business has repaid nearly $1.4bn of debt at Holdco as a result of strong cash upstreaming across its OpCos and proceeds from minority investments in mobile money and tower sales.

Alternative performance measures

Underlying revenue

Underlying revenue in constant currency grew by 23.3%, driven by both customer base growth of 8.7% and ARPU growth of 15.4%. The slowdown in customer base growth was due to the introduction of new SIM registration regulations in Nigeria. Excluding Nigeria, the customer base grew by 10.2%. In Nigeria, our customer base returned to growth in the second half of the year, adding a net 2.4 million

Profit after tax ($m)



customers for the full year. At the end of the year our total customer base was 128.4 million, an increase of 10.2 million. ARPU growth of 15.4% was driven by all our key services: with data contributing 7.7%, voice contributing 4.3%, mobile money contributing 2.7%, and the balance coming from other revenue, which was marginally impacted in Q4 from the loss of tower sharing revenues relating to towers sold during the year.

Revenue growth was recorded across all our regions and key services. Underlying revenue in Nigeria grew by 27.7%, in East Africa by 22.7%, and in Francophone Africa by 17.2%. Voice revenue grew by 15.4%, data revenue grew by 34.6% and mobile money revenue grew by 34.9% in constant currency.

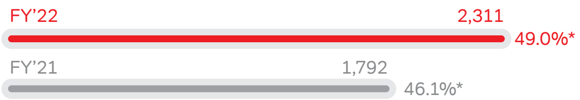
Underlying EBITDA

Underlying EBITDA was $2,311m, an increase of 29.0% in reported currency and of 31.2% in constant currency. Growth in underlying EBITDA was led by revenue growth and supported by improved operating efficiencies. The underlying EBITDA margin improved by 294 basis points in reported currency to 49.0%.

Foreign exchange had an adverse impact of $58m on revenue, and $26m on underlying EBITDA, as a result of devaluations of the Nigerian naira and the Malawian kwacha, in turn partially offset by appreciations of both the Ugandan shilling and the Zambian kwacha.

With respect to currency devaluation sensitivity, on a 12-month basis, a 1% currency devaluation across all currencies in our OpCos would have a negative impact of $43m on revenues, $26m on underlying EBITDA and $21m on finance costs. Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of $18m on revenues, $11m on underlying EBITDA and $7m on finance costs.

Underlying EBITDA ($m)



* EBITDA margin %

Tax

The effective tax rate was 39.0% compared to 43.2% in the prior period, largely due to 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 withholding taxes on dividends by subsidiaries.

Exceptional items

Operating exceptional items of $32m in the year ended 31 March 2022 consists of a $12m provision for expected settlement of a contractual dispute in which one of the Group's subsidiaries is a party and $20m costs of agreeing historic spectrum fees in one of the Group's subsidiaries. The prior period operating exceptional items includes exceptional revenue on account of a one-time settlement in Niger amounting to $20m, partially offset by a one-off cost of $6m in Francophone Africa.

Non-operating exceptional items in the year ended 31 March 2022 include a gain of $111m on the sale of telecommunications tower assets in the Group's subsidiaries in Tanzania, Malawi, Madagascar, and Rwanda, partially offset by one-off cost of $19m including applicable premium paid on the early repayment of $505m bonds in March 2022.

Exceptional tax benefit of $2m recognised in the year mainly relate to the provision for the contractual dispute in which one of the Group's subsidiaries is a party, and the $36m in the prior year relates to deferred tax credit recognition in Tanzania.

EPS before exceptional items

EPS before exceptional items almost doubled to 16.0 cents, up by 96.0% (+7.8 cents) from 8.2 cents in the prior year. This increase was mainly due to higher operating profits which more than offset the increased tax charges and higher non-controlling interests (due to higher profit contributions in OpCos with minority shareholdings, new minority shareholdings in Airtel Money partially offset by lower minority interests in Airtel Nigeria as a result of the successful share buy-back).

Description	UoM	March 2022
Weighted average shares outstanding 2021	m	3,758
Weighted average shares outstanding 2022	m	3,754
March 2021 EPS before exceptional items	**$ cents**	**8.2**
Exchange	$ cents	(0.3)
Operating profit (constant currency)	$ cents	12.7
Net finance charges	$ cents	0.5
Derivatives and Forex gain/(loss)	$ cents	0.2
Finance charges (excluding derivatives and Forex)	$ cents	0.3
Tax	$ cents	(4.2)
Others*	$ cents	(0.9)
March 2022 EPS before exceptional items	**$ cents**	**16.0**

* Others includes a change in minority shareholder PAT and profit/(loss) on joint ventures

Operating free cash flow

Operating free cash flow increased by 40.5% to $1,655m, as higher underlying EBITDA more than offset increased capital expenditure. Capital expenditure in the prior year was slightly lower due to logistical challenges as a result of the pandemic.

Strategic investment and asset monetisation

We received a minority investment of $550m from four investors in Airtel Mobile Commerce B.V. The Rise Fund invested $200m, Mastercard $100m, Qatar Holding LLC (QIA) $200m and $50m from Chimera Investment LLC.

Tax

		Year ended March 2022			Year ended March 2021		
Description	Unit of measure	**Profit before taxation**	**Income tax expense**	**%**	Profit before taxation	Income tax expense	%
Reported effective tax rate	$m	**1,224**	**469**	**38.3%**	697	282	40.5%
Adjusted for:							
Exceptional items	$m	**(60)**	**2**		(14)	36	
Foreign exchange rate movements for non-DTA operating companies and holding companies	$m	**50**	**–**		42	–	
One-off adjustment and tax on permanent difference	$m	**(12)**	**(2)**			(5)	
Effective tax rate	$m	**1,202**	**469**	**39.0%**	725	313	43.2%

Financial review continued

Additionally, the sale of towers in Tanzania, Malawi and Madagascar resulted in total gross proceeds of $284m, out of which $240m has been received so far from the first closing of tower sales. We also continue to pursue further potential sales of our tower assets in Chad and Gabon.

Leverage and balance sheet measures

Leverage (net debt to underlying EBITDA) improved to 1.3x at 31 March 2022, from 2.0x at 31 March 2021, largely driven by increased cash generation, expansion in underlying EBITDA and receipts of $550m from mobile money minority investments. Our balance sheet continued to be de-risked through a reduction of HoldCo debt (now $1bn, down from $2.4bn in the prior year) and increased localisation of our debt into the OpCos, such that our gross OpCo debt of $2,921m (including lease obligations) is now significantly higher than our HoldCo debt of $1,000m.

	March 2022		March 2021	
Description	$m	Underlying EBITDA	$m	Underlying EBITDA
Foreign currency	**1,657**	**0.7x**	2,870	1.6x
Holdco	**1,000**	**0.4x**	2,388	1.3x
OpCos	**657**	**0.3x**	482	0.3x
Local currency	**604**	**0.3x**	452	0.3x
OpCos	**604**	**0.3x**	452	0.3x
Less: cash and cash equivalents	**980**	**0.4x**	1,069	0.6x
Net debt, excluding lease obligations	**1,281**	**0.6x**	2,253	1.3x
Lease obligations	**1,660**	**0.7x**	1,277	0.7x
Net debt, including lease obligations	**2,941**	**1.3x**	3,530	2.0x

Net cash generated from operating activities

Particulars	March 2022 $m	March 2021 $m	Change $m
Underlying EBITDA	**2,311**	1,792	519
Other non-cash items	**(38)**	(7)	(31)
Operating cash flow before changes in working capital	**2,273**	1,785	488
Change in working capital	**31**	76	(45)
Net cash generated from operations before tax	**2,304**	1,861	443
Income tax paid	**(293)**	(195)	(98)
Net cash generated from operating activities	**2,011**	1,666	345

Net debt bridge

Particulars	March 2022 $m	March 2021 $m
Net cash generated from operating activities	**2,011**	1,666
Cash capex (tangible)	**(717)**	(645)
Cash capex (intangible)	**(22)**	(270)
Cash interest	**(351)**	(302)
Repayment of lease liabilities	**(251)**	(208)
Dividend paid to non-controlling interests	**(48)**	(9)
Subtotal (a)	**622**	232
Dividend to Airtel Africa plc shareholders	**(169)**	(169)
Acquisition of non-controlling interest	**(164)**	(7)
Increase in mobile money wallet balance	**(64)**	(139)
Proceeds from sale of tower assets	**251**	–
Proceeds from sale of shares to non-controlling interests	**550**	–
Others	**(13)**	(12)
Subtotal (b)	**391**	(327)
Addition of lease liabilities	**(651)**	(359)
Repayment of lease liabilities	**251**	208
Foreign exchange on borrowings and cashflows	**(24)**	(37)
Subtotal (c)	**(424)**	(188)
Net debt (increase)/decrease d= a+b+c	**589**	(283)
Opening net debt	**3,530**	3,247
Closing net debt	**2,941**	3,530

Purchase of intangible assets

Purchase of intangible assets of $22m includes $10m payment for an additional licence in Kenya. Previous year amount of $270m mainly includes licence renewals in Nigeria for $182m and $65m in Uganda.

Dividend paid to shareholders

During the year, the Board approved an upgrade to the progressive dividend policy, aiming to grow the dividend annually by a mid- to high-single-digit percentage from a new base of 5 cents per share for FY'22.

Final dividend payment of 2.5 cents per ordinary share for year ended 31 March 2021 was paid during the year and an interim dividend payment of 2 cents per ordinary share.

The Board recommended a final dividend of 3 cents per share for year ended 31 March 2022.

Proceeds from sale of shares to non-controlling interests

In line with the Group's pursuit of strategic investment in our mobile money business, we received a minority investment of $550m from four investors in Airtel Mobile Commerce B.V. – refer to Note 5(g) of consolidated statement of financial position as set out on page 178 for details.

Proceeds from sale of tower assets

With the focus on an asset-light business model and on its core subscriber-facing operations, the Group has received proceeds of $251m from the sale of tower assets in Tanzania, Malawi, Madagascar and Rwanda. Refer to Notes 5(c) to 5(f) of consolidated statement of financial position as set out on page 177-178 for details.

Acquisition of non-controlling interest

During the year Airtel Networks Limited ('Airtel Nigeria'), a subsidiary of Airtel Africa plc, completed the buy-back of 8.22% non-controlling interest (out of an existing 8.26%) from minority shareholders for a consideration of $163m (including directly attributable transaction costs). Refer to Note 5(h) of consolidated statement of financial position on page 178 for details.

Foreign exchange on borrowings and cash flows

Foreign exchange on borrowings and cash flows primarily represents loss on account of restatement of EUR bonds due to appreciation of euro against US dollar.

Financial information by service

We provide performance data for our mobile voice and data services and Airtel Money in our business review on pages 68-71.

Financial information by market

We provide performance data for each of our markets in our business review on pages 62-67.

Consolidated statement of financial position

The consolidated statement of financial position is set out on page 163. Details on the major movements of our assets and liabilities in the year are set out on this page.

Assets

Property, plant and equipment

Property, plant and equipment (including capital work in progress) increased by $171m to $2,403m. This was due to capital expenditure of $646m linked to continued investment in network assets, which was partially offset by $418m of depreciation and sale of the tower assets.

Right of use assets

Right of use assets increased by $310m to $1,109m. The increase of $539m was due to the capitalisation of the present value of telecommunication towers taken on long-term lease (including additional sale and lease back in four markets), partially offset by $211m of depreciation.

Deferred tax assets (net)

Deferred tax assets decreased by $92m mainly due to utilisation of deferred tax assets in Airtel Nigeria on account of improved taxable profits.

Balance held under mobile money trust

The balance held under mobile money trust represents the funds of mobile money customers which are not available for use by the Group, and these have increased by $73m.

Total equity and liabilities

Total equity

Total equity increased by $296m to $3,649m. This was linked to the $755m profit for the period, partially offset by $169m dividend to shareholders of Airtel Africa, the $164m impact of the buy-back of an 8.22% non-controlling interest in Airtel Nigeria and $76m dividend to minority shareholders in subsidiaries.

Borrowings

Gross borrowings (including short-term borrowings) reduced by $684m to $3,932m. This was largely due to repayment of a $915m bond which was due in May 2021 and prepayment of $505m bonds one year earlier than their March 2023 redemption date, offset by an increase in lease liabilities by $383m and the drawdown of an external loan. Net debt of the Group as of 31 March 2022 was $2,941m.

Non-current liabilities

Non-current liabilities (excluding borrowings) increased by $592m. This was largely due to the recording of a put option liability at the present value of the expected buy-back amount relating to investments by the Rise Fund and Mastercard into AMC B.V.

Current liabilities

Current liabilities (excluding borrowings) increased by $168m to $1,964m. This was largely due to a $64m increase in mobile money wallet balance, consistent with the growth in mobile money cash as described above and a $47m increase in current tax liabilities (net). Further details of the Group's liquidity position and going concern assessment are shown on page 166, Note 2.2 of the financial statements.

Dividends

The Board has recommended a final dividend of 3 cents per ordinary share for the year ended 31 March 2022. The proposed final dividend will be paid on 22 July 2022 to all ordinary shareholders who are on the register of members at the close of business on 24 June 2022.

We will announce more details in due course. We paid an interim dividend of 2 cents per ordinary share in December 2021.

Non-financial information statement

We are pleased to set out below where you can find information relating to non-financial matters in our strategic report, as required under sections 414CA and 414CB of the Companies Act 2006.

		Page(s)
Business model	Strategic report	1-88
	Business model and KPIs	24, 17
	Principal risks and mitigation	83-86
Environmental matters	Our 2021/22 sustainability stategy update	43-58
	Principal risks and mitigation: compliance to legal requirements, KYC and quality of service, non-compliance, internal controls and compliance	83-86
Our people	Principal risks and mitigation: leadership succession planning, internal controls and compliance	83-86
	Chair's statement; company vision and values	12, 24
	Directors' report	123-127
	Stakeholder engagement: 'Our people'	27
Social matters	Principal risks and mitigation: Covid-19	83
	Directors' report	123-127
	Information about our approach to tax can be found on our website: **www.airtel.africa**	
Respect for human rights	Principal risks and mitigation: supply chain	84
	Our Code of Conduct can be found on our website: **www.airtel.africa**	
Anti-corruption and anti-bribery matters, health and safety	Directors' report, modern slavery act, anti-corruption and anti-bribery matters	123-127, 111
	Our Code of Conduct and other related policies can be found on our website: **www.airtel.africa**	

Understanding and managing our risk environment to support the Group's objectives

"We proactively manage our risk framework, because assessing and managing risk underpins day-to-day working across Airtel Africa, as well as supporting our key operating and financial decisions."

Ravi Rajagopal
Chair, Audit and Risk Committee

Managing our risks

We operate in 14 markets across Africa. Our markets offer both long-term growth opportunities and a diverse range of risks and uncertainties. Managing these risks is an essential part of delivering our strategy. It means we can continue to create value for our business and shareholders, and for the millions of people whose lives we help transform.

Identifying and managing risk

The directors have carried out a robust assessment of the company's principal and emerging risks to comply with Provision 28 of the Governance Code. We have designed our risk management framework to give us a consistent means of identifying, mitigating and monitoring risk across all 14 of our operating companies and Group entities. It provides senior management and our Board with oversight over our principal risks, and promotes a bottom-up approach to identifying and managing risks across the Group.

Risk management governance

The Airtel Africa plc Board has overall responsibility for the Group's risk management framework and processes. Through the Audit and Risk Committee, the Board oversees the Group's risk management framework and regularly reviews its principal risks as well as emerging risks that may impact the Group. Within that overarching framework, the governance of risk management has been cascaded to various levels across the organisation to allow effective management of the Group's risks. The framework covers the interplay between risks impacting Airtel Africa as a whole and risks identified at either the operating company (OpCo) level (geography-related) or the functional level (business function-related). Our Group Executive Risk Committee (ERC) evaluates and prioritises the principal risks with the potential to undermine our strategy, business model and solvency, in line with our overall risk appetite. The committee also reviews on an ongoing basis the external business environment to identify emerging risks which could potentially have an impact on the Group's business in the future.

Group functional teams identify functional risks cutting across our OpCos to create a consistent Group-wide risk mitigation strategy for similar risks. We operate a similar risk management governance structure at Group level and within our OpCos, with both having an Executive Risk Management Committee, and with overall risk management responsibility resting with the respective boards. Each OpCo identifies risks within their business environment and takes appropriate mitigation actions. The governance of risk management at each OpCo rests with the OpCo Executive Risk Committee (ERC) and the OpCo Board, which is responsible for risk management processes and oversees the OpCo's principal risks and the effectiveness of its mitigation actions.

Board – Audit and Risk Committee

The Board has overall responsibility for the Group's risk management processes. Through the Audit and Risk Committee (ARC), the Board oversees the Group risk management framework, approves the Group's risk appetite, and regularly reviews our principal and emerging risks.

The Board maintains oversight on the effectiveness of the Group's risk management processes through regular reviews of the Group's principal and emerging risks. This year, the ARC carried out several detailed thematic risk reviews across a number of functions within the business.

Group Executive Risk Committee

The Executive Risk Committee (ERC) is responsible for the implementation of the risk management framework across the Group. The ERC reviews our significant risks and the progress and effectiveness of mitigation actions ensuring that the Group operates within its defined risk appetite.

The ERC meets quarterly and carries out robust reviews of the Group's significant risks cutting across its operating markets and functions. It also reviews and discusses emerging risk trends with potential impact on the Group's business.

Functional Risk Management Committees

The Group executive functional heads are responsible for identifying and mitigating risks across the Group within their functional area. They are responsible for embedding risk management within operational business processes. The Group's risk register is created from risks identified either by the Group functional heads or the OpCo Executive Risk Committees.

The Group functional heads carry out ongoing risk reviews as part of their operational functional processes. These risk reviews address risks within their functions across the Group's operating footprint.

OpCo Executive Risk Committee and OpCo Board

The OpCo Executive Risk Committee (ERC) performs a similar role to the Group ERC. It is responsible for implementing the risk management framework in our subsidiaries. It identifies risks within the local environment and mitigation actions to manage those risks. Each OpCo Board has overall responsibility for the risk management process within that OpCo.

The OpCo ERC meets on a quarterly basis while the OpCo Boards review the OpCo's principal and emerging risks at least on a semi-annual basis.

Risk identification process

IDENTIFY

OpCo

Function

Risks are identified by analysing **external and internal** context both at an operating subsidiary and at a Group functional level

RISK ANALYSIS

Discuss and validate each risk

Assess each risk

Likelihood | Impact

Identified risks are assessed on

Likelihood of occurrence | Impact/ consequence

RANK

Score and prioritise each risk

Each risk is then assigned a risk rating based on **the likelihood of occurrence** and the possible impact/ consequence

Risk rating

airtel

Airtel Africa's principal risks
Risks impacting the Group's strategy, business model and solvency

Emerging risks
Ongoing review of the external environment and potential risks

Our risk appetite framework

During the year, the Board approved the Group's risk appetite framework and statement. The risk appetite framework formalises the Group's risk appetite, tolerance limits and governance oversight processes to ensure that risks across the Group are managed within acceptable limits. Airtel Africa adopts a four-point scale for risk appetite, described below.

Open

We strongly accept these risks as they are incidental to the achievement of our business objectives. These risks provide good risk/reward trade-off, and internal competencies exist to manage or exploit these risks effectively.

Flexible

We are open to accepting these risks on a justifiable basis. We will consider available options and select the option that provides good returns with an acceptable level of risk in the pursuit of our objectives.

Cautious

We will accept these risks only if essential, with limited potential for a negative outcome. We prefer to avoid these risks and where these risks are accepted, the risks are carefully measured and monitored.

Averse

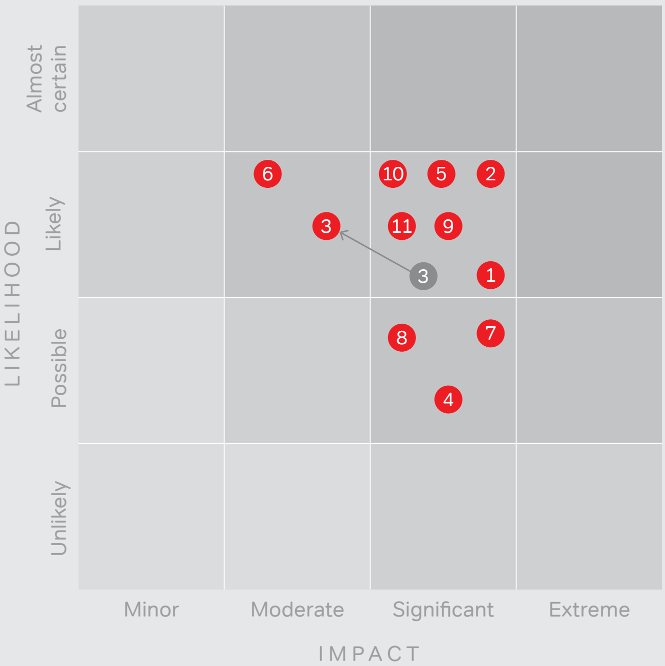
We are strongly opposed to these risks and prefer to avoid them. We are not open to any risk/return trade-off and will always accept the lowest risk option for these risks.

How we classify our risks

We classify our risks using the categorisation methodology shown below. Our risk classification allows for a consistent approach for risk identification and communication across the Group.

Category	Description	Philosophy/approach	Reference in heat map
Strategic risks	These are risks arising from changes in our external business environment such as macro-economic conditions or market/competitive dynamics	We operate in 14 countries across Africa with significant market opportunities arising from low penetration of telecommunications and banking services. The Group is bullish on the opportunities that Africa presents and is generally open to taking increased levels of risks to capture these market opportunities.	1 2 3
Operational risks	Risks affecting our ability to effectively operate our business model across a variety of functional areas	Delivering on the Group's strategic objectives requires an effective operating model, execution excellence and operational rigour, with a focus on customer satisfaction across the organisation. This operational excellence will ensure that the Group can continue to deliver incremental revenue growth at minimal marginal costs resulting in a positive flow-through to profitability.	4 5 6 7 8 9
Financial risks	Risks impacting our liquidity or solvency, financial reporting, or capital structure	The Group is committed to prudent financial management built on a robust system of controls and effective business partnering. The Group is flexible in its risk-taking approach to financial management to support the Group's strategic growth objectives but averse towards any form of violation of its system of key financial and internal controls.	10
Governance and compliance risks	Risks affecting our ability to comply with our legal, regulatory and governance obligations	Airtel Africa is committed to complying with laws and regulations in the jurisdictions where it operates and averse to violations of its legal or regulatory obligations.	11

Risk heat map (residual risks)



Strategic risk
1 Adverse competition and market disruption
2 Digitalisation and innovation
3 Covid-19 (FY'22)
3 Covid-19 (FY'21)

Operational risk
4 Technology obsolescence
5 Cyber and information security threats
6 Increase in cost structure
7 Leadership succession planning
8 Internal controls and compliance
9 Network resilience and business continuity

Financial risk
10 Exchange rate fluctuations and availability of foreign currency for repatriation

Governance and compliance risk
11 Non-compliance to legal and regulatory requirements

Currently, all the principal risks are within our risk appetite.

Principal risks and mitigation

Strategic risks

Description of risk	How we mitigate this risk	Risk appetite	Risk owners
RISK — 1 Adverse competition and market disruption			
We operate in an increasingly competitive environment across our markets and segments, particularly with respect to pricing and market share. Aggressive competition by existing players or the entry of a new player could put a downward pressure on prices, adversely affecting our revenue and margins, as well as our profitability and long-term survival. The nature and level of the competition we face varies for each of our markets, products and services.	1 Ongoing monitoring of competitive landscape and competitor activities 2 Driving penetration of bundle offerings to lock in customers, increase affordability and reduce churn 3 The continued growth of our Airtel Money business and the increased penetration of our GSM customers using Airtel Money services helps to increase customer 'stickiness' on our network 4 Simplifying customer experience through self-care and other apps, including customer touchpoints	Open	Sales and distribution director and head of marketing and home broadband
RISK — 2 Digitalisation and innovation			
Failure to innovate through simplifying the customer experience and developing adequate digital touchpoints in line with changing customer needs and the competitive landscape could lead to loss of customers and market share. We need to continually innovate to simplify our user experience, make our business processes more agile, and develop more digital touchpoints to reach our customers and meet their changing needs.	1 Rollout of digital apps and self-care channels to simplify customer experience 2 Focus of Airtel Africa Digital Labs on developing cutting edge digital solutions to address customer needs and solve complex problems using the latest technologies 3 Simplifying our core IT systems and integration capabilities to allow for faster deployment of new products and services and integration with third-party applications	Open	Chief information officer
RISK — 3 Covid-19			
Covid-19 continues to be both a healthcare crisis and a major disruptor in the lives of people and the economic activities of businesses and governments across the world. The pandemic has underlined how critical telecoms are to the countries in which we operate, and throughout the crisis we have maintained our services as well as supporting communities, including by coordinating medical relief with respective governments. While the pandemic has shown the continued resilience of our operating model, we continue to monitor the evolution of the pandemic to prevent any negative adverse impact on the Group's ability to operate its business effectively.	1 The Group's business continuity plans ensure minimal disruption in our abilities to provide critical telecom services 2 The Executive Committee maintains oversight of the Group OpCo crisis management teams 3 The Group's operations continue to adopt a flexible work-from-home policy 4 Digital self-care channels through which customers can access the company's products and services and resolve basic customer queries	Cautious	Chief executive officer
RISK — 4 Technology obsolescence			
An inability to effectively and efficiently invest in and upgrade our network and IT infrastructure would affect our ability to compete effectively in the market. While we continually invest in improving and maintaining our networks and IT systems to address current levels of volume and capacity growth, we need to continue to commit substantial capital to keep pace with rapid changes in technology and the competitive landscape.	1 Refreshing our IT infrastructure with a focus on cloud technology 2 Network modernisation project involving upgrades to our core (mobile switching) and packet (mobile data) networks 3 Reducing the cost of network operations by adopting radio agnostic technology, single RAN, which allows easy switching of network resources and spectrum between 2G, 3G and 4G networks at minimal marginal costs	Flexible	Chief technology officer and chief information officer

Key to our strategic pillars

Win with network · Win with distribution · Win with data · Win with mobile money · Win with cost · Win with people

Operational risks

Description of risk	How we mitigate this risk	Risk appetite	Risk owners
RISK — 5 Cyber and information security threats			
Cybersecurity threats through internal or external sabotage or system vulnerabilities could potentially result in customer data breaches and/or service downtimes. Like any other business, we are increasingly exposed to the risk that third parties or malicious insiders may attempt to use cyber-crime techniques, including distributed denial of service attacks, to disrupt the availability, confidentiality and integrity of our IT systems. This could disrupt our key operations, make it difficult to recover critical services and damage our assets.	1 Ongoing review and implementation of security controls to mitigate possible system vulnerabilities 2 Awareness campaign and training of employees on IT and cybersecurity risks and control measures 3 Continuing to identify risk and assess vulnerability	Averse	Chief information officer
RISK — 6 Increase in cost structure			
Adverse changes in our external business environment and/or supply chain processes could lead to a significant increase in our operating cost structure and negatively impact profitability. Our operating costs are subject to supply chain risks, including fluctuations in global commodity prices, market uncertainty, energy costs (such as diesel and electricity), and the cost of obtaining and maintaining licences, spectrum and other regulatory requirements. Prevailing macroeconomic conditions and a variety of other factors beyond our control, such as rising global inflation and the impact of the war in Ukraine on the prices of commodities, also contribute to this risk. We need to continually re-evaluate our operating model and cost structure to identify innovative ways to optimise our costs and improve profitability.	1 Continuous review of our operating model and supply chain processes to identify cost optimisation opportunities 2 Rolling out various initiatives to optimise our operating structure to improve business performance 3 Long-term planning and buying strategies mitigating the effects of short-term disruptions within our supply chain	Flexible	Chief supply chain officer
RISK — 7 Leadership succession planning			
We need to continually identify and develop successors for key leadership positions across our organisation to ensure minimal disruption to the execution of our corporate strategy. Our ability to execute our business strategies depends in large part on the efforts of our key people. In some of the countries in which we operate, there's a shortage of skilled telecommunications professionals. Any failure to successfully recruit, train, integrate, retain and motivate key skilled employees could have a material adverse effect on our business, the results of our operations, financial condition and prospects.	1 Defined functional and leadership development plans for critical roles 2 Ongoing identification of high-potential employees for talent development 3 Long-term incentive arrangements to encourage employee retention and alignment to long-term company objectives	Cautious	Chief human resources officer
RISK — 8 Internal controls and compliance			
Gaps in our internal control and compliance environment could affect our reputation and lead to financial losses. Our financial reporting is subject to the risk that controls may become inadequate due to changes in internal or external conditions, new accounting requirements, or delays or inaccuracies in reporting. We continue to implement internal risk management and reporting procedures at the Group and OpCo levels to protect against risks of internal control weaknesses and inadequate control over financial reporting.	1 Ongoing review and strengthening of the Group's internal controls over financial reporting and compliance processes 2 Review process for addressing and mitigating findings from internal audit, with oversight from the Audit and Risk Committee 3 A robust system for assessing and monitoring key controls across the Group, and independent assurance testing of these controls	Averse	Chief financial officer

Key to our strategic pillars

Win with network · Win with distribution · Win with data · Win with mobile money · Win with cost · Win with people

Operational risks continued

Description of risk	How we mitigate this risk	Risk appetite	Risk owners
RISK — 9 Network resilience and business continuity			
Our ability to provide unparalleled quality of service to our customers and meet quality of service (QoS) requirements depends on the robustness and resilience of our network and IT infrastructure and our ability to respond appropriately to any disruptions. Our telecommunications networks are subject to risks of technical failures, aging infrastructure, human error, willful acts of destruction or natural disasters. This can include equipment failures, energy or fuel shortages, software errors, damage to fibres, lack of redundancy plans and inadequate disaster recovery plans.	1 Implementing geographically-redundant disaster recovery sites to provide back up for our networks and IT infrastructure across our OpCos 2 Regular testing of fallback plans for network and IT systems to ensure reliability of switch over from active to redundant nodes in the event of a disaster	Cautious	Chief technology officer and chief information officer

Financial risks

Description of risk	How we mitigate this risk	Risk appetite	Risk owners
RISK — 10 Exchange rate fluctuations and availability of foreign currency for repatriation			
Our multinational footprint means we are constantly exposed to the risk of adverse currency fluctuations and the macroeconomic conditions in the markets where we operate. We derive revenue and incur costs in local currencies where we operate, but we also incur costs in foreign currencies, mainly from buying equipment and services from manufacturers and technology service providers. That means adverse movements in exchange rates between the currencies in our OpCos and the US dollar could have a negative effect on our liquidity and financial condition. In some markets, we face instances of limited supply of foreign currency within the local monetary system. This constrains our ability to fully benefit at Group level from strong cash generation by those OpCos.	1 Renegotiating Forex-denominated contracts to local currency contracts 2 Hedging foreign currency denominated payables and loans, and matching assets and liabilities, where possible 3 Adequate funding arrangements to mitigate any short-term liquidity constraints caused by fluctuations in Forex supply 4 Geographical diversification enables access to liquidity across our footprint 5 Ongoing review of asset monetisation opportunities for the reduction of foreign currency denominated loans at the HoldCo	Flexible	Chief financial officer

Governance and compliance risks

Description of risk	How we mitigate this risk	Risk appetite	Risk owners
RISK — 11 Non-compliance to legal and regulatory requirements			
We operate in diverse legal and regulatory environments. Establishing and maintaining adequate procedures, systems and controls enables us to comply with our obligations for the services we provide to our customers in all the jurisdictions where we operate. We are required to comply with Know Your Customer, anti-money laundering, anti-bribery and corruption, sanctions, data privacy, quality of service and other laws and regulations. A failure to comply could lead to unanticipated regulatory penalties and sanctions or tax levies, as well as damage to our reputation.	1 Instituting various policies across the Group to comply with legal requirements in jurisdictions where we operate 2 Continuing engagement with regulators and industry bodies on key policy matters 3 Implementing a regular compliance tracking process, identifying root causes for cases of non-compliance and taking corrective actions 4 Implementing an escalation process for reporting significant matters to the Group office 5 Communicating with and training employees on relevant company policies	Averse-cautious	Chief legal officer and chief regulatory officer

Key to our strategic pillars

Win with network · Win with distribution · Win with data · Win with mobile money · Win with cost · Win with people

Emerging risks

Climate change: we continue to evaluate the potential impact of climate change on our business operations and on the economies in which we operate. We're committed to analysing our climate-related risks and readiness and to working towards the disclosure recommendations of the Task Force for Climate-related Financial Disclosures (TCFD), as described on pages 52-58.

Our ambition is to achieve net zero GHG emissions ahead of the 2050 deadline set out in the Paris Agreement as part of our sustainability strategy, described on pages 43-58.

> "Our risk management framework gives our Board and Executive Committee a clear line of sight over risks and uncertainties and enables informed decision making."
>
> Peter Odedina
> Chief compliance officer

Key development in principal and emerging risks within the financial year

Based on risk reviews conducted during the financial year, the following changes occurred in the Group's emerging risks from the last financial year:

Risk	Changes
Post-Brexit regulatory environment	This was removed as an emerging risk after our review of the situation following Brexit, given the fact that the Group's operating subsidiaries are located outside the UK and EU. We will continue to monitor this risk.
Covid-19	The potential impact/consequence of this principal risk was assessed as reducing from **significant** to **moderate** (see the 'heat map' on page 82), since the company has developed capabilities to effectively manage and adapt its operations to cope with disruptions attributed to the pandemic.
Exchange rate fluctuations and availability of funds for repatriation	On 4 February 2022, Airtel Africa announced that its 100% owned subsidiary, Bharti Airtel International (Netherlands) B.V., had elected to redeem all of its 5.125% guaranteed senior notes due in 2023 (Notes), aggregating to $504,915,000, on 4 March 2022 (Redemption date), ahead of its maturity in March 2023. In addition to the outstanding principal, the redemption price will include settlement of all outstanding accrued interest up to the redemption date, plus the applicable make-whole premium in accordance with the terms of the Notes. This early redemption aligns with the continuation of our pursuit of a reduction of external foreign currency debt at the Group level.
Adverse competition and market disruption	On 4 November 2021, Airtel Africa's subsidiary Smartcash Payment Service Bank Limited (Smartcash) was granted approval in principle to operate a payment service bank (PSB) business in Nigeria. On 14 November 2021, Airtel Africa's subsidiary Airtel Mobile Commerce Nigeria Ltd was granted approval in principle by the Central Bank of Nigeria to operate as a super-agent in Nigeria. The super-agent licence is distinct from the PSB licence. Under the super-agent licence, we are able to create an agent network that can service the customers of licensed Nigerian banks, payment service banks and licensed mobile money operators in Nigeria. Final approval of the super-agent licence is subject to the Group satisfying certain standard conditions.
Digitalisation and innovation	To further strengthen our digitalisation drive and provide seamless solutions to our customers, the Airtel Africa Digital Labs team was further expanded with the launch of Airtel Africa Digital Labs in Nigeria during the year. The Airtel Africa Digital Labs team is our dedicated technology arm focused on building and scaling technology platforms and digital products that impact customers' lives and fundamentally transform the way we operate. The team is focused on solving complex problems using latest technologies through innovative new product development spanning analytics, platforms, digital consumer products and enterprise product engineering. This allows us to improve productivity as an organisation, while providing a more seamless digital experience to our customers. For more information about Digital Labs, see page 73.
Leadership succession planning	Airtel Africa plc opened a new office in Dubai, adding to its existing administrative office locations in Nairobi, London, Amsterdam and Delhi. The Executive Committee will operate out of the new office which provides for significantly improved connectivity and enhanced cooperation with our 14 operating markets across Africa and with our other administrative offices. This new office location not only provides the Group with access to an expanded pool of global talents cutting across Europe, the Middle East and Africa but also provides flexibility in our talent acquisition and retentions processes.

Our long-term viability statement

The preparation of this long-term viability statement involved the Board reviewing the Group's long-term prospects and ability to meet future commitments and liabilities as they fall due over the three-year review period, including scenario analysis on liquidity events through stress and sensitivity test to assess the resilience and strength of our forecasts.

Board's assessment

Assessment period
The viability assessment is based on our current business model (see pages 24-25 of this report), a three-year prospect horizon, and our strategy (see pages 31-42).

Long-term prospects and headroom analysis
Our three-year plan has been prepared considering organic growth potential in the geographies where we operate.

Principal risk assessment
Our risk evaluation is described on pages 80-86. While each principal risk has been carefully evaluated, both individually and collectively, and an adequate monitoring and mitigation plan has been defined, we have also considered sensitivity analyses and stress tests on the three-year projections.

Scenario analysis
We have quantified the impact of sensitivities on cash and liquidity headroom availability, both individually and collectively, in reasonable worst-case scenario. In assessing the impact of sensitivities on cash and liquidity headroom, we have considered various mitigating actions which could be undertaken to ensure sufficient liquidity.

Assessment of headroom based on forecast cash flows and sensitivities to assess our ability to meet future commitments and liabilities as they fall due over the next three years.

Viability statement of Airtel Africa plc

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Board assessed our long-term strategic prospects, as well as the ability of the Group to meet future commitments and liabilities as they fall due within the assessment period.

The Group prepares a ten-year strategic business plan which is used for long-term forecasting purposes and impairment testing (including strategic decisions such as capital investment) and is aligned with the average life of our regulatory licences and network assets and the potential opportunities in the under-penetrated emerging African telecom sector.

For the purpose of our long-term viability assessment, the Board primarily focuses on liquidity and assesses the Group's long-term viability assessment over a three-year period for the following reasons:

- our three-year liquidity plan matches the current visibility of the tenure of our financing arrangements
- the design and payout of the management incentive plan.

While the Board believes the Group will be viable over a longer period, given the inherent estimation uncertainty involved in forecasting liquidity assumptions over a longer period, the Board concluded that a three-year period provides a reasonable degree of confidence while still retaining a longer-term perspective. Although our long-term viability assessment is performed over a three-year period which matches the current tenure of our financing arrangements as a matter of prudence, the Group also assessed viability on a five-year time horizon. Given the maturities of our existing financing arrangement which are materially within the three-year period, the assessment on this five-year period did not result in material changes in conclusion as compared to the three-year assessment period. For goodwill impairment test, the Group has used a ten-year period, taking into account the nature of markets in which the Group operates, the period of its licences, etc. as against the three-year period for viability assessment which focusses on Group's liquidity plan and design/payout of management incentive plan being the core elements of long-term viability assessment.

In assessing the Group's prospects, the directors considered 5G cellular network potential in the markets where the Group operates. The Group's first endeavor is to secure spectrum for 5G launch and roll out 5G network in key markets. Given the relatively low 4G customer penetration in the countries where it operates, the Group will continue to focus its strategy to expand its data service and increase data customer penetration by leveraging and expanding its leading 4G network.

This assessment is prepared based on our strategy, and adequate sensitivity and stress tests have been conducted through various scenarios, both individually and collectively, based on our overall risk assessment framework.

Our communities continued to face health and economic challenges linked to Covid-19 and the omicron variant. Over the past two years of the pandemic, the Group has developed capabilities to effectively manage and adapt its operations to cope with varying levels of disruptions attributed to the virus. The Covid-19 pandemic made clear that mobile technology, and mobile money in particular, has a huge role to play in keeping people connected, delivering vital financial support and providing safe, no-contact ways to pay for food, electricity and other life essentials.

Despite the significant challenges the business faced during the course of the pandemic, our operating model proved to be resilient to the social and economic impact brought by Covid-19. However, we have continued to give specific consideration to the impact of Covid-19 on our cash flows with sensitivities performed, including possible incremental revenue decline, an unanticipated increase in costs, including additional tax and regulatory levies, currency devaluation and availability of foreign currency for repatriation to the Group.

Further, notwithstanding the possible impacts of Covid-19, the Group will continue to benefit from population growth and the need for increased connectivity and financial inclusion in the medium to long term in the countries where we operate.

The company ended the year in a strong financial position. Net cash generated from operating activities increased by 20.7% in the last 12 months to $2bn, and our net debt to EBITDA ratio continued to improve to 1.3x at the end of this financial year. Our cash balances, in conjunction with $587m of committed undrawn facilities at the date of approval of these financial statements, ensure we can continue to meet our financial obligations. During the year, we repaid approx. $1.4bn of bonds. EUR750m ($915m) bond was repaid when due in May 2021, and in March 2022 we repaid $505m USD bond one year earlier than its March 2023 redemption date. We were able to make these repayments because of our increased cash generation, and by using the proceeds from Airtel Money minority investments and tower sales. Post these repayments, only $1bn of long-term bonds will remain outstanding for the Group, with maturity falling in May 2024.

Our long-term viability statement continued

The key risks considered in the stress tests, keeping in mind the demographical and sectoral dynamics along with their potential negative impacts, are detailed here:

Stress tests done	Link to principal risks and uncertainties	Description
Slowdown in revenue growth	• Adverse competition and market disruption • Technology obsolescence • Network resilience and business continuity • Digitalisation and innovation • Cyber and information security threats	Revenue is projected on a number of assumptions such as subscriber base, rates and change in average revenue per user. A change in any of the assumptions due to adverse competition and market disruption may affect overall revenue growth. In most cases, changes in one such assumption (e.g., in rates) are compensated either fully or marginally by a corresponding change in other variables (e.g., subscriber base). Changes not fully compensated lead to a reduction in the rate of revenue growth. We have modelled stress test scenarios for various levels of slowdown across segments and revenue streams.
Increase in operating expenses	• Increase in cost structure • Digitalisation and innovation	With operations spread across 14 markets and each country having a different economic and business environment, there is always a risk of operating costs increasing beyond projected levels.
Unanticipated regulatory and tax levies	• Non-compliance to legal and regulatory requirements • Internal controls and compliance	As we work in diverse and dynamic legal environments, it's necessary to establish and maintain adequate procedures, systems and controls to ensure we comply with our obligations in all the jurisdictions in which we operate. There will always be a risk of unanticipated regulatory and tax levies affecting our profitability and, therefore, additional tax and regulatory levies have been considered in the stress tests.
Exchange rate fluctuation	• Exchange rate fluctuation and availability of foreign currency for repatriation to the Group	We are constantly exposed to the risk of adverse currency fluctuations, given our operations in 14 different markets with different functional currencies. Furthermore, we could face low availability of foreign currency in some of our markets constraining our ability to fully benefit at the Group level from the strong cash generation of our local businesses. We have stress tested the plan for various levels of currency devaluation across operating entities, including the risk of availability of foreign exchange, leading to repatriation of cash from operating entities to the Group holding companies and the resulting impact on cash flows and liquidity headroom at the Group level.
Covid-19 impact	• Uncertainties arising out of Covid-19 pandemic	Covid-19 continues to be a healthcare crisis and a major disruptor in the lives of people and the economic activities of businesses and governments across the world. The pandemic has underlined how critical telecoms are to the countries in which we operate, and throughout the crisis we have maintained our services while supporting communities, including by coordinating medical relief with respective governments. Telecom operators have, therefore, continued to enjoy recognition as essential service providers. This helped us keep our networks open and people and service providers connected. We have carried out extensive scenario analysis looking at the possible negative effect of the outbreak on the business via a possible reduction in revenue growth and a possible increase in operating expenses.

As part of our assessment, in considering the above sensitivities we have also factored in possible mitigations against such sensitivities. None of the sensitivities (net of possible mitigations) impact our opening headroom by more than 10%.

Conclusion

The results of stress-testing our forecasts over the three-year period for the above sensitivities, including the possible impact of Covid-19, demonstrate that the Group will be able to withstand these impacts over the period of its financial forecasts. The Board has a reasonable expectation that no single or plausible combination of events would affect long-term viability, even under the severe stress tests, and the Group would be able to continue operating and meet its liabilities over the three-year period.

In order to reach this conclusion, the Board has considered:

- Possible actions to mitigate the impact of risks in the severe stress tests, including limiting or delaying discretionary capital expenditure without compromising on network quality, optimising operating expenditure and reducing or stopping dividend payments
- Accessing additional funding, including financing facilities and access to the debt capital markets in order to repay debt which matures over the three-year period while maintaining adequate liquidity headroom
- The internal and external environment, current and long-term prospects, and the strategic intents and directions adopted by management
- The risk framework, potential sensitivities around the principal risks and mitigating factors.

The Board has concluded that the Group would be in a position to access debt capital markets and meet our financing needs as and when required.

Based on this assessment and in accordance with requirements of provision 31 of the 2018 UK Corporate Governance Code, the Board has concluded that we have the ability to continue our operations and be able to meet our commitments and liabilities over the assessment period.

The strategic report was approved by the Board of directors on 10 May 2022 and signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2022

Governance report

In this section

90 Our Board of directors
94 Our Executive Committee
96 Chair's introduction
98 Our leadership
103 Board evaluation
104 Audit and Risk Committee report
114 Nominations Committee report
119 Our compliance with the UK Corporate Governance Code
123 Directors' report
127 Directors' responsibilities statement
128 Directors' remuneration report

Our Board of directors

Sunil Bharti Mittal
Chair
N M

Date appointed to Board: July 2018
Independent: no
Age: 64
Nationality: Indian

Skills, expertise and contribution
Sunil is the founder and chairperson of Bharti Enterprises, one of India's foremost first-generation corporations with interests in telecoms, financial services, processed food, real estate and hospitality. Bharti Airtel, the flagship company of Bharti Enterprises, is a global telecommunications company operating in 17 countries across South Asia and Africa and ranking among the top three mobile operators globally. Airtel is one of India's largest integrated telecoms providers and the second largest mobile operator in Africa, serving over half a billion customers.

Sunil is the pioneering force behind the mobile revolution in India – he revolutionised the business model at Bharti Airtel to make affordable voice and data services available to all. Airtel has transformed the quality of lives of millions of people globally, providing connectivity and digital empowerment. As chair of the Board, his leadership has brought immense value to Airtel Africa through his futuristic vision, vast knowledge and industry expertise.

Sunil is a recipient of the Padma Bhushan, one of India's highest civilian honours.

External commitments
- Founder and chairperson of Bharti Enterprises and Bharti Airtel
- Chairperson of OneWeb Holding Limited
- Member of the International Business Council, World Economic Forum (WEF)
- Member of the Global Board of Advisors, Council of Foreign Relations (CFR)
- Commissioner of the Broadband Commission
- Trustee at the Carnegie Endowment for International Peace (CEIP)
- Member of the Board of Qatar Foundation Endowment (QFE)
- Member of the India-US, India-UK and India-Japan and India-Sweden CEO Forums
- Co-chair of the India-Africa Business Council

Previous roles
Sunil has served on the boards of several international bodies. He was the chairperson of the International Chamber of Commerce (ICC) from June 2016 to June 2018 and the chairperson of GSM Association (GSMA) from January 2017 to December 2018. He was the president of the Confederation of Indian Industry (CII) from 2007 to 2008. Sunil is associated with spearheading Indian industry's global trade, collaboration and policy – he has served on the Prime Minister of India's Council on Trade and Industry.

Sunil has also served on the boards of several multinational companies including Unilever, Standard Chartered Bank and SoftBank Corp.

Sunil is a nominee of Bharti Airtel.

Segun Ogunsanya
Managing director and CEO
M S

Date appointed to Board: October 2021
Independent: no
Age: 55
Nationality: Nigerian

Skills, expertise and contribution
Segun has joined the Board after 10 years as managing director and CEO of our Nigeria operations, with responsibility for our largest market in Africa. He brings to the Board a depth of knowledge about African markets and more than 25 years of business management experience in banking, consumer goods and telecoms. Segun attends all Board meetings, Audit and Risk Committee meetings and chairs the Sustainability Committee. He is invited to attend the Remuneration and Nominations Committee meetings.

Other commitments
Board member of Bharti Airtel International (Netherlands) B.V., Bharti Airtel Africa B.V. and Airtel Networks Limited – all subsidiaries of the Group.

Previous roles
Before joining Airtel in 2013, Segun held leadership roles at Coca-Cola's bottling operations in Ghana, Kenya and Nigeria (as CEO). He has also been the managing director of Nigerian Bottling Company Ltd (Coca-Cola Hellenic owned) and head of retail banking operations at Ecobank Transnational Inc, covering 28 countries in Africa. Segun is a chartered accountant and an engineer. He was awarded African Business Leader of the Year in September 2021.

During the reporting period, Segun participated in a targeted mentoring programme to enhance his UK listed plc experience.

Jaideep Paul
Chief financial officer
S

Date appointed to Board: June 2021
Independent: no
Age: 60
Nationality: Indian

Skills, expertise and contribution
Jaideep brings more than 30 years of leadership and financial experience to our Board, with 18 of these in the telecoms industry. He chairs our Finance Committee and attends all Board meetings, Audit and Risk Committee and Sustainability Committee meetings.

Other commitments
Board member of Bharti Airtel International (Netherlands) B.V., Bharti Airtel Africa B.V. and Airtel Networks Limited – all subsidiaries of the Group.

Previous roles
Before becoming our chief financial officer in 2014, Jaideep was CFO at Airtel Nigeria, Fairtrade LLC Muscat and Bharti Retail. He has also held financial roles at Mumbai Circle and Bharti Airtel Delhi Circle, as well as senior roles at HCL, Telstra V-Com and Caltex. Jaideep started his career at Pricewaterhouse and is a qualified chartered accountant.

Key to committees
- AR Audit and Risk Committee
- N Nominations Committee
- R Remuneration Committee
- M Market Disclosure Committee
- S Sustainability Committee
- Committee chair

Andrew Green CBE
Senior non-executive director

N AR M

Date appointed to Board: April 2019
Independent: yes
Age: 66
Nationality: British

Skills, expertise and contribution

Andy brings many years of global financial and strategic experience to the Board. Through his work with a number of multinational organisations, he can draw on a wide knowledge of diverse issues and outcomes to provide constructive challenge and robust scrutiny of matters that come before the Board.

External commitments

- Group chair of Simon Midco Limited (the holding company of Lowell Group)
- Chair at Gentrack Group Limited (NZX/ASK)
- Non-executive director at Link Administration Holdings Limited (ASX)
- Commissioner at the National Infrastructure Commission
- Trustee of WWF UK and Disasters Emergency Committee
- Chair of Water Aid UK

Previous roles

Andy was previously senior independent director of Avanti Communications plc and ARM Holdings plc and chairperson of the Digital Catapult and IG Group plc. He was chief executive officer of Logica plc until its sale in 2012. His prior roles include those at BT Group plc, including CEO of BT Openworld, CEO of BT Global Services and CEO of Group Strategy and Operations and various roles at Shell and Deloitte. Andy has held a number of non-executive directorships in the US, Hong Kong, Germany and the UK.

Awuneba Ajumogobia (née Iketubosin)
Non-executive director

R AR

Date appointed to Board: April 2019
Independent: yes
Age: 63
Nationality: Nigerian

Skills, expertise and contribution

Awuneba is a chartered accountant with broad experience in assurance, taxation, finance and advisory services across several industries. Her expertise as an assurance and finance specialist, garnered at leading professional services firms and in the Nigerian market, make her instrumental to Board decision-making.

External commitments

- Executive director at Multistream Energy Limited
- Board chair at CAP Plc
- Governing council chair at Grange School, Lagos
- Board member of University of Ibadan Research Foundation
- Member of the Finance Committee of the Musical Society of Nigeria (MUSON)
- Council member Nigeria British Chamber of Commerce

Previous roles

Awuneba was a board member at UAC of Nigeria Plc (UACN) from 2009 to 2019. During her tenure, she chaired the Risk Management Committee and was a member of the Statutory Audit Committee. Prior to this, she developed her career at Peat Marwick, Deloitte and Accenture. Awuneba was also a board member at UPDC Plc, and has held advisory and implementation roles with a number of national development projects in Nigeria.

Douglas Baillie
Non-executive director

N R M

Date appointed to Board: April 2019
Independent: yes
Age: 66
Nationality: British

Skills, expertise and contribution

Doug brings vast leadership experience in both private and public sectors to the Board and his role as the chair of the Remuneration Committee. His background in diverse leadership roles and human resources is particularly useful to the Board when considering the Airtel Africa culture, employee management, executive remuneration and other employee-related activities.

External commitments

- Vice chairperson of the MasterCard Foundation
- Director of the Leverhulme Trust
- Non-executive director of the Huhtamaki Group

Previous roles

Doug spent 38 years at Unilever, where his roles included president of Western Europe in the Netherlands until 2011, Group vice president of South Asia, CEO Hindustan Unilever in India until 2008, Group vice president Africa and the Middle East from 2004 until 2006, and chief HR officer from 2011 until 2016.

John Danilovich
Non-executive director

R

Date appointed to Board: April 2019
Independent: yes
Age: 71
Nationality: American

Skills, expertise and contribution

John has held executive leadership roles in international business and government for several decades. As a global business leader and distinguished diplomat, he has extensive experience in regional and international trade-related issues. To Airtel Africa, he brings skills in building international partnerships and advocacy with policymakers, foreign dignitaries and business leaders, and provides constructive challenge and robust scrutiny of matters that come before the Board.

External commitments

- Board and council member at the Harvard Chan School of Public Health, the Center for Strategic International Studies (CSIS) and Chatham House (UK)
- Member of the Council on Foreign Relations (New York) and an elected member of the American Academy of Diplomacy

Previous roles

From 2009-2021, John served on the board of directors of d'Amico International Shipping. He was Secretary General of the International Chamber of Commerce (ICC) in Paris from 2014 to 2018 and CEO of the Millennium Challenge Corporation in Washington from 2005 to 2009. He has been the US ambassador to Brazil and to Costa Rica. While on the board of the Panama Canal Commission, he acted as chairperson of the Commission's Transition Committee prior to the handover of the canal by the US to Panama. In his distinguished career, he also played a significant role in the Central American Free Trade Agreement (CAFTA).

Our Board of directors continued

Tsega Gebreyes
Non-executive director

Date appointed to Board: October 2021
Independent: yes
Age: 52
Nationality: Ethiopian

Skills, expertise and contribution
Tesga brings deep financial services and commercial experience to the Board gained from global senior executive and non-executive roles in the financial services, international business, mergers and acquisitions, mobile commerce and technology sectors.

External commitments
- Board member of London Stock Exchange Group
- Partner at Satya Capital Limited

Previous roles
Tsega formerly served as vice-chair and chair of the Finance Committee of SES SA. She spent seven years at Celtel International (re-branded Zain Group), a leading mobile telecommunications provider in the Middle East and North Africa. During her time at Celtel, Tsega held various senior roles including senior group adviser, Zain Africa BV, chief strategy and development officer, chief business development and mergers & acquisitions officer, and director of Mobile Commerce and New Product Development. From 1996 to 2000, Tsega was founding partner at New Africa Opportunity Fund LLP.

In addition to her senior executive positions, Tsega has served as a non-executive director of Celtel International BV, Hygeia Nigeria Limited, ISON Group and Sonae SA. She has also been a trustee of the global charity Save the Children.

Annika Poutiainen
Non-executive director

AR S

Date appointed to Board: April 2019
Independent: yes
Age: 51
Nationality: Finnish

Skills, expertise and contribution
Annika's wide-ranging experience in audit and regulatory engagements contributes to her performance as a member of the Board and Audit and Risk Committee. With her legal background and deep knowledge of auditing, accounting and financial reporting, she brings a keen scrutiny to all governance and regulatory matters. Annika is our Board sustainability champion and is a member of the Sustainability Committee.

External commitments
- Working chair of the Council for Swedish Financial Reporting Supervision
- Member of the Swedish Audit Academy
- Member of the Nasdaq Helsinki Listing Committee
- Board member of the Carpe Diem Foundation, which runs the top-ranked Swedish elementary school, Fredrikshovs Slott Skola
- Director of Truecaller
- Advisory Board member of Unzer Group GmbH

Previous roles
Annika has been a board and audit committee member of listed companies eQ Abp, Hoist Finance AB, Saferoad AS (delisted in September 2018) and Swedbank AB, as well as industry advisor to strategic communications firm JKL Group. She advised the Swedish government on the national implementation of the reformed EU market abuse regime and was head of market surveillance Nordics at Nasdaq and head of unit, prospectuses, exchanges and clearing houses at the Swedish Financial Supervisory Authority. She was also an associate in the Capital Markets Group at Linklaters London and has been a practising solicitor in both the UK and Finland.

Ravi Rajagopal
Non-executive director

AR N M

Date appointed to Board: April 2019
Independent: yes
Age: 66
Nationality: British

Skills, expertise and contribution
With experience in diverse industries such as healthcare and consumer brands, as well as in chairing other audit committees, Ravi brings a wealth of recent financial experience and cultural insight to our Board and Audit and Risk Committee.

External commitments
- Chairperson of Fortis Healthcare Limited, India
- Trustee of the Science Museum Foundation, UK
- Vice Chairman, Peabody Housing Ltd

Previous roles
Ravi was previously independent director and chair of the Audit Committee of Vedanta Resources Limited, UK and chairperson of JM Financial, Singapore Pte Ltd. He held financial leadership roles at Diageo until retiring in 2015, including group controller in the UK with responsibility for the spirits business across sub-Saharan Africa and global head of mergers and acquisitions. Starting in 1979, Ravi held various roles at ITC India, including a secondment to West Africa with Bharti Airtel Telecoms. He has held numerous positions on various joint venture boards and Diageo's India advisory board, and was non-executive director of United Spirits in India.

Kelly Bayer Rosmarin
Non-executive director

Date appointed to Board: October 2020
Independent: no
Age: 45
Nationality: Australian

Skills, expertise and contribution
Kelly brings to the Board a unique blend of technology, commercial and management expertise from a career spanning financial services, management consulting, the Silicon Valley tech sector and telecoms. She also brings a valuable acumen in leadership, banking, risk management, regulated markets and innovation at scale. Kelly has an impressive track record of delivering results, growing and operating large global businesses. She is known for her expertise in leveraging technology, data and analytics to develop leading customer services and experience.

In 2021, Kelly was named one of the top 3 tech CEOs in Australia and top 10 global 5G Leaders. She has also been named one of the Top 25 Women in Asia Pacific Finance, the Top 10 Businesswomen in Australia, and 50 Most Powerful Women in Australian Business. Kelly is a nominee of Singtel to our Board.

External commitments
- CEO at Singtel Optus Pty Limited and member of the Singtel Management Committee
- Non-executive director at REA Group Ltd (ASX)
- Member of Chief Executive Women
- Elected as a Fellow of the Australian Academy for Technology, Science and Engineering (ATSE)

Previous experience
Kelly has held a variety of executive roles, including Group Executive, Institutional Banking and Markets on the executive team of the Commonwealth Bank of Australia. Her career began in Silicon Valley with both start-ups and established software companies working in product development, business development, marketing, M&A and strategy. After a stint as a management consultant with the Boston Consulting Group, Kelly joined Commonwealth Bank in 2004 and held a variety of senior roles across the Institutional and Business Banking divisions, before being appointed to the bank's executive in 2013.

Kelly has previously been a board member at OpenPay, the Football Federation of Australia (FFA) and served on the University of New South Wales Engineering Faculty Advisory Board, the Australian Government's FinTech Advisory Group and NSW Government Digital Advisory Panel.

Kelly is a nominee of Singtel.

Akhil Gupta
Non-executive director

Date appointed to Board: October 2018
Independent: no
Age: 66
Nationality: Indian

Skills, expertise and contribution
Akhil brings vast financial, strategic and telecoms expertise to our Board and is invited to attend our Audit and Risk Committee meetings. He has played a pivotal role in the Bharti Group's phenomenal growth in the telecoms sector, both organically and through various acquisitions. His innovative thought leadership has helped Bharti Airtel achieve healthy margins while offering some of the lowest tariffs in the world.

External commitments
- Vice chairperson of Bharti Enterprises
- Chairperson of Digital Infrastructure providers Association (DIPA)
- President of Telecom Sector Skill Council (TSSC)
- Board member of OneWeb Holdings Limited

Previous roles
Akhil led the formation of various partnerships for Bharti with operators like British Telecom, Telecom Italia, Singapore Telecom and Vodafone, as well as with financial investors such as Warburg Pincus, Temasek, KKR, Qatar Foundation Endowment, AIF and Sequoia. He was behind the separation of passive mobile infrastructure and the formation of one of the largest tower companies in the world, Indus Towers Ltd – a notable example of collaborating at the back end while competing at the front end. He also executed the acquisition of Zain Group's mobile operations in 15 countries across Africa, the second largest outbound deal by an Indian company.

Akhil is a nominee of Bharti Airtel.

Shravin Bharti Mittal
Non-executive director

Date appointed to Board: October 2018
Independent: no
Age: 34
Nationality: British

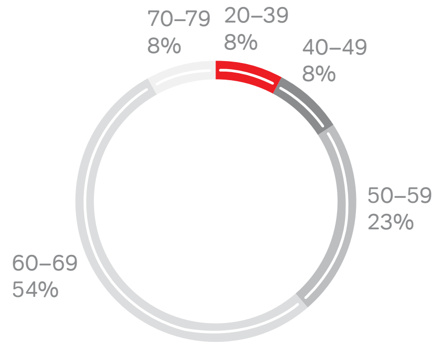
Skills, expertise and contribution
As the entrepreneurial founder of a top-performing global technology investment firm, Shravin brings diverse views and expertise in the tech sector to our discussions and decision-making, and is invited to attend our Remuneration Committee meetings.

External commitments
- Founder of Unbound, a long-term investment firm aiming to build and back technology companies
- Managing director of Bharti Global Limited
- Board member of Oneweb Holdings Limited
- Board member of technology companies mPharma, Cars24, Syfe, Paack and FreightHub

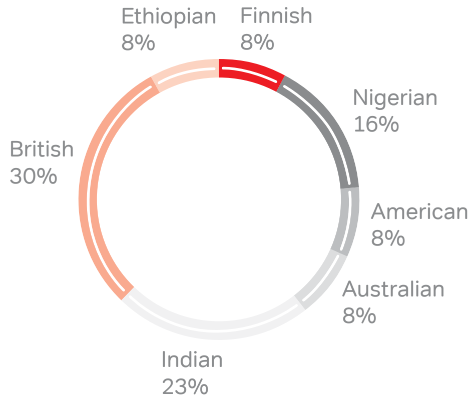
Previous roles
Shravin was previously at SoftBank Vision Fund, a $100bn fund investing in technology companies, and assistant director at Better Capital, a private equity firm in London where he turned around distressed retail and manufacturing businesses. Before this, he was involved in the launch of 3G at Airtel India and on the senior management team at Airtel Africa, where he spearheaded the post-acquisition integration of Zain. Before Airtel, he worked with J.P. Morgan investment bank covering technology, media and telecoms.

Shravin is a nominee of Bharti Airtel.

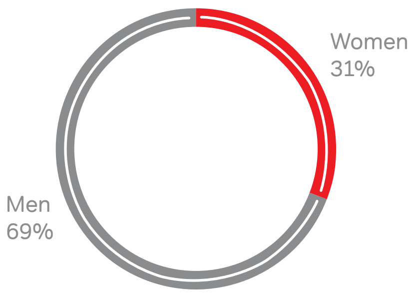
Board age (years)



Board nationality



Board gender ratio



Key to committees

- AR Audit and Risk Committee
- N Nominations Committee
- R Remuneration Committee
- M Market Disclosure Committee
- S Sustainability Committee
- Committee chair

Our Executive Committee

Chief executive officer	Chief financial officer	Regional directors	Business heads	Functional heads
Segun Ogunsanya	**Jaideep Paul**	**C Surendran** MD and CEO Nigeria **Ian Ferrao** Regional Director – East Africa **Michael Foley** Regional Director – Francophone Africa	**Vimal Kumar Ambat** CEO, Airtel Money **Luc Servimant** Group enterprise director	**Ramakrishna Lella** Chief supply chain officer **Daddy Mukadi** Chief regulatory officer **Stephen Nthenge** Head of internal audit and risk assurance **Olubayo Adekanmbi** Chief strategy, partnership and sustainability officer **Rogany Ramiah** Chief human resources officer **Neelesh Singh** Chief information officer **Razvan Ungureanu** Chief technology officer **Chief legal officer – vacant** **Chief commercial officer – vacant**

Regional directors

Ian Ferrao
Regional director – East Africa

Ian is responsible for managing our financial performance and accelerating profitable growth in East Africa. He works with local MDs in each market to develop strategy and execution plans, helps develop local leadership teams and improves the coordination between Group level and teams in local operating units.

Ian has spent the last 16 years leading telecoms organisations in Africa, both as an entrepreneur and a corporate CEO. He joined Airtel Africa and the ExCo in 2019 to lead our East Africa operations in Kenya, Tanzania, Uganda, Rwanda, Zambia and Malawi. Before Airtel Africa, Ian was the CEO for Vodacom Tanzania, where he led the company's IPO onto the DSE. He's also served as CEO of Vodacom Lesotho, CCO for Vodacom Business Africa and commercial director and shareholder of AfriConnect Zambia.

Michael Foley
Regional director, Francophone Africa

Michael has been an ExCo member since joining Airtel Africa in 2020. He is responsible for managing financial performance and accelerating profitable growth in our Francophone Africa operations. Michael works with local MDs in each market to develop strategy and execution plans, helps develop local leadership teams and improves the coordination between Group level and local operating teams.

Over the last 35 years, Michael has led telecoms, consumer goods, fintech and gaming businesses in the US, Asia and Africa, as well as in his native Canada. His most recent role was as CEO of Telenor's operations in Pakistan, Bulgaria and Bangladesh.

C Surendran
Managing director and CEO, Airtel Nigeria

As managing director and CEO of Airtel Nigeria, Surendran is responsible for operations in our largest market in Africa. He drives the execution of our strategy in Nigeria in line with Group-level functional teams.

Surendran was appointed in May 2021, when he also joined the ExCo, from Bharti Airtel. There he contributed immensely over 18 years to customer experience, sales and business operations. In his most recent role as CEO of Karnataka, the largest business in Airtel India with over $1bn in revenue, he delivered exceptional performance and a significant increase in revenue market share over the last few years. He has over 30 years of business experience.

Business heads

Vimal Kumar Ambat
CEO, Airtel Money

Vimal joined Airtel Africa in 2021. He leads our Airtel Money business – managing its financial performance, strategic direction and priorities, brand strength and growth in customers.

To Airtel Africa, he brings over 27 years of leadership experience at leading banks in Asia, the Middle East and Africa. Immediately before joining Airtel Africa, Vimal was the chief executive of Retail and Business Banking and chief digital officer for the Absa Group Regional Operations in nine countries.

Luc Serviant
Group enterprise director

Luc leads our enterprise business strategy. This includes helping SMEs, corporate and government customers across Africa adopt fixed and mobile network solutions to accelerate their growth, digital transformation and business productivity.

Luc has more than 26 years' international experience in marketing and implementing core network and ICT solutions for the enterprise sector. He has held various roles at Orange Business Services – from head of global services in Switzerland to head of consulting and solutions integration APAC in Singapore, and most recently as vice president Middle East and Africa, based in Dubai. He has also held a variety of positions at SITA (Société Internationale de Télécommunications Aéronautiques), Global One Telecommunications and Alcatel-Lucent.

Luc has been an ExCo member since joining Airtel Africa in 2019.

Functional heads

Olubayo Adekanmbi
Chief strategy, partnerships and sustainability officer

Bayo is the newest member of our ExCo, having joined in December 2021. He's responsible for leading strategic business-wide initiatives including innovation, strategic investment, operational efficiencies and partnerships. He's also responsible for delivering our sustainability strategy.

Bayo's career includes 20 years in the telecoms industry, where he held several senior roles in Nigeria and South Africa leading on strategy, global marketing and business intelligence.

Ramakrishna Lella
Chief supply chain officer

Rama oversees the procurement of our network equipment and IT. He also manages our tower companies and bandwidth, sales and distribution, supply chain for marketing and HR services, and warehouse operations and logistics. And he leads on our cost reduction initiatives.

Ramakrishna has spent more than 30 years in the telecoms industry, with more than half of this time at Airtel. Before becoming our chief supply chain officer in 2016, he led the team setting up various types of networks (including mobile, NLD/ILD, Enterprise and DTH) and was the director of supply chain management for Airtel Nigeria. He has also held telecoms roles in research and development, manufacturing (Alcatel and Indian telephone industries) and service providers (Airtel and Reliance Jio).

Daddy Mukadi
Chief regulatory officer

Daddy is responsible for our regulatory and government relations strategy in all 14 operations. This includes obtaining all necessary resources (licence, spectrum), ensuring full compliance and actively helping to shape the policy and regulatory landscape toward best practice.

Before becoming our chief regulatory officer in 2015, Daddy held several legal and regulatory leadership roles across Africa. His most recent role was as executive head of international regulatory affairs and executive head of international commercial legal affairs at Vodacom Group.

With a master's degree in communications law (telecoms, broadcasting, media and space & satellite law) and as author of several volumes of a handbook for media law practitioners, Daddy brings a broad understanding of legal and regulatory affairs to his role at Airtel Africa.

Stephen Nthenge
Head of internal audit and risk assurance

Stephen is responsible for our Internal Audit department, which provides independent auditing and advice on our risk management, governance and control processes in line with the purpose, role and responsibilities in the Audit Charter. He also oversees the integrity and reliability of our financial and operational information, the safeguarding of the company's assets, and our compliance with laws, regulations, policies and procedures.

Stephen has more than 25 years' experience in audit, enterprise risk and information security management, having worked for Deutsche Bank AG, JP Morgan Chase and KPMG in senior management roles in Australia, Singapore, London and New York. In addition to leading regional and global audit teams, he helped to establish risk and governance frameworks for new products and services as well as regulatory governance frameworks. He has also led strategic risk mitigation and transformational programmes. Stephen is a certified information systems auditor.

Stephen has been an ExCo member since joining Airtel Africa in 2019.

Rogany Ramiah
Chief human resources officer

Rogany is responsible for leading and developing our people strategy to support our overall strategic direction. Her main areas of focus are succession and talent planning, change and performance management and enhancing our overall employee experience. Rogany sits on the Sustainability Committee.

Rogany has 25 years' experience in retail, media and consulting, including as senior director with Walmart's International People Division and as an executive in Massmart (a division of Walmart). To her role as CHRO, she brings global expertise in supporting businesses on strategy, cultural transformation, business process re-engineering and organisational redesign. She also has experience in talent acquisition, talent planning, remuneration strategy, and developing and leading HR transformations.

Rogany has been an ExCo member since joining Airtel Africa in 2019.

Neelesh Singh
Chief information officer

Neelesh defines and implements the IT strategy across our business in 14 countries. He specialises in leading large engineering teams, building scalable software platforms, revamping operating models, executing complex business transformations, setting up greenfield operations, building distributed private clouds and simplifying enterprise architecture.

To Airtel Africa, he brings 22 years of international experience in engineering and information technology – having worked in range of enterprises in the public sector, independent software vendors and communications service providers. Before joining Airtel Africa in 2017, he held a senior IT leadership role at the Telenor group, handling various aspects of IT across its operations in Scandinavia, Central and Eastern Europe and Asia.

Razvan Ungureanu
Chief technology officer

Razvan leads on our technology strategy and the delivery of this to the network leadership in each of our 14 markets. He focuses on strategic network thinking, design, rollout and the quality of our ongoing technical operations.

Razvan has 29 years' experience in telecoms and has worked in Romania, Belgium, Luxembourg and the Dominican Republic. Before joining Airtel Africa in 2016, he was chief technology and information officer for Digicel, with responsibility for 29 countries in the Caribbean and Central America.

Chair's introduction

Acting with purpose, underpinned by strong governance

"Our robust governance mechanism has built resilience into our business and has uniquely shaped us to capitalise on market opportunities."

Sunil Bharti Mittal
Chair

On behalf of the Board, I'm pleased to present our Corporate Governance Statement. As a Board, we remain committed to applying the highest standards of corporate governance, recognising that robust governance and culture underpin business success. In this yearly statement, we give investors and other stakeholders an insight into the governance activities of our Board and its committees.

This year, we were pleased to welcome a new CEO to Airtel Africa, as well as two other new members to the Board. We appointed Tsega Gebreyes as an independent non-executive director; and our chief finance officer, Jaideep Paul, joined the Board. Tsega and Jaideep bring considerable operational experience to the Board, which will serve us well as we work to build a resilient business and capitalise on significant market opportunities in Africa. Please see the Nominations Committee report for more details on pages 114-118.

Purpose, values and strategy, and alignment with culture

The Board kept abreast of:

- Projects during the year to accelerate talent acquisition (including strategies in our Digital Lab business to mitigate the acceleration of the war for talent in the tech market)
- Steps taken in response to our employee engagement survey (through transformation and technology projects like our new Group-wide app-based employee assistance programme to enhance our people's wellbeing)
- The rollout of learning and development programmes for key competency areas such as coaching, mentoring, and project management

To meet their 2021/22 objectives of executing our purpose, values and general strategy and objectives, assessing and monitoring our culture, and promoting the alignment of culture with purpose, values and strategy, our Board:

- Supported the rollout of a Group-wide Covid-19 vaccination support to all our people and their families, addressing the challenges faced in certain regions (particularly around uptake)
- Reviewed our strategy for Board and executive-level succession planning and put into place plans for achieving this. For more, please see our Nominations Committee report on pages 114-118
- Monitored progress against our gender diversity targets at the levels of Executive Committee, country managing director and leadership. The Board reinforced its commitment to a more gender-balanced workforce which is reflected in our hiring policy. Nearly 25% of new appointments in the reporting period were women
- Supported our learning and development teams' capacity-building efforts across the Group, as well as new initiatives around health, wellbeing and recognition, such as a year-long Digital Lab programme to improve physical and mental health
- Continued to form strategic partnerships which support our ambition to transform lives through greater financial inclusion and empowerment across Africa

While our Board is diverse, and inclusivity is one of our values, we know we have more to do to embed our diversity and inclusion processes at all levels of the organisation.

The Board continued to ensure that our resourcing – including capital, finance and people – is sufficient to achieve our strategy while continuously improving performance and diversity.

Remuneration

We're submitting our revised Remuneration Policy for approval at the AGM a year earlier than expected. This is a prudent measure, and the proposed changes include the introduction of pension arrangements (specifically, to make provision for the legacy benefits of the CEO), bonus deferral (one-third for two years) and post-employment holdings (retain required amount for two years). I believe the new measures are non-contentious and represent good housekeeping and will formally incorporate the best practice features introduced in the last two years. This also gives us the opportunity to make sensible adaptations to reflect the appointment of a new CEO and CFO and to address the issues raised by ISS regarding RSU and performance share awards, which is fully explained in our directors' remuneration report on pages 128-150. The Board fully supports and endorses the work of the Remuneration Committee to attract and retain the right talent.

In November 2021, the chair of our Remuneration Committee consulted with our top 20 investors and proxy agencies to give background and details of the retirement exit terms of the CEO, Raghunath Mandava on 30 September 2021 and the appointment of Segun Ogunsanya, who took office on 1 October 2021.

In February 2022, the Remuneration Committee wrote to our top 20 investors on behalf of the Board to provide details of proposed changes to our remuneration policy. The committee intends to put the policy to a binding shareholder vote at our 2022 AGM, together with more details of how our remuneration policy was applied in 2021/22.

The Board also acknowledged the increasing governance expectations of Remuneration Committees and the value of continuing to build an understanding of broader remuneration policies and practices beyond our executive directors and Executive Committee.

I'm also pleased to see that the committee has fully embraced our new sustainability strategy and embedded appropriate incentivisation within the remuneration policy.

An effective and improving Board

At the half year, we took the opportunity to review our Board and committee processes to build on actions introduced following the annual evaluation exercise. Coordinated by the company secretary and led by myself, we considered feedback from Board members to restructure the agenda and create a new template for papers. We've since found that meetings are run more efficiently, with more time for strategic and business discussions. We'll continue to improve our efficiency by introducing a process to approve suitable papers 'by deemed consent' before each meeting.

Our third independent Board evaluation confirmed that our Board functions effectively. It's well balanced and diverse, with a strong mix of relevant skills and experience. This evaluation once again took place in the context of a pandemic, with international travel restrictions meaning Board members were unable to meet in person. It was good to see positive ratings around the relationships and dynamics of the Board.

I'm grateful to all the members of the Board for their individual contributions, and particularly to the chairs of each committee for establishing and steering their committees during the year. The Audit and Risk, Remuneration and Nominations Committee chairs have provided their own reports on their committees' activities.

In conclusion

I'm confident that your Board is working effective and is geared to addressing the company's needs. We have the right balance of skills, expertise and professionalism to continue to deliver strong governance, while allowing the CEO and CFO to implement and deliver our strategy. While I'm pleased with the Board's activities and approach when it comes to corporate governance, we continually look for ways to learn and improve.

I very much look forward to meeting with shareholders at the AGM on Tuesday 28 June 2022, which will be live-streamed from London. Along with all your directors attending the AGM, I'm available to respond to your questions, concerns and suggestions at any time.

Sunil Bharti Mittal
Chair

10 May 2022

Governance highlights for the year ended 31 March 2022

In our annual strategy meeting, we worked together to integrate our sustainability ambition into strategy and governance structures. After publishing our sustainability strategy in October 2021, we'll release our first sustainability report later this year. A summary of our progress to date, including our engagement with the Carbon Trust and our partnership with UNICEF, is on pages 43-58.

We welcomed a new CEO, as well as our CFO and Tsega Gebreyes to our Board.

We've improved and further applied our business model to deliver our strategic ambition to transform lives through financial inclusion and empowerment across the African continent by rolling out a reliable network, providing affordable data and serving our customers – see page 24 for our business model and see page 31 for our strategy. One aspect of this is the ongoing separation of Airtel Money.

We continued to enhance our strategy for improving diversity and inclusion at all levels of our business and for developing our succession and contingency planning processes – see pages 114-118.

We conducted a comprehensive, externally facilitated Board evaluation – see page 103.

We made our first TCFD disclosure and set out our roadmap for achieving full TCFD compliance by the end of the calendar year – see page 54.

We continued working to fully comply with the requirements of the UK Corporate Governance Code applying to Airtel Africa for 2022/23. We are in full compliance barring two provisions: provision 9 (the independence of the chair) and provision 41 (engaging with the workforce on executive remuneration).

Our leadership

Our governance structures

Our Board of directors is the primary decision-making group at Airtel Africa. Its members guide our operational and financial performance, set our strategy and make sure we manage risk effectively. See pages 90-93 for details of our Board members.

There is a clear division of responsibilities between our chair, who leads the Board, and our CEO, who leads the business. You can read more about the responsibilities of our Board, chair, CEO, senior independent director and company secretary on our website at www.airtel.africa.

Board committees

In addition to the formal schedule of matters the Board considers, it delegates key aspects of governance to its committees. We have five main governance committees: Audit and Risk, Remuneration, Nominations, Sustainability and Market Disclosure. Each committee has written terms of reference which are available on our website: www.airtel.africa

Board

Governance committees

Audit and Risk Committee	Remuneration Committee	Nominations Committee	Market Disclosure Committee	Sustainability Committee
Monitors the integrity of our financial reporting and helps the Board review the effectiveness of our internal controls and risk management. Meets at least four times a year.	Reviews the performance of our executive directors and senior management team. Determines the overall and specific remuneration for executive directors, officers and senior management, as well as the Board chair's and non-executive directors' fees. Meets at least four times a year.	Advises on appointments, retirements and resignations from the Board and its committees and reviews succession planning and talent development for our Board and senior management. Meets at least twice a year.	Oversees our disclosure of information to meet our obligations under the Market Abuse Regulations (MAR) by determining whether information is insider information, or when and how it needs to be disclosed. Monitors compliance with our MAR disclosure, controls, and procedures, as well as the release of information under the Information Flow Protocols and Services Agreement with Bharti Airtel. Meets as necessary.	Reviews, challenges and oversees the approval and implementation of our sustainability strategy, including internal reporting and balancing of non-financial targets and our commitments to delivering value for shareholders and other stakeholders. Also oversees diversity and inclusion matters and the work of the Health and Safety Committee. Meeting monthly until our first report is published in late 2022 – then at least three times a year.
Chair: Ravi Rajagopal **Members:** Andy Green Annika Poutiainen Awuneba Ajumogobia Akhil Gupta also attends as an appointed observer on behalf of Bharti Airtel	**Chair:** Doug Baillie **Members:** Awuneba Ajumogobia John Danilovich Shravin Bharti Mittal also attends as an appointed observer on behalf of Bharti Airtel Limited	**Chair:** Sunil Bharti Mittal **Members:** Doug Baillie Andy Green Ravi Rajagopal	**Chair:** Andy Green **Members:** Doug Baillie Segun Ogunsanya – CEO Ravi Rajagopal	**Chair:** Segun Ogunsanya – CEO **Members:** Annika Poutiainen – Board sustainability champion Jaideep Paul – CFO **Other members (ex officio):** Olubayo Adekanmbi – Chief strategy, partnerships and sustainability officer Rogany Ramiah – Chief HR officer Pier Falcione – deputy CFO Peter Odedina – Chief compliance officer Simon O'Hara – Company secretary
See Audit and Risk Committee report on page 104	See Remuneration Committee report on page 128	See Nominations Committee report on page 90		See Sustainability Committee report on page 43

Executive Committee (ExCo)

Advises and supports our CEO on the operation of our business.

Helps our CEO fulfil his responsibilities by, for example, developing and implementing our strategy, monitoring our operating and financial performance, assessing risk, allocating resources and day-to-day operational management.

The committee meets fortnightly.

Our Executive Committee is supported by a number of operational committees:

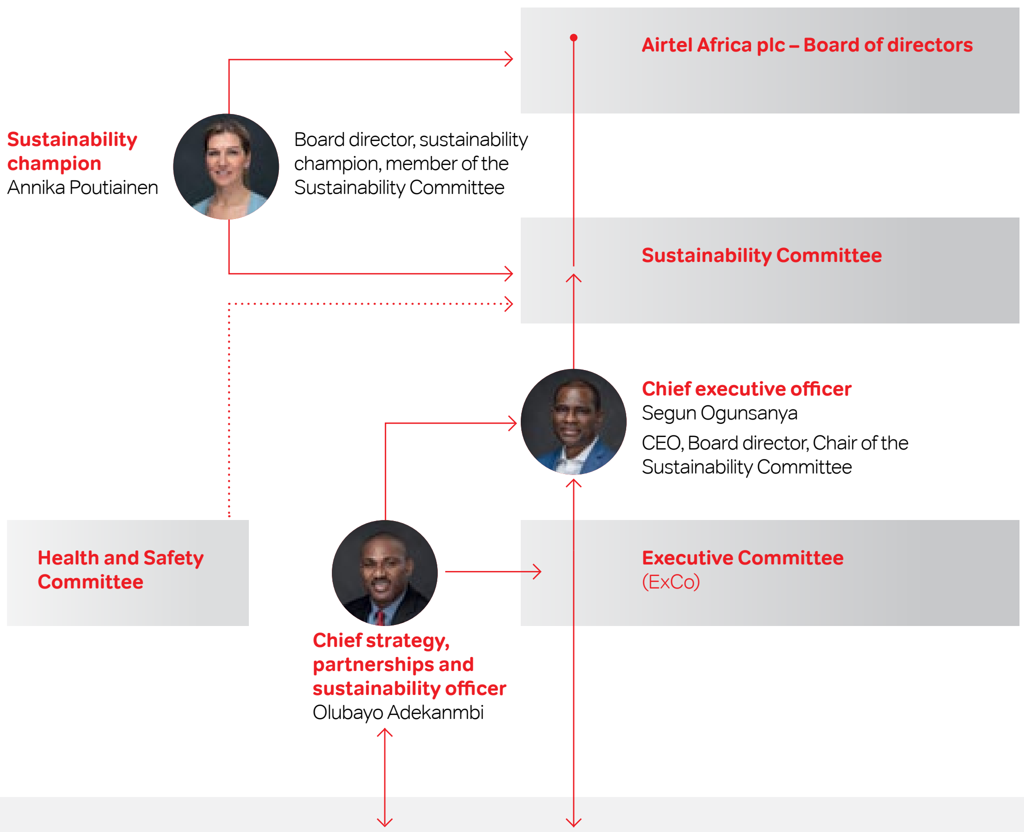
- The Operating Company (OpCo) Functional Review Committee – led by Group functional heads for their teams
- The OpCo Business Review Committee – led by regional directors, with participants also including functional heads and OpCo managing director teams
- The Regional Business Review Committee – led by our CEO with regional directors and functional heads participating
- Treasury Committee and the Executive Risk Committee

More details on the ExCo can be found on page 94

Other committees

The Board also delegates certain responsibilities to our Finance Committee and Share Scheme Committee.

Sustainability governance



Our sustainability strategy

- Pillar 1 – Our business
- Pillar 2 – Our people
- Pillar 3 – Our community
- Pillar 4 – Our environment

Nine dedicated workstreams

Data security	Service quality	Supply chain
Commitment to our people	Digital inclusion	Financial inclusion
Access to education	Reduction of GHG emissions	Environmental stewardship

Other committees

Finance Committee

Approves funding and other financial matters in line with our delegated authorities or as requested by the Board.

Initiates and manages key policies and major operational decisions relating to treasury and direct taxes.

Chair:
Jaideep Paul – CFO

Members:
Ravi Rajagopal – independent NED
Annika Poutiainen – independent NED
Segun Ogunsanya – CEO
Pier Falcione – deputy CFO and treasurer

Attendee:
Akhil Gupta attends to represent the interests of Bharti Airtel in proposed treasury transactions (such as bond refinancing) affecting our parent group and to convey actions of Bharti Airtel which may affect Airtel Africa

Share Scheme Committee

Administers our share schemes.

Composed of any two directors, including at least one non-executive director.

Compliance with the UK Corporate Governance Code

See pages 119-122 for how we comply with the UK Corporate Governance Code (the Code). Here we explain the two provisions we haven't yet met.

Code provision	Explanation
Provision 9: the chair should be independent on appointment when assessed against the circumstances set out in provision 10	The Board has concluded that our chair, Sunil Bharti Mittal, did not meet the independence criteria of the Code due to his interests in the company. However, in view of his extensive involvement with the company and the Bharti Airtel Group over many years, the Board considers that he has made a major contribution to our growth and success and unanimously agrees that his continued involvement is crucial to the ongoing success of Airtel Africa. The Board has put several safeguards in place to ensure robust corporate governance during his tenure as chair. These include appointing Andy Green as senior independent director to act as a sounding board for the chair and as an intermediary for other directors and shareholders. We also review the chair's performance as part of the annual Board evaluation exercise. In line with the Code, the chair sits on the Nominations Committee, which he also chairs. The Board believes Sunil Bharti Mittal continues to effectively oversee our leadership and maintain a balanced shareholder agenda. We'll continue to report against this provision while Bharti Airtel remains a majority shareholder or until the chair chooses to retire, when these arrangements will be reviewed.
Provision 41: engagement with the workforce to explain how executive remuneration aligns with wider company pay policy	During the year, the Remuneration Committee did not engage systematically with our people to explain how executive remuneration aligns with wider company pay policies. Copies of our Annual Report detailing the executive directors' remuneration are widely shared and available for employees to see on our website. During our annual strategy meeting and Q3 Board and Committee meetings in Dubai, the Board was able to meet both formally and informally with our wider management team and other colleagues enabling questions to be asked. A similar opportunity is offered to every employee attending the Q&A session following each quarterly Group-wide town hall meeting. The Remuneration Committee has been tasked with identifying and recommending to the Board a pathway to compliance which will be embedded and effective in time for next year's annual report disclosures.

Compliance with LR9.8.6R (8)	
Compliance with LR9.8.6R (8) requiring companies to include a clear statement of TCFD compliance	See page 54 for our disclosures consistent with the four thematic themes and 8 of the 11 specific disclosure recommendations, an explanation of why we're not disclosing our targets and metrics in this report, and a description of our pathway and timeframe to full compliance.

The Board's focus in 2021/22

As well as quarterly scheduled meetings and the AGM, during the 2021/22 reporting period the Board met an additional three times to consider our full year financial statements and Annual Report approvals process and to approve our sustainability strategy. We've concluded that quarterly meetings are appropriate for the time being. As well as extra Board meetings when necessary, we have processes in place for approving one-off transactions and other matters arising between meetings – this occurred four times during the year.

Strategy and execution

- Reviewed our strategic plan and worked to make sure our strategy stays robust in the light of forecast market and economic changes
- Considered the articulation of our corporate purpose – building on our strong vision and values as stated in our business model
- Undertook deep dives into:
  - Our Airtel Money business – including the grant of the payment service bank licence and super-agent licence in Nigeria
  - Our fibre businesses
- Continued to support new money transfer partnerships, such as with leading African payments company Flutterwave, to expand Airtel Money to businesses across Africa
- Established a separate governance structure for Airtel Money, including a Board, Audit and Risk Committee, and Remuneration and Nominations Committee to oversee its operational separation
- Opened a new administrative office in Dubai for our ExCo, significantly improving connectivity and enhancing cooperation across our 14 operating markets in Africa
- Continued to look at strategic asset monetisation and investment opportunities including:
  - Transactions to sell our telecommunications tower assets, such as in Tanzania, Malawi and Madagascar, where proceeds have been partly used to reduce external debt and invest in network and sales infrastructure
  - Strategic investments in our mobile money business by TPG, Mastercard, Qatar Holding LLC and Chimera Investment LLC, aiming to explore the potential listing of the mobile money business within four years of the March 2021 deal announcement
- Continued to look at our subsidiary companies' minority shareholding structure, culminating in the completion of the Airtel Nigeria minority buyout offer (October 2021)
- Launched an ambitious sustainability strategy covering every aspect of our business activities and showing the Board's commitment to developing infrastructure and services to drive both digital and financial inclusion for people across Africa
- Supported our five-year pan-African partnership with UNICEF to roll out digital learning through connecting schools and ensuring free access to learning platforms in 13 countries

Financial

- Approved the full year results and financial statements and the Annual Report and financial statements for the 2021 financial year and accompanying RNS announcements
- Approved the half year results statement and quarterly statements for the 2022 financial year and accompanying RNS announcements
- Approved the payment of the interim dividend for the financial half-year 2022 and recommended a final dividend for the financial year 2021
- Approved an upgrade to the progressive dividend policy as a result of continued strong business performance and significant progress made in reducing costs
- Continued to focus on strengthening our balance sheet
- Approved the Group's tax strategy (see www.airtel.africa)
- Approved the annual operating plan for the year ending 31 March 2022
- Regularly reviewed our financial performance and forecasts
- Received information on market dynamics and expectations from our brokers
- Agreed to the early bond redemption of the Guaranteed Senior Notes due in 2023 in line with Board policy to continue to reduce external foreign currency debt at Group level
- Made considerable progress in our strategy to deleverage by reducing the EBITDA to net debt ratio
- Continually monitored capex expenditure against pandemic related supply chain issues

Leadership and employees

- Approved the appointment of a new CEO and made several other Board appointments and changes. These included the appointment of Tsega Gebreyes as an independent non-executive director and the elevation of our Chief finance officer, Jaideep Paul, to the Board
- Worked to make sure our remuneration policy remains appropriate and we are able to incentivise our executive team while being able to adapt to each year's developments and strategy
- Approved the submission of a revised remuneration policy to shareholders one year early at our 2022 AGM
- Endorsed the Chief executive's appointment of Olubayo Adekanmbi as Chief strategy, partnerships and sustainability officer in December 2021
- Considered the impact of the pandemic on the safety and wellbeing of our people, as part of the CEO's report to each meeting
- Discussed our strategic and operational pandemic response and reviewed management's mitigation plans to reduce its impact
- Reviewed our people agenda and the robustness of our succession plans for improving diversity, talent management and bench strength
- Supported our CEO in his mentoring programme

Internal control and risk management

- Considered and agreed the Group's risk appetite and principal and emerging risks
- Agreed the viability statement disclosed in the 2021 Annual Report
- Approved the adoption of going concern basis of accounting in preparing the half and full year results
- Agreed the Modern Slavery Act Statement (available at www.airtel.africa)

Governance and stakeholders

- Our corporate legal advisers Herbert Smith Freehills LLP provided training on the political environment, governance reform, liability to investors and the focus on directors' duties. The subsequent Board discussion focused on audit, diversity, market abuse and section 172
- Considered the output and recommendations from the Board and committees effectiveness review and how to implement these
- Reviewed and approved the directors' register of interests
- Reviewed our compliance with the UK Corporate Governance Code and wider statutory and regulatory requirements
- Reviewed our Task Force on Climate-related Financial Disclosures and identified climate-related risks and opportunities – and more widely, continued to oversee and support the implementation of our sustainability strategy
- Monitored and reviewed the effectiveness of the information sharing and separation protocols between Airtel Africa and Bharti Airtel
- Received updated training on applying these protocols from our corporate legal advisers and company secretary
- Monitored and considered stakeholder feedback and continued to actively promote wider engagement
- Had a joint presentation and discussion with our corporate brokers on our share price performance since IPO, investor profile, ESG profile and dividend yield

Board attendance

Directors make every effort to attend all Board and committee meetings. There was one non-attendance at a Board and committee meeting this year due to a close family member's funeral. Otherwise, all Board and committee meetings had full attendance during the reporting period. If a director is unable to attend a meeting, they receive the papers in advance and give their comments to the chair to communicate at the meeting. He also follows up with them after the meeting about decisions taken.

Due to pandemic-related lockdown and travel restrictions, we held all but one meeting over video conferencing with some UK-based Board members occasionally attending in person.

Directors' other significant commitments are disclosed to the Board during the process of their appointment, and they must notify the Board of any subsequent changes. We have reviewed the availability of the chair and the non-executive directors to perform their duties and consider that each of them can and does devote the necessary amount of time to Airtel Africa.

Board and committee meeting attendance

Board members during 2021/22	Scheduled Board meetings	Number of additional Board meetings attended[1]	Audit and Risk Committee	Remuneration Committee	Nominations Committee	Market Disclosure Committee[5]
Sunil Bharti Mittal[2] (chair)	6 (6)	3 (3)			3 (3)	
Segun Ogunsanya[4] (CEO)	3 (3)	1 (1)				2 (2)
Jaideep Paul[3] (CFO)	5 (5)	2 (2)				
Andrew Green (independent non-executive director)	6 (6)	3 (3)	11 (11)		3 (3)	2 (2)
Awuneba Ajumogobia (independent non-executive director)	6 (6)	3 (3)	11 (11)	5 (5)		
Douglas Baillie (independent non-executive director)	6 (6)	3 (3)		5 (5)	3 (3)	2 (2)
John Danilovich (independent non-executive director)	6 (6)	3 (3)		5 (5)		
Tsega Gebreyes[4] (independent non-executive director)	3 (3)	1 (1)				
Annika Poutiainen (independent non-executive director)	6 (6)	3 (3)	11 (11)			
Ravi Rajagopal (independent non-executive director)	5 (6)[6]	3 (3)	10 (11)		3 (3)	2 (2)
Akhil Gupta[2] (non-executive director)	6 (6)	3 (3)				
Kelly Bayer Rosmarin[2] (non-executive director)	6 (6)	3 (3)				
Shravin Bharti Mittal[2] (non-executive director)	6 (6)	3 (3)				

1 Additional unscheduled Board meetings took place in connection with the approval of the Annual Report and related matters and approval of our sustainability strategy

2 Appointed in line with the Relationship Agreement

3 Appointed June 2021

4 Appointed October 2021

5 Communicates monthly in writing before releasing information in line with the Information Protocols and Service Agreement with Bharti Airtel

6 Ravi was attending a close family member's funeral in India in July. He provided his input to the Board through the company secretary and to the Audit and Risk Committee through the CFO and Annika Poutiainen, who stood in as chair

Board evaluation

Board performance

This year's externally facilitated evaluation of the Board and its committees, by independent advisory firm Lintstock, took the form of an online questionnaire tailored to our specific activities and concerns. The Board, each of its committees and all of the directors took part in the review. The questionnaire sought input on Board composition, stakeholder oversight, Board dynamics, management and focus of meetings, Board support, Board committees and progress against the previous year's actions. The evaluation also probed the Board's oversight of wider strategy, risk management and internal controls, succession planning, and people oversight and priorities for change. A report was prepared on the completed questionnaires. The results were discussed in detail by the Board and each committee.

From the anonymised survey responses and interview feedback, Lintstock identified focus areas and recommendations for the Board and its committees. The results of the self-assessment element of the survey were shared with the chair and discussed at one-to-one meetings between the chair and directors. The results of the chair's review were shared with the senior independent director, who then discussed the chair's performance with the non-executive directors only.

2021/22 evaluation results

The chair and company secretary presented the reports to the Board for discussion and review.

In monitoring progress against the previous year's actions, the evaluation determined that Segun Ogunsanya's succession to the Group CEO role had been successfully completed. The quality of Board and committee papers had improved; and the Board strategy meeting had benefited from being held in person and involving senior management.

Recognising its strengths and areas to develop, the Board and its principal committees agreed actions for the coming year:

2021/22 evaluation	Outcome	Key themes and areas for focus	Action
Board	**Stakeholder oversight**	Customers and suppliers	Our Board and management team will allocate more time this year to considering our various stakeholders with a particular focus on the customer perspective, engaging and managing relationships with our suppliers, and monitoring employee sentiment and culture.
		Workforce engagement	The Board will identify and create more opportunities to engage directly with our wider workforce. We will look to appoint three regional designated directors for employee engagement, ensure representation at all-employee quarterly town hall meetings and arrange informal meetings for various employee groups around Board meetings and other gatherings. Our Chief HR officer will also attend Board meetings twice each year to report on workforce engagement and cultural change, as well as providing update papers for all other regularly scheduled meetings.
	Governance and compliance	Board agenda	We'll introduce with immediate effect a 'managing by deemed consent' procedure for standard Board papers, to free more time for discussion and debate during meetings. We'll further embed the rollout of the Board and committee paper template across all meetings to facilitate shorter Board packs and earlier circulation of papers. For progress on improvements to Board processes during the reporting period see the section 'An effective and improving Board' in the chair's statement on page 96. The review also identified topics to be added to the rolling forward agenda, including scope to improve the Board's understanding of digital and data developments, potential technology disruptors and risk management 'deep dive' focus areas. Directors will look to engage with stakeholders in more ways during the year.
	Sustainability strategy	Ensuring that our sustainability agenda is central to the Board's discussions and decisions, and the company's business practices and processes	The Board has elevated the Sustainability Committee to a full committee of the Board – under the stewardship of the Board sustainability champion, Annika Poutiainen and our CEO – to enhance its monitoring of progress on our sustainability agenda and ESG matters.

Conclusions

The 2021/22 evaluation has shown that the Board has the appropriate balance of skills, experience, independence and knowledge to perform Board and committee responsibilities effectively. Respondents unanimously agreed that the Board had performed well over the year and was operating effectively.

The chair confirmed that individual directors continued to perform effectively and show commitment to the role. The Board concluded that all directors continue to give sufficient time to their Board duties and making valuable contributions. In light of this, the Board proposed the election and re-elections set out in the 2022 Notice of Annual General Meeting.

The committees also discussed the results of their respective evaluation reports and agreed actions where appropriate. The senior independent director met with the chair privately to discuss the anonymised results of the chair's review section of the survey and the outcomes of his discussion with non-executive directors. The overall effectiveness of the chair was seen as excellent, reflecting a genuine focus on the best outcomes for the company in all aspects of his role.

The chair, assisted by the company secretary, drew up a list of action points based on the evaluation and allocated responsibility for completing the actions. The Board and each committee will review progress against these at each meeting.

Re-election of directors

In line with the Code, all directors will be putting themselves forward for re-election at our AGM on 28 June 2022. Following the formal performance evaluation described here and taking into account each director's skills and experience (set out on pages 90-93), the Board believes that the re-election of all directors is in the best interests of Airtel Africa.

Audit and Risk Committee report

Ravi Rajagopal
Chair, Audit and Risk Committee

Attendance

	Meetings attended
Ravi Rajagopal Chair	10 (11)
Andy Green	11 (11)
Annika Poutiainen	11 (11)
Awuneba Ajumogobia	11 (11)

Chair's statement

I'm pleased to present the work of our committee during the year. Our members are unchanged – we're a team of independent non-executive directors with the financial experience, commercial acumen and industry knowledge to fulfil our responsibilities.

We've continued to face pandemic-related challenges for much of the financial year, including working and international travel restrictions. However, I'm pleased to report that our external auditors were able to meet selected audit teams and management in person to perform the year-end audit. I'm also pleased that our committee was able to meet in person in February in Dubai and made good use of technology to hold robust and meaningful virtual meetings throughout the year.

Key areas of focus

We continued to look in depth at certain aspects of the control environment, particularly the presumed risk of management override of controls including fraud, IT security and cyber risk. The findings of our internal audit reviews during the year in each of these areas were shared with our committee.

We reviewed the process for identifying and mitigating principal and emerging risks, challenging management actions where appropriate. We adopted a new risk appetite statement laying out our risk appetite, tolerance limits and governance oversight processes to make sure risks across the Group stay within an acceptable and manageable range.

There are two changes to our principal and emerging risks for the year ended 31 March 2022: the post-Brexit regulatory environment is no longer considered an emerging risk and Covid-19 is now a lower principal risk. The principal and emerging risks and significant judgements made in connection with these risks are set out on page 83.

We also examined the interplay between the mandatory Task Force on Climate-related Financial Disclosures (TCFD) and our sustainability reporting. We've assessed the risks and opportunities linked to climate change and how these should be reported. We set out in our sustainability strategy our commitment to publishing in mid-2022 detailed plans for meaningful carbon reduction throughout our entire value chain ahead of our first sustainability report. We have conducted a TCFD gap analysis and set out a roadmap for achieving full TCFD compliance. Our committee is comfortable with the approach adopted. For our TCFD disclosures see page 54 of the strategic report.

As well as our usual review of accounting judgements and disclosures on key accounting matters, we reviewed the treatment of significant transactions during the year. These included the sale of the tower portfolio and subsequent leasing arrangements, various refinancing arrangements and strategic investments in our mobile money business, and the controls and processes involved in separating this business. We continued to monitor the integrity of our financial statements and the effectiveness of the internal and external audit processes.

We meet regularly, independently of management, with both external and internal auditors, and are satisfied that neither is being unduly influenced by management. I also hold regular meetings with our CFO and other members of management to better understand the issues that need discussion at committee meetings. And I regularly engage with key stakeholders, including Group Internal Assurance, senior management and our external auditor, on committee work.

We continue to operate with openness and transparency, and a spirit of robust challenge when necessary, to make sure our shareholders and other stakeholders are protected.

In the coming year, we'll conduct a finance talent review, spend more time reviewing risk and fraud, and oversee the financial and control considerations connected to the separation of the fibre and Airtel money businesses.

I'd like to thank the management team at Airtel Africa and each of the committee members for their support and contribution during the year.

I welcome questions from shareholders on this committee's activities. To discuss any aspect of this report please contact me through our company secretary, Simon O'Hara (see page 240 for contact details). I'll also be attending the 2022 AGM and look forward to the opportunity to meet and speak to you there.

Ravi Rajagopal
Chair, Audit and Risk Committee

10 May 2022

Committee governance

Responsibilities

Our committee oversees financial reporting, internal controls and risk management, Group Assurance and Audit, and our relationship with the external auditor.

For more detail, please see the committee's terms of reference at www.airtel.africa/investors/governance.

Composition

This committee consists of four independent non-executive directors: Ravi Rajagopal (chair), Andy Green, Annika Poutiainen and Awuneba Ajumogobia.

Provision 24 of the Code says:

i. At least one . Composition This committee consists of four independent non-executive directors: Ravi Rajagopal (chair), Andy Green, Annika Poutiainen and Awuneba Ajumogobia. Provision 24 of the Code says: i. At least one committee member should have recent and relevant financial experience. The Board is satisfied that Ravi Rajagopal meets this requirement. Ravi held financial leadership roles at Diageo until retiring in 2015, including group controller in the UK and global head of mergers and acquisitions. His skills in finance, and control and risk have been developed over a career working in senior strategy and management roles. As a qualified chartered accountant, Ravi has lectured at Oxford University and Imperial College.

ii. The committee, as a whole, shall have competence relevant to the sector in which the company operates. As a collective, we have a thorough understanding of the telecoms sector, including recent and relevant financial experience and expertise gained through various corporate and professional appointments over the years.

For more about Ravi, Andy, Annika and Awuneba, see the directors' biographies on pages 90-93. Our company secretary is secretary to the committee.

Meetings during the year

Our scheduled quarterly meetings take place shortly before Board meetings. We usually meet beforehand for a pre-meeting to focus on internal audit and discuss any issues needing more time. We held five scheduled meetings and five combined Internal Assurance and pre-meetings during the year. Attendance during the year is set out on page 102.

We also met twice between the end of the financial year and the signing of this Annual Report.

Our meetings are also attended by the CEO, CFO, deputy CFO, head of internal audit and Chief compliance and risk officer, along with internal audit partners (ANB and EY) and other senior executives. Representatives of our external auditor, Deloitte, were invited and attended all meetings, except for one meeting on 29 March, 2022. Akhil Gupta also attends our committee meetings as an appointed observer on behalf of Bharti Airtel.

Other senior finance and Executive Committee leaders sometimes attend and present to our committee if specialist knowledge is required.

The committee chair meets privately with each of the CFO, head of internal audit and risk assurance, Chief compliance officer and our external auditor to ensure the effective flow of material information between the committee and management. We also regularly make time for discussion at the end of meetings without management being present.

Effectiveness

The external Board evaluation reviewed the committee's effectiveness and sought feedback from its members and the external adviser. We discussed the output, which concluded that we had operated effectively throughout the year. We also confirmed our areas of focus for the year ahead.

We review our terms of reference yearly – and this year, we revised them to bring clearer alignment with Code provisions and updated FRC guidance. This included our responsibilities related to:

- The consistency of our narrative reporting (Code provision 25 and FRC guidance 37 and Code Principal N and provision 27)
- Reviewing and approving the statements in the Annual Report around internal control, risk management and the viability statement (Code provision 28 and FRC Guidance paragraph 44)

These terms of reference are available on our website www.airtel.africa.

For details of the Board evaluation see page . For details of the Board evaluation see page 103.

Part 1

Our work during the year

At each quarterly meeting, we review summary reports from internal assurance, as well as financial results and details of action taken or proposed plans. We also receive summary reports from our external auditors at the half year and year end. Our committee chair then reports to the Board on our activities, recommendations, and other relevant matters.

The committee's focus in 2021/22

Strategic focus for risk management and internal control

2021/22 committee objectives	Actions taken	Cross-reference
Looking closely at the robustness of our systems for risk reporting, assessment and control and ensuring that we focus on the areas of greatest risk	As part of our key issues report, we reviewed our quality of service reports, conducted design and compliance reviews, and ensured that learnings were applied across the business. In addition to quantitative data, we requested more qualitative assessment and information to enable members to exercise good judgement.	See page 111
Reviewing our risk management framework and conducting thematic risk reviews to ensure risk remains within our agreed appetite and is monitored and reviewed as needed to reflect external and internal changes	After a series of workshops held around the business, we adopted the updated Risk Appetite Statement (RAS) framework and an exception-based risk reporting approach. We will review the key risk indicators and tolerance limits yearly. We made several improvements to the framework and plan, and conducted the following thematic reviews: (i) **HR risk review:** we noted that the HR scorecard was escalated to the CEO monthly and that the four top HR risks were talent acquisition, succession planning, occupational health and safety and work location (future risk). We discussed mitigating actions and KPIs for HR risks. (i) **Supply chain management risk review:** we discussed how risks for supply chain management are identified. Four major risks were identified relating to the increasing structure and vendor governance – along with mitigating actions. (ii) **Financing and foreign currency risk:** we discussed: – Exchange rate volatility and devaluation risk – Liquidity and refinancing risk – Depth of market/products and banking landscape and treasury governance – Related internal controls and compliance As most of Airtel Africa's operations are in currencies which have and are expected to devalue against the USD in the medium/long term, we discussed mitigation strategies. These include rebalancing debt from Group level to OpCo level and introducing a governance system during the year to monitor and improve OpCo treasury activity. We also strengthened the ability of local teams to manage additional complexity and strategic projects. (iii) **Enterprise business risk review:** this looked at top enterprise risks and our processes for registering, processing, monitoring and implementing all observations identified by Internal Assurance. (iv) **Airtel Money:** we reviewed the register of significant risks and assessed regulatory-related implications of a breach. We also reviewed back-end controls and supported actions to strengthen Know Your Customer and minimise commission arbitrage. (v) **IT security risk:** we reviewed the risk of technology obsolescence, examined our network resilience and business continuity plans, conducted cyber and information security reviews including a dark web analysis, and concluded additional IT security checks. (vi) **Network:** we reviewed the risks of technology obsolescence and our digitisation and innovation plans. (vii) **Regulatory:** we reviewed risks related to Know Your Customer and quality of service non-compliance, licences fees and telecoms taxes, and other top risks. We recommended that post-Brexit risk be dropped as an emerging risk. We advised the Board that our risk management and internal control systems were effective. Following its own review of the reports submitted to it, the Board agreed that our system of internal control continues to be effective in identifying, assessing, and ranking the various risks we face as a business, as well as in monitoring and reporting progress in mitigating the potential impact of these risks.	See page 83

2021/22 committee objectives	Actions taken	Cross-reference
Clarifying processes and controls to help people identify, monitor and mitigate risk earlier and more effectively Reviewing the assurance processes supporting certain aspects of the TCFD and sustainability sections in the 2021/22 Annual Report	We reviewed the risks and opportunities resulting from our assessment of climate change and how these should be reported. We concluded that the assurance processes supporting the narrative reporting in the Annual Report in the areas are satisfactory.	See page 86 for our climate change risk disclosures
Reprioritising the audit scope to focus on areas with potential business impact	We rolled out key financial controls across the different functions. This started with a self-assessment exercise followed by an Internal Audit validation exercise of the self-assessment. We reviewed the effectiveness of our internal financial controls framework (ICOFR process) and introduced a key controls framework across all 14 OpCos, as well as a quality assurance improvement programme.	See page 112

Ongoing financial reporting activities

We reviewed the integrity of the quarterly, half year and full year financial statements. We also examined other statements containing financial information, including trading updates and investor presentations and packs, and recommended their approval to the Board. At each of our meetings, we reviewed and constructively challenged the accounting methodologies, judgements and disclosures set out in the papers prepared by management – determining the appropriateness of these with input from the external auditor. Key transactions, judgements and estimates in relation to this year's financial statements are listed on page 109. We also reviewed our existing and emerging litigation risks.

2021/22 committee objectives	Actions taken	Cross-reference
Reviewing financial reporting controls and considering issues and findings raised by the Internal Audit team	The committee was satisfied that management had resolved or was in the process of resolving any open issues or concerns in relation to matters identified by Internal Audit teams.	See page 112
Considering management's significant accounting judgements, the policies applied to quarterly, half year and full year financial statements, and how the statutory audit contributed to the integrity of our year-end financial reporting	We assessed: (i) The quality, appropriateness and completeness of the significant accounting policies and practices and any changes to these (ii) The reliability and integrity of our financial reporting, including key judgements and whether to support or challenge management's judgements (iii) The external audit findings, including their review of key judgements and the level of misstatements (iv) The CFO's reports, which set out the rationale for the accounting treatment and dis-closures regarding judgements and estimates. Deloitte UK shared their views on the treatment of significant half year and full year matters, summarising each issue and assessing the appropriateness of management's judgements or estimates. In considering whether there was evidence of bias, our committee examined the overall level of reasonableness applied during the year to these judgements. We challenged management on some judgements and sought explanations of the conclusions drawn, making recommendations to the Board for the approval of the half and full year accounts and financial statements.	
Reviewing the proposed audit strategy for the year's statutory audit, including the level of materiality applied	We monitored the statutory audit team's progress against the agreed plan and considered issues as they arose.	
Reviewing the basis of preparation of financial statements as a going concern as set out in our accounting policies	We made recommendations to the Board to support the going concern statement which was prepared on an appropriate basis and confirms that the Group remains a going concern.	See page 166 for our accounting policies
Reviewing the long-term viability statement proposed by management and reasons for retaining a 3-year reporting period	We discussed the length of the viability period with management and the external auditors, challenging management to justify a 3-year rather than 5-year period. Management recommended adopting a 10-year plan for internal forecasts and impairment testing. They noted that the emerging markets in which Airtel Africa operates are underpenetrated compared to developed markets. In such markets, short-term plans (3 years) are not indicative of our long-term prospects and performance. Other considerations are the life of our regulatory licences and network assets, which average 10 years, and potential opportunities in the emerging African telecoms sector (mostly a 2-3 player market with lower smartphone penetration). However, the 3-year liquidity plan matches the current visibility of the tenure of our financing arrangements (mainly including $1bn of long-term bonds, due for repayment in a 3-year period) and the design and payout of the management. On this basis we agreed to adopt a 3-year period for the purpose of our viability statement.	See page 87

Part 1

2021/22 committee objectives	Actions taken	Cross-reference
Reviewing the results of the committee's assessment of the effectiveness of the 2021/22 audit	The committee concluded that the audit was effective. The Board will recommend the reappointment of Deloitte as external auditor for the year ending 31 March 2023 at the AGM.	See page 112
Reviewing whether the company's position and prospects as presented in the 2022 Annual Report and financial statements were fair, balanced and understandable	We assessed: (i) The completeness and consistency of disclosures in the Annual Report, interim reports, our business model and strategy (ii) The internal verification of the non-financial factual statements, key performance indicators and descriptions within the narrative (iii) Feedback from external parties (corporate reporting specialists, remuneration advisers, external auditors) to enhance the quality of our reporting (iv) The FRC's guidance on clear and concise reporting in this report, as well as compliance with financial reporting standards and other reporting requirements We recommended to the Board that the 2022 Annual Report and financial statements presented a fair, balanced and understandable assessment of Airtel Africa's position and prospects.	See page 127
Reviewing the non-audit services and related fees and the policy for non-audit services provided by the auditor for the year	We approved the non-audit services and related fees provided by Deloitte for 2021/22 and concluded that no changes were required to the policy for non-audit fees provided by the auditor.	See page 113
Negotiating and agreeing the statutory audit fee for the year	The 2020/21 statutory audit fee was paid and the committee approved the fees for the 2021/22 audit.	See page 186

Governance

2021/22 committee objectives	Actions taken	Cross-reference
Regulatory reform	We submitted a response to the BEIS consultation, "Restoring trust in audit and corporate governance" – covering the Kingman, CMA and Brydon reviews (UK SOX). We will continue to monitor proposals for audit and corporate governance reform to ensure Airtel Africa is well placed to address them.	
European Single Electronic Format regulatory technical standard (ESEF)	We paid special attention to the preparation of our consolidated financial statements in digital form under the European Single Electronic Format regulatory technical standard (ESEF). As this was the first report in this format, we made sure the necessary procedures had been completed by all parties, including our technical accounting team, a specialist IT provider and our external auditor.	See back page
Reviewing the committee's terms of reference	We revised our terms of reference to bring clearer alignment with Code provisions and updated FRC guidance. This included consistency between narrative reporting in different sections (Code provision 25 and FRC guidance 37 and Code Principal N and provision 27) and reviewing and approving Annual Report statements on internal control, risk management and the viability statement (Code provision 28 and FRC Guidance paragraph 44). These terms of reference are available at www.airtel.africa.	
Reviewing the conclusions of the committee's annual evaluation	We reviewed the results and set out an action plan to deliver its recommendations. The Board considered the results of the review and considered the committee to be effective.	See page 103
Monitoring fraud reporting and compliance with the Bribery Act	We reviewed our anti-fraud policies and alleged incidents of fraud, as well as compliance with our anti-bribery programme.	

Reviewing the 2022 Annual Report

At the request of the Board, we reviewed this Annual Report to consider whether, taken as a whole, it was fair, balanced and understandable. We have robust governance processes in place to support the year-end review of the Annual Report, including ensuring that everyone involved understands the 'fair, balanced and understandable' requirements. Our considerations included:

Fairness and balance

- Is the report open and honest? Are we reporting on our weaknesses, difficulties and challenges alongside our successes and opportunities?
- Do we clearly explain our KPIs and is there strong linkage between our KPIs and our strategy?
- Is there a fair balance between alternative performance measures (APMs) and reported figures?
- Do we show our progress over time and is there consistency in our metrics and measurements?

Understandable

- Do we explain our business model, strategy and accounting policies simply, using precise and clear language?
- Do we break up lengthy narrative with quotes, tables, case studies and graphics?
- Do we have a consistent tone across the Annual Report?
- Are we clearly 'signposting' to where more information can be found?

Iterations of the draft Annual Report were provided to committee members throughout the production process. Following our formal review in meetings on 29 April and 5 May, we confirmed to the Board that this Annual Report is fair and balanced and provides enough clarity for shareholders to understand our business model, strategy, position and performance. The directors then made their assessment following the Board's review of the document at its meetings on 29 March, 6 and 10 May 2022.

Part 2

Key transactions, judgements and estimates and our response

We considered the following key transactions, judgements and estimates in the context of the financial statements, discussed them with our external auditor, and have found the response to each appropriate and acceptable.

Key area	Actions and conclusions
Going concern assessment	The committee received a detailed paper from management and reviewed and challenged the assumptions made in reaching the conclusion that the financial statements should be prepared on a going concern basis. This included: • Cash flows under base and reasonable worst-case scenarios (capturing principal risks and uncertainties described on page 87 • The sensitivities considered in response to these risks and the output of stress testing performed • Our solvency and liquidity positions • Our borrowing facilities including undrawn committed facilities • Sensitivities reflecting the potential impact of Covid-19 • The disclosures in the annual report (refer to page 166) The committee were satisfied with the robustness of the review and recommended to the Board the appropriateness of the going concern assumption and the related disclosures. For more information on the going concern assessment refer to note 2.2 of the financial statements.
Viability statement	As the committee provides advice to the Board on the form and basis of conclusion underlying the long-term viability statement as set out on page 87, it performed a detailed review of the long-term viability assessment including consideration of Group's strategy and business model. Our review covered: • The Group's prospects • The period under consideration • Principal risks (refer to pages 80-86) • Longer-term cash flow forecasts • The sensitivities considered in management's stress-test to respond to the potential principal risks reference above, including the potential impact of Covid-19 We challenged the rationale of using a three-year period for the purpose of our viability assessment comparing with a longer period for impairment purposes. We discussed the justification with the management which was then covered by updating the disclosure on the Board's assessment of LTVS as well as the impairment disclosure. We also reviewed the enhanced disclosures by the Group on providing further disclosures to quantify the impact of sensitivities in line with FRC recommendations and were satisfied with the disclosures adopted. Taking into account potential mitigating actions, we were satisfied with the conclusion and disclosure on the Group's long-term viability. Our 2021/22 long-term viability statement and more details on the assessment is set out on page 87.
Accounting impact of tower sale transactions consummated during the year	As outlined on note 5 of the financial statements, the Group entered into tower sales transactions in Tanzania, Malawi, Madagascar and Rwanda. The committee reviewed the accounting for these sales and determined that the conclusions reached on sale and lease back accounting and the income statement gains recorded were appropriate. Further, the committee challenged the basis of arriving at the lease back percentage and recognising the consequent upfront gains as exceptional items concluded that the accounting treatment and associated disclosures were appropriate and in line with the exceptional items policy of the Group given that this was part of the Group's strategic asset monetisation programme and above the Group threshold for reporting exceptional items.
Conclusion of the Airtel money stake sale including the recognition of put option liability	As outlined on note 5 (g) of the financial statements, the Group entered into share sale agreements in one of the Group's subsidiaries, Airtel Mobile Commerce BV (AMC BV) by way of a secondary sale of AMC BV's shares. The Group received total consideration of $550m on these sales. The Group concluded that it does not control the shares placed in escrow and hence recorded these shares as part of the Group's non-controlling interests. Furthermore, as set out in more detail on note 5 (g) of the financial statements, the Group recognised a financial liability for The Rise Fund and Mastercard's option to sell their shares in AMC BV to Airtel Africa or its affiliates at fair market value in the event that there is no Initial Public Offering of shares in AMC BV within four years. The Group has determined that successfully executing the IPO is not within the complete control of the Group and has therefore recorded a financial liability at the present value of the expected buy-back amount which is also the maximum amount. Subsequent re-measurement of this liability has been recognised as a finance cost. The committee reviewed the accounting for the transaction and satisfied itself that the conclusions reached were appropriate.

Audit and Risk Committee report continued

Part 2

Key area	Actions and conclusions
Goodwill impairment	We received a detailed management paper on impairment and challenged the appropriateness of the assumptions and judgements adopted for the annual impairment testing exercise in December 2021 including the use of a 10-year plan which the committee was satisfied as appropriate. This was based on the African telecom markets which are underpenetrated when compared to developed markets. In forming this view, we also reviewed the sensitivities performed by management on key assumptions such as the discount rate, growth rates and on the headroom if a five-year plan had been adopted with appropriate long-term growth rates. We also reviewed management's consideration of the impact of climate change. Based on the analysis conducted so far, we were satisfied that any related costs are adequately covered as part of the impairment sensitivities and therefore no impairment would arise. For more information on the Group's goodwill impairment assessment refer to note 15 of the financial statements.
Analysis of alternative performance measures (APMs)	As charity and donations are not related to the trading performance of the Group, these were adjusted to arrive at underlying EBITDA and margin in previous periods. With the launch of our sustainability strategy in the current year, wherein 'access to educational goal' is one of our key goals, the Group revisited the definition to include the CSR expense as part of underlying EBITDA, margin and operating free cash flow. During the year, the Group removed free cash flows as an APM since the Group's dividends are no longer linked to such metric. In addition, restated EPS was also removed as an APM as there has been no significant change in the number of shares issued between the current and previous financial reporting periods. The committee performed a detailed review on the use and disclosures of APMs within the annual report (including reconciliations disclosed) and concluded that the balance and equal prominence of APMs (in comparison to GAAP measures) was appropriate. The committee challenged management on changes to APMs and satisfied itself that the changes were appropriate. For more information on APMs refer to page 175 of the annual report.
Share buy-back in Airtel Nigeria	On 1 December 2021, Airtel Nigeria completed the buy-back of 8.22% non-controlling interest (out of existing 8.26%) from its non-controlling shareholders at a total cost of NGN 67.6 billion (approximately $163m) including directly attributable transaction costs. The committee reviewed and challenged the accounting for this transaction and were satisfied with the cost of the buy-back including transaction costs being taken through equity.
Review of effective tax rate	The committee reviewed and challenged management's calculation of the effective tax rate every quarter and found this to be satisfactory.
Review of tax/ legal/regulatory matters	The committee reviewed the key developments in material tax, legal and regulatory cases during the period, management's estimate of key tax, legal and regulatory disputes, and how these were rated by management as probable, possible or remote and as satisfied with the accounting conclusions reached by the management.
Exceptional items	We reviewed all exceptional items during the year and considered whether the items met the definition as an exceptional item under Group policy and FRC guidance and were satisfied with management's position and conclusions. We reviewed the Group's exceptional item threshold at the beginning of the year and agreed to management's proposal to increase the threshold in line with the size and performance of the Group. We will continue to review the relevance of the Group's exceptional item policy with respect to applicability and thresholds every year in line with FRC guidance and the practices adopted by other FTSE companies. For more information on exceptional items refer to note 11 of the financial statements.

Part 3

Risk management and internal controls

Our approach to risk

As highlighted in the strategy and risk sections of the strategic report, risk management is inherent to our management thinking and business-planning processes. The Board has overall responsibility for establishing and maintaining our risk management and internal control systems.

For more information on our risks and mitigation and our risk management framework, see the risk report on pages 80-86.

The Board also approved the statement of the principal risks and uncertainties set out on pages 83-86.

Progress in 2021/22

Each quarter, our CEO and CFO provide a compliance certificate connected to the preparation of our financial results. This includes the policies and procedures for areas of the business under their responsibility and confirms the existence of adequate internal control systems throughout the year. Our committee reviews any exceptions noted in this exercise.

Working to minimise the risk of fraud, bribery and corruption

Minimising the risk of fraud is one of the key priorities for Internal Audit, and we take a range of actions to do this. These include assessing the quality of balance sheet reconciliations, key judgement matters, tenders and quotations, and controls over payments and associated applications.

We continue to focus on limiting our potential exposure to bribery and corruption risks, for example by providing mandatory training, reviewing financial records and developing our policies and procedures. Our contract management system includes mandatory certification to our Code of Conduct and anti-bribery and corruption policy. Each year, every employee must take part in computer-based training on anti-bribery and corruption and our Code of Conduct. Our Internal Audit team reviews our anti-bribery compliance programme to assess its continued effectiveness. We will continue to assess bribery risks in our markets to refine and improve our anti-bribery compliance programme.

Our committee also monitors and oversees procedures around allegations of improper behaviour and employee complaints.

Whistleblowing procedures

Our whistleblowing programme is a confidential channel through which employees can report unethical practices or wrongdoing. We have an independent whistleblowing process managed by an external professional services firm from their Centre of Excellence in South Africa. Throughout the reporting period, we received updates on the volume of reports, key themes emerging from these reports and the results of related investigations. We assess the reports for the category and level of concern and consider these in line with a protocol for review, investigation, action, closure and feedback. This is done independent of management where necessary, but involving senior business unit or HR management as appropriate. We continue to monitor the volume, geographic distribution and range of reports made to the hotline to understand key themes, the results of investigations undertaken, significant regional compliance concerns, and whether access to this facility is less understood or publicised in some countries.

During the 12 months ending 31 March 2022, we investigated 74 incidents received through various customer touch points and our formal whistleblowing channels. These were of varying magnitude, with two above the Executive Committee threshold. One was investigated by an external partner, and over 90% of the cases have been closed. The very small number of reports that contained allegations of a breach of our Code of Conduct were thoroughly investigated and disciplinary action was taken where appropriate.

The majority of reports received during the period were human resources issues which indicated no compliance concerns or serious breaches of our Code of Conduct.

Our committee chair reports to the Board at each of its meetings on the operation of our Code of Conduct, anti-bribery and corruption and whistleblowing procedures. This report contains enough detail to enable the Board to oversee these areas and make sure arrangements are in place for a proportionate and independent investigation of related matters and for follow-up action.

Internal Audit

During the reporting period, we enhanced our internal audit risk assessment process by standardising our approach to risk assessment. This allows regular reassessment of risk areas to make sure new and emerging risks are addressed as needed, as well as more dynamic audit planning. Our Internal Audit team considers compliance with internal policies, regulatory obligations and fraud risk mitigation as part of their independent testing and evaluation. The team is governed by the internal audit charter, as approved by the Audit and Risk Committee, and is headed by our Chief internal auditor, who reports to the committee and the CEO. The committee chair regularly meets with the Chief internal auditor to discuss the team's activity and any significant issues arising from their work.

Our committee approves the annual audit plan in the first meeting of each financial year. We then receive quarterly updates on activities, progress against the plan, the issues arising from audits and action plans to address concerns. This year, we reviewed and approved the detailed audit plan as dynamic and ensuring that Internal Audit's areas of focus remain appropriate.

Part 3

Our Internal Audit team implemented various initiatives during the year to help achieve their mandate and strategic objectives.

Proactively managing the risk of fraud: A fraud risk assessment exercise was rolled out across all OpCos and HQ offices to identify, register, monitor and manage fraud risks within our operations. There are plans to automate this exercise to support continuous monitoring of the risks identified and maintain an up-to-date fraud risk register. We also revised our anti-fraud policy during the year. This is now included in the annual mandatory anti-fraud certification undertaken by all employees each year. From the next financial year, this online anti-fraud training will be extended to key partners and suppliers.

Key controls: We introduced a key controls framework across all 14 OpCos. These controls are an extension of our internal financial controls framework (ICOFR) which include non-ICOFR processes and controls. These include compliance with critical internal policies and procedures, compliance with local regulatory requirements and maintaining effective IT security and operational processes. They're in place to strengthen our internal control environment through regular monitoring of key internal risks.

There are 76 key controls which cut across Airtel Africa functions. Our Internal Audit team also validates monthly management self-assessments reports results to the Audit and Risk Committee quarterly.

Over the next financial year, we'll extend these key controls to cover head office review procedures. We're also planning to automate the validation of certain key controls to provide continuous monitoring and lead to a stronger control environment.

Governance, risk and compliance (GRC): We identified a comprehensive and updated GRC system which we'll bring on board to manage GRC centrally in line with industry and government regulations across all areas of Airtel Africa. We'll fully implement the new system during the next financial year, following audit and case management solutions going live in April 2022.

We also intend to expand our data analytics capabilities by fully embedding analytics within our audit workflow to identify red flags, analyse trends, cover complete data sets and improve the accuracy of audit testing.

Quality assurance improvement programme: We also implemented a quality assurance improvement programme during the year. Our Quality Assurance team identified key activities to prioritise for the first phase, with an initial focus on strengthening our process for assessing and managing internal risks and executing audits. We updated our internal audit policies and procedures accordingly.

We also began to send internal audit client satisfaction surveys to key stakeholders after engagements to understand how well auditors are achieving their goals and objectives.

Part 4

External auditors

Engaging our auditor

Our committee manages our relationship with the external auditor. Each year, we assess their performance, effectiveness and independence and recommend their reappointment or removal to the Board.

Our external auditor is Deloitte LLP (UK). The lead partner is Mark Goodey, who has been in post since October 2018 and will retire at the end of Deloitte LLP's financial year after the Airtel Africa 31 March 2022 audit. He will be succeeded as lead audit partner by Ryan Duffy.

Ryan has been a partner in Deloitte's International Audit Group and currently leads the Africa Services Group. With over 20 years' experience serving audit clients across a broad range of sectors, geographies and regulatory environments, Ryan relocated to the UK from Deloitte in Johannesburg where he worked as an audit and advisory partner to several multinational listed clients. His previously held leadership positions at Deloitte in South Africa required him to travel throughout Africa, providing perspective of the continent and its opportunities.

Ryan was appointed following an interview and selection process led by our committee chair and our CFO Jaideep Paul. As well as being invited to attend all committee and relevant meetings since October 2021, Ryan has met with our committee chair, CFO and senior finance leaders and shadowed Mark Goodey as he completed his year-end audit.

Effectiveness of the external audit process

After reviewing and challenging the work done by Deloitte during the year, we approved Deloitte's terms of engagement and are fully satisfied with their performance, objectivity, quality of challenge and independence.

We recommended to the Board, which in turn will recommend to shareholders at our 2022 AGM, that Deloitte should continue as our external auditor and be reappointed for the 2023 financial year. With the appointment of Ryan Duffy, we believe the independence and objectivity of the external auditor are safeguarded.

Our next competitive tender is planned for the 2029 year-end audit in line with current regulation. This timetable is subject to annual assessment of Deloitte's effectiveness and independence.

There are no contractual obligations which restrict our choice of auditor, nor is there a minimum appointment period. We've complied with the provisions of the Competition and Markets Authority's Order for this financial year relating to audit tendering and the provision of non-audit services.

Working with our auditor

The lead external audit partner and his team attend our committee meetings to provide insight and challenge and to report on their review of the half year results and audit of the year-end financial statements. To facilitate open dialogue and assurance, we also hold private sessions with our auditor without management present. Our committee chair regularly meets with Deloitte outside of scheduled committee meetings.

A number of teams are involved in the audit, given the need to report both our own financial results and to report to our parent company, Bharti Airtel.

Throughout the year, audit teams deliver:

- An interim review by Deloitte UK for our half year
- The Airtel Africa consolidated financial statements signed by Deloitte UK
- Local statutory accounts audited by each Deloitte Africa team, with some work performed by Deloitte India

During its half year and full year results reporting, Deloitte found no significant deficiencies in controls or issues with our accounting judgements and estimates in the areas in which they adopt a controls reliance approach.

Our committee receives a detailed audit plan from Deloitte identifying key risks and areas of focus. We review and challenge this external audit plan, including audit scope and materiality, to make sure Deloitte has identified all key risks and developed robust audit procedures and communication plans. We also look at the quality of auditors' reports throughout the year and consider responses to accounting, financial control and audit issues as they arise.

Using our auditor for non-audit services

We safeguard auditor independence and objectivity through a number of control measures, including limiting the nature and value of non-audit services performed by the external auditor.

Where we consider our external auditor to have the most appropriate skills, expertise and safeguards, we may consider using them for certain acceptable non-audit services. Their knowledge of our business may make such services more cost-effective and ensure confidentiality.

Our non-audit services policy sets out the circumstances in which the external auditor can perform non-audit services. It restricts the provision of non-audit services as prohibited by the FRC Revised Ethical Standard 2019 and provides a monetary threshold for approved services. Our committee reviews and pre-approves any non-audit services with fees above the threshold or not stipulated by the policy.

Under our policy on non-audit services, the CFO has authority to approve permitted services up to $50,000, with any amounts above this requiring committee approval.

Our review of the auditor's performance during the reporting period included non-audit services and the ability of Deloitte to maintain its independence while providing these services. The non-audit services work for the financial year included half year review work for our company, quarterly audits for our parent, Bharti Airtel and control attestation in Zambia and Uganda required by local regulations and ESEF assurance. The value of this was $1.5m, representing approximately 25% of Deloitte's total remuneration as set out in note 8.1 to the consolidated financial statements on page 186.

Finance Committee

Our Finance Committee is an operational management committee overseen by and subsidiary to our committee. Its two independent non-executive director members are also members of the Audit and Risk Committee.

Given the complexity and importance of finance, treasury and tax policy matters, the Board has delegated oversight and governance to this specialist Finance Committee. This has strengthened our adherence to the relationship agreement and treasury and tax controls. This committee frames our finance policies and procedures, creating risk framework mechanisms for treasury and tax to help achieve our strategic financial goals with a balance of initiative and risk control.

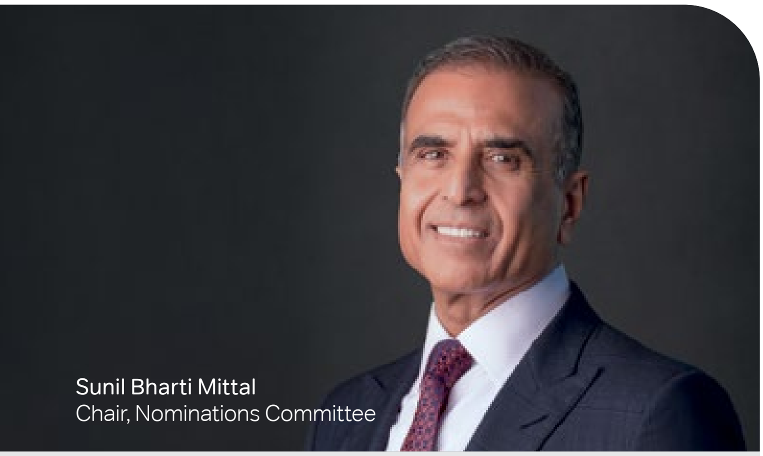
Committee duties

- Ensures our treasury activities are carried out within an agreed policy framework
- Makes sure activities are within agreed levels of risk and will contribute to our financial performance through focused management
- Makes sure operations are appropriately funded and conducted in line with policy
- Ensures the overall treasury objective and specific objectives for each main treasury activity are consistent with both financial and corporate business objectives
- Recommends the strategic tax policy for approval by the Board
- Ensures adequate liquidity to meet financial obligations based on cash flow forecasts
- Optimises the interest cost on gross debt within prudent risk parameters
- Determines and approves the derivatives policy on swaps, foreign exchange and interest rate hedges
- Generates reasonable commercial returns on investments to protect investment capital and ensure desired liquidity
- Minimises the adverse impact of foreign exchange movements associated with transactions and our operating exposure in various currencies due to multinational operations
- Maintains diversified access to various local and global debt and borrowings markets
- Determines and approves our strategic tax planning policies
- Approves new debt and the cancellation and modification of borrowing and debt facilities

Committee members

Members were appointed by the Board on the recommendation of the Nominations Committee in consultation with the Audit and Risk Committee chair. They are Jaideep Paul, CFO, as chair; CEO Segun Ogunsanya; deputy CFO Pier Falcione; and two independent non-executive directors, Ravi Rajagopal and Annika Poutiainen. We review the composition of the committee and the continued participation of independent non-executive directors each year.

Nominations Committee report



Sunil Bharti Mittal
Chair, Nominations Committee

Attendance

	Meetings attended
Sunil Bharti Mittal Chair	3 (3)
Andy Green Senior independent non-executive director	3 (3)
Ravi Rajagopal Independent non-executive (Audit and Risk Committee chair)	3 (3)
Doug Baillie Independent non-executive (Remuneration Committee chair)	3 (3)

Committee responsibilities

- Reviews the balance, diversity, independence and effectiveness of the Board
- Oversees the selecting, interviewing and appointing of new Board members
- Reviews succession and contingency planning for the Board and senior leadership, including training, development and talent management
- Makes recommendations to the Board about the continued service of directors, including suspensions and terminations of service
- Makes sure directors disclose the nature and extent of any actual or potential conflicts of interest, monitors and assesses these disclosures and makes recommendations to the Board as appropriate
- Oversees, with the chair of the Board, an annual evaluation of Board, committee, and director performance – in particular, determines with the chair whether this evaluation should be externally facilitated and, if so, the nature and extent of the external evaluator's contact with the Board, committees and individual directors
- Oversees policy and objectives on diversity and inclusion in light of our strategy, objectives and culture, and monitors the implementation of policies and progress towards objectives at all levels of our business
- Through the committee chair, engages with shareholders on subjects relevant to committee responsibilities

Chair's statement

I'm pleased to present the Nominations Committee report for 2021/22 and to share our plans for the coming year.

Changes to the Board

We continue our efforts to ensure that our Board is made up of people with the appropriate drive, abilities, experience and diversity in its broadest sense to lead Airtel Africa in delivering on our strategy. Our committee oversees succession planning for senior management to ensure we have a consistent pipeline of diverse talent in place for progression to the Board.

The 2021/22 year saw some exciting changes to the Airtel Africa Board. As part of our planned succession process, we oversaw the appointment of Segun Ogunsanya as managing director and Chief executive officer of Airtel Africa. Segun joined the Board with effect from 1 October 2021. We announced that Jaideep Paul, Chief financial officer, would join the Board as executive director on 1 June 2021. And we appointed a new independent non-executive director, Tsega Gebreyes, in October 2021. Tsega is a native Ethiopian with deep investment and operating background in Africa and TMT, starting with her role in building Celtel International. She is also the founding director of Satya Capital Limited.

As part of our ongoing review of the Board's current and future needs, we reviewed the tenure of all directors and discussed future Board rotation. We recognise that our large Board is not yet gender balanced, despite including four women. This imbalance should correct itself through retirement and rotation over the next few years.

Board diversity

Airtel Africa is a multicultural business, and our ethnic diversity is reflected in our Board, our leadership team and our employees mix. We're committed to ensuring diversity in terms of culture, age, gender, ethnicity, length of service and educational background – and will continue to build an inclusive and diverse workplace. We count this as a core strength of our business.

We're privileged to have a Board of directors with a broad diversity of skills, experience, age and nationality to perform their vital role. This is invaluable in developing our business strategy and enhancing our governance capabilities.

As you can see from their biographies on pages 90-93, our committee chairs and members have recent and relevant skills, experience and expertise.

Evaluating our Board

As part of our corporate governance review each year, we examine the independence and diversity of our Board and the balance of skills and development needs of members.

In mapping the skillsets of our Board members against our current strategy and annual operating plan, we confirmed that our non-executive directors have significant experience in the areas of strategy, risk management and M&A. In light of a recognised need to strengthen our operating background in Africa and TMT, we appointed Tsega Gebreyes to the Board.

Our committee also monitors the succession planning for management immediately below the Board. We're working to support and encourage a growing pool of talent able to step into top roles at Airtel Africa. Our work to identify executives with potential and to encourage their development led to several significant internal promotions in and across our operating companies this year.

I welcome questions from shareholders on this committee's activities. If you'd like to discuss any aspect of this report, please contact me through our company secretary, Simon O'Hara (see page 240 for contact details). I will, of course, be attending the 2022 AGM and look forward to the opportunity to meet you and answer your questions there.

Sunil Bharti Mittal
Chair, Nominations Committee

10 May 2022

About the committee

Led by the chair of our Board, our committee consists of independent non-executive directors. Our CEO and HR director are also invited to attend committee meetings and submit reports.

We met formally three times during the 2021/22 financial year. Our primary focus was on longer-term succession planning for the senior executive team, improving diversity across our business, and the induction of Tsega Gebreyes.

Having reviewed the composition and performance of the Board and its committees, we believe our Board has the experience, expertise and appetite for challenge to take Airtel Africa forward in line with our strategy while maintaining good governance. We will, of course, keep this under regular review.

The committee's work and focus in 2021/22

- Reviewed the Board's composition, balance, diversity, skill sets, individual directors' time commitment and overall effectiveness against future needs
- Reviewed our succession and contingency planning across the business, linking this to individuals' professional development at senior management level to help senior management demonstrate their potential for progression and develop a diverse pipeline of talent
- Appointed Tsega Gebreyes as an independent non-executive director and invited her to join the Remuneration and Sustainability Committees from April 2022
- Reviewed the fees paid to the Group chair – benchmarking data shows these fees are competitive
- Considered the early-stage strategy and plans to create a standalone Airtel Money entity and the trajectory to listing – as well as the strength of talent to manage this new entity once separated
- Recommended to the Board that each director be proposed for re-election by shareholders at the July 2021 AGM
- Reviewed and put in place mentoring opportunities for the new CEO
- Reviewed policies and processes to promote diversity in our operating country Boards and senior management teams and put in place a development programme for suitable internal candidates
- Worked to attract diverse, highly skilled and talented employees by:
  - Tackling unconscious bias
  - Maintaining a gender balance on shortlists for management positions
  - Ensuring all recruiters have signed the Standard Voluntary Code of Practice
- Worked to retain the best talent by:
  - Promoting a good work/life balance
  - Encouraging equal opportunities for all
- Set new targets to increase the number of women in leadership positions by 2026 and to achieve gender-balanced shortlists. We'll make sure the specification for any new senior management role is equally suited to applicants of any gender and that there's no discrimination at any stage in the selection process based on any applicant characteristic.
  - Appointed three women to senior roles in our operating companies – customer experience director and enterprise director for Zambia and enterprise director for Nigeria

In 2021/22:

- 26% of total Group employees were women
- 28% of the Executive Committee were women (target 30% by 2023)
- 25% of appointments in the year made at the level of general manager and above were women

Developing our Board

The ongoing development of our Board members is a priority. We inform directors about relevant seminars and training and encourage and support their attendance. We provide regulatory updates at each Board meeting; and specialist advisers brief our committees on topics such as changes to accounting procedures and UK corporate governance. Our Board undertook a series of development activities during the reporting period, including training provided by our corporate legal advisers Herbert Smith Freehills LLP on the political environment, governance reform, liability to investors and directors' duties.

Tsega Gebreyes' induction

Tsega Gebreyes was inducted through a series of sessions with our CEO, CFO and members of our Executive Committee and representatives of Deloitte. These focused on our strategy, operating and financial performance, budget and forecasts, human resourcing, diversity challenges and medium-term plans.

Specific activities

October 2021

Met separately with the chair of the Board, the senior independent director, our CEO, our CFO and our company secretary

December 2021

Met with each of our regional directors

January 2022

Met with our corporate lawyers for onboarding training

Met with the chairs of our Audit and Risk Committee and Remuneration Committee

Had introductory meetings with non-executive directors: three independent (Annika, John and Awuneba) and two appointed (Kelly and Shravin)

Met with our Chief HR officer, head of internal audit, risk and assurance, and Chief compliance officer

Met with our external auditors, Deloitte

Employee engagement

Our Board engages with employees in various ways to understand how we can enhance our people strategy and continue to bring our values to life. To understand the business at all levels, directors are encouraged to engage with local operations, either by visiting in person or through online meetings, strategy sessions and quarterly reports from our HR Committee. We arrange Board visits each year to operations – and at least one Board meeting is scheduled to take place at a regional location with representatives from the business present. This year, our Board and committee programme took place in Dubai and was attended by many senior colleagues.

Some members of the Board also met with employees to discuss both professional and personal matters – including feedback on moving our headquarters to Dubai from Nairobi, team capabilities and how we can build an agile high-performance culture.

The Board also stays on top of employee-related issues through:

- Our open-door policy, where employees can connect directly with our CEO or any ExCo director about anything
- Quarterly CEO-led town halls in English and French, where senior executives update employees on our business performance, organisational changes and take questions from employees
- Remuneration Committee updates on remuneration, people, culture, conduct and diversity
- Quarterly presentations and one-to-one meetings as necessary from our Chief HR officer
- Quarterly reports from the HR Forum and Remuneration Forum chair to the Remuneration Committee on people, culture and wellbeing
- The results of our employee engagement survey and regular pulses shared in various OpCos and OpCo-led town halls
- One-to-one meetings between our ExCo and OpCo MDs and other leaders to discuss employee and personal wellbeing, team updates and career aspirations
- Regular ExCo market visits where leaders interact with teams at all levels of the business

Sunil Bharti Mittal is our designated Board director for employee engagement, given his regular travel to our operating companies. In this role, he's not expected to take on the responsibilities of an executive director or the Chief HR officer.

He's responsible for supporting the directors' collective responsibility to consider a wide range of stakeholder perspectives when making Board decisions, including:

- Understanding the concerns of the workforce and articulating their views and concerns in Board meetings
- Ensuring that the Board, and particularly the executive directors, take appropriate steps to evaluate the impact of proposals and developments on the workforce
- Where relevant and appropriate, providing feedback to the workforce on Board decisions and direction during the engagement process
- Making sure that feedback Is obtained from all levels of the workforce in various locations

Like other initiatives adversely impacted by pandemic-imposed restrictions, Sunil has had challenges to overcome in performing this role during the reporting period. He met with colleagues based in our Nairobi operating headquarters to discuss their views on the proposed office relocation to Dubai. He then shared the opinions and views expressed with the project planning team who incorporated them into planning and executing the move.

The focus for 2022 will be to identify and facilitate communication mechanisms for effective and meaningful dialogue with the workforce.

For more on how we engaged with our people during the reporting period, see page 27.

Board and committee balance, diversity, independence and effectiveness

The chair of the Board is responsible for making sure independent non-executive directors can constructively challenge executive directors, while supporting them to implement the strategy and run the business effectively. He works with this committee to make sure the Board has the right blend of skills, independence and knowledge.

Appointing and re-electing directors

Our appointment processes

The Board has the power to appoint additional directors or to fill any vacancy. When recruiting new members for the Board, our committee adopts a formal and transparent procedure which considers the skills, knowledge and level of experience required, as well as diversity.

We begin by evaluating the balance of skills, knowledge and experience of existing Board members, the diversity of the Board, and ongoing requirements and strategic developments of the business. This enables us to focus our search process on appointing someone who will complement and enhance the Board's effectiveness and overall performance.

We review a long list of globally drawn potential candidates and shortlist candidates for interview based on the objective criteria set out in the agreed specification. These include the requirements of the Group, the diversity of the Board, and the balance of skills, knowledge and experience of current members. Non-executive appointees must be able to show that they have time available to devote to the role, and before being appointed all candidates must identify any potential conflicts of interest.

Shortlisted candidates are interviewed by the committee chair, other committee members and the CEO. The committee then recommends the preferred candidate, who is invited to meet other Board members. Finally, the committee takes up detailed external references before making a formal recommendation to the Board for appointment.

Board changes in 2021/22

In 2021/22, our committee oversaw the process to identify a new CEO to replace Raghu Mandava on his retirement, as well as the ongoing search for another woman director.

To fill the CEO role, we worked with specialist recruitment agency Egon Zehnder, who abide by a voluntary code of conduct on gender diversity. The agency has no other connection with Airtel Africa. After following the process described above, including considering suitable internal candidates, our committee recommended Segun Ogunsanya to the Board as new CEO.

We recruited Tsega Gebreyes as a new independent non-executive director without using a search firm. We recommended Tsega after making sure she had enough time to devote to the role and had no conflicts of interest.

Our committee monitored the integration and thorough induction of both directors.

The only director to take on a significant new appointment during the year was Annika Poutiainen, who began a non-executive role at Unzer Group GmbH in 2021. Before accepting the appointment, Annika discussed with our chair and company secretary the anticipated time commitment and agreed that she would continue to have adequate time to give to Airtel Africa Board duties.

Re-election

Every director will seek election or re-election at our annual AGM. All directors will stand for re-election at each year's AGM while in office. Each director proposed for re-election at our AGM has been unanimously recommended by other members of the Board. More information on our appointments process is on page 116.

Effectiveness

The external Board evaluation reviewed our committee's effectiveness and sought feedback from the committee members. We discussed the output of the evaluation, which concluded that we continued to operate effectively throughout the year, and confirmed our intended areas of focus for the year ahead.

Each director goes through a performance review process as part of the annual Board effectiveness review, which confirmed that each director continues to make an effective contribution to the Board.

Advice available to the Board

All directors have access to the advice and services of the company secretary. Directors may also take independent professional advice at our expense where this is judged necessary to fulfil their responsibilities. During the year, the Board took advice from:

- Alvarez & Marsal through the Remuneration Committee, as explained in more detail on page 122
- Herbert Smith Freehills LLP, our corporate legal advisers, through the Market Disclosure Committee on the identification of insider information
- Legal advisers Clifford Chance on share plan and remuneration policy matters
- Our brokers on the sector and the relative performance of our share price
- Egon Zehnder through the Nominations Committee, as explained in more detail on page 117

Diversity

The Board represents a broad range of skills, experience, age, ethnicity, gender and nationality. Our youngest director is 34 and the group is ethnically diverse. Most have spent a considerable amount of time living outside the UK, and this range of experience is invaluable in developing our business strategy and enhancing our governance capabilities.

Our policy is to appoint and promote the best person for each role without regard to age, ethnicity or disability – only considering factors such as educational and professional backgrounds as appropriate for the position. This applies to the entire business, including the Board. Our objective is to build diversity into our appointment and promotion processes at every level. All Airtel Africa employees have completed our annual Code of Conduct training and certification, which covers our commitments on diversity, inclusion and anti-discrimination.

We believe diversity is fundamental to the successful operation of our Board and to creating a balanced culture across our business. The Board regularly reviews its balance and composition considering targets and recommendations for gender diversity, as well as the Parker Review and its report into ethnic diversity. We've gone way beyond the Parker Review target for FTSE 250 boards to have at least one director from an ethnic minority background by 2024. We also fully endorse the FTSE Women Leaders Review's approach to increasing senior leadership diversity, including its voluntary target of 40% women on Board, Executive Committee and senior management teams. This also requires at least one woman as chair or senior independent director role on the Board or a woman as either our Chief executive officer or finance director by the end of 2025.

While we haven't yet achieved these two gender-balance targets at Board level, we are making considerable progress. Regarding the first target, 31% of our Board are women (4 out of 13) representing 43% of our independent directors (3 of 7). On the second target, we will ensure that this is an integral part of our succession planning.

Gender diversity in our Executive Committee remains a challenge. We're working to increase the number of women at this level as well as in our senior management teams (direct reports to the ExCo) by 2026.

We'll make sure the specification for any new senior management role is equally suited to applicants of any gender and that there's no discrimination at any stage in the selection process based on any applicant characteristic. Diversity and inclusion are, and will continue to be, a key focus for Airtel Africa.

Nominations Committee report continued

Gender balance

Category	Women (%)	Men (%)	Total
Group Board	4 (31%)	9 (69%)	13 (100%)
Employees			
Group Executive Committee	2 (0.1%)	20 (0.6%)	22 (0.6%)
OpCo Executive Committee	43 (1.1%)	120 (3.2%)	163 (4.3%)
Senior and middle management*	16 (0.4%)	112 (3.0%)	128 (3.4%)
All other employees	904 (24%)	2,540 (67.6%)	3,444 (91.7%)
Total	**965 (26%)**	**2,792 (74%)**	**3,757 (100%)**

* Senior management is all general managers and above excluding the OpCo Executive Committee, and middle management includes all employees at senior manager level

Pay ratio reporting

Quoted companies with more than 250 UK employees are required to report each year on the difference in pay between their CEO and their UK employees. As Airtel Africa is outside the scope of this requirement given its small number of UK employees, we will not be disclosing our pay ratio for this reporting period.

Our 'Win with' strategy aims to drive the sustainable, profitable growth we need to continue creating value for all our stakeholders. To facilitate this, we aim to be an employer of choice with a diverse and inclusive work environment that continues to foster a culture of high performance, wellbeing, skills enhancement, and coaching.

Our diversity policy

Purpose

The Group has a clear ongoing purpose of 'Transforming Lives'.

Diversity and inclusion are a part of who we are and how we do business – in line with our values of being alive, inclusive and respectful.

Policy statement

We recognise that a diverse workforce is key to delivering value to our customers. So we work to create an inclusive environment that embraces our differences and helps employees work to their true potential. Our practices and policies to foster this include global mobility, talent acquisition and focused learning and development. We're particularly focused on developing women in management and leadership roles and across our business.

Initiatives

1. Searching for and using diverse talent pools for all management and senior leadership recruitment
2. Building succession and leadership development plans that encourage the promotion of women
3. Focused mentoring programmes
4. Facilities for expectant and new mothers, such as reserved parking and mothers' rooms
5. Women in tech programme
6. Women's entrepreneurship programme to increase the percentage of self-employed women in sales and distribution roles

Training and awareness

1. An ongoing programme to counter unconscious bias
2. Using town hall sessions to drive awareness and the right tone from the top
3. All employees completing yearly Code of Conduct training and certification covering our commitments on diversity, inclusion and anti-discrimination

Monitoring and reporting

1. Monthly diversity review by our Chief HR officer with HR directors of our regional businesses
2. Quarterly progress reports to our Executive Committee and Remuneration and Sustainability Committees before being reported to the Board
3. Quarterly progress reports to our management HR Committee

Our compliance with the UK Corporate Governance Code

Simon O'Hara
Group company secretary

> "With each year that passes post listing, the UK Corporate Governance Code becomes even more embedded in how we think and act at Airtel Africa."

As Airtel Africa plc ordinary shares have been trading on the main market of the London Stock Exchange since 3 July 2019, we apply the principles and provisions of the 2018 UK Corporate Governance Code (the Code) and explain any non-compliance. (See the Code at frc.org.uk.) While we have a secondary listing on the Nigerian Stock Exchange (NSE), we're permitted by NSE listings requirements to follow the corporate governance practices of our primary listing market in London.

The UK Financial Reporting Council (FRC) promotes high quality corporate governance and reporting through the Code. All companies with a premium listing on the London Stock Exchange must either comply in full or explain why and to what extent they don't comply.

Throughout the year ended 31 March 2022, we have applied all the principles and complied with the provisions set out in the 2018 UK Corporate Governance Code except for in two areas: Provision 9, requiring that the chair be independent on appointment, and provision 41, our workforce engagement on executive remuneration.

For our TCFD disclosure pursuant to LR9.8.6R (8) see page 54 for details.

1. Board leadership and company purpose

A. An effective and entrepreneurial board

Our Board is responsible for Airtel Africa's system of corporate governance. As such, directors are committed to developing and maintaining high standards of governance that reflect evolving good practice.

The Board provides strategic and entrepreneurial leadership within a framework of strong governance, effective controls and an open and transparent culture. This enables opportunities and risks to be assessed and managed appropriately. Our Board also sets our strategic aims and risk appetite, makes sure we have the financial and human resources in place to meet our objectives, and monitors our compliance and performance against our targets. And finally, the Board ensures we engage effectively with all our stakeholders and considers their views in setting our strategic priorities.

Roles and responsibilities

We have well-documented roles and responsibilities for directors, and a clear division of key responsibilities between our chair and CEO to help maintain a strong governance framework and the effectiveness of our Board. Our clearly defined policies, processes and procedures govern all areas of the business. These will continue to be reviewed and refined to meet business requirements and changing market circumstances.

We re-examine budgets considering business forecasts throughout the year to make sure they're robust enough to reflect the possible impact of changing economic conditions and circumstances. We conduct regular reviews of actual results and future projections compared with the budget and prior year results, as well as with various treasury reports. We monitor any disputes that could lead to significant litigation or contractual claims at each Board meeting, with updates provided by the CEO and CFO as part of their reports or tabled by the company secretary.

We have a Board-approved framework of delegated authority to identify and monitor individual responsibilities of senior executives.

B. Purpose, values and strategy and alignment with culture

Our purpose is to transform the lives of people across sub-Saharan Africa. We do this through products, services and programmes that foster financial inclusion, drive digitisation and empower our 128 million customers and the communities in which they live. To continue to serve our vision of enriching the lives of our customers, we have a clear business objective: to grow market share profitably and create superior enterprise value while delivering our sustainability strategy.

We provide essential services that are unlocking the potential for people and economies to grow. The Board sets the strategy for aligning with our purpose. This year, the Board formally updated our Win with strategy model to ensure that sustainability, and working to deliver our sustainability strategy, underpins everything we do.

Our Board believes that a healthy culture, which drives the right behaviours, protects and generates value and helps employees engage with our values, will lead to the successful delivery of our strategy. It is responsible for defining our values and setting clear standards from the top. Our chair leads the way by ensuring our Board operates correctly and with a clear culture of its own which can be promoted to our wider operations and dealings with all stakeholders. Our CEO, with the help of the CFO and his management team, is responsible for the culture within our wider operations. We've continued to build our people capability through:

- Enhancing our online learning platform for greater access
- Encouraging skills development through short-term assignments and exchanges between operating companies
- Ensuring all employees have mandatory training in compliance areas such as our Code of Conduct, anti-bribery and corruption, and information security

Our compliance with the UK Corporate Governance Code continued

The Board receives regular reports that allows it to assess our culture to ensure it continues to support our strategy and purpose. Our Remuneration Committee helps our Board oversee our culture through its focus on diversity and inclusion, people and community engagement and our purpose and values. The committee tracks performance in these areas and reports to the Board as appropriate.

These reports have led to Board discussion on matters ranging from the take-up of Covid-19 vaccinations to a deeper analysis of our whistleblowing hotline metrics. In both instances, the Board recommended changes to be able to satisfy itself that policy, practices and behaviours throughout the business were aligned with our purpose, values and strategy.

Annika Poutiainen, the Board Sustainability champion, reports to each Board meeting on the work of the Sustainability Committee. This committee, which currently meets monthly, also receives occupational health and safety updates at each meeting.

Our Chief HR officer regularly attends Board meetings and all Remuneration Committee meetings to provide updates on HR matters – including on culture, diversity and inclusion, talent acquisition and retention and employee engagement. The chair of the Remuneration Committee also includes these matters in his own report to the Board.

While our leadership establishes our culture and leads by example, our clear policies and Code of Conduct ensure that our obligations to shareholders and other stakeholders are clearly understood and met, as described in more detail on page 26.

C. Company performance and risk management

Our CEO manages the Group's business in line with the strategic plan and approved risk appetite and takes responsibility for the operation of the internal control framework. Our Audit and Risk Committee oversees potential risks and provides the Board with strategic advice on current and potential future risk exposures. Our risk management framework supports informed risk-taking by our businesses, setting out the risks that we're prepared to be exposed to and the risks that we want to avoid.

» More information on risk management can be found on **page 80**

D. Stakeholder engagement

With the publication of our sustainability strategy and the ongoing development of our remuneration policy, our Board members are increasingly taking a more active role in engaging with shareholders and wider stakeholders. Our director induction process includes directors' duties under section 172 of the Companies Act 2006.

The Board regularly receives feedback on shareholder sentiment and sell-side analysts' views of our business and the wider industry. Our Investor Relations team and management have frequent contact with the 11 equity research analysts who follow Airtel Africa.

We considered stakeholder concerns when developing our sustainability strategy, as advised by the Global Reporting Initiative (GRI) and to strengthen our strategy and reporting.

Our Board discusses the impact of all major decisions on our workforce before drawing its conclusion. We also consider stakeholder impact in relation to material acquisitions and strategic expansion. While we're working to better embed stakeholder considerations in Board decision-making, we do factor the needs and concerns of our stakeholders into Board discussions and decisions in accordance with section 172 of the Companies Act 2006 (see statement on page 26).

Sunil Bharti Mittal is our designated Board director for employee engagement, given his regular travel to our operating companies.

A focus for 2022 will be to identify and facilitate mechanisms for more effective and meaningful dialogue with our people.

» For more on our initiatives to improve employee engagement see **pages 26** and **116**

E. Workforce policies and practices

We expect all businesses and employees to work with the highest standards of integrity and conduct at all times. Our Code of Conduct, which can be found on our website, sets out our expectations in detail. We also have policies focused on anti-bribery and corruption, whistleblowing and data protection (GDPR) setting out the ethical framework that all companies and employees are expected to follow. Each year, our employees receive up-to-date training on legislative and regulatory matters.

Our management processes and divisions of responsibility are detailed in the following documents, which can be seen on our website:

- Schedule of matters reserved for Board decisions, including profit expectations and dividend policy
- Terms of reference for Audit and Risk, Nominations, Sustainability and Remuneration Committees
- Policies covering operational, compliance, corporate responsibility and stakeholder matters, including ones related to the Bribery Act 2010 and anti-corruption – these are updated as necessary in line with developments in corporate governance and legislation
- Our Articles of Association

Our policies are reported against to the Board and/or Audit and Risk Committee by the head of Internal Audit, Chief compliance officer or company secretary.

A description of our whistleblowing procedures is set out on page 111.

2. Division of responsibilities

F. Role of the chair

The roles and responsibilities of the chair and CEO have been clearly defined, set out in writing and signed by Sunil Bharti Mittal and Segun Ogunsanya.

The chair leads our Board and is responsible for its overall effectiveness in directing the company.

Our chair and the senior independent director hold separate meetings at least once a year with non-executive directors without the CEO present. Each did this once during the 2021/22 reporting period. Led by the senior independent director, the non-executive directors also meet at least once during the year without the chair to appraise his performance. The chair also meets formally with independent non-executive directors without our CEO or other non-executive directors present. Through these meetings, the chair ensures we maintain a fair and open culture where all Board members can make a strong contribution.

The Board is aware that Sunil Bharti Mittal did not meet the independence criteria of the Code when he was appointed due to his interests in the company. Considering his extensive involvement with the Bharti Airtel Group over many years and his major contribution to Airtel Africa's growth, the Board unanimously agrees that his continued involvement is crucially important to our ongoing success. We have a number of safeguards in place to ensure robust corporate governance during his tenure as chair, including Andrew Green in position as a strong senior independent director.

The Board believes Sunil Bharti Mittal continues to effectively oversee our leadership and maintain a balanced shareholder agenda.

G. Composition of the Board and division of responsibilities

Our Board consists of 13 directors: non-executive chair Sunil Bharti Mittal, who is not independent, CEO Segun Ogunsanya, CFO Jaideep Paul, seven independent non-executive directors and three non-executive directors. Andrew Green, CBE, is the senior independent director and Simon O'Hara is our Group company secretary. For more on our Board composition, see page 90.

The Board has an established framework of delegated financial, commercial and operational authorities which define the scope and powers of the CEO and of operational management.

» For more on our Board and executive roles, **pages 90-95**

H. Role of non-executive directors

Our independent non-executive directors offer advice and guidance to the CEO and CFO, drawing on their wide experience in business and diverse backgrounds. They also provide constructive challenge and hold management to account – monitoring the overall direction and strategy of the company, scrutinising the performance of the CEO and CFO, and ensuring the integrity of the financial information made available to the Board and our shareholders. They play an important part in general succession planning for the Board and other executive and senior management positions.

The senior independent director and the independent directors also play a critical role in fulfilling the requirements of the separation governance framework and ensuring Airtel Africa's independence.

Following their appointment, each of our non-executive directors (both independent and non-independent) received an induction that focused on the culture, operational structure and key challenges of Airtel Africa. Details of this induction are on page 116.

I. Board processes and role of the company secretary

We have a range of processes in place to make sure our Board is fully informed in a timely manner to be able to perform its duties. Directors receive papers before each Board and committee meeting. This allows them to prepare for meetings and to send in their views if unable to attend.

The CEO sends updates to members on important issues between meetings. Members also receive a monthly report on key financial and management information, as well as regular updates on shareholder issues and analysts' notes. This information is distributed through a secure online portal.

All directors have direct access to the advice and services of the company secretary. And non-executive directors can take independent legal advice at our expense when necessary to fulfil their duties to the company.

At the half year, we took the opportunity to review our Board and committee processes to build on actions introduced following the annual evaluation exercise. Coordinated by the company secretary and led by the chair, we considered feedback from Board members to restructure the agenda and create a new template for papers. We've since found that meetings are run more efficiently, with more time for strategic and business discussions. We'll continue to improve our efficiency by introducing a process to approve suitable papers 'by consent' before each meeting.

3. Composition, succession and evaluation

J. Board appointments

As part of our 2021/22 Board evaluation, we reaffirmed that each of our independent non-executive directors is independent in character and that there are no relationships which could affect their judgement.

The main objective of our Nominations Committee is to make sure we have the best possible leadership team by overseeing a formal and rigorous and transparent process for appointing and removing directors to or from the Board, our committees and other senior roles. The committee also works to improve diversity and develop our succession planning processes. During the reporting period, Tsega Gebreyes was appointed to the Board and our CFO, Jaideep Paul, was appointed an executive director and continues to attend all Board and Audit and Risk Committee meetings.

» For more on our Nominations Committee's activities and processes, see **pages 90-93**

K. Skills, experience and knowledge of the Board and its committees

We have an engaged and diverse Board who reflect the cultural and ethnic diversity of the countries in which we operate. Our Board members bring a range of practical experience and deep expertise to our business – and at least half of our directors, excluding the chair, are independent non-executive directors, in line with the Code's recommendations.

The Board considers that each director brings relevant and complementary skills, experience and background to the Board, details of which are set out in the biographies on pages 90-93.

L. Board evaluation

As part of good governance, it's important to make sure our Board as a whole, its committees and each director is operating and performing effectively. While the Code requires an externally facilitated evaluation at least every three years, we have chosen to do this in each of our three years since listing to enable us to plan effectively for the future.

» See **page 103** for details

4. Audit, risk and internal control

M. Independence and effectiveness of internal and external audit

Each year, our Audit and Risk Committee identifies the key risks to be reviewed and assessed by Internal Audit as part of its programme of work to enhance our control environment.

We also enhanced our internal audit risk assessment process to allow for better coverage and more dynamic audit planning.

During 2021/22, Deloitte UK performed an external statutory audit of the year ended 31 March 2022, and a half-yearly review. See page 112 for a discussion of their independence and effectiveness.

» For more on the activities and processes of our Audit and Risk Committee, see **pages 104-113**

Our compliance with the UK Corporate Governance Code continued

N. Fair, balanced and understandable assessment

Pages 17-19, 24-25, 31-42 and 80-86 of the strategic report set out our performance, business model and strategy, as well as the risks and uncertainties relating to the company's future prospects. When taken as a whole, the directors consider this Annual Report is fair, balanced and understandable and provides information necessary for shareholders to assess our performance, business model and strategy.

O. Risk management, internal control and determining principal risks

As highlighted in the strategy and risk sections of the strategic report, risk management is inherent to our management thinking and business planning processes. The Board has overall responsibility for establishing and maintaining our risk management and internal control systems. Our Audit and Risk Committee supports the Board in reviewing the effectiveness of our internal controls, including financial, operational and compliance, and risk management systems.

» For more on the activities and processes of this committee, see **pages 104-113**

5. Remuneration

P. Remuneration policies and practices

Our proposed policy is intended to attract, motivate and retain high-calibre directors, to promote the long-term success of Airtel Africa, and to be in line with best practice and the interests of our stakeholders. There are two key principles of our remuneration policy. One, the structure of remuneration packages and the design of performance-based schemes, should be aligned with stakeholders' interests and support our business strategy and objectives. And two, the performance-based element of remuneration should be appropriately balanced between the achievement of short-term objectives and longer-term objectives.

Our current Remuneration Policy was introduced at the 2020 AGM. This was designed to be appropriate for a newly listed company in the UK, while taking account of our very specific circumstances: being listed on the LSE with a secondary listing on the Nigerian Stock Exchange and operating in 14 countries in Africa.

Provision 41 engagement with the workforce

During the year, the Remuneration Committee did not engage systematically with our people to explain how executive remuneration aligns with wider company pay policies. The committee has been tasked to identify and recommend to the Board a pathway to compliance which will be embedded and effective in time for next year's annual report disclosures.

Q. Procedure for developing remuneration policy

The committee regularly reviews our policy to ensure that it operates as intended, is in line with best practice and is aligned to our business strategy. In 2021/22, the committee decided to change the way the policy is implemented in two areas: requiring one-third of any bonus paid to executive directors to be deferred (rather than any bonus more than 100% of salary) and introducing a two-year post-employment holding period. Both changes were made to take account of current best practice and are more restrictive than required by the approved policy. The committee also considered the policy in the light of the evolution of our strategy and changes to the executive membership of the Board. The committee has decided to put the policy to a shareholder vote at the AGM later this year (one year early) to formally incorporate the features introduced in the last two years and make further sensible adaptations to reflect the appointment of the new CEO and the CFO.

R. Exercising independent judgement

In the year ended 31 March 2022, Alvarez & Marsal provided remuneration advice and benchmarking data and Clifford Chance provided legal advice in relation to share plan matters and remuneration advice to our Remuneration Committee.

The committee uses its discretion, within the maximum policy limits, to consider the target bonus taking account of market development opportunities, specific events and evolving roles. While the committee has the discretion to change the metrics and weighting for the bonus plan from year to year, we normally consult with major shareholders before making any significant changes.

» See our remuneration report on **pages 128-150** for more detail

LR 9.8.6R Climate-related financial disclosures

We have made our first climate-related financial disclosures consistent with the TCFD recommendations in compliance with the requirements of LR 9.8.6R.

See page 54 for our disclosures consistent with the four thematic themes and 8 of the 11 specific disclosure recommendations, as well as an explanation of why we're not disclosing our targets and metrics in this report and a description of our pathway and timeframe to full compliance.

Directors' report

About this report

The directors of Airtel Africa present this report together with the audited consolidated financial statements for the year ended 31 March 2022.

This report has been prepared in accordance with the requirements outlined in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and forms part of our management report as required under Disclosure Guidance and Transparency Rule (DTR) 4. Certain information that fulfils the requirements of the directors' report can be found elsewhere in this document and is referred to below. This information is incorporated into this directors' report by reference.

The directors' report comprises pages 90-119 and 128-150 of the governance report, and this report on pages 123-127. Other relevant information which is incorporated by reference can be found in the strategic report:

- Financial performance on pages 74-79
- Business environment on page 20
- Outlook and financial management strategies, including important events affecting the company since the year end (with subsidiary undertakings included in consolidated statements) on pages 1-89 and in note 36 on page 224
- The principal risks and risk management framework on pages 80-86
- Our engagement with suppliers, customers and others on pages 26-30

Other relevant information (required by Listing Rule 9.8.4 R) is incorporated by reference to the directors' report and appears in the Annual Report as follows:

Information	Pages
Details of our long-term share plans	134
Details of where a shareholder has agreed to waive future dividends	
The ongoing waiver of our EBT and dividends payable on shares held in trust for use under our employee share plans	124
Relationship Agreement	125
LR 9.8.6R Climate related financial disclosures	54

This section contains the remaining matters not covered elsewhere on which the directors are required to report each year.

Profit and dividends

Statutory consolidated profit for Airtel Africa after tax for 2021/22 was \$755m (2020/21: \$415m), and for the company the loss after tax for 2021/22 was \$7m (2020/21: \$6m). Details of our dividend distribution during the year are set out on page 204 – note 27.1 to the consolidated financial statements.

Subject to the approval of our shareholders, the directors have recommended a final dividend for the financial year ended 31 March 2022 of 3 cents per ordinary share, which will be paid out of distributable reserves. You can find more about the dividend, including key dates on our website www.airtel.africa. On 27 October 2021, the Board declared an interim dividend of 2 cents per ordinary share. This was paid on 10 December 2021 to shareholders who were on the UK and Nigerian share registers on 12 November 2021.

Directors

The names of our current directors, along with their biographical details, are set out on pages 90-93 and are incorporated into this report by reference. Directors serving during the year are listed on page 210.

Details of directors' interests in our share capital are in our directors' remuneration report on page 145.

Our Articles of Association govern the appointment, removal and replacement of our directors and explain the powers given to them.

Avoiding conflicts of interest

The Board regularly reviews each director's interests outside Airtel Africa and considers how the chair ensures he is applying objective judgement in his role, as required by the UK Corporate Governance Code. To help directors avoid conflicts (or possible conflicts) of interest, the Board must first give clearance to any potential conflicts, including directorships or other interests in outside companies and organisations. This is recorded in a statutory register kept for this purpose.

If a director considers they are, or might be, interested in any contract or arrangement in which the company is or may be involved, they must give notice to the Board in line with the Companies Act 2006 and our Articles of Association. In this instance, unless allowed by the Articles, the director cannot take part in any discussions or decisions about the contract or arrangement.

Articles of Association

The Articles of Association can be amended in line with the Companies Act 2006 through a special shareholder resolution. The information below sets out the provisions in the Articles of Association in place at the date of this report.

Share capital and control

We have two classes of shares:

1. **Ordinary shares of \$0.50** – each carries the right to one vote at our general meetings and other rights and obligations as set out below.
2. **Deferred shares** – these carry no voting rights.

Details of our share capital movement during the year are set out in the consolidated statement of changes in equity on page 164.

Rights of members

There are no restrictions on the size of a holding, the exercise of voting rights, or the transfer of shares. The directors are not aware of any agreements between shareholders that might restrict the transfer of shares or voting rights.

Share plans and rights under the employee share scheme

We operate an Employee Benefit Trust (EBT) for some employee share plans. The trustee of the EBT has all rights attached to Airtel Africa shares unless specifically restricted in the plan's governing document.

Under these plans, we can satisfy entitlements by acquiring existing shares held in the EBT. The trustee purchases shares in the open market as required to enable us to deliver shares to satisfy awards that vest. The trustee does not register votes in respect of these shares at our AGMs and has waived the right to receive any dividends. At 31 March 2022, the EBT held 4,932,206 ordinary Airtel Africa shares. During the year, the EBT transferred 2,509,155 shares to satisfy the vesting of awards under our share-based incentive plans.

Purchase of own shares

The articles do not prevent Airtel Africa from purchasing its own shares. No one person has any rights of control over our share capital and all issued shares are fully paid.

Major shareholders

Major shareholders have the same voting rights as other shareholders. We publish information given to us by substantial shareholders through the regulatory information service and on our website www.airtel.africa, in line with the FCA's Disclosure Guidance and Transparency Rules. At 31 March 2022, we had been notified, in keeping with Rule 5, of the following holdings of ordinary share voting rights[2]:

Shareholder	Number of voting rights	% of capital[1]
Airtel Africa Mauritius Limited	2,105,108,805	56.01
Indian Continent Investment Limited	292,424,330	7.78
Singapore Telecom International Pte Ltd	148,093,705	3.94
Warburg Pincus LLC	145,212,068	3.86
Qatar Holding LLC	134,726,964	3.58
Bharti Global Limited	127,147,531	3.38

1 % interest in voting rights attaching to issued shares

2 The company has not received any notifications in accordance with DTR5 from 1 April 2022 to the date of this Annual Report

Significant agreements (change of control)

Airtel Africa's borrowing and bank facilities contain the usual provisions which could potentially lead to prepayment and cancellation by the other party if there's a change of company control. There are no other significant contracts or agreements that would take effect, change or come to an end on a change of control following a takeover bid. All our share plans contain provisions for a change of control as summarised in the directors' remuneration report on pages 128-150.

We do not have agreements with any director or employee that would compensate for loss of office or employment resulting from a takeover bid.

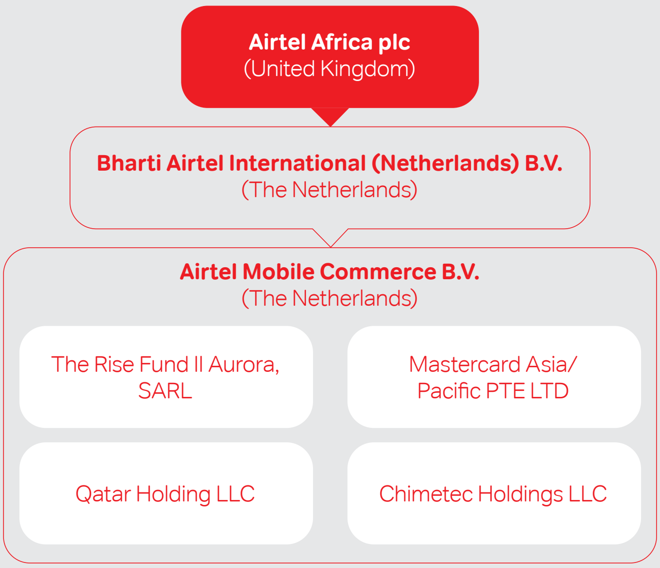
Airtel Mobile Commerce BV (AMC BV)

AMC BV, a wholly owned subsidiary of Airtel Africa, is currently 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 once the inclusion of the remaining mobile money operations under AMC BV is completed.

Airtel Africa plc has sold minority equity stakes in AMC BV to four investors.

Airtel Africa aims to explore the potential listing of the mobile money business within four years. Under the terms of the transaction with the four minority stakeholders, and in very limited circumstances (in the event that there is no Initial Public Offering of shares in AMC BV within four years of first close, or in the event of changes of control without prior approval), the minority investors 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 (determined by a mutually agreed merchant bank using an agreed internationally accepted valuation methodology – capped at 2x initial value). The option is subject to a minimum price equal to the consideration paid by the investor for its investment (less the value of all distributions and any proceeds of sale of its shares, and with no time value of money or minimum built in) and a maximum number of shares in AMC BV.

Ownership of Airtel Mobile Commerce BV



This represents desired shareholding structure on the basis that all restructuring is completed successfully by final closing date.

However actual shareholding may differ on account of closing adjustments and completion of ongoing restructuring activities

Airtel Money Investments at a glance

1
1st Investment Agreement signed with **The Rise Fund II Aurora SARL** on 17 March 2021 ($200m)
1st Completion conditions precedent met on 30 July 2021

2
2nd Investment Agreement signed with **Mastercard Asia/Pacific Pte Ltd** on 31 March 2021 ($100m)
1st Completion conditions precedent met on 30 July 2021

3
3rd Investment Agreement signed with **Qatar Holdings LLC** on 30 July 2021 ($200m)
1st Completion conditions precedent met on 19 August 2021

4
2nd Completion conditions precedent met in November, 2021

5
4th Invesment Agreement signed with **Chimetec Holdings LLC** on 15 December 2021 ($50m)

Relationship agreement

In accordance with the Listing Rules, Airtel Africa entered into a relationship agreement with Bharti Airtel, Airtel Africa Mauritius Limited (AAML), our majority shareholder and an indirect subsidiary of Bharti Airtel, and Bharti Telecom on 17 June 2019. This agreement regulates the ongoing relationship and ensures that transactions and arrangements between parties are conducted at arm's length and on normal commercial terms. It also contains the independence undertakings and provisions required by the Listing Rules. During the financial year, Airtel Africa has complied with the terms and provisions of the relationship agreement.

Board and meeting participation

As long as Bharti Airtel and/or AAML are a controlling shareholder, Board meetings and certain committee meetings must include a non-executive director nominated by Bharti and/or AAML (subject to certain exemptions) to be valid (quorate). Each Board and committee meeting must include three directors including two independent directors to be valid.

As long as Bharti Airtel and/or AAML and their associates hold (directly or indirectly) ordinary shares in Airtel Africa, they are entitled to appoint non-executive directors to the Board as follows:

- One non-executive director for 10% or more interest in the ordinary shares
- Two non-executive directors for 15% or more interest in the ordinary shares

For every 10% or more interest (directly or indirectly) in the ordinary shares above 15% in aggregate, Bharti Airtel and/or AAML can nominate one additional non-executive director to the Board, up to a maximum of four directors. Independent non-executive directors must form the majority of the Board.

Similarly, as long as Bharti Airtel and/or AAML and Bharti Telecom and their associates have a 10% or more interest in Airtel Africa ordinary shares, each can appoint one observer (who must be a director) to attend meetings of the Audit and Risk Committee and Remuneration Committee. This observer can attend and speak at meetings but does not count towards quorum or have a right to vote. As such, Akhil Gupta attends the Audit and Risk Committee meetings, and Shravin Bharti Mittal attends the Remuneration Committee meetings.

Other provisions

The agreement provides that Airtel Africa will not make any market purchases that would cause Bharti or Bharti Telecom to have to make a mandatory offer under rule 9 of the Takeover Code, unless Airtel Africa has the necessary consents and waivers to prevent a mandatory offer obligation.

Amendments can only be made to this relationship agreement in writing and with the recommendation of a majority of the independent directors. The relationship agreement will come to an end upon the earlier of:

- Ordinary shares of Airtel Africa no longer being listed on the premium listing segment and traded on the London Stock Exchange (LSE)
- Bharti Airtel, AAML and Bharti Telecom, together with their associates, ceasing to be interested (directly or indirectly in aggregate) in at least 10% of issued ordinary shares

The relationship agreement will terminate upon the shares ceasing to be listed on the LSE's main market or the principal shareholders and their associates ceasing to hold at least 10% of the issued shares.

We believe that the terms of this relationship agreement enable Airtel Africa to carry out its business independently of Bharti Airtel, AAML and Bharti Telecom.

Services agreement

Bharti Airtel provides services to Airtel Africa and its subsidiaries including Bharti Airtel International (Netherlands) B.V. (BAIN) under a services agreement.

Provision of information

To provide services to Airtel Africa under the services agreement, Bharti Airtel will have access to information related to the Airtel Africa Group which may include sensitive or confidential information. Bharti Airtel will ensure its affiliates comply with the terms of the information flow protocol to the extent that it is legally able to do so. Airtel Africa will provide Bharti Airtel with service-related information necessary for it to provide services under the agreement.

Future developments

The strategic report contains details of likely future developments within Airtel Africa.

Group policy compliance

Each Group policy is owned by a member of the Executive Committee to ensure clear accountability and the authority to make sure the associated business risk is adequately managed. The senior leadership team member responsible for each Group function has primary accountability for ensuring compliance with all Group policies by all our markets and entities. Our Group compliance team supports the policy owners and local markets in implementing policies and monitoring compliance. All of the key Group policies have been consolidated into our Code of Conduct which applies to all employees and those who work for or on behalf of Airtel Africa. It sets out the standards of behaviour expected in relation to areas such as insider dealing, bribery, and raising concerns through our whistleblowing process.

Directors' indemnities

We have agreed to indemnify directors for certain losses and liabilities in connection with their duties, powers and office. Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the financial year ended 31 March 2022. We also hold liability insurance covering our directors for any legal action against them. We took legal advice on this subject.

Branch and representative offices

Airtel Africa Services (UK) Limited has an office in Dubai, UAE. We were issued a commercial licence in Dubai on 30 September 2021 with number 99099.

Bharti Airtel International (Netherlands) B.V. has a branch office in Nairobi, Kenya. It was issued a certificate of compliance on 7 October 2010 with number CF/2010/33117.

Anti-bribery and anti-corruption

In line with the Bribery Act 2010, we have written policies on avoiding and not tolerating bribery or corruption. These apply across all our businesses and can be found on our website. All employees are trained in anti-bribery and anti-corruption to help mitigate the risk of reputational damage, financial penalties and possible exclusion from certain approved partnerships.

Political donations

In line with our policy, we have not made any donations to political parties during the year.

At our next AGM, our directors will be asking for the authority to make political donations of no more than £25,000 in total. This is to strengthen our corporate governance by making sure that neither Airtel Africa nor our subsidiaries inadvertently breach the wide definitions in Part 14 of the Companies Act.

Employing people with disabilities

It is our policy that people with disabilities should be fairly considered for any job vacancy.

We are committed, wherever possible, to making sure people with disabilities are supported and encouraged to apply for employment and able to work successfully at Airtel Africa.

Important events since the end of the financial year

Details of important events affecting the Group which have occurred since the end of the financial year are set out in the strategic report and note 36 to the consolidated financial statements on page 224.

Our auditor

Deloitte LLP have confirmed their willingness to continue as our auditor. Following our Audit and Risk Committee's review of their effectiveness (described on page 112), we will propose at our AGM that we reappoint Deloitte.

Our policy is that our auditor will not carry out non-audit services, except where appropriate and in line with our policy for doing such work. Our Audit and Risk Committee also considers the ethical and auditing professional standards related to non-audit services by our external auditor. Deloitte provided limited non-audit services during the year in line with our policy as described in the Audit and Risk Committee report – see page 113.

As at the date of this report, so far as each director is aware, there is no relevant audit information of which our auditor is unaware. Each director confirms that they've taken all appropriate steps to make themselves aware of relevant audit information and to make sure our auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Audit and Risk Committee recommendations and statements of compliance

The committee has completed its review of the effectiveness of internal controls, including risk management, during the year and up to the date of this Annual Report. The review covered all material controls including financial, operating and compliance. As such, we can provide assurance to the Board under the 2018 UK Corporate Governance Code. This is covered in more detail in the Audit and Risk Committee report – see pages 104-113.

Airtel Africa has complied throughout the reporting period with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) order 2014.

Annual general meeting (AGM)

Our AGM will be live-streamed on Tuesday 28 June 2022 at 11am BST from 53/54 Grosvenor Street, London W1K 3HU. Details of the business to be transacted at the AGM are included in our 2022 notice of the AGM available on our website: www.airtel.africa.

In line with recent practice and good governance, we'll conduct all voting on resolutions at this year's AGM by poll. The Board believes that this way of voting gives as many shareholders as possible the opportunity to have their votes counted.

The directors' report has been approved by the Board and is signed on its behalf by:

Simon O'Hara
Group company secretary

10 May 2022

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare our financial statements in accordance with UK adopted international accounting standards in line with the requirements of the Companies Act 2006. We have elected to prepare the company's financial statements in accordance with UK Generally Accepted Accounting Practice (GAAP), including FRS 101 Reduced Disclosure Framework. Under company law, the directors must not approve the accounts unless satisfied that they give a true and fair view of the state of affairs of our company and of our profit or loss for that period.

In preparing our company's financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Airtel Africa will continue in business

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on our financial position and financial performance
- Make an assessment of our ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that show and explain the company's transactions and disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on our website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

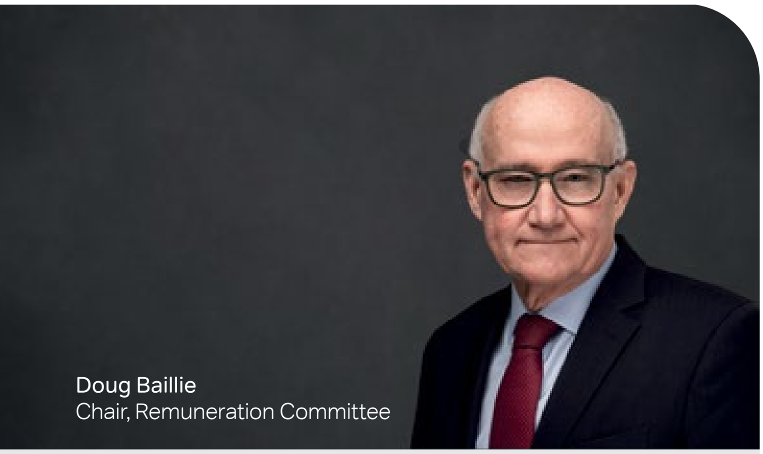
- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole.
- The strategic report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- The Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of directors on 10 May 2022 and is signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2022

Directors' remuneration report



Doug Baillie
Chair, Remuneration Committee

This report sets out the remuneration policy for our directors, what they've been paid in the year and how this is linked to the performance achieved.

There are three sections to the report:

Part 1

An introduction from the committee chair – this explains our approach to remuneration, summarises the key decisions made by the committee during the year (also part of the annual remuneration report), and gives an overview of our 2022/23 approach and policy.

Part 2

The directors' remuneration policy – this sets out the proposed remuneration policy for our CEO, CFO, chair and non-executive directors, which will be put to a binding shareholder vote at the forthcoming AGM.

Part 3

Our annual report on remuneration – this sets out in detail how we applied our current remuneration policy in 2021/22, the remuneration received by directors for the year and how the proposed policy will be applied in 2022/23. This report will be put to an advisory shareholder vote at the AGM.

All amounts in this report are in US dollars ($), unless stated otherwise.

Chair's introduction

I'm pleased to present the Remuneration Committee's report for 2021/22.

Board changes

During the year there were a number of changes to the Board, with Raghunath Mandava retiring on 30 September 2021. Segun Ogunsanya was appointed as CEO from 1 October 2021. Jaideep Paul, our CFO, joined the Board on 1 June 2021.

On appointment, Segun Ogunsanya's base salary was set at $915,000. In setting this salary, our committee took account of Raghu's salary. This was not increased in 2021/22 in light of his decision to retire, whereas employees' salaries increased by 6% on average. Therefore, Segun's starting salary of $915,000 would have been lower than our outgoing CEO's if this had been increased in line with other employees in 2021/22. Segun receives a standard package of benefits in line with his expatriate status and location in Dubai. He also participates in a legacy pension scheme to which the company contributes 10% of his salary, in line with statutory requirements in his home country of Nigeria and arrangements for our employees there. His target annual bonus for 2021/22 was set at 75% of salary (maximum 150% of salary), with one-third to be deferred into Airtel Africa shares for two years. Segun's LTIP awards for 2021/22 and 2022/23 comprise a PSP grant of 90% of salary and RSU grant of 40% of salary.

Jaideep's salary was set at $583,000, with benefits in line with his expatriate status and location in Dubai. His target annual bonus for 2021/22 was set at 70% of salary (maximum 140% of salary), with one-third to be deferred into Airtel Africa shares for two years. His LTIP awards for 2021/22 and 2022/23 comprise a PSP grant of 75% of salary and RSU grant of 35% of salary. Leaver terms for Raghu are set out below.

Performance outcomes for the year

To recap on the performance as described in the strategic report, this year Airtel Africa delivered a strong performance, with double-digit revenue and underlying EBITDA growth and a record free cash flow delivery. Total shareholder return was 81.5% which ranked Airtel Africa at number 3 in the MSCI Emerging Markets Communication Service Index.

The pandemic has highlighted the importance of the service we provide. Maintaining resilient networks in all the countries we operate in provided the platform for significant partnerships in assisting governments with delivery of emergency funds and support packages and the communication of comprehensive Covid-19 health messages. It also provided the platform that enabled key commercial partnerships to support financial inclusion and for education partnerships to provide free data and internet connectivity to those most in need. Most noteworthy is the five-year partnership with UNICEF to help accelerate the rollout of digital learning across 13 African countries.

Annual bonuses for 2021/22 were based on a scorecard of measures: net revenue (35%), underlying EBITDA (35%), operating free cash flow (10%) and personal objectives (20%). Given the Group's strong performance with 24.1% growth in net revenue, 31.2% growth in EBITDA and 44.4% growth in operating free cash flow, the stretch targets for all of the financial objectives were exceeded. Each of our three executive directors in the year also had role-specific personal objectives for the year – see page 140 for details. As a result, bonuses of 150% and 140% of salary were awarded to our new CEO and our CFO respectively, and our outgoing CEO received a bonus of 150% of his pro-rated salary. One-third of the bonuses for Segun and Jaideep will be deferred into shares for two years, but Raghu's bonus will be paid in cash in line with his leaver arrangements. The overall level of bonuses should be seen in the light of the business continuing to operate normally with full employment, no government support funding and a proposed dividend in line with current policy for our shareholders.

Our CFO was granted an award on IPO, with the final tranche subject to performance measured to the end of 31 March 2022, vesting at 100%. See page 142 for details.

Leaver terms for the former CEO

In considering Raghu's leaver terms, our committee noted that he oversaw an extraordinarily successful period for Airtel Africa. During his leadership, Airtel Africa experienced sustained performance in becoming the fastest growing and most profitable telecoms operator in Africa.

We took this into account in determining how to apply the policy and treat his inflight share awards on departure. We also considered that over 75% of the shares under award were not subject to leveraged performance conditions on vesting, that the majority were granted in connection with the IPO, and that in view of his planned retirement no long-term incentive awards were made in 2021. We therefore exercised discretion under the policy to determine that his share awards should vest at the time of his departure, with LTIPs subject to pro-rating for time and based on our committee's assessment of performance against the performance conditions based on our auditor reviewed half-year accounts and relative TSR measured to 30 September 2021. We note that the outcome of the 2019 financial metrics aligns with the final outcomes which have been assessed for the CFO in the normal timeframe, but that the outcome of the relative TSR measure was vesting at 50% as compared to the current estimated vesting of this element of 100%. None of the shares vesting on Raghu's departure may be sold for two years (other than to settle any tax due), and during this time they remain subject to malus and clawback.

As a good leaver, Raghu was also eligible to receive a bonus for the period worked in the year, with this assessment made at the end of the year.

More information about these awards and other terms, which are in accordance with the policy, is on page 124.

Considering formulaic outcomes

Our committee reviewed the formulaic outcomes against the bonus and LTIP targets and decided that these were a fair reflection of the overall performance achieved for shareholders. We confirm that in assessing performance against the targets, no discretion was applied to the outcome and that the policy operated as intended.

The only discretion exercised in the year was in relation to the treatment of the outgoing CEO's share awards on leaving the company, as described above.

Remuneration policy changes

The current remuneration policy received 93.55% votes in favour at our 2020 AGM. Our committee designed this policy to be appropriate for a newly listed company in the UK while taking account of our very specific circumstances, given we are listed on the London Stock Exchange (with a secondary listing on the Nigerian Stock Exchange) and operate in 14 countries in Africa.

We regularly review the policy to ensure it operates as intended and continues to be in line with best practice and our business strategy. In 2021, we decided to change the way in which the current policy is implemented in two specific areas: requiring one-third of any bonus paid to executive directors to be deferred (rather than only any bonus in excess of 100% of salary), and introducing a two-year post-employment holding period. Both of these changes were made to take account of current best practice and were more restrictive than required by the current approved policy.

During this financial year, we further considered the policy in light of Airtel Africa's evolving strategy and changes to the Board. Our committee has decided to put the policy changes to a shareholder vote at the AGM this year, in order to formally incorporate the best practice features introduced in the last two years and make a few more sensible policy changes to reflect the appointment of a new CEO and our CFO joining the Board.

The following changes are proposed:

1. **Bonus deferral:** updating the policy to require one-third of any bonus to be deferred into shares for two years. This already applies to the CFO and new CEO.
2. **Benefits and pension:** making specific provision for the CEO's legacy pension arrangement, which is 10% of salary in line with statutory requirements for employees in his home country of Nigeria. In line with the approach for the previous CEO, the CFO does not receive a pension.
3. **Share ownership requirements:** setting the CFO's share ownership requirement at 200% of salary. The current policy requires executive directors to build up and retain shares worth 250% of salary. This was set when the previous CEO was the only executive member of the Board and it was not envisaged that other executives might be appointed to the Board during the life of the policy. Following the appointment of the CFO to the Board and recognising that he receives a lower LTI award than the CEO, we propose to amend the policy so that his share ownership requirement is set at 200% of salary. The CEO's requirement would remain at 250% of salary. The policy will also be updated to reflect the post-employment shareholding requirement introduced last year. This specifies that executive directors must hold shares for two years after leaving equal in value to the lower of their holding on date of leaving or 50% of their requirement in employment. We judge this as appropriate given the markets in which our executives are based and recruited from, where share ownership requirements are typically not operated.

Consistent with our approach of regularly reviewing the policy to ensure it remains appropriate, the committee has carefully considered the other elements of the policy. We believe these remain appropriate given Airtel Africa's unique circumstances and are therefore not proposing any other material changes to the policy or its operation.

In particular, we reviewed the use of a mix of restricted and performance shares in Airtel Africa's long-term incentive plans in the light of feedback received from some investors and proxies when the policy was first introduced. Attracting and retaining the right talent in the countries where we operate is a significant challenge and we believe the current approach of granting a mix of performance shares with demanding performance conditions and restricted shares with a financial underpin remains appropriate and critical to our talent agenda. We also note that the annual award levels are not excessive, with grants to the executive directors to date lower than the normal maximum award level provided for in the policy.

Board chair fee

During the year, our committee reviewed the Board chair's fee. This was set at the point of our IPO in line with the base directors' fee, with a non-cash benefit of a car plus driver when in the UK. We considered it timely to review these arrangements with a view to moving to a more market-aligned fee structure for the role. As a result, we consolidated the Board chair's car and driver benefit into the fee and increased the fee to £300,000 per year effective from 1 November 2021. This also reflects the time commitment and responsibilities of the role, as well as competitive fee levels for chairs of comparable organisations. Going forward the chair will reimburse the company the actual cost of a company-provided company car out of his fee.

Applying the proposed policy in 2022/23

Salaries for the CEO and the CFO will be increased by 5% which compares to a planned workforce increase of slightly above 7%.

Maximum bonus opportunity is capped at 200% of base salary under the proposed policy. The 2022/23 target bonus will be set at 75% of base salary for the CEO and 70% of salary for the CFO, with maximum bonuses of 150% and 140% of salary respectively. In line with the proposed policy, one third of any bonus will be deferred into shares for two years. It is intended that metrics and weightings remain unchanged from last year, with 80% based on financial metrics (net revenue, underlying EBITDA and operating free cash flow) and 20% non-financial. Within the Non-Financial targets an ESG target has been included for the first time, which is linked to the Company's Strategy and sustainability roadmap which was published in November 2021.

LTIP grants will consist of performance shares (with a maximum face value of 90% of salary for the CEO and 75% of salary for the CFO), and restricted stock units (with a face value of 40% of salary for the CEO and 35% of salary for the CFO). We believe that a significant proportion of pay should be tied to performance. We'll continue to set robust and challenging performance targets for both the bonus and the performance shares component of the LTIP, with vesting of restricted stock units dependent on the satisfaction of a financial underpin. As in 2021/22, three performance conditions will apply to the performance shares: relative TSR (20%), underlying EBITDA (40%) and revenue (40%), with each measured over three years. The underlying EBITDA and revenue targets will not be disclosed at grant as they are currently considered to be commercially sensitive. They will be disclosed when this changes – no later than the report for the year in which the awards vest. The underpin applying to the grant of restricted stock units will require a positive operating free cash flow over the three financial years ending the year before the units vest.

Conclusion

This past year has demonstrated the true resilience of all of Airtel Africa's employees. Not only has they delivered an exceptionally strong financial performance but in doing so truly lived the company's purpose of delivering vital services and helping transform the lives of its stakeholders.

I would like to thank my fellow committee members for their continued diligence and dedication. We look forward to seeing your support for the directors' remuneration report at this year's AGM and, more importantly, seeing the continued benefits of our work to all our stakeholders over the coming years.

I will be attending the 2022 AGM and look forward to engaging with shareholders at the meeting. In the meantime, if you'd like to discuss any aspects of this report please contact me through our company secretary, Simon O'Hara (see page 240 for contact details).

Doug Baillie
Chair, Remuneration Committee

10 May 2022

Remuneration Committee

- Advises the Board on remuneration for Board members, executive directors, the company secretary, the Executive Committee and other senior employees
- Makes sure that remuneration arrangements identify and mitigate reputational and other risks from excessive rewards and inappropriate behaviour linked to target-based incentive plans
- Ensures targets are appropriate, geared to delivering our strategy and enhancing shareholder value
- Makes sure rewards for achieving or exceeding agreed targets are not excessive
- Promotes the increasing alignment of executive, employee and shareholder interests through appropriate share plan participation and executive shareholding guidelines
- Reviews employee remuneration and policies and the alignment of incentives with culture, particularly when setting the executive directors' remuneration policy
- Through the committee chair, engages with shareholders on remuneration-related matters

Main activities in 2021/22

During the financial year, the committee:

- Agreed annual salary increases and reviewed senior executive remuneration
- Implemented and made awards under our share plans
- Determined the level of bonus payments for the previous financial year
- Determined the leaving arrangements for the former CEO based on a performance assessment
- Set the starting salaries and levels of remuneration for the new CEO and CFO
- Drafted and agreed the directors' remuneration report
- Received training in key areas of the UK Corporate Governance Code and The Investment Association's guidance
- Received regular updates on latest investor thinking and emerging and future remuneration trends, including the expected impact of ESG trends on remuneration

Shareholder consultation

We consulted with major shareholders and leading representative bodies on:

- Raghu Mandava's leaver terms and the packages for the new CEO and CFO
- Changes to the remuneration policy which will be put to a binding vote at the forthcoming AGM

The Committee welcomes feedback from shareholders and carefully considered this in determining the remuneration policy. The majority of shareholders who expressed a view on the proposed policy changes were broadly supportive. The feedback we received helped to shape our final proposals.

Engaging with employees

The reports on pages 26 and 116 explains our work on diversity and the various ways in which management engaged with employees during the year. While our committee doesn't directly consult employees on executive remuneration, in our regular town halls a wide range of topics were discussed with our CEO, including employee remuneration. From next year, a non-executive director will be invited to join these meetings.

Summary of remuneration

FY21/22 peformance

Net revenue
+24.1%
$4,042m

Underlying EBITDA
+31.2%
$2,293m

Operating free cash flow
+44.4%
$1,637m

Annual bonus outcomes

All amounts are in $million	Weighting	Threshold	Target	Maximum	Outcome
Net revenue	35%	3,823	3,921	3,921	35%
Underlying EBITDA	35%	2,121	2,187	2,258	35%
Operating free cash flow	10%	1,421	1,487	1,558	35%
Non-financials CEO Details on **page 140**	20%				20%
Non-financials CFO Details on **page 140**	20%				20%

Bonus outcomes as % of maximum

Segun Ogunsaya 100%

Jaideep Paul 100%

Long-term incentive plan

Both our new CEO and CFO joined the Board during the year, with a legacy award vesting to the CFO.

See pages 142 and 143 for details of their legacy LTIP awards and arrangements for the retiring CEO.

Single figure of remuneration

Segun Ogunsaya $1,404

Reflects the period from joining the Board

Jaideep Paul $1,589

Link between remuneration and business strategy – metrics for 2022/23

Annual bonus

Measure	Weighting	Why chosen
Net revenue	35%	Key indicator of our growth, market penetration and customer retention
Underlying EBITDA	35%	Measure of our profitability and cash-generating ability from year to year
Operating free cash flow	10%	Measure of the underlying profitability from our operations, as well as our ability to service debt and other capital commitments
Non-financials	20%	Indicator of the performance of the organisation in key non-financial areas. For 2022, the non-financial measures relate to ESG and regulatory objectives

Long-term incentive plan

Measure	Weighting	Why chosen
TSR, relative to a peer group of competitors[1]	20%	Measures the total returns to our shareholders, providing close alignment with shareholders interest
Net revenue	40%	A key indicator of long-term growth in the market, highlighting the importance of sustained performance
Underlying EBITDA	40%	Measure of the underlying profitability from our operations, as well as our ability to service debt and other capital commitments, highlighting the importance of sustained performance
Operating free cash flow	RSU underpin	Measure of the underlying profitability from our operations, as well as our ability to service debt and other capital commitments

1 For grants in 2022, we intend to use a peer group of international emerging market communication services organisations (MSCI Emerging Markets Communication Services Index constituents).

Summary of remuneration

Proposed remuneration structure for 2022/23

Component	Purpose and link to strategy	22/23	23/24	24/25	25/26	26/27	27/28	Proposed policy changes	Proposed implementation for 2022
Base salary	To recruit and reward executive directors of a suitable calibre for the role							No change	CEO: $960,750 CFO: $612,150
Benefits (including pension)	To provide market competitive benefits							Minor updates to reflect CEO pension	Benefits in line with policy
Annual bonus	To incentivise and reward annual performance achievements. To also provide sustained alignment with shareholders through a component deferred in shares		Deferral period					Deferral of ⅓rd of any bonus	CEO: 140% of salary maximum CFO: 150% of salary maximum: Metrics[1]: Net revenue, underlying EBITDA, Operating free cash flow, non-financial ⅓rd deferred
Long-term incentive plan – PSUs **Long-term incentive plan – RSUs**	To incentivise and reward the delivery of the company's strategic objectives and provide further alignment with shareholders through the use of shares				Holding period			No change	CEO grant: 90% of salary in PSP and 40% of salary in RSUs CFO grant: 75% of salary in PSP and 35% of salary in RSUs Metrics: TSR relative to a peer group of competitors, Net Revenue, underlying EBITDA RSU underpin: Operating free cash flow
Shareholding requirement	To further align the interests of executive directors with those of shareholders							CFO – 200% of salary (CEO remains unchanged) Post-cessation shareholding requirements formalised	CEO: 250% of salary CFO: 200% of salary

1 The target ranges are considered by the committee to be commercially sensitive and will be disclosed in the 2022/23 directors' remuneration report

Part 2

Directors' remuneration policy

This sets out the proposed policy which will be submitted for approval in a binding vote at the 2022 AGM to be held on Tuesday 28 June 2022. The policy approved at the 2020 AGM can be found on our website: www.airtel.africa.

We developed the proposed policy taking into account the principles of the UK Corporate Governance Code and the views of our major shareholders. The policy is intended to attract, motivate and retain high-calibre directors, to promote the long-term success of Airtel Africa, and to be in line with good practice and the interests of our shareholders.

The proposed policy differs from the current shareholder approved policy in the following key areas:

- The annual bonus deferral mechanism has been strengthened so that one-third of any bonus must be deferred in shares (in line with current practice).
- The benefits wording is updated to make specific provisions for the legacy pension arrangement of the CEO, which is 10% of salary in line with statutory requirements for employees in his home country of Nigeria.
- Following the appointment of the CFO to the Board and recognising that he receives a lower LTI award than the CEO, his share ownership requirement is set at 200% of his salary.
- The wording of the policy now reflects the post-cessation shareholding requirement introduced last year.

There are other minor wording changes to make sure the policy is clear and easily understood.

Key principles of our remuneration policy

Our committee took into account the UK Corporate Governance Code's six factors in Provision 40 in determining the proposed remuneration policy. We believe the policy addresses these factors:

- **Clarity:** the structure of remuneration is designed to support our company strategy, aligning the interests of our executive directors with those of our shareholders.
- **Simplicity:** We operate a simple remuneration framework, comprising fixed pay, short- and long-term incentives. The use of both performance and restricted shares may add a little complexity, but this is appropriate and critical to our talent agenda for the markets in which we operate.
- **Proportionality:** remuneration is set at competitive levels to ensure our ability to attract and retain premium talent. There is a direct link between the success of the strategy and the value received by executive directors.
- **Alignment to culture:** the remuneration approach supports our strategy objectives and reflects the diversity of our business. The structure of the package, and benefits in particular, reflects local practices and employment conditions in the countries in which executive directors are based and/or recruited from.
- **Predictability:** a significant proportion of executive directors' remuneration should be performance-based. The policy sets out the possible future value of remuneration executive directors can receive.
- **Risk:** The package is appropriately balanced between the achievement of short-term and longer-term objectives and does not reward poor performance or encourage inappropriate risk-taking.

Executive directors' remuneration policy table

	Purpose and link to strategy	How we assess performance	Maximum opportunity
Base salary	To recruit and reward executive directors of a suitable calibre for the role and duties required	Normally reviewed annually by committee, taking account of company and individual performance, changes in responsibility and levels of increase for the broader employee population. Reference is also made to market levels in companies of similar size and complexity. We consider the impact of any base salary increase on the total remuneration package. Salaries (and other elements of the remuneration package) may be paid in different currencies as appropriate to reflect the geographic location.	There is no prescribed maximum salary or annual increase. However, increases will generally be guided by increases for the broader employee population. Increases above this level may be made in specific situations to recognise development in the role, changes responsibility, material changes to the business or exceptional company performance.
Benefits and pension	To provides market competitive benefits	Benefits for executive directors will typically reflect their country of residence. Where an executive director receives an expatriate package, additional cash benefits may be provided. Expatriate benefits may include housing allowance, education allowance and home leave tickets. Car allowances, life and medical insurance may also be provided. Statutory benefits as required under local law of the host country will also be paid. Pensions may be provided where this is in line with the workforce provision and statutory requirements in the executive's home location. We may also equalise for double taxation between the required work location and the executive's country of residence, if required.	Maximum values are determined by reference to market practice, avoiding paying more than is necessary. Where pension is offered, this will be in line with statutory requirements in the executive's home location and in line with the wider workforce for that location.

Part 2

	Purpose and link to strategy	How we assess performance	Maximum opportunity
Bonus plan	To incentivise and reward annual performance achievements. To also provide sustained alignment with shareholders through a component deferred in shares	Awards are based on annual performance against a scorecard of metrics aligned with our strategy, KPIs and other yearly goals. Financial measures have the highest weighting. Performance against strategic financial and non-financial objectives may also be used, but will not normally account for more than 20% of the total. The policy gives the committee the authority to select suitable performance metrics aligned to our strategy and shareholders' interests, and to assess the performance outcome. One-third of any bonus is normally delivered in shares deferred for a further two years. Any dividend equivalents accruing on shares between the date when the awards were granted and when the awards vest will normally be delivered in shares. Malus and clawback provisions apply to both the cash and share-based element of awards for a period of two years from the date of payment (cash) or date of release (shares) if there is: • Misstatement of company's accounts • An error in calculation performance • Gross misconduct resulting in dismissal • Material failure in risk management • Reputational damage • Material downturn in financial performance • Any other event or events that the committee considers to be both exceptional and sufficiently adverse to the interests of the company	The maximum annual bonus is 200% of base salary. The committee will use its discretion within these limits to consider the maximum bonus opportunity each year, taking account of market development opportunities, specific events and role expansion. For 2022/23, the CEO's maximum bonus opportunity will be set at 150% of his base salary and the CFO's will be 140% of his base salary. Threshold performance results in a payment of 30% of maximum. Dividend or dividend equivalents may be earned on the deferred bonus component.
Long-term incentive plan (LTIP)	To incentivise and reward the delivery of the company's strategic objectives and provide further alignment with shareholders through the use of shares	Awards may comprise performance shares (PSP) and/or restricted stock units (RSUs). Individuals are considered each year for an award of shares that normally vest after three years to the extent that any performance conditions are met and in line with the terms of the shareholder-approved plan. PSP awards are made subject to continued employment and the satisfaction of stretching performance conditions normally measured over three years set by the committee before each grant. The committee will have discretion to change the metrics and weighting from year to year. Major shareholders will normally be consulted before any significant changes. Awards of RSUs depend on continued employment and a financial underpin set by the committee before each grant. Awards granted in 2022 will require positive operating free cash flow over three financial years. The LTIP vesting outcome can be reduced, if necessary, to reflect the underlying or general performance of Airtel Africa. A two-year post-vesting holding period also normally applies to LTIP awards that vest (net of tax) after the adoption of this policy. Any dividend equivalents will normally be delivered at the end of the vesting period in shares based on the proportion of the award that vests. Malus and clawback provisions apply to awards made for three years from the date on which the award vest when there has been: • A misstatement of the company's accounts • An error in calculating performance • Gross misconduct resulting in dismissal • Material failure in risk management • Reputational damage • Material downturn in financial performance • Any other event or events that the committee considers to be both exceptional and sufficiently adverse to the interests of the company	The maximum annual grant limit is 200% of base salary (face value of shares at grant), of which normally not more than 50% of annual salary may be granted as RSUs to any one person in a single year. PSP awards with a face value of 100% of salary and RSUs with a face value of 50% of salary may normally be awarded. A maximum of 25% of the PSP award is available for threshold performance, rising to 100% of the grant for performance at the stretch level. In accordance with the LTIP plan rules, dividend or dividend equivalents may be earned on vested shares.

Part 2

	Purpose and link to strategy	How we assess performance	Maximum opportunity
Share ownership policy	To further align the interests of executive directors with those of shareholders	**In-employment** The CEO is expected to build up and retain shares worth 250% of base salary within five years of being appointed to the Board. Other executive directors are expected to build up and retain shares worth 200% of base salary within the same timescale. **Post-employment** Executive directors are required to retain shares equal in value to the lower of their holding on the date of cessation or 50% of their in-employment requirement for two years. Only shares acquired from LTIP and deferred bonus awards granted after their appointment to the Board will count towards this requirement.	Not applicable

Discretion in operating the incentive plans

To make sure these plans are operated and administered efficiently, the committee has discretion in relation to a number of areas. Consistent with the marketplace, these include (but are not limited to):

- Selecting the participants
- The timing of grant and/or payment
- The size of grants and/or payments (within the limits set out in the policy table)
- The extent and timing of vesting based on the assessment of performance
- Determining a 'good leaver' and, where relevant, the extent of vesting for share-based plans
- Treatment in exceptional circumstances such as change of control, when the committee would act in the best interests of our business and its shareholders
- Making the adjustments required in certain circumstances (such as right issues, corporate restructuring, variation of capital and special dividends)
- The form of settlement of awards in accordance with the discretions set out in the plan rules
- The annual review of performance measures, weightings and targets for the discretionary incentive plans from year to year
- The interpretation and operation of requirements related to the holding of shares in Airtel Africa

The committee has the right to amend or substitute any performance conditions if something occurs that would stop the condition from achieving its original purpose. Any amended condition would not be materially easier to satisfy in the circumstances.

Choice of performance measures and approach to target setting

Targets for each year's annual incentive and long-term incentive award are determined by the committee, taking a range of factors into account. Financial goals include the annual budget, the relevant three-year strategic plan, analysts' consensus factors, wider economic facts and affordability for the business. Non-financial goals reflect the priorities of our business and responsibilities of the role.

The annual bonus is based on performance against a stretching combination of financial and non-financial performance measures aligned with our KPIs and operational goals for the year. As such, they typically include measures of revenue, profitability and cash flow, which reflect our focus on profitable growth, cash generation and satisfying our debt and other capital commitments. For 2022/23 these will comprise net revenue (40%), underlying EBITDA (40%) and non-financial objectives (20%)as key indicators of our growth, profitability and financial health. Executive directors and members of our senior management team are also assessed on personal objectives, as agreed by our committee at the start of each year. The committee reviews and adapts the objectives each year as appropriate to reflect the priorities for the business in the year ahead.

The committee sets a sliding scale of targets for each financial measure to encourage continuous improvement and to stretch performance. The policy gives the committee the authority to select suitable performance metrics aligned to our strategy and shareholder interest.

The performance conditions for the PSP in 2022/23 are based on relative TSR against the MSCI Emerging Markets Communication Services Index (20%), net revenue (40%) and underlying EBITDA (40%). The underpin for grants of RSUs will be based on operating free cash flow. These measures are key indicators of our growth, financial health and are aligned with our shareholders' interests. The committee sets a sliding scale of challenging performance targets for each measure for the PSP – for more on these targets, see page 141. The committee reviews the choice of performance measures and the appropriateness of the performance targets and TSR peer group before each PSP grant. While different performance measures and/or weightings may be applied for future awards, the committee will consult with major shareholders before making any significant changes.

Legacy arrangements

Airtel Africa has the authority to honour any commitments entered into with current or former directors before this policy is approved or before their appointment to the Board. Details of any such payments will be set out in the remuneration report for the relevant year.

Executive directors' existing service contracts

Our executive directors have entered into agreements with an indefinite term that may be terminated by either party on six months' written notice in the case of Segun, and on three months' written notice in the case of Jaideep. At the committee's discretion, we may make a payment in lieu of notice – this is calculated relative to base salary and benefits only, paid on a phased basis and subject to mitigation.

Entitlement to both annual bonus and LTIP awards will typically lapse on cessation. In good leaver circumstances pro-rata bonuses may be paid and LTIP awards may vest in line with our policy and the plan rules. If a director commits an act of gross misconduct or similar, they may be dismissed without notice and without further payment or compensation, except for sums accrued up to the leaving date.

Name of director	Date of service contract	Unexpired term
Segun Ogunsanya	1 October 2021	Rolling contract
Jaideep Paul	1 June 2021	Rolling contract

Part 2

Approach to remuneration for new executive directors

The remuneration package for a newly appointed executive director will be set in line with the remuneration policy in force at the time. Variable remuneration will be determined in the same way as for existing executive directors, and is subject to the maximum limits on variable pay referred to in the policy table on page 135.

The committee may also buy out any remuneration and contract features that an executive director may be giving up in order to join Airtel Africa. Such buyouts would take into account the nature of awards forfeited and would reflect (as far as possible) performance conditions, the value foregone and the time over which they would have vested or been paid. Where shares are used, these awards may be made under the terms of the LTIP or under a separate arrangement as permitted under UK Listing Rules.

The committee may agree that certain relocation, legal, tax equalisation and other incidental expenses will be met as appropriate.

For an internal appointment, any legacy arrangements related to the previous role will be allowed to pay out as per their original terms, even if these are in conflict with the policy in place at the time.

Service contracts for new executive directors and policy on loss of office

Contracts for new executive directors will normally include up to six months' notice by either party. This table summarises how the main elements of pay will normally be treated.

	Good leaver	Other leavers	Dismissal for cause
Base salary	Payable for unexpired portion of notice period or settled by making a cash payment in lieu		Nil
Benefits and pension	Continues to be provided for unexpired portion of notice period or settled in cash		Nil
Annual bonus	Paid for period worked and subject to the normal performance conditions Paid following the relevant year end in cash	Normally lapse	Lapse
Deferred bonus awards	Typically vest on normal timetable without pro-rating for time	Normally lapse	Lapse
Share-based awards	Typically vest according to normal schedule subject to performance conditions (if applicable) and usually pro-rated for time	Normally lapse	Lapse

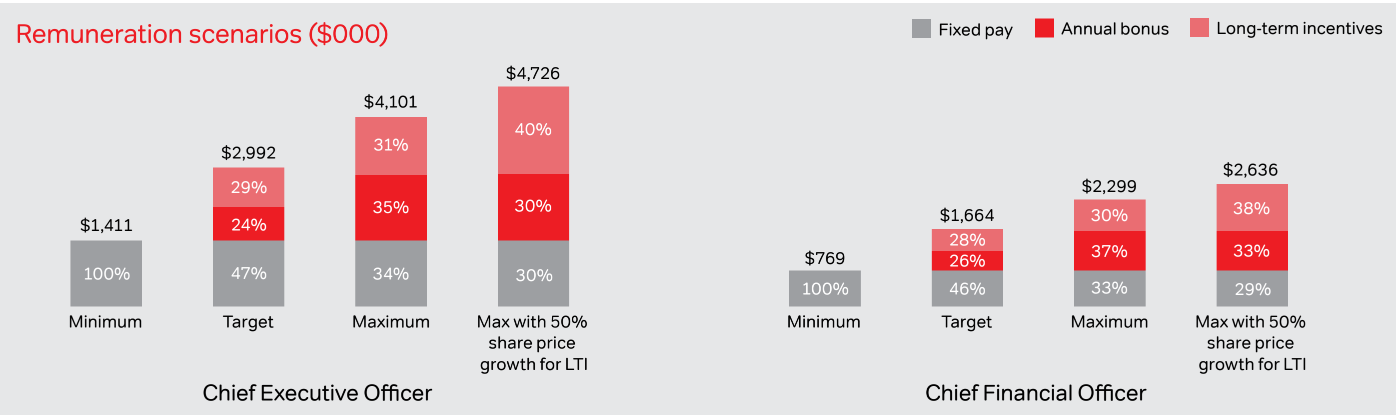
The committee would try to mitigate any payments in lieu of notice by, for example, making payments in instalments that can be reduced or ended if the former director wants to begin alternative employment during the payment period. We will pay as necessary any statutory entitlements or sums to settle or compromise claims in connection with a termination (including, at the discretion of the committee, reimbursement for legal advice and provision of outplacement services).

On a change of control of Airtel Africa, outstanding awards will normally vest early to the extent that the performance conditions have been satisfied. Awards would normally be reduced pro-rata to reflect the time between the grant date and the date of the corporate event.

If there is a demerger, special dividend or other event the committee thinks may affect the current or future value of shares, they may decide that awards will vest on the same basis as on a change of control. If there is an internal corporate reorganisation, awards will be replaced by equivalent new awards over shares in a new holding company, unless the committee decides that awards should vest on the same basis on a change of control.

Remuneration scenarios at different performance levels

These charts illustrate the total potential remuneration for the CEO and CFO at three performance levels.



1 Assumptions:
Minimum = fixed pay only (salary + benefits + pension)
On-target = 50% vesting of maximum bonus and 55% for PSP awards and 100% for RSUs
Maximum = 100% vesting of maximum bonus and LTIP awards

2 Salary levels (on which other elements of the package are calculated) are based on those applying on 1 April 2022

3 Benefit values exclude the costs of business travel and accommodation

4 To reflect the impact of a share price increase between award and vesting, the LTIP value in the maximum column has been increased by 50% in the Max with 50% share price growth column

Part 2

Remuneration policy for non-executive directors

Element	Purpose and link to strategy	Operation	Maximum opportunity
Non-executive Board chair fees	To attract and retain high-calibre chairs with the necessary experience and skills. To provide fees that reflect the time commitment and responsibilities of the role.	The chair receives an annual fee, plus a fee for chairing the Nominations Committee. We may also pay fees reflecting additional time commitments or time required to travel to Board meetings. The chair may also be provided with a company car as long as he meets the full cost of this benefit out of his fee.	The committee reviews chair's fee periodically. While there is no maximum fee level, we set fees by reference to market data for companies of similar size and complexity.
Other non-executive fees	To attract and retain high-calibre non-executive directors with the necessary experience and skills. To provide fees that reflect the time commitment and responsibilities of the role.	Non-executive directors are paid a basic fee. We may also pay additional fees to reflect extra responsibilities or time commitments, for example, for Board committee chairs, senior independent directors or designated non-executive directors, or time required to travel to Board meetings.	Non-executive directors' fees are reviewed periodically by the chair and executive directors. While there is no maximum fee level, fees are set by reference to market data for companies of similar size and complexity.

We may reimburse the reasonable expenses of directors that relate to their duties for Airtel Africa (including tax if applicable). We may also provide advice and assistance with directors' tax returns where these are affected by their duties on our behalf.

All non-executive directors have letters of appointment for an initial period of three years. In keeping with best practice, non-executive directors are subject to re-election each year at our AGM. The chair's appointment may be terminated be either party with six months' notice, and the appointments of the other non-executive directors may be terminated by either party with one month's notice. Either appointment can also be terminated at any time if the director is removed by resolution at an AGM or pursuant to the Articles.

Directors' letters of appointment are available for inspection during normal business hours at our registered office and also at our yearly AGM. All directors have been appointed for a fixed term ending on the date of our 2022 AGM and will be renewed for a further three years, with the exception of Kelly Bayer Rosmarin and Tsega Gebreyes who have letter of appointment end dates of 27 October 2023 and 12 October 2024 respectively reflecting their date of appointment to the Board.

Shareholder context

The committee considers the views of shareholders when reviewing the remuneration of executive directors and other senior executives. We consult directly with major shareholders about any material changes to the policy and work with shareholders to understand any concerns. For example, the committee consulted on major changes during the development of this proposed policy.

Broader employee context

The committee considers executive remuneration in the context of our wider employee population. Remuneration for executive directors is more weighted towards variable pay than for other employees so that more of their pay is conditional on the successful delivery of business strategy. Our aim is to create a clear link between the value created for shareholders and the remuneration of our executive directors.

Given the diverse spread of geographical locations in which Airtel Africa operates, employees are not directly consulted on directors' remuneration. However, employees do have the opportunity through employee surveys and other forms of engagement to express their views on remuneration arrangements – and these are shared with senior management and the Board as appropriate. The chair also attends the annual Conclave meeting and joins town halls when visiting operations across the Airtel Africa geography. The Board also has the opportunity to interact with employees through visits to countries as part of the Board meeting programme.

Part 3

Annual Report on Remuneration

This report has been prepared by the committee and approved by our Board. As stipulated by UK regulations, Deloitte LLP have independently audited these items:

- Executive directors' and non-executive directors' remuneration and associated footnotes on page 144
- The table of share awards granted to executive directors and associated footnotes on page 141
- The statement of directors' shareholdings and share interests on page 147

2021/22 remuneration of directors (audited)

This table sets out the total remuneration for the executive directors for the year ended 31 March 2022.

All amounts are in $'000		Base salary	Benefits[4]	Pension contribution[5]	Annual bonus	LTIP[6]	Other[7]	Total fixed	Total variable	Total
Segun Ogunsanya[1]	**2021/22**	**$458**	**$214**	**$46**	**$686**	**–**	**–**	**$718**	**$686**	**$1,404**
	2020/21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jaideep Paul[2]	**2021/22**	**$486**	**$165**	**–**	**$680**	**$258**	**–**	**$651**	**$938**	**$1,589**
	2020/21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Raghunath Mandava[3]	**2021/22**	**$450**	**$89**	**–**	**$675**	**$975**	**$1,296**	**$539**	**$2,946**	**$3,484**
	2020/21	$888	$168	–	$1,317	$594	$675	$1,056	$2,586	$3,642

Notes

1 From the date of joining the Board on 1 October 2021

2 From the date of joining the Board on 1 June 2021

3 Until the date of stepping down from the Board on 30 September 2021

4 Segun's benefits included expatriate benefits of: housing of $123, car benefit value of $51, one-off relocation costs of $35 and insurance costs of $5

Jaideep Paul's benefits included expatriate benefits of: housing of $54, car of $49, one-off relocation costs of $35, home leave tickets entitlement of $22 and insurance costs of $5

Raghu Mandava's benefits included expatriate benefits of: housing allowance of $30 (2020/21: $62), home leave tickets entitlement of $12 (2020/21: $0), education allowance of $17 (2020/21: $35) and car allowance of $29 (2020/21: $56). The benefits provided are in accordance with contractual entitlements which are in line with local market practice

5 Only Segun Ogunsanya receives a pension contribution of 10% of his salary – this is in accordance with his legacy arrangements which reflect statutory requirements for employees in his home location of Nigeria

6 For Jaideep Paul, the TSR element of the 2019 LTIP will not be finalised until July 2022. An estimate of this vesting level as been included and will be reinstated for the final outcome next year. In line with the regulations, the 2021/22 LTIP value for Jaideep Paul has been estimated based on the average price of Airtel Africa shares between 1 January 2022 and 31 March 2022. This will be restated based on the actual value at vesting in July 2022 in the 2022/23 accounts. For 2021/22, the total value estimated attributable to share price appreciation is $124

The LTIP shown for Raghu Mandava for 2021/22 reflects the 2019 and 2020 LTIP awards which vested on date of cessation. The total value attributable to share price appreciation for all awards shown is $355. See page 143 for more details of the awards. Raghu also had share options connected to the IPO with the final tranche pro-rated to date of cessation. The regulations do not require details of these awards to be included on vesting. For information, the gain of the final pro-rated tranche, had it been exercised on date of departure, would have been $191. The 2020/21 LTIP value has been restated for the vesting of the replacement stock awards PSU -TSR element which vested at 50% of maximum at a value of $13. Details of this tranche can be found on page 142. The total value shown in last year's report was calculated with an assumed share price of $1.09. The actual share price at vesting was $1.13, and the table has been updated to reflect this change. The estimated value of the award was $565; the actual value was $594 (increase of $29). The total value of this award attributable to share price appreciation was $62

7 For Raghu Mandava 2020/21 'Other' relates to the final tranche of the one-off deferred cash plan of up to $750 which was in place before our IPO and disclosed in the prospectus. Two-thirds of the deferred cash plan was dependent on relative TSR over one year (30% of this element), 2020/21 net revenue (35%) and underlying EBITDA (35%), and one-third was dependent on service conditions. The TSR performance condition was measured at the end of May 2021. Performance against this measure and the value of that element of the award vested at 50% of maximum ($75). Details of the targets can be found on page 143. The 2020/21 figure is restated from $600 to $675 to reflect this vesting. 'Other' for 2021/22 includes the payment of the second tranche of the exceptional turnaround bonus, which was put in place prior to the IPO and disclosed in the Prospectus and the 2019/20 annual report The value of this second tranche is $1m. This was paid in May 2021, in line with the normal vesting date of the award. He was also paid $296 for untaken holiday since his appointment as CEO

Annual bonus

In a challenging year Airtel Africa delivered an exceptional performance, exceeding all key financial metrics. Revenue growth in both constant and current currency grew double digit, recording the highest growth across the last five years. Underlying EBITDA grew by 31.2%, expanding the margin by 290 bps and operational free cash flow grew by 44.4%. The performance was broad-based across voice, data and Airtel Money.

Performance was equally strong across all the key operational KPIs. Our customer numbers increased by 8.7% this year, contributing to an increase of 24.1% in our underlying revenue. We are continuing to see the success of the rollout of our modernised 4G networks, with a 34.6% increase in data revenues for the year and our focus on increasing our distribution and marketing network and the application of our mobile money services through international partnerships has resulted in a 34.9% increase in Airtel Money revenues. Our Executive directors have led our success in maintaining resilient services to support customers through the Covid-19 pandemic, in a year were we have focused on our communities, customers and employees. In October 2021 the sustainability strategy was successfully launched, which is an important and key step forward in our business. The Chief executive officers drove our key financial and operational targets whilst ensuring that we work with our stakeholders to transform lives, invest in the future of our communities, including through our education partnership with UNICEF. The Chief financial officer played a key role in the successful transition of our headquarters to Dubai, which was delivered on time and in budget.

Part 3

It is in this context that we have assessed the performance achieved against the incentive targets. The strong in-year performance resulted in the stretch targets for the financial objectives being exceeded, with the personal objectives also being achieved in full. As a result, a bonus at the maximum level have been awarded. For Segun and Jaideep, one-third will be deferred into shares for two years. In line with his leaver terms outlined on page 129, Raghu's bonus will be delivered fully in cash.

2021/22 bonus outcomes (audited)

	Bonus performance measures				
	Net revenue	Underlying EBITDA	Operating free cash flow (OFCF)	Personal	Total
Weighted total	35%	35%	10%	20%	100%
Outcomes (weighted % of maximum)	35%	35%	10%		
Segun Ogunsanya (weighted % of maximum)				20%	100%
Jaideep Paul (weighted % of maximum)				20%	100%
Raghunath Mandava (weighted % of maximum)				20%	100%

Financial objectives

Financial performance was assessed against the underlying net revenue, underlying EBITDA and operating free cash flow (OFCF) ranges set for 2021/22.

All amounts are in $million	Weighting (%)	Threshold (30%)	Target (50%)	Maximum (100%)	Actual
Net revenue	40%	3,823	3,921	4,019	4,042
EBITDA	40%	2,121	2,187	2,258	2,293
OFCF	20%	1,421	1,487	1,558	1,637

All targets and achievements are in constant currency as at 31 March 2021.

Personal objectives

Personal objectives for the executive directors during the year are as follows:

	Airtel Money amounts are in $million	Weighting (%)	Target	Performance achieved	Outcome (weighted % of maximum)
Segun Ogunsanya	Delivery of AA Sustainability and ESG strategy road map	10%	Board approval of strategy and roadmap and judgement on implementation	Exceeded expectations through strong front line leadership, mobilisation and execution. Received full endorsement of Board	10%
	Compliance	10%	Threshold: 66 Target: 70 Maximum: 74	77.5	10%
Jaideep Paul	Internal audit score for finance	10%	Threshold: 66 Target: 70 Maximum: 74	86.9	10%
	Project Airborne – moving our headquarters to Dubai	10%	Relocate within Budget and timeframes	Executed ahead of plan within budget with no loss of business. Stakeholders expectations exceeded	10%
Raghunath Mandava	Delivery of AA Sustainability and ESG strategy road map	10%	Board sign off and publication of the ESG strategy and roadmap	Exceeded expectations – strong leadership, in development, engagement and delivery. Received full endorsement of Board	10%
	Compliance	10%	Threshold: 66 Target: 70 Maximum: 74	77.5	10%

All targets and achievements are in constant currency as at 31 March 2021.

Part 3

Annual bonus awarded

Name	Awarded in cash	Awarded in shares	Total
Segun Ogunsanya	$457,500	$228,750	$686,250
Jaideep Paul	$453,444	$226,722	$680,167
Raghunath Mandava[1]	$675,000	Nil	$675,000

1 In accordance with the policy as outlined on page 146, Raghu Mandava's bonus is payable wholly in cash

Long-term incentive plan (LTIP) (audited)

LTIP awards granted in 2021/22

During the year, Segun Ogunsanya and Jaideep Paul were granted the following LTIP awards.

	Type of award	Maximum number of shares	Share price used to determine level of award[1]	Face value	Face value as a % of salary	Threshold vesting	End of the performance period
Segun Ogunsanya	2021 LTIP – PSU	735,268	$1.12	$823,500	90%	25%	31 March 2024
	2021 LTIP – RSU	326,786	$1.12	$366,000	40%	100%	n/a
Jaideep Paul	2021 LTIP – PSU	390,402	$1.12	$437,250	75%	25%	31 March 2024
	2021 LTIP – RSU	182,188	$1.12	$204,051	35%	100%	n/a

1 Average closing share price and FX rate for the three dealing days immediately prior to grant

RSUs may not vest unless operating free cash flow is positive over the three financial years ending the year before the RSUs vest.

The performance conditions for the PSUs are based on three performance measures – net revenue growth (40%), underlying EBITDA margin (40%) and relative TSR (20%). Performance is measured over a three-year period, and this combination of measures helps to align the operation of the LTIP with shareholders' interests and our business strategy. Net revenue growth provides a key indicator of long-term growth achieved in the market. Underlying EBITDA margin is a key indicator of long-term growth in profitability from our operations. Relative TSR measures the total returns to our shareholders providing close alignment with shareholder interests.

Airtel Africa operates only in Africa. We have three main competitors, none of whom disclose targets in their annual remuneration reports. For competitive and commercial reasons, the Board does not believe it would be in the interests of our shareholders to disclose our net revenue and underlying EBITDA LTIP targets. The targets will be disclosed when they're no longer considered commercially sensitive. This will be no later than the year in which the awards vest. Our targets are based on the 2021/22 three-year plan and will require competitive market-leading growth in net revenue at target with a 10% stretch up and down to threshold and maximum. The underlying EBIT from an already high competitive base will be equally stretching, and both targets will be fully disclosed on vesting. On TSR against the MSCI Emerging Markets Communications Service Index, threshold will vest at the 50th percentile with the maximum at the 75th percentile.

Targets applying to the 2021 performance share plan (PSP) awards

Metric	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)
Net revenue (CAGR %)	40%	3-year plan minus 10%	Based on 3-year plan	3-year plan plus 10%
Underlying EBITDA margin	40%	Commercially sensitive	Based on 3-year plan	Commercially sensitive
Relative total shareholder return against MSCI Emerging Markets Communications Service Index	20%	50th percentile	–	75th percentile

Part 3

Share awards vesting in relation to 2021/22

The CFO was granted an award on IPO, with the final tranche subject to performance measured to the end of 31 March 2022 against the following conditions:

All amounts are in US$million Metric		Weighting by tranche	Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)	Actual	% achievement (of maximum)
2019 LTIP awards – PSP-financial	Net revenue	50%	<3,823	3,823	3,921	4,019	4,042	100%
	Underlying EBITDA	50%	<2,121	2,121	2,187	2,258	2,293	100%
2019 LTIP awards – PSP-TSR	Relative TSR (estimated)[1]	100%	<Rank 2	Rank 2 and 5% TSR/year	Rank 2 and 10% p.a. TSR	Rank 2 and >10% p.a. TSR	Rank 1	100%

All targets and achievements are in constant currency as at 31 March 2021.

1 50% of the award is subject to a TSR performance condition measured to 3 July 2022. Performance against that measure will be finalised at that point. However, an estimate of the vesting level is included above and an estimate of the value of the award vesting is included in the table below. The final value of the award vesting and the difference to the below will be shown in next year's accounts

As a result the following awards will vest:

		Type of award	Applicable performance conditions	Maximum number of shares	Number of shares vesting	Estimated value on vesting[1]	Estimated value attributable to share price difference[12]
Jaideep Paul	**2019 LTIP (IPO LTIP)**	RSUs – 2022 tranche	N/A	26,666	26,666	$51,625	$24,746
		PSUs – 2022 tranche	Revenue and underlying EBITDA growth	26,668	26,668	$51,629	$24,748
		PSUs – 2022 tranche (estimated vesting)	Relative TSR against comparator group (Vodacom, MTN and Safaricom)	80,000	80,000	$154,880	$74,240

1 The estimated value on vesting is the average price of Airtel Africa's shares in the period between 1 January 2022 to 31 March 2022: $1.936 (£1.44). The estimated value attributable to share price difference is the change from the initial offer price of $1.008 (£0.8)

2 Share price on grant date for all awards was the initial offer price $1.008 (£0.8)

10% of the replacement stock awards (PSU) which vested on 1 June 2021 was subject to a TSR performance condition measured at the end of May 2021. Performance against this measure is shown below.

Metric	Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)	Actual	% achievement (of maximum)
Relative TSR	<Rank 2	Rank 2 and 5% TSR/year	Rank 2 and 10% p.a. TSR	Rank 2 and >10% p.a. TSR	Rank 2	50%

The TSR performance condition is based on our TSR relative to a small group of competitors based on their size, the nature of their operations and the markets in which they operate. For TSR performance testing for 2019/20, the comparator group is Vodacom, MTN and Safaricom, and we apply an absolute measure of TSR performance to compensate for the small group size.

As a result of the above performance, the following shares vested at that time:

	Type of award	Earliest date for vesting	Applicable performance conditions	Maximum number of shares in each tranche	Number of shares vesting	Value on vesting
Raghunath Mandava	Replacement stock awards (PSU)-TSR element	1 Jun 2021	TSR	22,722	11,361	$13,976

Part 3

Share awards vesting on Raghu Mandava's departure

As described on page 129, Raghu was treated as a good leaver in relation to his unvested share awards. His awards vested on departure subject to performance conditions and pro-rating. All vested awards will be subject to a further two-year holding period during which they may not be sold. The committee assessed the performance outcomes as detailed in the table below. The outcome of the 2019 financial metrics aligns with the final outcomes which have been assessed for the CFO in the normal timeframe and the outcome of the relative TSR metric is at 50% of the final outcome currently expected for the CFO in the normal timeframe:

All amounts are in US$million Metric		Weighting by tranche		Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)	Actual	% achievement (of maximum)
2019 LTIP (IPO LTIP)	2019 LTIP awards – PSP financial	50%	Net revenue	<3,823	3,823	3,921	4,019	H1 actual: 2,941 Full year estimate: 4,102	100%
		50%	Underlying EBITDA	<2,121	2,258	2,187	2,258	H1 actual: 1,089 Full year estimate: 2,314	100%
	2019 LTIP awards – PSP TSR	100%	Relative TSR against comparator group (Vodacom, MTN and Safaricom)	<Rank 2	Rank 2 and 5%. TSR/ year	Rank 2 and 10% TSR/ year	Rank 2 and >10% TSR/ year	Rank 2 to 30 September 2021	50%
2020 LTIP	PSUs	40%	Net revenue (CAGR growth)	<11.6%	11.6%	13.6%	15.6%	H1 FY'22 vs H1 FY'20 22.8%	100%
		40%	Underlying EBITDA (bps)	<+40	+40	+80	+120	H1 FY'22 vs H1 FY'20: 489	100%
		20%	Relative total shareholder return against MSCI Emerging Markets Communications Service Index	<50th percentile	50th percentile	–	75th percentile	Above 75 percentile at 30 September 2021	100%
	RSUs	100%	Operating free cash flow underpin	RSUs may not vest unless operating free cash flow is positive over the three financial years ending in the year before the RSUs vest.				Cash flow positive – underpin met	100%

Raghu Mandava's awards were pro-rated to his date of cessation and, as a result of the above performance conditions, the following awards vested on that date:

	Type of award	Applicable performance conditions	Maximum number of shares	Maximum number of shares after pro-rating	Number of shares vesting	Value on vesting[1]	Value attributable to share price difference[1]
2019 LTIP (IPO LTIP)	RSUs – 2022 tranche	N/A	99,207	74,224	74,224	$104,680	$29,862
	PSUs – 2022 tranche	Revenue and underlying EBITDA growth	99,208	74,225	74,225	$104,681	$29,862
	PSU – RTSR tranche	Relative TSR	297,620	222,672	111,336	$157,019	$44,793
2020 LTIP	RSU	Underpin: operating free cash flow	433,735	132,695	132,695	$187,142	$77,006
	PSU	Net revenue, underlying EBITDA growth and RTSR	975,904	298,564	298,564	$421,071	$173,263

1 The value on vesting is based on the share price on the date of cessation of $1.41 (£1.037). The value attributable to share price difference is the change from the initial offer price of $1.008 (£0.8) in the case of the 2019 LTIP and $0.83 (£0.64) in the case of the 2020 LTIP award

Raghu also had share options granted on IPO, with the final tranche of 793,650 options originally due to vest on 1 June 2022. After pro-rating, 593,790 options became exercisable from his date of cessation. The gain of the final pro-rated tranche, had it been exercised on his date of departure, would have been $191,390. The gain of the total outstanding share options, had they been exercised on his date of departure, would have been $703,010. His 2020 deferred bonus awards will vest in full. Both of these awards are subject to the two-year holding period during which they may not be sold. See page 122 for details

Part 3

2021/22 remuneration of non-executive directors (audited)

This table lists the non-executive directors' remuneration in accordance with UK reporting regulations.

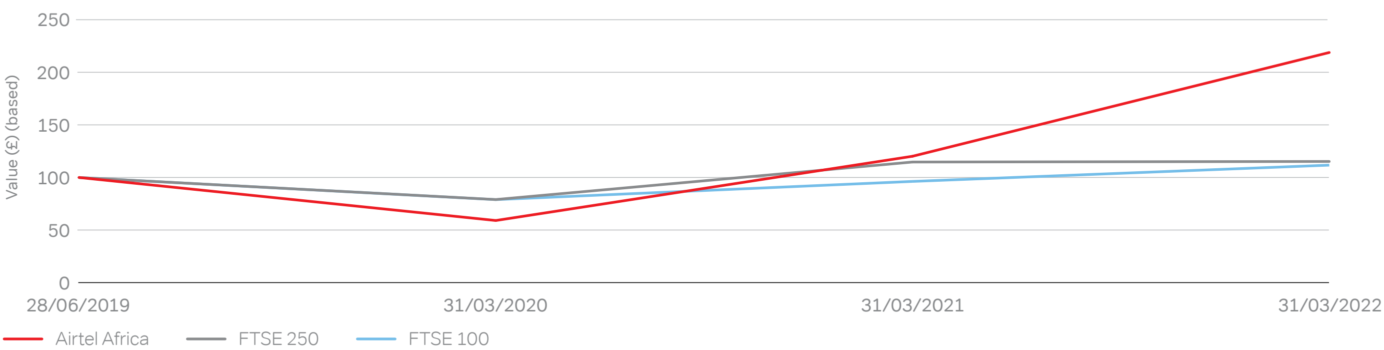
All amounts are in '000		NED fees[1]	Benefits (actual paid)	Total	As at 31 March 2022 $[2]
Sunil Bharti Mittal[3]	2021/22	£178	£67	£244	**$321**
	2020/21	£90	£67	£157	**$206**
Awuneba Ajumogobia	2021/22	£85	N/A	£85	**$112**
	2020/21	£83	N/A	£83	**$109**
Douglas Baillie	2021/22	£90	N/A	£90	**$118**
	2020/21	£90	N/A	£90	**$118**
John Danilovich	2021/22	£80	N/A	£80	**$105**
	2020/21	£80	N/A	£80	**$105**
Andrew Green	2021/22	£90	N/A	£90	**$118**
	2020/21	£90	N/A	£90	**$118**
Akhil Gupta	2021/22	£70	N/A	£70	**$92**
	2020/21	£70	N/A	£70	**$92**
Shravin Bharti Mittal	2021/22	£70	N/A	£70	**$92**
	2020/21	£70	N/A	£70	**$92**
Annika Poutiainen	2021/22	£80	N/A	£80	**$105**
	2020/21	£80	N/A	£80	**$105**
Ravi Rajagopal	2021/22	£90	N/A	£90	**$118**
	2020/21	£90	N/A	£90	**$118**
Kelly Bayer Rosmarin[4,6]	2021/22	£70	N/A	£70	**$92**
	2020/21	£30	N/A	£30	**$39**
Tsega Gebreyes[5]	2021/22	£31	N/A	£31	**$41**
	2020/21	N/A	N/A	N/A	**N/A**

1 NED fees determined in pounds sterling
2 Adjustable closing FX rate of GBP/USD on 31 March 2022 – £1 = $1.31. USD values for 2019/20 are restated using this FX rate to aid comparsion
3 Benefits for 2020/21 are restated to reflect the final value paid in respect of the year. 2021/22 benefits are estimated and will be restated next year as required
4 Joined the Board on 27 October 2020
5 Joined the Board on 12 October 2021
6 In line with Singtel Group Code of Conduct and Optus conflict of interest policies, Kelly Bayer Rosmarin's fees are paid directly to Singtel Group

Our TSR performance from admission

The following graphs sets out our comparative TSR relative to the FTSE 250 and FTSE 100 indices from 28 June 2019 (the date of our listing) to 31 March 2022, as required by UK reporting regulations. The FTSE 250 index was chosen as a broad equity market index of which we were a member from listing until early 2022. The FTSE 100 was chosen as the index of which we're now a member.

Total shareholder return



This graph shows the value on 31 March 2022 of £100 invested in Airtel Africa on the date of admission (28 June 2019), compared with the value of £100 invested in the FTSE 250 and FTSE 100 Indices.

Part 3

CEO remuneration from our listing (28 June 2019)

This table sets out the single figure for the total remuneration paid to the CEO, together with the annual bonus payout and the LTIP payout (both as a percentage of the maximum opportunity). Over time, the data in this table will show the CEO's remuneration over a ten-year period. 2021/22 is split between the two people acting as CEO during this period.

	Raghunath Mandava			Segun Ogunsanya
	2019/20[1]	2020/21[2]	**2021/22[3]**	**2021/22[4]**
Total remuneration ($'000)	$3,140	$3,642	**$3,484**	**$1,404**
% of maximum bonus earned	60%	100%	**100%**	**100%**
% maximum LTI vested	76%	100%	**86%**	**N/A**

1 From 28 June 2019 to 31 March 2020

2 The 2020/21 single figure has been updated to reflect the value of the LTIP on vesting

3 From 1 April 2021 to 30 September 2021. 2021/22 LTIP reflects the portion of outstanding LTIP awards which vested on cessation, after pro-rating

4 From 1 October 2021 to 31 March 2022

CEO pay ratio

As the majority of our employees are based in Africa, with only seven in the UK, we're not required to publish a CEO pay ratio. Given the numbers of employees in the UK versus those overseas and the fact that the people in the UK are mainly involved in operating our head office, the ratio produced by comparing CEO remuneration with that of our UK workforce is likely to be misleading. As such, we've decided not to publish this information.

Percentage change in remuneration of the directors and employees

This table shows the percentage movement in the salary, benefits and annual bonus for our directors between the current and previous financial year.

	Percentage change in remuneration elements from 2019/20 to 2020/21			**Percentage change in remuneration elements from 2020/21 to 2021/22**		
	Base salary/ fees	Benefits[1]	Bonus	**Base salary/ fees**	**Benefits**	**Bonus**
Segun Ogunsanya[2]	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Jaideep Paul[3]	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Raghunath Mandava[4]	9%	-9%	94%	**-49%**	**-47%**	**-49%**
Sunil Bharti Mittal	0%	-14%	n/a	**97%[5]**	**0%**	**n/a**
Awuneba Ajumogobia	3%	n/a	n/a	**2%**	**n/a**	**n/a**
Douglas Baillie	0%	n/a	n/a	**0%**	**n/a**	**n/a**
John Danilovich	0%	n/a	n/a	**0%**	**n/a**	**n/a**
Andrew Green	0%	n/a	n/a	**0%**	**n/a**	**n/a**
Akhil Gupta	0%	n/a	n/a	**0%**	**n/a**	**n/a**
Shravin Bharti Mittal	0%	n/a	n/a	**0%**	**n/a**	**n/a**
Annika Poutiainen	0%	n/a	n/a	**0%**	**n/a**	**n/a**
Ravi Rajagopal	0%	n/a	n/a	**0%**	**n/a**	**n/a**
Kelly Bayer Rosmarin[6]	n/a	n/a	n/a	**133%**	**n/a**	**n/a**
Tsega Gebreyes[7]	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Full-time employees[8]	5%	-8%	10%[9]	**6%**	**7%**	**6%[10]**

1 The reduction in benefits reflects currency movements, changes to the applicable tax rates and also reflects a reduction in home leave expenses due to the global pandemic

2 Joined the Board on 1 October 2021

3 Joined the Board on 1 June 2021

4 Left the Board on 30 September 2021

5 Fee increased from 1 November 2021

6 Joined the Board on 27 October 2020

7 Joined the Board on 12 October 2021

8 Based on employees of the Group

9 Provisional bonuses for 2020/21 are compared with provisional bonuses for 2019/20

10 Provisional bonuses for 2021/22 are compared with provisional bonuses for 2020/21

Part 3

Payments to past directors and payments for loss of office (audited)

Raghu Mandava retired from his role as CEO on 30 September 2021. Reflecting both the period of sustained success as CEO and a successful transition, our committee decided to treat Raghu as a good leaver. The treatment of all elements of his remuneration have been determined in accordance with the directors' remuneration policy.

- Raghu continued to be paid for his role as CEO up to 30 September 2021 at which date such payments stopped.
- In view of his planned retirement, no long-term incentive awards were made in 2021 and he received no salary increase.
- In accordance with his contractual entitlements which reflect local market practice, Raghu was paid the equivalent of $295,962 for accrued untaken holiday since his appointment as CEO.
- In accordance with our policy for expatriates benefits, the company will meet certain end of assignment relocation costs connected to the end of his residence in Kenya, including the cost of air travel home for his family, shipping of his household goods and tax filing assistance. These will be disclosed in next year's annual report.
- As a good leaver, Raghu was eligible for a bonus for 2021/22 performance. This was pro-rated for the period from 1 April 2021 to 30 September 2021 and, in line with the policy, was paid in cash at the normal time: following completion of the accounts for the year ended March 2022. Details of this are on page 140.
- Raghu was treated as a good leaver in respect of his unvested share awards. In determining the treatment of his inflight awards on his departure, our committee took account of the outstanding sustained turnaround performance in establishing Airtel Africa as the fastest growing and most profitable telecom operator in Africa. We also considered his inspirational frontline leadership in delivering this and the fact that over three quarters of the shares under award are not subject to leveraged performance conditions on vesting, with the majority also having been granted in connection with the IPO.
- In the light of this, our committee determined that his awards should vest at the time of his departure, with long-term incentive awards subject to pro-rating for time and based on our assessment of performance against the performance conditions based on Airtel Africa's audited half-year accounts and relative TSR measured to 30 September 2021. Details of these awards are summarised on page 143. We note that the outcome of the 2019 financial metrics aligns with the final outcomes which have been assessed for the CFO in the normal timeframe but that the outcome of the relative TSR measure was vesting at 50% as compared to the current estimated vesting of this element of 100%.
- All vested awards will be subject to a further two-year holding period during which they may not be sold, even though only the 2020 award was granted subject to a two-year holding period.

The committee believes that the approach taken is appropriate considering Raghu's sustained excellent performance and stewardship and a number of mitigations in place. The awards will continue to be subject to clawback for two years after Raghu's termination, enabling us to recoup payments in the unlikely event of a material misstatement, failure of risk management, evidence of gross misconduct, reputational damage or a material downturn in performance.

Relative importance of spend on pay

This table sets out, for the year ended 31 March 2022, the total cost of our employee remuneration and the total distributions to shareholders through dividends.

$million	2020/21	**2021/22**	% change
Dividends	$169	**$169**	0%
Overall remuneration expenditure	$275	**$297**	8%

Non-executive directors' remuneration

The table below summarises the fees payable to non-executive directors. During the year, our committee reviewed the Board chair's fee. This was set at the point of our IPO in line with the base directors' fee, with a non-cash benefit of a car plus driver when in the UK. We considered it timely to review these arrangements with the view to moving to a more market-aligned fee structure for the role. As a result, we consolidated the Board chair's car and driver benefit into the fee and increased the fee to £300,000 per year effective from 1 November 2021. This also reflects the time commitment and responsibilities of the role, as well as competitive fee levels for chairs of comparable organisations. Going forward, the chair will reimburse the company the actual cost of a company-provided company car out of his fee. There are no other changes to the fees from the prior year.

Role	Annual fee[1]	**As at 31 March 2022 $[2]**
Board chair fee	£300,000	**$394,166**
Non-executive base fee	£70,000	**$91,972**
Additional fees		
Committee chair fee	£20,000	**$26,278**
Supplement for senior independent director	£20,000	**$26,278**
Committee membership fee (one committee)	£10,000	**$13,139**
Committee membership fee (two committees)	£15,000	**$19,708**

1 NED fees determined in pound sterling

2 Adjustable closing FX rate of GBP/USD on 31 March 2022 – £1 = $1.31

Part 3

Statement of directors' shareholdings and share interests (audited)

The beneficial and non-beneficial share interests of our directors and their connected persons in line with regulations, as at 31 March 2021 and 31 March 2022 (or on appointment or departure to the Board if different), are listed below.

Executive directors (audited)

Executive directors must build up and maintain a shareholding in Airtel Africa equivalent to 250% of their base salary within five years of being appointed to the Board. Under the proposed policy, the CFO will be required to build and maintain a shareholding of 200% of their salary over the same time period. While the executive director is building to this shareholding level, deferred bonus awards (net of expected taxes) that will apply on vesting will count towards this requirement. LTIP shares that have vested and that are within the two-year post-vesting holding period will also count on a net of tax basis.

To deal with unexpected circumstances, the committee has the discretion to make exceptions and allowances if it sees fit.

	Shareholding at 31 March 2021	**Shareholding at 31 March 2022**	Total shareholding as multiple of salary (%)	Maximum unvested LTIPs	Unvested options	Vested but not exercised share options
Segun Ogunsanya	n/a	**0**	Nil	1,722,614	235,212	470,420
Jaideep Paul	n/a	**379,613**	119%	1,663,755	250,363	500,724
Raghunath Mandava	499,090	**1,938,284**[1]	395%	Nil	Nil	2,181,092

1 As at date of stepping down from the Board on 30 September 2021

Non-executive directors (audited)

	Shareholding at 31 March 2021	**Shareholding at 31 March 2022**
Sunil Bharti Mittal[1]	–	**–**
Awuneba Ajumogobia	–	**–**
Douglas Baillie	20,000	**20,000**
John Danilovich	460,000	**460,000**
Andrew Green	–	**–**
Akhil Gupta	–	**–**
Shravin Bharti Mittal[1 2]	292,424,330	**292,424,330**
Annika Poutiainen	30,000	**30,000**
Ravi Rajagopal	86,500	**122,250**
Kelly Bayer Rosmarin	–	**–**
Tsega Gebreyes	n/a	**–**

1 Sunil Bharti Mittal and Shravin Bharti Mittal do not have any direct shareholding in the company. Airtel Africa is an indirect subsidiary of Bharti Airtel, a listed company in India. Sunil Bharti Mittal and Shravin Bharti Mittal are members of the Bharti Mittal family group which has an indirect shareholding in Bharti Airtel. Indian Continent Investment and Bharti Global are held ultimately by the Bharti Mittal family group. Each of Bharti Airtel, Indian Continent Investment and Bharti Global hold voting rights in Airtel Africa as set out on page 124 (major shareholders)

2 Shares held by Bharti Global, a connected person of Shravin Bharti Mittal for the purposes of this disclosure

There has been no change in the interests of the directors and their connected persons between 31 March 2022 and the date of this report.

Part 3

Committee governance

The Remuneration Committee is a formal committee of the Board. Its remit is set out in terms of reference available on our website: www.airtel.africa. The committee reviews its performance against these terms each year and are satisfied that it has acted in line with the terms of reference during the year.

Committee composition

Members throughout the year	Meeting attendance (5 meetings in the year)
Douglas Baillie, chair	5 (5)
John Danilovich	5 (5)
Awuneba Ajumogobia	5 (5)

Other regular attendees

- Chief executive officer
- Group head of HR
- Company secretary
- External remuneration consultants

The committee is authorised to seek information from any director and employee and to obtain external advice. The committee is solely responsible for the appointment of external remuneration advisors and for the approval of their fees and other terms. The committee recognises and manages conflicts of interest when receiving views from executive directors and other attendees, and no director or other attendee takes part in any discussion about his or her personal remuneration.

In the year, Alvarez & Marsal (A&M) provided remuneration advice and benchmarking data to the committee. A&M were appointed in light of the experience and expertise of their team in remuneration advisory work – and are expected to provide independent advice. A&M does not undertake any other work for Airtel Africa and has no connection to the Board or any director. A&M have signed the Code of Conduct of the Remuneration Consultants Group requiring the advice they provide to be objective and impartial. Total fees paid to A&M for the year in review were £150,536 (excluding VAT) charged on a time and materials basis.

Sums paid to third parties for directors' services

No sums were paid or received by third parties for the services of any director of Airtel Africa while acting as a director of the company or of any our subsidiaries, or as a director of any other undertaking by our nomination, or otherwise in connection with the management of our company or any undertaking during the year to 31 March 2022.

Share awards granted to the executive directors (audited)

Segun Ogunsanya

Type of award	Maximum awards held on 31 March 2021[1]	Awards granted during year[2]	Vested/ exercised in year	Lapsed	**Maximum awards held as at 31 March 2022**	Date of grant	Exercise price	Vesting date	Expiry date
IPO share options	705,632	Nil	Nil	Nil	**705,632**	3 July 2019	£0.8	1 June 2020, 2021, 2022	2 July 2029
Replacement award[3]	660,560	Nil	Nil	Nil	**660,560**	28 June 2021	Nil	28 June 2022, 2023	28 June 2031
2021 LTIP – PSU	735,268	Nil	Nil	Nil	**735,268**	28 June 2021	Nil	28 June 2024	28 June 2031
2021 LTIP – RSU	326,786	Nil	Nil	Nil	**326,786**	28 June 2021	Nil	28 June 2024	28 June 2031

1 As at the date of joining the Board

2 From date of joining the Board

3. Buyout of a previous cash-based incentive which was granted as an award of restricted shares with the same expected value as the fair value foregone, with vesting in two equal tranches in June 2022 and 2023

Part 3

Jaideep Paul

Type of award	Maximum awards held on 31 March 2021[1]	Awards granted during year[2]	Vested/ exercised in year	Lapsed	**Maximum awards held as at 31 March 2022**	Date of grant	Exercise price	Vesting date	Expiry date
IPO share options	751,086	Nil	Nil	Nil	**751,086**	3 July 2019	£0.8	1 June 2020, 2021, 2022	2 July 2029
2019 LTIP awards – PSP-financial	26,668	Nil	Nil	Nil	**26,668**	3 July 2019	Nil	1 June 2022	2 July 2029
2019 LTIP awards – PSP-TSR	80,000	Nil	Nil	Nil	**80,000**	3 July 2019	Nil	1 June 2022	2 July 2029
2019 LTIP – RSU	26,666	Nil	Nil	Nil	**26,666**	3 July 2019	Nil	1 June 2022	2 July 2029
2020 LTIP – PSP	397,590	Nil	Nil	Nil	**397,590**	30 October 2020	Nil	30 October 2023	30 October 2030
2020 LTIP – RSU	198,795	Nil	Nil	Nil	**198,785**	30 October 2020	Nil	30 October 2023	30 October 2030
2021 LTIP – PSP	0	390,402	Nil	Nil	**390,402**	28 June 2021	Nil	28 June 2024	28 June 2031
2021 LTIP – RSU	0	182,188	Nil	Nil	**182,188**	28 June 2021	Nil	28 June 2024	28 June 2031
One-off share award[2]	361,446	Nil	60,241	Nil	**301,205**	30 October 2020	Nil	30 October 2021, 2022, 2023	30 October 2022

1 As at the date of joining the Board

2 No awards have been granted since joining the Board

3 One tranche of this award vested on 30 October 2021. As the award does not have any performance conditions, it is not included in the single figure of remuneration, in accordance with the regulations

Raghunath Mandava

Type of award	Maximum awards held on 31 March 2021	Awards granted during year	Vested/ exercised in year[2]	Lapsed in year	**Maximum awards held as at 31 March 2022[1]**	Date of grant	Exercise price	Vesting date	Expiry date
IPO share options[1]	2,380,952	Nil	Nil	199,860	**2,181,092**	3 July 2019	£0.8	1 June 2020, 2021, 2022	2 July 2029
2019 LTIP awards – PSP financial	198,412	Nil	173,431	24,981	**Nil**	3 July 2019	Nil	1 June 2020, 2021, 2022	2 July 2029
2019 LTIP awards – PSP-TSR	297,620	Nil	111,336	186,284	**Nil**	3 July 2019	Nil	3 June 2022	2 July 2029
2019 LTIP awards – RSU	198,413	Nil	173,430	24,983	**Nil**	3 July 2019	Nil	1 June 2020, 2021, 2022	2 July 2029
Replacement stock awards	340,830	Nil	329,469	11,361	**Nil**	3 July 2019	Nil	1 June 2020, 2021	2 July 2029
2020 LTIP awards – PSP	975,904	Nil	298,564	677,340	**Nil**	30 October 2020	Nil	30 October 2023	30 October 2030
2020 LTIP awards – RSU	433,735	Nil	132,695	301,040	**Nil**	30 October 2020	Nil	30 October 2023	30 October 2030
2020 deferred bonus	Nil	354,608	354,608	Nil	**Nil**	2 August 2021	Nil	30 September 2021	30 September 2031

1 As at date of stepping down from the Board

2 Includes awards which vested in June 2021 and September 2021

All of Raghu's vested awards are subject to a further two-year holding period during which they may not be sold.

Part 3

Airtel Africa share price

The closing price of an ordinary share on the London Stock Exchange on 31 March 2022 was £1.39, with the range between 1 April 2021 and 31 March 2022 being £0.71 to £1.60.

Statement on voting at the 2021 Annual General Meeting (unaudited)

At our 15 July 2021 AGM, votes cast on directors' remuneration were as follows:

	Percentage of votes cast		Number of votes cast		
	For	Against	For	Against	Withheld
Directors' remuneration report	99.24%	0.76%	2,834,415,311	21,635,262	62,738

The policy was last put to a binding shareholder vote at our 24 June 2020 AGM with the following outcome:

	Percentage of votes cast		Number of votes cast		
	For	Against	For	Against	Withheld
Directors' remuneration policy	93.55%	6.45%	3,212,129,420	221,602,239	10,293

On behalf of the Board

Doug Baillie
Chair, Remuneration Committee

10 May 2022

Financial statements

In this section

152 Independent auditors' report
162 Consolidated statement of comprehensive income
163 Consolidated statement of financial position
164 Consolidated statement of changes in equity
165 Consolidated statement of cash flows
168 Notes to consolidated financial statements
225 Company statement of financial position
226 Company statements of changes in equity
227 Notes to company only financial statements

Independent auditor's report
to the members of Airtel Africa plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Airtel Africa plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and approved for use in the United Kingdom by the UK Accounting Standards Endorsement Board (UKEB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 36 of the group financial statements and the related notes 1 to 10 of the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB and approved for use in the United Kingdom by the UK Accounting Standards Endorsement Board (UKEB). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards including FRS101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 8.1 to the group financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Going concern; • Prepaid and Airtel Money (mobile money) revenue; and • Classification of legal cases
Materiality	The materiality we used for the group financial statements is \$62m which represents 5.1% (March 2021: 5%) of profit before tax and 3% (March 2021: 2%) of underlying earnings before interest, tax, depreciation and amortisation (underlying EBITDA).
Scoping	Our scope covered seventeen components. Of these, four were full-scope audits and thirteen were subject to specific procedures on certain account balances. These covered 100% of group profit before tax, 99% of group revenue and 99% of the group total assets. Components and balances not in scope were subject to analytical procedures by the Group audit team.
Significant changes in our approach	Impairment of goodwill has not been included as a key audit matter this year given the headroom that exists across all the CGU's and that no reasonable possible change in any of the assumptions would lead to an impairment.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting is discussed in section 5.1.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Going concern

Key audit matter description	The group made a profit before tax of $1,224m during the year ended 31 March 2022 (March 2021: $697m) and was in a net current liability position of $1,076m at 31 March 2022 (March 2021: $1,599m). As set out in the going concern disclosure in note 2.2 to the financial statements, at the date of approving the financial statements, the group had committed undrawn credit facilities of $587m of which $163m are due to expire during the going concern assessment period. Net debt of $2,941m (March 2021: $3,530m) include $1,000m (March 2021; $2,384m) of bonds which contain a cross default clause with the group's majority shareholder, Bharti Airtel Limited. There would be a covenant breach on this bond should Bharti Airtel Limited (or any of their significant subsidiaries) default on any debt in excess of $50m which may impact the ability of the group to raise additional debt. Note 2.2 to the financial statements includes the directors' assessment that they consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The matter is also referred to within the Audit and Risk Committee's report on page 109. The directors' have prepared a base case forecast of liquidity and cashflow to June 2023. Management have also prepared a reasonable worst-case sensitivity to this base case forecast, including: a further slowdown in revenue growth (including impact of Covid-19 to the group), higher operating and regulatory costs and currency devaluation. This reasonable worst-case forecast was further sensitised on the basis that cash cannot be extracted from key operating companies to the holding company for the going concern period. Management have identified a number of mitigating actions to preserve liquidity, including a reduction in capital expenditure and, if required, a reduction in dividends. Both the base case and reasonable worst-case forecasts project that the group has adequate liquidity, taking into account the available cash as at 31 March 2022 of $638m and committed undrawn facilities of $424m expiring beyond the going concern assessment period. The directors, through enquiry with its majority shareholder have assessed the risk of Bharti Airtel Limited defaulting on its debt (and the bonds being recalled) as remote. The directors have therefore concluded that it is appropriate to prepare the financial statements on a going concern basis. Given the above circumstances, we identified a key audit matter relating to the group's going concern assessment, including the group's ability to continue to service its debts and the actions available to the group to preserve liquidity.
How the scope of our audit responded to the key audit matter	Our procedures included: • Obtaining an understanding of the relevant controls over the group's forecasting process; • Performing retrospective reviews of the historical forecasts to assess the reasonableness of the group's forecasting process; • Performing risk assessment procedures in response to the economic disruption risk associated with the Covid-19 pandemic, global supply chain and the conflict in Ukraine. This covered a period of at least twelve months from the date of approval of the financial statements; • Assessing the reasonableness of the anticipated impact of the group's principal risks on the group's cash flow projections, including whether they are a reasonable worst case and the reasonableness of the mitigating actions available to the group to preserve liquidity; • Assessing and challenging the assumptions used by the directors in each of the cash flow forecasts, considering our own expectations based on our knowledge of the group; • Assessing and challenging the key mitigating actions available including a reduction in capital expenditure; • Obtaining direct confirmations of the value, duration and terms for the group's undrawn committed facilities; • Recalculating the cash headroom available using undrawn committed facilities in each of the scenarios prepared by management and approved by the directors and testing the integrity and mechanical accuracy of the going concern model; • Evaluating the work of the majority shareholder's auditor in relation to their work on going concern to challenge the directors' assessment that the risk of default at the majority shareholder is remote; and • Assessing the completeness and accuracy of the matters included in the directors' going concern disclosures based on our knowledge obtained from our evaluation of the directors' going concern assessment.
Key observations	We concur with the directors' conclusion that it is appropriate to prepare the financial statements using the going concern basis of accounting and that there is not a material uncertainty related to going concern. We consider the going concern disclosures within note 2.2 of the financial statements to be appropriate.

Independent auditor's report
to the members of Airtel Africa plc continued

5.2 Prepaid and Airtel Money (mobile money) revenue

Key audit matter description	As set out in note 6 to the financial statements, revenue of \$4,714m (March 2021: \$3,908m) is derived from the provision of voice, data, mobile money and other services. These revenue streams account for \$4,307m (March 2021: \$3,561m) with voice and data accounting for \$3,883m (March 2021: \$3,260m) of revenue and mobile money services accounting for \$424m (March 2021: \$301m) of revenue. 88% of voice and data revenue derives from customers who subscribe to services on a prepaid basis. Mobile money revenue relates to the commission earned on allowing customers to transfer funds and pay bills on the Group's mobile money IT platform Mobiquity. The group's accounting policies on prepaid and mobile money revenue are set out in note 2.21 to the financial statements. Due to the complexity of the group's revenue recording systems (IN for prepaid revenue and Mobiquity for mobile money) and the volume of customer data, we identified a key audit matter relating to prepaid revenue, specifically (i) the correct set up of tariffs on the applicable systems and (ii) the manual journal posting of revenue from the billing system to the general ledger. For mobile money, we identified a key audit matter in relation to the accuracy of rates and tariffs within the Mobiquity system. Errors in either would impact the accuracy of prepaid and mobile money revenue. We also identified a fraud risk in respect of these matters.
How the scope of our audit responded to the key audit matter	Our procedures involved: • Working with our IT specialists to understand the IT environment in which the revenue recording systems reside, including interface controls between different IT applications. This included the IN billing system for prepaid revenue and the Mobiquity IT platform for mobile money; • Testing the relevant controls over (a) approvals and maintenance of new plans in the IN billing system, and (b) authorisation of rate changes and the maintenance of rates within the IN and Mobiquity systems; • Testing the reconciliation process between the general ledger and IN and Mobiquity including any manual adjustments posted; • For prepaid revenue, testing a sample of call record validations to test the accuracy of prepaid revenue and the resolution of exceptions in addition to performing independent call testing to evidence that the amounts charged to the subscriber is consistent with the approved tariffs; • We analysed key movements in prepaid revenue recorded within the general ledger against cash collection in the billing systems at the group level; • For prepaid revenue, tested a sample of tarrifs set up in IN system; • For Airtel Money, tested a sample of tariffs set up in Mobiquity system; and • We also created an expectation of the Airtel Money revenue by considering the transactions and the applicable rates and compared the actual revenue recorded with the expected revenue.
Key observations	Based on our work, we noted no significant issues on the accuracy of prepaid and mobile money revenue recorded in the year.

5.3 Classification of legal cases

Key audit matter description	Management has recorded a provision of $38m (March 2021: $15m) in respect of legal claims which are included in the provision for legal and regulatory cases amounting to $51m (March 2021: $19m) as set out in note 25 to the financial statements. Contingent liabilities as at 31 March 2022 in relation to legal claims amounted to $82m (March 2021: $87m) as described in note 29 to the financial statements. Airtel Africa has business operations in 14 countries across Africa with different legal environments. Each component maintains legal registers which are updated on a monthly basis to summarise the current position of each legal case and to consider whether a legal case is assessed as probable, possible or remote in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent assets, and consequently whether a provision or contingent liability disclosure is required. Management of these matters is frequently supported by external counsel in the local markets and the opinion of counsel is considered in assessing the classification of matter as probable, possible or remote in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent assets. Further information on the group's policies for legal matters, including the judgements taken can be found in notes 2.19 and 2.20 to the financial statements, and within the key source of estimation uncertainty disclosures in note 3.1. The Audit and Risk Committee also comment on this area in their report on page 110. We identified a key audit matter relating to the appropriate classification and presentation of legal cases within the financial statements as remote (no disclosure), possible (contingent liability, note 29) and probable (provision, note 25) in accordance with IAS 37. There are a significant number of ongoing legal cases covering a number of years across all operating companies. Management has exercised significant judgement in determining their assessment of the outcome and the accounting consequences thereon. As a result of these factors and the legal framework in the countries in which the group operates, we consider there to be a fraud risk associated with this key audit matter due to susceptibility of the judgement to bias.
How the scope of our audit responded to the key audit matter	Our procedures involved: • Obtaining an understanding of the relevant controls concerning the classification of legal cases; • Assessing a sample of cases and challenging whether the cases are appropriately classified as probable, possible or remote based on IAS 37: Provisions, Contingent Liabilities and Contingent Assets; • Holding discussions with internal legal counsel and obtaining supporting evidence for a sample of cases; • Circularising confirmations to external legal counsel for a sample of cases and checking their assessment of whether a legal case is probable, possible or remote against management's assessment. We also evaluated the competence, capability and objectivity of external legal counsel; • Assessing the consistency and completeness of approach across each operating company by considering if there is any precedent for similar cases to be settled within each jurisdiction, as well as current legal settlements; and • Evaluating the financial statement disclosures including the articulation of each material case.
Key observations	Based on the procedures performed we consider the classification of legal cases as probable, possible and remote to be appropriate. We consider the provision and contingent liability disclosures within notes 25 and 29 to the financial statements to be appropriate.

Independent auditor's report
to the members of Airtel Africa plc continued

6. Our application of materiality

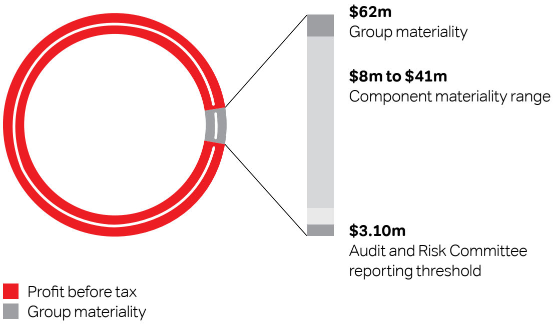
6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	$62m (March 2021: $35m)	$40.8m (March 2021: $31.5m)
Basis for determining materiality	5.1% (March 2021: 5%) of profit before tax and 3% (March 2021: 2%) of underlying EBITDA.	1% of net assets (March 2021: 1% of net assets capped at 90% of group materiality)
Rationale for the benchmark applied	Profit before tax is our primary benchmark as it impacts distributable reserves and dividends, which is key for investors. Underlying EBITDA is also a key performance measure for the group.	Airtel Africa plc is a holding company, which holds investments in a number of subsidiaries. Thus, the primary users of the company's financial statements are the group's shareholders and the directors and management of its holding company (Bharti Airtel Limited) and ultimate holding company (Bharti Enterprises (Holding) Private Limited which is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the company). We therefore considered net assets to be the most appropriate benchmark given the primary purpose of the company is a holding company.

Profit before tax
$1,224m



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	60% (March 2021: 50%) of group materiality	60% (March 2021: 50%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. Our experience of auditing the group: this is the fourth year of our audit of the consolidated financial statements and third year of auditing the group as a listed entity on the London Stock Exchange; b. In-country restrictions for a significant part of the financial year impacting our ability to travel to visit component management and component audit teams in India and Africa. In the last quarter we were able to meet group management and the shared service centre finance team, and also meet with Nigerian and Ugandan component audit teams in Dubai; c. Our assessment of the control environment: whilst we were able to rely on controls for certain areas of the audit, there were other areas where we were unable to rely on controls. Please refer to 7.2 below for details on controls; and d. The African legal and regulatory environments in which the group operates. Given our experience of auditing the group and less restrictions on our ability to travel, we increased performance materiality to 60% of materiality.	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of $3.10m (March 2021: $1.75m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our component audit scope requires us to (a) achieve sufficient coverage across the group to address the key risk areas and (b) meet the requirements of ISA (UK) 600 to plan and oversee the work performed by component audit teams. Our group audit was scoped on an entity level basis, assessing components against the risk of material misstatement at the group level. We also considered the quantum of financial statement balances and individual financial transactions of a significant nature. In performing our assessment, we have considered the geographical spread of the group and risks presented within each region.

The group operates across fourteen countries across Africa (each were identified as a component for audit purposes) and supported by the group's shared service centre based in India, as well as a key holding company based in the Netherlands (Bharti Airtel Netherlands BV) which holds the majority of the group's debt, and Airtel Africa plc, the parent company.

Consistent with last year, component teams performed full scope audits on two components (Nigeria and Uganda) and audits of specified account balances for twelve components as set out in the table below. We performed audit procedures for the 11 months ended 28 February 2022 on Nigeria, Uganda, Tanzania, Kenya, Malawi, Zambia and the DRC and additional procedures for the period to 31 March 2022. For Congo B, Gabon, Niger, Chad, Seychelles, Rwanda and Madagascar we performed audit procedures for the 9 months ended 31 December 2021 and additional procedures for the period to 31 March 2022.

We performed a full scope audit on Airtel Africa plc and specified procedures on Bharti Airtel Netheralnds BV. A component audit team also performed procedures at the shared service centre in India.

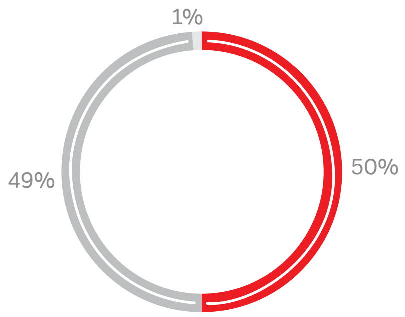
The group team performed analytical review procedures on the remaining balances not included within audit scope, each of which are insignificant. This included other holding companies within the Netherlands including AMC BV, the holding company of the most Airtel Money entities. We also made inquiries of management and evaluated and tested management's group-wide controls across a range of locations and segments in order to address the risk of residual misstatement on a segment-wide and component basis. At the group level, we also tested the consolidation process and performed procedures over significant risks and controls. We also assessed the accounting for key transactions in the year, as set out in note 5 to the financial statements including the disposal of a minority shareholding in the Airtel Money business, the disposal of Tower assets (Malawi, Tanzania, Rwanda and Madagascar), the acquisition of a minority shareholding in Airtel Nigeria, the early redemption of the $505m bond and legal and regulatory settlements in certain jurisdictions.

The below table summarises the segment allocation and scope of the group's components:

Segment	Full scope audit	Audits of specified balances
Nigeria	Nigeria	
East Africa	Uganda	Tanzania, Malawi, Kenya, Zambia and Rwanda
Francophone	–	Democratic Republic of the Congo, Congo Brazzaville, Niger, Chad, Gabon, Madagascar and the Seychelles
Central	Airtel Africa plc and Shared service centre in India for the full scope components.	Netherland holding company and shared service centre in India for other components in scope.

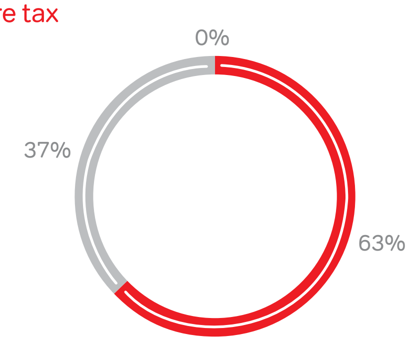
Based on this assessment our full scope audits covered 63% (March 2021: 44%) of profit before tax, 50% (March 2021: 55%) of revenue and 68% (March 2021: 69%) of total assets. Our audits of specific account balances covered 37% (March 2021: 55%) of profit before tax, 49% (March 2021: 54%) of revenue and 31% (March 2021: 30%) of total assets. In total we covered 100% (March 2021: 99%) of profit before tax, 99% (March 2021: 98%) of revenue and 99% (March 2021: 99%) of total assets.

Revenue



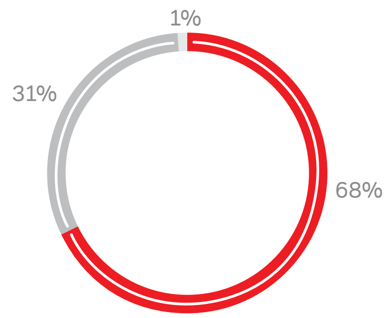
Full audit scope
Specified audit procedures
Review at Group level

Profit before tax



Full audit scope
Specified audit procedures
Review at Group level

Total assets



Full audit scope
Specified audit procedures
Review at Group level

Independent auditor's report
to the members of Airtel Africa plc continued

7.2 Our consideration of the control environment

7.2.1 IT control environment

As a business, the group is extremely reliant on technology. Therefore, effective technology controls are important not just to address financial risks, but also for other areas such as operational, regulatory and reputational risk. Given the high volume, low value nature of the group's transactions, reliance on the IT control environment is a fundamental part of the audit approach, not least for the revenue account balance.

Our assessment of the IT control environment included testing general IT controls (such as user access and IT change management), automated controls (such as appropriate configuration of tariffs) and system generated reports (such as daily recharge reports).

The key systems in scope for the audit were the accounting and revenue recording systems (IN and Mobiquity), including revenue recording systems managed in country (such as those relating to prepaid, mobile money and interconnect revenue) and the Group's general ledger system. The group is heavily reliant on third parties for the support and maintenance of these systems, and arrangements are in place with a range of third-party IT providers and Bharti Airtel Limited.

7.2.2 Business processes

We relied on controls for our full scope audits and audits of specified balances over the prepaid revenue, interconnect revenue, mobile money revenue, expenditure and payables, property plant and equipment and payroll cycles. We did not plan to rely on consolidation, tax and legal and regulatory controls as these controls are largely manual and are not sufficiently evidenced to enable us to test the controls.

The controls around the recording of leases under IFRS16 'Leases' were not sufficiently precise for us to be able to rely on them and consequently we performed substantive testing to address the risk around leases and did not identify any significant findings in these areas.

7.2.3 Governance controls

We paid particular attention to the governance of the relationship with the parent company and entity level controls. We did not identify any significant findings in these areas.

7.3 Our consideration of climate-related risks

The Group has disclosed its Task force on climate-related financial disclosures (TCFD) s on pages 54-58 of the Annual Report, including its governance process for managing climate related risks, the climate related risks and opportunities and how these risks and opportunities are managed. We assessed the TCFD recommended disclosures within the Annual Report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit

We obtained an understanding of management's process for considering the impact of climate-related risks. We evaluated these risks to assess whether they were complete and consistent with our understanding of the entity and our wider risk assessment procedures. The key focus was the impact of climate change on the impairment review performed on the Group's assets, which principally is Goodwill. Management disclosed in note 15 to the financial statements that no reasonable possible change in any assumption underpinning the impairment review would lead to an impairment which includes the impact of climate change. We assessed this as part of our work on impairment and agree with the conclusions drawn.

7.4 Working with other auditors

All the in-scope components were audited by Deloitte member firms. The majority of account balances are managed and audited at the shared service centre in India. This is supplemented by the management and audit of account balances at each operating company and the Group head office, now in Dubai, previously in Nairobi.

We visited the shared service centre in India and the group's head office in Dubai when pandemic related travel restrictions were eased. Under normal circumstances we would plan to visit a sample of the group's operating companies. Given the continued pandemic related travel restrictions in Africa, we were unable to undertake any visits during the year. However, we held in-person meetings with the Nigerian and Ugandan component audit teams and performed our reviews of their audit files in Dubai.

In response to our inability to travel to Africa, we undertook the following:

- We held a virtual meeting with all component audit teams to discuss and agree the planning and execution of the audit and with group management to communicate our audit strategy including key audit focus areas;
- We remained in regular contact with all component teams throughout the year to understand key issues and appropriately plan the year end audit. These interactions were increased during the key audit period and included direct calls between senior members of the Group and component audit teams;
- We held a daily call with Airtel management throughout the core period of the audit which also involved Deloitte India, who audit the shared service centre in India where the majority of account balances are managed; and
- We sent detailed instructions to our component audit teams, included them in our team briefings, and reviewed component auditors' work papers with our direct access to their electronic audit systems.

8. Other information

The other information comprises the information included in the annual report including the strategic report, the corporate governance report, the directors' remuneration report and the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit and the Audit and Risk committee about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, including assessing the risk of fraud in the significant transactions undertaken by the group during the year as disclosed in note 5 to the financial statements and Airtel Money; and
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team including significant component audit teams and involving relevant internal specialists, including tax, mobile money, valuations, and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: Prepaid revenue, mobile money revenue and the classification of legal cases. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation in the jurisdiction that the group operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. This primarily includes the regulations set by the telecommunication and Airtel Money regulator within each operating entity and the relevant financial regulations which governs the components.

Independent auditor's report
to the members of Airtel Africa plc continued

11.2 Audit response to risks identified

As a result of performing the above, we identified prepaid revenue, mobile money revenue and the classification of legal cases as key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit and risk committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries including enhanced testing of manual journal entries bearing certain specific words of interest in its narration and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are one-off or unusual and are outside the normal course of business; and
- In addressing the risk of fraud through Airtel Money, further to our procedures over management override as above, we engaged IT specialists to perform tests on Mobiquity' s general IT controls including tests on user access, assessed the adequacy of the Know-Your-Customer (KYC) process and assessed the reasonableness of the monetary limits in place for transfers through Airtel Money.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 166;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on pages 87-88;
- the directors' statement on fair, balanced and understandable set out on page 108;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 80;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 111; and the section describing the work of the audit and risk committee set out on page 106.

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the audit and risk committee, we were appointed by the Board in April 2019 to audit the financial statements for the period ended 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is four years, covering the years ended 31 March 2019 to 31 March 2022.

15.2 Consistency of the audit report with the additional report to the audit committee

Our audit opinion is consistent with the additional report to the audit and risk committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS. We have been engaged to provide assurance on whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS and will report separately to the members on this.

Mark Goodey (FCA) (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

10 May 2022

Consolidated statement of comprehensive income

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

	Notes	For the year ended 31 March 2022	31 March 2021
Income			
Revenue	6	**4,714**	3,908
Other income		**10**	11
		4,724	3,919
Expenses			
Network operating expenses		**817**	694
Access charges		**407**	376
Licence fee and spectrum usage charges		**244**	198
Employee benefits expense	7	**297**	275
Sales and marketing expenses		**224**	187
Impairment loss on financial assets		**5**	7
Other operating expenses		**451**	382
Depreciation and amortisation	9	**744**	681
		3,189	2,800
Operating profit		**1,535**	1,119
Finance costs	10	**441**	432
Finance income	10	**(19)**	(9)
Other non-operating income	11	**(111)**	–
Share of profit from associate		**(0)**	(1)
Profit before tax		**1,224**	697
Income tax expense	12	**469**	282
Profit for the year		**755**	415
Profit before tax (as presented above)		**1,224**	697
Less: exceptional items (net)	11	**(60)**	(14)
Underlying profit before tax		**1,164**	683
Profit after tax (as presented above)		**755**	415
Less: exceptional items (net)	11	**(62)**	(50)
Underlying profit after tax		**693**	365
Other comprehensive income (OCI)			
Items to be reclassified subsequently to profit or loss:			
Loss due to foreign currency translation differences		**(4)**	(147)
Tax (expense)/credit on above		**(3)**	9
Share of OCI of associate		**1**	0
Net loss on net investments hedge		**(8)**	(11)
		(14)	(149)
Items not to be reclassified subsequently to profit or loss:			
Remeasurement loss on defined benefit plans		**(0)**	(0)
Tax credit on above		**0**	0
		(0)	(0)
Other comprehensive loss for the year		**(14)**	(149)
Total comprehensive income for the year		**741**	266
Profit for the year attributable to:		**755**	415
Owners of the Company		**631**	339
Non-controlling interests		**124**	76
Other comprehensive loss for the year attributable to:		**(14)**	(149)
Owners of the Company		**(12)**	(140)
Non-controlling interests		**(2)**	(9)
Total comprehensive income for the year attributable to:		**741**	266
Owners of the Company		**619**	199
Non-controlling interests		**122**	67
Earnings per share			
Basic	13	**16.8 cents**	9.0 cents
Diluted	13	**16.8 cents**	9.0 cents

Consolidated statement of financial position

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

	Notes	As of 31 March 2022	As of 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	14	**2,214**	2,066
Capital work-in-progress	14	**189**	166
Right-of-use assets	30	**1,109**	799
Goodwill	15	**3,827**	3,835
Other intangible assets	15	**632**	558
Intangible assets under development	15	**2**	177
Investment in associate	16	**6**	4
Financial assets			
– Investments		**0**	0
– Derivative instruments	17	**3**	6
– Others		**7**	17
Income tax assets (net)		**22**	33
Deferred tax assets (net)	12	**222**	314
Other non-current assets	18	**134**	112
		8,367	8,087
Current assets			
Inventories		**3**	7
Financial assets			
– Derivative instruments	17	**3**	6
– Trade receivables	19	**123**	113
– Cash and cash equivalents	20	**638**	813
– Other bank balances	20	**378**	282
– Balance held under mobile money trust		**513**	440
– Others	21	**124**	66
Other current assets	18	**215**	147
Assets of disposal group classified as held for sale	34	**–**	31
		1,997	1,905
Total assets		**10,364**	9,992
Current liabilities			
Financial liabilities			
– Borrowings	22	**786**	1,468
– Lease liabilities	30	**323**	240
– Derivative instruments	17	**9**	7
– Trade payables		**404**	366
– Mobile money wallet balance		**496**	432
– Others	23	**428**	448
Provisions	25	**69**	65
Deferred revenue		**162**	135
Current tax liabilities (net)		**220**	173
Other current liabilities	24	**176**	151
Liabilities of disposal group classified as held for sale	34	**–**	19
		3,073	3,504
Net current liabilities		**(1,076)**	(1,599)
Non-current liabilities			
Financial liabilities			
– Borrowings	22	**1,486**	1,871
– Lease liabilities	30	**1,337**	1,037
– Put option liability	5(g)	**579**	–
– Derivative instruments	17	**–**	6
– Others	23	**88**	91
Provisions	25	**20**	25
Deferred tax liabilities (net)	12	**114**	81
Other non-current liabilities	24	**18**	24
		3,642	3,135
Total liabilities		**6,715**	6,639
Net assets		**3,649**	3,353
Equity			
Share capital	26	**3,420**	3,420
Retained earnings	27	**3,436**	2,975
Other reserves	27	**(3,354)**	(2,990)
Equity attributable to owners of the company		**3,502**	3,405
Non-controlling interests (NCI)		**147**	(52)
Total equity		**3,649**	3,353

The consolidated financial statements (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 10 May 2022 and were signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2022

Consolidated statement of changes in equity

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

	Equity attributable to owners of the company							
	Share capital			Other reserves				
	No of shares[2]	Amount	Retained earnings (Note 27a)	Transactions with NCI reserve	Other components of equity (Note 27c)	Equity attributable to owners of the company	Non-controlling interests (NCI)	Total equity
As of 1 April 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
Transactions with owners of equity								
Employee share-based payment reserve	–	–	(0)	–	0	0	–	0
Purchase of own shares	–	–	–	–	(4)	(4)	–	(4)
Transactions with NCI	–	–	–	(9)	–	(9)	1	(8)
Dividend to owners of the company	–	–	(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
Profit for the year	**–**	**–**	**631**	**–**	**–**	**631**	**124**	**755**
Other comprehensive loss	**–**	**–**	**(0)**	**–**	**(12)**	**(12)**	**(2)**	**(14)**
Total comprehensive income/(loss)	**–**	**–**	**631**	**–**	**(12)**	**619**	**122**	**741**
Transactions with owners of equity								
Employee share-based payment reserve	**–**	**–**	**(1)**	**–**	**3**	**2**	**–**	**2**
Purchase of own shares	**–**	**–**	**–**	**–**	**(6)**	**(6)**	**–**	**(6)**
Transactions with NCI (refer to Note 5 (g) and (h))	**–**	**–**	**–**	**(348)**	**(1)**	**(349)**	**153**	**(196)**
Dividend to owners of the company (refer to Note 5 (a) and (b))	**–**	**–**	**(169)**	**–**	**–**	**(169)**	**–**	**(169)**
Dividend (including tax) to NCI[1]	**–**	**–**	**–**	**–**	**–**	**–**	**(76)**	**(76)**
As of 31 March 2022	**6,839,896,081**	**3,420**	**3,436**	**(942)**	**(2,412)**	**3,502**	**147**	**3,649**

1 Dividend to NCI includes tax of $4m (March 2021: $0m)

2 Includes ordinary and deferred shares, refer to Note 26

Consolidated statement of cash flows

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

	For the year ended	
	31 March 2022	31 March 2021
Cash flows from operating activities		
Profit before tax	**1,224**	697
Adjustments for:		
Depreciation and amortisation	**744**	681
Finance income	**(19)**	(9)
Finance cost(s)	**441**	432
Share of profit of associate	**(0)**	(1)
Other non-operating income adjustment (refer to Note 5(c) to (f))	**(111)**	–
Other non-cash adjustments[1]	**(6)**	(15)
Operating cash flow before changes in working capital	**2,273**	1,785
Changes in working capital		
Increase in trade receivables	**(18)**	(8)
Decrease/(Increase) in inventories	**4**	(4)
Increase/(Decrease) in trade payables	**34**	(38)
Increase in mobile money wallet balance	**64**	139
Increase in provisions	**14**	1
Increase in deferred revenue	**27**	17
Decrease in income received in advance	**–**	(1)
Increase in other financial and non financial liabilities	**50**	18
Increase in other financial and non financial assets	**(144)**	(48)
Net cash generated from operations before tax	**2,304**	1,861
Income taxes paid	**(293)**	(195)
Net cash generated from operating activities (a)	**2,011**	1,666
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	**(717)**	(645)
Proceeds from sale of tower assets (refer to Note 5(c) and (d))	**171**	–
Purchase of intangible assets	**(22)**	(270)
Maturity of deposits with bank	**301**	–
Investment in deposits with bank[2]	**(388)**	(257)
Proceeds from sale of tower subsidiary (net of cash acquired) (refer to Note 5(e) and (f))	**79**	–
Interest received	**19**	14
Net cash used in investing activities (b)	**(557)**	(1,158)
Cash flows from financing activities		
Proceeds from sale of shares to non-controlling interests (refer to Note 5(g))	**550**	–
Acquisition of non-controlling interests (refer to Note 5(h))	**(164)**	(7)
Purchase of own shares by ESOP trust	**(6)**	(4)
Proceeds from issue of shares to non-controlling interests	**2**	–
Proceeds from borrowings	**973**	407
Repayment of borrowings	**(2,115)**	(265)
Repayment of lease liabilities	**(251)**	(208)
Dividend paid to non-controlling interests	**(48)**	(9)
Dividend paid to owners of the Company	**(169)**	(169)
Interest on borrowings and lease liabilities and other finance charges	**(370)**	(317)
Payment on maturity of derivatives	**(9)**	(3)
Net cash used in financing activities (c)	**(1,607)**	(575)
Decrease in cash and cash equivalents during the year (a+b+c)	**(153)**	(67)
Currency translation differences relating to cash and cash equivalents	**(3)**	(17)
Cash and cash equivalents as at beginning of the year	**1,003**	1,087
Cash and cash equivalents as at end of the year (refer to Note 20)[3]	**847**	1,003

1 For the year ended 31 March 2022, this mainly includes movement in trade receivables impairment and other provisions. 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 non-cash settlement agreement entered with a customer in one of the Group's subsidiaries in Niger

2 Includes investment in deposits with original maturity of more than three months and deposits placed against certain borrowings. These are included within other bank balances in the consolidated statement of financial position

3 Includes balance held under mobile money trust of $513m (2021: $440m) 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$ millions unless stated otherwise)

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 the London Stock Exchange (LSE) on 3 July 2019 and on the Nigerian Stock Exchange (NGX) 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 the provision of telecommunications and mobile money services.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and approved for use in the United Kingdom (UK) by the UK Accounting Standards Endorsement Board (UKEB).

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

The accounting policies as set out in the following paragraphs of this note have been consistently applied by all the Group's entities to all the periods presented in these financial statements.

New and amended standards and interpretations that are effective for the current year

No new IFRS issued during the year is applicable to the Group. Amendments to existing IFRSs have been applied by the Group as required, however, these amendments do not have any material impact on the Group's financial statements. The list of newly issued amendments is as follows:

- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9.
- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases – Interest Rate Benchmark Reform (Phase 2).
- Amendments to IFRS 16 Leases – Covid-19-related Rent Concessions beyond 30 June 2021.

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price at the measurement date at which an asset can be sold or the price paid to transfer a liability in an orderly transaction between market participants.

The Group is required to classify the fair valuation method of the financial/non-financial assets and liabilities either measured or disclosed at fair value in the financial statements using a three level fair-value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value hierarchy are described below:

- Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Significant inputs to the fair value measurement are directly or indirectly observable.
- Level 3 – Significant inputs to the fair value measurement are unobservable.

Going concern

These consolidated 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 2023 under both base and reasonable worst case scenarios taking into considerations its principal risks and uncertainties, including a reduction in revenue and EBITDA and a significant devaluation of the various currencies in the countries in which the Group operates, including the Nigerian Naira. As part of this evaluation, the Group has considered available ways to mitigate these risks and uncertainties and has also considered committed undrawn facilities of $424m expiring beyond the going concern assessment period (total committed undrawn facilities as of the date of authorisation of these consolidated financial statements are $587m), which will fulfill the Group's cash flow requirement under both the base and reasonable worst case scenarios.

Having considered all the factors above impacting the Group's businesses, the impact of downside sensitivities, and the mitigating actions available, including a reduction and deferral of capital expenditure, the directors are satisfied that the Group has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the consolidated and company only financial statements.

2.3 Basis of consolidation

a. Subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) up to 31 March each year. The Group controls an entity when it is exposed to or has right to variable return from its involvement with the entity and has the ability to affect those returns through its power (that is, existing rights that give it the current ability to direct the relevant activities) over the entity. The Group re-assesses whether or not it controls the entity, if the underlying facts and circumstances indicate a change in the above-mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group, and they are de-consolidated from the date that control ceases. No subsidiaries are excluded from the Group consolidation. Non-controlling interests is the equity in a subsidiary not attributable to the parent and is presented separately from the parent's equity. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income/loss are attributed to the controlling and non-controlling interests in proportion to their ownership interests, even if this results in the non-controlling interests having a deficit balance. However, in cases where there are binding contractual arrangements that determine the attribution of the earnings, the attribution specified by such arrangement is considered.

The Group may write a put option or enter into an agreement with the non-controlling shareholders in the Group's subsidiaries to purchase their equity interest in the subsidiary, for cash or another financial asset. These contracts give rise to a financial liability for the present value of the likely redemption amount. This is the case even if the contract itself is an equity instrument or even if the obligation to purchase the equity interest is conditional on the counterparty exercising a right to redeem. The financial liability is recognised initially at the present value of the likely redemption amount by debiting equity ('Transactions with NCI reserve') while continuing to recognise the non-controlling interest, if the non-controlling shareholders continue to have present access to returns on the underlying equity interest of the subsidiary. Subsequently, the financial liability is re-measured in accordance with IFRS 9 i.e. through profit and loss. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity ('Transactions with NCI reserve'). If the option is exercised, the corresponding non-controlling interest to the extent shares are re-acquired from non-controlling shareholders is de-recognised at the same time as the put option.

The profit or loss on disposal of a subsidiary (associated with loss of control) is recognised in the consolidated statement of comprehensive income being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. In addition, any amounts previously recognised in other comprehensive income in respect of the de-consolidated entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in the other comprehensive income are re-classified to profit and loss. Any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in the profit and loss.

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

b. Associate

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

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

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

c. Method of consolidation

The stand-alone financial statements of subsidiaries are fully consolidated on a line-by-line basis after adjusting for business combination adjustments. Intra-group balances and transactions, and income and expenses arising from intra-group transactions, are eliminated while preparing the consolidated financial statements. The gains resulting from intra-group transactions are also eliminated. Similarly, the losses are eliminated, unless the transaction provides evidence as to impairment of the asset transferred.

The Group's investment in its associate is accounted for using the equity method. Accordingly, the investment is carried at cost less any impairment loss, as adjusted for post-acquisition changes in the Group's share of the net assets of the investee. Any excess of the cost over the Group's share of net assets in its associate at the date of acquisition is presented as goodwill. The goodwill is included within the carrying amount of the investment. The unrealised gains/losses resulting from transactions with the associate are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of the Group's subsidiaries and associates are aligned wherever necessary, to ensure consistency with the accounting policies that are adopted by the Group under IFRS.

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting, accordingly, the identifiable assets acquired and the liabilities assumed in the acquisition are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standards) and the non-controlling interest is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is the aggregation of the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests issued by the Group in exchange for control of the acquiree.

The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is subsequently measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in the consolidated statement of comprehensive income) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Acquisition-related costs are expensed in the period in which the costs are incurred.

If the initial accounting for a business combination is incomplete as at the reporting date in which the combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequent adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequent to initial recognition, it is measured at the higher of:

(i) the amount that would be recognised in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'.

Common control transactions

Transactions arising from the transfer of assets/liabilities as an interest in entities or businesses between entities that are under common control, are accounted for at their historical carrying values. The difference between the consideration paid/received and the historic carrying values of the assets/liabilities and interests in entities acquired/disposed is recorded within retained earnings.

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

2. Summary of significant accounting policies continued

2.5 Foreign currency transactions

a. Functional and presentation currency

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

The financial statements are presented in US dollar, which is also the functional and presentation currency of the company.

b. Transactions and balances

For the purpose of presenting the consolidated financial statements, transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

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

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

c. Foreign operations

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

Exchange differences arising on monetary items that form part of the Group's net investment in a foreign operation are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

2.6 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the Group's normal operating cycle, held primarily for the purpose of trading, expected to be realised within 12 months after the reporting period, is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

Derivatives designated in hedging relationship and separated embedded derivatives are classified based on the hedged item and the host contract, respectively.

2.7 Property, plant and equipment (PPE) and capital work-in-progress

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

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

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

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

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

Categories	Years
Leasehold improvement	Period of lease or 10 –20 years, as applicable, whichever is less
Buildings	20
Plant and equipment	
– Network equipment (including passive infrastructure)	3 – 25
Computer	3 – 5
Furniture and fixture and office equipment	1 – 5
Vehicles	5

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

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as capital work-in-progress (CWIP) (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

2.8 Intangible assets

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

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired (refer to Note 2.4). Goodwill is not amortised; however, it is tested for impairment (refer to Note 2.9) and carried at cost less accumulated impairment losses if any. The gains/(losses) on the disposal of a cash-generating unit (CGU) includes the carrying amount of goodwill relating to the CGU sold (in case goodwill has been allocated to a group of CGUs; it is determined based on the relative value of the operations sold).

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms, if any. Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in profit or loss as incurred.

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

- **Software**

Software is amortised over the software licence period, generally not exceeding three years.

- **Licences (including spectrum)**

Acquired licences and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant licence period. The useful lives generally range from 2 to 25 years.

In addition, the Group incurs a fee on licences/spectrum that is calculated based on the revenue of the licensee entity. These fees are recognised as a cost in the consolidated statement of comprehensive income when incurred.

- **Other acquired intangible assets**

Other acquired intangible assets include customer relationships which are amortised over the estimated life of such relationships generally ranging from one year to five years.

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

Further, the cost of intangible assets under development includes these spectrum allotted to the Group and related costs for which services are yet to be rolled out are presented separately in the statement of financial position.

- **Internally-generated intangible assets – research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at least annually or earlier, in case circumstances indicate that the carrying value may exceed the recoverable amount (higher of fair value less costs to sell and the value-in-use). For the purpose of impairment testing, goodwill is allocated to a cash-generating-unit (CGU) or group of CGUs (CGUs) which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, but not higher than an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU/CGUs, including the goodwill, exceeds the estimated recoverable amount of the CGU/CGUs. The recoverable amount of a CGU/CGUs is the higher of its fair value less costs to sell and its value in use. Value-in-use is the present value of future cash flows expected to be derived from the CGU/CGUs.

The total impairment loss of a CGU/CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU/CGUs and then to the other assets of that CGU/CGUs – on pro-rata basis of the carrying value of each asset.

2. Summary of significant accounting policies continued

b. Property, plant and equipment, Right-of-use assets, Intangible assets and intangible assets under development

At each reporting period date, the Group reviews the carrying amounts of its PPE, right-of-use assets, CWIP and finite-lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets under development are tested for impairment, at least annually or earlier, in case circumstances indicate that it may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the asset belongs. If individual assets or a CGU are considered to be impaired, the impairment recognised in the consolidated statement of comprehensive income is measured by the amount by which the carrying value of the asset/CGU exceeds the estimated recoverable amount and is allocated on pro-rata basis.

c. Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

2.10 Financial instruments

a. Recognition, classification and presentation

Financial instruments are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The Group does not have any financial instruments classified as fair value through other comprehensive income.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group has classified all non-derivative financial liabilities as measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety for determining the contractual terms of the cash flow and accordingly, embedded derivatives are not separated. However, derivatives embedded in non-financial instrument/financial liabilities (measured at amortised cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the statement of financial position, if and only when, the Group currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The amounts held by electronic account holders in their mobile money wallets are presented separately in the Balance Sheet as 'mobile money wallet balance'. The amounts held in bank on behalf of such electronic account holders are restricted for use by the Group and are presented as 'balance held under mobile money trust'.

b. Measurement – Non-derivative financial instruments

I. Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Other transaction costs are expensed as incurred in the consolidated statement of comprehensive income.

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference between the transaction amount and the fair value (if any) is accounted for as follows:

- The difference is recognised as a gain or loss in the statement of comprehensive income only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets.
- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

II. Subsequent measurement – financial assets

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

- **Financial assets measured at amortised cost**

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash receipts or payments over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Financial assets at fair value through profit or loss (FVTPL)**

All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVTOCI) are measured at FVTPL. Interest (based on the EIR method) and dividend income from financial assets at FVTPL is recognised in profit and loss within finance income/finance costs separately from the other gains/losses arising from changes in the fair value.

Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, in case of trade receivables and contract assets, the Group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement – financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting/any transaction costs is significant).

c. Measurement – derivative financial instruments

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

In cases, where the initial fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on observable inputs, on subsequent measurement, the difference between initial fair value and transaction price is recognised in profit or loss on an appropriate basis (e.g. straight line) over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

d. Hedging activities

I. Fair value hedge

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

II. Cash flow hedge

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

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

III. Net investment hedge

The Group on a time to time basis hedges its net investment in certain foreign subsidiaries. Accordingly, any foreign exchange differences on the hedging instrument (e.g. borrowings) relating to the effective portion of the hedge is recognised in other comprehensive income within the foreign currency translation reserve (FCTR) – within other components of equity, so as to offset the change in the value of the net investment being hedged. The ineffective portion of the gain or loss on these hedges is immediately recognised in profit or loss. The amounts accumulated in equity are included in the profit and loss when the foreign operation is disposed or partially disposed.

e. Derecognition

Financial liabilities are derecognised from the statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expired or legally released. Financial assets are derecognised from the statement of financial position when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The difference in the carrying amount and consideration is recognised in the consolidated statement of comprehensive income.

2.11 Leases

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

a. Group as a lessee

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

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments including changes in CPI or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the related right-of-use asset has been reduced to zero.

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

2. Summary of significant accounting policies continued

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

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

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

Short-term leases

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

Sale and lease back

In sale and leaseback transactions, the Group first considers whether the initial transfer of the underlying asset to the buyer-lessor is a sale by applying the requirements of IFRS 15. If the transfer qualifies as a sale and the transaction is on market terms, the Group derecognises the asset, recognises a right-of-use asset (and lease liabilities) and recognises a portion of the total gain or loss on the sale in the statement of comprehensive income. The right-of-use asset is recognised at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. The amount recognised is calculated by splitting the total gain or loss into:

- an amount recognised in the consolidated statement of comprehensive income relating to the buyer-lessor's rights in the underlying asset, and
- an unrecognised amount relating to the rights retained by the seller-lessee which is deferred by way of reducing the right-of-use assets initially recognised.

b. Group as a lessor

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

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

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

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

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

2.12 Taxes

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

a. Current tax

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

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

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These provisions are measured at the best estimate of the amount expected to become payable or based on the expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. To assess such probability, the Group considers profit generation capability of the taxable entity based on historical trends as well as forecast profitability for the foreseeable future. When it is probable that there will be future taxable profits, an evaluation is performed to assess the availability of sufficient deductible temporary differences during the foreseeable future, relating to the same taxation authority and in the same taxable entity.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

2.13 Inventories

Group's inventories include handsets, modems and related accessories.

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing it to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, wallet balances, bank balances, cheques in hand and any deposits with original maturities of three months or less i.e. that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of a change in value. However, for the purpose of the statement of cash flows, in addition to the above items, any bank overdrafts that are an integral part of the Group's cash management and balances held under mobile money trust are also included as a component of cash and cash equivalents.

Term deposits with an original maturity of more than three months are presented within other bank balances.

2.15 Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets-held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset or disposal group is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and the sale is expected to complete within one year from the date of classification as held for sale. Disposal groups classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell, except for assets such as deferred tax assets (measured in accordance with IAS 12) and financial assets which are measured at fair value in accordance with IFRS 9. Non-current assets are not depreciated or amortised while they are classified as held for sale.

Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

A loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative loss previously recognised.

If the criteria for held for sale are no longer met, it ceases to be classified as held for sale and is measured at the lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation/amortisation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

2.16 Share capital/Share premium

Ordinary shares are classified as equity when the Group has an unconditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Group and there is no contractual obligation whatsoever to that effect. Share premium account is used to record the premium on issue of shares.

2.17 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans, other long-term benefits, including compensated absences and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Group employees. Short-term employee benefits are recognised in statement of comprehensive income at undiscounted amounts during the period in which the related services are rendered. Details of long-term employee benefits are provided below:

- **Defined contribution plans**

The contributions to defined contribution plans are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

- **Defined benefit plans**

The Group has defined benefit plans in form of 'Retirement Benefits' and 'Severance Pay' wherein, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each quarterly reporting period. The obligation towards these benefits is recognised in the balance sheet under provisions, at the present value of the defined benefit obligations. The present value of these obligations is determined by discounting the estimated future cash outflows, using an appropriate discount rate.

Defined benefit costs are split into the following categories:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- interest expense; and
- remeasurements.

The Group recognises service costs within profit or loss as employee benefit expenses. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Interest cost is calculated by applying a discount rate to the defined benefit liability and is recognised within finance costs. Remeasurements comprising actuarial gains and losses are recognised immediately as a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are subsequently not reclassified to profit or loss.

2. Summary of significant accounting policies continued

- **Other long-term employee benefits**

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises encashment and the availing of leave balances that were earned by the employees over the period of past employment.

The Group provide for the liability (presented under provisions) towards these benefits on the basis of actuarial valuations carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related remeasurements are recognised in the statement of profit and loss in the period in which they arise.

- **Share-based payments**

Refer to Note below.

2.18 Share-based payments

The Group operates equity-settled and cash-settled compensation plans under which the Group receives services from employees as consideration for cash-settled units/equity shares.

The Group measures the fair value of the services received from employees by reference to the fair value of the equity instruments granted. The grant-date fair value of equity-settled share-based payment arrangements is generally recognised as an expense on a straight-line basis, with a corresponding increase in equity (reserves), over the vesting period of the awards.

At each reporting date, the Group estimates the number of equity instruments expected to eventually vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates of the number of equity instruments expected to vest, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

The fair value of the amount payable to employees in respect of share-based payments which are settled in cash, is recognised as an expense on a straight-line basis with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of such instruments. Any changes in the liability are recognised in profit or loss.

As at each reporting date, the Group estimates the number of awards that are expected to eventually vest, if required. It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance/non-vesting condition. These are treated as vesting irrespective of whether or not the market/non-vesting condition is satisfied, provided that service conditions and all other non-market performance are satisfied.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognised for any modification that results in additional fair value, or is otherwise beneficial to the employee as measured at the date of modification.

For further details of equity-settled and cash-settled compensation plans refer to Note 7.

- **Treasury shares**

The company is the sponsoring entity of an Employee Benefit Trust (EBT) which is controlled by the Group. The company provides funds to the EBT to enable it to satisfy its objectives. The company's equity instruments held by the EBT are accounted for as if they were the company's own equity and are treated as treasury shares. Such treasury shares are recorded at cost and deducted from equity. Refer to Note 27c for details of treasury shares held by the EBT.

2.19 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of the discount sale due to the passage of time is recognised within finance costs.

b. Provision for legal, tax and regulatory matters

The Group is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Group. Management, in consultation with legal, tax and other advisers, assesses the likelihood that a pending claim will succeed. The Group recognises a provision in cases where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations arising from such claims.

c. Asset Retirement Obligation (ARO)

AROs are recognised for those lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises to a condition similar to that at inception of the lease. AROs are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any change in the estimated future costs or in the discount rate applied are adjusted against the cost of the asset.

2.20 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised unless virtually certain and disclosed only where an inflow of economic benefits is probable.

2.21 Revenue

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

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

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

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

- **Service revenue**

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

Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging and value added services and customer onboarding charges.

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

Customers primarily pay in advance for services of the Group. These cash amounts are recognised in deferred income in the consolidated statement of financial position and transferred to the statement of comprehensive income when the service obligation has been performed/when the usage of services becomes remote.

The Group recognises revenue from these services over time as they are provided. Revenue is recognised over time based on actual units of telecommunications services provided during the reporting period as a proportion of the total units of telecommunications services to be provided.

Subscription charges are recognised over the subscription pack validity period.

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

Service revenue also includes revenue from interconnection/roaming charges for use of the Group's network by other operators for voice, data, messaging and signaling services.

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

The Group has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Group's network i.e. when the service is rendered.

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on the transfer of money from one customer wallet to another. Such commission is recognised as revenue at a point in time on fulfillment of these services by the Group.

- **Equipment sales**

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

Costs to obtain or fulfil a contract with a customer

The Group defers costs to obtain or fulfill contracts with customers over expected average customer life determined based on churn rate.

2.22 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

2.23 Operating profit

Operating profit is stated as revenue less operating expenditure, including depreciation and amortisation and operating exceptional items. Operating profit excludes finance income, finance costs, other non-operating income and share of profit of the associate.

2.24 Exceptional items – Alternative performance measures (APM)

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive APMs, which provide additional useful information on the underlying trends, performance and position of the Group. This assessment covers the nature of the item being one-off or non-routine and the significance of the impact of that item on reported performance in accordance with the Group's exceptional items policy.

To monitor performance, the Group uses the following APMs:

- 'Underlying profit before tax' representing profit before tax for the period excluding the impact of exceptional items.
- 'Underlying profit after tax' representing profit after tax for the period excluding the impact of exceptional items and tax on exceptional items.

Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income, which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items. When applicable, these items include network modernisation, share issue expenses, loan prepayment costs, the settlement of legal and regulatory cases, restructuring costs, impairments, gain on sale of tower assets and initial recognition of deferred tax assets. A breakdown of the exceptional items included in the consolidated statement of comprehensive income is disclosed in Note 11.

For other APMs, refer pages 229 to 231.

2.25 Dividends

Dividends to shareholders of the company are recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders. Interim dividends are deducted from the retained earnings when they are paid.

2. Summary of significant accounting policies continued

2.26 Earnings per share (EPS)

The Group presents the Basic and Diluted EPS data. Basic EPS are computed by dividing the profit for the period attributable to the owners of the parent by the weighted average number of shares net of any treasury shares outstanding during the period.

Diluted EPS is computed 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 been actually 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.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of these financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. These estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates – even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

- **Uncertain tax treatments**

Uncertainties exist with respect to the interpretation of complex tax regulations. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions/contingencies, based on reasonable estimates, for potential audits by the tax authorities in the respective countries in which it operates as well as where the probability of tax authorities accepting the Group's treatment is in doubt. The amount of direct tax provisions carried as part of current tax liabilities amounted to $16m and contingencies amounted to $18m (refer to Note 29). Reflecting the complexities of tax regulations and international business relationships, as described above, the Group receives from time to time, demands from tax authorities. Given the clarity that Group has over the nature of certain claims, the Group assesses these demands and estimates whether a provision should be recorded or a contingent liability should be disclosed or whether the matter is considered to be remote. These estimates are based on various factors, such as experience from previous tax audits and the Group's interpretation of tax regulations by the taxable entity and the relevant tax authority. For those demands where the Group believes there is a low likelihood of the demand being successful, no provision is recorded nor a contingent liability is disclosed. However, these estimates may be subject to a material change within the next financial year which could lead to the recognition of additional provisions or the disclosure of additional contingent liabilities.

- **Deferred tax assets**

Deferred tax assets are recognised by the Group, for the unused tax losses and temporary differences for which there is probability of utilisation against future taxable profit. Uncertainties exist in determining the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

For loss-making subsidiaries, the criteria to recognise a deferred tax asset was not met as of 31 March 2022. The Group carries unrecognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses amounting to $1,593m as of 31 March 2022. Should the future taxable profits for these entities increase relative to current forecasts, this could result in the recognition of additional material amount of deferred tax assets within the next 12 months, including $80m which could be reasonably recognised in the next financial year, should the performance of the relevant subsidiaries improve. The amount of such recognition could change depending upon the actual performance of such subsidiaries.

- **Contingent liabilities and provisions**

The Group is involved in various legal, indirect tax and regulatory matters, the outcome of which may not be favourable to the Group. Management, in consultation with legal, indirect tax and other advisers assesses the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable. The Group carried provisions amounting to $63m in respect of indirect tax, legal and regulatory matters and discloses contingencies amounting to $126m. In recording or disclosing these amounts, the Group has estimated which claims are probable and consequently a provision has been recorded and which are possible for which a contingent liability is disclosed or whether the matter is considered to be remote. However, given the nature of these matters and size of such claims there may be a risk of a material change within the next financial year, including the recognition of additional provisions or contingent liabilities, should the Group not be successful in defending the cases where contingent liabilities are disclosed. For further details, refer to Notes 25 and 29, respectively.

3.2 Critical judgement in applying the Group's accounting policies

The critical judgement, which the management has made in the process of applying the Group's accounting policies and has the most significant impact on the amounts recognised in the financial statements, is described below:

- **Determination of functional currency**

The Group has determined the functional currency of Group entities by identifying the primary economic environment in which the entity operates, based on underlying facts/circumstances. However, in respect of certain intermediary foreign operations of the Group, the determination of functional currency is not obvious due to mixed indicators and the extent of autonomy enjoyed by the foreign operation. In such cases, management uses its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Where this judgement changes, additional foreign currency translation gains and losses could be recognised in other comprehensive income.

4. New accounting pronouncements to be adopted on or after 1 April 2022

The following pronouncements issued by the IASB are relevant to the Group and effective for annual periods beginning on or after 1 January 2022. The Group's financial statements will be presented in accordance with these requirements, which are being evaluated but are not expected to have a material impact on the consolidated results, financial position or cash flows of the Group. These pronouncements have been issued by IASB, but have not yet been adopted by UKEB for use in the UK.

- Amendments to IAS 37 in relation to 'Onerous contracts – cost of fulfilling contracts'
- Amendments to IAS 1 in relation to 'classification of liabilities as current and non-current'
- Amendments to IAS 12 in relation to 'deferred tax related to assets and liabilities arising from a single transaction'

5. Significant transactions/new developments

a) The directors recommended and shareholders approved a final dividend of 2.5 cents per ordinary share for the year ended 31 March 2021, which was paid on 23 July 2021 to the holders of ordinary shares on the register of members at the close of business on 25 June 2021.

b) The interim dividend of 2 cents per share was approved by the Board on 27 October 2021 and paid on 10 December 2021 to the holders of ordinary shares on the register of members at the close of business on 12 November 2021.

c) On 2 June 2021, the Group signed an agreement to sell 1,445 towers in Tanzania to a joint venture company owned by a wholly-owned subsidiary of SBA Communications Corporation as majority owner and by Paradigm Infrastructure Limited, for a gross consideration of $177m. The first close of such sale was completed on 4 January 2022 and a portion of consideration amounting $160m was received. The Group has leased back a portion of such tower assets and thus a corresponding portion of the total gain on the sale has been recognised as a deduction in the cost of the right-of-use assets for the assets leased back. The resultant remaining gain (amounting to $83m) has been recorded as 'other non-operating income' and presented as an exceptional item (refer to Note 11(1)). The Group has recognised right-of-use assets and lease liabilities for the portion of towers leased back by the Group.

Consequent to the completion of this sale, as per the settlement agreement with Government of Tanzania (GOT), shareholder loans payable by Airtel Tanzania (a subsidiary of the Group) to Bharti Airtel Tanzania B.V. (BATBV) and Bharti Airtel International (Netherlands) B.V. (BAIN) (other subsidiaries of the Group) amounting to $408m were forgiven after repayment of a part of the shareholder loan amounting $107m by Airtel Tanzania to BATBV. A portion of the impact of this waiver pertaining to the non-controlling holders has been allocated to non-controlling interest in the consolidated financial statements.

As per the settlement agreement, Airtel Tanzania also paid a special dividend of $18m to its 49% shareholder, Government of Tanzania. The reduction in net assets of Airtel Tanzania (subsidiary) due to this distribution has been allocated to owners of the Company and non-controlling interests in the consolidated financial statements in proportion of their respective shareholdings.

d) In line with the agreement to sell 162 towers in Rwanda, signed by the Group on 22 February 2021 with IHS Rwanda Ltd, during the year ended 31 March 2022, the Group completed the first and second close of the sale of telecommunication tower assets and received a consideration of $11m. Since the Group has leased back a portion of such tower assets, a corresponding portion of the total gain on the sale has been recognised as a deduction in the cost of the right-of-use asset for the assets leased back with the remaining gain (amounting to $4m) recorded as 'other non-operating income' and presented as an exceptional item (refer to Note 11(1)). The Group has recognised right-of-use assets and lease liabilities for the portion of towers leased back by the Group.

e) In line with the agreement to sell, signed by the Group on 23 March 2021 with Helios Towers for gross consideration of $52m, during the year ended 31 March 2022, the Group completed the first and second close of the sale of the Group's subsidiary which holds tower assets in Madagascar and received consideration of $46m. Since the Group has leased back a portion of such tower assets, a corresponding portion of the total gain on the sale has been recognised as a deduction in the cost of the right-of-use asset for the assets leased back with the remaining gain (amounting to $5m) recorded as 'other non-operating income' and presented as an exceptional item (refer to Note 11(1)). The Group has recognised right-of-use assets and lease liabilities for the portion of towers leased back by the Group.

The details of the consideration received, assets and liabilities over which control was lost and gain recorded during the year are as follows:

	As of 2 November 2021
A. Consideration received	
Fair value of consideration (first and subsequent closings)	49
B. Net assets disposed	
Non-current assets	
Property plant and equipment	18
Others	2
Current assets	
Cash and cash equivalents	2
Others	1
Total assets	**23**
Current liabilities	
Trade payables	4
Non-current liabilities	
Others	2
Total liabilities	**6**
Net assets	**17**
C. Gain on disposal[1]	**5**
D. Net cash inflow on disposal	
Consideration received in cash and cash equivalents (at first and second close)	46

1 Gain on disposal has been computed after adjusting foreign currency translation losses reclassified to the statement of comprehensive income amounting to $6m and a gain amounting to $21m pertaining to the portion of assets leased back by the Group which has been recognised as a deduction in the right-of-use asset

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

5. Significant transactions/new developments continued

f) In line with the agreement to sell, signed by the Group on 23 March 2021 with Helios Towers for gross consideration of $55m, the Group completed the first close of the sale of the Group's subsidiary which holds tower assets in Malawi on 24 March 2022 and received a portion of consideration amounting to $34m. Since the Group has leased back a portion of such tower assets, a corresponding portion of the total gain on the sale has been recognised as a deduction in the cost of the right-of-use assets for the assets leased back with the remaining gain (amounting to $19m) recorded as 'other non-operating income' and presented as an exceptional item (refer to Note 11(1)). The Group has recognised right-of-use assets and lease liabilities for the portion of towers leased back by the Group.

The details of the consideration received, assets and liabilities over which control was lost and gain recorded during the year is as follows:

	As of 24 March 2022
A. Consideration received	
Fair value of consideration received (first and subsequent close)	51
B. Net assets disposed:	
Non-current assets	
Property plant and equipment	31
Right-of-use assets	3
Others	2
Current assets	
Cash and cash equivalents	2
Others	2
Total assets	**40**
Current liabilities	
Trade payables	5
Others	2
Non-current liabilities	
Deferred tax liability	2
Others	3
Total liabilities	**12**
Net assets	**28**
C. Gain on disposal[1]	**19**
D. Net cash inflow on disposal	
Consideration received in cash and cash equivalents	34

1 Gain on disposal has been computed after adjusting Foreign Currency Translation gains reclassified to the statement of comprehensive income amounting to $11m and a gain amounting to $15m pertaining to the portion of assets leased back by the Group which has been recognised as a deduction in the right-of-use asset

g) In March 2021, the Group had entered into agreements with TPG's The Rise Fund and Mastercard for the sale of non-controlling interests in one of the Group's subsidiaries, Airtel Mobile Commerce B.V. (AMC B.V.), by way of secondary sale of AMC B.V.'s shares.

On 02 August 2021, the Group completed the first close of the transaction, whereby The Rise Fund and Mastercard invested $150m and $75m, respectively.

On 30 July 2021, the Group further entered into an agreement with Qatar Holdings LLC for the sale of further non-controlling interests in AMC B.V. and completed the first close of the transaction on 19 August 2021 receiving $150m from Qatar Holdings LLC.

On 16 November 2021, the Group completed the second close of the above transactions whereby The Rise Fund and Qatar Holdings LLC each invested a further $50m, and Mastercard a further $25m.

On 15 December 2021, the Group further entered into an agreement with Chimetech Holding Limited for the sale of further non-controlling interests in AMC B.V. and received $50m from Chimetech Holding Limited.

While the Group continues to control AMC B.V., for all the above-mentioned investments, the Group has recorded a non-controlling interest, including shares held within escrow. These shares may transfer to the investors at the end of a restructuring period as per the terms of the agreements. The Group has concluded that it does not control the shares placed in escrow and hence has recorded these shares as part of the Group's non-controlling interests.

Under the terms of the transaction, and in very limited circumstances (including in the event that there is no Initial Public Offering of shares in AMC B.V. within four years of first close), The Rise Fund and Mastercard would have the option, so as to provide liquidity to them, to sell its shares in AMC B.V. to Airtel Africa or its affiliates at fair market value (determined by a mutually agreed merchant bank using an agreed internationally accepted valuation methodology). The Group has determined that successfully executing the IPO is not within complete control of the Group and has thus recorded a put option liability at the present value of the expected buy-back amount which is also the maximum amount, by debiting 'transactions with NCI reserve'. Subsequent remeasurement of this liability has been recognised as a finance cost.

h) On 1 December 2021, Airtel Nigeria completed the buy-back of 8.22% non-controlling interest (out of existing 8.26%) from its non-controlling shareholders at a total cost of NGN 67.6bn (approximately $163m), including directly attributable transaction costs. The difference between such cost and the carrying value of such non-controlling interest, has been recorded in 'Transaction with NCI reserve' as part of owner's equity.

i) On 7 March 2022, Bharti Airtel International (Netherlands) B.V., a subsidiary of the Group, completed early repayment of its $505m, 5.125% Guaranteed Senior Notes, with original maturity due in March 2023 using cash balances available at the Group level. The settlements included all outstanding accrued interest up to the redemption date and an applicable premium. The difference of $19m between the carrying value of such bonds and the total consideration paid has been recognised as a finance cost in the statement of comprehensive income and presented as an exceptional item.

j) During the year ended 31 March 2022, Airtel Kenya Networks Limited ('Airtel Kenya'), a subsidiary of the Group, entered into an agreement with the Communications Authority of Kenya regarding its 2015-2025 operating and spectrum licence. Under this agreement, Airtel Kenya agreed to pay a total of $20m in four instalments over the next three years. The first instalment of $5m has been paid and for the balance amount, a deferred payment liability has been recognised in the consolidated financial statements. This cost has been charged to the statement of comprehensive income and presented as an exceptional item.

6. Revenue

Revenue recognised that was included in the contract liability balance at the beginning of the period

	For the year ended	
	31 March 2022	31 March 2021
Service revenue[1]	**4,703**	3,897
Sales of products	**11**	11
	4,714	3,908

1 During the year ended 31 March 2021, the Group recognised revenue amounting to $20m 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

Transaction price allocated to the remaining performance obligations

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to $162m at 31 March 2022 and $135m as at 31 March 2021 will be satisfied, respectively, within a period of the next year.

Revenue recognised that was included in the deferred revenue balance at the beginning of the year:

	During the year ended	
	31 March 2022	31 March 2021
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	**135**	124

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	31 March 2022		31 March 2021	
	Unbilled Revenue	**Deferred Revenue**	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	**–**	**135**	–	124
Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	**162**	–	135
Transfers from unbilled revenue recognised at the beginning of the year to receivables	**43**	**–**	37	–

Reconciliation of costs to obtain or fulfil contracts with customers

	During the year ended	
	31 March 2022	31 March 2021
Costs to obtain or fulfil a contract with a customer		
Opening balance	**44**	37
Costs incurred and deferred	**88**	72
Less: cost amortised	**(77)**	(65)
Closing balance	**55**	44

6.1 Segmental information

The Group's segment information is provided on the basis of geographical clusters to the Group's chief executive officer i.e. 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, Malawi, Rwanda, Tanzania, Uganda and Zambia

Francophone Africa – Comprising operations in Chad, Republic of the Congo, the DRC, Gabon, Madagascar, Niger and the 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. In March 2021, underlying EBITDA was also adjusted for charitable donations. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

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

The 'Eliminations/Adjustments' column comprises inter-segment revenues eliminated upon consolidation and Group accounting policy alignments.

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

6. Revenue continued

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 licences) and capital advances.

Investment elimination upon consolidation and resulting goodwill are reflected in the 'eliminations' column.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2022 is as follows:

	Nigeria	East Africa	Francophone Africa	Unallocated	Eliminations	Total
Revenue from external customers						
Voice revenue	984	782	592	–	–	2,358
Data revenue	734	457	334	–	–	1,525
Mobile money revenue[1]	0	326	98	–	–	424
Other revenue[2]	157	146	104	–	–	407
	1,875	1,711	1,128	–	–	4,714
Inter-segment revenue	3	6	3	–	(12)	–
Total revenue	1,878	1,717	1,131	–	(12)	4,714
Segment results: underlying EBITDA	1,037	848	464	(38)	(0)	2,311
Less:						
Depreciation and amortisation	268	240	203	33	0	744
Finance costs						441
Finance income						(19)
Other non-operating income (net)						(111)
Share of profit of associate						(0)
Exceptional items pertaining to operating profit	–	32	–	–	–	32
Profit before tax						1,224
Other segment items						
Capital expenditure	251	271	125	9	–	656
As of 31 March 2022						
Segment assets	2,254	2,394	1,720	27,422	(23,426)	10,364
Segment liabilities	1,437	2,869	2,495	14,491	(14,577)	6,715
Investment in associate (included in segment assets above)	–	–	6	–	–	6

1 Intra-segment elimination of $129m adjusted with mobile money revenue. It includes $85m pertaining to East Africa and a balance of $44m 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 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	(42)	–	1,792
Less:						
Depreciation and amortisation	236	221	207	17	–	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	29,207	(24,937)	9,992
Segment liabilities	1,192	2,989	2,715	16,907	(17,164)	6,639
Investment in associate (included in segment assets above)	–	–	4	–	–	4

1 Intra-segment elimination of $100m adjusted with mobile money revenue. It includes $64m pertaining to East Africa and a balance of $36m pertaining to Francophone Africa

2 It includes messaging, value added services, enterprise, site sharing and handset sale revenue

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

	As of	
	31 March 2022	31 March 2021
United Kingdom	**1**	1
Nigeria	**1,670**	1,455
Netherlands (including goodwill)	**3,773**	3,805
Others	**2,529**	2,341
Total	**7,973**	7,602

Additional product related information:

Currently, based on the information provided to the CODM for the purposes of resource allocation and assessment of performance, Group's segments are geographical clusters in which the Group operates. The Group also presents additional product-wise information to investors on a regular basis; however products do not currently meet the requirements of being operating segments for the Group. Given the increasing focus of the Group on mobile money services, the directors have decided to provide additional disclosure on a product basis within this operating segment note, consistent with the information provided within the strategic report. The Group will continue to re-assess its definition and presentation of operating segments, particularly in respect of mobile money as the size and importance to the Group grows.

	For the year ended							
	31 March 2022				31 March 2021			
	Mobile services	**Mobile money**	**Eliminations/ adjustment**	**Total**	Mobile services	Mobile money	Eliminations/ adjustment	Total
Revenue	**4,294**	**553**	**(133)**	**4,714**	3,612	401	(105)	3,908
Underlying EBITDA	**2,077**	**270**	**(36)**	**2,311**	1,639	195	(42)	1,792
Depreciation and amortisation	**697**	**14**	**33**	**744**	654	10	17	681
Capital expenditure	**621**	**25**	**10**	**656**	580	32	2	614

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

7. Employee benefits expense

	For the year ended	
	31 March 2022	31 March 2021
Salaries and bonuses	**258**	233
Defined contribution plan cost	**14**	13
Defined benefit plan cost	**(2)**	5
Staff welfare expenses	**17**	15
Others	**10**	9
	297	275

Employee benefit expenses includes directors' remuneration. For further information about the remuneration of individual directors, refer to pages 128 to 150 of the directors' remuneration report.

Details of year end and monthly average number of people employed by the Group during the year:

	For the year ended			
	31 March 2022		31 March 2021	
	Year end	**Average**	Year end	Average
Nigeria	**706**	**686**	667	662
East Africa	**1,251**	**1,230**	1,211	1,202
Francophone Africa	**1,149**	**1,151**	1,156	1,200
Corporate and others	**651**	**596**	491	398
Total	**3,757**	**3,663**	3,525	3,462

7.1 Share-based payment plans

The following table provides an overview of all existing equity-settled and cash-settled plans of the company:

Scheme	**Plans**	**Vesting period (years)**	**Contractual term (years)**
Equity-settled plans	Replacement stock awards	1–2	2
	IPO awards	1–3	3
	IPO share options	1–3	10
	IPO executive share options	1–3	10
	Performance share awards	3	3
	Restricted share awards	3	3
	One-off awards	1–3	3
	Replacement awards	1–2	2
Cash-settled plans	Shadow stock plan	1–2	2

For IPO awards, replacement stock awards, shadow stock awards and performance share awards vesting is subject to service, total shareholder return and financial performance conditions, restricted share awards' vesting is subject to service and financial performance conditions while for IPO share options, IPO executive share options, one-off awards and replacement awards, vesting is subject to service conditions only.

The following table exhibits the net compensation expenses under the schemes:

	For the year ended	
	31 March 2022	31 March 2021
Expenses arising from equity- and cash-settled share-based payment transaction	**2**	1

The following table provides an overview of all existing share option and cash-settled plans of the company. Details of share options outstanding during the year are as follows:

	31 March 2022		31 March 2021	
	Number of share options (in '000)	**Weighted average exercise price**	Number of share options (in '000)	Weighted average exercise price
Replacement stock awards				
Outstanding at beginning of year	**299**	**–**	674	–
Granted during the year[1]	**135**	**–**	23	–
Exercised during the year[2]	**(434)**	**–**	(398)	–
Outstanding at the end of the year	**–**	**–**	299	–
Exercisable at the end of the year	**–**	**–**	–	–
IPO awards				
Outstanding at beginning of year	**566**	**–**	755	–
Granted during the year[1]	**63**	**–**	28	–
Exercised during the year[2]	**(511)**	**–**	(217)	–
Forfeited during the year[3]	**(38)**	**–**	–	–
Outstanding at the end of the year	**80**	**–**	566	–
Exercisable at the end of the year	**–**	**–**	–	–
IPO share options				
Outstanding at beginning of year	**3,132**	**1**	3,132	1
Exercised during the year[2]	**–**	**–**	–	–
Forfeited during the year[3]	**(2,381)**	**–**	–	–
Outstanding at the end of the year	**751**	**1**	3,132	1
Exercisable at the end of the year	**250**	**1**	1,044	1
IPO executive share options				
Outstanding at beginning of year	**10,594**	**1**	11,881	–
Exercised during the year[2]	**(717)**	**–**	–	1
Forfeited during the year[3]	**(1,035)**	**–**	(1,287)	–
Outstanding at the end of the year	**8,842**	**1**	10,594	1
Exercisable at the end of the year	**2,815**	**1**	3,531	–
Shadow stock plan				
Outstanding at beginning of year	**688**	**–**	1,843	–
Granted during the year[1]	**261**	**–**	111	–
Exercised during the year[2]	**(884)**	**–**	(1,199)	–
Forfeited during the year[3]	**(65)**	**–**	(67)	–
Outstanding at the end of the year	**–**	**–**	688	–
Exercisable at the end of the year	**–**	**–**	–	–
Performance share awards				
Outstanding at beginning of year	**1,373**	**–**	–	–
Granted during the year[1]	**1,126**	**–**	1,373	–
Exercised during the year[2]	**(299)**	**–**	–	–
Forfeited during the year[3]	**(677)**	**–**	–	–
Outstanding at the end of the year	**1,523**	**–**	1,373	–
Exercisable at the end of the year	**–**	**–**	–	–
Restricted share awards				
Outstanding at beginning of year	**633**	**–**	–	–
Granted during the year[1]	**509**	**–**	633	–
Exercised during the year[2]	**(133)**	**–**	–	–
Forfeited during the year[3]	**(301)**	**–**	–	–
Outstanding at the end of the year	**708**	**–**	633	–
Exercisable at the end of the year	**–**	**–**	–	–
One-off awards				
Outstanding at beginning of year	**361**	**–**	–	–
Granted during the year[1]	**–**	**–**	361	–
Exercised during the year[2]	**(60)**	**–**	–	–
Outstanding at the end of the year	**301**	**–**	361	–
Exercisable at the end of the year	**–**	**–**	–	–
Replacement awards				
Outstanding at beginning of year	**–**	**–**	–	–
Granted during the year[1]	**661**	**–**	–	–
Exercised during the year[2]	**–**	**–**	–	–
Outstanding at the end of the year	**661**	**–**	–	–
Exercisable at the end of the year	**–**	**–**	–	–

1 It includes additional awards granted based on meeting performance conditions

2 For share options exercised during the year ended 31 March 2022, the weighted average share price during the year was $1.46 (March 2021: 51 cents)

3 Represents forfeitures on account of employees not meeting service or performance conditions

The total carrying value of cash-settled share-based compensation liability is nil and $1m as of 31 March 2022 and 2021, respectively.

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

7. Employee benefits expense continued

The fair value of options and awards is measured using the Black-Scholes valuation model. The key inputs used in the measurement of the grant date fair valuation of equity-settled plans which are granted during the year are given in the below table:

	31 March 2022	31 March 2021
Risk free interest rates	**0.08% to 0.16%**	0.23%
Expected life	**2.00 to 3.00**	3.00
Volatility	**36.22% to 38.10%**	35.59%
Dividend yield	**3.69%**	5.36%
Share price on the date of grant	**1.08**	0.80
Fair value	**0.70 to 0.75**	0.68 to 0.72

The expected life of the stock options is based on the company's expectations and is not necessarily indicative of exercise patterns that may actually occur. The expected volatility reflects the assumption that the historical volatility over a period to the expected life of the options is indicative of future trends, which may not necessarily be the actual outcome. Further, the expected volatility is based on the weighted average volatility of the comparable benchmark companies.

The details of weighted average remaining contractual life for the share options are as follows:

Existing plans	**31 March 2022**	31 March 2021
Remaining contractual life for the share options outstanding as of (years)	**0 to 7**	0 to 8

7.2 Employee benefits

The details of significant employee benefits (included within provisions) are as follows (for details on employee benefit plans refer to Note 2.17):

	For the year ended 31 March 2022				For the year ended 31 March 2021			
	Retirement benefits	**Severance benefits**	**Compensated absences**	**Total**	Retirement benefits	Severance benefits	Compensated absences	Total
Obligation:								
Balance as at beginning of the year	**12**	**2**	**10**	**24**	10	3	8	21
Current service cost	**2**	**0**	**2**	**4**	1	0	2	3
Interest cost	**1**	**0**	**1**	**2**	1	0	1	2
Benefits paid	**(0)**	**(0)**	**(3)**	**(3)**	(0)	(5)	(1)	(6)
Past service cost and (gain)/loss on settlement	**(4)**	**–**	**0**	**(4)**	(0)	4	(0)	4
Remeasurements	**0**	**0**	**1**	**1**	0	0	0	0
Exchange differences	**(0)**	**(0)**	**(0)**	**(0)**	0	0	(0)	0
Present value of employee benefit obligation	**11**	**2**	**11**	**24**	12	2	10	24
Liability recognised in the balance sheet	**11**	**2**	**11**	**24**	12	2	10	24
Current portion	**2**	**0**	**4**	**6**	2	0	4	6
Non-current portion	**9**	**2**	**7**	**18**	10	2	6	18

Amount recognised in other comprehensive income for the above plans

	For the year ended	
	31 March 2022	31 March 2021
Loss from change in experience assumptions	**(0)**	(0)
(Loss)/gain from change in demographic assumptions	**(0)**	0
Loss from change in financial assumptions	**(0)**	(0)
Remeasurements on liability	**(0)**	(0)

These defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

The financial and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	31 March 2022	31 March 2021
Discount rate	**8.00% to 14.00%**	8.15% to 15.75%
Rate of return on plan assets	**NA**	NA
Rate of salary increase	**3.84% to 7.00%**	3.01% to 6.00%
Rate of attrition	**5.20% to 13.00%**	7.65% to 12.32%
Retirement age	**55 to 65 years**	55 to 65 years
Mortality rate	**CIMA F**	CIMA F

The Group regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		31 March 2022			31 March 2021		
		Retirement benefits	**Severance benefits**	**Total**	Retirement benefits	Severance benefits	Total
Discount rate	+1.00%	**(0)**	**(0)**	**(1)**	(1)	(0)	(1)
	–1.00%	**0**	**0**	**0**	1	0	1
Salary growth rate	+1.00%	**0**	**0**	**0**	1	0	1
	–1.00%	**(0)**	**(1)**	**(1)**	(1)	(0)	(1)
Withdrawal rate	+1.00%	**(0)**	**1**	**1**	(1)	1	0
	–1.00%	**0**	**(1)**	**(1)**	0	(1)	(1)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, because of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, it is unlikely to occur as changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the defined benefits plan liability (retirement and severance benefits) on an undiscounted basis:

	As of	
	31 March 2022	31 March 2021
Within one year	**2**	2
Within one-three years	**7**	4
Within three-five years	**7**	4
Above five years	**19**	17
	35	27
Weighted average duration in years	**8**	7

8. Other operating expenses

Other operating expenses mainly includes the following:

	For the year ended	
	31 March 2022	31 March 2021
Cost of sales[1]	**227**	167
Repairs and maintenance	**21**	31
Charitable donations	**2**	6
Inventories recognised as an expense	**16**	15

1 Cost of sales mainly includes mobile money distribution and gateway charges

Notes to consolidated financial statements continued

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

8. Other operating expenses continued

8.1 Auditor's remuneration

The total remuneration of the Group's auditor, Deloitte and other component audit firms, for services provided to the Group during the years ended 31 March 2022 and 2021, respectively, is analysed below (in US$ thousands):

	For the year ended	
	31 March 2022	31 March 2021
Audit services		
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts[1]	**2,654**	2,907
Fees payable to the company's auditor and their associates for the audit of the company's subsidiaries	**1,805**	1,649
Total audit fees	**4,459**	4,556
Non-audit services		
Fees payable to the company's auditor associates for quarterly assurance services performed by component teams	**1,027**	1,109
Fees payable to company's auditor and their associates for other assurance services	**86**	–
Fees payable to the company's auditors for half yearly review procedures performed by Deloitte UK for the purposes of Airtel Africa plc	**353**	320
Total non-audit fees	**1,466**	1,429
Total fees	**5,925**	5,985

1 March 2021 fees includes additional fees of $423,800 arising from completion of the March 2020 audit relating to the impact of Covid-19

9. Depreciation and amortisation

	For the year ended	
	31 March 2022	31 March 2021
Depreciation	**629**	572
Amortisation	**115**	109
	744	681

10. Finance costs and income

	For the year ended	
	31 March 2021	31 March 2020
Finance costs		
Interest on borrowings and other financial liabilities	**162**	170
Interest on lease liabilities	**148**	136
Net exchange loss	**81**	93
Bank charges, corporate guarantee fees and commitment fees	**23**	25
Net loss on derivative financial instruments	**12**	8
Other finance charges	**15**	0
	441	432
Finance income		
Interest income on deposits	**19**	9
	19	9

11. Exceptional items

Underlying profit before tax excludes the following exceptional items:

	For the year ended	
	31 March 2022	31 March 2021
Profit before tax	**1,224**	697
Add: exceptional items		
– Gain on sale of tower assets[1]	**(111)**	–
– Spectrum fee agreement cost[2]	**20**	–
– Bond prepayment cost[3]	**19**	–
– Provision for settlement of contractual dispute[4]	**12**	–
– Service revenues[5]	**–**	(20)
– Employee restructuring cost[6]	**–**	6
	(60)	(14)
Underlying profit before tax	**1,164**	683

1 Represents the gain on the sale of telecommunication tower assets in the Group's subsidiaries in Tanzania, Rwanda, Madagascar and Malawi (refer to Note 5(c) to 5(f)), as part of the Group's strategic asset monetisation programme recognised in other non-operating income

2 Represents cost of agreeing historic spectrum fees in one of the Group's subsidiaries (refer to Note 5(j)) recognised in license fees and spectrum usage charges

3 Comprises cost of prepaying $505m bonds with original maturity of March 2023 (refer to Note 5(i)) recognised in finance costs

4 Represents provision for expected settlement of a contractual dispute in which one of Group's subsidiaries is a party recognised in other operating expenses

5 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

6 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 recognised in employee benefit expenses

Underlying profit after tax excludes the following exceptional items:

	For the year ended	
	31 March 2022	31 March 2021
Profit after tax	**755**	415
– Exceptional items (as above)	**(60)**	(14)
– Tax on above exceptional items	**(2)**	–
– Deferred tax asset recognition[1]	**–**	(36)
	(62)	(50)
Underlying profit after tax	**693**	365

1 During the year ended 31 March 2021, the Group recognised deferred tax assets in Airtel Tanzania. Airtel Tanzania had carried forward losses and temporary differences on which deferred tax was not recognised 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 utilised in the foreseeable future. Consequently, the deferred tax asset recognition criteria are met, leading to recognition of $36m during the year ended 31 March 2021

Profit attributable to non-controlling interests include benefit of $33m and $19m during the year ended 31 March 2022 and 2021, respectively, relating to the above exceptional items.

Notes to consolidated financial statements continued

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

12. Income tax

The major components of the income tax expense are:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current income tax		
– For the year	**343**	238
– Adjustments for prior periods	**4**	4
	347	242
Deferred tax		
– Origination and reversal of temporary differences	**141**	114
– Write down of deferred tax due to inadequate future taxable profits	**3**	3
– Recognition of deferred tax on tax losses and temporary differences	**(17)**	(76)
– Adjustments for prior periods	**(5)**	(1)
	122	40
Income tax expense	**469**	282

Factors affecting the tax expense for the year

The table below explains the differences between the expected tax expenses, being the aggregate of the Group's geographical split of profits/(loss) multiplied by the relevant local tax rates and the Group's total tax expense for each year:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit before tax as shown in the consolidated income statement	**1,224**	697
Blended tax rate[1]	**34.2%**	33.4%
Tax expense at the Group's blended tax rate	**418**	233
Effect of:		
Tax on dividend and undistributed retained earnings of subsidiaries	**56**	44
Deferred tax recognised on projected profitability[2]	**(17)**	(32)
Deferred tax triggered during the year[3]	**–**	(44)
Withholding taxes on the Group management fees/Irrecoverable withholding taxes	**14**	13
Adjustment in respect of previous years	**(6)**	(7)
Settlement of various disputes	**5**	10
Expenses (net) not taxable/deductible	**4**	2
Losses for which no deferred tax asset recognised	**(3)**	54
Minimum alternate tax for which no credit is allowed	**–**	9
Other tax	**(2)**	(0)
Income tax expense	**469**	282

1 Blended tax rate has been derived by applying the following formula:

Profit/(loss) before tax for each entity * respective statutory tax rate/consolidated profit before tax

For effective tax rate, refer to alternative performance measures on **pages 229-231**

2 Majorly comprises incremental deferred tax recognised in the DRC and Niger for $10m and $9m, respectively (March 2021: $32m in the DRC) based on forecast profitability

3 For the year ended 31 March 2021, $44m of deferred tax asset (DTA) was recognised on brought forward tax losses for Airtel Tanzania due to continued improvement in profitability. Out of $44m of deferred tax, $36m was recognised under exceptional items for the initial recognition of DTA arising on account of the next five years of forecast profitability. Remaining $8m pertains to DTA recognised considering the forecast profitability of FY'26

The analysis of deferred tax assets and liabilities is as follows:

Deferred tax assets and liabilities are consolidated jurisdiction wise at component level and net deferred tax assets/liability in the jurisdictions is segregated into deferred tax assets and deferred tax liabilities.

Deferred tax in jurisdictions with net deferred tax assets is comprised of:

	As of	
	31 March 2022	31 March 2021
Deferred tax assets (net)		
a) Deferred tax asset arising out of		
Carried forward losses	**144**	229
Fair valuation of financial instruments and exchange differences	**105**	89
Depreciation/amortisation on PPE/intangible	**31**	24
Provision for impairment of trade receivables/advances	**17**	25
Deferred tax asset on fair valuation of PPE/intangible assets	**12**	8
Employee benefits	**8**	7
Provision for inventories	**3**	5
Deferred revenue	**–**	4
Others	**5**	5
b) Deferred tax liability due to		
Depreciation/amortisation on PPE/intangible assets	**(103)**	(80)
Transfer to asset held for sale	**–**	(2)
Others	**–**	(0)
	222	314

Deferred tax in jurisdictions with net deferred tax liabilities is comprised of:

	As of	
	31 March 2022	31 March 2021
Deferred tax liabilities (net)		
a) Deferred tax liability due to		
Deferred tax liability on retained earnings	**(74)**	(48)
Depreciation/amortisation on PPE/intangible assets	**(58)**	(37)
Others	**(6)**	(2)
Fair valuation of financial instruments and exchange differences	**(1)**	(0)
b) Deferred tax asset arising out of		
Provision for impairment of trade receivables/advances	**13**	1
Carried forward losses	**–**	2
Fair valuation of financial instruments and exchange differences	**4**	2
Deferred revenue	**5**	–
Others	**3**	1
	(114)	(81)

Net deferred tax asset/(liability) reflected in the statement of financial position is as follows:

	As of	
	31 March 2022	31 March 2021
Deferred tax assets	**222**	314
Deferred tax liabilities	**(114)**	(81)
Net	**108**	233

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

12. Income tax continued

Movement reflected in profit and loss for each of the temporary differences and tax losses carry forward is as follows:

	As of	
	31 March 2022	31 March 2021
Deferred tax expenses/(benefit)		
Carried forward losses	**84**	7
Depreciation/amortisation on PPE/intangible assets	**54**	34
Undistributed retained earnings	**27**	32
Fair valuation of financial instruments and exchange differences	**(22)**	(29)
Provision for impairment of trade receivables/advances	**(9)**	8
Deferred revenue	**(5)**	(0)
Deferred tax on fair valuation of PPE/intangible assets	**(6)**	(8)
Employee benefits	**(1)**	(4)
Provision for inventories	**2**	(1)
Others	**(2)**	1
	122	40

The movement in deferred tax assets and liabilities from prior year end is as follows:

	As of	
	31 March 2022	31 March 2021
Opening balance	**233**	264
Tax (expense)/ credit recognised in statement of profit and loss	**(122)**	(40)
Translation adjustment recognised in other comprehensive loss and others	**(3)**	9
Closing balance	**108**	233

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses/credits can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses of $1,593m and $1,491m as of 31 March 2022 and 31 March 2021, respectively, as it is not currently probable that relevant taxable profits will be available in future. The applicable tax rates for the same vary from 20% to 33%, depending on the tax jurisdiction in which the respective Group entity operates.

Unused tax losses and deductible temporary differences for which no deferred tax assets is recognised:

	As of	
	31 March 2022	31 March 2021
Expiring within 5 years	**389**	541
Expiring beyond 5 years	**428**	124
Unlimited	**776**	826
	1,593	1,491

Unused tax losses and deductible temporary differences for which deferred tax assets is recognised:

	As of	
	31 March 2022	31 March 2021
Expiring within 5 years	**–**	8
Expiring beyond 5 years	**–**	1
Unlimited	**708**	764
	708	773

The Group does not recognise deferred tax liability on the unremitted retained earnings of its subsidiaries wherever it believes that it would avail the tax credit for the dividend distribution tax payable by the subsidiaries on its dividend distribution and consequently no tax arises. The taxable temporary difference associated with respect to such unremitted retained earnings is $76m and $32m as of 31 March 2022 and 31 March 2021, respectively. The distribution of the unremitted retained earnings is expected to attract a tax in the range of 5% to 20% depending on the tax rate applicable as of 31 March 2022 in the jurisdiction in which the respective the Group entity operates.

Factors affecting the tax charge in future years

a) The Group's future tax charge and effective tax rate, could be affected by the following factors:

- Change in income tax rate in any of the jurisdictions in which the Group operates
- Overall profit mix between profit and loss-making entities
- Withholding tax on distributed and undistributed retained earnings of subsidiaries
- Recognition of deferred tax assets in any of the Group entities

b) The Group is routinely subjected to audit by tax authorities in the jurisdictions in which the Group operate. The Group recognises tax provisions based on reasonable estimates for those matters where determination of tax is uncertain but it is considered probable that there will be a future outflow of funds to tax authorities. The amount of these provisions is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the tax authority in jurisdictions in which the Group operates; the amount ultimately paid for these uncertain tax cases may differ materially and could, therefore, affect the Group's overall profitability and cash flows in the future.

c) The tax impact of a transaction disclosed as contingent liability can also be uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Refer to Note 29 for details of the contingencies pertaining to income tax.

13. Earnings per share (EPS)

The details used in the computation of basic EPS:

	For the year ended	
	31 March 2022	31 March 2021
Profit for the year attributable to owners of the company	**631**	339
Weighted average ordinary shares outstanding for basic EPS	**3,754,179,962**	3,757,550,081
Basic EPS	**16.8 cents**	9.0 cents

The details used in the computation of diluted EPS:

	For the year ended	
	31 March 2022	31 March 2021
Profit for the year attributable to owners of the company	**631**	339
Weighted average ordinary shares outstanding for diluted EPS[1 2]	**3,760,109,303**	3,759,122,452
Diluted EPS	**16.8 cents**	9.0 cents

1 The difference between the basic and diluted number of shares at the end of March 2022 being 5,929,341 (March 2021: 1,572,371) relates to awards committed but not yet issued under the Group's share-based payment schemes

2 Deferred shares have not been considered for EPS computation as they do not have the right to participate in profits

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

14. Property, plant and equipment (PPE)

The following table presents the reconciliation of changes in the carrying value of PPE for the years ended 31 March 2022 and 31 March 2021:

	Leasehold improvements	Building	Land	Plant and equipment[2]	Furniture and fixture	Vehicles	Office equipment	Computer	Total	Capital work in progress[3]
Gross carrying value										
Balance as of 1 April 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)
Foreign currency translation impact	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
Additions/capitalisation	**1**	**0**	**2**	**543**	**28**	**0**	**14**	**38**	**626**	**653**
Disposals/adjustments[1]	**(0)**	**(0)**	**(2)**	**(285)**	**(2)**	**(2)**	**(4)**	**(1)**	**(296)**	**(627)**
Foreign currency translation impact	**(2)**	**1**	**(1)**	**(71)**	**(1)**	**(0)**	**0**	**(10)**	**(84)**	**(3)**
Balance as of 31 March 2022	**49**	**47**	**26**	**3,045**	**62**	**22**	**55**	**703**	**4,009**	**189**
Accumulated depreciation										
Balance as of 1 April 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)	–
Foreign currency translation impact	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	–
Charge	**1**	**3**	**0**	**364**	**10**	**0**	**9**	**31**	**418**	**–**
Disposals/adjustments[1]	**0**	**(0)**	**(1)**	**(241)**	**(2)**	**(2)**	**(3)**	**(3)**	**(252)**	**–**
Foreign currency translation impact	**(1)**	**0**	**(0)**	**(56)**	**(0)**	**(0)**	**(1)**	**(10)**	**(68)**	**–**
Balance as of 31 March 2022	**44**	**20**	**0**	**1,003**	**23**	**20**	**32**	**653**	**1,795**	**–**
Net carrying value										
As of 1 April 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
As at 31 March 2022	**5**	**27**	**26**	**2,042**	**39**	**2**	**23**	**50**	**2,214**	**189**

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 pledged against the Group's borrowings outstanding of $50m as at 31 March 2022 and 31 March 2021. For details towards pledge of the above assets, refer to Note 22.2

3 The carrying value of capital work-in-progress as of 31 March 2022 and 2021 mainly pertains to plant and equipment

15. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the years ended 31 March 2022 and 2021:

		Other intangible assets				
	Goodwill	Software	Licences (including spectrum)[2]	Others	Total	Intangibles under development
Gross carrying value						
Balance as of 1 April 2020	3,943	5	735	25	765	30
Additions/capitalisation	–	–	212	–	212	366
Disposals/adjustments[1]	–	(2)	2	(1)	(1)	(212)
Transferred to assets held for sale	–	–	0	–	0	–
Foreign currency translation impact	(108)	(0)	(13)	(0)	(13)	(7)
Balance as of 31 March 2021	3,835	3	936	24	963	177
Additions/capitalisation	**–**	**–**	**187**	**7**	**194**	**21**
Disposals/adjustments[1]	**–**	**–**	**(53)**	**(0)**	**(53)**	**(194)**
Foreign currency translation impact	**(8)**	**–**	**(28)**	**(1)**	**(29)**	**(2)**
Balance as of 31 March 2022	**3,827**	**3**	**1,042**	**30**	**1,075**	**2**
Accumulated amortisation						
Balance as of 1 April 2020	–	5	281	23	309	–
Charge	–	–	108	1	109	–
Disposals/adjustments[1]	–	(2)	(0)	(1)	(3)	–
Foreign currency translation impact	–	(0)	(10)	(0)	(10)	–
Balance as of 31 March 2021	–	3	379	23	405	–
Charge	**–**	**–**	**113**	**2**	**115**	**–**
Disposals/adjustments[1]	**–**	**–**	**(52)**	**(0)**	**(52)**	**–**
Foreign currency translation impact	**–**	**–**	**(24)**	**(1)**	**(25)**	**–**
Balance as of 31 March 2022	**–**	**3**	**416**	**24**	**443**	**–**
Net carrying value						
As of 1 April 2020	3,943	–	454	2	456	30
As at 31 March 2021	3,835	–	557	1	558	177
As at 31 March 2022	**3,827**	**–**	**626**	**6**	**632**	**2**

1 Mainly consists of reversal of gross carrying value and accumulated depreciation on retirement of intangibles and reclassification from one category of asset to another

2 The Group capitalises deferred spectrum licence payments, for which the Group is under an obligation for payment until the expiry of the licence period. Consequently, intangible assets are recognised at the present value of such payments with a corresponding liability

The weighted average remaining amortisation period of the Group's licences as of 31 March 2022 and 2021 is 9.47 years and 9.90 years, respectively.

Impairment review

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

	As of	
	31 March 2022	31 March 2021
Nigeria	**1,275**	1,298
East Africa	**1,835**	1,821
Francophone Africa	**717**	716
	3,827	3,835

The Group tests goodwill for impairment annually on 31 December. The carrying amount of goodwill as of 31 December 2021 was $1,277m, $1,861m and $719m 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.

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

15. Intangible assets continued

Whilst the Board performed a long-term viability assessment over a three-year period, for the purpose of assessing liquidity (refer to long-term viability statement on pages 87 to 88), the Group has adopted a ten-year plan for the purpose of impairment testing due to the following reasons:

- The Group operates in emerging markets where the telecommunications market is underpenetrated compared to developed markets. In these emerging markets, short-term plans (for example, five years) are not indicative of the long-term future prospects and performance of the Group.
- The life of the Group's regulatory licences and network assets are at an average of ten years, and
- The potential opportunities of the emerging African telecom sector, which is mostly a two-three player market with lower smartphone penetration.

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 a 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 5% in any of the group of CGUs as compared to the headroom using the ten-year plan. 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.

In assessing the Group's prospects, the directors considered 5G cellular network potential in the markets which the Group operates. The Group's first endeavour is to secure spectrum for 5G launch and roll out 5G network in key markets. Given the relatively low 4G customer penetration in the countries where it operates, the Group will continue to focus on its strategy to expand its data services and increase data customer penetration by leveraging and expanding its leading 4G network.

During the year, the Central Bank of Nigeria gave Airtel Africa's subsidiary Smartcash Payment Service Bank Limited (Smartcash) approval in principle to operate a payment service bank (PSB) business in Nigeria. The PSB licence allows Smartcash to accept deposits from individuals and small businesses, carry out payment and remittance services within Nigeria, and issue debit and prepaid cards among other activities set out by the Central Bank of Nigeria (CBN). As of the date of impairment testing, the Group had in-principle approval of such licence in hand. Subsequent to the year end, in April 2022, the Group has received the final approval from the Central Bank of Nigeria for a full PSB licence affording the Group the opportunity to deliver a full suite of mobile money services in Nigeria.

Management is in early stages of considering the impact of climate change (refer to climate change disclosure on pages 54 to 58). Based on the analysis conducted so far, the Group is satisfied that the impact of climate change does not lead to an impairment as at 31 December 2021 and is adequately covered as part of the sensitivities disclosed below.

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 inputs used in performing the impairment assessment at 31 December 2021 were as follows:

Assumptions	Nigeria	East Africa	Francophone Africa
Pre tax discount rate	24.35%	16.17%	15.43%
Capital expenditure (as % of Revenue)	8% – 15%	7% – 15%	7% – 12%
Long-term growth rate	2.65%	5.31%	5.46%

At 31 December 2021, 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 are 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 each respective group of CGUs.
Capital expenditure	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 internal/external sources of information.

At 31 December 2021, 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 $5,579m for East Africa (173%) and $2,559m for Francophone Africa (160%). For Nigeria, the recoverable amount exceeds the carrying amount by $2,842m (104%), including the cash flows of PSB licence which was received subsequent to the impairment testing date. Excluding such cash flows did not result in any impairment in Nigeria. 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 CGUs:

	Nigeria	East Africa	Francophone Africa
Pre tax discount rate	43.70%	34.34%	32.63%

The table below presents the increase in isolation in capital expenditure as a percentage of revenue (across all years of the impairment review) which will result in equating the recoverable amount with the carrying amount for each group of CGUs:

	Nigeria	East Africa	Francophone Africa
Capital expenditure (as % of revenue)	9.64%	13.99%	11.06%

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

Impairment assessment for the year ended 31 March 2021

The inputs 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 are as follows:

Assumptions	Basis of assumptions
Discount rate	Discount rate reflects the market assessment of the risks specific to the group of CGUs and are estimated based on the weighted average cost of capital for each respective group of 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 has reverted to using a spot rate.
Capital expenditure	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 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 $1,719m for Nigeria (69%), $4,811m for East Africa (155%) and $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 CGUs:

	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 as a percentage of revenue which will result in equating the recoverable amount with the carrying amount for each group of CGUs:

	Nigeria	East Africa	Francophone Africa
Capital expenditure (as % of revenue)	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.

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

16. Investment in associate

The Group's interests in associate are accounted for using the equity method. The details (principal place of operation/country of incorporation, principal activities and percentage of ownership interest and voting power (direct/indirect) held by the Group) of associates are set out in Note 35.

The amounts recognised in the statement of financial position are as follows:

	As of	
	31 March 2022	31 March 2021
Investment in associate	**6**	4
	6	4

The amount recognised in the income statement is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Share of profit of associate	**(0)**	(1)
	(0)	(1)

The amount recognised in other comprehensive income is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Share of other comprehensive income of associate	**1**	0
	1	0

17. Derivative financial instruments

	As of	
	31 March 2022	31 March 2021
Assets		
Currency swaps, forward and option contracts	**3**	13
Interest swaps	**3**	–
	6	13
Liabilities		
Currency swaps, forward and option contracts	**8**	10
Interest swaps	**–**	2
Embedded derivatives	**1**	1
	9	13
Non-current derivative financial assets	**3**	6
Current derivative financial assets	**3**	6
Non-current derivative financial liabilities	**–**	(6)
Current derivative financial liabilities	**(9)**	(7)
	(3)	(1)

During the year ended 31 March 2021, the Group had entered into a Cross Currency Swap (CCS) in one of its subsidiaries, which was accounted for as FVTPL. On recognition, since the fair value of the CCS could neither be evidenced by a quoted price in an active market nor data from any observable markets was available, the difference between the fair value at initial recognition and the transaction price was deferred and recognised on a straight-line basis over the tenure of the CCS. The fair value of the CCS was determined based on a valuation report by the CCS issuer.

A reconciliation of day 1 aggregate difference not recognised at the beginning and end of the period of changes in the balance of this difference is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Opening balance	**4**	–
Difference between fair value on initial recognition and transaction price	**–**	5
Less: aggregate difference recognised in profit and loss	**(3)**	(1)
Closing balance	**1**	4

18. Other non-financial assets

Non-current

	As of	
	31 March 2022	31 March 2021
Advances (net)[1]	**28**	20
Capital advance	**16**	8
Prepaid expenses[2]	**79**	74
Others[3]	**11**	10
	134	112

1 Advances (net) mainly includes payments made to various government authorities under protest, for tax, legal and regulatory sub judice matters and are net of allowance recognised as part of the Group's recoverability assessment of $11m and $7m as of 31 March 2022 and 2021, respectively

2 Prepaid expenses mainly include prepayments in respect of indefeasible right to use (IRU)

3 Others mainly include amount receivable from minority shareholders on account of issue of share capital in one of the subsidiaries

Current

	As of	
	31 March 2022	31 March 2021
Prepaid expenses[1]	**113**	87
Taxes recoverable[2]	**37**	38
Advances to suppliers (net)[3]	**20**	7
Others[4]	**45**	15
	215	147

1 Prepaid expenses mainly includes costs to obtain or fulfil contracts with customers, prepaid payment in respect of indefeasible right to use (IRU), deferred spectrum charges, network costs and advance rent related to offices and shops

2 Taxes recoverable include customs duty, sales tax and value added tax

3 Advance to suppliers (net) are disclosed net of provision of $8m and $11m as of 31 March 2022 and 2021, respectively

4 Others mainly includes claims receivable from vendors based on contractual arrangements and employee advances net of related provision of $5m and $2m as of 31 March 2022 and 2021, respectively. The balance as of 31 March 2022 also includes a reimbursement asset amounting to $25m (refer to Note 25)

19. Trade receivables

	As of	
	31 March 2022	31 March 2021
Trade receivable[1]	**303**	297
Less: allowance for impairment of trade receivables	**(180)**	(184)
	123	113

1 Refer to Note 32 for credit risk

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	31 March 2022	31 March 2021
Opening balance	**184**	190
Additions	**21**	21
Reversal	**(25)**	(27)
Net reversal	**(4)**	(6)
Closing balance	**180**	184

There has been no change in the estimation techniques or significant assumptions made in calculating the provision.

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

20. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2022	31 March 2021
Balances with banks		
– On current accounts	**267**	486
– Bank deposits with original maturity of three months or less	**281**	290
Cheques on hand	**–**	0
Balance held in wallets	**89**	36
Cash on hand	**1**	1
	638	813

Other bank balances

	As of	
	31 March 2022	31 March 2021
Term deposits with banks with original maturity of more than three months but less than 12 months	**220**	257
Margin money deposits[1]	**158**	25
Unpaid dividend	**0**	0
	378	282

1 Margin money deposits represent amount given as collateral for legal cases and/or bank guarantees for disputed matters, deposit against derivative contracts and deposits given against borrowings in one of the Group's subsidiaries

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

	As of	
	31 March 2022	31 March 2021
Cash and cash equivalents as per balance sheet	**638**	813
Balance held under mobile money trust	**513**	440
Bank overdraft	**(304)**	(251)
Cash and cash equivalents classified as held for sale (refer to note 34)	**–**	1
	847	1,003

21. Financial assets – others

Current

	As of	
	31 March 2022	31 March 2021
Unbilled revenue	**53**	43
Claims recoverable[1]	**42**	6
Interest accrued on investments/deposits	**2**	1
Others[2]	**27**	16
	124	66

1 As of 31 March 2022, this primarily includes receivables under the Group's tower sale agreements

2 It predominantly includes advance given for payment service bank licence and currency swaps

22. Borrowings

Non-current

	As of	
	31 March 2022	31 March 2021
Secured		
Term loans	**50**	50
Less: current portion (A)	**(50)**	(50)
	–	–
Unsecured		
Term loans[2]	**655**	544
Non-convertible bonds[1 2]	**1,015**	2,403
	1,670	2,947
Less: current portion (B)	**(184)**	(1,076)
	1,486	1,871
	1,486	1,871

Current

	As of	
	31 March 2022	31 March 2021
Unsecured		
Term loans[2]	**248**	92
Bank overdraft	**304**	250
	552	342
Current maturities of long-term borrowings (A + B)	**234**	1,126
	786	1,468

1 It includes impact of fair value hedges (refer to Note 32)

2 Includes debt origination costs

22.1 Analysis of borrowings

The details given in Notes 22.1.1, 22.1.2 and 22.2 are based on contractual cash flows before adjusting for debt origination cost and fair valuation adjustments pertaining to the Group's fair value hedges.

22.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of	
	31 March 2022	31 March 2021
Within one year	**786**	1,468
Between one and two years	**339**	680
Between two and five years	**1,136**	1,175
	2,261	3,323

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

22. Borrowings continued

22.1.2 Currency of borrowings

	Total borrowings	Floating rate borrowings	Fixed rate borrowings
USD	**1,773**	**500**	**1,273**
Euro	**72**	**72**	**–**
XAF	**117**	**–**	**117**
XOF	**91**	**–**	**91**
Others	**208**	**116**	**92**
31 March 2022	**2,261**	**688**	**1,573**
USD	2,063	411	1,652
Euro	955	75	879
XAF	98	–	98
XOF	68	–	68
Others	139	74	66
31 March 2021	3,323	560	2,763

22.2 Security details

The Group has taken borrowings in Airtel Networks Limited towards its working capital and capital expenditure requirements. The details of security provided are as follows:

		Outstanding loan amount		
Entity	Relation	**31 March 2022**	31 March 2021	Security Detail
Airtel Networks Limited	Subsidiary	**50**	50	Pledge of all fixed and floating assets

All non-convertible bonds contain a negative pledge covenant whereby Bharti Airtel Limited and certain of its significant subsidiaries are not permitted to create any security interest to secure any indebtedness for borrowed money or obligations evidenced by bonds, debentures or notes (among other things, and subject to certain exceptions), without at the same time granting security equally and rateably to the holders of these bonds.

All non-convertible bonds also contain event of default clause which gets triggered if Bharti Airtel Limited (intermediate parent entity) ceases to control, directly or indirectly, at least 51% of the voting power of the voting stock of Bharti Airtel International (Netherlands) B.V. (a subsidiary of the Group) in addition to other events of default which are usual and customary to such bonds.

All non-convertible bonds are guaranteed by Bharti Airtel Limited (intermediate parent entity), for detail refer to Note 32. Such guarantee is considered an integral part of the bonds and, therefore, accounted for as part of the same unit of account.

22.3 Unused lines of credit[1]

The below table provides details of undrawn credit facilities that are available to the Group.

	As of	
	31 March 2022	31 March 2021
Undrawn credit facilities	**749**	940

1 Excluding non-fund based facilities such as bank guarantee

For updated details around the committed facilities available to the Group as of the date of authorisation of financial statements, refer to Note 2.2 on going concern.

23. Financial liabilities – others

Non-current

	As of	
	31 March 2022	31 March 2021
Deferred payment liability	**79**	77
Payable against capital expediture	**5**	11
Security deposits	**2**	2
Others	**2**	1
	88	91

Current

	As of	
	31 March 2022	31 March 2021
Payable against capital expenditure	**247**	302
Employees payables	**52**	46
Interest accrued but not due	**29**	50
Security deposit[1]	**12**	11
Deferred payment liability	**15**	12
Dividend payable to NCI	**37**	3
Others[2]	**36**	24
	428	448

1 This pertains to deposits received from customers/channel partners, which are repayable on demand after adjusting the outstanding from such customers/channel partners

2 This mainly pertains to amount payable to related parties, other statutory dues payable, and interest received on trust bank accounts

24. Other non-financial liabilities

Non-current

	As of	
	31 March 2022	31 March 2021
Income received in advance	**18**	24
	18	24

Current

	As of	
	31 March 2022	31 March 2021
Taxes payable[1]	**171**	146
Income received in advance	**5**	5
	176	151

1 Taxes payable includes value added tax, excise, withholding taxes and other taxes payable

Notes to consolidated financial statements continued

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

25. Provisions

Non-current

	As of	
	31 March 2022	31 March 2021
Employee benefit obligations	**18**	18
Asset retirement obligations[1]	**2**	7
Total	**20**	25

Current

	As of	
	31 March 2022	31 March 2021
Provision for sub judice matters[2]	**63**	59
Employee benefit obligations	**6**	6
Total	**69**	65

1 The amount of future cash outflows to meet the asset retirement obligations are subject to inherent uncertainties due to limited availability of information on the amount of cost to be incurred in future

2 This includes provision for withholding taxes on interconnect and roaming charges in one of the Group's subsidiaries amounting to $0m (March 2021: $21m)

The movement of provision for sub judice matters is as given below:

	For the year ended 31 March 2022		
	Indirect tax cases	**Legal and regulatory cases**	**Total**
Opening balance	**40**	**19**	**59**
Additions during the year[1]	**15**	**41**	**56**
Reversal during the year[2]	**(29)**	**(2)**	**(31)**
Utilisation during the year	**(14)**	**(7)**	**(21)**
Closing balance	**12**	**51**	**63**

1 During the year, the Group recognized a provision amounting to $25m pertaining to a probable obligation in relation to a deed of support against which the Group carries a back to back indemnity and has thus recognized a reimbursement asset of the same amount (refer to Note 18).

2 Includes reversal of $21m for settlement of a matter related to withholding taxes on interconnect and roaming charges in one of the Group's subsidiaries.

	For the year ended 31 March 2021		
	Indirect tax cases	Legal and regulatory cases	Total
Opening balance	42	18	60
Additions during the year[1]	11	7	18
Reversal during the year	(1)	(1)	(2)
Utilisation during the year	(12)	(5)	(17)
Closing balance	40	19	59

1 Includes incremental tax provision of $6m and settlement of $10m for various tax sub judice matter in one of the Group's subsidiaries.

For details of contingent liabilities, refer to Note 29.

26. Share capital

	As of	
	31 March 2022	31 March 2021
Authorised shares		
3,758,151,504 Ordinary shares of $0.5 each (March 2021: 3,758,151,504)	**1,879**	1,879
3,081,744,577 Deferred shares of $0.5 each (March 2021:3,081,744,577)	**1,541**	1,541
	3,420	3,420
Issued, Subscribed and fully paid-up shares		
3,758,151,504 Ordinary shares of $0.5 each (March 2021: 3,758,151,504)	**1,879**	1,879
3,081,744,577 Deferred shares of $0.5 each (March 2021: 3,081,744,577)	**1,541**	1,541
	3,420	3,420

Terms/rights attached to equity shares

The company has following two classes of ordinary shares:

- Ordinary shares having par value of $0.5 per share. Each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.
- Deferred shares of $0.5 each. These deferred shares are not listed and are intended to be cancelled in due course. No share certificates are to be issued in respect of the deferred shares. These are not freely transferable and would not affect the net assets of the company. The deferred shareholders shall have no right to receive any dividend or other distribution or return whether of capital or income. On a return of capital in a liquidation, the deferred shareholders shall have the right to receive the nominal amount of each deferred share held, but only after the holder of each Other share (i.e. shares other than the deferred shares) in the capital of the company shall have received the amount paid up on each such Other share held and the payment in cash or in specie of £100,000 (or its equivalent in any other currency) on each such Other shares held. The company shall have an irrevocable authority from each holder of the deferred shares at any time to purchase all or any of the deferred shares without obtaining the consent of the deferred shareholders in consideration of the payment of an amount not exceeding one US cent in respect of all of the deferred shares then being purchased.

27. Other equity

a. Retained earnings

Retained earnings represent the amount of accumulated earnings of the company and gains/(losses) on common control transactions.

The company's distributable reserves are equal to the balance of its retained earnings of $657m (as presented on pages 225-228 in company only financial statements). The majority of the Group's distributable reserves are held in investment and operating subsidiaries. Management continuously monitors the level of distributable reserves in each company in the Group, ensuring adequate reserves are available for upcoming dividend payments and that the company has access to these reserves.

27. Other equity continued

b. Share premium

The aggregate difference between the par value of shares and the subscription amount is recognised as share premium.

c. Other components of equity

	Foreign currency translation reserve	Share stabilisation reserve	Share-based payment reserve	Treasury shares	Total
As of 1 April 2020	(2,259)	7	0	–	(2,252)
Net losses due to foreign currency translation differences	(129)	–	–	–	(129)
Net gains on net investments hedge	(11)	–	–	–	(11)
Purchase of own shares	–	–	–	(4)	(4)
Employee share-based payment reserve	–	–	0	0	0
As of 31 March 2021	(2,399)	7	0	(4)	(2,396)
As of 01 April 2021	**(2,399)**	**7**	**0**	**(4)**	**(2,396)**
Net gain due to foreign currency translation differences[1]	**(4)**	**–**	**–**	**–**	**(4)**
Transaction with NCI	**(1)**	**–**	**–**	**–**	**(1)**
Net losses on net investments hedge	**(8)**	**–**	**–**	**–**	**(8)**
Purchase of own shares	**–**	**–**	**–**	**(6)**	**(6)**
Employee share-based payment expenses	**–**	**–**	**1**	**3**	**3**
As of 31 March 2022	**(2,412)**	**7**	**1**	**(7)**	**(2,412)**

1 It includes net FCTR gain of $5m reclassified to statement of comprehensive income on disposal of foreign tower operations in Malawi and Madagascar, refer to Note 5(d) and (e)

Treasury shares

Details of movement in treasury shares:

	For the year ended			
	31 March 2022		31 March 2021	
	Number of shares (in '000)	**Amount**	Number of shares	Amount
Opening balance	**3,699,614**	**4**	–	–
Purchased during the year	**3,741,747**	**6**	4,314,288	4
Excercised during the year	**(2,509,155)**	**(3)**	(614,674)	(0)
Closing balance	**4,932,206**	**7**	3,699,614	4

27.1 Dividends

	For the year ended	
	31 March 2022	31 March 2021
Distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2021 of 2.5 cents (2020: 3 cents) per share	**94**	113
Interim dividend for the year ended 31 March 2022 of 2 cents (2021: 1.5 cents) per share	**75**	56
	169	169
Proposed dividend for the year ended 31 March 2022 of 3 cents (2021: 2.5 cents) per share	**113**	94

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is payable to all ordinary shareholders on the register of members on 24 June 2022. The payment of this dividend will not have any tax consequences for the Group.

28. Investments in subsidiaries

The details (principal place of operation/country of incorporation, principal activities and percentage ownership interest and voting power (direct/indirect) held by the Group) of subsidiaries are set out in Note 35.

Summarised financial information of the principal subsidiaries having material non-controlling interests is as follows:

A. Airtel Tanzania Public Limited Company

Summarised financial position

	As of	
	31 March 2022	31 March 2021
Assets		
Non-current assets	**375**	321
Current assets	**194**	150
Liabilities		
Non-current liabilities	**162**	531
Current liabilities	**307**	279
Equity	**100**	(339)
% of ownership interest held by NCI	**49%**	49%
Accumulated NCI[1 2]	**70**	(145)

1 Includes share of goodwill of $21m (March 2020: $21m)

2 Includes the impact of waiver of shareholder loan by BATBV and BAIN, refer to Note 5(c)

Summarised income statement

	For the year ended	
	31 March 2022	31 March 2021
Revenue	**308**	283
Net profit	**150**	90
Other comprehensive loss	**(19)**	(3)
Total comprehensive income	**131**	87
Total comprehensive income allocated to NCI	**64**	43

Summarised cash flows

	For the year ended	
	31 March 2022	31 March 2021
Net cash inflow from operating activities	**124**	92
Net cash outflow from investing activities	**(87)**	(58)
Net cash outflow from financing activities	**(51)**	(24)
Net cash (outflow)/inflow	**(14)**	10
Dividend paid to NCI during the year[3]	**31**	5

3 Included in cash flow from financing activities

B. Airtel Malawi plc

Summarised financial position

	As of	
	31 March 2022	31 March 2021
Assets		
Non-current assets	**126**	117
Current assets	**67**	46
Liabilities		
Non-current liabilities	**72**	29
Current liabilities	**72**	93
Equity	**49**	41
% of ownership interest held by NCI	**20%**	20%
Accumulated NCI[1]	**52**	52

1 Includes share of goodwill of $42m (March 2021: $43m)

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

28. Investments in subsidiaries continued

Summarised income statement

	For the year ended	
	31 March 2022	31 March 2021
Revenue	**170**	153
Net profit	**34**	30
Other comprehensive loss	**3**	(3)
Total comprehensive income	**37**	27
Total comprehensive income allocated to NCI	**7**	5

Summarised cash flows

	For the year ended	
	31 March 2022	31 March 2021
Net cash inflow from operating activities	**31**	79
Net cash inflow/(outflow) from investing activities	**3**	(38)
Net cash outflow from financing activities	**(18)**	(20)
Net cash inflow	**16**	21
Dividend paid to NCI during the year[2]	**6**	4

2 Included in cash flow from financing activitie

C. Airtel Mobile Commerce B.V. sub-group (i.e. including subsidiaries)

Summarised financial position

	As of	
	31 March 2022	31 March 2021
Assets		
Non-current assets	**27**	–
Current assets	**616**	–
Liabilities		
Non-current liabilities	**21**	–
Current liabilities	**456**	–
Equity	**166**	–
% of ownership interest held by NCI	**26%**	–
Accumulated NCI	**43**	–

Summarised income statement

	For the year ended	
	31 March 2022	31 March 2021
Revenue	**308**	–
Net profit	**93**	–
Other comprehensive loss	**(2)**	–
Total comprehensive income	**91**	–
Total comprehensive income allocated to NCI	**21**	–

Summarised cash flows

	For the year ended	
	31 March 2022	31 March 2021
Net cash inflow from operating activities	**110**	–
Net cash outflow from investing activities	**(75)**	–
Net cash inflow from financing activities	**1**	–
Net cash inflow	**36**	–

D. Airtel Networks Limited (Nigeria)

Summarised financial position

	As of	
	31 March 2022	31 March 2021
Assets		
Non-current assets	**1,689**	1,633
Current assets	**455**	180
Liabilities		
Non-current liabilities	**570**	484
Current liabilities	**785**	624
Equity	**789**	705
% of ownership interest held by NCI	**0.04%**	8.26%
Accumulated NCI	**0**	58

Summarised income statement

	For the year ended	
	31 March 2022	31 March 2021
Revenue	**1,878**	1,552
Net profit	**431**	332
Other comprehensive loss	**(6)**	(43)
Total comprehensive income	**425**	289
Total comprehensive income allocated to NCI	**0**	24

Summarised cash flows

	For the year ended	
	31 March 2022	31 March 2021
Net cash inflow from operating activities	**923**	773
Net cash outflow from investing activities	**(413)**	(495)
Net cash outflow from financing activities	**(462)**	(120)
Net cash inflow	**48**	158
Dividend paid to NCI during the year[1]	**10**	–

1 Included in cash flow from financing activities

29. Contingent liabilities and commitments

(i) Contingent liabilities

	As of	
	31 March 2022	31 March 2021
(a) Taxes, duties and other demands (under adjudication/appeal/dispute)		
– Income tax	**18**	23
– Value added tax[1]	**30**	30
– Customs duty and excise duty	**9**	8
– Other miscellaneous demands	**6**	9
(b) Claims under legal and regulatory cases, including arbitration matters[2 3]	**82**	87
	145	157

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 the past been challenged and contested on merits with the relevant 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 2022 of $12m primarily comprises a reduction on account of settlement of an income tax assessment amounting to approximately $3m, closure of other miscellaneous demand amounting to approximately $3m and rest of the cases are individually immaterial.

29. Contingent liabilities and commitments continued

The company and its subsidiaries are currently and may become, from time to time, involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to their operations. As of 31 March 2022, the Group's key contingent liabilities include the following:

1 Value Added Tax (VAT)

- **VAT Audit 2016**

In July 2016, one of the subsidiaries in the mobile services business made a payment to another subsidiary engaged in passive infrastructure services for all invoices raised since 2013 for rendering tower services. The subsidiary claimed the input VAT charged on these invoices.

During the desktop VAT audit conducted by the tax authorities for 2016, the above mentioned VAT credit was denied alleging that the VAT credit was time barred. Based on the VAT rules, the mobile services subsidiary is of the view that the time limitation for claiming input VAT starts from the year in which payment is made against the invoice. Since the payment was made in 2016, the time limit for claiming input credit (by 31 December of following year) had not lapsed.

In October 2016, the mobile services subsidiary received a notice of recovery and proceeded to make the 10% deposit in order to initiate litigation. The subsidiary submitted a comprehensive letter to the authorities in October 2017, for which a response is awaited from the tax authorities. An amount of $9m is included within contingent liabilities in respect of this matter. No provision has been created against this claim.

- **VAT on sale of towers 2016**

One of the Group's subsidiaries received a notice of assessment of $28m by the tax authorities in September 2016, which alleged that the sale of towers should have been subject to VAT. As per the VAT rules in that jurisdiction, towers should be regarded as immovable assets and should be subject to registration duty (which was duly paid) and exempt from VAT.

The subsidiary submitted a response to the tax authorities in December 2016 for which a response is awaited from the tax authorities. The company believes that the current assessment by the tax authorities contradicts their own position from an earlier assessment where towers were previously transferred. An amount of $10m is included within contingent liabilities in respect of this matter. No provision has been created against this claim.

Claims under legal and regulatory cases, including arbitration matters

2 One of the subsidiaries of the Group is involved in a dispute with one of its vendors, with respect to invoices for services provided to a subsidiary under a service contract. The original order under the contract was issued by the subsidiary for a total amount of Central African franc (CFA) 473,800,000 (approximately $0.8m). In 2014, the vendor-initiated arbitration proceedings claiming a sum of approximately CFA 1.9bn (approximately $3.2m). In mid-May 2019, lower courts imposed a penalty of CFA 35bn (approximately $60m), based on which certain banks of the subsidiary were summonsed to release the funds. The subsidiary immediately lodged an appeal in the Supreme Court for a stay of execution which was granted. Subsequently, the vendor filed an appeal before the Common Court of Justice and Arbitration (CCJA). Quite unexpectedly, in April 2020, the CCJA lifted the Supreme Court stay of execution. In May 2021, the Commercial Division of the High Court maintained new seizures carried out by the Vendor. The subsidiary appealed and the Court of Appeal determination on the seizures is pending as of April 2022. In March 2022 the CCJA interpreted its judgement of March 2019 to indicate that the daily penalty could not be maintained after its ruling dated 18 November 2018.

Separately, in December 2020 the subsidiary initiated criminal proceedings against the vendor for fraud and deceitful conduct. In February 2021, the investigating judge issued an order to cease the investigation which was appealed by the Subsidiary. In March 2022 the Court Appeal quashed the investigative judge order and allowed the investigation into the Vendor to resume. Testimony in the criminal investigation case happened on 26 April 2022 in front of the criminal court of appeal where the honorable judge has further re-examined the facts from the representatives of subsidiary against this case. The court will provide further update on the upcoming proceedings in due course.

3 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, totaling approximately $12m, over a period of around 11 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 $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 defense, 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 $12m, pending the decision of the Supreme Court. No provision has been made against the said claim.

In addition to the individual matters disclosed above, in the ordinary course of business, the Group is a defendant or co-defendant in various litigations and claims which are immaterial individually.

Guarantees

Guarantees outstanding as of 31 March 2022 and 31 March 2021 amounting to $8m and $12m, 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.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advances paid) of $295m and $232m as of 31 March 2022 and 31 March 2021, respectively.

30. Leases

(a) As a lessee

Right-of-use assets

2021/22	Plant and equipment	Others	Total
Balance at 1 April 2021	**724**	**75**	**799**
Additions (net)	**524**	**15**	**539**
Transferred to assets of disposal group classified as held for sale	**–**	**–**	**–**
Depreciation charge for the year	**(199)**	**(12)**	**(211)**
Foreign currency translation impact	**(15)**	**(3)**	**(18)**
Balance at 31 March 2022	**1,034**	**75**	**1,109**

2020/21	Plant and equipment	Others	Total
Balance at 1 April 2020	617	22	639
Additions (net)	298	61	359
Transferred to assets of disposal group classified as held for sale	(5)	–	(5)
Depreciation charge for the year	(172)	(11)	(183)
Foreign currency translation impact	(14)	3	(11)
Balance at 31 March 2021	724	75	799

Lease liabilities

	As of	
	31 March 2022	31 March 2021
Maturity analysis:		
Less than one year	**456**	396
Later than one year but not later than two years	**412**	348
Later than two years but not later than five years	**762**	721
Later than five years but not later than nine years	**453**	177
Later than nine years	**64**	48
Total undiscounted lease liabilities	**2,147**	1,690
Lease liabilities included in the statement of financial position	**1,660**	1,277

Amounts recognised in profit or loss

	For the year ended	
	31 March 2022	31 March 2021
Interest on lease liabilities	**148**	136

i. Plant and equipment

The Group leases passive infrastructure for providing telecommunications services under composite contracts which include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy, etc. services. These leases typically run for a period of 3 to 15 years. Some leases include an option to extend the lease mainly for an additional period of 3 to 10 years after the end of the initial contract term based on renegotiation of lease rentals. Extension options are only included in the lease term if the lease is reasonably certain to be extended. A portion of certain lease payments change on account of changes in consumer price indices (CPI). Such payment terms are common in lease agreements in the countries where the Group operates. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

ii. Other leases

The Group's other leases comprise lease of shops, showrooms, guest houses, warehouses, data centres, vehicles and indefeasible right-of-use (IRU).

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

30. Leases continued

(b) As a lessor

The Group's lease arrangements as a lessor mainly pertain to passive infrastructure (plant and equipment). Lease income from such arrangements is presented as revenue in the statement of comprehensive income.

	For the year ended	
	31 March 2022	31 March 2021
Operating lease		
Lease income recognised in profit or loss	**27**	37

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

	For the year ended	
	31 March 2022	31 March 2021
Less than one year	**4**	34
One to two years	**2**	21
Two to three years	**1**	5
Three to four years	**1**	4
Four to five years	**1**	4
More than five years	**3**	2
Total	**12**	70

31. Related party disclosure

(a) List of related parties

i. Parent company

Airtel Africa Mauritius Limited

ii. Intermediate parent entities

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. For list of subsidiaries and associate refer to Note 36.

v. Other entities with whom transactions have taken place during the reporting period

a. Fellow subsidiaries

Nxtra Data Limited
Bharti Airtel Services Limited
Bharti International (Singapore) Pte Ltd
Bharti Airtel (UK) Limited
Bharti Airtel (France) SAS
Bharti Airtel Lanka (Private) Limited
Bharti Hexacom Limited

b. Other related parties

Airtel Ghana Limited (till 12 October 2021)
Singapore Telecommunications Limited

vi. Key management personnel (KMP)

a. Executive director

Olusegun Ogunsanya (since October 2021)
Raghunath Venkateswarlu Mandava (till September 2021)
Jaideep Paul (since June 2021)

b. Non-executive directors

Sunil Bharti Mittal

Awuneba Ajumogobia
Douglas Baillie
John Danilovich
Andrew Green
Akhil Gupta
Shravin Bharti Mittal
Annika Poutiainen
Ravi Rajagopal
Kelly Bayer Rosmarin (since October 2020)
Tsega Gebreyes (since October 2021)

c. Others

Olusegun Ogunsanya (till September 2021)
Jaideep Paul (till May 2021)
Ian Ferrao
Michael Foley
Razvan Ungureanu
Luc Serviant
Daddy Mukadi
Neelesh Singh
Ramakrishna Lella
Olivier Pognon (till 15 October 2021)
Edgard Maidou (since 16 October 2021)
Rogany Ramiah
Stephen Nthenge
Vimal Kumar Ambat (since February 2021)
Ashish Malhotra (since October 2020)
Vinny Puri (since March 2021)
C Surendran (since August 2021)
Olubayo Adekanmbi (since December 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 2022 and 2021, respectively, are described below:

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

	For the year ended									
	31 March 2022					31 March 2021				
Relationship	**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	**–**	**13**	**59**	**–**	**0**	–	6	66	–	1
Purchase/receiving of services	**–**	**19**	**54**	**0**	**0**	–	17	52	1	0
Rent and other charges	**–**	**1**	**–**	**–**	**–**	–	1	–	–	–
Guarantee and collateral fee paid	**–**	**6**	**–**	**–**	**–**	–	10	–	–	–
Purchase of assets	**–**	**–**	**2**	**–**	**–**	–	0	0	–	–
Dividend paid	**95**	**–**	**–**	**–**	**–**	95	–	–	–	–

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 2022					
Trade payables	**–**	**10**	**33**	**0**	**–**
Trade receivables	**–**	**5**	**36**	**–**	**–**
Corporate guarantee fee payable	**–**	**3**	**–**	**–**	**–**
Guarantees and collaterals taken (including performance guarantees)	**–**	**2,000**	**–**	**–**	**–**
Reimbursement asset (refer to Note 25)	**–**	**25**	**–**	**–**	**–**
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	–	–	–

Key management compensation (KMP)

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. Fuller disclosures on directors' remuneration are set out in the directors' remuneration report on pages 128 to 150. Remuneration to KMP were as follows:

	For the year ended	
	31 March 2022	31 March 2021
Short-term employee benefits	**10**	8
Performance-linked incentive	**3**	3
Share-based payment	**2**	1
Other long-term benefits	**2**	4
Other benefits	**1**	1
	18	17

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

32. Financial risk management

The Group has liabilities in the form of borrowings, guarantees, trade and other payables as well as receivables in the form of loans, cash, deposits, trade and other receivables. These arise as a part of the business activities and operations of the Group.

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of directors and the Audit and Risk Committee. The Group's Finance Committee is primarily responsible for matters, including framing of policies and execution procedures as well as laying down the risk framework mechanisms for the treasury function that will help the company to achieve its strategic financial goals, balancing opportunity, prudence and initiative with risk control measures. This provides assurance to the Group that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Details of key risks applicable to the Group are summarised below:

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk – currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group may use derivative financial instruments such as foreign exchange forward contracts, options, currency swaps and interest rate swaps and options to manage its exposures to foreign exchange fluctuations and interest rates.

- **Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in US dollars with parties of other countries and some of our strategic vendor purchases are in US dollars. The Group has foreign currency loans and foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. The Group may use foreign exchange options, currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement and risk management strategy of the Group. The Group manages its foreign currency risk by hedging a certain proportion of its foreign currency exposure, as approved by the Board as per established risk management policy or higher as considered appropriate and whenever necessary.

This net investment hedge accounting relationship as of the end of each year, and its impacts, is as follows:

Net investment hedge

	As of	
	31 March 2022	31 March 2021
Currency exchange risk hedged	**Euro to USD**	Euro to USD
Nominal amount hedged as at the end of the year	**Nil**	Euro 160m
Nominal amount hedged during the year	**Euro 160m**	Euro 160m
Matured in	**May 2021**	May 2021
Nominal value of hedging instruments (borrowings)	**195**	188
Change in fair value during the year		
Hedged item	**8**	11
Hedging instrument	**(8)**	(11)
FCTR gain for continuing hedge (cumulative)	**402**	409
Hedging (loss)/gain recognised during the year[1]	**(8)**	(11)

1 The net investment hedge accounting has been discontinued with effect from 18 May 2021 due to repayment of the hedging instrument (Euro borrowings)

Key sources of ineffectiveness in net investment hedges include reduction in amount of net assets. Key sources of ineffectiveness in cash flow hedges include reduction in amount of borrowings, changes in terms/cancellation of forward contracts and significant changes in credit risk of either party to the hedging relationship. The Group also continues to mitigate foreign exchange risk by minimising cash held in local currency in its various OpCos, where possible. The Group enters into derivative and non-derivative transactions to source foreign currency.

Foreign currency sensitivity

The following table demonstrates the sensitivity in the USD and Euro account balances to the functional currency of the respective entities as of 31 March 2022 and 31 March 2021, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the amount of monetary assets and liabilities due to the impact of change in foreign exchange rates, including foreign currency derivatives. The impact on Group's equity is due to change in the fair value of intra-group monetary items that form part of the net investment in foreign operation and other foreign currency monetary items designated as a hedge of the net investment in foreign operations or our cash flow hedges.

	Change in currency exchange rate[1]	Effect on profit before tax[2]	Effect on equity (OCI)[2]
For the year ended 31 March 2022			
US Dollars	**+5%**	**97**	**34**
	–5%	**(97)**	**(34)**
Euro	**+5%**	**–**	**–**
	–5%	**–**	**–**
For the year ended 31 March 2021			
US Dollars	+5%	80	63
	–5%	(80)	(63)
Euro	+5%	34	10
	–5%	(34)	(10)

1 '+' represents appreciation and '-' represents depreciation in USD/Euro against respective functional currencies of subsidiaries

2 Represents losses/(gains) arising from conversion/translation

- **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing debt obligations with floating interest rates. Further, the Group engages in financing activities which are dependent on market rates and any changes in the interest rates environment may impact future rates of borrowing. The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia include entering into interest swaps contracts as considered appropriate and whenever necessary. The Group also maintains a portfolio mix of floating and fixed rate debt. As of 31 March 2022 after taking into account the effect of interest rate swaps, approximately 70% of the Group's borrowings are at a fixed rate of interest (31 March 2021: 83%).

The Group had applied fair value hedge accounting in the past which were discontinued in the year ended 31 March 2020. In accordance with the Group's accounting policy, the adjustment to the carrying amount of the hedged item is being amortised to profit or loss over the period to remaining maturity of the hedged item i.e. borrowings. The unamortised portion of such fair value hedge adjustments as on 31 March 2022 is deferred gain of $16m (31 March 2021: deferred gain of $21m).

Interest rate sensitivity of borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings after considering the impact of interest rate swaps, wherever applicable, based on the outstanding amount of such borrowings as of 31 March 2022 and 31 March 2021.

Interest rate sensitivity	Increase '+'/ decrease '-' in basis points	Effect on profit before tax[1]
For the year ended 31 March 2022		
US Dollar – borrowings	**+100**	**5**
	–100	**(5)**
Other currency – borrowings	**+100**	**2**
	–100	**(2)**
For the year ended 31 March 2021		
US Dollar – borrowings	+100	4
	–100	(4)
Other currency – borrowings	+100	1
	–100	(1)

1 Represents losses/(gains) arising from increase/decrease of interest rates

The assumed movement in basis points for interest rate sensitivity analysis is based on the movements in the interest rates historically and prevailing market environment.

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

32. Financial risk management continued

- **Credit risk**

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily from trade receivables but also from cash, other banks balances, derivative financial instruments and other financial receivables.

Trade receivables

Trade receivables are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As independent credit ratings of customers is not available. The Group reviews the credit-worthiness of its customers based on their financial position, past experience, ageing and other factors.

Credit risk related to trade receivables is managed/mitigated by each business unit in accordance with the policies and procedures established by the Group, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days.

The Group uses an age-based provision policy to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer to Note 19 for details on the impairment of trade receivables.

Based on the industry practices and the business environment in which the Group operates, management considers trade receivables are credit impaired if the payments are more than 270 days past due in case of interconnect customers and 90 days past due in other cases. In determining the amount of impairment, management considers the collateral against such receivables and any amount payable to such customers.

The following table details the risk profile of gross trade receivables based on the Group's provision policy:

		Past due				
	Not past due	Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
Trade receivables as of 31 March 2022	**15**	**28**	**8**	**4**	**248**	**303**
Trade receivables as of 31 March 2021	18	31	13	9	226	297

The gross carrying amount of the trade receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the trade receivable has been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

Other financial instruments and cash deposits

The Group's treasury, in accordance with the Board approved policy, maintains its cash and cash equivalents and deposits and enters into derivative financial instruments – with banks, financial and other institutions, having good reputation and past track record, and high/sovereign credit rating. Similarly, counterparties of the Group's other receivables carry either negligible or very minimal credit risk. Further, the Group reviews the credit-worthiness of the counterparties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an ongoing basis, and if required, takes necessary mitigation measures.

- **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future obligations as and when due, without incurring unacceptable losses. The Group's prudent liquidity risk management objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing, including term loans, debts and overdraft from both domestic and international banks at an optimised cost. It has also implemented all necessary steps to enjoy strong access to international capital markets. For details on borrowings and going concern, refer to Notes 22 and 2.2, respectively.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	As of 31 March 2022						
	Carrying amount	**On demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Interest bearing borrowings[1]	**2,301**	**256**	**542**	**108**	**418**	**1,164**	**2,488**
Lease liabilities[2]	**1,660**	**–**	**244**	**212**	**412**	**1,279**	**2,147**
Put option liability	**579**	**–**	**–**	**–**	**–**	**579**	**579**
Financial derivatives	**9**	**–**	**2**	**7**	**–**	**–**	**9**
Other financial liabilities	**488**	**–**	**391**	**16**	**21**	**109**	**537**
Trade payables	**404**	**–**	**404**	**–**	**–**	**–**	**404**
Mobile money wallet balance	**496**	**496**	**–**	**–**	**–**	**–**	**496**
	5,937	**752**	**1,583**	**343**	**851**	**3,131**	**6,660**

	As of 31 March 2021						
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings[1]	3,389	133	1,170	217	896	1,251	3,667
Lease liabilities[2]	1,277	–	229	168	348	945	1,690
Financial derivatives	13	–	6	1	3	3	13
Other financial liabilities	489	–	392	12	20	122	546
Trade payables	366	–	366	–	–	–	366
Mobile money wallet balance	432	432	–	–	–	–	432
	5,966	565	2,163	398	1,267	2,321	6,714

1 Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest rate swaps, over the tenor of the borrowings

2 Maturity analysis is based on undiscounted lease payments

The derivative financial instruments disclosed in the above table represent fair values of the instrument. However, those amounts may be settled gross or net.

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

				Non-cash movements						
	Statement of cash flow line items	**1 April 2021**	**Cash flow**	**Interest and other finance charges**	**Foreign exchange loss/(gain)**	**Lease liability additions**	**Fair value changes**	**Foreign currency translation reserve**	**Others**	**31 March 2022**
Borrowings[1]	Proceeds/repayment of borrowings	**3,089**	**(1,142)**	**–**	**28**	**–**	**(5)**	**(2)**	**(0)**	**1,968**
Lease liability	Repayment of lease liability	**1,277**	**(405)**	**148**	**–**	**651**	**–**	**(11)**	**–**	**1,660**
Derivative assets net	Proceeds/repayment of borrowings	**–**	**(9)**	**–**	**9**	**–**	**–**	**–**	**–**	**–**
Interest accrued but not due	Interest and other finance charges paid	**50**	**(215)**	**181**	**–**	**–**	**–**	**13**	**–**	**29**

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

32. Financial risk management continued

	Statement of cash flow line items	1 April 2020	Cash flow	Non-cash movements: Interest and other finance charges	Foreign exchange loss/(gain)	Lease liability additions	Fair value changes	Foreign currency translation reserve	Liabilities of disposal group classified as held for sale	Others	31 March 2021
Borrowings[1]	Proceeds/ repayment of borrowings	2,892	142	–	64	–	(6)	(3)	–	0	3,089
Lease liability	Repayment of lease liability	1,169	(343)	136	–	330	–	(8)	(7)	–	1,277
Derivative assets net	Proceeds/ repayment of borrowings	–	(3)	–	3	–	–	–	–	–	–
Interest accrued but not due	Interest and other finance charges paid	52	(181)	170	–	–	–	9	–	–	50

1 This does not include bank overdraft

- **Capital management**

Capital includes equity attributable to the equity holders of the company. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended 31 March 2022 and 2021.

The Group monitors capital using a leverage ratio, which is net debt divided by Underlying EBITDA. Net Debt is calculated as total of borrowings and lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments. Also refer to alternative performance measures on pages 229 to 231.

	For the year ended **31 March 2022**	For the year ended 31 March 2021
Long-term borrowings, net of current portion	**1,486**	1,871
Short-term borrowings and current portion of long-term borrowings	**786**	1,468
Lease liabilities	**1,660**	1,277
Adjusted for:		
Cash and cash equivalents (refer to Note 20)	**(638)**	(813)
Term deposits with banks (refer to Note 20)	**(220)**	(257)
Margin money deposits (refer to Note 20)	**(122)**	–
Processing costs related to borrowings	**5**	5
Fair value hedge adjustment (refer to Note 32)	**(16)**	(21)
Net debt	**2,941**	3,530
Underlying EBITDA	**2,311**	1,792
Underlying EBITDA	**2,311**	1,792
Leverage ratio	**1.3**	2.0

33. 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 2022	31 March 2021	**31 March 2022**	31 March 2021
Financial assets					
FVTPL					
Derivatives					
– Forward and option contracts	Level 2	**2**	12	**2**	12
– Currency swaps and interest rate swaps	Level 2	**3**	0	**3**	0
– Cross currency swaps	Level 3	**1**	1	**1**	1
Other bank balances	Level 2	**16**	–	**16**	–
Investments	Level 2	**0**	0	**0**	0
Amortised cost					
Trade receivables		**123**	113	**123**	113
Cash and cash equivalents		**638**	813	**638**	813
Other bank balances		**362**	282	**362**	282
Balance held under mobile money trust		**513**	440	**513**	440
Other financial assets		**131**	83	**131**	83
		1,789	1,744	**1,789**	1,744
Financial liabilities					
FVTPL					
Derivatives					
– Forward and option contracts	Level 2	**4**	6	**4**	6
– Currency swaps and interest rate swaps	Level 2	**0**	2	**0**	2
– Cross currency swaps	Level 3	**4**	3	**4**	3
– Embedded derivatives	Level 2	**1**	1	**1**	1
Amortised cost					
Borrowings – fixed rate	Level 1	**1,015**	2,403	**1,016**	2,479
Borrowings – fixed rate	Level 2	**267**	100	**264**	98
Put option liability	Level 3	**579**	–	**579**	–
Borrowings		**990**	836	**990**	836
Trade payables		**404**	366	**404**	366
Mobile money wallet balance		**496**	432	**496**	432
Other financial liabilities		**516**	539	**516**	539
		4,276	4,688	**4,274**	4,762

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

33. Fair value of financial assets and liabilities continued

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.
- The fair value of the put option liability to buy back the stake held by non-controlling interest in AMC BV (refer to Note 5(g)) is measured at the present value of the redemption amount (i.e. expected cash outflows). Since, the liability will be based on fair value of the equity shares of AMC BV (subject to a cap) at the end of 48 months, the expected cash flows are estimated by determining the projected equity valuation of the AMC BV at the end of 48 months and applying a cap thereon.

During the year ended 31 March 2022 and year ended 31 March 2021 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into or 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 2022 and 31 March 2021:

Financial assets/liabilities	**Inputs used**
– Currency swaps, forward and option contracts, and other bank balances	Forward foreign currency exchange rates, interest rates
– Interest rate swaps	Prevailing/forward interest rates in market, interest rates
– Embedded derivatives	Prevailing interest rates in market, inflation rates
– Other financial assets/fixed rate borrowings/other financial liabilities	Prevailing interest rates in market, future payouts, interest rates

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy – Financial Assets/ (Liabilities) (net)

- **Cross currency swaps (CCS)**

	For the year ended	
	31 March 2022	31 March 2021
Opening balance	**(3)**	–
Issuance[1]	**–**	–
Recognised in finance costs in profit and loss (unrealised)[2]	**0**	(3)
Closing balance	**(3)**	(3)

1 The Group during the year ended 31 March 2021 had entered into a Cross Currency Swap (CCS) in one of its subsidiaries, which was accounted for as FVTPL. The fair value of CCS was estimated based on the contractual terms of the CCS and parameters such as interest rates, foreign exchange rates, etc. Since the data from any observable markets in respect of interest rates was not available, the interest rates were considered to be significant unobservable inputs to the valuation of this CCS

2 These amounts represent the amounts recognised in the financial statements during the year excluding the initial recognition deferment impact

- **Put option liability (refer to Note 5(g))**

	For the year ended	
	31 March 2022	31 March 2021
Opening balance	**–**	–
Liability recognised by debiting transaction with NCI reserve	**575**	–
Recognised in finance costs in profit and loss (unrealised)	**4**	–
Closing balance	**579**	–

34. Assets and liabilities held for sale

Assets and liabilities of disposal groups held for sale at 31 March 2021 related 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).

During the year ended 31 March 2022, the sale of 162 towers in Rwanda and tower company in Madagascar has been completed and thus the related assets and liabilities held for sale have been de-recognised.

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

	As of	
	31 March 2022	31 March 2021
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	–	1
Trade payables	–	2
Other current liabilities	–	8
	–	19

As of 31 March 2022, the cumulative other comprehensive income relating to the disposal group classified as held for sale is Nil (as of 31 March 2021: other comprehensive loss of $4m).

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

35. Companies in the Group and associate

Information of the Group's directly and indirectly held subsidiaries and associate are as follows:

Details of subsidiaries:

					Proportion of ownership interest[1]	
					% As of	
S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	**31 March 2022**	31 March 2021
1	Airtel Mobile Commerce Services Limited	The Oval, Ring Road, Parklands, P.O. Box 962 00100 – G.P.O. Nairobi, Kenya	Support services	Ordinary	**74.23**	–
2	Airtel (Seychelles) Limited	Airtel House, Josephine Cafrine Road, Perseverance, P.O. Box 1358, Victoria, Mahe, Seychelles	Telecommunication services	Ordinary	**100**	100
3	Airtel Congo RDC S.A.	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Telecommunication services	Ordinary	**98.50**	98.50
4	Airtel Congo S.A.	2ème Etage de L'Immeuble SCI Monte Cristo, Rond-Point de la Gare, Croisement de l'Avenue Orsy et de Boulevard Denis Sassou Nguesso, Centre Ville, B.P. 1038, Brazzaville, Congo	Telecommunication services	Ordinary	**90**	90
5	Airtel Gabon S.A.	Immeuble Libreville, Business Square, Rue Pecqueur, Centre-Ville, B.P. 9259 Libreville, Gabon	Telecommunication services	Ordinary	**100**	100
6	Airtel International LLP[4]	Plot No. 5, Sector 34, Gurugram, Haryana – 122001, India	Support services	Ordinary	**100**	100
7	Airtel Madagascar S.A.	Immeuble S, lot II J 1 AA, Morarano Alarobia – 101 Antananarivo – Madagascar	Telecommunication services	Ordinary	**100**	100
8	Airtel Malawi Public Limited Company	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Telecommunication services	Ordinary	**80**	80
9	Airtel Mobile Commerce (Kenya) Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Mobile commerce services	Ordinary	**74.23**	100
10	Airtel Mobile Commerce Rwanda Ltd	Airtel Building, Remera, KG 17Ave, Kigali, Rwanda	Mobile commerce services	Ordinary	**74.23**	100
11	Airtel Mobile Commerce (Seychelles) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
12	Airtel Mobile Commerce (Seychelles) Limited	Airtel House, Josephine Cafrine Road, Perseverance, P.O. Box 1358, Victoria, Mahe, Seychelles	Mobile commerce services	Ordinary	**74.23**	100
13	Airtel Mobile Commerce (Tanzania) Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District P.o.Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	**74.23**	100
14	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
15	Airtel Mobile Commerce Congo B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
16	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
17	Airtel Mobile Commerce Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
18	Airtel Mobile Commerce Limited	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Mobile commerce services	Ordinary	**74.23**	100

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2022	31 March 2021
19	Airtel Mobile Commerce Madagascar B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
20	Airtel Mobile Commerce Madagascar S.A.	Immeuble S, lot II J 1 AA, Morarano Alarobia – 101 Antananarivo – Madagascar	Mobile commerce services	Ordinary	**74.23**	100
21	Airtel Mobile Commerce Malawi B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
22	Airtel Mobile Commerce Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
23	Airtel Mobile Commerce Nigeria Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Mobile commerce services	Ordinary	**100**	91.74
24	Airtel Mobile Commerce Rwanda B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
25	Airtel Mobile Commerce Tchad B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
26	Airtel Mobile Commerce Tchad S.A.	Rue du Commandant Galyam Négal, Immeuble du Cinéma Etoile, B.P. 5665, N'Djaména, Tchad	Mobile commerce services	Ordinary	**74.23**	100
27	Airtel Mobile Commerce Uganda B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
28	Airtel Mobile Commerce Uganda Limited	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Mobile commerce services	Ordinary	**74.23**	100
29	Airtel Mobile Commerce Zambia B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
30	Airtel Mobile Commerce Zambia Limited	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	Mobile commerce services	Ordinary	**74.23**	100
31	Airtel Money RDC S.A.	6ème étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Mobile commerce services	Ordinary	**74.23**	98.50
32	Airtel Money Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	Mobile commerce services	Ordinary	**66.81**	90
33	Airtel Money S.A.	124, Avenue Bouët B.P. 23 899, Libreville, Gabon	Mobile commerce services	Ordinary	**74.23**	100
34	Airtel Money Tanzania Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	**51**	51
35	Airtel Money Transfer Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Mobile commerce services	Ordinary	**100**	100
36	Airtel Money Trust	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Mobile commerce services	Ordinary	**–**	100
37	Airtel Networks Kenya Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Telecommunication services	Ordinary and Preference	**100**	100
38	Airtel Networks Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	**100**	91.74

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

35. Companies in the Group and associate continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2022	31 March 2021
39	Airtel Networks Zambia plc	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	Telecommunication services	Ordinary	**96.36**	96.36
40	Airtel Rwanda Limited	Airtel Building, Remera, KG 17Ave, Kigali, Rwanda	Telecommunication services	Ordinary	**100**	100
41	Airtel Tanzania Public Limited Company	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Telecommunication services	Ordinary	**51**	51
42	Airtel Tchad S.A.	Rue du Commandant Galyam Négal, Immeuble du Cinéma Etoile, B.P. 5665, N'Djaména, Tchad	Telecommunication services	Ordinary	**100**	100
43	Airtel Uganda Limited	Airtel Towers, Plot 16 –A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Telecommunication services	Ordinary	**100**	100
44	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
45	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
46	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
47	Bharti Airtel Developers Forum Limited	Stand No. 2375, Corner of Great East/ Addis Ababa Road, Lusaka, Zambia	Investment Company	Ordinary	**96.36**	96.36
48	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
49	Bharti Airtel International (Netherlands) B.V.[4]	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
50	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
51	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
52	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
53	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
54	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
55	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
56	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
57	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
58	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
59	Bharti Airtel Rwanda Holdings Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment Company	Ordinary	**100**	100
60	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
61	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100

					Proportion of ownership interest[1]	
					% As of	
S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	**31 March 2022**	31 March 2021
62	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
63	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
64	Celtel (Mauritius) Holdings Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment Company	Ordinary	**100**	100
65	Celtel Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	Telecommunication services	Ordinary	**90**	90
66	Channel Sea Management Company (Mauritius) Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201 Republic of Mauritius	Investment Company	Ordinary	**100**	100
67	Congo RDC Towers S.A.	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Infrastructure sharing services	Ordinary	**100**	100
68	Gabon Towers S.A.[2]	124 Avenue Bouët, B.P. 9259, Libreville, Gabon	Infrastructure sharing services	Ordinary	**100**	100
69	Indian Ocean Telecom Limited	28 Esplanade, St. Helier, Jersey JE2 3QA, Channel Islands	Investment Company	Ordinary	**100**	100
70	Madagascar Towers S.A.[3]	Immeuble S, lot II J 1 AA, Morarano Alarobia – 101 Antananarivo – Madagascar	Infrastructure sharing services	Ordinary	**–**	100
71	Malawi Towers Limited[3]	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Infrastructure sharing services	Ordinary	**–**	100
72	Mobile Commerce Congo S.A.	2ème Etage de L'Immeuble SCI Monte Cristo, Rond-Point de la Gare, Croisement de l'Avenue Orsy et de Boulevard Denis Sassou Nguesso, Centre Ville, B.P. 1038, Brazzaville, Congo	Mobile commerce services	Ordinary	**74.23**	100
73	Montana International	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment Company	Ordinary	**100**	100
74	Partnership Investments S.A.R.L.	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Investment Company	Ordinary	**100**	100
75	Société Malgache de Téléphone Cellulaire S.A.	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment Company	Ordinary	**100**	100
76	Tanzania Towers Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road/Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Infrastructure sharing services	Ordinary	**–**	51
77	Airtel Africa Services (UK) Limited[4]	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Support services	Ordinary	**100**	100
78	Airtel Digital Services Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**100**	100
79	Airtel Mobile Commerce DRC B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
80	Airtel Mobile Commerce Gabon B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100
81	Airtel Mobile Commerce Niger B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	**74.23**	100

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

35. Companies in the Group and associate continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2022	31 March 2021
82	Airtel Money Kenya Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Mobile commerce services	Ordinary	**74.23**	100
83	Smartcash Payment Service Bank Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Mobile commerce services	Ordinary	**74.23**	–
84	Airtel Africa Telesonic Holdings Limited[4]	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	**100**	–
85	Airtel Money Trust Fund	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Mobile commerce services	Ordinary	**74.23**	–
86	Airtel Africa Telesonic Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Support services	Ordinary	**100**	–
87	The Registered Trustees of Airtel Money Trust Fund	Airtel House, 5th Floor, Corner Ali Hassan Mwinyi/8 Kahawa Road, P.O. Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	**51**	–

1 Companies proportion of voting power held is same as proportion of ownership interest held

2 Under dissolution as on 31 March 2022

3 Sold during the year

4 Direct subsidiaries

Details of associates:

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2022	31 March 2021
1	Seychelles Cable Systems Company Limited	Caravelle House, 3rd Floor, Victoria, Mahe, Seychelles	Submarine cable system	Ordinary	**26**	26

36. Events after the balance sheet date

No material subsequent events or transactions have occurred since the date of statement of financial position except as disclosed below:

- The Board recommended a final dividend of 3 cents per share on 10 May 2022.
- In April 2022, one of the Group's subsidiaries, SMARTCASH Payment Service Bank limited, has received the final approval from the Central Bank of Nigeria for a full Payment Service Bank (PSB) licence affording the Group the opportunity to deliver a full suite of mobile money services in Nigeria.
- In April 2022, one of the Group's subsidiaries, Airtel Mobile Commerce Nigeria Ltd, has been awarded with full super agent licence by the Central Bank of Nigeria. The licence allows the Group to create an agency network that can service the customers of licenced Nigerian banks, payment service banks and licenced mobile money operators in Nigeria.

Company Statement of Financial Position

(All amounts are in US$ thousands)

	Notes	As of 31 March 2022	31 March 2021
Assets			
Non-current assets			
Property, plant and equipment		**163**	235
Capital work-in-progress		**51**	41
Right-of-use assets		**396**	584
Investment in subsidiary undertakings	4	**3,533,231**	3,533,231
Other non-current assets		**371**	540
Financial assets			
– Loan receivables	5	**412,689**	14,129
– Others		**16**	16
		3,946,917	3,548,776
Current assets			
Financial assets			
– Cash and cash equivalents	6	**31,028**	471,925
– Other bank balances	6	**100,000**	236,000
– Others		**5,300**	3,872
Other current assets		**849**	670
		137,177	712,467
Total assets		**4,084,094**	4,261,243
Current liabilities			
Financial liabilities			
– Lease liabilities		**307**	289
– Trade and other payables	7	**4,387**	3,262
– Others		**1,159**	–
		5,853	3,551
Net current assets/(liabilities)		**131,324**	708,916
Non-current liabilities			
– Lease liabilities		**165**	433
– Others		**–**	38
		165	471
Total liabilities		**6,018**	4,022
Net assets		**4,078,076**	4,257,221
Equity			
Share capital	8	**3,419,948**	3,419,948
Retained earnings[1]		**656,497**	833,836
Other reserves[2]		**1,631**	3,437
Equity attributable to owners of the company		**4,078,076**	4,257,221

Note:

1 The loss for the financial year dealt with in the financial statements of the company is $7,344,000 (March 2021: loss of $6,310,000)

2 Comprises share-based payment reserve and share stabilisation reserve

The company only financial statements of Airtel Africa plc (company registration number: 11462215) on pages 151 to 228 were approved by the Board of directors and authorised for issue on 10 May 2022. They were signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2022

Company Statements of Changes in Equity

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

	Share capital			Other reserves		
	No of shares[2]	Amount	Retained earnings	Share-based payment reserve	Others	Equity attributable to owners of the company
As of 1 April 2020	6,839,896,081	3,419,948	1,009,303	258	7,193	4,436,702
Loss for the year	–	–	(6,310)	–	–	(6,310)
Total comprehensive loss		–	(6,310)	–	–	(6,310)
Employee share-based payment reserve	–	–	(40)	–	459	419
Purchase of own shares	–	–	–	–	(4,473)	(4,473)
Dividend to owners of the Company[1]	–	–	(169,117)	–	–	(169,117)
As of 31 March 2021	6,839,896,081	3,419,948	833,836	258	3,179	4,257,221
Loss for the year	**–**	**–**	**(7,344)**	**–**	**–**	**(7,344)**
Total comprehensive loss		**–**	**(7,344)**	**–**	**–**	**(7,344)**
Employee share-based payment reserve	**–**	**–**	**(878)**	**–**	**3,876**	**2,998**
Purchase of own shares	**–**	**–**	**–**	**–**	**(5,682)**	**(5,682)**
Dividend to owners to the Company[1]	**–**	**–**	**(169,117)**	**–**		**(169,117)**
As of 31 March 2022	**6,839,896,081**	**3,419,948**	**656,497**	**258**	**1,373**	**4,078,076**

1 Refer to Note 5(a) and 5(b) of the consolidated financial statements

2 Includes ordinary and deferred shares, refer to Note 26 of the consolidated financial statements

Notes to company only financial statements

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

1. Summary of significant accounting policies

Basis of preparation

The company only financial statements are presented as required by the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, the company has prepared financial statements as per FRS 101 'Reduced Disclosure Framework.

Airtel Africa plc is the parent of the smallest group for which consolidated financial statements are prepared and of which the company is a member. The largest group to consolidate the results of the company is Bharti Airtel Limited, which is registered in India. The Bharti Airtel Limited Group financial statements are publically available and can be obtained at www.airtel.in.

All the amounts included in the Company only financial statements are reported in United States Dollars, with all values rounded to the nearest thousands (US$ thousands) except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

As permitted by Section 408(3) of the Companies Act 2006, no profit and loss account of the company is presented.

There are no subsequent events other than disclosed in Note 36 to the consolidated financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available in relation to:

- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of IAS 7 Statement of Cash Flows
- The statement of compliance with Adopted IFRSs
- The effects of new but not yet effective IFRSs
- The requirements in IAS 24 "Related party disclosure" to disclose related party transactions entered into between two or more members of a Group
- Disclosures in respect of capital management
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options).

Where required, equivalent disclosures are given in the consolidated financial statements. The company financial statements have been prepared on a going concern and historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period. The principal accounting policies adopted are the same as those set out in Note 2 of the consolidated financial statements except the following additional policies which are relevant to the company only financial statements:

- Investment in subsidiary undertakings are accounted for at cost less provision for impairment.
- Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical accounting judgements that would have a significant effect on the amount recognised in the company financial statements.

Company's investment in subsidiaries are reviewed for indicators of impairment and there were no indicators of impairment as of 31 March 2022. For details on the Group impairment review, refer to Note 15 of the consolidated financial statements.

3. Employee expenses

The average monthly number of employees during the year was eight (March 2021: nine).

	For the year ended	
	31 March 2022	31 March 2021
Salaries	**1,658**	1,219
Bonuses	**276**	574
Others	**156**	19
	2,090	1,812

4. Investment in subsidiary undertakings

	As of	
	31 March 2022	31 March 2021
Cost		
Opening balance	**3,533,231**	3,533,231
Additions	**0**	–
Carrying cost at 31 March	**3,533,231**	3,533,231
Bharti Airtel International (Netherlands) B.V.	**3,532,758**	3,532,758
Airtel International LLP	**473**	473
Airtel Africa services (UK) Limited	**0**	0
Airtel Africa Telesonic Holdings Limited	**0**	–

For details of subsidiary undertakings, refer to Note 35 of the consolidated financial statements.

Notes to company only financial statements continued

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

5. Loan receivables

	As of	
	31 March 2022	31 March 2021
Opening balance	**14,129**	98,500
Additions	**1,426,384**	64,939
Repayment	**(1,027,824)**	(149,310)
Balance at 31 March	**412,689**	14,129
Bharti Airtel International (Netherlands) B.V.[1]	**386,600**	14,129
Airtel Africa services (UK) Limited[2]	**26,089**	–

1 The loan is unsecured, bears interest at the rate of three months LIBOR+ 2.25% per annum with a maturity date of 25 March 2027. The credit facility is denominated in US$.

2 The loan is unsecured, bears interest at the rate of three months LIBOR+ 2% per annum with a maturity date of 31 December 2026. The credit facility is denominated in US$.

6. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2022	31 March 2021
Cash at bank in current accounts	**31,028**	321,925
Bank deposits with original maturity of three months or less	**–**	150,000
	31,028	471,925

Other bank balances

	As of	
	31 March 2022	31 March 2021
Term deposits with banks with original maturity of more than three months but less than 12 months	**100,000**	236,000
	100,000	236,000

7. Trade and other payables

	As of	
	31 March 2022	31 March 2021
Legal and professional expenses payable[1]	**4,034**	2,882
Employees bonuses payable	**255**	364
Dividend payable	**24**	16
Administrative and other payable	**74**	–
	4,387	3,262

1 The auditor's remuneration for the current year in respect of audit and audit-related services was $46,000 (March 2021: $38,000).

8. Share capital

Refer to Note 26 of consolidated financial statements.

9. Related party disclosure

Refer to Note 31 of consolidated financial statements.

10. Guarantees

Guarantees outstanding as of 31 March 2022 and 31 March 2021 amounting to $160m and $121m, respectively, have been issued for external loans taken by the Group's subsidiaries.

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	Adjustments to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Underlying revenue	Revenue	• Exceptional items	Table A	The Group defines underlying revenue as revenue for the period adjusted for exceptional items. The directors view underlying revenue to be a meaningful measure to analyse the Group's revenue, excluding exceptional items. 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.
Underlying EBITDA and margin	Operating profit	• Depreciation and amortisation • Exceptional items	Table B	The Group defines underlying EBITDA as operating profit/(loss) for the period before depreciation and amortisation and adjusted for exceptional items. The Group defines underlying EBITDA margin as underlying EBITDA divided by underlying revenue. 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 APMs. Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. The 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. 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.

Alternative performance measures (APMs) continued

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Underlying profit/(loss) before tax	Profit/(loss) before tax	• Exceptional items	Table C	The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items. The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability. 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.
Effective tax rate	Reported tax rate	• 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	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 period adjustment, tax settlements and impact of permanent differences on tax. This provides an indication of the current ongoing tax rate across the Group. Exceptional tax items or any tax arising on 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. Foreign exchange rate movements are specific items that are non-tax deductible in a 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. One-off tax impact on account of prior period 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.
Underlying profit/(loss) after tax	Profit/(loss) for the period	• Exceptional items	Table E	The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items. The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability. 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.
Earnings per share before exceptional items	EPS	• Exceptional items	Table F	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. This measure reflects the earnings per share before exceptional items for each share unit of the company. 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.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Operating free cash flow	Cash generated from operating activities	• Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Exceptional items • Capital expenditure	Table G	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 and exceptional items, less capital expenditure. 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.
Net debt and leverage ratio	Borrowings	• Lease liabilities • Cash and cash equivalent • Term deposits with banks • Deposits given against borrowings/non-derivative financial instruments • Fair value hedges	Table H	The Group defines net debt as borrowings, including lease liabilities less cash and cash equivalents, term deposits with banks, deposits given against borrowings/non-derivative financial instruments, processing costs related to borrowings and fair value hedge adjustments. The Group defines leverage ratio as net debt divided by underlying EBITDA. 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.
Return on capital employed	No direct equivalent	• Exceptional items to arrive at underlying EBIT	Table I	The Group defines return on capital employed (ROCE) as underlying EBIT divided by average capital employed. The directors view ROCE as a financial ratio that measures the Group's profitability and the efficiency with which its capital is being utilised. The Group defines underlying EBIT as operating profit/(loss) for the period adjusted for exceptional items. 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. Capital employed is defined as the 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. For quarterly computations, ROCE is calculated by dividing underlying EBIT for the preceding 12 months by the average capital employed (being the average of the capital employed averages for the preceding four quarters).

1 Refer to '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 the 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 2021. Reported currency percentage change is derived on the basis of the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period.

Changes to APMs

Charity and donations are not related to the trading performance of the Group and hence were adjusted to arrive at underlying EBITDA and margin till previous periods. However, with launch of our sustainability strategy in current year, wherein 'Access to education' is one of the key goals, the Group has revisited the definition to include the CSR expense as part of the underlying EBITDA, margin and operating free cash flow. Given the size in prior years, no changes have been made to the prior year figures.

During the year, the following APMs have been removed:

- Free cash flows – since the Group's dividends are no longer linked to such metric
- Restated EPS – as this is no longer valid, as there has been no significant change in the number of shares issued between the current and previous financial reporting periods
- Adjusted effective tax rate – since adjustments related to any tax arising on exceptional items or any exceptional tax items are now adjusted in arriving at the effective tax rate, the separate APM for adjusted effective tax rate has been removed.

Reconciliation between GAAP and Alternative Performance Measures

Table A: Underlying revenue

Description	Unit of measure	Year ended March 2022	Year ended March 2021
Revenue	$m	**4,714**	3,908
Less:			
Exceptional items	$m	**–**	(20)
Underlying revenue	$m	**4,714**	3,888

Table B: Underlying EBITDA and margin

Description	Unit of measure	Year ended March 2022	Year ended March 2021
Operating profit	$m	**1,535**	1,119
Add:			
Depreciation and amortisation	$m	**744**	681
Charity and donation[1]	$m	**–**	6
Exceptional items	$m	**32**	(14)
Underlying EBITDA	$m	**2,311**	1,792
Underlying revenue	$m	**4,714**	3,888
Underlying EBITDA margin (%)	%	**49.0%**	46.1%

1 Refer changes to APMs in Alternative performance measure (APMs) section

Table C: Underlying profit/(loss) before tax

Description	Unit of measure	Year ended March 2022	Year ended March 2021
Profit/(loss) before tax	$m	**1,224**	697
Exceptional items (net)	$m	**(60)**	(14)
Underlying profit/(loss) before tax	$m	**1,164**	683

Table D: Effective tax rate

		Year ended					
		March 2022			March 2021		
Description	Unit of measure	**Profit before taxation**	**Income tax expense**	**Tax rate %**	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate	$m	**1,224**	**469**	**38.3%**	697	282	40.5%
Adjusted for:							
Exceptional items (provided below)	$m	**(60)**	**2**		(14)	36	
Foreign exchange rate movements for non-DTA operating companies and holding companies	$m	**50**	**–**		42	–	
One-off adjustment and tax on permanent differences	$m	**(12)**	**(2)**		–	(5)	
Effective tax rate	$m	**1,202**	**469**	**39.0%**	725	313	43.2%
Exceptional items							
1. Deferred tax asset recognition	$m	**–**	**–**		–	36	
2. Service revenues	$m	**–**	**–**		(20)	–	
3. Gain on sale of tower assets	$m	**(111)**	**0**		–	–	
4. Employee restructuring cost	$m	**–**	**–**		6	–	
5. Bonds prepayment cost	$m	**19**	**–**		–	–	
6. Provision for settlement of contractual dispute	$m	**12**	**2**		–	–	
7. Spectrum fee settlement cost	$m	**20**	**–**		–	–	
Total	$m	**(60)**	**2**		(14)	36	

Table E: Underlying profit/(loss) after tax

Description	Unit of measure	Year ended March 2022	Year ended March 2021
Profit/(loss) after tax	$m	**755**	415
Exceptional items	$m	**(62)**	(50)
Underlying profit/(loss) after tax	$m	**693**	365

Table F: Earnings per share before exceptional items

Description	Unit of measure	Year ended March 2022	Year ended March 2021
Profit for the period attributable to owners of the company	$m	**631**	339
Operating and non-operating exceptional items	$m	**(60)**	(14)
Tax exceptional items	$m	**(2)**	(36)
Non-controlling interest exceptional items	$m	**33**	19
Profit for the period attributable to owners of the company before exceptional items	$m	**602**	308
Weighted average number of ordinary shares in issue during the financial period	Million	**3,754**	3,758
Earnings per share before exceptional items	Cents	**16.0**	8.2

Table G: Operating free cash flow

Description	Unit of measure	Year ended March 2022	Year ended March 2021
Net cash generated from operating activities	$m	**2,011**	1,666
Add: income tax paid	$m	**293**	195
Net cash generation from operation before tax	$m	**2,304**	1,861
Less: Changes in working capital			
Increase in trade receivables	$m	**18**	8
(Decrease)/Increase in inventories	$m	**(4)**	4
(Increase)/Decrease in trade payables	$m	**(34)**	38
Increase in mobile money wallet balance	$m	**(64)**	(139)
Increase in provisions	$m	**(14)**	(1)
Increase in deferred revenue	$m	**(27)**	(17)
Decrease in income received in advance	$m	**–**	1
Increase in other financial and non-financial liabilities	$m	**(50)**	(18)
Increase in other financial and non-financial assets	$m	**144**	48
Operating cash flow before changes in working capital	$m	**2,273**	1,785
Other non-cash adjustments	$m	**6**	15
Charity and donation[1]	$m	**–**	6
Operating exceptional items	$m	**32**	(14)
Underlying EBITDA	$m	**2,311**	1,792
Less: capital expenditure	$m	**(656)**	(614)
Operating free cash flow	$m	**1,655**	1,178

1 Refer to changes to APMs in alternative performance measure (APMs) section

Reconciliation between GAAP and Alternative Performance Measures continued

Table H: Net debt and leverage

Description	Unit of measure	Year ended March 2022	March 2021
Long-term borrowing, net of current portion	$m	**1,486**	1,871
Short-term borrowings and current portion of long-term borrowing	$m	**786**	1,468
Add: Processing costs related to borrowings	$m	**5**	5
Add/(less): Fair value hedge adjustment	$m	**(16)**	(21)
Less: Cash and cash equivalents	$m	**(638)**	(813)
Less: Term deposits with banks	$m	**(220)**	(257)
Less: Deposits given against borrowings/non-derivative financial instruments	$m	**(122)**	–
Add: Lease liabilities	$m	**1,660**	1,277
Net debt	$m	**2,941**	3,530
Underlying EBITDA (LTM)	$m	**2,311**	1,792
Leverage (LTM)	times	**1.3x**	2.0x

Table I: Return on capital employed

Description	Unit of measure	Year ended March 2022	March 2021
Operating profit	$m	**1,535**	1,119
Less:			
Operating exceptional items	$m	**32**	(14)
Underlying EBIT	$m	**1,567**	1,105
Equity attributable to owners of the company	$m	**3,502**	3,405
Non-controlling interests (NCI)	$m	**147**	(52)
Net debt (refer to Table H)	$m	**2,941**	3,530
Capital employed	$m	**6,590**	6,883
Average capital employed[1]	$m	**6,736**	6,705
Return on capital employed	%	**23.3%**	16.5%

1 Average capital employed is calculated as average of capital employed at closing and opening of relevant period. Capital employed at the beginning of year ended 31 March 2022 and 2021 is $6,883m and $6,528m, respectively

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.

Glossary

Technical and industry terms

Company related	
4G data customer	A customer having a 4G handset and who has used at least 1 MB of data on the Group network using any of GPRS, 3G and 4G 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 the 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. This is calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value (mobile money transaction value)	The sum of all financial transactions performed on Airtel Africa's mobile money platform for the relevant period.
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. This is 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.
Bundle penetration	The proportion of revenue contributed by bundled products as a percentage of the total revenue generated by the service.
Capital expenditure	An alternative performance measure (non-GAAP). This is 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 prior financial years at a fixed 'constant currency' exchange rate, which is used to measure the organic performance of the Group. Growth rates for business and product segments are in constant currency as it better represents the underlying performance of the business. Constant currency growth rates for prior years are calculated using closing exchange rate as at the end of the prior year.
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 transactions 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 1 MB of data on the Group network using any of GPRS, 3G or 4G 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	This is calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period and dividing the result by the number of months in the relevant period.
Digitalisation	We use the term digitalisation in its broadest sense to encompass both digitisation actions and processes that convert analogue information into a digital form and thereby bring customers into the digital environment, and the broader digitalisation processes of controlling, connecting and planning processes digitally; the processes that affect digital transformation of our business, and of industry, economics and society as a whole through bringing about new business models, socio-economic structures and organisational patterns.
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.

Company related	
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.
GSMA	A global organisation representing mobile operators and organisations across the mobile ecosystem and adjacent industries.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, video-conferencing, social networking, and other media applications and services.
IRU	Indefeasible Right of Use – a contractual agreement for a portion of the capacity/fiber of any fibre route.
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.
Mini-AMB	A compact outlet that offers the services of an Airtel Money Branch, currently being trialled in Zambia.
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.
Mobile transaction rates (MTR)	Mobile transaction rates are the charges paid to the telecom operator on whose network a call is terminated.
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	An alternative performance measure (non-GAAP). Calculated by dividing net debt as at the end of the relevant period by underlying EBITDA for the last 12 months (LTM), from the end of the relevant period. This is also referred to as the leverage ratio.
Net revenue	An alternative performance measure (non-GAAP). Defined as total revenue adjusted for MTR (mobile transaction rates), cost of goods sold and mobile money commissions.
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 'feature' 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 of data consumed (uploaded and downloaded) by customers on the Group network using any of GPRS, 3G and 4G 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.

Glossary continued

Company related	
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.
Unique subscriber penetration	The number of individual mobile subscribers as a proportion of the total population. This metric adjusts for the use of multiple SIM cards by customers, to identify the degree of uptake of mobile services by individuals.
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
CDP	Climate disclosure project
CRO	Climate related risks and opportunities
CSR	Corporate social responsibility
DQI	Data quality index
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
ERC	Executive Risk Committee
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
NGX	Nigerian Exchange Limited (formerly known as NSE)
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: a designated person of the vendor who interacts with Airtel Africa's teams on a regular basis for various requirements)
TB	Terabyte
TCFD	Taskforce for climate-related financial disclosure
Telecoms	Telecommunications
UoM	Unit of measure
USSD	Unstructured supplementary service data
VQI	Voice quality Index

General shareholders' information

Annual General Meeting (AGM)

Date	28 June 2022
Day	Tuesday
Time	11:00 hrs BST
Venue	53/54 Grosvenor Street, London W1K 3HU, United Kingdom

Dividend

Ex-dividend date for final dividend	23 June 2022
Record date for final dividend	24 June 2022
AGM	28 June 2022
Final dividend payment	3 cents per ordinary share

Financial calendar

Financial year: 1 April to 31 March.

Airtel Africa plc share price

Airtel Africa's ordinary shares have a premium listing on the London Stock Exchange's main market for listed securities and are listed under the symbol AAF. Current and historical share price information is available on our website: www.airtel.africa.

Shareholders as of 31 March 2022

Number of ordinary shares held	Number of accounts	Shares	% of total issued shares
1-1,000	23	14,285	0.00
1,001-5,000	72	196,076	0.01
5,001-50,000	139	3,181,493	0.08
50,001-100,000	43	3,179,768	0.08
100,001-500,000	127	32,848,982	0.87
More than 500,000	156	3,718,730,900	98.95
Totals	**560**	**3,758,151,504**	

Warning to shareholders ('boiler room' scams)

In recent years, many companies have become aware that their shareholders have received unsolicited calls or correspondence concerning investment matters. These callers typically make claims of highly profitable opportunities in UK investments which turn out to be worthless or simply do not exist. These approaches are usually made by unauthorised companies and individuals and are commonly known as 'boiler room' scams. Airtel Africa plc shareholders are advised to be extremely wary of such approaches and advised to only deal with firms authorised by FCA. See the FCA website at fca.org.uk/scamsmart for more detailed information about this or similar activities.

Registrar and Transfer agent

All the work related to share registry, both in physical and electronic form, is handled by the company's Registrar and Transfer agent at the address mentioned in the communication addresses section.

Communication addresses

	Contact	Email	Address
For corporate governance and other secretarial related matters	Mr. Simon O'Hara Group company secretary	investor.relations@africa.airtel.com	First Floor, 53/54 Grosvenor Street, London, W1K 3HU, United Kingdom Tel: +44 207 493 9315
For queries relating to financial statements and corporate communication matters	Mr. Pier Falcione Deputy CFO and Head of investor relations	investor.relations@africa.airtel.com	First Floor, 53/54 Grosvenor Street, London, W1K 3HU, United Kingdom Tel: +44 207 493 9315
Registrar and Transfer agent	Computershare Investor Services PLC	webqueries@computershare.co.uk	The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom
	Coronation Registrars Limited	Website: www.coronationregistrars.com	9 Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria Tel: +234 1 271 4566-7

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Independent auditor's reasonable assurance report on the compliance of Airtel Africa plc's European Single Electronic Format (ESEF) prepared Annual Financial Report with the European Single Electronic Format Regulatory Technical Standard ('ESEF RTS') as required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R

To the Members of Airtel Africa plc

Report on compliance with the requirements for iXBRL mark up ('tagging') of consolidated financial statements included in the ESEF-prepared Annual Financial Report

We have undertaken a reasonable assurance engagement on the iXBRL mark up of consolidated financial statements for the year ended 31 March 2022 of Airtel Africa plc (the "company") included in the ESEF-prepared Annual Financial Report prepared by the company.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 March 2022 of the company included in the ESEF-prepared Annual Financial Report, are marked up, in all material respects, in compliance with the ESEF RTS.

The directors' responsibility for the ESEF-prepared Annual Financial Report prepared in compliance with the ESEF RTS

The directors are responsible for preparing the ESEF-prepared Annual Financial Report. This responsibility includes:

- the selection and application of appropriate iXBRL tags using judgement where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of the ESEF RTS.

Our independence and quality control

We have complied with the independence and other ethical requirements of Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion on whether the electronic mark up of consolidated financial statements complies in all material respects with the ESEF RTS based on the evidence we have obtained.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (UK) 3000') issued by the FRC.

A reasonable assurance engagement in accordance with ISAE (UK) 3000 involves performing procedures to obtain reasonable assurance about the compliance of the mark up of the consolidated financial statements with the ESEF RTS. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF RTS, whether due to fraud or error. Our reasonable assurance engagement consisted primarily of:

- obtaining an understanding of the ESEF RTS mark up process, including internal control over the mark up process relevant to the engagement;
- reconciling the marked up data with the audited consolidated financial statements of the company dated 31 March 2022;
- evaluating the appropriateness of the company's mark up of the consolidated financial statements using the XBRL mark-up language;
- evaluating the appropriateness of the company's use of iXBRL elements selected from a permitted taxonomy and the creation of extension elements where no suitable element in the permitted taxonomy has been identified; and
- evaluating the use of anchoring in relation to the extension elements.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the company for the year ended 31 March 2022 is set out in our Independent Auditor's Report dated 10 May 2022.

Use of our report
Our report is made solely to the company's members, as a body, in accordance with ISAE (UK) 3000. Our work has been undertaken so that we might state to the company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our work, this report, or for the conclusions we have formed.

Daryl Winstone FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
1 June 2022