



Airtel Africa plc
Annual Report and
Accounts 2023

Transforming lives



Finding what you need

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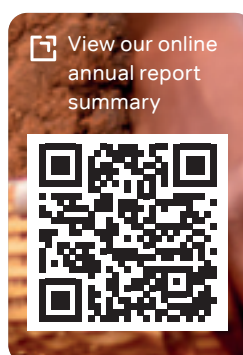
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Airtel Africa overview



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

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

140m

Total customers

54.6m

Data customers

14

Sub-Saharan countries

31.5m

Airtel Money customers

We're transforming lives in Africa

Reaching more people, with more services, in more places than ever.

79.45%

Population coverage at the Group level – bringing mobile banking, data and telecoms to communities across sub-Saharan Africa and helping to unlock the potential of people and societies

42.9%

of our sites are in rural areas as we provide a vital first step towards digital inclusion

» For more information about financial inclusion, see page 49



Transforming lives continued

Operating in markets full of opportunity

Meeting untapped demand for telecoms services and mobile money in markets where there's still huge room to grow.

22.5%

of our customers are using Airtel Money and we're expanding our mobile money portfolio through additional services, including merchant payments

39%

data customer penetration as we expand our 4G network, combined with 36.3% smartphone penetration in our 14 markets

» For more information about mobile services and mobile money, see pages 62-73



- Register for Airtel Money
- Send & Receive Money
- Withdraw Money
- Buy Airtime
- Pay Bills

Transforming lives continued

Delivering on our strategy through excellent execution

Expanding our networks, optimising our distribution, and investing in the future through fibre and 5G.

70,500+ km

of total connecting fibre across our 14 markets, with 6,000+km added in 2022/23 as we continue to improve our fibre provision in metro, intercity and international networks

304,000+

customer activating outlets, a growth of 21% in 2022/23, which reflects our investment in sales and distribution infrastructure

» For more information on our 'Win with' strategy, see pages 26-37



Transforming lives continued

...and keeping our sustainability promises.

Championing access to education, fostering digital inclusion, creating inclusive and dynamic workplaces, and minimising our environmental impacts.

1 million

children to access quality education through our programmes by 2027

\$57m

financial and in-kind contribution to UNICEF over five years to accelerate digital learning

» For more information about our sustainability progress, see pages 38-55



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 4.5% 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 2022 estimate

CAGR source: GSMA sub-Saharan report 2022

Revenue

\$5,255m

Reported currency +11.5%

Constant currency +17.6%

Underlying EBITDA

\$2,575m

Reported currency +11.4%

Constant currency +17.3%

Operating profit

\$1,757m

Reported currency +14.5%

Constant currency +20.1%

Capex

\$748m

% change +14.0%

Basic earnings per share

17.7 cents

% change +5.2%

14

markets in our diversified portfolio

2.7%

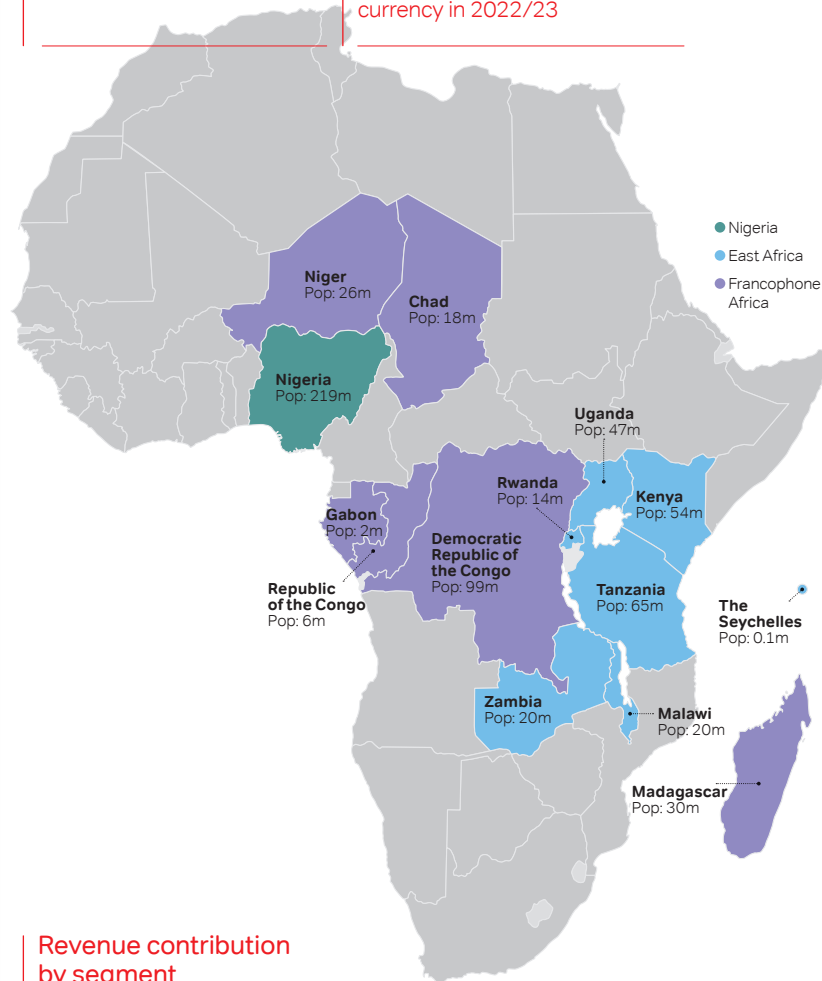
projected compound annual population growth in our region by 2027

1st or 2nd

largest operator by customer market share in 13 markets

17.6%

revenue growth in constant currency, 11.5% in reported currency in 2022/23



Revenue contribution by segment

	Year ended March 2023 \$m	Year ended March 2022 \$m	Reported currency change %	Constant currency change %
● Nigeria – mobile services	2,128	1,878	13.3%	20.3%
● East Africa – mobile services	1,508	1,395	8.1%	13.4%
● Francophone Africa – mobile services	1,090	1,033	5.5%	11.9%
● Mobile money services	692	553	25.1%	29.6%
Total*	5,255	4,714	11.5%	17.6%

Owing to significant growth in the Group's mobile money business and a corresponding change in the organisation's structure combined with changes in information provided to the chief operating decision-maker (CODM) for the allocation of resources and the assessment of performance, with effect from April 2022 the Group has identified mobile money as a new operating and reportable segment. Thus, the segments for the Group are:

Nigeria mobile services – comprising mobile service operations in Nigeria

East Africa mobile services – comprising mobile service operations in Kenya, Uganda, Rwanda, Tanzania, Malawi and Zambia

Francophone Africa mobile services – comprising mobile service operations in Niger, Gabon, Chad, Republic of the Congo, the DRC, Madagascar and the Seychelles

Mobile money – comprising mobile money services across the Group, including recently launched payment service bank in Nigeria

* Breakdown of revenue as stated in above table will not add up to total revenue, since it also includes inter-segment elimination of \$163m (2022: \$145m)

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 digitalisation. 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 has helped drive the take up of our mobile money services, boosting financial inclusion.

31,500+

infrastructure sites

2.6+ million

retail touchpoints
(agents and distributors)
in our network

70,500+ km

of connecting fibre

90%

sites providing 4G coverage

4G

services available
in all 14 markets

Voice

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

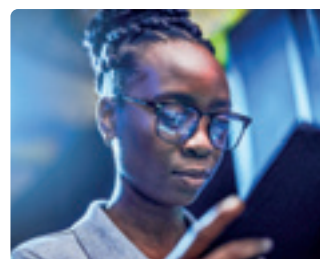


140m

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.



54.6m

data customers

Airtel Money

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

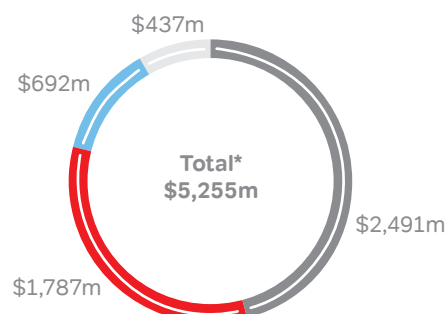


31.5m

Airtel Money
customers

Revenue contribution by service

	Year ended March 2023 \$m	Year ended March 2022 \$m	Reported currency change %	Constant currency change %
● Voice	2,491	2,358	5.6%	11.8%
● Data	1,787	1,525	17.2%	23.8%
● Airtel Money	692	553	25.1%	29.6%
● Other [^]	437	407	7.5%	13.2%
Total*	5,255	4,714	11.5%	17.6%



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

* Breakdown of revenue as stated in above table will not add up to total revenue, since it also includes inter-segment elimination of \$152m (2022: \$129m)

Chair's statement

Transforming lives

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

Delivering sustainable growth, and demonstrating our resilience

This year has seen considerable volatility in the global economy, with recessionary pressures that have been keenly felt by people across the markets we serve. With prices of basic commodities on the increase, and instances of severe climate disruptions, reliable, affordable telecoms services that connect people to each other and to the wider economy are more vital than ever. Everyone at Airtel Africa is proud that we have been able to maintain and expand our services to our customers and communities throughout the year.

The fact that we have also been able to deliver a strong financial performance in this economic context is testament to the scale of the untapped demand in sub-Saharan Africa, and to the resilience of our business model. Powerful underlying macroeconomic and demographic trends continue to drive demand and adoption of voice, data and mobile money services, and our 'Win with' strategy continues to deliver growth: our customer base grew to 140 million people this year, and our revenues grew by 11.5% in reported currency.

This is not growth for its own sake. It is only by pursuing sustainable growth that we are able to fulfil our purpose of transforming lives: playing our part in addressing the challenges faced by millions of people who still lack access to data and financial services, and the wider transformation of economies that will drive sustainable development.

“
The fact that we have also been able to deliver a strong financial performance in this economic context is testament to the scale of the untapped demand in sub-Saharan Africa, and to the resilience of our business model.
”

Playing our part in sustainable development

Publishing our first Sustainability Report in October 2022 was a seminal moment for Airtel Africa, furthering our commitment to corporate governance. It provides stakeholders with a transparent account of our progress in delivering the sustainability ambitions that underpin our business strategy, and our commitment to developing the infrastructure and services that will drive digital and financial inclusion for people across Africa while contributing to six of the United Nations' Sustainable Development Goals (UN SDGs). The Board closely oversees this strategy as part of our role in considering environmental, social and governance criteria in our decision-making.

Business has a crucial part to play in Africa's development. This year, as Chair of the newly launched B20 India Action Council on African Economic Integration: An Agenda for Global Business, I have seen positive signs of businesses coming together to work towards common goals and priorities.

Airtel Africa plays a significant role in supporting education, which has long been a priority for me and for everyone in the Group. We have set ourselves the goal of transforming the lives of over one million children on the continent through education by 2027, including through our landmark five-year partnership with UNICEF – which this year rolled out programmes in 6 of the 13 countries where the partnership is in place.

Investing to create long-term value for all

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 and maintaining our longstanding focus on strengthening our balance sheet. This year, for instance, we continued to localise our debt into our country-level OpCos while reducing HoldCo debt, helping to mitigate the risk of foreign exchange volatility. Our gross OpCo debt of \$3,676m (including lease liabilities) is now higher than our remaining HoldCo debt of \$550m.



Sunil Bharti Mittal
Chair

“ Pursuing sustainable growth enables us to fulfil our purpose of transforming lives: playing our part in addressing the challenges faced by millions of people who still lack access to connectivity, data and financial services. We are committed to contributing towards the wider transformation of economies to drive sustainable growth and development.

”

Leverage was at 1.4x in March 2023, broadly flat from the previous year. This was achieved alongside substantial investments: we invested \$748m in capex (excluding spectrum), and \$500m in spectrum (including 5G) in key markets – ensuring we are ready to meet the continuing opportunity in data. Almost 87% of our capex investment in 2022/23 was directed to growth initiatives that help ensure a sustainably strong and reliable network.

We continue to strengthen the business in other ways. We have made compelling strides in building the standalone capabilities of our Airtel Money business across all markets and begun acting on the opportunity presented by the granting of our super-agent licence and Payment Service Bank (PSB) licence in Nigeria in April 2022. We have also established new holding and subsidiary company structures for our data and fibre businesses.

The Board of directors has recommended a final dividend of 3.27 cents per share, making the total dividend for 2022/23 5.45 cents per share, which is an increase of 9% in line with our progressive dividend policy.

Stakeholders at the heart of transforming lives

Everything the business has achieved in this turbulent year is thanks to the support of all our stakeholders. In particular, our people have continued to show great dedication to ensuring the delivery of services and to serving our customers and the communities in which we live and work. On behalf of the Board, I would like to thank them for their continuing commitment to transforming lives.

Sunil Bharti Mittal
Chair

10 May 2023

Chief executive officer's review

CEO Q&A

Chief executive officer Olusegun Ogunsanya reflects on a year in which our robust business performance has helped drive our sustainability agenda – and on our opportunity to transform lives in Africa.

Q. How will you look back at this year?

A. The joy of running this business – and the thing that I see motivating our people – is that we are part of the solution to the challenges around us.

There's no doubt this has been a difficult year for many in our communities. While sub-Saharan Africa is very resilient, it is not immune to global economic shocks. Sharp commodity and fuel inflation really hurts in communities where many people spend 40% of their income on food. Climate change has a disproportionate impact on Africans. Currency disruptions create serious challenges for businesses and individuals.

But as Airtel Africa people, we are part of our communities – we share their pain as well as their joy. And we can see the difference we're making. Every day, we're connecting customers to each other, to the digital future, and to economic opportunity. The more we serve, the more we succeed. By delivering our strategy and growing our business, we're part of the process of sustainable development. That's what we mean by transforming lives.

Q. What were the highlights of your financial performance?

A. We've really demonstrated the resilience of our strategy and business model. The economic environment has generated considerable headwinds this year, but we have delivered significant growth in all our key metrics. Our revenues grew by 11.5% and operating profit by 14.5% in reported currency.

We have grown revenues in data by 23.8%, in voice services by 11.8% and in mobile money by 29.6% in constant currency. We've continued to provide essential services in all our markets throughout the year, and to serve more customers than ever before, reaching 140 million in total. Underlying EBITDA grew by 17.3% in constant currency at a stable EBITDA margin of 49.0% despite all the turbulences.

We know how important affordability is to customers in a cost-of-living crisis – and our philosophy has always been to drive usage, rather than price. Not only are we reaching more customers, but our customers are getting more for their money.

This performance has made us one of the fastest-growing telecoms company in sub-Saharan Africa. And it has come alongside important investment in our future – and in the future of our communities. We invested \$748m in expanding and strengthening our network, so we can reach and include more people. We invested in our fibre infrastructure and data centres, where we see opportunities to form mutually beneficial partnerships with other businesses.

And as of 31 March 2023, we invested \$500m in spectrum (which includes 5G), so we can meet the demand for data now, and be ready for an even more digital future. The macroeconomic outlook remains volatile, but we are well positioned to deliver against the growth opportunities these markets offer, with a continued focus on margin resilience.

Q. How has your 'Win with' strategy created competitive advantage?

A. Our 'Win with' strategy has six pillars – 'technology', 'distribution', 'data', 'mobile money', 'cost' and 'people' – all underpinned by our sustainability strategy.

It is the execution of the strategy that really counts – and I believe we can be proud of the execution of every pillar. I've already mentioned the expansion of our network, and how the talent and determination of our people has driven our success. The 46.3% increase in data usage demonstrates how that pillar is thriving – and the 36% increase in home broadband revenues shows what an opportunity there is in that segment.

'Win with cost' has been important this year, as we've had great success maintaining margins despite unprecedented inflation – our underlying EBITDA margin was 49.0%. We've also localised much of our debt as mitigation against foreign exchange risk, maintaining Group debt at 1.4x of underlying EBITDA while investing significantly in the future.

But some of the strongest examples of us executing the strategy and winning in the market have been in 'Win with distribution' and 'Win with mobile money'. Our distribution network gets us closer to our customers so they can access our services – and this year we increased the number of our customer activating outlets by 21% bringing the total number of 304,000+ outlets across our 14 markets. Airtel Money, meanwhile, has gone from strength to strength, with 20.4% more mobile money customers, and transaction value increasing by 41.3% in constant currency.

Q. Why is the mobile money opportunity so important?

A. Mobile money is a clear example of an opportunity to benefit communities while driving business growth. Sub-Saharan Africa remains underserved by banks and financial services, excluding millions of people from the financial system, and disproportionately excluding women.



Olusegun Ogunsanya
Chief executive officer

Our strategy for growth in action

46.3%

increase in data usage

41.3%

increase in transaction value for Airtel Money in constant currency

“
The more we serve, the more we succeed. By delivering our strategy and growing our business, we’re part of the process of sustainable development. That’s what we mean by transforming lives.
”



It is a competitive sector, where we need to keep building our ecosystem to stay ahead of new fintech offers, engage with Central Banks to meet growing regulatory requirements, and make sure we have the right IT capabilities. But we’ve made significant strides through Airtel Money this year, launching mobile money services in Nigeria through our new Payment Services Bank (PSB) licence granted in April 2022, rolling out micro merchant propositions in Uganda, Tanzania and Zambia, and introducing loan products in Tanzania, Uganda, Kenya and Zambia. And as our mobile money business has grown, we’ve invested in growing Airtel Money’s organisational capabilities, skills and technology. This work is underpinned by our sustainability strategy, which sets targets for building our mobile money ecosystem and includes a specific target to reach 20 million women customers by 2025.

Q. You published your first sustainability report in October 2022 – what were the highlights?

A. Airtel Africa has supported communities in areas including education, health and wellbeing, and disaster relief for decades – but we achieved a real step change in our approach to environment, social and governance (ESG) through our sustainability strategy, launched in 2021. This year we achieved another milestone with our Sustainability Report, which demonstrated progress against all our targets – but also highlighted how much there is still to do in order to achieve the sustainable development goals that we support.

One of the biggest elements of our work this year has been developing our pathway to net zero as we strive to limit the impact of our operations on the environment. Our detailed analysis across 14 OpCos has highlighted significant decarbonisation strategies we can implement to reduce our carbon emissions. We have set a target to reduce our scope 1 and 2 emissions intensity by more than 60% within ten years of our baseline and achieve net zero by 2050.

Our investment in network expansion, particularly in rural and semi-rural areas, is giving millions of people access to reliable and high-quality digital and financial services, often for the first time. We’re making progress on building a diverse and inclusive workforce, where all our people can develop their careers and reach their full potential. And we continued to work on our landmark partnership with UNICEF, providing educational resources, free of charge, to more than 250,000 children this year on our way to reaching one million children by 2027.

Our partnership with UNICEF, for me, stands as a beacon for what our business is all about. Education is a vital engine for social mobility, social equality, and the elimination of poverty – alongside the services we provide, it will unlock opportunity in Africa, and transform lives.

Olusegun Ogunsanya
Chief executive officer

10 May 2023

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 youngest populations in the world, and are projected to grow fast, contributing to sustainable growth in our customer base. Combined with relatively low numbers of unique mobile customers, low minutes of usage, low data consumption and limited traditional banking services, this creates a huge opportunity for the continued growth of Airtel Africa.

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



Voice



Data



Mobile Money

We have the diversity and scale to deliver affordable telecoms and mobile money services to our customers. Our accelerated investment into our asset base, strong brand recognition and effective distribution channels (both direct and indirect) give us sustainable differentiation in the market. We continue to deliver a strong track record of growth and improved operational performance. Our lean and simplified operating model, combined with our effective management team, has delivered double-digit revenue growth, strong profitability and cash flow despite inflationary pressures across many of our markets. Strong country level management teams with deep knowledge of their markets are supported by subject matter experts at Group level. Our performance reflects the strength of our risk management framework, which ensures compliance with regulatory policies across our markets. We also benefit from the strength and support of our shareholder Bharti Airtel, one of the world's largest telecoms operators.

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'... technology, 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. Our business strategy is underpinned by our sustainability strategy, which ensures environmental, social and governance (ESG) considerations shape all the actions we take to deliver on our ambitions.

We're focused on digitising our own processes and services as well as how our customers use our products. We also continue to leverage our substantial infrastructure across the continent to seek out new, profitable revenue streams by enhancing our service offerings to enterprises, including fibre and data centres.

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

Our KPIs give our Board and management a clear sense of where we are and where we need to improve.

Measuring the success of our strategy

We monitor the success of our strategy through operational, financial and non-financial key performance indicators (KPIs). These 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

We monitor our strategic progress through primary operational KPIs which include sites, data capacity, customer base, net additions, average revenue per user (ARPU), usage per customer and Airtel Money transactions.

Our key financial KPIs are revenue, underlying EBITDA, operating profit, profit after tax, operating free cash flow, net cash generated from operating activities, leverage, basic earnings per share, and return on capital employed.

Further, our non-financial performance KPIs linked to our sustainability strategy are scope 1, 2 and 3 GHG emissions, energy consumption, population covered and gender diversity.

We review our operational, financial and non-financial KPIs regularly to ensure that they are aligned with our strategy and organisational goals.

» For more information about our sustainability KPIs, see [page 38](#)

» See definition and reconciliation of our alternative performance measures on [pages 87-88](#)

Linkage with remuneration

We review our remuneration-linked KPIs every year to ensure these are relevant to our business strategy. Our remuneration targets are linked with selected financial and non-financial KPIs. As part of our long-term incentive scheme, we also benchmark our total shareholder return performance with a peer group of companies.

» See our directors' remuneration report (DRR) on [pages 145-163](#)

Financial KPIs

GAAP KPIs	FY'23	FY'22	APM KPIs	FY'23	FY'22
Revenue	\$5,255m Reported currency +11.5% Constant currency +17.6%	\$4,714m Constant currency +23.3%	Underlying EBITDA and margin	\$2,575m Reported currency +11.4% Constant currency +17.3% Margin 49.0%	\$2,311m Constant currency +31.2% Margin 49.0%
Operating profit*	\$1,757m +14.5%	\$1,535m +37.2%	Operating free cash flow*	\$1,827m +10.4%	\$1,655m +40.5%
Profit after tax*	\$750m (0.6%)	\$755m +82.0%	Leverage	1.4x	1.3x
Net cash generated from operating activities*	\$2,208m +9.8%	\$2,011m +20.7%	Return on capital employed**	23.3%	22.3%
Basic earnings per share	17.7 cents +5.2%	16.8 cents +86.5%			

* Growth percentage is in reported currency

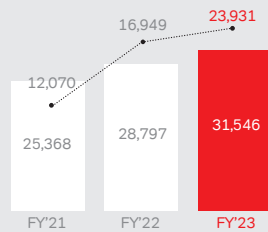
** Return on capital employed (ROCE): The Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the Company' for put option provided to minority shareholders. The previous period ROCE has also been restated for this change. See definition and reconciliation of our alternative performance measures on [pages 87-88](#)

Our key performance indicators continued

Operational KPIs – mobile services (consolidated)

Total sites and data capacity

- Total sites number
- ◆ Total data capacity TB/day



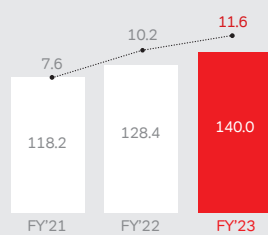
Performance

During the year, we have deployed more than 2,700 sites, reaching 31,500+ sites in total as of 31 March 2023. We have added 3,200+ sites on 4G and now 90% of our total sites are on 4G. Furthermore, we have added 6,000+ km of fibre (reaching 70,500+ km of fibre as of 31 March 2023).

Network data capacity was increased by 41.2% to 23,900+ terabytes (TB) per day, with peak hour data utilisation at 47.4%.

Customer base and customer net additions

- Customer base m
- ◆ Customer net additions m



Performance

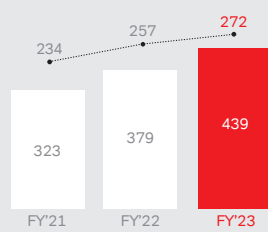
Our overall customer base grew by 9.0% to 140.0 million as of 31 March 2023. We continue investing in network to expand our reach along with the expansion of distribution infrastructure to drive customer base growth in both urban and rural markets. Our enhanced

distribution channel ensures availability of SIM cards and recharge across our footprint.

Customer base grew across all three regions: Nigeria by 9.0%, East Africa by 9.7%, and Francophone Africa by 7.8%.

Voice traffic and usage per customer

- Voice traffic bn mins
- ◆ Usage per customer mins



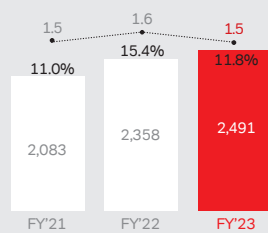
Performance

Our voice traffic grew by 16.0% to 439 billion minutes during the year, driven by customer base growth of 9.0% and an increase in voice usage per customer by 5.9% to 272 minutes per customer per month. Our continued investment in sales and distribution infrastructure and network

coverage helped us to grow voice traffic. The growth of voice usage per customer was mainly contributed by East Africa region.

Voice underlying revenue* and voice ARPU

- Voice underlying revenue* \$m
- ◆ Voice ARPU \$
- Revenue growth %



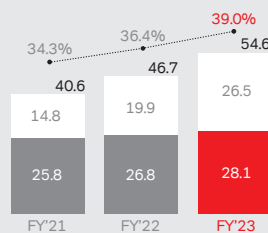
Performance

Voice revenue of \$2,491m grew by 11.8% in constant currency (5.6% in reported currency), led by both customer base growth of 9.0% and voice ARPU growth of 2.1%. The voice ARPU growth was led by an increase in voice usage per customer by 5.9%

(increased to 272 minutes per customer per month). Voice ARPU was \$1.5 per customer per month.

Data customers, 4G data customers and penetration

- Data customer m
- 2G/3G/4G data customer m
- ◆ Data customer penetration %



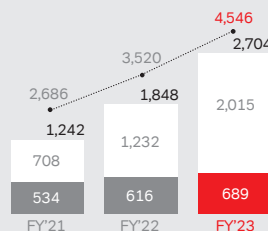
Performance

Our data customer base increased by 16.9% to 54.6 million as of 31 March 2023 and now comprises 39.0% of our total customer base. Data customer base growth was driven by expansion of our data network, increase in network data capacity and smartphones in our network.

Our 4G customer base reached 26.5 million, a growth of 33%. Currently, 4G customer penetration stands at 48.5% (4G as percentage of our total data customer base). Smartphone penetration increased to 36.3% (from 34.2%), of which 65.4% are 4G enabled smartphones (compared with 59% in prior period).

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

- Data usage bn MB
- 2G/3G/4G data usage bn MB
- ◆ Data usage per customer MB



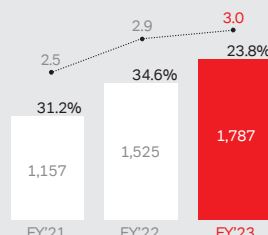
Performance

Total data usage increased by 46.3% to 2,704 billion MBs led by both customer base growth of 16.9% and increase in data usage per customer by 29.1%. During the period, 4G data usage contributed to 74.5% of total data usage. Data usage per customer increased to 4.4 GB per month (up from 3.4 GB per customer per month) while

4G data usage per customer increased to 7.3 GB per month (from 5.5 GB per month). The increase in data usage per customer was led by an increase in smartphone penetration, the increased density of our 4G network and higher adoption of data bundles (up by 3.5% to 94.7%).

Data revenue and data ARPU

- Data revenue \$m
- ◆ Data ARPU \$
- Revenue growth %



Performance

Data revenue was \$1,787m, a growth of 23.8% in constant currency (17.2% in reported currency), led by both customer base growth of 16.9% and data ARPU growth of 9.3%.

Data ARPU increased to \$3.0 per customer per month. The data ARPU growth was driven by an increase in

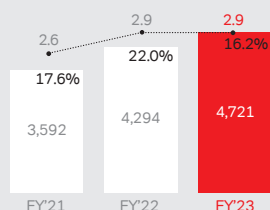
data usage per customer per month mainly due to our higher 4G customer base and expansion of our 4G network.

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

Operational KPIs – mobile services (consolidated) continued

Mobile services underlying revenue and ARPU

- Mobile services revenue \$m
- Mobile services ARPU \$
- Revenue growth %



Performance

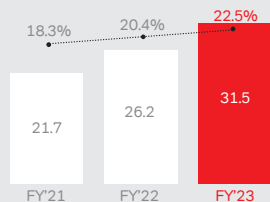
Mobile services revenue increased to \$4,721m, up by 16.2% in constant currency. Revenue growth was recorded across all regions and key services: Nigeria up by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%.

Mobile services revenue growth was driven by both voice and data services: voice revenue growth of 11.8% and data revenue growth of 23.8%. Mobile services ARPU was at \$2.9 per customer per month, up by 6.2%.

Operational KPIs – mobile money (consolidated)

Airtel Money customer base and penetration

- Mobile money base m
- Mobile money customer penetration %



Performance

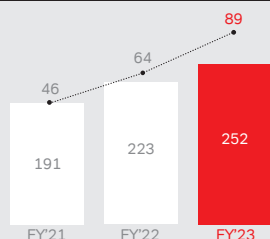
Our Airtel Money customer base grew by 20.4% to 31.5 million as of 31 March 2023, representing 22.5% of our total customer base. This growth was largely driven by expansion of our mobile money agents and merchant ecosystems and continued investment in our exclusive franchise channel of kiosks and branches. Our enhanced distribution channel ensures availability

of mobile money float across our footprint.

In Nigeria, mobile money services (SmartCash) were launched in June 2022. Our initial focus has been to invest in the platform technology, as well as the business systems and processes to ensure confidence and reliability in the platform.

Airtel Money transaction value and transaction value per customer

- Transaction value per customer \$
- Mobile money transaction value \$bn



Performance

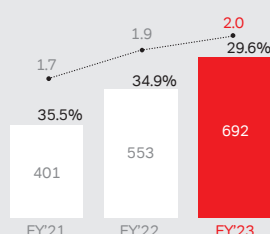
Our mobile money transaction value grew by 41.3% and Q4'23 annualised transaction value crossed \$102bn in constant currency.

Transaction value per customer reached \$252 per month, an increase of 16.4% in constant currency.

The increase in transaction value was contributed to by higher cash transactions, merchant payments and mobile service recharges through Airtel Money.

Airtel Money revenue and ARPU

- Mobile money revenue \$m
- Mobile money ARPU \$
- Revenue growth %



Performance

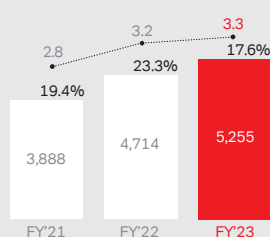
Mobile money revenue was \$692m, an increase of 29.6% in constant currency (25.1% in reported currency) driven by 32.6% growth in East Africa and 20.3% in Francophone Africa, respectively. The growth in transaction value per customer by 16.4% resulted in mobile money ARPU growth of 6.8%.

Mobile money revenue now accounts for 13.1% of total Group revenue in Q4'23.

Operational KPIs – mobile services and mobile money (consolidated)

Total Group underlying revenue* and ARPU

- Group underlying revenue \$m
- Group ARPU \$
- Revenue growth %



Performance

Total revenue was \$5,255m, an increase of 17.6% in constant currency, driven by both customer base growth of 9.0% and ARPU growth of 7.4%. There was double-digit growth across all reporting segments: mobile services revenue in Nigeria grew by 20.3%, in East Africa by 13.4% and in Francophone Africa by 11.9% (and across the Group by 16.2%, with voice

revenue growth of 11.8% and data revenue up 23.8%). Mobile money revenue grew by 29.6%, driven by 32.6% growth in East Africa and 20.3% in Francophone Africa. ARPU growth of 7.4% was driven by all our key services: with data contributing 4.2%, voice contributing 1.1%, mobile money contributing 2.2%, respectively.

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

Our market environment

High demand across sub-Saharan Africa

There is a clear runway for growth in sub-Saharan Africa, where a young and growing population demand data, mobile voice, and mobile money services to connect with each other, do business, and unlock economic opportunity.

People across our markets are 'mobile first', with mobile services the first and often only way they have to access telecoms, internet and banking services. And among a population of more than 1 billion people in sub-Saharan Africa, half of whom will be under 25 years old by 2050*, there is huge scope to increase the reach and penetration of effective voice, data and mobile money services, and to include more people in the digital economy. The need for accessible, affordable services has never been greater – as demand continued to rise in 2022 despite economic turbulence and inflationary shocks across the region.

Mobile services: often the only way to connect

Millions of people in our markets lack access to landline infrastructure, and broadband penetration levels are far lower than in much of the world. Mobile networks continue to be the primary source of voice and data services for the vast majority of sub-Saharan Africans – which means that our focus on expanding our networks and extending rural coverage plays a vital role in including people in the mobile and digital economy. In 2022/23, we invested \$700m in capital expenditure, predominantly in our networks, and there is a great opportunity to expand coverage further. Mobile connectivity in our markets is still low relative to other regions – though people's appetite for connection means it is growing fast. By the end of 2021, 515 million people subscribed to mobile services in sub-Saharan Africa, representing 46% of the population – almost 20 million more than in 2020. It is projected that there will be nearly 100 million new subscribers by 2025, taking the total number of subscribers to 613 million (50% of the region's population)^①.

Accessibility will continue to underpin this growth: we added 2,700+ sites to our network in the past year and grew our customer base by 9.0%.

Harnessing digitalisation as the engine of growth

Africa's future economic growth will be driven by digitalisation – which places it high on the agenda of many governments in our markets. Businesses and service providers need reliable, competitively priced data in order to flourish and generate economic value. Mobile technology enables digital solutions and supports the growing use

of online channels by consumers, while effective broadband can help businesses thrive.

The GSMA estimated that in 2022, 40% of the adult population in sub-Saharan Africa was connected to mobile internet services – a rapid increase since 2001, when the figure was 1%, but there is clear evidence that expansion still has far to go. The same report showed there is also a usage gap: 44% of adults live in areas covered by mobile broadband networks but do not yet use mobile internet services.

Smartphone adoption in our markets remains relatively low, at around 36.3%, although it improved by 2.1% in 2022/23. 4G coverage is also expanding – our own 4G network now reaches 65.9% of the population in our footprint, an annual increase of 3.3%. And in the future, there will be a clear role for 5G – which is why we continued to invest in 5G spectrum this year.

Our strategic focus on winning with data, supported by our expanding digital products and content, Airtel TV, and our focus on supporting enterprises, places us at the forefront of this digital opportunity – which will transform lives while driving business growth.

» For more information about Airtel Business, see [page 74](#)

Mobile money – driving financial inclusion

More people than ever now enjoy access to formal financial services, thanks to the growth of digital financial services in sub-Saharan Africa. Africa as a whole, which has historically been underserved by formal banking, is now home to almost half of digital financial services users worldwide. And financial services are critical to wider economic development and opportunity: financial inclusion is an enabler for seven of the 17 UN Sustainable Development Goals (UN SDGs).

Africa's domestic e-payments market is expected to see revenues grow by approximately 20% per year, reaching around \$40 billion by 2025, according to a 2022 McKinsey Report**.

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 interoperability, payments, micro-loans and international money transfers.

» For more information about our Airtel Money business, see [pages 72-73](#)

Affordability critical amidst cost-of-living pressures

Global economic turbulence has had an impact on many of our markets over the past year, with prices for food and fuel rising rapidly, exacerbated in some markets by supply chain disruptions and foreign exchange fluctuations. Consumers have felt these inflationary pressures keenly – and while demand for telecoms services continues to rise, affordability remains very important. We offer pricing plans that are simple and transparent, based on the principle of 'more for more' – meaning that the cost of connecting has fallen in real terms.

The competitive landscape continues to be dominated by a few large competitors, with some smaller regional companies in some markets.

So alongside price, we compete for customers through our range of services, our advertising and brand image, the quality and reliability of our service, and our wide coverage. Our focus on distribution is designed to give us competitive advantage in recruiting and winning new customers.

The overall economic picture in our markets is of subdued current growth – but huge potential for the future. Real GDP in sub-Saharan Africa is estimated to have grown by 3.6% in 2022, reflecting a slowdown from 4.7% in 2021, and is forecast to remain at around 3.7% in 2023.⁽ⁱ⁾ Over the next three decades, however, the population is set to nearly double, to around 2 billion, with 32.2% of the population in our markets between the ages of 10 and 24 years, and GDP is expected to grow at around 7%.

» For more information about our 'Win with' strategy, see pages 26-37

Managing risk, and contributing to sustainable development

As in any business sector, telecoms in sub-Saharan Africa operates against a background of risks and challenges, as well as opportunities.

Among these risks, currency devaluation and, in some cases this year, shortages of foreign currency in local markets need to be carefully managed and mitigated – this is addressed as a principal risk in our risk management framework, which covers a range of strategic, financial, operational, governance and compliance risks.

Africa is also disproportionately affected by climate change, which presents a real risk to economies and communities. Our sustainability strategy is designed to ensure we make a meaningful contribution to the societies and economies where we live and work. We have been working closely with The Carbon Trust over the last six months, to develop a detailed pathway for the reduction of our greenhouse gas (GHG) emissions. We have completed a detailed audit of our assets and have identified specific programmes and initiatives to significantly reduce our scope 1 and 2 emissions. These initiatives have been analysed across our footprint by a cross-functional taskforce which has been established to oversee the project. This taskforce updates the Sustainability Committee regularly.

» For more information, see how we manage our risk on pages 90-97

» For information about our sustainability strategy, see pages 38-55

Operating in a highly regulated sector

All telecommunication operators must work within the frameworks created by governments and regulatory authorities, covering telecoms regulations, banking regulations and licences. 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.

In many markets, Know Your Customer (KYC) regulations apply – 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. Data security is another concern for regulators and consumers – and as part of our sustainability strategy, we operate under the 'Information Security Management System' (ISO 27001) certification and the 'Business Continuity Management System' (ISO 22301) certification, which cover all mobile communication and mobile money operations.

» For details, see our legal and regulatory framework on pages 22-23

(i) GSMA Mobile Economy Report 2022

(ii) Regional Economic Outlook for Sub-Saharan Africa, October 2022 (imf.org)

* According to the World Bank at www.worldbank.org/en/region/af/overview

** <https://www.mckinsey.com/industries/financial-services/our-insights/the-future-of-payments-in-africa>

Our top six markets

Nigeria



	2022	2021
Population	219m	213m
GDP	\$477bn	\$441bn
Mobile customers	222m	195m
Unique mobile penetration	48%	47%

DRC



	2022	2021
Population	99m	96m
GDP	\$63bn	\$57bn
Mobile customers	50m	47m
Unique mobile penetration	44%	43%
Mobile money customers	14m	9m

Tanzania



	2022	2021
Population	65m	64m
GDP	\$77bn	\$70bn
Mobile customers	60m	54m
Unique mobile penetration	54%	54%
Mobile money customers	41m	35m

Kenya



	2022	2021
Population	54m	53m
GDP	\$116bn	\$110bn
Mobile customers	66m	65m
Unique mobile penetration	64%	61%
Mobile money customers	39m	35m

Uganda



	2022	2021
Population	47m	46m
GDP	\$49bn	\$43bn
Mobile customers*	32m	30m
Unique mobile penetration	45%	43%
Mobile money customers*	24m	23m

Zambia



	2022	2021
Population	20m	19m
GDP	\$29bn	\$22bn
Mobile customers	20m	20m
Unique mobile penetration	57%	58%

* Uganda mobile customers and mobile money customers as of September 2022

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 operate within the laws and regulatory frameworks of governments and regulatory agencies to bridge the digital divide and expand financial inclusion in our markets – and we always work to ensure that our operations meet local legal and regulatory requirements.

We engage with governments and regulatory authorities to promote a stable business environment that supports governments' goals for the sector alongside the long-term viability of our business.

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 keep the regulatory framework under continuous review, and publish significant developments on our corporate website, under 'Regulatory news'. Here we describe the most significant developments in our largest markets this year.

Tax developments

In 2022/23 several governments reviewed their tax arrangements:

Democratic Republic of the Congo – tax on telecommunication services

In March 2022, the DRC government introduced a new telecoms tax on usage. In October 2022, the provisions of the telecoms tax were suspended and the government agreed to introduce a fixed tax based on each operator's market share. This resulted in reduced cost for operators.

Gabon – Finance Act 2023

In February 2023, the Finance Act 2023 introduced a tax on mobile money at the rate of 0.5% of the revenues collected by mobile operators.

Kenya – tax on handsets and imported SIM cards

In July 2022, the new Finance Act re-introduced 10% excise duty on importation of handsets and a KES 50 duty per unit on imported ready-to-use SIM cards. This will impact the cost of handset devices and the cost of services.

Niger – Finance Law 2022

In December 2022, the Government of Niger introduced a stamp duty of 2% of the value of the invoice of each contract that mobile operators enter with suppliers. This tax increases the overall cost of doing business in Niger. The finance law also abolished the tax on incoming international traffic, thus lowering the cost of incoming calls.

Tanzania – Finance Act 2022

The Finance Act 2022 introduced amendments that resulted in reduction of levies on electronic mobile money transfers and withdrawals. This reduction has benefited customers and resulted in increased uptake of the services.

Zambia – Finance Act 2023

In January 2023, the Finance Act 2023 abolished the two-tier taxation system that existed in Zambia where corporations in the telecommunication sector paid corporate tax at the rate of 40%, with all other corporations paying 35%. This law harmonised corporate tax across all sectors of the economy at the rate of 35%. The Act also reduced customs duty to 0% and 5% from 15% and 25%, respectively, for a period of three years, on selected information and communications technology (ICT) and telecommunications equipment to encourage uptake.

Financial services licences

Republic of the Congo – electronic money issuer licence

On 19 December 2022, Airtel Mobile Commerce Congo S.A. was issued with the final licence to operate as an electronic money issuer in the Republic of the Congo.

Gabon – electronic money issuer licence

On 17 October 2022, Airtel Money S.A. (Gabon) was issued with the final licence to operate as an electronic money issuer in Gabon.

Niger – electronic money issuer licence

In July 2022 BCEAO (Central Bank of West African States) licensed Airtel Money Niger SA. to operate as an electronic money issuer in Niger.

Nigeria – Payment Service Bank (PSB) Licence

On 27 April 2022, the Central Bank of Nigeria issued SmartCash PSB Limited with final approval to operate as a Payment Service Bank (PSB) in Nigeria.

Spectrum acquisitions

Democratic Republic of the Congo

In May 2022, Airtel DRC S.A. acquired 58 MHz of additional spectrum spread across 900, 1800, 2100 and 2600 MHz bands, for a gross consideration of \$42m from Yozma, through a process that involved the surrender of the licences by Yozma to the government, and the direct acquisition of the spectrum by Airtel DRC S.A. which was confirmed by the modification of the Airtel licences by the State to incorporate the new spectrum. The licence for 10 MHz of paired spectrum in the 2100 MHz band will come up for renewal in September 2032. All the other licences will continue until July 2036.

Kenya

In July 2022, Airtel Networks Kenya Limited acquired 60 MHz in the 2600 MHz spectrum band for a period of 15 years upon payment of \$40m.

Nigeria

On 6 December 2022, the regulator confirmed that Airtel Networks Nigeria Limited (Airtel Nigeria) had emerged as the sole bidder in the 3.5 GHz spectrum auction. Airtel Nigeria was awarded one lot in the 3.5 GHz spectrum auction at a price of \$285m for a period of ten years from 1 March 2023.

On 8 December 2022, the regulator awarded Airtel Nigeria two slots of 5 MHz each in the 2.6 GHz band for a period of ten years at a price of \$32m.

On 13 March 2023, the Nigeria Communications Commission (NCC) offered Airtel Nigeria the opportunity to renew its 2100 MHz spectrum licence at a price of N58,659,955,200.00 (equivalent of \$150m) for a period of 15 years. Airtel Nigeria has accepted the offer.

Tanzania

In October 2022, Airtel Tanzania was awarded 80 MHz in the 3500 MHz band and two blocks of 15 MHz in the 2600 MHz band at the price of \$21m and \$39m, respectively. The spectrum was issued for a period of 15 years from the date of award.

Zambia

800 MHz and 2600 MHz band: on 14 July 2022, the regulator awarded Airtel Zambia two blocks of 10 MHz in the 800 MHz band at the price of \$17m and one block of 50 MHz in the 2600 MHz band at the price of \$12m.

2.6 GHz spectrum: on 15 November 2022, Airtel Zambia was awarded a further 40 MHz in the 2600 MHz band at the price of \$12m. The spectrum assigned to Airtel Zambia is renewable annually at no additional cost for the duration of operating licences until 2028.

Licence modification in Rwanda

In 2022 the Government of Rwanda released their revised broadband policy. This required the full liberalisation of the telecommunications sector and proposed to move away from technology-specific (2G, 3G, 4G) licences and services to technology-neutral licences and services. It also removed the restriction that previously existed in respect of access to spectrum, which is typically used for 4G, 5G and future technologies. It also involved the removal of the restriction in respect of direct provision of services that fall within these categories of technology.

In January 2023, the regulator commenced the process of modifying existing telecommunication licences to conform the telecom licences to the requirements of the revised broadband policy. Under the modified licence, Airtel Rwanda will be able to access spectrum for 4G, 5G and future technologies and offer 4G services using existing spectrum without restriction.

Submarine cable licences

Republic of the Congo

In June 2022, the regulator issued Airtel Congo S.A. with a submarine cable licence for a period of ten years in preparation of the landing of the 2Africa submarine cable in the Republic of the Congo.

Tanzania

In August 2022, the regulator issued Airtel Tanzania plc with an addendum to its national and international network facilities and network services licences to extend their scope to allow for the landing and operating of the 2Africa submarine cable systems in Tanzania.

Uganda listing

Under 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 effective date of the licence. This imposed a listing requirement by 15 December 2022 on Airtel Uganda.

On 17 June 2022, the Uganda Communications Commission issued Airtel Uganda an extension of the listing obligation from 15 December 2022 to 16 December 2023 on condition that the prospectus is submitted to the capital markets authority for approval before 30 June 2023. Airtel Uganda is working towards the listing with advisors and is confident it will meet the required deadline.

Our business model

Creating value for our stakeholders

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

Our vision

Our vision is to enrich the lives of our customers.

Our 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, which we continually improve through innovation

Spectrum assets in every country, with multiple layers of data capacity, including new 5G technology in six markets

A modernised network offering 2G, 3G, 4G and 5G, largely on efficient single RAN technology

31,500+ network towers and data capacity of **23,900+** terabytes per day

70,500+ km of fibre across our markets

4,000 employees

Other key inputs and enablers:

- Compliance with regulatory frameworks 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 which 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 2,600 partners, including mobile brands, IT companies and telecoms infrastructure providers

Delivering outstanding services and products, always aiming for best-in-class

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

A wide network of more than **2.6 million** retail touchpoints supported by a digitalised approach, including:

More than **79,500+** exclusive retail touchpoints, including minishops, kiosks and Airtel Money branches

More than **304,000+** activating outlets

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, available in all markets

99.2%

of our customers use pre-paid services

2.6+ million

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

99%

of customer requests processed digitally

5G spectrum

acquired in six markets, including Massive MIMO technology

» Our purpose of transforming lives is supported by our sustainability strategy, described on pages 38-55

» Our strategy is supported by a robust framework for monitoring and managing risk, described on pages 90-97

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, we're investing in 5G capability, and 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.

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, digitalised 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:



140 million

total customers

54.6 million

data customers

31.5 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 \$2.1bn in 2022/23 (vs \$1.5bn in 2021/22)

2.6 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 revenue growth of **17.6%** in 2022/23

Underlying EBITDA margin of **49.0%**

Total dividend of **5.45 cents** (interim and final as recommended by the Board)

Our ‘Win with’ strategy

Our ‘Win with’ strategy is designed to deliver long-term value for all our stakeholders, and is underpinned by the detailed framework of environmental, social and governance (ESG) objectives in our sustainability strategy.

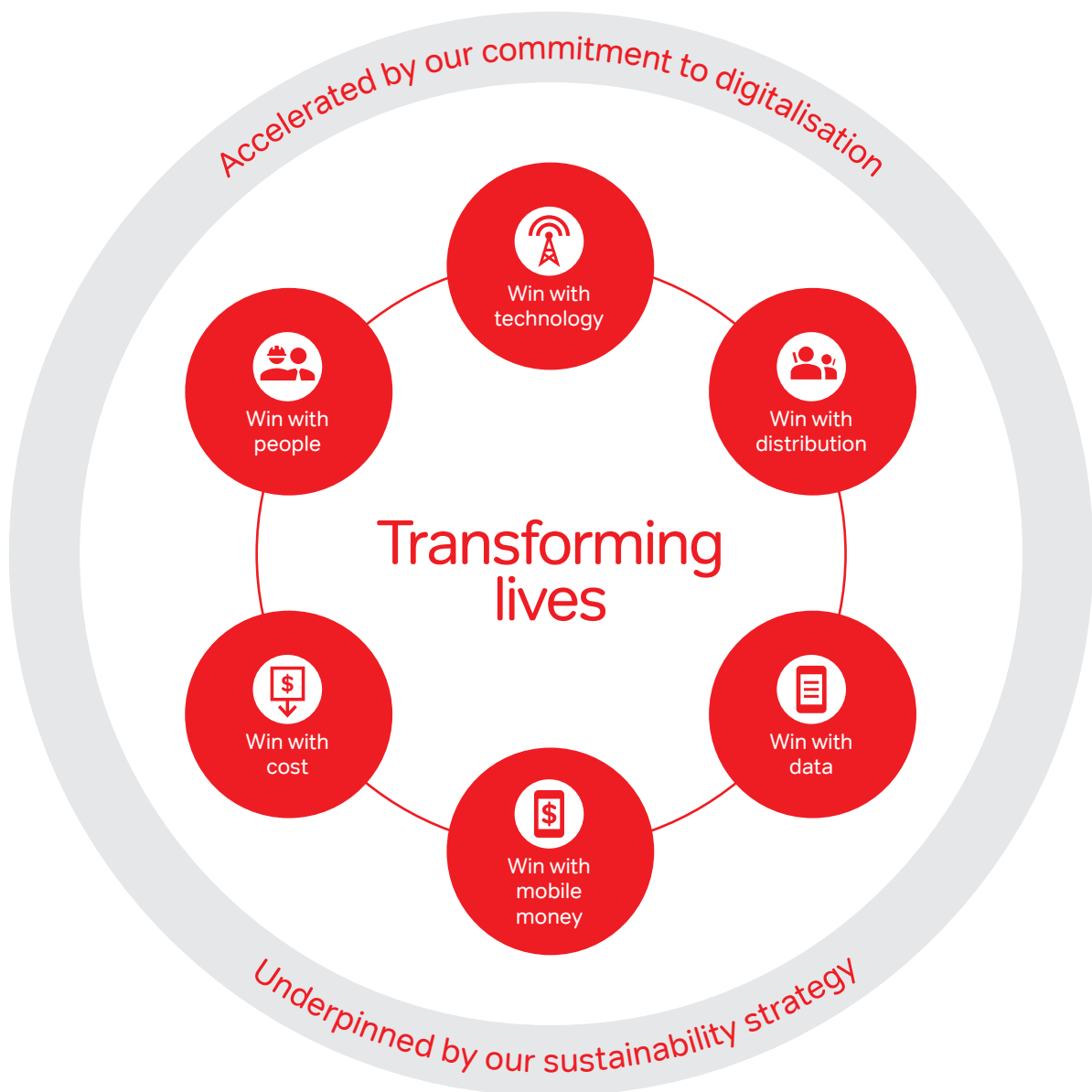


We're transforming lives across sub-Saharan Africa through products, services and programmes that foster financial inclusion, drive digitalisation and empower our 140 million customers and their communities. We have a clear business objective: to grow market share profitably and create superior enterprise value while delivering our sustainability strategy, so we can continue to serve our vision of enriching the lives of our customers.

Our 'Win with' strategy has six strategic pillars through which we aim to deliver sustainable, profitable growth. Underpinning all these pillars are two constant themes: digitalisation, and our commitment to contributing to sustainable development through our sustainability strategy.

We aim to act as a responsible business at all times – and to deliver on our promises. 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 work with the governments and institutions of the countries in which we operate to develop and deliver our strategy – which helps them realise their goals for sustainable development while ensuring our strict and continued compliance with local laws and regulations.



Our strategy continued



Win with technology

We aim to create a leading, modernised network that provides the data capacity to meet rapidly growing demand and supports 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, while developing our 5G capacity in readiness for predicted 5G demand. To reflect the importance of IT capabilities and technology in reaching our customers, we renamed this pillar from 'Win with network' to 'Win with technology' this year.

Our priorities

Expanding the reach of 4G coverage and building capacity through our 2G>3G>4G approach

Investing in 5G spectrum to make our network future-ready

Focusing on rural coverage expansion through new site rollouts, recognising that access to a reliable service is the critical first step for reaching previously underserved communities

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

Our progress

We continue to focus on delivering best-in-class service and 4G networks in our markets, while ensuring our network is ready for future 5G demand by investing in 5G spectrum and technological capabilities in key markets. 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 made significant investments in our network, technology and spectrum, while maintaining our services in the face of challenges that included fuel price inflation and fuel shortages – we also made progress in initiatives with our suppliers to increase the use of renewable energy and reduce fuel dependency.

As part of ensuring we are ready for 5G demand, in addition to purchasing spectrum we grew our fibre infrastructure and tested our 5G capabilities. We invested in data centres while exploring their potential for additional revenue streams from third-party users. We continued to improve our fibre provision in metro, intercity, and international networks, including through cost-effective partnerships and co-investment programmes.

We increased data speeds as well as coverage. In addition to our KPIs, below, we track our progress by measures which include data consumption, which increased from 1.8 million terabytes to 2.6 million terabytes and the number of new sites in rural areas, a target that supports our sustainability strategy: this year we added 1,100 new sites in rural areas.

How we measure progress

We measure progress through several KPIs, described on pages 18-19, including:

Total sites and data capacity: we deployed more than 2,700 additional sites, reaching 31,546 sites in total as of 31 March 2023. During the year, we added 3,200+ more sites to 4G (90% of sites now on 4G) and added an incremental 6,000+ km of fibre (70,500+ km of fibre as of March 2023). Data capacity increased by 41.2% to 23,900+ terabytes (TB) per day, with peak hour data utilisation at 47.4%. In addition, 42.9% of our sites are in rural locations and our network availability is 99.61% as of 31 March 2023.

» For more information about our principal risks, see pages 90-97

» For more information about our sustainability progress, see pages 38-55



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 by making our services visible and accessible. Our distribution network empowers our business by extending our brand and ability to offer inter-linked services, as well as through customer recruitment and retention.

Our priorities

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

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

Cross-selling new digital services to our existing customer base

Broadening our offer to enhance usage and ARPU, while further granulating 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

We have continued to expand our distribution network to get closer to customers and increase our visibility, developing our infrastructure and achieving net additions as reflected in the KPIs.

Our physical distribution network remains key to our success, and we expanded our ecosystem of customer activation outlets from 251,000+ to 304,000+ this year, while consolidating the services we can offer at a single outlet. At the same time, we're enhancing our digital distribution capability to stay ahead of the penetration of smartphones, and we remain focused on MyAirtel app and other self-serve functionality. 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, including by recording biometric information where this is a requirement. Through digital registration, most onboarding processes are achieved in five minutes or less.

We tackled a number of challenges over the year. We addressed shortages of SIM cards in some markets by integrating SIM sales with onboarding and have enhanced our offer for e-SIM-capable smartphones. The increasing uptake of the MyAirtel app has helped mitigate currency shortages in some markets.

As smartphone penetration increases and our 4G network expands, we expect further migration from voice to data services, and we look for further opportunities to recruit data customers, such as our partnership with New World TV in 2022, which enabled Airtel TV subscribers in the Democratic Republic of the Congo (DRC), Republic of the Congo, Gabon, Chad, Niger, Madagascar and the Seychelles to enjoy exclusive, live access to all FIFA World Cup 2022™ matches.

How we measure progress

We measure distribution through several KPIs, described on pages 18-19, including:

Customer base and net adds: our customer base grew by 9.0% to 140 million as of 31 March 2023. Customer activating outlets grew by 21.0% to 304,000+. The overall growth reflects our investment in sales and distribution infrastructure, including our exclusive Airtel Money distribution channel of kiosks and branches. Our enhanced distribution channel ensures availability of SIM cards, recharge cards and money float.

» For more information about our principal risks, see pages 90-97

Our strategy continued



Our 'Win with distribution' strategy in action

Zambia: delivering excellent execution to reach more customers

Excellent execution is key to winning with distribution. Everywhere we operate we aim to increase our productivity, accelerate our subscriber growth and improve our market share. Across the Group, we focus on aligning our distribution and marketing campaigns, and continue to identify opportunities for productivity improvements in areas that are typically underserved – what we call 'hyper-growth' opportunities, which can be rural or urban depending on local circumstances.

This year, Airtel Zambia was a high-performing market, delivering on distribution by getting closer to customers – as of 31 March 2023, we had 189,000+ distribution touchpoints (recharge selling outlets and Airtel money agents) across the country, an increase of 39.5% year-on-year, and 117,000 Airtel Money agents, an increase of 47.5%.

Those distribution touchpoints are nurtured – we want people to want to work with us, so we've built our employer brand and reward structure for the people who work for us directly, and people who earn through working with Airtel Zambia. Our team supervises the network carefully, visiting sites to check they have sufficient float, and helping our agents understand the business case for each Airtel Africa offering, so they can more effectively serve customers. Our ecosystem of distribution touchpoints is also carefully targeted: our cluster planning makes our distribution more efficient, and we aim to ensure customers can access SIM cards, recharge and mobile money at every site. Our My Airtel app is also playing a vital role in Zambia, as described on page 47.

As a result, our revenue in Zambia grew by 32.4% in 2022/23, driving revenue growth for both data and mobile money services. Our customer base in Zambia grew by 15.1% to 8 million customers.

» For more information about our East Africa business, see pages 68-69

39.5%

increase in distribution touchpoints

37,000+

increase in Airtel Money agents

“

Ifwe ba Airtel, twalipalamina mu kutangata abekala calo.

The proximity of Airtel touchpoints is convenient as ever.

”

Evans Mulenga Lusaka, Zambia



Our 'Win with data' strategy in action

The Democratic Republic of the Congo: demand for data resilient, even in challenging times

Across our markets, demand for data continues to grow fast – even in a year in which many customers felt the pressure of fuel shortages and food price inflation. It shows that if we can stay ahead through the strength of our technology and distribution networks, there is clear potential for future growth.

In the DRC, for example, we were able to grow our 4G data customer base by 37.5% to 1.9 million and increase 4G customer penetration as a percentage of our total data customer base to 47.5% – this means that almost half of our data customers are using 4G technology in the DRC. This growth in customers came at a time of significant data demand. To support this expansion, we reinforced our 4G network, which added 280+ sites in the DRC over the year, while strengthening our ability to get close to customers through our distribution system.

Boosting our smartphone offer through competitive pricing has also played an important role in the DRC, alongside the reliability of our network – and we took steps to widen our supplier base and increase the frequency of supplies.

These investments have paid off: our total data usage in the DRC increased by 63% to 183.2 million GB.

» For more information about our Francophone Africa business, see pages 70-71

37.5%

growth of our 4G customer base

63%

increase in data usage

“
Rapide, de bonne
qualité et abordable.

Speedy, good quality
and affordable.

”

Sarah Kabwende Kinshasa, DRC

Our strategy continued



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 priorities

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

Investing in 5G capabilities to be ready for future demand

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

Driving success in our 'Win with data' pillar is closely linked to our ability to extend and maintain fast, reliable networks, and to being close to our customers through our distribution organisation. This year we saw the number of data customers rise to 54.6 million alongside the expansion of our 4G network and the continued increase in broadband customers. Our data capacity grew rapidly to 23,900+ TB per day, and we added 3,200+ 4G sites to our network, which means we're including more people than ever, as well as offering higher speeds and capacity. Our investment in 5G spectrum and capabilities in Kenya, Nigeria and Zambia ensures we will

be ready to meet 5G demand. The strong presence of our outlets and our marketing investment support this network advantage. To keep customers' data secure, we now hold certification in 'Information Security Management System' (ISO 27001), and 'Business Continuity Management System' (ISO 22301), which cover all mobile communication and mobile money operations in all our markets.

While the rate of smartphone penetration growth slowed this year in many markets as consumers faced cost-of-living pressures, we continued to recruit smartphone users, driven by innovative products and partnerships with smartphone sellers. A range of offers and products drove increased usage, including Airtel TV. Overall, data usage grew by 46.3%, demonstrating the strength of demand.

How we measure progress

We measure data through several KPIs, described on pages 18-19, including:

Data customers, 4G data customers and penetration. Our data customer base increased by 16.9% to 54.6 million as of 31 March 2023, and now constitutes 39.0% of our total customer base. Our total data usage increased by 46.3% to 2.6 million TB. Data usage per customer per month reached 4.4 GB, an increase of 29.1%. 4G data usage contributed 74.5% to total data usage.

Data revenue grew by 23.8% and data ARPU was \$3.0, up by 9.3% in constant currency.

» For more information about our principal risks, see pages 90-97

» For more information about our sustainability progress, see pages 38-55



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 priorities

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

Continuing to recruit customers from our mobile services base using recharge as an enabler

Make Airtel Money the currency of choice by expanding our mobile money portfolio through additional mobile money services, including merchant payments

Enterprise and digital payments, including commercial payments, benefit transfers, loans and savings

Developing our fintech services as we move towards providing platform services (loans and international money transfers)

Focusing on technology as an enabler and competitive advantage

Our progress

We have widened our customer base and driven increased revenues while substantially increasing the reach and depth of our mobile money offer. We continue to focus on our distribution network and float availability through our Airtel Money branches, which expanded by 11.5% in 2022/23, and kiosks, which increased by

10.8%. We also increased the number of multi-brand agents in our network by 44%. This has resulted in the growth of our customer base to 31.5 million and we encourage female customers who are historically underserved by financial services in many of our markets to use our financial products and services. We continue to use recharges as an enabler for recruiting customers from our mobile services base.

We have invested in our technology and our people to ensure we have the capabilities and skills we need to increase Airtel Money's acceptance as the currency of choice across the financial ecosystem. Among other metrics, this has seen the value of international money transfers increase by 33.7%.

At the same time, we began to gear up our offering in Nigeria following the granting of our Payment Service Bank (PSB) licence by the Central Bank of Nigeria in April 2022.

How we measure progress

We measure mobile money progress through several KPIs, described on pages 18-19, including:

Airtel Money customer base and penetration: our Airtel Money customer base grew by 20.4% to 31.5 million. Airtel Money transaction value and transaction value per customer: our transaction value grew by 41.3% to \$88.6bn in constant currency. Transaction value per customer grew by 16.4% in constant currency.

Airtel Money revenue grew by 29.6% and Airtel Money ARPU was \$2.0, up by 6.8% in constant currency.

- » For more information about our principal risks, see pages 90-97
- » For more information about our sustainability progress, see pages 38-55

Our strategy continued


S Our 'Win with mobile money' strategy in action

Making wallet payments easier: 'quick loans' in Uganda

Improving customer experience is an essential part of accelerating the digital ecosystem – so we're focused on making mobile money services as seamless and trouble-free as possible. Our 'quick loan' product is designed to do just that – helping customers make payments when and where they want to, reducing the number of failed transactions, and smoothing the mobile money experience.

We introduced quick loans after spotting the number of failed transactions that resulted from customers having insufficient funds in their mobile wallets to cover the transaction value or their fees. We offer a one-time instant loan to cover the fee or value, up to their credit limit. The loan attracts a low fee, and is available for buying goods and services, paying bills, buying airtime, or money transfers – whatever the customer needs.

The product has rapidly become very popular in markets such as Uganda, which was among the first to pilot it. Demand in Uganda had reached \$7.9m per month by March 2023 – often driven by customers such as micro-traders who choose to buy their stock in the morning and repay their loan in the evening after trading. The 866,000+ quick loans taken up by 254,000+ customers in Uganda have opened up new financial inclusion opportunities for young entrepreneurs like Ivan Baguma who runs his health supplements business in Kampala. It has also helped to drive 20.5% Airtel Money revenue growth in Uganda in 2022/23.

» For more information about our East Africa business, see pages 68-69

20.5%

Airtel Money revenue growth

\$7.9m

monthly disbursement of instant loans in Uganda

“
Okwewola kwesimu kunyambye nyo mu bisinesi yange.

Quick loans help me grow my business.

”

Ivan Baguma Kampala, Uganda



Our 'Win with people' strategy in action

Building opportunity for the careers of the future

The digital opportunity is full of transformative potential – for our customers and communities, and for our employees. In October 2022 we launched our 'Women in Tech' programme to help ensure that our most promising female talent – those who scored high performance marks in several consecutive years – contribute their skills and expertise to key projects.

The 12-month programme focuses on business challenges in the digital and tech space – with participants working together to identify and design complete business solutions that address some of our biggest opportunities. The 58 women taking part in our first programme are being mentored by senior leaders and female Board members and will present their proposals and business plans to our executive team at the end of their training.

'Paying it forward': inspiring the female talent of tomorrow

This programme is open to any high-performing woman working in areas with a strong technical focus and aims to accelerate participants' career potential through training in design thinking, problem identification and problem solving, and presentation skills.

It reflects our commitment to providing opportunities and support to female employees as part of building gender equality in our workforce. It is also an example of our 'pay it forward' philosophy, because the participants in the course are already inspiring and mentoring other talented women in our business, including through a global seminar on International Women's Day in March 2023.

58

participants in 'Women in Tech'

42%

internal promotions

“

We place the right people in the right jobs, with the right skills.

”

Rogany Ramiah
Chief human resources officer

Our strategy continued



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 priorities

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 indefeasible right of usage (IRUs)

Increasing availability of digital recharges and self-care services

Our progress

The aim of our cost model is to ensure that we can provide substantial additional capacity to serve our customers in all our markets, at marginal additional cost. We do this through optimising our network design, a constant focus on value in our inputs and our contracts, and volume optimisation.

This year, rapid increases in the cost of the fuel we need to run our sites placed significant pressure on our cost base, while devaluations and currency shortages in some markets also created headwinds. SIM card price increases added to costs. However, we were able to maintain underlying EBITDA margins at broadly similar levels to 2021/22 thanks to a range of cost initiatives, including close collaboration with suppliers.

We continue to look for areas where we can share costs and increase our operational resilience while improving our offer to customers – for example, by exploring options for partnerships on fibre or data centre resources.

How we measure progress

Underlying EBITDA for 2022/23 was \$2,575m, up by 17.3% in constant currency. Underlying EBITDA margin was 49.0%.

- » For more information about our principal risks, see pages 90-97
- » For more information about our sustainability progress, see pages 38-55



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.

Our priorities

Ensuring we have the right people in the right jobs, with the right skills and at the right cost

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

Improving leadership and functional skills through coaching, our digital learning platform, functional learning 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

Our progress

Our business depends on having the right people in the right jobs, with the right skills. We have continued to focus on talent, capability and technology to bring the best out of our people and deliver the best results for the business, and our Group's overall results in the face of global and local headwinds this year demonstrate that we are on the right track. In 2022/23 we continued to apply a 'build or buy' succession strategy, and our internal development programmes resulted in a 42% internal promotions into new or existing roles, while we also reduced our 'time-to-hire' time significantly. Our Airtel Africa mobility programme, designed to support talent development and skills transfer across the Group, enabled high-potential employees to deepen their skills and enhance experience through cross-functional, cross-border roles.

Our gender diversity stands at 26% women in our workforce, and we launched our 'Women in Tech' programme to further develop our pipeline of female talent.

As our ways of working are underpinned by a strong governance framework, we also built our people's understanding of the Code of Conduct through a mandatory refresher training course available in English and French, and ensured all new hires were trained in our global Code of Conduct.

Digitalisation is an important part of our approach, and we continued to develop our digital learning platforms and expand the ways in which we engage with employees. Our employee engagement survey continues to provide us with regular insight and feedback from our people.

Further details of our engagement and programmes, including our employee assistance programme, are on pages 44 and 45 in the stakeholder section.

How we measure progress

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

- Diversity – by gender (26% women in our workforce, 29% women in ExCo at the OpCo level) and nationality (employees from 39 nationalities).
 - Skills development – we delivered key functional and leadership training through accelerated on-demand learning programmes, which in return improved productivity and overall performance.
 - Employee engagement – our bi-annual employee engagement survey achieved a 91% response rate in 2022/23, a 4% improvement from 2020/21 engagement level, with an overall engagement score of 81% which is a 2% increase from the previous score.
 - Voluntarily attrition rate is 13%.
- » For information on how we manage our risk, see pages 90-97
- » For more information about our sustainability progress and commitments to our people, see pages 38-55

Our sustainability strategy

Transforming lives

Our sustainability strategy framework and long-term goals underpin our business strategy and ensure that our corporate purpose of transforming lives is at the heart of everything we do.

Sustainability KPIs

Scope 1 and 2 emissions*

114,842 (tCO₂e)

Total energy consumption*

192,097,364 (kWh)

Population covered by mobile network**

79.45%

Gender diversity**

26%

* GHG emissions and energy consumption calculated as of 31 March 2023

** as of 31 March 2023

We published our sustainability strategy in October 2021 – a blueprint for the future of our business, the people we employ and the communities we serve. A year later, in October 2022, we published our inaugural Sustainability Report. It is aligned to the requirements of the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD) reporting standards. It also provides full data and detailed updates on our progress against our goals and targets, including specific information on our sustainability governance and partnerships. In both our sustainability strategy and the Sustainability Report 2022, we committed to full transparency in our reporting and to regular and timely updates on our progress.

Ahead of the publication of our next Sustainability Report in 2024, we're taking this opportunity to provide our stakeholders with a summary of our sustainability-related work over the last six months.

Our sustainability strategy framework

A clear framework is essential to ensure that we remain focused on the delivery of every aspect of our strategy and to provide clarity in our reporting.

Our materiality assessment identified a broad range of topics relevant to our entire business – these are vital, and addressing the challenges will support our company's purpose to transform lives for people, families, communities and businesses across the African continent.

Our framework also provides a structured approach for the programmes which are implemented in our 14 markets.

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.

» We describe progress on our business pillar on pages 40-43

Goals

-  Data security
-  Service quality
-  Supply chain

SDG alignment



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.

» We describe progress on our people commitments on pages 44-45

Commitments

-  Diverse and inclusive workforce
-  Training and development
-  Healthy and safe work environment
-  Employee engagement

SDG alignment




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.

» We describe progress on our community pillar on pages 46-52

Goals

-  Digital inclusion
-  Financial inclusion
-  Access to education

SDG alignment



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 in which we live.

» We describe progress on our environment pillar on pages 52-55

Goals

-  Reduction of GHG emissions
-  Environmental stewardship

SDG alignment



Our sustainability strategy continued



Pillar 1 Our business

This pillar of our sustainability strategy underpins our commitment to transform lives across Africa through the provision of safe, reliable and resilient connectivity to drive economic growth and development. Our ambition is to increase digital inclusion across the continent through the expansion and increased reliability of our network, to keep our customers' data safe and protected at all times, and to ensure our entire value chain adheres to our ESG principles.



Our data security goal

Our commitment is to guarantee that our data privacy and security controls are among the best in the world. It is our highest priority material topic.

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

We aim to establish an internal control framework that aligns with industry standards and create internal capability to reduce our dependency on partners.

We recognise our responsibility to provide customers with best-in-class protection for their personal and financial information.

Our focus areas:

- **Confidentiality** – protecting information from being exposed to unauthorised parties and keeping sensitive information private.
- **Integrity** – ensuring the constant reliability of our data, networks and systems.
- **Availability** – ensuring authorised users have access to the systems, networks and data they need, and resolving hardware and software conflicts to build design resilience.

Certification has been a key focus for us in the last six months. In addition to preparing for the second annual audit of our ISO 27001 ISMS and ISO 22301 BCMS certification, in November 2022 we started working towards ISO certification for SmartCash PSB (Payment Service Bank) Nigeria. These standards are vital in helping us establish a robust management framework and ensuring business and operational continuity. We have also introduced an industry-leading 'email gateway solution' which will manage and filter all inbound and outbound email traffic to protect our organisation from email-borne threats and data leaks. We anticipate this will be fully rolled out by the end of 2023.

To help our people and partners keep their information secure, in December 2022 we conducted a phishing simulation and have made training available to all employees and suppliers to reduce the risk of an

attack. We have also published comprehensive online safety information on all our consumer-facing websites to help customers protect their digital identities and personal information.

To complement a redesign of our vulnerability management programme, in February 2023 we appointed an independent partner to test for weaknesses in our external facing assets. We have also upgraded our privilege access management solution which ensures no unauthorised access to data. This work has been completed in January 2023.

We have put Group-wide cybersecurity insurance in place to reduce our exposure to the impact of any unsolicited and unwanted cybersecurity events. In addition, as part of our security incident management implementation, we enhanced our process to provide a robust response in case of any security attack. Our dedicated 24/7 security team is responsible for continuously monitoring 'attack surface' to stop breaches by minimising risk from exposed assets and involve relevant stakeholders, as necessary. We also engaged an external security organisation, which monitors for cyber attacks and can respond to incidents when needed. For more information on our principal risks, see pages 90-97.

We updated our ransomware protection policy

Ransomware is when malicious attackers encrypt an organisation's data and demand payment to restore access. In February 2023 we updated our ransomware protection policy to guard against this growing cyberthreat.

This policy is designed to minimise and manage the risks associated with ransomware attacks on Airtel Africa. The updated policy sets out the mechanisms we have in place to identify our risk of a ransomware attack, and the controls around people, process and technology we will implement if a risk is detected.

84

external security tests

1,475

people trained during 'phishing' simulation

16%

increase in number of security applications and platforms

Our data security in action

Information security week – raising awareness among employees

Information security is a key focus area for us and our stakeholders – and we know it needs to be a shared responsibility for everyone at Airtel Africa. In February 2023, we launched our internal information security awareness week in three of our markets, helping our employees understand best security practices so they can help us reduce the possibility of service outages due to security incidents, data breaches, potential financial losses and reputational damage.

During the week, interactive events and activities in Tanzania, Uganda and Zambia focused on awareness activities and information security training, with online quizzes and contests to bring security messages to life, and 'cyber-mascots' who toured our offices to deliver spot quizzes.

We've seen a rapid increase in awareness in the markets where the awareness week was launched – and will extend the scheme to other markets in 2023/24.



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, improved fibre connectivity and capacity delivered through programmes with clear targets and timelines.

MATERIAL TOPIC: SERVICE QUALITY

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

By expanding our network, we're helping to build digital inclusion for communities across Africa.

Our focus areas:

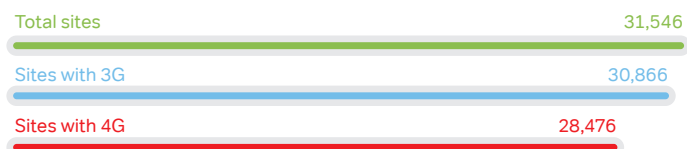
- **Accessibility** – increasing the percentage of the population in each of our markets – including in rural areas – who have access to our services.
- **Delivery** – increasing the availability of our latest technology service offerings and products to all our customers.
- **Reliability** – ensuring our customers have access to reliable connectivity and high bandwidth capacity.

Over the last six months, we have expanded rural coverage through new site rollouts and site modernisations to ensure uninterrupted network resilience and service continuity. We continued to deploy optimal end-to-end design, including spectrum additions in several markets, latest RAN (radio access network) technology and fibre rollout, and best-in-class voice service quality.

At the close of our financial year, over 79.45% of the population in our markets had access to our network and over 65.88% of the population was covered by 4G. This is in line with the rollout timeline we had set.

We're also readying the business for 5G demand. Alongside acquiring 5G spectrum, we had made preparations for 5G launch in Nigeria, Kenya, Zambia and Tanzania by 31 March 2023. Work is underway to prepare for the launch of 5G in another two markets in 2023/24.

Expansion of coverage



Not only does 5G provide optimal service to our customers, it was also designed – from its inception – to be highly energy efficient. Moving data over 5G uses 90% less energy than LTE (long-term evolution)* and 5G workloads can be uploaded to the cloud where any associated emissions become the shared responsibility of the entire value chain. As part of our sustainability strategy, we have set a commitment to achieve net zero greenhouse gas emissions by 2050. Energy efficiency – and the contribution of 5G – is a critical consideration in this.

We have soft launched VoLTE (voice over long-term evolution) in Kenya, Nigeria, Uganda and Zambia and will begin trials in the DRC and Tanzania in 2023/24. We have also launched several campaigns to promote attractive voice bundles to our customers.

Our uninterrupted mobile service reliability – or quality of experience (QoE) – has also improved. Our network availability is now the highest ever for the business pan-Africa combined RNA (radio network availability) with a value of 99.61% as of 31 March 2023. At 91.07%, our voice quality index is also at an all-time high, as is our DQI (data quality index) of 87.86% as of 31 March 2023. This level of network availability and quality index builds customers' confidence in their quality of experience while making a voice call, streaming a home broadband video or connecting to family and friends, especially during high demand.

* GSMA's Mobile Net Zero – State of the Industry on Climate Action 2023 Report

79.45%

total population covered, with 4G coverage of 65.9%

31,500+

total sites as of 31 March 2023

19.11%

rate of fibre network rollout across all sites

75.31%

rate of fibre network rollout across data centres

» For more information about our 'Win with technology' strategy, see page 28

Airtel Seychelles awarded top certificate for data centre design

In October 2022, following a robust assessment, Airtel Seychelles' data centre was awarded EPI Conformance's T3 Certificate for its architecture, telecom, electrical and mechanical facilities.

Airtel Tanzania completes its passive marine cable landing station

In October 2022, we completed our second passive marine cable landing station (MCLS) in Dar-es-Salam, Tanzania. This is a significant addition to our existing MCLS in Mombasa, Kenya.

Airtel Africa scores top position in FBNI competition

In the three months to December 2022, Facebook Networks ranked Airtel Africa as having the best user experience (based on 3G and 4G weighted average download speeds) in 13 of our 14 markets. This ranking is updated on a quarterly basis by our network insight partner, Meta portal. This means that our customers enjoy the fastest download and streaming speeds in those markets.

Airtel Zambia receives TechTrend Zambia Awards 2022: #TTZAwards22

In March 2023, Airtel Zambia received the TechTrend Zambia award under the category 'Best Mobile Service (calls and SMS)'. This award recognises Airtel Zambia's achievement in offering best calling and messaging services with a particular focus on quality and reliability of our network coverage, fast data speeds, affordability and excellent customer service.

Our sustainability strategy continued

Our service quality in action



Providing better services for more customers in Kenya

During the reporting period in Kenya we focused on ensuring our 4G network is ready to sustain our customers with 5G technology tomorrow – to do so, in July 2022 we acquired 60 MHz in the 2600 MHz spectrum band for a period of 15 years. And we have already made 56 sites 5G-ready as of 31 March 2023.

To further increase our capability, we deployed 350 additional infrastructure sites reaching the total number of 3,163 sites as of 31 March 2023. We also laid out 900+ km of fibre reaching a total of 8,900+ km in 2022/23.

As a result, data capacity increased by 82.7% to 3,047 terabytes (TB) per day, with peak hour data utilisation at 43%. Overall, in Kenya we cover 85% of rural population and approximately 46% of our sites are in remote areas.

» For more information about our 'Win with technology' strategy, see page 28

“ We are committed to providing best-in-class services while listening to our customers and constantly delivering innovative technology across the telecom landscape in Africa. ”

Razvan Ungureanu
Chief technology and information officer

Our supply chain management goal

Our goal is to ensure all our suppliers are aligned with our ESG principles.

Our stakeholders hold us accountable for this and we expect our suppliers to uphold high standards in human and labour rights, environmental performance as well as business ethics. We maintain that there is no place for the abuse of employee rights, violations of legislation, regulation or governance standards, or environmental negligence in our supply chain.

MATERIAL TOPIC: SUPPLY CHAIN

As a responsible organisation, we look further than our own business and we aim to drive change and positive improvement through our entire value chain.

Our goal is to ensure all our suppliers are aligned with our ESG criteria, upholding high standards in human rights, labour rights, environmental performance and business ethics.

Our focus areas are:

- **Enhanced due diligence** – increasing the pre-contract disclosures we expect of potential vendors and suppliers.
- **Ongoing ESG compliance** – reviewing the ESG standards, policies and controls of existing vendors and suppliers.

In the six months from October 2022, our main priority was to maintain an ongoing supply of equipment, fuel and services despite the geopolitical turbulence and shortages caused by the residual impact of the Covid-19 pandemic. Over that period, we continued to increase our supplier base with contracts awarded to new suppliers or vendors while improving onboarding process. Work has started on the development of ESG disclosure requirements for new suppliers and we anticipate that this will be incorporated into our onboarding process by Q4'24.

We also focused on existing suppliers and undertook a detailed analysis of the results from an ESG self-assessment questionnaire (ESG SAQ) which was sent to our top 100 suppliers and vendors (by procurement spend) in September 2022 to gather information on their ESG standards, processes and policies. With the response rate of 79%, we were in a good position to carry out detailed analysis of the feedback we received. With this analysis in place, we're now developing a robust self-certification process for suppliers and vendors which we will introduce in 2023/24.

» For more information about our 'Win with cost' strategy, see page 36

0
breaches identified through
whistleblowing mechanism

79%
ESG survey response rate
from the top 100 suppliers

What we learnt from our suppliers: key findings from our ESG SAQ

General sustainability commitments and policies

96%

of suppliers who responded to our ESG SAQ have established a code of conduct

92%

have a grievance mechanism in place

80%

have an ESG framework or policy

64%

have publicly committed to sustainability through their policies or sustainability reporting

Social

94%

define their approach to labour and health and safety standards

91%

have policies that prohibit child or forced labour

96%

have policies that prohibit workplace harassment

100%

provide health and safety training to employees

86%

conduct annual health and safety audits

73%

invest in community development projects

Environmental

80%

have recycling schemes and waste reduction initiatives

53%

track energy consumption and conduct on-site energy audits

34%

measure scope 1, 2 and/or 3 greenhouse gas emissions

32%

have GHG emission reduction goals and targets

Governance

96%

have anti-corruption and anti-bribery policies and procedures

94%

have data security systems

95%

undertake regular stakeholder engagement

49%

monitor ESG performance of suppliers

35%

require suppliers to publicly disclose ESG data

Engagement with our top tier partners

Engaging our partners, vendors and suppliers in the delivery of our sustainability goals is critical. Scope 3 emissions account for over 80% of our total GHG emissions, and it is vital we work in partnership to develop robust decarbonisation programmes and initiatives across our value chain. In March 2023, we completed 'deep dive' consultations with our top tier partners, who account for 78% of our scope 3 emissions. Our aim was to communicate our sustainability strategy goals with a particular focus on the reduction of GHG emissions.

The consultation revealed that while our top tier partners are at very different stages of developing their decarbonisation plans – from those that have set net zero targets to those who are just starting to address emissions – they are deploying significant resources to their decarbonisation ambitions. We're pleased that our partners have committed to enhancing disclosure of their GHG emissions data to help us accurately monitor and report our scope 3 emissions.

“

We're pleased to work in true partnership with our suppliers and vendors to drive improved environmental and social performance throughout the entire industry.

”

Ramakrishna Lella
Chief supply chain officer

Membership of the Joint Audit Corporation (JAC)

Airtel Africa is a member of the Joint Audit Corporation (JAC) which represents telecoms service providers, most of whom have vendors and suppliers in common. JAC will undertake on-site audits of five of our suppliers each year. In the six months from October 2022, we identified the suppliers and sites to be audited under the JAC guidance. These audits will take place by the end of 2023/24. JAC verifies and assesses implementation of ESG-related programmes across the leading suppliers to the ICT industry. Furthermore, JAC members collaborate to ensure best practice in the shared value chain, and we support corrective programmes that JAC encourage to improve ESG standards.

This membership will allow us to implement and enhance a periodic audit process for vendors and suppliers to monitor their compliance with our ESG criteria.

Our sustainability strategy continued



Pillar 2

Our people



Our commitment to creating a diverse and inclusive workforce

We continue to draw upon our broad range of policies, programmes and engagement initiatives to help us achieve this goal.

We are committed to delivering equality in our workforce. We will achieve this through recruitment and programmes to provide training and advancement for everyone regardless of gender, nationality or disability.

MATERIAL TOPIC: DIVERSITY AND INCLUSION

Our people are critical to the delivery of our business and sustainability strategy.

Without our dedicated and talented workforce, we would not be able to achieve our growth objectives or deliver on our corporate purpose of transforming lives. Our commitment is to provide rewarding employment opportunities and a workplace where everyone can thrive and develop. This goes to the heart of who we are.

Our commitment to creating a diverse and inclusive workforce

Increasing female representation throughout the organisation is a key focus for us. Over the past six months, we have appointed several women into senior level roles, including the finance director of Airtel Niger and the Group head of digital, both of whom were recruited externally. Providing opportunities for our own people is important, and we're delighted that a female employee has been promoted into the role of Group head of tax. In addition, we have worked with our recruitment consultancies across all 14 markets to ensure more female candidates are put forward for interviews.

81%

employee engagement survey scores

29%

gender diversity of our leadership in 14 OpCos

31%

gender diversity of our Board of directors

39

nationalities in our workforce

27.5%

female representation across 14 OpCos

\$1.1m

total investment into training and development programmes in 2022/23

229,660

total learning hours in 2022/23

0%

total recordable injury frequency rate (TRIFR)

Our commitment to people in action



Mentoring and creativity helping Kenya win with people

Winning with people is vital in all our markets – because bringing the best out of our workforce lets our people fulfil their talent while driving our business success.

In markets where there's strong competition for talented people, we have to be particularly creative to win. This year, our annual 'Win with people' prize was awarded to Airtel Kenya, a highly competitive market where our teams have delivered a range of training and initiatives designed to improve retention in our workforce, keep our brand visible, and engage employees.

Developing high-potential employees through e-learning courses, leadership training and job-shadowing helps keep our talent pipeline flowing. In addition, Airtel Kenya's internship programme welcomed 20 interns to undertake projects across the business. Detailed mapping of the talent pool and well-executed onboarding programmes helped Airtel Kenya recruit 200 sales executives in two months.

Airtel Kenya is also delivering on our gender diversity ambitions. The OpCo's workforce is 40% female as of 31 March 2023, and 50% of the leadership team are women. Airtel Kenya is always looking for new ways to develop female talent: this year the mentorship programme run in partnership with 'Girls for girls' saw 12 female employees mentored and three mentors trained over a six-month course, with participants reporting positive changes in their confidence outlook and understanding of the opportunities they have to contribute to Airtel Africa.

“

Empowering all our employees is essential to winning with people – and we've focused on recruiting and developing high-potential employees to help nurture our high-performance culture.

”

Ashish Malhotra
Managing director, Airtel Kenya

Provision of best practice training and development

Over the past six months, we have continued to build opportunities for our people to develop their careers through a range of online and in-person training and development programmes. These programmes focus on leadership and functional training and are designed to improve career mobility.

We have also updated Percipio, our online learning platform, to offer a personalised, immersive learning experience, including virtual workshops and access to relevant professional certifications. Since October 2022, more than 300 leaders have completed our 'Agile culture' course, and more than 5,300 employees and contractors have taken functional courses on Percipio, Xelerate and other online learning platforms.

Developing the next generation of women leaders in technology is vital for us. We currently have 58 women on our 'Women in Tech' programme, all of whom are being mentored by senior executives. We anticipate this programme will accelerate in 2023/24.

» For more information about this programme, see our strategic pillar 'Win with people' on page 37

Our commitment to maintaining a healthy and safe work environment

Our human resources and facilities teams work together to maintain a healthy and safe work environment for every one of our employees. This is reviewed monthly by the Sustainability Committee. Our human resources teams also work closely with internal audit and assurance to guarantee a continuous focus on health and safety in the workplace in line with our recently updated health, safety and security policy. In addition, we continue to focus on the individual health and safety of our employees through a partnership with our health insurer. This includes wellness check-ups, 24/7 access to medical advice and support for mental wellness.

Engaging with our employees

In March 2023, we held the Group leadership conclave in Dubai which was attended by senior executives from 14 OpCos. An important focus of the session was our 'Win with people' strategy: we addressed the Board mandate for building on our work to increase diversity and inclusion, and how to embed our unique ways of working and commitment to our people. This year's leadership conclave was attended by around 250 leaders, a significant increase from previous years: we broadened the participation and included more manager-level participants. The three-day session allowed us to discuss our annual operations planning (AOP) and also enabled our Chair and leadership to interact with managers and employees from 14 OpCos and HQ.

In addition, chairpersons from our OpCo Boards attended and took the opportunity to engage with teams across the organisation and share insights into our culture and values. A plenary session was dedicated to our sustainability strategy and vision. The conclave was highly immersive, and all teams had an opportunity to engage with the senior leadership of the organisation as well as the Chair in person. Furthermore, we took time to award and recognise top-performing teams and individuals at the gala event. In addition, we organised several 'open mic' sessions, including a session with the Chair and the CEO during the closing remarks.

» For more information about our 'Win with people' strategy, see page 37



Celebrating International Women's Day across Africa

We celebrated International Women's Day in March 2023 for the third consecutive year, supporting equality, diversity and inclusion-related initiatives and campaigns across our 14 markets. We adopted the UN Women's theme for this year: 'DigitALL: innovation and technology for gender equality'.

Employees took part in talks, debates and activities to recognise our growing female workforce across the Group and to consider some of the barriers and challenges facing women in the workplace. We held a Group-wide town hall led by our CEO to recognise the contribution of women at Airtel Africa and to the wider community.

“ There could not have been a better theme given today's global reality where technology underpins the way we live, work and play. I look forward to working together with Airtel Africa women to innovate and design new ideas for a brighter future. ”

Olusegun Ogunsanya
Chief executive officer



“ Airtel Africa is creating a culture and developing opportunities for women to nurture their talents and secure their futures. We are determined to improve gender equality across the continent. ”

Rogany Ramiah
Chief human resources officer

Our sustainability strategy continued



Our people commitment in action

Employee assistance programme delivers after cyclones in Malawi

Cyclone Freddy struck Madagascar and Malawi in February and March 2023, causing devastating loss of life and damage to property and infrastructure. Alongside our efforts to support customers and communities through our network, we also supported our people – especially the 17 colleagues who lost their homes in the cyclone. Airtel Africa funded temporary accommodation while they awaited resettlement into new homes, and the 'Airtel ladies' welfare group, which is wholly employee-driven, organised donations of clothes, bedding, appliances and non-perishable food items to be sent to the employees and their families.

The cyclone was followed by an outbreak of cholera in Malawi, and we moved fast to protect our people in the affected southern region, suspending all but critical travel, and keeping employees updated through health and safety communications.



Launching Airtel Women Network in Nigeria

In March 2023, we launched a programme called 'Airtel Women's Network' to encourage women to play an active role in technology and empower them to become global leaders. Through this platform, we support Airtel Africa women through mentorship and networking – to be able to pitch ideas, access the resources and participate in key technology projects.

This initiative is aligned with our commitment to increase gender diversity, and financial and digital inclusion in Africa.



Pillar 3

Our community

Supporting communities across Africa is – and has always been – at the heart of our organisation. Our ambition is to drive digital and financial inclusion and access to education for people and communities across the continent through the provision of data and mobile services delivered through our network expansion. These are vital to the positive transformation of lives across Africa.



Our digital inclusion goal

We are committed to improving the footprint of our network, and thereby offering higher coverage of populations across urban and rural markets.

Our goal is to significantly improve digital inclusion across Africa. We will do this by driving penetration of mobile telephony, smartphones and home broadband in rural areas through the provision of retail and support services. This will be key to addressing the digital divide.

MATERIAL TOPIC: DIGITAL INCLUSION

The availability and affordability of our products and services are critical to driving digital inclusion.

By expanding our network, we're providing people with the opportunity to use telephony and internet services, often for the very first time, and increasing digital inclusion across Africa. But opportunity alone is not enough: consumers also need access to the products and services that enable them to take advantage of this opportunity.

Our focus areas:

- **Rural penetration** – increased penetration of mobile telephony in rural areas is a vital first step towards digital inclusion. For people to buy, use and understand their devices and digital services they must have access to local retail and customer support.
- **Affordability** – encouraging use of our full range of digital services through the creation of more attractive and affordable options for home broadband and smartphone purchases.
- **Payment solutions** – in pre-paid markets, the availability of digital services is dependent upon the availability of credit. We work to expand and develop more convenient payment solutions for our customers so that they're able to access digital services as and when they need to.

There has been a significant improvement in data capacity through the expansion of our network coverage and data availability. The continued rollout of new sites and upgrade of existing sites to 4G has increased the number of people in Africa who can now access the 4G network, especially in rural areas. Our rural population coverage stands at 70% as of 31 March 2023. We have also been encouraging customer uptake with the launch of data bundle offers designed specifically to appeal to the needs of customers in each market, with additional add-on offers available to existing users through the MyAirtel app – adoption of our data bundles grew by 3.5% to 94.7%.

According to the International Telecommunication Union (ITU), globally, 57% of women use the internet compared with 62% of men. Of the estimated 2.7 billion people worldwide currently unconnected, the majority are women and girls. We're addressing the digital gender divide by offering affordable and easy-to-use products, such as 'binge bundles' offering high benefits at a lower price with limited validity which allow people on lower income, typically women, to access data. This contributes to unlocking women's potential in the digital economy.

Since the internet has become part of everyday lives, our customers use it to work or for entertainment, and children use it to study and access learning platforms on their devices. In March 2023, we launched a new home broadband unlimited product in the Seychelles, the first of its kind, which allows customers to use wireless connectivity by just plugging in their device and browsing at a full 4G speed. Schoolchildren will also benefit from faster speed and ease of access to educational content. We plan to roll out the same home broadband proposition in other markets where we also launch 5G coverage in 2023/24.

We recognise that certain unmissable televised events can encourage otherwise undecided consumers to take the first step to getting online. We have partnered with FIFA to provide our customers with access to televised global football matches. Sport might bring customers to our services and products, but we're confident that the wider benefits will prove transformational to their lives and futures.

» For more information about our 'Win with data' strategy, see page 32



Transforming lives in action

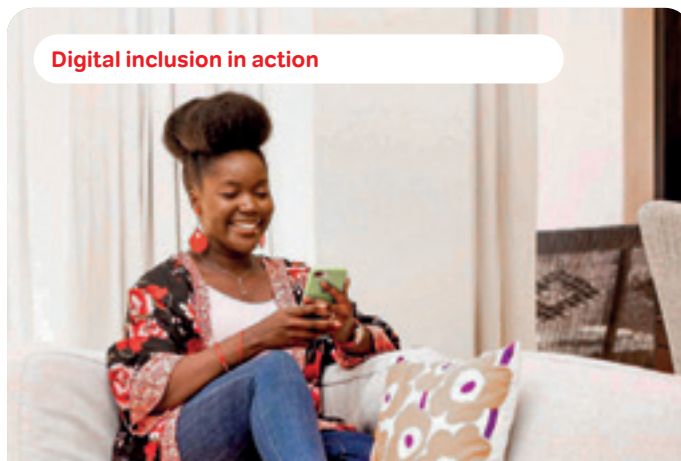
DRC: supporting digitalisation through the National Digital Library

Supporting digitalisation is a central element of our strategy everywhere we operate – and in many markets, we work with government partners who also recognise the importance of access to data for individuals and the economy as a whole.

In the DRC, the government's Plan National du Numérique is a country-wide vision of a new digital economy. We're supporting this through the provision of free WiFi to universities harnessing the strength of our 3G and 4G networks to deliver high-speed, quality data in partnership with the Ministry of Higher and University Education (Ministère de l'Enseignement Supérieur et Universitaire).

The newly created Bibliothèque Numérique Nationale (National Digital Library) was launched in 2022 to improve the quality of academic training. It provides students with access to academic resources hosted in the Ministry's data centre located at CEDESURK library as well as other universities' sites. With more than 160 resource providers, including the Francophone University Agency (AUF), it's opening the door to a new world of digital education opportunities.

Digital inclusion in action



Zambia: MyAirtel app boosts distribution and accelerates digital penetration

In Zambia, the rapid uptake of MyAirtel app, the self-care service, has been central to an overall drive on distribution that is tailored to meet the needs of Zambian customers – and which has seen growth of MyAirtel app active users by 186% in the market this year.

Airtel Zambia researched why and how customers used the app and followed up with a marketing campaign that focused on what customers found most important – for example, checking transactions, accuracy in sending and receiving money or paying bills.

MyAirtel app was downloaded 1.3 million times in Zambia by the end of the year, and our active users almost trebled from 162,000+ to 465,000+.

69%
sites with exclusive outlets

46%
digital recharge contribution to overall recharges

0.5%
home broadband penetration

70%
population covered in rural areas

36%
smartphone penetration

Our sustainability strategy continued



Touching lives in action

Accelerating philanthropy in Nigeria

In 2022 Airtel Nigeria reaffirmed its commitment to empower and support underprivileged people across communities in our largest market at the start of the seventh edition of the flagship philanthropy programme 'Airtel touching lives'. In just over a month, 100,300 requests for support were received, recorded and processed. In line with our sustainability strategy, we focused on causes and opportunities aimed at bridging the digital gender divide, financial inclusion and the adoption of schools in 2022/23. For example, we partnered with The Whispering Hope Africa, a non-profit organisation which supports women, children and entrepreneurs in rural communities and provided 65 girls with fully paid tuition fees for one year, including a donation of 12 portable computers and a photocopier machine to enable learning.

Empowering women and girls plays an important part in our strategy for digital and financial inclusion – which is why we have also provided vital support to the Women's Technology Empowerment Centre (W.TEC), an NGO which builds IT capabilities having worked successfully with more than 1,500 women and girls in Nigeria over the past 14 years. In June 2022, Airtel Nigeria supported their work – which was threatened by electricity supply shortages – by donating solar panels and cell batteries to help keep the project running. At the same time, we supplied laptops and other IT equipment to foster their aim of achieving economic empowerment through technology.

During the sixth season of our 'Touching lives' programme, Airtel Nigeria has contributed N161,304,000.00 (equivalent of \$350,000) to good causes for the benefit of the communities.



Our financial inclusion goal

Financial inclusion is key to driving equality and economic growth

Our goal is to significantly increase financial inclusion in Africa – with particular support for women. We do this through the development of affordable financial products to meet the needs of the un- and under-banked, a reliable service which builds financial confidence and literacy.

MATERIAL TOPIC: FINANCIAL INCLUSION

Financial inclusion is key to driving equality and economic growth.

Financial inclusion is a main driver to alleviate poverty and a critical goal of our sustainability strategy.

Our focus areas:

- **Affordability** – developing products and services that meet the needs of the un- and under-banked is crucial.
- **Accessibility** – ensuring our products and services are available when and where our customers need them.
- **Awareness** – empowering consumers with the knowledge, tools and confidence to use financial products responsibly.

In the past six months, our work to improve financial inclusion has developed through several programmes which have resulted in an increased uptake and use of digital payments. In the year to March 2023, we have seen the value of transactions per Airtel Money subscriber increase by 16.4% as a result of the launch of a number of new products and an increased presence in our markets.

We understand that being near our customers helps drive uptake of our products which, in turn, positively impacts financial inclusion. Over the last year we have increased our 'points of presence' – Airtel Money locations where customers can access services – by 44%, with a 12% increase in Airtel Money branches and an 11% increase in the number of kiosks.

We have further supported this through investment in the technology infrastructure behind our developer, biller and enterprise portals. This underpins our merchant business, which extends our footprint by enabling customers to bank and access savings, loans and insurance products at merchant sites.

We have also expanded our international money transfer corridors, allowing customers to send and receive money faster and to and from more destinations.

31.5m
Airtel Money customer base

\$2.0
average revenue per user (ARPU)

22.5%
mobile money customer base penetration

\$252
transaction value per customer per month

The economic empowerment of women has been, and will remain, a focus for us. Across our markets, most informal businesses are run and managed by women who, traditionally, do not have the same access to credit as men. We continue to offer our financial products and services to all customers, regardless of their gender. We work hard to encourage women to join our network and use our services, and to learn about our products that will provide them with independence and empowerment.

We have also focused on promoting household savings through innovative deposit products. For example, in March 2023, Airtel Tanzania partnered with Letshego Bank for a digital savings campaign that will see mobile money customers win prizes, such as motorcycles, flat-screen TVs and cash. This innovative product encourages Airtel Money customers and the public to make savings digitally.

» For more information about our 'Win with mobile money' strategy, see page 33



Our financial inclusion in action

Supporting women entrepreneurs through financial inclusion in Kenya

Lucie Saulinah Omondi is the founder of LiveGreatAgriLife in Nairobi, Kenya, a peanut butter factory and drinking water purification shop. She uses Airtel Money services to help run her business.

"Our business is located in Kibera, the largest informal settlement in Nairobi, where access to clean drinking water and quality food can be a challenge. We are committed to providing our community with delicious and nutritious peanut butter, peanut butter products and safe drinking water. Our peanut butter is made from high-quality locally sourced peanuts, and is available in a variety of sizes and tastings. Our drinking water is purified using state-of-the-art filtration systems, ensuring that it is safe and healthy to drink. As a socially responsible business, we're proud to support a foundation that works to uplift the settlement area where we operate."

"In four years of learning and overcoming challenges and slow but steady growth, I have been able to build a dedicated team and we're currently focusing on our online sales. I have to say Airtel Money's product is a huge support in collecting money for our produce and services."

We continue getting closer to our customers to ensure that they can always reach us when needed. In Kenya, our Airtel Money branches grew by 50.3%, kiosks by 66.5% and the number of agents increased by 189.7% in 2022/23, providing support to valued customers like Lucie Saulinah Omondi.

Partnerships in action

Financial Inclusion Fund (the Hustler Fund) initiative in Kenya

Partnering with governments to help drive digital and financial inclusion is an important part of our strategy – and one of the ways we help transform lives.

In November 2022, we joined the Kenyan government's Financial Inclusion Fund initiative – the Hustler Fund – which focuses on extending lending and savings for small- and medium-size enterprises, many of which are run by women.

More than 19 million people have registered to access the Hustler Fund nationally and Airtel Money had disbursed KES 500+m (equivalent of \$3.67m) through the fund delivering services to over a million transacting customers as of 31 March 2023.



Our access to education goal

We are committed to transforming lives through access to quality education.

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

MATERIAL TOPIC: EDUCATION AND DIGITAL LITERACY

Providing access to quality education is central to our corporate purpose and philosophy.

We believe education is the key to transforming lives and the futures of young people across Africa. We have set ourselves the goal of transforming the lives of over one million children on the continent through education by 2027.

We will achieve this goal through three focused activity programmes.

- **Partnerships** – we are committed to working in collaboration to increase access to quality education. Our landmark partnership with UNICEF is a critical element of this.
- **Connectivity for education** – connecting schools to the internet wherever our network services are available.
- **School adoption** – building long-term relationships with schools in need to provide them with the support they require.

The World Bank calculated that, in 2019, 87% of African children were unable to read by the age of 10. And Covid-19 only exacerbated that problem. This is why our work to increase access to education across our 14 markets is so important. By connecting schools, libraries and youth centres to the internet, millions of children will be able to use online learning platforms. Through our partnership with UNICEF, we're delivering practical and financial support. All these elements work together to accelerate our commitment to build better futures for the young people of Africa.

Our sustainability strategy continued



Our landmark partnership with UNICEF

We continue to focus on driving our partnership with UNICEF forward by increasing collaboration between our 13 participating OpCos* and the respective national UNICEF teams. We're establishing effective plans to connect schools to the internet and provide access to government-approved education resources and learning platforms free of charge. Every market is different, so individual implementation plans are critical to the success of the programme on the ground. To support this effort, we hosted a joint Airtel Africa/UNICEF convention in Nairobi in February 2023. This was an important event, bringing teams on both sides of the partnership together to share ideas, address the challenges we face in some markets with the implementation of initiatives, and agree the rollout and advocacy plans for the second year of the partnership at both national and regional levels.

Kenya was the first to launch its national programme with UNICEF, and another five countries have launched their programmes by 31 March 2023: Nigeria, Madagascar, Uganda, Rwanda, and the Republic of the Congo. We anticipate that the remaining seven countries will be launched in the first quarter of 2023/24. As the programmes launch, we see an immediate impact. For example, in Nigeria, the partnership has already resulted in 20 schools being connected to the internet for the first time. Another 600 schools

will follow in Q1'24 equipped with 15,000 tablets and 600 routers which have been distributed to primary and secondary schools by the Federal Ministry of Education of Nigeria. Airtel Kenya, meanwhile, also connected 30 schools to the internet through this partnership and two government-approved learning platforms – Elimika for teachers and Education Cloud for children – are now fully accessible at no cost to users.

* We have separate programmes focusing on education and schools' connectivity in the Seychelles

“
No circumstances should deny a child its right to an education. Our collaboration with Airtel Africa has significant potential to become a catalyst for more inclusive digital learning across the continent.
 ”

Lieke van de Wiel
 Deputy Regional Director, UNICEF
 (ESARO – GWC Field Support Team)

65

schools have been connected to the internet

250,000+

schoolchildren provided with access to online education

7

learning platforms out of 12 zero-rated in three OpCos

\$2.4m

donated to UNICEF over a period of two years



'Best Company in Education Intervention' award 2022

Airtel Nigeria was awarded the best company in education prize at the SERAs AFRICA awards ceremony in December 2022. We're truly honoured for this recognition and remain committed to championing access to quality education in Nigeria.



Adopt a school in action

Airtel Nigeria commissions the largest primary school in Gombe State

In March 2023, Airtel Nigeria commissioned its seventh adopted school, Government Day Primary. The project was inaugurated by the Emir of Gombe, alongside other notable guests in Pantami, Gombe State. The opening ceremony follows the renovation of 12 blocks of 37 classrooms and a total of 17 washroom facilities which have now been upgraded to modern facilities for the pupils and teachers. Airtel Nigeria is the first to carry out such intervention in the school and the whole of Gombe state. Government Day Primary School is said to be the largest primary school in Gombe state, with a total population of 7,119 pupils registered under the school for basic education, and 135 teachers who cater to their educational needs. As part of the programme 'Adopt a school', Airtel Nigeria adopts schools in rural areas and rehabilitates them at least for four years. This is in line with our commitment to improving the standard of education in Nigeria, and since the inception, we have remained committed to the development of these schools.



“ Education has the power to transform lives and futures. This is why the work we’re doing to increase access to education is such an important element of our sustainability strategy and helps to deliver our corporate purpose of transforming lives. ”

Emeka Oparah
Vice president, corporate communications and CSR



Adopt a school in action

Kenya: partnerships accelerating our 'Adopt a school' programme

Fair access to education should be available to the most vulnerable in society – and in November 2022, Airtel Kenya worked with the Kenya Directorate of Children Services (DCS) and the United Nations Office on Drugs and Crime (UNODC) on an initiative supporting adolescents who have transitioned from rehabilitation schools to continue their secondary education and reintegrate into society.

In partnership with two high schools in Eldoret, Kenya, this 'Adopt a school' initiative will see 21 adolescents benefit from the programme. Airtel Kenya will cover the students' school fees and other education-related expenses over three years, while also supporting one of the schools with connectivity for its IT hub.



Uganda: empowering public libraries, transforming community learning

In Uganda the digital gap in education can disproportionately affect students living in rural areas, away from towns and cities where schools often already have access to the educational opportunities provided by the internet.

We support 14 public libraries across Uganda with ICT resources and free 4G internet so that learners of all ages can connect with educational resources. These libraries support primary and secondary schools and early childhood education centres, with teachers using the internet to deliver lessons and share study tools that many schools do not have access to.

The libraries also run courses in basic ICT training and in 2022/23, 564 students successfully completed the programme, which equips them with skills, including Microsoft Excel, Word, PowerPoint and internet research. The skills they learn support their own education, and we hope they will go on to inspire and engage others as they connect to the opportunities of the digital economy.

Our sustainability strategy continued



Corporate social responsibility in action

Helping support mothers and babies at maternal health centres

We have a long track record of engaging with the community by supporting health programmes and medical centres through direct donations, and in April 2022 across Uganda we helped equip 13 maternity facilities and refurbished one maternal health centre.

In support of the Uganda Muslim Medical Bureau, we donated delivery beds, oxygen cylinders, oxygen regulators with humidifier bottles, and digital weighing scales for babies to 13 hospitals. In addition, 500 'Mama kits' and food items were given to expectant mothers in the health facilities. The donation was worth UGX70m (equivalent of \$18,700).

Also, as part of our Airtel Cares programme: we fully refurbished the Kisaasi Church of Uganda (CoU) Health Center in a project costing UGX50m (equivalent of \$13,500), to boost health service delivery in the community.



Corporate social responsibility in action

Airtel Chad makes a donation to natural disaster victims

N'Djamena, Chad capital city, is located near the Chari River which has recorded its worst floods since 1962. Thousands of families were displaced, and three Airtel Chad infrastructure sites shut down and evacuated to preserve our equipment.

Michael Foley, regional director, Francophone Africa, visited the floods victims' camp on 12 November 2022 in N'Djamena, capital city of Chad, along the Chari River, which borders Cameroon and Chad, and presided over the donation of significant quantities of staple goods to the Ministry of Gender and Solidarity. The event had a big impact among the affected community and strengthened Airtel Chad's positive image for community support.



Pillar 4

Our environment

For Airtel Africa, environmental protection is non-negotiable. Our ambition is to address and minimise the impact of our operations on the environment. We are committed to a net zero future and protecting natural resources and Africa's precious biodiversity.



Our greenhouse gas reduction goal

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

We plan to reduce our emissions through Group-wide rollout of a robust and credible emissions reduction strategy in both the near and longer term, and in partnership with our vendors and suppliers.

MATERIAL TOPIC: CLIMATE CHANGE

We are dedicated to our corporate purpose of transforming the lives of people on the African continent, and this is underpinned by our commitment to environmental protection.

We must ensure we do not contribute to the problem of climate change, but instead focus on reducing emissions associated with our operations and on protecting Africa's natural resources.

In October 2022, we published our scope 1, 2 and 3 baseline emissions in our inaugural Sustainability Report 2022. For scope 1 and 2, where we have control of the data, the activities and assets contributing to these emissions were identified and categorised, and organisational reporting boundaries were set and confirmed by The Carbon Trust, the expert consultancy, who are supporting us in the delivery of this goal. For scope 3, where we do not have direct control of the source or the data, we have worked with our partners and used published data to calculate baseline for our scope 3 carbon emissions. We will continue to collaborate with our partners and suppliers to refine data management and develop programmes and initiatives that will drive emissions down for the entire value chain. We will publish our total scope 3 emissions for 2022/23 once we have received and validated data from all our partners.

As soon as we published our baseline emissions last October, work started to examine a wide range of projects and initiatives that have the potential to reduce our GHG emissions. First, we engaged with the OpCos which have the highest level of emissions (accounting for >80% of our total baseline) through a series of workshops to ascertain the practical implications of decarbonisation strategies, including investments. Secondly, we worked with the remaining OpCos which have the lowest level of emissions to address the most viable decarbonisation initiatives in their respective markets.

We established broad workstreams across the relevant functions to assess the feasibility of our scope 1 and 2 decarbonisation plans, and many of the potential initiatives are laid out in our Sustainability Report 2022. This work is led jointly by network and supply chain management who also oversee the carbon reduction initiatives which have already been rolled out in our operations.

In 2022/23, working with The Carbon Trust, we have developed a granular roadmap for decarbonisation across all 14 OpCos which required a comprehensive audit of all our assets. We also developed a proprietary framework to reflect our operational structure – this will guide the Group-wide rollout of our emissions reduction strategy in both the near and longer term. We're now undertaking additional feasibility studies for scope 1 and 2 emissions for all assets in the relevant markets.

We estimate that the initiatives identified by our analysis across our 14 OpCos and modelled by The Carbon Trust have the potential to reduce emissions intensity by over 60% against our baseline by 2032.

» For more information about our climate-related risks, see pages 56-61



Cutting greenhouse gases in partnership with ATC

We continue to explore new ways to increase usage of renewable energy in our operations. In October 2022, we reached a new multi-year, multi-product agreement with key supplier American Tower Corporation (ATC), who operates a network of infrastructure sites in Kenya, Niger, Nigeria and Uganda. Under the agreement, all new site developments, as we expand our network, will comply with ATC's new green site specifications which substantially reduce reliance on fossil fuels while shielding customers and operators from volatile fuel and diesel pricing. In December 2022, we unveiled our first 'green' tower in Uganda which is powered by 46 solar panels to reduce emissions, for the benefit of our customers and the planet. The rollout of 'green' towers will continue in 2023/24.

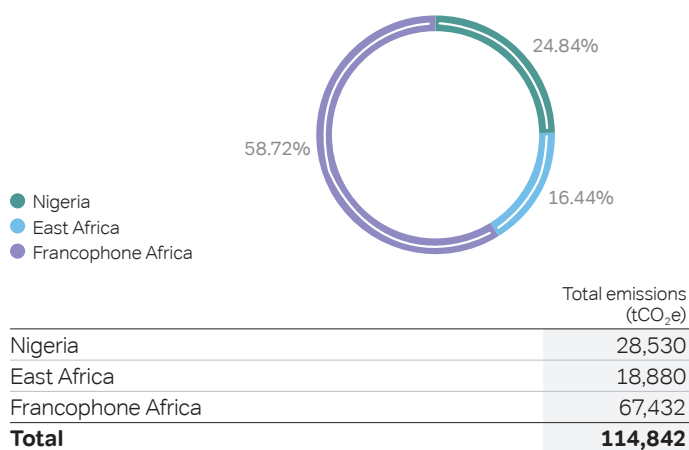
The agreement supports the advancement of carbon reduction plans for both Airtel Africa's and ATC's long-term sustainability goals, and is helping us ensure a brighter, greener, more sustainable future.



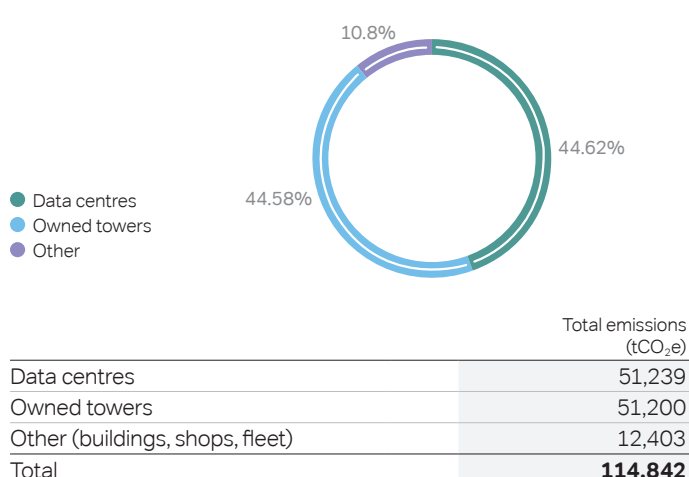
Highlights since the publication of our Sustainability Report 2022

- Establishment of the taskforce for implementation of our decarbonisation interventions
- Roadmap for scope 1 and 2 decarbonisation programme developed
- Publication of an update on the development of our pathway towards a net zero future
- Detailed analysis of assets in scope for the reduction of GHG emissions in all 14 OpCos
- Engagement with our partners to understand our value chain's ESG commitments

Total scope 1 and 2 emissions by region in 2022/23 (tCO₂e)



Total scope 1 and 2 emissions by activity in 2022/23 (tCO₂e)



Our sustainability strategy continued

Next steps

Growth in demand for our products, services and data will require additional infrastructure – including towers, data and switching centres, and retail facilities. Therefore, we're now undertaking a significant analysis to understand the potential impact of this growth on our total emissions and emission intensity. This work is critical to ensure that digital and financial inclusion for millions of people in communities across Africa is balanced against our GHG emissions targets.

It is also vital that we focus on reducing our scope 3 emissions. Our scope 3 baseline numbers revealed that GHG emissions from our suppliers and vendors account for over 80% of our GHG footprint, so we are committed to taking a partnership approach with suppliers and vendors to address our scope 3 emissions. The process to establish a long-term collaboration methodology is already underway and an initial round of consultations took place with our ten most significant partners (by procurement expenditure) in Q4'23.

Once technical and detailed feasibility studies for scope 1 and 2 have been completed, we will update on the outcome of this work. We will also be formulating our scope 3 strategy – and the plans it will outline are a vital contribution to a net zero future. We are committed to the reduction of GHG emissions from our operations and will prioritise the provision of accurate and verified forecasts for emissions reduction.

» For more information about our journey to net zero, visit www.airtel.africa

Carbon accounting policy

In addition to the work outlined above, over the past six months we have worked with The Carbon Trust to develop and publish a standalone document that sets out our approach and principles of carbon accounting. Our carbon accounting policy is based on the Greenhouse Gas (GHG) Protocol standards and the technical models for emission calculations. The policy details the way we approach calculation boundaries for carbon emissions and clearly sets out the number of assets where we have operational control, and which are included in the GHG emissions calculations. Our reporting period for carbon accounting is aligned with the financial year: from 1 April to 31 March. The policy commits Airtel Africa to an environmentally extended input/output data (EEOI) approach which bases scope 3 emissions on spend-based data multiplied by emissions factors. We will continue our work to improve data collection processes by engaging with our partners and suppliers and shift to the lifecycle assessment approach (LCA) to increase the accuracy of scope 3 emissions calculations.

» For more information about our carbon accounting policy, visit www.airtel.africa

Partnerships in action

Partnering with Ericsson to build a more efficient network in Niger

Developing our 5G capabilities is critical to ensuring – ready for future data demand – and can also help make us more energy efficient, as 5G networks offer significant energy savings compared to 3G and 4G.

In January 2023 we partnered with Ericsson to deploy their state-of-the-art dual-band three-sector Radio 6626 equipment in Niger. Tests on the Radio 6626 have demonstrated a reduction of more than 60% in power consumption and approx. 0.4 tons of carbon dioxide emissions per site per year, as well as 60% less weight on the tower.

Our environmental stewardship goal

It is essential we reduce waste and conserve natural resources

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

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

MATERIAL TOPIC: CIRCULAR ECONOMY

Creating a culture in which environmental protection is embedded in the heart of our business and minds of our employees.

Our focus areas:

- **Elimination of hazardous waste from our operations** – taking a responsible approach to reduce and dispose of hazardous waste.
- **Reducing non-hazardous waste** – increasing reuse and recycling.
- **Protection of natural resources** – preserving water resources through reduction in use and employee education.

In the six months since the publication of our Sustainability Report 2022, all 14 OpCos have been focused on programmes to deliver our environmental stewardship goal. In addition, significant work has gone into the establishment of an effective environmental and social management system (ESMS) which will standardise our environmental activities across the entire business.

First, we have increased the number of markets where waste is sorted and segregated. As of 31 March 2023, eight of our 14 markets have full waste separation in place, and we anticipate we will have established this in every market by fourth quarter of 2023/24. Secondly, responsible and safe disposal of e-waste is an important consideration for us. We have contracts with specialist and fully certified recycling organisations in place in each market to ensure our e-waste is disposed in a sustainable manner.

Energy efficiency is a key component of 'Project Green', a Group-wide initiative that we established to help achieve our environmental stewardship goal. Over the past six months, there has been a particular focus on our office buildings and facilities where we evaluate the best ways to reduce energy consumption. As a result, we have replaced incandescent lightbulbs with LED bulbs in more than 90% of our premises which, studies have shown, use 75% less energy than incandescent bulbs.

Our environment in action

Joining the movement to eliminate open waste-burning from Africa

We are committed to reducing and eliminating waste and conserving natural resources – and one of our goals is to eliminate hazardous waste from our operations, and significantly reduce our non-hazardous waste outputs.

Across our markets only around 11% of all waste is recycled – and the dumping and burning of waste is a serious issue. So in March 2023, we joined the multi-stakeholder partnership for eliminating open waste-burning from Africa to work on addressing the issue alongside other stakeholders, including local authorities, private companies, community groups, civil society and development partners. The initiative will also promote resource-efficient circularity: using waste as a secondary resource input for decent job creation. The initiative aims to reduce open waste-burning by 60% by 2030, and eliminate it from Africa by 2040, through changing public behaviour, introducing effective policy frameworks, and building sustainable infrastructure for waste management.

Our environment in action



Planting for the future: World Wetlands Day

Our sustainability strategy recognises the importance of biodiversity and ecosystems to our business and to those around us – and we aim to have a positive impact on the natural environment. So, in February 2023 we celebrated World Wetlands Day, to commemorate the vital wetland ecosystems which contribute to global biodiversity and support climate change mitigation and adaptation. As well as raising awareness among employees and communities across our markets, in Kenya we supported a programme to plant 2,000 seedlings of suitable indigenous trees in Enkongu Enkare in Narok County and helped erect fencing to protect the area. The wetland provides water for domestic use and for irrigating agricultural land, as well as supporting biodiversity.

Environment and Social Management System (ESMS)

As a responsible business, we need a systematic approach to gathering information that helps us prevent or mitigate adverse environmental and social impacts from our operations, while also building the resilience of Airtel Africa and its infrastructure.

In 2022/23, we made important progress with the development of our environmental and social management system (ESMS), which is being rolled out across all our markets. The ESMS provides a framework designed to protect the wellbeing of employees and communities, and to help us respond to changing environmental and social conditions in the communities where we operate. It also influences the design of our products and services, the materials we use, and the way we interact with and audit our suppliers.

In January 2023, we engaged Kisasa ESG consultants to guide us in the process and develop training materials aimed at building the capacity of employees who will implement our ESMS. We will roll out capacity training in 2023/24.

Our ESMS covers all business activities. As well as our direct operations, it covers indirect operation by passive infrastructure service providers (such as telecommunications tower and fibre optic service providers), in accordance with IFC Performance Standards (IFC PS) Good International Industry Practice (GIIP) and applicable guidelines for telecommunication operations, as well as ISO 14001:2015 for environmental management systems. The ESMS includes:

- protecting the environment and society through the prevention or mitigation of adverse environmental and social impacts from our operations
- ensuring that as a company we comply with regulations and other requirements related to environmental and social performance
- influencing the way we design our products and services, our processes, network rollout, distribution, and disposal by using a lifecycle perspective that can prevent environmental and social impacts from being unintentionally shifted elsewhere within the value chain
- holding our suppliers and contractors to high standards of observing human and labour rights, environmental performance, and business ethics
- achieving financial and operational benefits that result from implementing environmentally sound and socially acceptable approaches that strengthen our organisation's position in the market.

In 2023/24, we'll be rolling out training and competency development to ensure that the ESMS policies and procedures are embedded across the Group.

8

markets have full waste separation

90%

of premises have LED bulbs

TCFD disclosures

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

This is evidenced by the progress we have made this year in complying with the TCFD recommendations and recommended disclosures. We understand that this is a journey, and we are committed to continue to assess, on an ongoing basis, our risk management processes, climate actions and metrics to align with our business, climate risk and opportunities, and the expectations of our stakeholders.

This year, we have continued our work with The Carbon Trust on scenario analysis testing of our climate risks and opportunities and, relatedly, the feasibility assessment of our decarbonisation plans in line with our plans towards net zero carbon emissions. This follows from the gap assessment which was conducted last year and has resulted in significant improvement in the robustness of our climate response plans and the embedding of climate risk assessment within our business operations, risk management and strategic planning processes.

Governance

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

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.

Risk management

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

Metrics and targets

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

Our pathway to TCFD-aligned reporting

This year, the second year in our TCFD reporting journey, we have made significant progress to our climate risk assessment and reporting process. Progress update on planned actions disclosed in last year's report is outlined below:

Current status and roadmap

TCFD recommendations	Compliance to recommendation	Planned actions as stated in Annual Report 2021/22	Airtel Africa response Annual Report 2022/23 update	Page
Governance				
Describe the Board's oversight of climate-related risks and opportunities	Yes	Set CRO review as a recurring Board agenda item (via Sustainability Committee and Audit and Risk Committee reports)	Sustainability strategy underpins our 'Win with' strategy as an enabler to our strategic ambitions. One of the four pillars within our sustainability strategy is the 'Our environment' pillar which details the Group's ambition towards our commitment to achieving net zero emissions by 2050 and environmental stewardship. Through the Sustainability Committee, which meets monthly, climate risks and associated mitigation actions and strategic plans are reviewed on an ongoing basis. The Audit and Risk Committee also receives and reviews updates on the Group's CROs as part of its thematic risk review of the company's risks	58
Describe management's role in assessing and managing climate-related risks and opportunities	Yes			
Strategy				
Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term	Yes	Undertake full assessment of the CROs to prioritise based on likelihood, time horizon, and magnitude of impact (including scenario analysis in this work)	During the year, the Group engaged the services of The Carbon Trust to help in conducting scenario analysis of its CROs for the purpose of assessing both the impact and the resilience of the business in relation to climate risks. This exercise has been completed	59
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Yes			
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Yes			
Risk management				
Describe the organisation's processes for identifying and assessing climate-related risks	Yes	Ensure ongoing integration of climate-related risk considerations into overall risk management activities	The Group's sustainability strategy is deeply embedded within its strategic objectives and plans. Climate risks are being monitored using the Group's enterprise risk management framework and mitigation plans are reviewed monthly by the Sustainability Committee	60
Describe the organisation's processes for managing climate-related risks	Yes			
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Yes			
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	Yes	Measure and disclose scope 1, 2 and 3 emissions and set science-based reductions targets. Develop metrics and targets linked to specific CROs	Our GHG emissions for scope 1 and 2 are disclosed in this report, including the metrics used to assess our climate risks. We are engaging with our partners and suppliers for an accurate assessment of our scope 3 emissions for 2022/23. We will keep our stakeholders updated on the progress of this work	61
Disclose scope 1, 2 and, if appropriate, scope 3 GHG emissions and the related risks	Yes			
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Yes			

TCFD disclosures continued

Governance

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

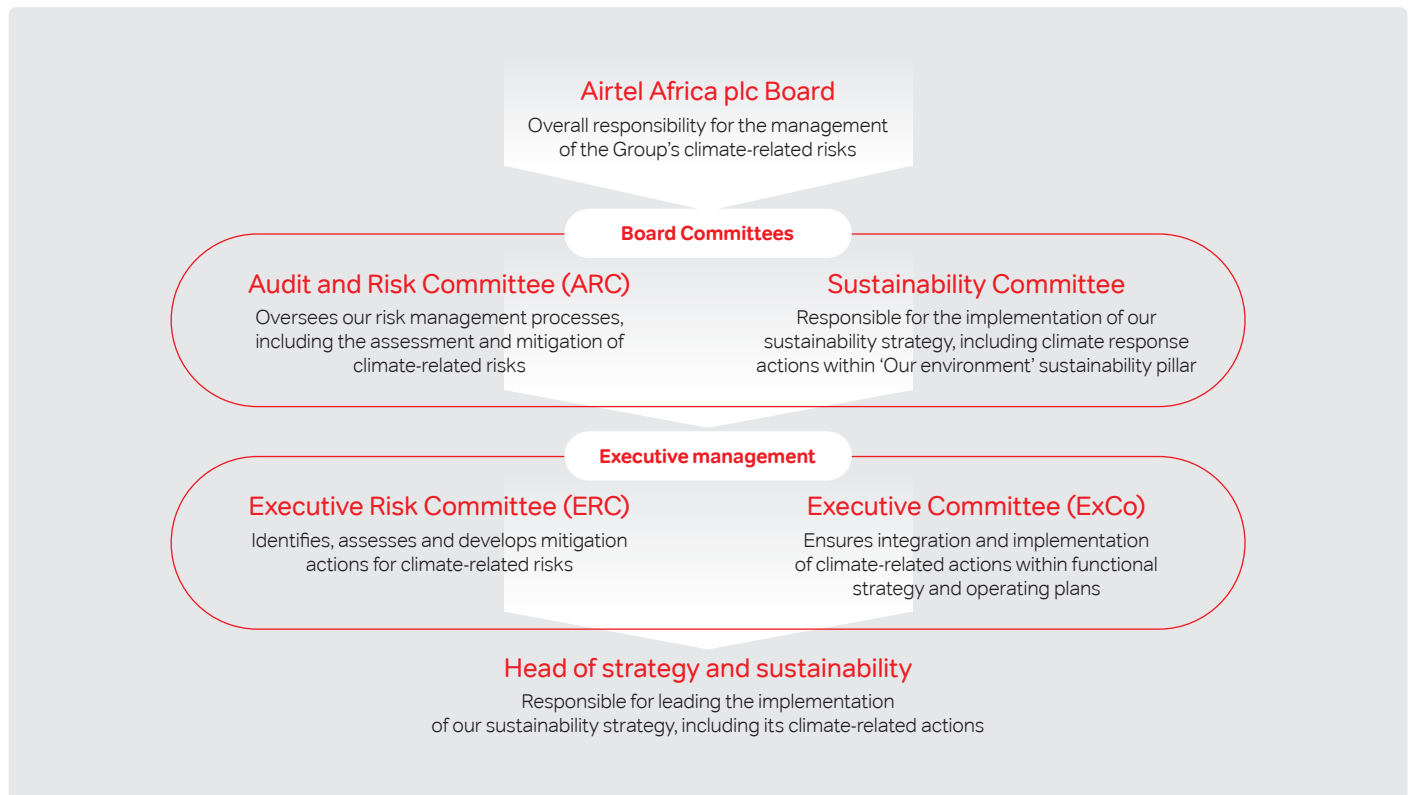
The Board has overall responsibility for the management of our climate-related risks and opportunities (CROs). Our Board maintains this oversight through two of its committees – the Audit and Risk Committee (ARC) and the Sustainability Committee. The Audit and Risk Committee oversees our risk management processes, including the assessment and mitigation of CROs (see pages 117-127 for details of our ARC meetings and the frequency of meetings in the year). 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. The Sustainability Committee oversees the overall implementation of the company sustainability strategy, including strategic initiatives, budget requirements, and review the development of performance objectives to track the achievement of both short- and long-term goals. Our CEO currently chairs the Sustainability Committee and attends every Audit and Risk Committee and the Executive Risk Committee (ERC) meetings. 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 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 climate actions are integrated into our operational business strategy. The two components of our strategy towards CROs are reduction of GHG emissions and environmental stewardship. In light of this two-pronged approach, our chief technology and information officer and chief supply chain officer jointly lead 'Our environment' pillar of the sustainability strategy.

Our materiality assessment shows that energy use from the data centres, network operating centres and infrastructure sites constitute a large percentage of the total energy consumption within our business. So, our chief technology and information officer oversees the strategy to bring energy-efficient initiatives into our core operational processes. Furthermore, a significant number (92%) of our infrastructure sites are owned by tower companies (towercos) and we lease space from them. Our chief supply chain officer leads our efforts to generate climate action from the towerco partners to achieve energy efficiency and reduce GHG emissions.

Our head of strategy and sustainability leads our climate-related programmes and ensures a seamless integration between our business strategy and climate response actions. The head of strategy and sustainability reports to the CEO who chairs the Sustainability Committee.



Strategy: risk and opportunities

Following the work on our climate scenario analysis this year, the list of climate risks and opportunities has been further refined to align with our business model and the geographical spread of our operations. In assessing our climate risks and opportunities, we have taken a disaggregated approach. Whereas some physical risks apply to all our markets, there are certain climate risks that are peculiar to specific countries. For instance, the risks of tropical storms and cyclones are localised to Madagascar and Malawi within our country portfolio while the risk of extreme temperature increases, which are negatively impacting cooling costs, are more significant for countries located in arid regions such as Chad, Niger and parts of Northern Nigeria. These factors have been built into our modelling process to ensure we get a credible assessment of our most significant climate risks to be prioritised for the attention of our executive management and the Board.

Category	Risk type	Nature of impact	Planning horizon
Transition risks	Customer pressure	Change in customer expectations regarding the Group's climate action leading to a decrease in sales negatively affecting revenues	Medium (five years) 
	New regulations	Introduction of carbon taxes in the Group's operating markets adversely impacting profitability	Medium 
	New regulations	Lack of a credible action on climate change could result in increased stakeholder advocacy negatively impacting our operations and, in turn, revenues	Medium 
	New regulations	Increase in energy prices for use in logistics, own sites and leased assets leading to an increase in cost	Medium 
	Shareholder/stakeholder advocacy	Increasing requirements for mandatory disclosures of climate performance and climate risks associated with operations	Short (three years) 
	Reputation	Damage to brand reputation arising from a perceived lack of action on climate initiatives	Short 
Physical risks	Flooding	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	Increase in the frequency and severity of extreme weather events such as tropical storms, cyclones, typhons could result in damage to company infrastructure	Long 
	Heat	Increase in extreme heat events and days could increase cooling requirements for data centres and, consequently, operating costs	Long 
	Business disruptions	Loss of revenue and productivity due to business disruptions attributed to climate-related physical events such as cyclones, coastal and river flooding	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, reducing customer acquisition and human resources-related costs	Medium 

TCFD disclosures continued

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

Our 'Win with' strategy now incorporates 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 26-37). 'Our environment' pillar, encompassing climate risks and opportunities, is one of the four pillars of our sustainability strategy. This highlights our focus on environmental stewardship and our ambition to achieve net zero emissions within our operations. See pages 38-55 for more information about our sustainability strategy.

Our strategic and financial planning processes are closely aligned with our sustainability strategy and our ambition to achieve net zero emissions across our operations. Specifically, this financial year, we have seen an acceleration of this integration between our strategic plans and climate response actions due to significant fuel price inflation in some of our markets which put a strain on our operating costs. This has allowed us to take significant steps to accelerate our transition planning to renewable energy sources in collaboration with our towerco partners as part of our risk mitigation plans and strategic response to this risk. This example shows that our climate action plan and strategic planning processes are not separate processes but an integrated approach to do what is best for our business, our stakeholders, and the environment.

In parallel, we actively participate in industry initiatives, such as the GSMA's Climate Action Taskforce and the biodiversity subgroup which we co-lead to work with industry peers and 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. 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.

This year, we conducted a scenario analysis exercise to assess the resilience of our business in the light of the climate risks and opportunities we are faced with.

The scenario testing was done under three scenarios:

1. Current policies scenario – global temperature at c. 3°C (no climate action)
2. High temperature scenario – global temperature greater than c. 3°C (extreme case)
3. Net zero Paris Agreement aligned scenario – global temperature at c. 1.5°C (transition to net zero).

These scenarios were selected to assess the resilience of the business under current policies without any transition to net zero, impact of a transition to net zero and the extreme case of a high temperature scenario on our business operations and physical assets.

This extensive analysis started with the identification of CROs inherent in our business model, value chain and geographical footprint. These climate risks and opportunities were then assessed for likelihood, velocity, and financial materiality. The scenario-testing was principally quantitative based with 81% of our CROs assessed using quantitative data from externally-accessed climate datasets. For the balanced CROs, we opted for qualitative assessment using likelihood and velocity.

The result of the scenario analysis shows that:

1. The most significant transition risks for our business are direct carbon prices on our leased assets and network equipment as these would have the impact of increasing our operating costs and the potential introduction of carbon taxes in various countries
2. The key physical risks relate to increase in river and coastal flooding in our operating markets with the potential to disrupt operations, damage physical infrastructure and negatively impact revenues, increase in air temperature resulting in increased cooling requirements and, consequently, higher energy costs, and extreme weather events such as tropical cyclones in two of our markets (Madagascar and Malawi)
3. Finally, our most significant climate opportunities will result from increased market valuation from early transition to net zero, access to green financing opportunities, and improved cost efficiency from the adoption of energy efficient methods and environmentally friendly business processes.

The output of the scenario modelling shows that the Group stands to benefit from an early transition to net zero through enhanced market valuation and access to better 'green' financing options, and should take every necessary step to mitigate the risks of extreme weather events on its physical assets to prevent business disruptions which could negatively impact our future revenues and profitability. The outcome of the scenario analysis further justifies the company's strategy to achieve net zero by 2050.

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 61 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 Sustainability Committee 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. See pages 38-55 for details of our sustainability strategy.

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

The Group Executive Risk Committee (ERC) assesses and mitigates climate-related risks, with oversight by the Board through the Audit and Risk Committee and the Sustainability Committee. The Sustainability Committee directly oversees the implementation of our sustainability strategy, including climate-related actions and programmes related to our environmental objectives and meets monthly.

Our head of strategy and sustainability is primarily responsible for the design and implementation of our climate response actions. For a detailed overview of our risk management process and framework, see page 91.

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

The process of identifying, assessing, and managing climate-related risks follows our existing enterprise risk management framework. Our framework allows for a uniform approach across the Group for risk identification, assessment and prioritisation. Specifically, in relation to climate-related risks, we have further assessed identified risks, based on likelihood, velocity and potential financial impact using both qualitative and externally available quantitative data sets as part of our scenario analysis to determine the resilience of the business and the prioritisation of the risks.

We have identified appropriate quantitative metrics for measuring and tracking the impact of climate of our operations and we will continue to review and identify other suitable metrics to be used to reliably assess and measure our climate risks and opportunities on an ongoing basis.

The climate-related financial disclosures contained in this report are **consistent with the TCFD recommendations and recommended disclosures and the 'Guidance for All Sectors' as contained in section C of the TCFD Annex, except for metrics and targets (b) with respect to disclosure of scope 3 emissions.**

Since the launch of our sustainability strategy, we have set out to reliably measure and report carbon emissions within our business and value chain. The outcome of this work resulted in the publishing of our scope 1, 2 and 3 baseline data in our inaugural Sustainability Report in 2022. In preparing this report, we have not published updated scope 3 emissions data as we are engaging with our towerco partners to ensure the robustness and completeness of our scope 3 emissions data. We expect that the outcome of this engagement will ensure that we can reliably publish our scope 3 emissions data in future reporting.

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.

We use the following metrics to measure and assess the impact of climate-related risks (CROs) and opportunities on our business. We will continue to assess the suitability of additional metrics that can be reliably measured for a more robust assessment of our climate risks and opportunities.

Our business model does not principally involve the use of water and/or land resources and no metrics have been selected with respect to water and land use as these are immaterial to our business.

Metrics	Measure
Scope 1 emissions	tCO ₂ e
Scope 2 emissions	tCO ₂ e
Total energy consumption	kWh
Carbon intensity	tCO ₂ e per MW

Disclose scope 1, 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.

Since the launch of our sustainability strategy in October 2021, we have been focused on understanding our scope 1, 2 and 3 emissions. From the beginning of 2022, we have worked closely with The Carbon Trust, the leading global environmental consultancy, to develop detailed scope 1 and 2 modelling for calculating our GHG emissions across all our operating footprint and value chain. We are engaging with our towerco partners for an accurate assessment of our 2022/23 scope 3 emissions. We will keep our stakeholders updated on the progress of this work. Our baseline data for scope 3 was disclosed in our Sustainability Report 2022.

	Measure	Baseline data (2021/22)	Current year (2022/23)
Scope 1 emissions	tCO ₂ e	65,180	67,266
Scope 2 emissions	tCO ₂ e	50,539	47,577

Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

We are committed to achieving our net zero ambition by 2050 as was disclosed in our sustainability strategy. This commitment has led to the integration of our long-term planning process in our sustainability strategy to ensure the delivery of our sustainability objective as we deliver on our business objectives. This is reflected for instance in our capital expenditure planning process where our commitment towards renewable energy transition is a key driver in the planning for new sites' rollout and contract negotiations with our towerco partners as are other considerations such as cost efficiency in the face of increased fuel price inflation. This integration of our strategic planning process and sustainability strategy is at the centre of our climate response plan to ensure we can deliver on our commitment to transition to net zero within our operations by 2050.

We have conducted an extensive feasibility study of our decarbonisation interventions and have a near-term target to reduce our carbon intensity by 62% and absolute emissions from our existing assets (before accounting for future business growth and network expansion) by 54% by 2032. We have taken a near-term target of 2032 which is 10 years from our baseline of 2022 which is in line with the Science Based Target initiative (SBTi).

We have identified specific KPIs which allow us to measure our performance and we will continue to evaluate the identification of other suitable KPIs which are most aligned to our climate risks and opportunities.

Members of our ExCo are financially incentivised to reduce our carbon footprint, and our incentive plan includes performance against achievement of the CROs as part of our broader sustainability strategy. The incentives are linked to the delivery of sustainability strategy which cuts across four pillars and nine dedicated workstreams, among them, reduction of GHG emissions and environmental stewardship. These incentives are linked to the key result areas (KRAs) and the long-term incentive plan (LTIP) of our ExCo members as part of the annual performance evaluation process. The incentive plan is designed to ensure continued focus and delivery of year-on-year tactical plans which are important for the delivery of our long-term climate commitments.

Markets and performance

The significant growth in our mobile money business has meant we've evolved our organisational structure.

This has led to changes in the information used by our CEO (who is the chief operating decision-maker) for the allocation of resources and the assessment of performance. This, in turn, means we're changing how we report performance.

From April 2022, we report on mobile money as a new operating and reportable segment, while continuing to report segmental performance for mobile services in Nigeria, East Africa and Francophone Africa.

Regional performance (mobile services and mobile money combined)

Nigeria – regional performance

Revenue	EBITDA	EBIDTA margin	ARPU
\$2,128m	\$1,091m	51.3%	\$3.8
Reported currency 13.3%	Reported currency 4.7%	Reported currency (424 bps)	Reported currency 0.8%
Constant currency 20.3%	Constant currency 11.1%	Constant currency (423 bps)	Constant currency 7.0%

East Africa – regional performance

Revenue	Underlying EBITDA	Underlying EBIDTA margin	ARPU
\$1,931m	\$1,030m	53.3%	\$2.7
Reported currency 12.5%	Reported currency 16.9%	Reported currency +202 bps	Reported currency 4.4%
Constant currency 17.4%	Constant currency 21.8%	Constant currency +193 bps	Constant currency 9.0%

Francophone Africa – regional performance

Revenue	EBITDA	EBIDTA margin	ARPU
\$1,201m	\$560m	46.6%	\$3.7
Reported currency 6.2%	Reported currency 12.0%	Reported currency +242 bps	Reported currency (2.2%)
Constant currency 12.7%	Constant currency 18.3%	Constant currency +220 bps	Constant currency 3.8%

Consolidated Group performance

Revenue	Underlying EBITDA	Underlying EBIDTA margin	ARPU
\$5,255m	\$2,575m	49.0%	\$3.3m
Reported currency 11.5%	Reported currency 11.4%	Reported currency (3 bps)	Reported currency 1.8%
Constant currency 17.6%	Constant currency 17.3%	Constant currency (14 bps)	Constant currency 7.4%

Business review continued

Mobile services

Meeting the demand for connection, through excellent execution

Revenue
\$4,721m

Reported currency
9.9%
Constant currency
16.2%

Data ARPU
\$3.0

Reported currency
3.5%
Constant currency
9.3%

Underlying EBITDA
\$2,329m

Reported currency
8.8%
Constant currency
14.9%

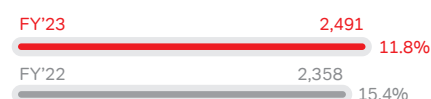
Operating profit
\$1,428m

Reported currency
5.9%
Constant currency
11.6%

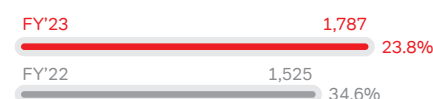
Voice ARPU
\$1.5

Reported currency
(3.5%)
Constant currency
2.1%

Revenue – Voice (\$m)



Revenue – Data (\$m)



Growth % in constant currency

Summarised statement of operations

Description	Unit of measure	Year ended		Reported currency change	Constant currency change
		Mar-23	Mar-22		
Revenue¹	\$m	4,721	4,294	9.9%	16.2%
Voice revenue	\$m	2,491	2,358	5.6%	11.8%
Data revenue	\$m	1,787	1,525	17.2%	23.8%
Other revenue	\$m	443	411	7.6%	13.4%
Underlying EBITDA	\$m	2,329	2,140	8.8%	14.9%
Underlying EBITDA margin	%	49.3%	49.8%	(51) bps	(57) bps
Depreciation and amortisation	\$m	(794)	(697)	13.9%	20.6%
Operating exceptional items	\$m	0	(32)	(100.0%)	(100.0%)
Operating profit	\$m	1,428	1,348	5.9%	11.6%
Capex	\$m	700	621	12.7%	12.7%
Operating free cash flow	\$m	1,629	1,519	7.2%	15.8%
Operating KPIs					
Mobile voice					
Customer base	million	140.0	128.4	9.0%	
Voice ARPU	\$	1.5	1.6	(3.5%)	2.1%
Mobile data					
Data customer base	million	54.6	46.7	16.9%	
Data ARPU	\$	3.0	2.9	3.5%	9.3%

1 Mobile service revenue after inter-segment eliminations was \$4,715m in year ended 31 March 2023 and \$4,290m in the prior year.

Overview

We've been at the forefront of the rapid growth of mobile services in sub-Saharan Africa in recent years – but there is still much further to go in order to meet demand in a region that, while growing fast, is still under-connected. Only 40% of the adult population has access to mobile data, and the usage gap among those who are covered by networks is almost 44%. That means demand for mobile services in all our markets remains strong. We aim to meet it by connecting more people, offering transparent voice and data products that meet their needs, and expanding our physical and digital distribution networks so that more customers can access our services effectively and affordably.

Our customer base grew by 9.0% to 140 million in 2022/23, and revenues grew by 16.2%, despite a year in which turbulence in the global economy was expressed in our markets through a series of headwinds, including cost-of-living pressures for our customers and communities. Inflation in fuel and food prices meant that many customers became even more price conscious. We've always taken the approach of seeking revenue from increased usage, rather than prices, so we continued to offer 'more for more'. The rate of smartphone adoption slowed in some markets as the cost of living had an impact on discretionary spend – but usage of all our services increased, reflecting the fact that they are increasingly seen as essential services by users.

Our success in mobile services is built on the strength of our network and the excellence of our distribution. We invested strategically in our network in 2022/23, significantly expanding our 4G network, modernising many of our sites, and launching 5G in selected markets in readiness for future demand. At the same time, we continued to refine and expand our distribution footprint, increasing our exclusive outlets by 15.3% to 79,500+.

Our voice ARPU grew by 2.1% compared to 2021/22, 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 89.8% to Airtel Africa's consolidated revenue in 2022/23. The big opportunity for the future, however, is data – which is why we have continued to consolidate our leadership positions in 4G in most markets, supporting the digital inclusion ambitions of our sustainability strategy while setting the foundations for our continued growth.

Our performance

Overall mobile services revenue increased to \$4,721m, up by 9.9% in reported currency, while growth in constant currency was 16.2%. Revenue growth was recorded across all regions and key services: Nigeria up by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%.

Voice revenue grew by 11.8% in constant currency, driven by both customer base growth of 9.0% and voice ARPU growth of 2.1%. Revenue growth for the first half of the year was slightly impacted by the effect of barring outgoing calls in Nigeria for those customers who had not submitted their National Identity Numbers ('NINs'). We continue to invest in our network to increase coverage, while also expanding our distribution infrastructure to drive further customer base growth.

Our continued expansion of network and distribution infrastructure helped drive customer additions. Voice usage per customer increased by 5.9%, resulting in voice ARPU growth of 2.1%. Voice usage per customer increased to 272 minutes per customer per month from 257 minutes per customer per month, and total minutes on the network increased by 16.0%.

Data revenue grew by 23.8% in constant currency, driven by strong growth in customer base of 16.9% and data ARPU growth of 9.3%. Revenue growth was recorded across all regions: Nigeria grew by 27.8%, East Africa by 22.8% and Francophone Africa by 16.2%, respectively. Data customer base growth of 16.9% resulted from the further expansion of our 4G network with 90.3% of total sites on 4G, up from 87.6% (almost 100% of sites in six OpCos are now on 4G). Total customers reached 54.6 million with 4G customers of 26.5 million, contributing to 48.5% of the total data customer base. Data usage per customer increased by 29.1% driving data ARPU growth of 9.3%. Data usage per customer reached 4.4 GB per customer per month up from 3.4 GB per customer per month in the prior period. Q4'23 data usage per customer increased to 4.6 GB per month (up by 26.6%) and 4G data usage per customer at 7.6 GB per month from 5.9 GB per customer per month (up by 29.6%).

Mobile services underlying EBITDA was \$2,329m, and grew by 14.9% in constant currency with an underlying EBITDA margin of 49.3%, declining 57 basis points in constant currency. The reduction in underlying EBITDA margin was due to an increase in operating costs in Nigeria reflecting energy price inflation.

Operating free cash flow was \$1,629m, up by 15.8%, due to the expansion of underlying EBITDA partially offset by higher capex.

Business review

Nigeria – mobile services

Investing in the future of Nigeria's digital economy

Revenue

\$2,128m

Reported currency
13.3%
Constant currency
20.3%

EBITDA

\$1,099m

Reported currency
5.3%
Constant currency
11.8%

Operating profit

\$719m

Reported currency
(6.6%)
Constant currency
(1.0%)

ARPU

\$3.8

Reported currency
0.8%
Constant currency
7.0%

Revenue (\$m)



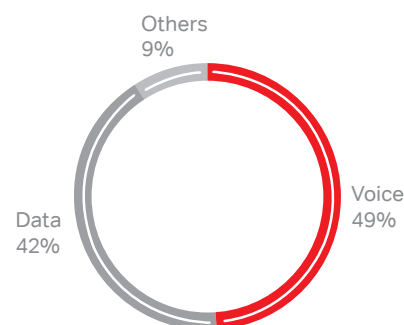
Growth % in constant currency

EBITDA (\$m)



* EBITDA margin %

Revenue split



Summarised statement of operations

Description	Unit of measure	Year ended		Reported currency change	Constant currency change
		Mar-23	Mar-22		
Revenue	\$m	2,128	1,878	13.3%	20.3%
Voice revenue ¹	\$m	1,053	985	6.9%	13.4%
Data revenue	\$m	884	734	20.4%	27.8%
Other revenue ²	\$m	191	159	20.2%	27.5%
EBITDA	\$m	1,099	1,043	5.3%	11.8%
EBITDA margin	%	51.6%	55.5%	(390) bps	(389) bps
Depreciation and amortisation	\$m	(344)	(268)	28.6%	36.9%
Operating exceptional items	\$m	–	–	0.0%	0.0%
Operating profit	\$m	719	770	(6.6%)	(1.0%)
Capex	\$m	293	249	17.7%	17.7%
Operating free cash flow	\$m	806	794	1.5%	10.0%
Operating KPIs					
Total customer base	million	48.4	44.4	9.0%	
Data customer base	million	23.8	20.3	17.3%	
Mobile services ARPU	\$	3.8	3.8	0.8%	7.0%

1 Voice revenue includes inter-segment revenue of \$1m in the year ended 31 March 2023 and \$1m in the prior period. Excluding inter-segment revenue, voice revenue was \$1,052m in year ended 31 March 2023 and \$984m in the prior period.

2 Other revenue includes inter-segment revenue of \$2m in the year ended 31 March 2023 and \$2m in the prior period. Excluding inter-segment revenue, other revenue was \$189m in year ended 31 March 2023 and \$157m in the prior period.

Other market participants

MTN
Globacom
9 Mobile
MAFAB Communication

Overview

We're very close to our customers in Nigeria, our largest single country market, where a young and growing population has a huge appetite for fast, affordable data and reliable mobile services. Nigeria's dynamic economy gains much of its energy from digital entrepreneurship – and we aim to partner the country and our customers as they drive digital transformation and economic empowerment.

We're investing in that digital future. We've created 1,000+ km more fibre infrastructure this year, with a focus on the major cities of Lagos, Kano, Abuja and Enugu. We're ensuring greater network reliability to give customers a consistent experience and expanding our distribution network to reach more people in remote, underserved areas. And in December 2022, Airtel Nigeria bought additional 5G spectrum at auction for \$285m so that are ready for future 5G demand, while we continued to expand our 4G footprint to 76.7%, to reach more communities.

Meeting Nigeria's National Identity Number (NIN) regulations has continued to be an important business requirement in 2022/23. While the government's barring of people who had not registered their NINs slowed growth and revenues at times during the year, we've been proactive in conducting awareness campaigns, setting up NIN registration facilities and increasing the number of our KYC centres, while creating offers for NIN re-registration. Similarly, we've weathered the significant pressures of a year in which fuel prices rose sharply, elections dominated the political agenda, and devaluation and currency shortages drove up underlying costs.

Despite these headwinds, the resilient performance of our teams on the ground has meant this has been another year of growth, with our customer base growing by 9.0%, and revenues by 20.3%.

Our performance

In reported currency, Nigeria revenue grew by 13.3% to \$2,128m and 20.3% in constant currency. Strong growth in both voice and data contributed to revenue growth, driven mainly by overall customer base growth of 9.0% and data customer base growth of 17.3%. ARPU grew by 7.0%, largely driven by higher data and other revenue. Q4'23 revenue growth at 18.7% was lower compared to 23.1% in Q3'23 mainly due to a shortage of cash in the country as a result of the demonetisation initiative, which impacted our cash recharges (50% of total recharges are cash based).

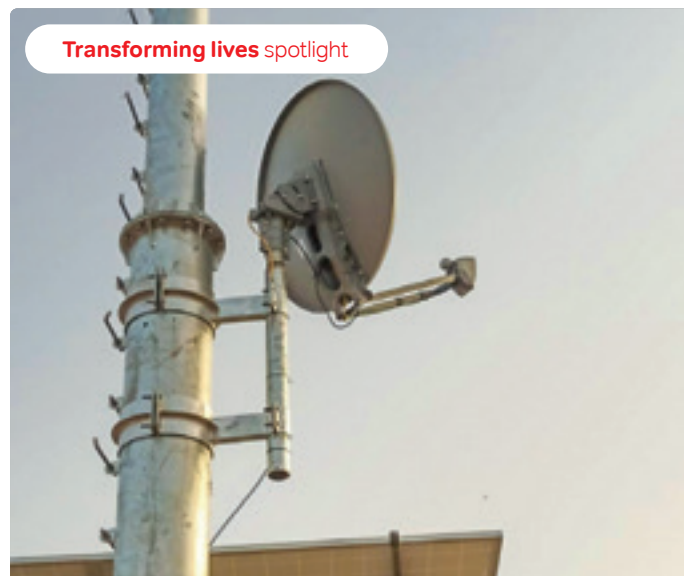
Voice revenue increased by 13.4% in constant currency, largely driven by customer base growth of 9.0% supported by voice ARPU growth of 0.9%. The barring of outgoing calls for customers who had not submitted their NINs had an adverse impact on voice revenue. A total of 13.6 million customers were originally barred, out of which 6.4 million customers (47%) have subsequently submitted their NINs and 3.5 million customers (26%) have been fully verified and unbarred. We estimate that this resulted in the loss of approximately \$110m of revenues in year ended 31 March 2023, providing a drag on revenue growth of 6% in Nigeria.

Data revenue increased by 27.8% in constant currency, driven by both data customer base growth of 17.3% and data ARPU growth of 9.9%. Over the last year, we have enhanced our 4G network with ample data network capacity to provide high-speed data to our customers with almost 100% of our sites now on 4G and data capacity increase of 27.5%. This has contributed to 4G data customer growth of 27.6%. Data usage per customer increased by 24.8% facilitating continued data ARPU growth. Data usage per customer reached 5 GB per customer per month from 4 GB per customer per month in the previous period. In Q4'23, 4G data usage per customer increased to 9.5 GB per month (up by 46.5%) from 6.5 GB per customer per month in the prior period. 4G data usage now contributes to 80.4% of total data usage on our network.

Other revenues grew by 27.5% in constant currency, with the main contribution coming from the growth in value added services revenue, led by airtime credit services.

Nigeria mobile services EBITDA was \$1,099m, up by 11.8% in constant currency. The EBITDA margin declined to 51.6% from 55.5% due to an increase in operating costs arising from inflationary pressures, particularly related to the fuel costs. The EBITDA margin in Q4'23 stabilised at 52.3% from 52.1% in Q3'23.

Operating free cash flow was \$806m, up by 10.0%, due to the expansion of EBITDA partially offset by higher capex spend in current period.



Transforming lives spotlight

Using satellite technology to keep isolated customers connected in Nigeria

Our customers rely on a stable, functioning network to keep connected – especially when times are challenging. In some rural parts of Borno State in northeast Nigeria, the telecommunications infrastructure has been damaged during the insurgency in the region, cutting access to services for people there when they need it most – including the region's many internally-displaced persons (IDPs).

In 2022, we deployed satellite technology to reconnect the towns of Banki, Buratai, Baga, Cross, Damasak, Monguno, Dikwa and Ngala in Borno State, and began integrating these satellite sites on microwave technology in Dikwa, Ngala and Gamboru. At the same time, we expanded our distribution network, adding a further 60+ outlets.

Customers are now able to connect within and between towns, and access services such as banking and healthcare – critically important for residents and IDPs. The initiative has also reached a monthly revenue of \$200,000+ in March 2023.

Business review continued

East Africa – mobile services

Unlocking digital benefits for customers, communities and our business



“Connecting the unconnected means relentlessly focusing on the basics – continuing to expand our network coverage while ensuring best-in-class experience, increasing our distribution reach to enable easy access to our customers, and providing affordable, simple and easy-to-use products and services.”

”

Apoorva Mehrotra
Regional director – East Africa

Other market participants

Kenya – Safaricom and Telkom

Malawi – TNM

Rwanda – MTN

Tanzania – Vodacom, Tigo, and Halotel

Uganda – MTN, UTL and Lyca

Zambia – MTN and Zamtel

Revenue
\$1,508m

Reported currency
8.1%
Constant currency
13.4%

Underlying EBITDA
\$753m

Reported currency
12.1%
Constant currency
17.5%

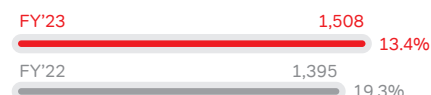
Operating profit
\$456m

Reported currency
18.5%
Constant currency
24.5%

ARPU
\$2.1

Reported currency
0.4%
Constant currency
5.3%

Revenue (\$m)



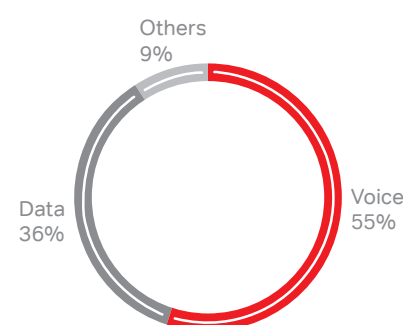
Growth % in constant currency

Underlying EBITDA (\$m)



* Underlying EBITDA margin %

Revenue split

Summarised statement of operations¹

Description	Unit of measure	Year ended		Reported currency change	Constant currency change
		Mar-23	Mar-22		
Revenue	\$m	1,508	1,395	8.1%	13.4%
Voice revenue ²	\$m	836	783	6.8%	12.2%
Data revenue	\$m	537	457	17.6%	22.8%
Other revenue ³	\$m	135	155	(12.8%)	(7.8%)
Underlying EBITDA	\$m	753	672	12.1%	17.5%
Underlying EBITDA margin	%	49.9%	48.1%	177 bps	174 bps
Depreciation and amortisation	\$m	(260)	(230)	12.8%	17.8%
Operating exceptional items	\$m	0	(32)	(100.0%)	(100.0%)
Operating profit	\$m	456	385	18.5%	24.5%
Capex	\$m	256	259	(1.0%)	(1.0%)
Operating free cash flow	\$m	497	413	20.4%	29.2%
Operating KPIs					
Total customer base	million	62.7	57.2	9.7%	
Data customer base	million	21.9	18.3	19.9%	
Mobile services ARPU	\$	2.1	2.1	0.4%	5.3%

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

2 Voice revenue includes inter-segment revenue of \$1m in the year ended 31 March 2023 and \$1m in the prior period. Excluding inter-segment revenue, voice revenue was \$835m in year ended 31 March 2023 and \$782m in the prior period.

3 Other revenue includes inter-segment revenue of \$11m in the year ended 31 March 2023 and \$9m in the prior period. Excluding inter-segment revenue, other revenue was \$124m in year ended 31 March 2023 and \$146m in the prior period.

Overview

Our six markets in East Africa host some of the strongest economies in Africa, with regional GDP growth reaching 4.8% this year despite macroeconomic disruption in the global economy. There are 221 million people in our region, and for that relatively young population our products and services are a gateway to financial and digital opportunity.

Our aim is to unlock commercial and digital benefits for all our customers, their communities, and our business. In a year when inflation has put pressure on every customer's budget, we've offered more value to our customers through 'more-for-more' product offerings. At the same time, we've engaged regulators in each of our markets to enable more competitive pricing, so that our customers' greater usage has seen us increase revenues in voice and data.

We have continued to improve our network, simplify our products and increase customer touchpoints for our services. Our population coverage now stands at 90.3%, and we've added 1,400+ 4G sites in the past year while modernising additional sites so we can offer better connectivity and faster speeds for our customers. Fibre-to-the-home (FTTH) and fibre-to-the-business (FTTB) has also expanded, while we continue to benefit from increased home broadband and enterprise custom. We've also invested in 5G spectrum in four markets, to ensure we are ready for the additional demand for data we see ahead.

Meeting local regulatory requirements is an essential part of our business, and this year we adopted new KYC regulations in Kenya, Tanzania and Zambia, all requiring identification documents to register SIM cards. We rapidly updated our onboarding and KYC processes to minimise lost revenues from barred customers.

Distribution remains a crucial competitive advantage, and we ended 2022/23 with 179,400+ activating outlets, which is an increase by 22.3% since last year.

Our performance

In East Africa, mobile services revenue grew by 8.1% in reported currency, and 13.4% in constant currency. The differential in growth rates was due to average currency devaluation of the Kenyan shilling, Ugandan shilling and Malawian kwacha, partially offset by an appreciation in the Zambian kwacha. Current year was impacted by the loss of tower sharing revenues (c. \$21m) following the sales of towers in Tanzania and Malawi which is reflected in the 7.8% decline in other revenues over the period. Revenue growth, excluding the site sharing revenue impact of tower sales, was 15.2% for the period.

Voice revenue grew by 12.2% in constant currency, driven by both customer base growth of 9.7% and voice ARPU growth of 4.1%. The customer base growth of 9.7% was supported by the expansion of our network, enhanced coverage, and distribution infrastructure. Site count increased by 9.2% and activating outlets increased by 22.3%. Voice usage per customer increased by 10.0% to 384 minutes per customer per month resulting in voice ARPU growth of 4.1%. Total minutes on the network increased by 18.5% to 279.0 billion minutes.

Data revenue grew by 22.8% in constant currency, largely driven by both data customer base growth of 19.9% and data ARPU growth of 9.2%. The expansion of our 4G network and ample data network capacity helped us to grow both the data customer base and data usage. 90.4% of our total sites in East Africa are on 4G as compared with 85.9% in prior period. 47.3% of our total data customer base is on 4G which contributes to 70.9% of total data usage (in Q4'23). Data usage per customer increased by 28.3%, resulting in data ARPU growth of 9.2%, and data usage per customer reached 4.2 GB per customer per month from 3.3 GB per customer per month. In Q4'23, 4G data usage per customer increased to 6.5 GB per month from 5.5 GB per customer per month (up by 18.4% from the prior period).

Mobile services underlying EBITDA increased to \$753m, up 17.5% in constant currency. Underlying EBITDA margin improved to 49.9%, an improvement of 174 basis points in constant currency, as a result of revenue growth and improved operating efficiencies.

Operating free cash flow was \$497m, up by 29.2% in constant currency, largely due to expansion of underlying EBITDA.



Overcoming challenging times to provide essential services in Malawi

Customers and businesses in Malawi faced a range of challenges in 2022/23 – and we responded by finding new ways of working to maintain essential telecoms services. Protracted power failures and a country-wide fuel shortage meant that many telecommunication towers were unable to operate for significant periods – while communities also had to tackle the impact of cyclones Gombe and Anna, sharp currency devaluations, foreign exchange shortages, and inflation.

We formed a new partnership with our towerco, Helios Towers, and engaged with the Malawi Energy Regulatory Authority and Reserve Bank to ensure our services were maintained. In addition, in 2022/23 we invested around \$15m in our network despite the shortage of foreign currency in Malawi.

Maintaining our services helped us meet the demand for data, which grew by 125% in 2022/23, and gave customers access to mobile money services.

“Customers and regulators recognise us as an essential service, especially when times are difficult – so keeping our network running this year meant we could keep connecting communities and businesses and enabling financial inclusion.”

Charles Kamoto
Managing director, Airtel Malawi

Business review continued

Francophone Africa – mobile services

Data usage driving our growth, while closing the digital divide



“ We’re in an enviable position as a business. Demand for our services is out there, waiting for us to build out our networks and our service delivery platforms to satisfy our customers’ needs – and our expansion drives the sustainable development that will help us thrive into the future. ”

Michael Foley
Regional director – Francophone Africa

Other market participants

Chad: Maroc, Sotel

The Democratic Republic of the Congo (DRC): 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

Revenue
\$1,090m

Reported currency
5.5%
Constant currency
11.9%

EBITDA
\$476m

Reported currency
12.0%
Constant currency
18.2%

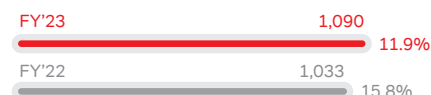
Operating profit
\$252m

Reported currency
29.9%
Constant currency
35.5%

ARPU
\$3.3

Reported currency
(2.9%)
Constant currency
3.0%

Revenue (\$m)



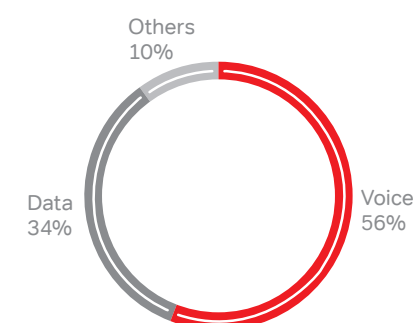
Growth % in constant currency

EBITDA (\$m)



* EBITDA margin %

Revenue split

Summarised statement of operations¹

Description	Unit of measure	Year ended		Reported currency change	Constant currency change
		Mar-23	Mar-22		
Revenue	\$m	1,090	1,033	5.5%	11.9%
Voice revenue ²	\$m	607	594	2.2%	8.8%
Data revenue	\$m	366	334	9.6%	16.2%
Other revenue ³	\$m	117	105	10.9%	15.3%
EBITDA	\$m	476	425	12.0%	18.2%
EBITDA margin	%	43.7%	41.2%	255 bps	236 bps
Depreciation and amortisation	\$m	(190)	(199)	(4.7%)	1.7%
Operating exceptional items	\$m	–	–	0.0%	0.0%
Operating profit	\$m	252	194	29.9%	35.5%
Capex	\$m	151	114	32.5%	32.5%
Operating free cash flow	\$m	325	311	4.5%	12.7%
Operating KPIs					
Total customer base	million	28.9	26.8	7.8%	
Data customer base	million	8.9	8.2	9.4%	
Mobile services ARPU	\$	3.3	3.4	(2.9%)	3.0%

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

2 Voice revenue includes inter-segment revenue of \$3m in the year ended 31 March 2023 and \$2m in the prior period. Excluding inter-segment revenue, voice revenue was \$604m in year ended 31 March 2023 and \$592m in the prior period.

3 Other revenue includes inter-segment revenue of \$3m in the year ended 31 March 2023 and \$1m in the prior period. Excluding inter-segment revenue, other revenue was \$114m in year ended 31 March 2023 and \$104m in the prior period.

Overview

Our Francophone Africa segment is made up of Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo and the Seychelles – and it is home to more than 181 million people. The region has a median age of 16*, and landline infrastructure is scarce – which means that mobile services are the first and often only way that millions of people can connect with each other and the wider economy.

This creates a huge demand for data and voice services. This year usage across all segments continued to grow, alongside our customer base. Data usage, in particular, is growing fast, highlighting the continuing appetite for internet access. We've invested in urban fibre in cities such as Kinshasa, Niamey and N'Djamena, and in network expansion across all markets. In DRC we invested in additional spectrum, and in Chad, in a first for the region, we built a multiple-input multiple-output (MIMO) antenna in N'Djamena. This investment across the region was primarily driven by the need to meet demand for data – and data usage grew by 57.8% in 2022/23.

Our resilient performance this year is a credit to the work of our teams, who have faced significant challenges in several markets as price inflation, fuel shortages and lack of security have disrupted the economy and made life difficult for many in the communities we serve. A number of markets have also experienced severe weather events linked to climate change, with Chad, the DRC and Niger, in particular, suffering floods that saw many thousands of people displaced – situations in which we have made enormous efforts to maintain essential mobile services.

Despite these headwinds, we've welcomed 0.8 million new data customers, and grown our overall customer base by 7.8%, connecting more people and communities than ever before.

Our performance

In Francophone Africa, mobile services revenue grew by 5.5% in reported currency and by 11.9% in constant currency. The differential in growth rates was driven primarily by the 11.7% devaluation of the Central African franc.

Voice revenue increased by 8.8% in constant currency, mainly driven by customer base growth of 7.8%. With continued investments in network expansion and distribution infrastructure, total sites increased by 9.2% and activating outlets increased by 12% (exclusive outlets increased by 20%). Voice usage per customer grew by 10.1% to 150 minutes per customer per month, thereby resulting in a 19.5% growth in total voice minutes on our network.

Data revenue increased by 16.2% in constant currency, driven by both customer base growth of 9.4% and data ARPU growth of 7.8%. We continue to expand our 4G network, with 69.0% of our sites in Francophone Africa on 4G (up from 65.3% in prior period) and data capacity on our network increased by 60.5%. Total data usage increased by 57.8%, primarily driven by an increase in data usage per customer by 46.3% to 3.5 GB per customer per month compared with 2.4 GB in the prior period. As of Q4'23, 54% of the data customer base is on 4G, contributing to 72.4% of total data usage. Q4'23 4G data usage per customer increased to 5.6 GB per month (up by 18.4%) compared with 4.7 GB per customer per month.

Mobile services EBITDA at \$476m, increased by 18.2% in constant currency. EBITDA margin improved to 43.7%, an improvement of 236 basis points in constant currency. However, the current year had a one-time opex benefit of approximately \$19m in the first half, resulting in a normalized EBITDA margin for 2022/23 of 42.0% – an improvement of 68 basis points in constant currency.

Operating free cash flow was \$325m, increased by 12.7%, driven by the expansion in EBITDA and partially offset by higher capex.

* Source: World Bank report (2022)



Transforming lives spotlight

Deploying 'Massive MIMO' technology to improve our network in Chad

Rapidly increasing demand for voice and data services can put pressure on any telecoms network – especially in towns and cities with a high concentration of customers.

This year, we explored an innovative approach to improving our customers' service: by deploying 'Massive MIMO' technology to N'Djamena, the capital city of Chad. 'MIMO' stands for 'multiple inputs, multiple outputs', and describes an antennae technology that can help improve download speeds. Our deployment in 22 sites in Chad in October 2022 was the first use of Massive MIMO in our operations which has had rapid results: data traffic on these sites increased by 44% and capacity almost doubled.

We've also seen a quick response from customers, who are now better connected than ever to each other, and to the digital economy.

Business review continued

Mobile money

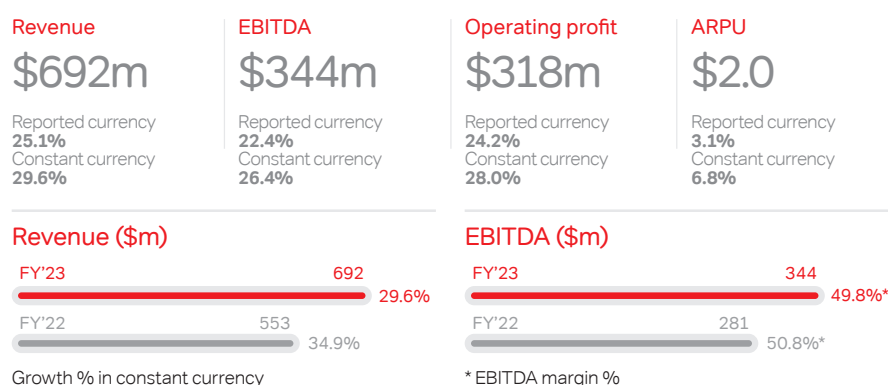
Mobile money: bridging the financial divide and fostering commerce



“Airtel Money connects communities, enables payments and makes life simpler for our customers. Our financial services are transformational to the economies and communities in which we operate, and we are closely aligned with governments’ objectives for driving financial inclusion and a digital economy.”

”

Ian Ferrao
CEO, Airtel Money



Summarised statement of operations

Description	Unit of measure	Year ended		Reported currency change	Constant currency change
		Mar-23	Mar-22		
Revenue²	\$m	692	553	25.1%	29.6%
Nigeria	\$m	0	0	–	–
East Africa	\$m	531	411	29.1%	32.6%
Francophone Africa	\$m	161	142	13.4%	20.3%
EBITDA	\$m	344	281	22.4%	26.4%
EBITDA margin	%	49.8%	50.8%	(107) bps	(123) bps
Depreciation and amortisation	\$m	(17)	(14)	25.6%	31.6%
Operating profit	\$m	318	256	24.2%	28.0%
Capex	\$m	33	25	29.5%	29.5%
Operating free cash flow	\$m	311	256	21.7%	26.1%
Operating KPIs					
Mobile money customer base	million	31.5	26.2	20.4%	
Transaction value	\$bn	88.6	64.4	37.4%	41.3%
Mobile money ARPU	\$	2.0	1.9	3.1%	6.8%

1 Mobile money consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce B.V. (AMC B.V.) is the holding company for all mobile money services for the Group, and as of 31 March 2023, it consolidates mobile money operations from 11 OpCos, currently excluding operations in Nigeria, Republic of the Congo and Tanzania. It is our management's intention to continue work to transfer all these remaining mobile money operations into AMC B.V., subject to local regulatory requirements.

2 Mobile money service revenue post inter-segment eliminations with mobile services was \$540m in the year ended 31 March 2023, and \$424m in the prior year.

Overview

Across the region, mobile money is an increasingly important driver of economic growth. This trajectory will continue: economies are becoming increasingly cashless, consumers are embracing new financial behaviours, and businesses of all sizes are finding it cheaper, faster and more convenient to use mobile money services, whether that's to conduct regular small transactions or to make bulk payments direct to their employees or customers' mobile money wallets. And among the many under-banked or un-banked people in our markets, mobile money is creating access to basic financial services that would otherwise be unavailable to them, and rapidly increasing financial inclusion.

This year has seen excellent results for Airtel Money: we have widened our customer base and driven increased revenues. We see significant further opportunity ahead, and we have invested in our people and technology in order to meet it, as well as expanding our distribution network and float availability through our Airtel Money branches (AMBs) which expanded by 11.5% in 2022/23, and our kiosks, which increased by 10.8%.

Following the award of our Payment Service Bank (PSB) licence in Nigeria in April 2022, we are now able to offer digital wallets and bank accounts to customers in one of Africa's largest markets through their mobile phones. We have rapidly established a network of more than 52,000 agents in Nigeria, so we can start reaching customers and including more people in our mobile money eco-system, while building relationships with businesses and setting up our IT platforms to ensure we offer a stable, reliable service. We have also launched an information campaign to explain mobile money to potential customers in a country where there is significant scope for greater financial inclusion – more than 60 million Nigerians remain unbanked.

Elsewhere, we're expanding the scope of our services and creating increased 'use cases'. In Uganda, Tanzania and Zambia, for example, we've launched a new micro-merchant programme to bring more small and informal businesses into the mobile money economy. Our aim is to reach more than one million micro-merchants in the region in 2023/24. We're working on interoperability in several markets, which gives customers more access to financial services across borders. And across the region as a whole, we're continuing to expand our offering of mobile wallet deposits and withdrawals, merchant payments, enterprise disbursements, international money transfers, and loans and savings.

Our performance

Mobile money revenue of \$692m increased by 25.1% in reported currency and by 29.6% in constant currency. The constant currency growth was partially offset by average currency devaluations, mainly in the Central African franc (11.7%), the Ugandan shilling (4.9%) and the Malawian kwacha (22.6%), in turn partially offset by the appreciation in the Zambian kwacha (8.8%). Revenue growth of 29.6% was driven by both East Africa (up 32.6%) and Francophone Africa (up 20.3%). In Nigeria, mobile money services (SmartCash) was launched in June 2022. Our focus in the period has been to invest in the platform technology as well as the business systems and processes to ensure confidence and reliability in the platform. In addition, our continued investment into the agent network continues to gain traction, driving encouraging progress on customer acquisition over the last quarter.

Constant currency revenue growth of 29.6% was largely led by customer base growth of 20.4%. The continued investment in distribution infrastructure of exclusive channels of Airtel Money branches and kiosks, as well as the expansion of mobile money agents, helped us in driving strong customer growth.

The mobile money customer base reached 31.5 million, an increase of 20.4%, and mobile money customer base penetration reached 22.5%, an increase of 2.1 percentage points. The expansion of distribution enhanced transaction value per customer by 16.4%, resulting in mobile money ARPU growth of 6.8%. Mobile money ARPU growth

was largely driven by an increase in transaction values and higher contributions from cash transactions, merchant payments and mobile service recharges through Airtel Money.

Our mobile money transaction value grew by 41.3% and Q4'23 annualised transaction value crossed \$102bn in constant currency. Q4'23 transaction value per customer reached \$260 per month, an increase of 26.1% in constant currency. Mobile money revenue now accounts for 13.2% of total Group revenue for the year.

Mobile money EBITDA increased to \$344m, up by 26.4% in constant currency. The drop in mobile money EBITDA margin was largely due to additional spend in Nigeria PSB related to the launch of SmartCash.



Mobile money interoperability in Tanzania and Zambia

In February 2022, the Bank of Tanzania, a regulatory authority, launched the instant payments switch (TIPS) system to enhance interoperability, boost financial inclusion and further deepen the digitalisation of payments in the country. This was an industry-wide regulatory initiative aimed at integrating mobile money platforms and banks in the country. Prior to the launch, customers and businesses were often charged substantial fees to transfer money between different providers. In October 2022, Airtel Tanzania was integrated into TIPS offering customers more ways to transfer money seamlessly between different providers, buy goods or pay bills regardless of which mobile money platform they use.

Also, in 2022 we integrated our Zambia mobile money services into the national financial switch (NFS) launched by the Bank of Zambia to improve interoperability between the banks and mobile network operators. Customers can now send funds directly to banks from their Airtel Money wallets and vice versa as well as make transfers regardless of their mobile money providers. The NFS system includes 19 banks in Zambia.

As of 31 March 2023, in Tanzania our mobile money transaction value processed through the national switch system was \$2.5bn and in Zambia – \$3bn, respectively. In addition, as a result of these integrations, competition has increased in the mobile money market and made transactions more cost-effective for our customers.

Airtel Business

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

Our market

Flourishing enterprises are at the heart of Africa's growth – and Airtel Business exists to provide them with the dynamic, reliable communications they need to drive economic opportunity. We're aiming to be the service provider of choice for fibre, fixed wireless broadband and satellite connectivity solutions across our region.

We offer mobile and fixed data services and a comprehensive suite of digital services to major corporates, non-governmental organisations, government departments, diplomatic missions, start-ups and small- and medium-sized businesses (SMEs). We also offer business ICT support, including conferencing and collaboration services, cloud and data centre co-location services, and Airtel Money services, and can provide data sovereignty for organisations through in-country data centres. With our partner Cisco, we provide access to Cisco Meraki SDWAN (software-defined wide area network), which is a suite of features designed to allow a network to dynamically adjust to maintain connectivity. At the same time, our low earth orbit (LEO) satellite connections reach places that other networks can't – delivering essential services to customers including NGOs and mining, oil and gas companies.

In 2022/23, we agreed a distribution partnership with OneWeb, our related party, to provide LEO connectivity for a wide range of use cases in rural areas, including agriculture, hospitals, hotels and schools, as well as the energy and mining sectors. We also agreed a partnership with Amazon Web Services to provide our customers with cloud data services.

Our customers create value and unlock the possibilities of digitalisation in the wider economy. So, by supporting them, we support opportunities for the people and businesses around us, while also creating value for Airtel Africa: this year, Airtel Business saw a 18% increase in fixed data connections. Our annual revenue grew by 17.5%.



“ Internet penetration is rising across Africa and systems are even more connected as the digital transformation is driving growth amongst organisations. Through our partnership with OneWeb, we support SMEs, entrepreneurs, corporates and governments to do business across Africa, with low latency and highly resilient communication services.

”

Luc Serviant
Group Enterprise director

+18.3%

fixed data
connections

17.5%

revenue growth

The DIAN project: digital innovations for agropastoral communities in Niger

We want digital inclusion to reach the remotest parts of our markets – and few communities are as remote as the agro-pastoral shepherds and farmers of Niger. In July 2022, Airtel Business co-launched a public-private partnership dedicated to supporting that community: the digital innovation for agro-pastoralists of Niger (DIAN/IDAN) project.

The project aims to increase the resilience and food security of agro-pastoral families in southwestern Niger by providing an accessible digital platform for people involved in agriculture and livestock breeding. It includes a contact centre, an e-marketplace, and a portfolio of mobile financial products for agrobusinesses, allowing

micro credit, micro-savings, credit scoring, and payments and reimbursement via mobile. Users will be able to access Airtel Money services, and get information on agriculture, livestock and financial products.

DIAN depends on the cooperation of a range of partners: SNV (Netherlands Development Organisation), the Ministry of Livestock of Niger, Airtel Niger, AREN (Association for the Revitalisation of Livestock in Niger) and GAJEL (Group for Cultural Action and Development of Young Breeders). And it is a great fit with our sustainability strategy, enabling digitalisation and extending financial inclusion to a vital community in Niger's economy.

Digital Labs: innovating technologies for customers, and improving our processes



Digital Labs is our in-house digital hub for developing and delivering technology platforms and digital products. We work across all 14 markets, innovating technologies that enhance customers' experiences, drive financial inclusion, and harness the power of digitalisation. Our product development teams build products for all our business lines – including voice and mobile services, Airtel Money, Airtel Business and Airtel TV. We focus on digital consumer products, enterprise product engineering, Fintech platforms, telco platforms and data analytics.

We aim to launch excellent products, at speed. Our new approval management system, Probatas, was built in three months to manage complex financial approval systems in our business, and now handles more than 2,500 processes per month. This year we also developed a sales automation suite (registration app) that is now in use in eight markets, which has accelerated our onboarding process for new sales agents from three days to under five minutes. The Group has used the suite to onboard more than 550,000 agents in 2022/23. Our unified customer dashboard, CS Fusion, introduced in 2021/22, has been expanded to further transform our contact centres.

550,000

agents onboarded via sales suite

2,500

processes handled every month in Probatas



“
To help our retailer network stay compliant while serving customers, we've developed the retailer Tribe app. Tribe has allowed us to deliver new capabilities fast – and also helps retailers grow their business.

”

Razvan Ungureanu
Chief technology and information officer

'Tribe' – the app helping our retailers serve customers while complying with regulations

The retailers and agents in our distribution network are dedicated to connecting customers to the Airtel network and improving their experience – and they need to do so while complying with the regulations and policies in place in their market, including fraud prevention rules. These regulations are unique to each of our 14 markets, and change over time. So, to help our retailer network stay compliant while serving customers, we've developed the retailer Tribe app.

The retailer Tribe app, available on the Android platform, can be accessed by our network of GSM retailers and Airtel Money retailers. It is a highly configurable product, allowing us to build a feature once and make it available to all 14 markets, while also providing a localised experience that meets country-specific regulatory requirements and can be adapted to enable market-specific features. It can also meet local language needs: currently, all features in the app are supported in English, French, Malagasy, Swahili and Kinyarwanda.

Tribe has allowed us to deliver new capabilities fast – and also helps retailers grow their business. The app supports both SSO (single sign-on) and Airtel Money agents and has both GSM and Airtel Money features, allowing retailers to add a new revenue stream by becoming both an Airtel Money agent and a SIM-selling outlet. The app also helps retailers understand their gross performance, track commissions, and understand commission rules.

As of 31 March 2023, in Zambia alone, 4.3 million Know Your Customer (KYC) transactions and 1.6 million SIM swap transactions were conducted on the retailer Tribe app. We expect this number to grow as we continue to strengthen our retailer network and add features to Tribe.

Our stakeholders

Connecting to people and partners, and considering stakeholders' views

We're a business based on connecting people. Engaging with our stakeholders helps us build the shared understanding and mutual, long-lasting value that underpins our purpose of transforming lives. That enables us, and those around us, to thrive.



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 on corporate governance from our corporate legal advisers Herbert Smith Freehills which includes a reminder 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 stakeholders' interests and concerns, and considered them when making decisions in 2022/23.

How we work to understand our stakeholders

Identifying the Group's key stakeholders and their interests, needs and level of influence is fundamental to successful stakeholder engagement. Our stakeholder identification is guided by the AA1000 Standard, which defines key stakeholders as 'individuals, groups of individuals or organisations that affect and/or could be affected by an organisation's activities, products or services and associated performance with regard to the issues to be addressed by the engagement'.

Our stakeholder matrix recognises stakeholders upon which we have the most significant impact on and those with the most material influence on the Group's activities. This allows us to identify priority stakeholders. The following priority stakeholder groups were identified in the process:

- Our customers
- Our people
- Our communities
- Our partners and suppliers
- Governments and regulators
- Shareholders

How we work to understand our stakeholders

To put stakeholder views at the heart of our decision-making, we need to understand the interests of each stakeholder group. This happens throughout our organisation, from informal conversations to formal consultations, and we continue to work to ensure good communication with all the people and groups we interact with. Directors are kept informed about our stakeholders' views in a number of ways, including through their own direct interactions – as outlined below.

Ensuring the Board stays informed and engaged

Our Board stays connected to stakeholders through regular reports and updates from our senior leadership team, who channel information from our OpCos as well as engaging directly with stakeholders themselves. Every Board paper now includes stakeholder interests that are relevant to the decisions being considered and the likely consequences of our decisions in the long term. Directors visit our local operations, and we hold Board meetings at regional offices that hear from representatives from the local businesses.

Our stakeholder engagement policy is founded on the principles of transparency, active listening, and equitable treatment, and favours a consultative and collaborative engagement with all stakeholders. The policy commits us to proactively keeping our stakeholders informed of business developments, rigorously upholding international standards for transparency, and continuously refining our understanding of our stakeholders' needs and expectations.

We know that our stakeholders will hold a range of views about the decisions we take – and that not everything we do will please everybody, all the time.

Our chair is committed to ensuring that the Board hears both positive and negative stakeholder views and is supported in this by the executive team. The chair, the chairs of each committee, senior independent directors, CEO, CFO and our company secretary are all available to address any concerns raised by stakeholders.

All engagements with stakeholders by anyone at Airtel Africa are underpinned by our set of business standards, which have stakeholder interests at their core. Our Code of Conduct sets out our high expectations for how all of us should behave, including respect for human rights, data privacy, and acting lawfully at all times. It helps support our belief that the value we create as a business must ultimately be shared between all stakeholders and contribute towards renewing and reaffirming the trust that they have in us – and we have in them.

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

Engaging with the media

We recognise the critical importance of local, regional and international media engagement. As objective reviewers and reporters of our progress, journalists and media outlets play an important role in furthering our engagement with our wider stakeholder groups. Our communications functions at the Group level and across our 14 markets have established strong relationships with key media outlets and journalists which they continue to develop and evolve, providing regular and timely updates on our progress, activities and important announcements.

We tailor our engagement with media to reflect the focus and interest of each publication. For example, for international, investment and business-led titles, we provide regular updates on the financial performance and strategic direction of the business, ensuring that our executive leadership team is available for interviews and commentary. For regional and pan-African titles, we update on market developments, product launches and our contribution to Africa's economic and societal development. In our markets, we provide details of activities that are relevant to the local communities. In addition, we communicate with our industry sector titles and publications interested in our sustainability performance. We are committed to complete transparency in all our reporting to media and consider this an important conduit to demonstrate our corporate purpose and values.

Our stakeholders continued

Our customers

More than 140 million customers across Africa use our data, voice and mobile money services to connect, live and work.



Total customers

140 million

Activating outlets

304,000+

Airtel Money customers

31.5 million

How we engaged during the year

Feedback from our customers helps define the success of our products and services – and plays a vital role in how we improve customer experience.

This year, we stayed in touch with our customers through face-to-face engagements and through our increasing range of self-care touchpoints. In our growing network of 802 retail experience stores, we had service and product purchase conversations, provided assistance, answered inquiries, and listened to feedback. Customers choosing self-care options could use social media platforms, email and MyAirtel app to manage their accounts, access mobile money services and get support.

Through our call centres, customers used our dynamic interactive voice response (IVR) system or spoke directly to agents to get assistance and service. Customers were asked to complete surveys after interactions with our contact centres, through SMS.

Our Board continued to be informed of significant customer concerns and priorities through the CEO's regular update and was able to channel these insights into its customer and product-related decisions.

Interests and concerns

We analyse qualitative and quantitative feedback from customers regularly. From these analytics, we glean insights – 'the voice of the customer' – regarding customer suggestions, 'pain points' and 'pleasure points'.

Affordability was a key interest for customers in 2022/23, as many people in our markets faced steep inflation, especially in food and fuel prices. Reliability and network quality are also customer priorities, while some customers wanted more options for personalising their plans to suit their needs. Customers continued to tell us they want to be able to easily use our products and services at times that are most convenient for them, and they also want quick and easy support.

Airtel Money customers are looking for convenient platforms that enable them to make payments and remittances across the globe as simply as with cash, but with added safety and security – they were particularly interested in wallet access, transaction success and information availability.

Our enterprise customers told us they need dedicated support to meet their service-related queries. The Board receives insights from these activities as part of regular business reports at each meeting.

Outcome and actions

We've listened to our customers and continued to improve our customer service, while our expanding network offers more coverage and better access to data and mobile money services than ever before.

We've strengthened our self-service options to make our service faster, and in particular built on our Airtel Money self-service options, enabling PIN management in seven markets, and simplified transaction processes (and self-service transaction reversals to remedy inadvertent errors). We also upgraded our contact centre technology so that we have tailored services for Airtel Enterprise, postpaid and broadband customers. Our new enterprise self-care portal launched in two markets, and we intend to expand access to all markets over time.

Our people

Listening to our people helps us make Airtel Africa a great place to work for all our employees in 17 countries.



Airtel Africa people

4,000

Employee engagement

81%

Bi-annual employee engagement survey

How we engaged during the year

We are constantly looking for ways to enhance our communication, connection and engagement with all our employees. This year, that included:

- Town halls at Group and OpCo level, held after each quarterly results announcement and on an ad hoc basis (such as our celebrations of International Women's Day in March 2023), where employees can ask questions, make suggestions and raise concerns with senior leaders.
- One-on-one engagements where senior Group or OpCo leaders meet employees as part of our open-door policy
- Regular OpCo visits where function heads and our CEO engage with teams, then raise any issues or concerns at a Group ExCo level
- Monthly business reviews, where regional directors and our CEO discuss employee issues
- Employee wellbeing initiatives, and celebrations of national days and key holidays

Our Board actively engaged with employees throughout the year. Board members attend town halls and visit OpCos to meet employees and hear their views, as well as receiving regular updates from the CEO and CHRO. They also stay connected on employee-related matters through their involvement with our Sustainability Committee and the Human Resources Committee which provide valuable insight when developing and reviewing our people strategy. Our chair attended our annual leadership conclave in March 2023, and meets senior leaders regularly. Sunil Bharti Mittal is our designated Board director for employee engagement, given his regular travel to our operating companies. He is able to join employee events during the year to hear and respond to questions and listen to people's stories – both informally and formally. He shares the outcomes of this with the Board and the senior management team, as relevant. For more information about Sunil Bharti Mittal's engagement with employees in his capacity of the non-executive director, see page 129.

Interests and concerns

There are 4,000 people in the Airtel Africa team, so the interests and concerns they raise are varied and wide-ranging. Health and wellness continue to be an important issue, alongside career growth, rewards, and learning and development. In our town hall meetings employees raise questions about our strategic direction – this year seeking information about our move to 5G and our approach to our new fibre holding company – and make suggestions on issues such as systems and automation.

Employees also frequently express their support for the communities in which they work and seek out opportunities to support the people around them in areas such as education, health and disaster relief.

Outcome and actions

It is vital that we understand and respond to the views of employees, because we want to continue to attract, develop and retain a highly skilled, diverse and engaged workforce – and maintain a high-performance culture. The Board has overseen and approved several programmes and policies that support our people strategy.

To support employees' health and wellbeing, we provide medical check-ups at our offices and access to physical fitness sessions, while we invite financial advisers to our workplaces to help employees manage their money. Our employee assistance programme provides access to professional counsellors.

We want our people to have fulfilling and rewarding careers, so we have a defined performance and reward system, and we look to promote internally, providing people with assignments where they can grow their skills and capabilities. This is supported by our learning and development programmes, including our online learning platform, Percipio, in-person training, and cross-border and cross-functional training.

» For more information about how our Board monitors our people's KPIs, see 'Win with people' on page 37 and sustainability strategy on pages 38-55

Our stakeholders continued

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.



Airtel Touching Lives

100,330

requests for support in Nigeria

Educational resources

\$57m

five-year partnership with UNICEF

Schoolchildren supported

250,000+

given access to digital learning in 2022/23

How we engaged during the year

We are always open to the views and interests of our communities, and we place them at the heart of what we do – our ‘respectful’ value reminds us that we ‘share the joy and pain of the communities around us’. People in our communities engage with us in a wide range of ways, including through conversations with our OpCos and regional leaders, letters, emails and text messages. We also hear from governments and other organisations about key community issues during the year, and connect to people through our community initiatives, such as our ‘Touching lives’ programme in Nigeria.

Our Board regularly reviews our formal programme of community initiatives, and directors hear from senior management when communities have made specific requests or raised concerns.

Interests and concerns

People in our communities have many concerns and interests that are at the heart of our business strategy. These include extended network coverage, reliable and affordable services, and financial inclusion – reflecting the fact that many people in our communities are customers as well as neighbours.

Communities also raise specific issues with our OpCos and regional offices, relating to local needs in areas such as education, health and disaster relief. This was particularly true in 2022/23, when rising fuel and food prices in many markets contributed to significant cost-of-living pressures, and some communities were still feeling the economic and health effects of the Covid-19 pandemic.

Outcome and actions

We work with communities and governments across our markets 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 five-year \$57m partnership with the United Nations Children’s Educational Fund (UNICEF) covers 13 of our markets, championing digital education through online platforms, connectivity and access to quality digital learning. Six of our OpCos have now launched initiatives through this partnership, supporting more than 250,000+ children with access to online education. Our long-standing ‘Adopt a school’ programme also supports education, with several projects undertaken in 2022/23.

We reported on many of our long-term projects in our Sustainability Report, published in October 2022.

» For more information about how we support communities, see our sustainability strategy on pages 38-55

Partners and suppliers

We work with more than 2,600 suppliers across Africa, including mobile brands, IT companies and telecoms infrastructure providers – with the top 100 suppliers accounting for just over 88% of our procurements.



79%

of our top 100 suppliers responded to our ESG self-assessment survey in 2022/23

96%

of suppliers who responded to our ESG SAQ have established a code of conduct

How we engaged during the year

This year saw a welcome return to more direct, in-person engagement with our partners and suppliers, as Covid-19 restrictions on movement and meetings were almost entirely lifted. The experience of working remotely, however, has meant that we now have well-established channels to engage suppliers and partners both virtually and face-to-face. We have also seen the benefits of our sourcing team being based in Dubai, which is the regional headquarters for a number of suppliers and partners in our markets.

We continued to engage with our top suppliers at both HQ and OpCo levels. The post-pandemic return of the MWC Barcelona convention meant we were able to engage a number of key suppliers at senior leadership level, and our CEO met peers from our top suppliers regularly during the year.

Engagement with suppliers included governance meetings, commercial meetings and, where necessary, grievance meetings. Our OpCo teams continued to discuss operational matters with suppliers at country level.

Environmental, social and governance (ESG) issues were an important area of engagement this year for our partners and for us, and we asked our top 100 top suppliers to conduct an ESG survey.

The Board receives relevant information from our engagements with suppliers through the CEO's report. Our CEO then relays the Board's response to the business and leaders at his regular ExCo and business review meetings.

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

Interests and concerns

Strong partnerships with suppliers have always been an important part of our business model, and this year partners continued to engage with us to discuss win-win solutions. Their interests this year included discussing ways to reduce environmental impacts (for us and them), and ways to navigate the economic situation, which featured high inflation and currency devaluation in some markets. Partners and suppliers also approached us about the adoption of new technologies, and we discussed sales and project plans, bids and proposals, and payments.

Outcomes and actions

We made useful progress in a number of areas related to our sustainability strategy, while also publishing our first Sustainability Report in October 2022. From our ESG survey of our top 100 suppliers by spend, we received a 79% response rate, helping us build valuable data on environmental impacts in our value chain that feeds into our net zero plans, and which will identify opportunities to improve our performance. At the same time, fuel price increases in a number of markets accelerated our partnership programmes with key partners and suppliers aimed at establishing a renewable or lower-carbon approach to our operations.

We also reached agreement with four key suppliers to support us with our rollout of 5G in six markets, building capacity in our business for the data opportunity we see ahead.

Our stakeholders continued

Governments and regulators

We engage closely with governments and regulators in all our markets, supporting their ambitions for digital and financial inclusion while working to create a viable business environment in which we can create shared value.



“ Our Board continues to have a productive and open dialogue with regulatory bodies and policymakers and sets high standards of governance across our business. ”

How we engaged during the year

Our stakeholder engagement plan provides broad guidance on who should engage governments and regulators on behalf of the company, depending on the seriousness and materiality of the issue under discussion.

Engagements can take various forms. For serious and material issues, we rely on formal channels which may involve us writing to the regulator or relevant government department on the issue of concern, or holding a formal, minuted meeting. Other engagements happen at informal government events, product launches, and industry gatherings.

We also engage through local industry associations, and international industry associations, including the GSMA.

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 long-term strategy in Africa. The Board has empowered the CEOs and chief regulatory officers of our OpCos to represent them at country-level engagements with governments and regulators and to feed back any issues for Board-level discussion. An example of successful engagement at this level was the reduction of corporate tax in Zambia from 40% to 35% to align with other industries. 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.

Interests and concerns

Each government has unique priorities and approaches, but interests and concerns in 2022/23 fell broadly into the following categories:

- Revenues – which were the main focus this year as economies experienced turbulence in most of our markets
- Security – which includes a focus on KYC and anti-money laundering regulations, particularly for countries addressing internal security concerns
- Access to affordable services – a key issue for governments trying to unlock the opportunity for financial and digital inclusion
- Fair competition – ensuring that markets are fair and open.

Outcomes and actions

We understand governments' focus on revenues and we continue to meet our tax obligations, being recognised as among the largest taxpayers in most of our countries of operation. Alongside this, we seek to demonstrate to governments that their societies benefit from the shared value we create wherever we operate, and advocate equitable taxation across all sectors of the economy. This is supported by our sustainability strategy.

We ensure that all our activities are properly licensed, and use our compliance management system to ensure that all our operations comply with licence obligations. We closely monitor compliance with KYC and AML requirements, which are a special focus area for governments fighting terrorism, money laundering and the financing of terrorism.

We monitor the quality of our network to ensure that it meets regulators' quality of service standards, and that their citizens enjoy affordable coverage and a reliable service.

» See our legal and regulatory frameworks section on pages 22-23

Shareholders

Through their investments, our shareholders enable us to deliver our strategy and create long-term value for all stakeholders.



Capex investment

\$748m

excluding spectrum

Investment in spectrum

\$500m

including 5G

How we engaged during the year

We aim to encourage shareholder participation by understanding and acting on shareholder feedback and by being clear and transparent when communicating with our shareholders, and with potential investors and analysts.

Our investor relations team maintains a two-way dialogue between the investment community and Group management, executives and the Board. At the same time, we keep a range of channels open for communication, including this Annual Report, our Sustainability Report, press releases and updates, and live conference calls and presentations held at each quarterly results announcements. Our website is kept updated for investors to access investor-specific information on financial, operating and sustainability issues, and our senior leaders hold investor road shows and investor conferences where they meet shareholders virtually or in person.

Our Board receives and discusses a detailed report from our investor relations team every month, which includes an update on shareholder engagement and any interests or concerns raised. The Board also receives regular updates from our corporate brokers. The Board uses these insights to inform its shareholder engagement strategy and to consider the long-term consequences of its decisions.

Interests and concerns

Investors are typically interested in the opportunity we have for sustainable growth, and in 2022/23 focused particularly on our plans for Airtel Money in Nigeria, following our award of a licence to operate as a payment services bank in April 2022. There has also been growing interest in our approach to environmental, social and governance (ESG) issues, and in particular our performance on carbon emissions.

They are also keen to understand our plans for capital allocation and balance sheet intentions, and in 2022/23 were interested in how we repatriate cash from key markets. Investors also want to understand our approach to risk, and in 2022/23 were particularly interested in how we mitigate foreign exchange risks, with some being concerned about the volatility of currencies in some of our markets.

Shareholders are understandably also interested in shareholder returns.

Outcomes and actions

Our Board is kept well informed of the views of shareholders and is able to take them into account when taking major strategic and operational decisions. As an example, since IPO the Board has taken into consideration investor feedback when re-looking at the capital allocation policy, by changing the dividend policy (and cutting the dividend) and prioritising US dollar debt reduction alongside a lower leverage target.

In October 2022, we published our first Sustainability Report to inform shareholders and other stakeholders on our progress in ESG matters.

Our investment throughout the year in our network and in additional spectrum demonstrates our confidence in the opportunity for growth for our business. We also kept investors informed of our initiatives to reduce Group debt, and to localise some debt to our OpCos while arranging to pay more suppliers in local currency, to mitigate currency risks.

- » Read more in our financial review on pages 84-89
- » For more information on how we manage our risk, see pages 90-97
- » For more information on our relationship with the majority shareholder, see page 112

Chief financial officer's introduction to the financial review



“We continue to drive our strategy to enrich the lives of our customers, while delivering sustained double-digit revenue growth and resilient underlying EBITDA margin despite inflationary pressures and currency devaluations. Our operating profit is up by 14.5%.”

Jaideep Paul
Chief financial officer

Revenue

\$5,255m

Reported currency +11.5%
Constant currency +17.6%

Underlying EBITDA

\$2,575m

Reported currency +11.4%
Constant currency +17.3%

Operating profit

\$1,757m

Reported currency +14.5%
Constant currency +20.1%

Capex

\$748m

% change +14.0%

Basic earnings per share

17.7 cents

% change +5.2%

Profit and loss snapshot

Description	Unit of measure	Year ended		Reported currency change	Constant currency change
		March 2023	March 2022		
Revenue¹	\$m	5,255	4,714	11.5%	17.6%
Voice revenue	\$m	2,491	2,358	5.6%	11.8%
Data revenue	\$m	1,787	1,525	17.2%	23.8%
Mobile money revenue ²	\$m	692	553	25.1%	29.6%
Other revenue	\$m	437	407	7.5%	13.2%
Expenses	\$m	(2,694)	(2,413)	11.6%	18.0%
Underlying EBITDA³	\$m	2,575	2,311	11.4%	17.3%
Underlying EBITDA margin	%	49.0%	49.0%	(3) bps	(14) bps
Depreciation and amortisation	\$m	(818)	(744)	9.9%	16.4%
Operating exceptional items ⁴	\$m	0	(32)	(100.0%)	(100.0%)
Operating profit	\$m	1,757	1,535	14.5%	20.1%
Net finance costs ⁵	\$m	(723)	(403)	79.3%	
Non-operating exceptional items ⁶	\$m	-	92	(100.0%)	
Profit before tax	\$m	1,034	1,224	(15.5%)	
Tax	\$m	(445)	(471)	(5.5%)	
Tax – exceptional items ⁷	\$m	161	2	8373.4%	
Total tax charge	\$m	(284)	(469)	(39.5%)	
Profit after tax	\$m	750	755	(0.6%)	
Non-controlling interest	\$m	(87)	(124)	(30.0%)	
Profit attributable to owners of the company – before exceptional items	\$m	512	602	(15.1%)	
Profit attributable to owners of the company	\$m	663	631	5.2%	
EPS – before exceptional items	Cents	13.6	16.0	(15.0%)	
Basic EPS	Cents	17.7	16.8	5.2%	
Weighted average no of shares	in Mn	3,752	3,754	(0.1%)	
Capex	\$m	748	656	14.0%	
Operating free cash flow	\$m	1,827	1,655	10.4%	
Net cash generated from operating activities	\$m	2,208	2,011	9.8%	
Net debts	\$m	3,524	2,941		
Leverage (net debt to underlying EBITDA)	times	1.4x	1.3x		
Return on capital employed ⁸	%	23.3%	22.3%	101 bps	

1 Revenue includes inter-segment eliminations of \$152m for year ended 31 March 2023 and \$129m for the prior period.

2 Mobile money revenue post inter-segment eliminations with mobile services was \$540m for year ended 31 March 2023, and \$424m for the prior period.

3 Underlying EBITDA includes other income of \$13m for year ended 31 March 2023, and \$10m for the prior period.

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.

5 Net finance costs of \$723m has increased \$320m from the prior period largely due to higher foreign exchange and derivative losses of \$245m mainly comprised of a \$67m loss on derivatives and higher foreign exchange losses arising from the revaluation of balance sheet liabilities (a loss of \$82m on devaluation of the Nigerian Naira, and other devaluation losses of \$96m mainly arising from the Kenyan and Ugandan shilling and Malawian and Zambian kwacha).

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

7 Tax exceptional items in the year ended 31 March 2023 reflect the recognition of a deferred tax credit of \$117m in Kenya, \$25m in the Democratic Republic of the Congo and \$19m in Tanzania, respectively.

8 Return on capital employed (ROCE): the Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the company' for put option provided to minority shareholders. The previous period ROCE has also been restated for this change.

A resilient business, delivering on growth opportunities while managing macroeconomic volatility

We have delivered a strong set of results which demonstrate the resilience of our business model and the effective execution of our strategy across all our regions, with double-digit reported currency revenue growth of 11.5% despite inflationary pressures and currency devaluation in most of our markets. Underlying EBITDA grew by 11.4% in reported currency, while we maintained our underlying EBITDA margin despite significant inflationary cost pressures. We were also able to return considerable value from various OpCos, including Nigeria, where the year saw challenges in the availability of US dollars.

We have further de-risked our balance sheet by continuing to localise our debt into the OpCos and reducing our HoldCo debt. By year-end, almost 64% of our OpCo debt was in local currency.

The opportunity for growth is still clear. Our markets remain underpenetrated by both mobile and mobile money services, and our strategy is meeting that demand, while delivering clear social benefits by bridging the digital divide and fostering financial inclusion. We anticipate sustained growth in the business, with continued EBITDA margin resilience.

Our four main financial objectives remain the same:

1. Growing our operating profitability

We have delivered double-digit revenue and underlying EBITDA growth in reported currency. Our profitability has proven to be resilient, too, as we maintained underlying EBITDA margin broadly in line with last year, despite significant inflationary cost pressures, particularly fuel costs in Nigeria and some other markets, and an average currency devaluation of 6.1%.

Operating profit during the year grew by 14.5% in reported currency, with constant currency growth of 20.1%.

2. Investing for future growth and improving our return on capital employed

Almost 87% of our capex investment in 2022/23 was directed to growth initiatives which, combined with spectrum purchases, ensure a sustainably strong and reliable network. We invested \$748m in capex (excluding spectrum), and almost \$500m in spectrum (which includes 5G) in key markets, to improve network capacity and quality and reinforce a future-ready network.

We also invested in IT and cybersecurity, to further protect our business from the global threat of cyberattacks, focusing on the areas of application, network and API security.

We monitor the effectiveness of our capex investment through our financial KPI 'return on capital employed'. Regular monitoring of this KPI 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%, an improvement of 101 basis points from 22.3% in the prior year.

3. De-risking our balance sheet

Our strong performance and continued focus on our capital allocation priorities has helped us further de-risk our balance sheet. In July 2022, the Group prepaid \$450m of external debt at HoldCo. The remaining debt at HoldCo is now \$550m, falling due in May 2024.

We continued to localise our debt into our OpCos while reducing HoldCo debt. Our gross OpCo debt of \$3,676m (including lease liabilities) is now higher than our remaining HoldCo debt of \$550m. We will continue to focus on further strengthening our balance sheet.

Leverage was at 1.4x in March 2023, broadly flat from the previous year despite our significant investment in spectrum to enable our future growth.

4. Returns to shareholders

Our aim is to enhance returns to shareholders over the medium- to longer-term. Our progressive dividend policy aims to grow the dividend annually by a mid- to high-single-digit percentage. In line with our dividend policy, we paid an interim dividend of 2.18 cents per share in December 2022, reflecting an increase of 9%. Further, the Board recommended a final dividend of 3.27 cents per share, making total dividends of 5.45 cents per share, which is an increase of 9% compared to the prior year.

Basic EPS was 17.7 cents, up by 5.2% from 16.8 cents in prior period. This increase was mainly due to higher operating profits and the recognition of a deferred tax credit of \$117m in Kenya, \$25m in the DRC and \$19m in Tanzania, respectively partially offset by higher foreign exchange and derivative losses. EPS before exceptional items and excluding foreign exchange and derivative losses increased by 13.4%.

Outlook

We continue to deliver value to all our stakeholders, transforming lives of 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 employed and increase return to shareholders. We are mindful of inflationary pressures, currency devaluation and re-patriation risks due to the fluctuating availability of US dollars in some of our markets. These pressures are likely to continue next year, and we will continue to work on mitigation plans. Our capex outlook (excluding spectrum) for next year is around \$800m to \$825m, which includes additional investment in our data centre and fibre businesses, where we see opportunities to further monetise our infrastructure assets.

Jaideep Paul
Chief financial officer

10 May 2023

Performance highlights

Operating key performance indicators (KPIs)

- Total customer base grew by 9.0% to 140 million, as the penetration of mobile data and mobile money services continued to rise, driving a 16.9% increase in data customers to 54.6 million and a 20.4% increase in mobile money customers to 31.5 million.
- Constant currency ARPU growth of 7.4% was largely driven by increased usage across voice, data and mobile money.
- Mobile money transaction value increased by 41.3%, with Q4'23 annualised transaction value exceeding \$102bn in constant currency.

Financial performance

- Revenue in constant currency grew by 17.6%, with revenues growing by 11.5% to \$5,255m in reported currency.
- While each segment's reported currency revenue growth was impacted by currency devaluation, they all delivered double-digit constant currency revenue growth. Across the Group mobile service revenue grew by 16.2% in constant currency, driven by voice revenue growth of 11.8% and data revenue growth of 23.8%. Mobile money revenue grew by 29.6% in constant currency.
- Underlying EBITDA increased by 17.3% in constant currency, and 11.4% in reported currency to \$2,575m, with an underlying EBITDA margin of 49.0% reflecting the resilience of our operating model despite inflationary cost pressures.
- Profit after tax was \$750m, a decrease of only \$5m after including a higher foreign exchange and derivative losses of \$245m.
- Basic EPS at 17.7 cents up by 5.2% due to higher operating profits and exceptional gain on deferred tax credit recognition in Kenya, the DRC and Tanzania partially offset by higher foreign exchange and derivative losses. EPS before exceptional items was 13.6 cents, a reduction of 15.0%, largely due to higher foreign exchange and derivative losses of \$245m. EPS before exceptional items and excluding foreign exchange and derivative losses was 20.6 cents, up by 13.4%.

Capital allocation

- Capex increased by 14.0% to \$748m, in line with our guidance, as we continue to invest for future growth. Additionally, we acquired spectrum in Nigeria, the DRC, Tanzania, Zambia and Kenya during the year.
- In July 2022, the Group prepaid \$450m of outstanding external debt at HoldCo. The remaining debt at HoldCo is now \$550m, falling due in May 2024. Cash at the holding companies was \$398m. Leverage was at 1.4x in March 2023, broadly stable despite \$500m of spectrum investment during the year.
- The Board has recommended a final dividend of 3.27 cents per share, making the total dividend for 2022/23 5.45 cents per share, an increase of 9% in line with our progressive dividend policy.

Financial review

Revenue in reported currency grew by 11.5%, with constant currency revenue growth of 17.6% partially offset by currency devaluation. The slowdown in revenue growth from the previous year was due to a loss of tower sharing revenues following the sale of towers in Madagascar, Malawi and Tanzania in the second half of the year and NIN-related barring of voice services in Nigeria. Excluding these, the growth would have been approximately 21% in constant currency. Total revenue for mobile services and mobile money services combined grew in Nigeria by 20.3%, East Africa by 17.4% and Francophone Africa by 12.7%, respectively.

Revenue growth was recorded across all reporting segments, with mobile services revenue for the Group up by 16.2%, reflecting Nigeria growing by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%, respectively. Double-digit revenue growth was recorded in both key services: voice revenue grew by 11.8% and data revenue by 23.8%. Mobile money revenue grew by 29.6% in constant currency, driven by 32.6% growth in East Africa and 20.3% growth in Francophone Africa.

Net finance costs increased by \$320m, largely due to higher foreign exchange and derivative losses of \$245m. This increase mainly comprised a \$67m loss on derivatives and higher foreign exchange losses arising from the revaluation of balance sheet liabilities (a loss of \$82m on devaluation of the Nigerian naira, and other devaluation losses of \$96m mainly arising from the Kenyan and Ugandan shilling, Malawian and Zambian kwacha).

Total tax charges were lower by \$185m mainly due to the recognition of a deferred tax credit of \$117m in Kenya, \$25m in the DRC and \$19m in Tanzania. Non-controlling interests was down \$37m due to the buy-back of minorities in Nigeria and lower minority allocation charges in Tanzania, partially offset by the increase in Airtel Money minority shareholdings.

EPS before exceptional items was 13.6 cents, a reduction of 15.0% largely because of higher foreign exchange and derivative losses of \$245m. Basic EPS at 17.7 cents up by 5.2% due to higher operating profits and an exceptional gain on deferred tax credit recognition in Kenya, the DRC and Tanzania partially offset by higher foreign exchange and derivative losses. EPS before exceptional items and excluding foreign exchange and derivative losses increased by 13.4%.

Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos and continued debt reduction in HoldCo, following the \$450m HoldCo bond prepayment in July 2022. Leverage at 1.4x in March 2023 was broadly stable despite \$500m spectrum investment during the year.

In terms of outlook, long-term opportunities remain attractive for us. While mindful of currency devaluation and repatriation risks, we continue to work actively to mitigate all our material risks and deliver value for all our stakeholders.

GAAP measures

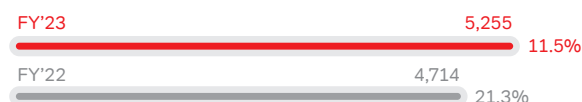
Revenue

Revenue grew by 11.5% to \$5,255m in reported currency and by 17.6% in constant currency. The differential in growth rates was due to an average currency devaluation between the periods, mainly in the Central African franc (11.7%), which is largely pegged to the euro, the Nigerian naira (6.1%), the Kenyan shilling (9.4%), the Ugandan shilling (4.9%) and the Malawian kwacha (22.6%), in turn partially offset by appreciation in the Zambian kwacha (8.8%). The revenue growth of 17.6% in constant currency growth was driven by both customer base growth of 9.0% and ARPU growth of 7.4%.

Mobile services revenue grew by 16.2% in constant currency supported by growth across the regions: Nigeria up by 20.3%, East Africa by 13.4% and Francophone Africa by 11.9%, respectively. Mobile services revenue growth was driven by both voice and data services, voice revenue grew by 11.8% and data revenue by 23.8%. Mobile money revenue grew by 29.6%, driven by 32.6% growth in East Africa and 20.3% in Francophone Africa.

The slowdown in revenue growth from the previous year was due to a loss of tower sharing revenues following the sale of towers in Madagascar, Malawi and Tanzania in second half of the year and NIN-related barring of voice services in Nigeria. Excluding these, the growth would have been around 21% in constant currency.

Revenue (\$m)



Operating profit

Operating profit increased by 14.5% in reported currency to \$1,757m as a result of strong revenue growth and continued improvements in operating efficiency in East Africa and Francophone Africa.

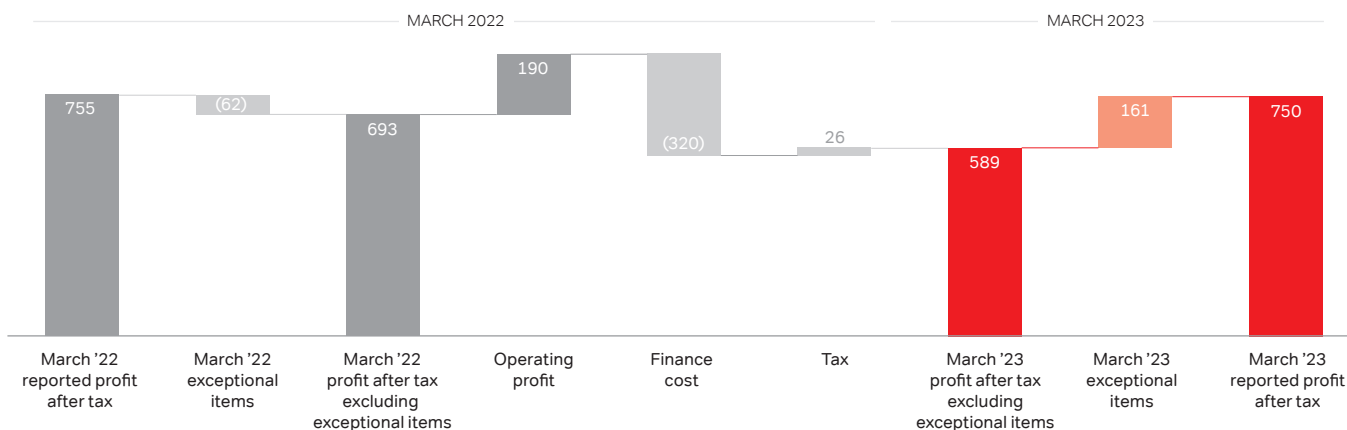
Operating profit (\$m)



Net finance costs

Net finance costs were \$723m, an increase of \$320m largely due to higher foreign exchange losses of \$178m and higher derivative losses of \$67m as a result of foreign exchange movements. The higher foreign exchange losses arose from the revaluation of balance sheet

Profit after tax (\$m)



liabilities (including current and non-current borrowings and lease liabilities) following certain currency devaluations across most of our OpCos, including a loss of \$82m on the devaluation of the Nigerian naira, and other devaluation losses of \$96m mainly arising from the Kenyan and Ugandan shilling and Malawian and Zambian kwacha. Net finance cost (excl. foreign exchange and derivatives losses) were \$385m, an increase of \$75m, largely driven by higher interest on lease liabilities. Interest costs on market debt were broadly flat.

The Group's effective interest rate increased to 7.7% from 5.6% in the prior period, largely driven by an increase in base rates, increase in local currency OpCo debt and the repayment of HoldCo bond, which had lower rate.

Taxation

Total tax charges were lower by \$185m mainly due to the recognition of a deferred tax credit of \$117m in Kenya, \$25m in the DRC and \$19m in Tanzania. Excluding exceptional items, tax was lower by \$26m mainly due to the lower profit before tax on account of higher foreign exchange and derivative losses.

Profit after tax

Profit after tax was \$750m, down by 0.6%, as growth in operating profit was offset by higher foreign exchange and derivative losses of \$245m. Profit after tax excluding foreign exchange and derivative losses was up by 21.2%.

Basic EPS

Basic EPS was 17.7 cents, up by 5.2% from 16.8 cents in the prior period. This increase was mainly due to higher operating profits and exceptional items gain on deferred tax credit recognition in Kenya, the DRC and Tanzania, partially offset by higher foreign exchange and derivative losses.

Net cash generated from operating activities

Net cash generated from operating activities was \$2,208m, up by 9.8% largely driven by higher operating profit which was partially offset by higher tax payments on the increased local profits and withholding tax on dividends by subsidiaries. While in some markets we faced instances of shortage of foreign currency within the local monetary system, we benefited from a broad geographical diversification which enables access to liquidity, with limited impact on the Group requirements.

Alternative performance measures

Underlying EBITDA

Underlying EBITDA was \$2,575m, an increase of 11.4% in reported currency and 17.3% in constant currency, driven by strong revenue growth. Underlying EBITDA margins were largely flat at 49.0% despite

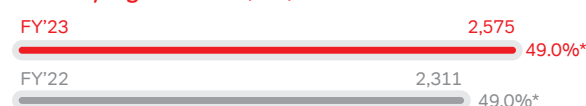
inflationary cost pressures, a drop of 3 basis points in reported currency and 14 basis points in constant currency. We continue to work towards mitigating the inflationary cost pressures through various cost initiatives.

Foreign exchange had an adverse impact of \$281m on revenue, and \$133m on underlying EBITDA, as a result of currency devaluations. Average currency devaluations between the periods were mainly in the Central African franc (11.7%), the Nigerian naira (6.1%), the Kenyan shilling (9.4%), the Ugandan shilling (4.9%) and the Malawian kwacha (22.6%), in turn partially offset by appreciation in the Zambian kwacha (8.8%).

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 \$51m on revenues, \$31m on underlying EBITDA and \$23m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of \$22m on revenues, \$12m on EBITDA and \$7m on finance costs (excluding derivatives).

See the risk factors section for detailed disclosure on the currency devaluation risk posed to the Group on page 96.

Underlying EBITDA (\$m)



* Underlying EBITDA margin %

Effective tax rate

The effective tax rate was 38.8%, compared to 39.0% in the prior period, 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

No operating exceptional items were incurred in the current year. Operating exceptional items in the previous period 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.

Non-operating exceptional items in the previous period 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 costs of \$19m (including applicable premium paid) on the early repayment of \$505m bonds in March 2022.

The tax exceptional item in current period related to the recognition of a deferred tax credit of \$117m in Kenya, \$25m in the DRC and \$19m in Tanzania.

Tax

Description	Unit of measure	Year ended March 2023			Year ended March 2022		
		Profit before taxation	Income tax expense	%	Profit before taxation	Income tax expense	%
Reported effective tax rate	\$m	1,034	284	27.4%	1,224	469	38.3%
Adjusted for:							
Exceptional items	\$m	-	161		(60)	2	
Foreign exchange rate movement for loss making entities and/or non-DTA operating companies and holding companies	\$m	106	-		50	-	
One-off adjustment and tax on permanent difference	\$m	4	(1)		(12)	(2)	
Effective tax rate	\$m	1,144	444	38.8%	1,202	469	39.0%

Financial review continued

EPS before exceptional items

EPS before exceptional items was 13.6 cents, a reduction of 15.0% largely as a result of higher foreign exchange and derivative losses of \$245m. Excluding foreign exchange and derivative losses, the EPS before exceptional item was 20.6 cents, an increase of 13.4%.

Description	\$ cents
March 2022 EPS before exceptional items	16.0
Exchange	(1.9)
Operating profit (constant currency)	7.3
Net finance charges	(8.7)
Derivatives and Forex gain/(loss)	(6.5)
Finance charges (excluding derivatives and forex)	(2.2)
Tax	0.2
Others	0.7
March 2023 EPS before exceptional items	13.6

Operating free cash flow

Operating free cash flow was \$1,827m, up by 10.4%, as higher underlying EBITDA more than offset increased capital expenditure. Capital expenditure during the period increased \$92m due to planned network expansion and investments into the PSB and data centre opportunity in Nigeria.

Leverage and balance sheet measures

Leverage at 1.4x net debt/underlying EBITDA, was broadly stable despite \$500m of spectrum investment during the year. Our balance sheet has also been further de-risked by continued localisation of our debt into the OpCos – now almost 60% of our OpCos debt is in local currency – and continued debt reduction in HoldCo. In July 2022, the Group prepaid \$450m of external debt at HoldCo. The remaining debt at HoldCo is now \$550m, falling due in May 2024. Cash at the holding companies was \$398m.

Description	March 2023		March 2022	
	\$m	Times	\$m	Times
Foreign currency	1,144	0.5x	1,585	0.7x
Holdco	550	0.2x	1,000	0.4x
OpCos	594	0.3x	585	0.3x
Local currency	1,035	0.4x	676	0.3x
OpCos	1,035	0.4x	676	0.3x
Less: cash and cash equivalents	(702)	(0.3x)	(980)	(0.4x)
Net debt, excluding lease liabilities	1,477	0.6x	1,281	0.6x
Lease liabilities	2,047	0.8x	1,660	0.7x
Net debt, including lease liabilities	3,524	1.4x	2,941	1.3x

Net cash generated from operating activities

Particulars	March 2023 \$m	March 2022 \$m	Change \$m
Underlying EBITDA	2,575	2,311	264
Other non-cash items	2	(38)	40
Operating cash flow before changes in working capital	2,577	2,273	304
Change in working capital	28	31	(3)
Net cash generated from operations before tax	2,605	2,304	301
Income tax paid	(397)	(293)	(104)
Net cash generated from operating activities	2,208	2,011	197

Net debt bridge

Particulars	March 2023 \$m	March 2022 \$m
Net cash generated from operating activities	2,208	2,011
Cash capex (tangible)	(779)	(717)
Cash capex (intangible)	(502)	(22)
Cash interest	(371)	(351)
Repayment of lease liabilities	(279)	(251)
Dividend paid to non-controlling interests	(75)	(48)
Subtotal (a)	202	622
Dividend to Airtel Africa plc shareholders	(195)	(169)
Acquisition of non-controlling interest	-	(164)
Increase in mobile money wallet balance	(86)	(64)
Proceeds from sale of tower assets	-	251
Proceeds from sale of shares to non-controlling interests	-	550
Others	(73)	(13)
Subtotal (b)	(354)	391
Addition of lease liabilities	(776)	(651)
Repayment of lease liabilities	279	251
Foreign exchange on borrowings and cash flows	66	(24)
Subtotal (c)	(431)	(424)
Net debt (increase)/decrease d= a+b+c	(583)	589
Opening net debt	2,941	3,530
Closing net debt	3,524	2,941

Purchase of intangible assets

Purchase of intangible assets of \$502m mainly includes additional spectrum payment of \$317m in Nigeria, \$123m in East Africa and \$42m in Francophone Africa.

Dividend paid to shareholders

Final dividend payment of 3 cents per ordinary share for year ended 31 March 2022 was paid during the year and an interim dividend payment of 2.18 cents per ordinary share paid in December 2022. In line with our progressive dividend policy which aims to grow the dividend annually by a mid to high single-digit percentage.

The Board recommended a final dividend of 3.27 cents per share for year ended 31 March 2023.

Acquisition of non-controlling interest

Previous period had a cash outflow of \$164m related to buy-back of 8.22% non-controlling interest from the minority shareholders in Airtel Networks Limited (Airtel Nigeria), a subsidiary of Airtel Africa plc. Refer to Note 5(b) of consolidated statement of financial position as set out on page 180 for details.

Proceeds from sale of tower assets

In the previous period, the Group received proceeds of \$251m from the sale of tower assets in Tanzania, Madagascar, Malawi and Rwanda. This was in line with our focus on an asset-light business model. Refer to Note 11 of consolidated statement of financial position as set out on page 198 for details.

Proceeds from sale of shares to non-controlling interests

In line with the Group's pursuit of strategic investment in mobile money business, the Group received a minority investment of \$550m in the previous period from four investors in Airtel Mobile Commerce B.V. Refer to Note 28(c) of consolidated statement of financial position as set out on page 216 for details.

Financial information by service

We provide performance data for our mobile voice and data services, and Airtel Money in our business review on pages 62-73.

Financial information by market

We provide performance data for each of our markets in our business review on pages 66-71.

Consolidated statement of financial position

The consolidated statement of financial position is set out on pages 174-175. 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 to \$2,507m, an increase of \$104m due to capital expenditure of \$735m, mainly related to expansion of our network, PSB and IT security which was partially offset by \$435m of depreciation and \$196m of foreign currency translation reserve.

Right of use assets

Right of use assets increased to \$1,497m, an increase of \$388m due to the capitalisation of the present value of telecommunication towers taken on long-term lease, partially offset by \$280m of depreciation.

Other intangible assets

Other intangible assets, including assets under development increased by \$578m to \$1,212m. This relates to \$627m of investment in spectrum and licence, and capitalisation of present value of deferred spectrum charges amounted to \$89m, partially offset by \$103m of amortisation.

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 \$103m.

Total equity and liabilities

Total equity

Total equity increased to \$3,808m, an increase of by \$159m related to \$750m profit for the period, partially offset by \$195m dividend to shareholders of Airtel Africa, other comprehensive loss of \$353m (largely due to foreign currency translation reserve) and \$52m dividend to minority shareholders in subsidiaries.

Borrowings

Gross borrowings (including short-term borrowings) increased by \$293m to \$4,225m, largely due to increase in lease liabilities by \$387m and higher external loan of \$368m at OpCos, mostly in local currency, offset by prepayment of \$450m bond at HoldCo. Net debt of the Group as of 31 March 2023 was \$3,524m.

Current liabilities

Current liabilities (excluding borrowings) increased by \$268m to \$2,232m, largely due to renewal of 2100 MHz spectrum licence for a gross consideration of \$127m (paid in April 2023) and increase in mobile money wallet balance.

Further details of the Group's liquidity position and going concern assessment are shown on page 175 and Note 2.2 of the financial statements.

Dividends

The Board has recommended a final dividend of 3.27 cents per ordinary share for the year ended 31 March 2023. The proposed final dividend will be paid on 26 July 2023 to all ordinary shareholders who are on the register of members at the close of business on 23 June 2023.

We will announce more details in due course. We paid an interim dividend of 2.18 cents per ordinary share in December 2022.

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	1-99
	Business model and KPIs	24-25
	Principal risks and mitigation	90-97
Environmental matters	Our 2022/23 sustainability strategy update	38-55
	Principal risks and mitigation: compliance to legal requirements, KYC and quality of service, non-compliance, internal controls and compliance	93-97
Our people	Principal risks and mitigation: leadership succession planning, internal controls and compliance	94
	Chair's statement, company vision and values	12-13, 24
	Directors' report	139-143
	Stakeholder engagement: 'Our people'	79
Social matters	Principal risks and mitigation: Covid-19	92
	Directors' report	139-143
	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	94
	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	139-143, 125
	Our Code of Conduct and other related policies can be found on our website: www.airtel.africa	

Managing our risk

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



“

Identifying, mitigating and managing risk is an essential part of delivering our strategy – and underpins our ability to transform lives across Africa.

”

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 OpCos 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 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 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 several functions within the business. See pages 117-127 for the ARC chair’s report.

Group Executive Risk Committee

The Group 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 reviews

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

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 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

The Group’s risk appetite framework and statement 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.

Managing our risk continued

How we classify our risks

Category	Description	Philosophy/approach	Reference in heat map
Strategic risks	These are risks arising from changes in our external business environment such as macroeconomic 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
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.	3 4 5 6 7 8
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.	9
Governance and compliance risks	Risks affecting our ability to comply with our legal, regulatory and governance obligations	We are committed to complying with laws and regulations in the jurisdictions where we operate, and averse to violations of legal or regulatory obligations.	10

Risk heat map (residual risks)



Strategic risk

- 1 Adverse competition and market disruption
- 2 Digitalisation and innovation

Operational risk

- 3 Technology obsolescence
- 4 Cyber and information security threats
- 5 Increase in cost structure
- 6 Leadership succession planning
- 7 Internal controls and compliance
- 8 Network resilience and business continuity

Financial risk

- 9 Exchange rate fluctuations and availability of foreign currency for repatriation

Governance and compliance risk

- 10 Non-compliance to legal and regulatory requirements

Currently, all principal risks are within our risk appetite

Changes in principal risks during the financial year

Risk	Changes
Covid-19	This risk was dropped as a principal risk for the Group. Over the past three years since the start of the pandemic, the Group has developed internal capabilities to effectively manage and adapt its operations to cope with varying levels of disruptions attributed to the pandemic. The risk impact is also lower, as evidenced by the removal of public health restrictions and the re-opening of economies around the world.
Exchange rate fluctuations and shortage of foreign currency	This risk has been modified from 'Exchange rate fluctuations and availability of foreign currency for repatriation' to 'Exchange rate fluctuations and shortage of foreign currency'. This revised risk description reflects the fact that in some of our operating markets, we face instances of limited supply of foreign currency within the local monetary system, which not only constrains the ability of the Group to fully benefit from strong cash generation at the OpCo but also negatively impacts our ability to make timely foreign currency vendor payments in the affected markets.
Uncertain and constantly evolving legal and regulatory requirements and environment	This risk has been modified from 'Non-compliance to legal and regulatory requirements' to 'Uncertain and constantly evolving legal and regulatory requirements and environment'. The Group takes all reasonable effort to comply with its legal and regulatory obligations in all the jurisdictions where it operates. However, in some markets, we are faced with the risk of unanticipated changes in the legal and regulatory environment and compliance requirements which can expose the Group to adverse financial and/or reputational impact.

Principal risks and mitigation

Strategic risks

Description of risk	How we mitigate this risk	Key developments in the year	Risk appetite	Risk owners
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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 Emphasis on customer experience, affordability, product penetration and development of our product portfolio
- 3 The continued growth of our Airtel Money business and the increased penetration of our GSM customers using Airtel Money services helping to increase customer 'stickiness' on our network
- 4 Simplifying customer experience through self-care and other applications across several customer touchpoints

- 1 Acquisition of 4G and 5G spectrum in Nigeria and spectrum assets in the Democratic Republic of the Congo, Kenya, Tanzania and Zambia (see page 23)
- 2 Launch of SmartCash Payment Service Bank (PSB) in Nigeria (see page 73)

Open

Chief commercial officer

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

- 1 Continued strengthening of our digital team through the addition of senior staff resource within the team and introduction of digital skills training programmes for OpCos
- 2 Establishing the digital shared services function supporting core telco and mobile money needs across the full customer lifecycle from journey design, product development and growth
- 3 Implementation of modernised technology, deeper integration of machine learning and scaling of agile ways of work across Group and OpCos

Open

Chief technology and information officer and chief commercial officer

Operational risks

RISK — 3 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

- 1 Continued modernisation of our network and new site rollout in addition to significant investment in spectrum assets
- 2 Refresh of IT infrastructure completed with a focus on cloud technology to improve resilience

Flexible

Chief technology and information officer

RISK — 4 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 cybercrime 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

- 1 Achieved ISO 27001 'Information Security Management System' and ISO 22301 'Business Continuity Management System' certifications for all our operating markets
- 2 The Group's subsidiary, Smartcash Payment Service Bank (PSB) Limited, received the payment card industry data security standard certification (PCI DSS)

Averse

Chief technology and information officer

Key to our strategic pillars

- Win with technology
- Win with distribution
- Win with data
- Win with mobile money
- Win with cost
- Win with people

Principal risks and mitigation continued

Operational risks continued



Description of risk	How we mitigate this risk	Key developments in the year	Risk appetite	Risk owners
RISK — 5 Increase in cost structure				
<p>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. To mitigate this risk, the Group continually re-evaluates its operating model and cost structure to identify innovative ways to optimise our costs and improve profitability. During the financial year, there was significant inflation in the price of fuel (diesel) putting pressure on our operating costs, particularly in our Nigeria operation. This fuel price inflation resulted in an opex increase of \$245m in the financial year attributed to increases in the cost of diesel.</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 1 Kick-started the process of transitioning to renewable energy sources for new site deployment and the conversion of existing off-grid sites to on-grid or renewable energy sources in partnership with our towerco partners in line with our sustainability strategy and as a long-term cost optimisation initiative 2 Continued digitalisation of our sales and customer touchpoints to drive cost savings 	Flexible	Chief supply chain officer

RISK — 6 Leadership succession planning				
<p>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 is 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.</p>	<ol style="list-style-type: none"> 1 Defined functional and leadership development plans for critical roles 2 Building succession plans for Group OpCo Executive Committees 3 Ongoing identification of high-potential employees for talent development 4 Talent mapping a larger talent pool across Africa, Europe and Asia to meet current and future business needs 5 Long-term incentive arrangements to encourage employee retention and alignment to long-term company objectives 	<ol style="list-style-type: none"> 1 Accelerated our 'build' strategy to develop more internal talents and high performers for leadership roles 2 Launched our 'Women in Tech' programme to accelerate female leadership within the technology functions of our organisation 3 Developing the diversity of our talent pool through inter-OpCo transfers in the form of short- and long-term assignments 4 Developed and implemented graduate programme across our various OpCos 	Cautious	Chief human resources officer

Key to our strategic pillars

 Win with technology
  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	Key developments in the year	Risk appetite	Risk owners
RISK — 7 Internal controls and compliance 				
<p>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.</p>	<ol style="list-style-type: none"> Ongoing review and strengthening of the Group's internal controls over financial reporting and compliance processes Review process for addressing and mitigating findings from internal audit, with oversight from the Audit and Risk Committee A robust system for assessing and monitoring key controls across the Group, and independent assurance testing of these controls 	<ol style="list-style-type: none"> Further enhancement to our Internal Controls Over Financial Reporting (ICOFR) framework with a focus on our Airtel money business Instituting an independent validation process for our key controls framework with a view to improving the overall quality of control design and execution across the organisation 	Averse	Chief financial officer
RISK — 8 Network resilience and business continuity 				
<p>Our ability to provide 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, wilful 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.</p>	<ol style="list-style-type: none"> Implementing geographically redundant disaster recovery sites to provide back-up for our networks and IT infrastructure across our OpCos 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 	<ol style="list-style-type: none"> Disaster recovery sites are in place for critical applications and disaster recovery drills now occur at regular intervals 	Cautious	Chief technology and information officer

Key to our strategic pillars

 Win with technology
  Win with distribution
  Win with data
  Win with mobile money
  Win with cost
  Win with people

Principal risks and mitigation continued

Financial risks

Description of risk	How we mitigate this risk	Key developments in the year	Risk appetite	Risk owners
RISK — 9 Exchange rate fluctuations and shortage of foreign currency				
<p>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 negatively impacts our ability to make timely foreign currency vendor payments and constrains our ability to fully benefit at the Group level from strong cash generation by those OpCos.</p> <p>Given the severity of this risk, specifically in some of our OpCos, Group management continuously monitors the potential impact of this risk of exchange rate fluctuations based on the following methodology:</p> <p>a) Comparing the average devaluation of each currency in the markets in which the Group operates against US dollar on a three-year and five-year historic basis and onshore forward exchange rates over a one-year period.</p> <p>b) If either of the above devaluations is higher than 5% per annum, management selects the highest of these exchange rates.</p> <p>c) Management then uses this exchange rate to monitor the potential impact of using that rate on the Group's income statement so that the Group can actively monitor and assess the impact on the Group's financials.</p> <p>Based on the this methodology, the weighted average yearly potential devaluation of the basket of currencies in which the Group is exposed is estimated to be in the range of 7% to 8%.</p> <p>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 \$51m on revenues, \$31m on EBITDA and \$23m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of \$22m on revenues, \$12m on EBITDA and \$7m on finance costs (excluding derivatives).</p> <p>This does not represent any guidance and is being used solely to illustrate the potential impact of further currency devaluation on the Group for the purpose of exchange rate risk management. The accounting under IFRS is based on exchange rates in line with the requirements of IAS 21 'The Effect of Changes in Foreign Exchange' and does not factor in the above-mentioned devaluation.</p>	<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 1 Early redemption of \$450m of the Group's senior notes due in 2024, reducing the Group's foreign currency debt (see page 189) 2 Signing of a \$194m facility with the International Finance Corporation (IFC) to support operations and investments in some of our markets and diversify access to local funding (see page 113) 	Flexible	Chief financial officer

Key to our strategic pillars

-  Win with technology
-  Win with distribution
-  Win with data
-  Win with mobile money
-  Win with cost
-  Win with people

Governance and compliance risk

Description of risk	How we mitigate this risk	Key developments in the year	Risk appetite	Risk owners
RISK — 10 Non-compliance to legal and regulatory requirements				
<p>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.</p> <p>In some of our markets, we are faced with the risk of unanticipated changes in the legal and regulatory environment and compliance requirements exposing us to adverse financial and reputational impact.</p>	<ol style="list-style-type: none"> 1 Instituting various policies across the Group to comply with compliance obligations in jurisdictions where we operate 2 Continuing engagement with regulators and active participation in 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 	<ol style="list-style-type: none"> 1 Preparatory work is underway by Airtel Uganda to comply with Article 16 of Uganda's National Telecom Operator ('NTO') licence requiring the local listing of 20% of its shares by the deadline of 16 December 2023 (see page 23) 2 Our chief regulatory officer was appointed as the Chair of the GSMA sub-Saharan Africa Policy Group, an industry group which focuses on issues relating to public policy, regulation, spectrum management and advocacy 	Averse-cautious	Chief legal officer and chief regulatory officer

Key to our strategic pillars

 Win with technology
  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. In October 2021, we launched an ambitious sustainability strategy that underpins our well-established corporate purpose of transforming lives. As part of our 'reduction of greenhouse gas (GHG) emissions' goal, our ambition is to achieve net zero emissions ahead of the 2050 deadline set out in the Paris Agreement. To achieve this, we understand the importance of fully identifying, measuring, and reducing GHG emissions which can only be achieved in partnership with our peers and the wider industry.

In January 2022, we engaged The Carbon Trust, one of the world-leading environmental consultancies, for their advice and assistance with several aspects of our GHG emissions measurement, management, and reporting. In October 2022 we published our first Sustainability Report 2022 where we set out the framework for our decarbonisation strategy and published our baseline GHG emissions. For more details, see pages 38-55.

In addition, we plan to launch a sector-leading and credible decarbonisation strategy which we will be publishing on our website www.airtel.africa

“

Operating a uniform risk management framework across our operating footprint allows for consistency of approach and puts us in good stead to deal with and respond to our constantly changing environment.

Peter Odedina
Chief compliance officer

”

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 tests to assess the resilience and strength of our forecasts.

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 average tenure of our financing arrangements and;
- Key macro and political developments which impact on our headroom and liquidity include currency devaluation, inflation, fiscal policies and sovereign credit ratings. Our visibility of impact that these factors have on debt markets generally reduces past three years.

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 arrangements, 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 focuses on the Group's liquidity plan.

In assessing the Group's prospects, the directors considered 5G cellular network potential in the markets in which the Group operates. The Group's first endeavour is to secure spectrum for 5G launch and roll out 5G network in key markets. During the financial year, the Group secured 5G spectrum in Nigeria, Kenya, Zambia and Tanzania and will selectively launch 5G services in these 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.

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.

Board's assessment

Assessment period

The viability assessment is based on our current business model (see page 24 of this report), a three-year prospect horizon, and our strategy (see pages 26-37).

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 90-97. 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 analysis 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.

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, financial condition, and long-term prospects. In some markets (especially Nigeria and certain East African OpCos), we face instances of limited supply of foreign currency within the local monetary system. This not only constrains our ability to fully benefit at the Group level from strong cash generation by those OpCos but also impacts our ability to make timely foreign currency payments to our international suppliers. Given the severity of this risk, specifically in some of our OpCos, Group management continuously monitors the potential impact of this risk of exchange rate fluctuations as well as the limited supply of foreign currency and performs stress tests while assessing the Group's liquidity and prospects. The Group factors in the limited supply of foreign currency by way of considering potential devaluation, noting that an actual devaluation in future might result in better availability of foreign currency.

Additionally in some markets, our operating costs are subject to fluctuations in global commodity prices, market uncertainty, and energy costs (such as diesel and electricity). 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. To mitigate this risk, the Group continually re-evaluates its operating model and cost structure to identify innovative ways to optimise our costs and improve profitability.

The company ended the year in a strong financial position. Net cash generated from operating activities increased by 9.8% in the last 12 months to \$2.2bn, and our net debt to EBITDA ratio is 1.4x at the end of this financial year. Our cash balances, in conjunction with \$525m 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. \$450m of bonds earlier than their redemption date in May 2024. We were able to make these repayments because of our increased cash generation. Post these repayments, only \$550m of long-term bonds will remain outstanding for the Group, with maturity falling in May 2024.

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. In this respect, in 2022/23, the Group invested about \$1.2bn in capex, \$748m in tangible capex, and \$500m in spectrum acquisition in line with guidance. The vast majority of this capital expenditure is aimed at continuing to capture the growth opportunities across our footprint by increasing the coverage and capacity of our network as well as expanding our distribution.

The key risks considered in the stress tests, keeping in mind the demographic and sectoral dynamics along with their potential negative impacts, are detailed in the table below:

Sensitivity performed	Link to principal risks and uncertainties	Description
Slowdown in revenue growth	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Uncertain and constantly evolving legal and regulatory requirements and environment 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	<ul style="list-style-type: none"> Exchange rate fluctuation and shortage of foreign currency 	<p>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.</p> <p>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.</p>

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 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 event 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.

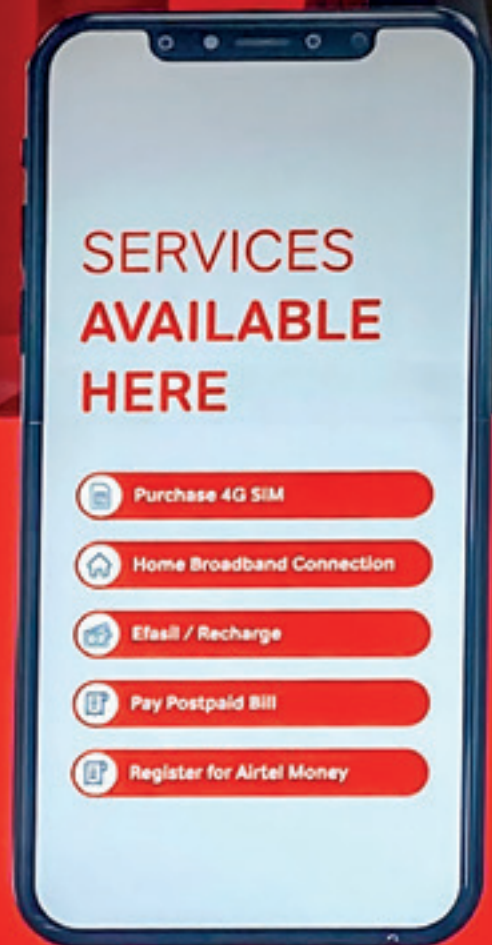
The strategic report was approved by the Board of directors on 10 May 2023 and signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2023

Governance report

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Our Board of directors

Sunil Bharti Mittal

Chair

N



Date appointed to Board: July 2018

Independent: no

Age: 65

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.

In 2020, Sunil led Bharti Global's partnership with the UK government to acquire OneWeb, a new-age space communications company. This will provide high-speed, low-latency broadband connectivity for the defence sector in remote areas and on maritime and aviation routes around the world.

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
- Chair of the B20 Action Council on African Economic Integration (under the Indian government's G20 presidency)

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.

Olusegun Ogunsanya

Managing director and
Chief executive officer

M S



Date appointed to Board: October 2021

Independent: no

Age: 56

Nationality: Nigerian

Skills, expertise and contribution

Segun 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 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 and Sustainability Committee meetings and 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., Airtel Mobile Commerce 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.

Jaideep Paul

Chief financial officer

S



Date appointed to Board: June 2021

Independent: no

Age: 61

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



Date appointed to Board: April 2019
Independent: yes
Age: 67
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.

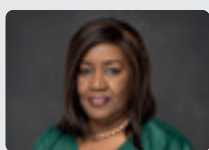
External commitments

- 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
- Chair of Water Aid UK

Previous roles

Andy was previously senior independent director of 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



Date appointed to Board: April 2019
Independent: yes
Age: 64
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)
- Executive council member of Women in Management, Business and Public Service (WIMBIZ)

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 has also held advisory and implementation roles with a number of national development projects in Nigeria.

Douglas Baillie
Non-executive director



Date appointed to Board: April 2019
Independent: yes
Age: 67
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.

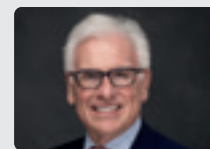
External commitments

- 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



Date appointed to Board: April 2019
Independent: yes
Age: 72
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 of the American Academy of Diplomacy

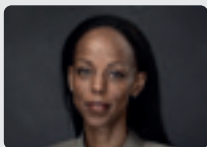
Previous roles

John 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

R



Date appointed to Board: October 2021

Independent: yes

Age: 53

Nationality: Ethiopian

Skills, expertise and contribution

Tsega 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
- Founding director 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 for 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: 52

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.

External commitments

- Industrial advisor to strategic communications firm Kekst CNC
- Member of the Swedish Audit Academy
- Member of the Nasdaq Helsinki Listing Committee
- Chair of the Carpe Diem Foundation, which runs the top-ranked Swedish elementary school, Fredrikshovs Slott Skola
- Board member and chair of audit committee of Truecaller
- Advisory Board member of Unzer Group GmbH

Previous roles

Annika has been executive chair of the Council for Swedish Financial Reporting Supervision; a board and audit committee member of listed companies eQ Abp, Hoist Finance AB, Saferoad AS (delisted in September 2018) and Swedbank AB; and 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 the UK.

Ravi Rajagopal Non-executive director

AR N M



Date appointed to Board: April 2019

Independent: yes

Age: 67

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
- Chairperson of SRL Diagnostics, a subsidiary of Fortis Healthcare, India
- Vice chair, Peabody Housing, UK
- Trustee of the Science Museum Foundation, UK

Previous roles

Ravi 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 British American Tobacco. He has held numerous positions on various joint venture boards and was a non-executive director of United Spirits, a listed subsidiary of Diageo in India, as well as a member of Diageo's India advisory board. More recently, Ravi was an independent director and chair of the Audit Committee of Vedanta Resources Limited, UK and chairperson of JM Financial, Singapore Pte Ltd.

Kelly Bayer Rosmarin Non-executive director



Date appointed to Board: October 2020

Independent: no

Age: 46

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 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 Singtel's nominee 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.

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 chairman of Bharti Enterprises
- Chairman 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. He is invited to attend our Remuneration Committee meetings.

External commitments

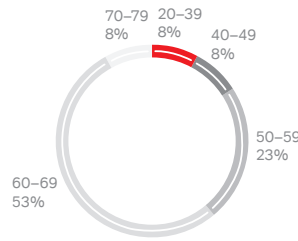
- Founder of Unbound, a long-term investment firm aiming to build and back disruptive technology companies
- Managing director of Bharti Global Limited
- Board member of OneWeb Holdings Limited
- Board member of technology companies mPharma, Omnius, Syfe, Paack, Aurora, VAHA and Forto

Previous roles

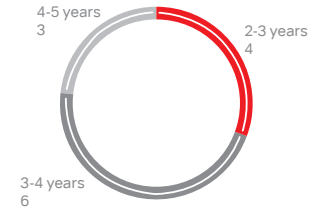
Shravin was previously at SoftBank Vision Fund, a \$100 billion fund investing in technology companies, and assistant director at Better Capital, a private equity firm in London where he turned around distressed retail and manufacturing businesses. Before this, he was involved in the launch of 3G at 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.

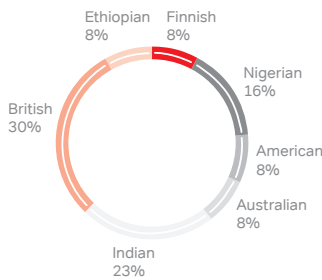
Board age (years)



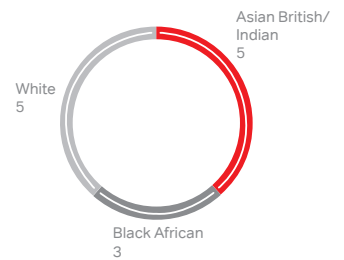
Board tenure (years)



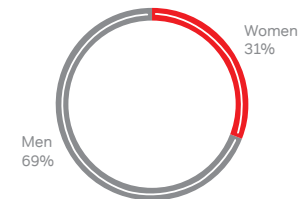
Board nationality



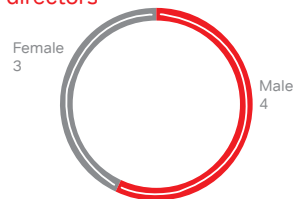
Board ethnicity



Board gender ratio



Board gender ratio Independent non-executive directors



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

Olusegun Ogunsanya

“

The Executive Committee has the experience and skillset that serve Airtel Africa well as we move into the future and continue to deliver on our 'Win with' strategy.

”

Olusegun Ogunsanya
Chief executive officer

Chief financial officer

Jaideep Paul

“

Our executive leadership is working together to ensure our business is financially robust for the long term.

”

Jaideep Paul
Chief financial officer

Segment and/or regional directors

Apoorva Mehrotra
Regional director
East Africa

Apoorva is responsible for managing our financial performance and accelerating profitable growth in East Africa. He works with the 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.

Apoorva has over 28 years' experience in operations, sales and marketing across the telecoms, consumer durables and FMCG sectors. Apoorva joined Airtel as chief commercial officer in Zambia in April 2017 and was promoted to managing director in April 2018. Before joining Airtel Africa, he spent 14 years at Vodafone India, where his last role was as executive vice president and business head for the Delhi NCR Circle.

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 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.

Carl Cruz
Managing director and
CEO Airtel Networks
Limited (Nigeria), with
effect from 5 May 2023

Carl was appointed Regional Operating Director on 5 May 2023, joining the Airtel Africa ExCo as well as the Airtel Networks Limited (Nigeria) Board. He brings over 30 years of experience in sales, distribution, customer and brand development, and trade and commercial functions at Unilever. He has held leadership positions with Unilever around the world, including in his most recent role as CEO and Managing Director: West Africa. His board experience includes being Executive Director in Unilever Nigeria Plc, a non-executive Director on the Unilever Ghana board, and formerly as chairman and managing director of Unilever Sri Lanka.

Ian Ferrao
CEO, Airtel Money

Ian was appointed as chief executive officer of Airtel Money in 2022.

He leads our Airtel Money business – managing its financial performance, strategic direction and priorities, brand strength and growth in customers. Before this appointment, Ian was regional director, East Africa.

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 on to the DSE. He's also served as CEO of Vodacom Lesotho, CCO for Vodacom Business Africa, and commercial director and shareholder of AfriConnect Zambia.

Business head

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 chief officers

Ramakrishna Lella Chief supply chain officer

Rama oversees the procurement of our network equipment and IT. He manages our tower companies and bandwidth, sales and distribution, supply chain for marketing and HR services, and warehouse operations and logistics. He also 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 towards 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 and 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 Chief of internal audit

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 26 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 26 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.

Anthony Shiner Chief commercial officer

Anthony is responsible for formulating and implementing commercial strategies across our 14 markets. He has functional responsibility for marketing, home broadband, sales and distribution, brand and advertising, product and digital (commercial) and customer experience. Anthony became an ExCo member when he joined Airtel Africa in June 2022.

Anthony has over 25 years' experience in commercial, digital and transformation in the telecoms industry across Australia, Singapore and the Middle East. He joins us from Emirates Integrated Telecommunications Company where he held the roles of chief digital, transformation and innovation officer from 2018 to 2020, and chief customer and channel officer from 2020 until leaving in June 2022.

Previously, Anthony was executive director of Digital for Telstra. He has also held senior commercial roles with Singtel and Optus.

Razvan Ungureanu Chief technology and information 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 30 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 statement



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 am pleased to present our Corporate Governance Statement for the financial year 2022/23. As a Board, we're committed to applying the highest standards of corporate governance and transparency, recognising that robust governance and culture underpin business success. In this statement, we give our investors and other stakeholders an insight into the governance activities of our Board and its committees over the year.

By aligning our purpose, values, strategy and culture, we seek to achieve good governance, regulatory compliance and our ambitious sustainability strategy as we work across Africa. We do our best to lead by example and are working both in the boardroom and on the ground towards our corporate purpose: transforming lives. So we continue to invest in creating educational opportunities for the communities we serve, for example with our landmark partnership with UNICEF. I am proud of our commitment to bring access to quality education to more than one million children by connecting schools to the internet and zero-rated educational platforms (free internet access).

Enhancing diversity

While our Board is diverse and inclusivity is one of our core values, we have to do more to improve diversity and inclusion across all levels of our organisation.

My Board is committed to supporting programmes and initiatives across the entire Group that will nurture and mentor key talent. And we're continually examining our recruitment processes to make sure they are perfectly aligned to meet these challenges.

We recognise that we're not starting from the same place as businesses in more developed economies. Even though we're determined to provide equal opportunities for women, gender parity in our business is still some way off. This is despite our best efforts and significant progress in appointing women to senior leadership positions across our 14 culturally different markets.

These appointments, which we hope will attract more women to take up senior leadership roles in our business, are shaping a deep talent pool and pipeline from which we hope to make senior executive appointments. This is critical to the long-term sustainability of Airtel Africa. So we've once again included a gender diversity metric in our executive directors' variable pay scorecard – to drive forward a diverse and inclusive workplace by increasing the proportion of woman employees.

Remuneration

We're also starting from a different point when it comes to the changes being recommended to our remuneration policy. Finding, attracting and retaining highly skilled talent is a challenge for all businesses – and doing so across all the countries in which we operate adds to the complexity. While we do all we can to employ good practices and fit within a UK compliance framework, we have to balance our ambitions with the realities and demands of doing business in Africa.

To enable us to meet these challenges, we're submitting a revised policy for approval at the AGM this year. Last year's amendments were prudent measures reflecting good housekeeping prompted by the appointment of a new CEO (including pension arrangements, bonus deferral and post-employment holdings). The proposed changes this year to our remuneration policy are intended to help us do business in Africa more effectively. These are fully explained in our directors' remuneration report on pages 145-163.

The Board fully supports and endorses the work of the Remuneration Committee to attract and retain the right talent. We believe that granting a mix of performance shares with demanding performance conditions and restricted shares with a financial underpin is both appropriate and critical to delivering our talent agenda.

The Board also acknowledges 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.

Employee development and engagement

During the year, the Board monitored projects to accelerate talent acquisition and to support and keep our own employees. The Board also ensured engagement with employees by attending gatherings such as the quarterly all employee town halls. The questions asked at these events provided a rich source of feedback for management. Both the CEO and I are impressed by the quality, range and depth of the topics discussed in this open forum.

Purpose, values and strategy and alignment with culture

To meet their 2022/23 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:

- Reviewed our strategy for Board and executive-level succession planning and put into place processes for achieving this. See our Nominations Committee report on pages 128-133.
- Monitored progress against our gender diversity targets at the levels of Executive Committee, country managing director and leadership. OpCo executive committee female gender representation also increased from 28% to 29%.
- Supported our learning and development teams' capacity-building efforts across the Group, as well as ongoing initiatives around health, wellbeing and recognition, such as a Digital Labs programme to improve physical and mental health.
- Stayed up to date on projects to attract new employees as well as to support existing employees, such as the 'Women in Tech' programme, Airtel Africa Mobility programme, young technology leaders 2022 training programme, and the set-up of Nigeria Digital Labs.

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. This year, we had to address several critical macroeconomic challenges, including continuing fuel price increases, inflationary pressures coupled with drought, especially in some East African countries, and continuing FX shortages in Malawi and Nigeria. See pages 93-95 for more detail on the mitigating strategies the Board put into place.

An effective and improving Board

Our Board evaluation confirmed that our Board functions effectively. It's well balanced and diverse, with a strong mix of relevant skills and experience.

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 respective committees during the year. The Audit and Risk, Remuneration, Nominations and Sustainability Committee chairs have provided their own reports on their committees' activities.

In conclusion

I remain confident that your Board is working effectively 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, we continually look for ways to learn and to improve our corporate governance.

I very much look forward to meeting with shareholders at the AGM on Tuesday 4 July 2023, 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 2023

Governance highlights for the year ended 31 March 2023

We published our first sustainability report in October 2022, building on the commitments set out in our sustainability strategy of October 2021.

We confirmed our commitment to achieve zero carbon emissions by 2050. A summary of our progress, including our engagement with The Carbon Trust, is on page 56.

We published our second TCFD statement in line with LR9.8.6R (8) requiring companies to share a clear statement of TCFD compliance and in keeping with our roadmap published last year.

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 26 for our strategy.

We're delivering on our senior leadership succession plan: we made the strategic addition of a chief commercial officer to our ExCo and have seen several changes to our senior leadership team which will ensure that we'll continue to deliver our 'Win with' strategy.

We're addressing the gender balance challenge across our OpCos by championing initiatives that support diverse talent and thought as critical enablers of sustainable growth – see page 131 for details.

We've nearly completed the separation of Airtel Money – see page 112 for details.

We established new holding and subsidiary company structures for our fibre businesses in support of our Win with technology strategy. We are building a leading, modernised network that can provide the data capacity to meet rapidly growing demand, and enhanced connectivity and digitalisation needs of our markets.

We conducted a comprehensive, internally facilitated Board evaluation – see page 116.

We continued working to fully comply with the requirements of the UK Corporate Governance Code applying to Airtel Africa for 2022/23. We're currently compliant barring one provision: 9 (the independence of the chair).

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 for make sure we manage risk effectively. See pages 102-105 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 at www.airtel.africa.

Board

Governance committees

Audit and Risk 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.

Chair:
Ravi Rajagopal

Members:
Andy Green
Annika Poutiainen
Awuneba Ajumogobia
Akhil Gupta also attends as an appointed observer on behalf of Bharti Airtel.

» See Audit and Risk Committee report on page 117

Remuneration Committee

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.

Chair:
Doug Baillie

Members:
Awuneba Ajumogobia
John Danilovich
Tsega Gebreyes
Shravin Bharti Mittal also attends as an appointed observer on behalf of Bharti Airtel.

» See Remuneration Committee report on page 145

Nominations Committee

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.

Chair:
Sunil Bharti Mittal

Members:
Doug Baillie
Andy Green
Ravi Rajagopal

» See Nominations Committee report on page 128

Market Disclosure Committee

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 depending on market information that requires disclosure.

Chair:
Andy Green

Members:
Doug Baillie
Olusegun Ogunsanya – CEO
Ravi Rajagopal

Sustainability Committee

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.
Meets each month.

Chair:
Segun Ogunsanya – CEO

Members:
Annika Poutiainen – Board sustainability champion
Jaideep Paul – CFO

Other members (ex officio):
Rogany Ramiah – Chief HR officer
Pier Falcione – Deputy CFO and head of IR
Peter Odedina – Chief compliance officer
Simon O'Hara – Group company secretary
Vacant – Head of strategy and sustainability

» See the sustainability section of the strategic report on page 38

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.

» More details on our ExCo can be found on page 106

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
- The Treasury Committee and Executive Risk Committee

Our sustainability governance

Our sustainability strategy lies at the heart of our business, informing and influencing our corporate strategy at every stage. We have established and enhanced our governance structure to ensure that sustainability is a key responsibility of our Board of directors, and that the delivery of the strategy and its goals is supported by dedicated workstreams led by sustainability goal-holders (ExCo members).

Other committees

The Board also delegates certain responsibilities to our Finance Committee.

Other committees

Finance Committee

Approves funding and other financial matters in line with our delegated authorities or as requested by the Board.

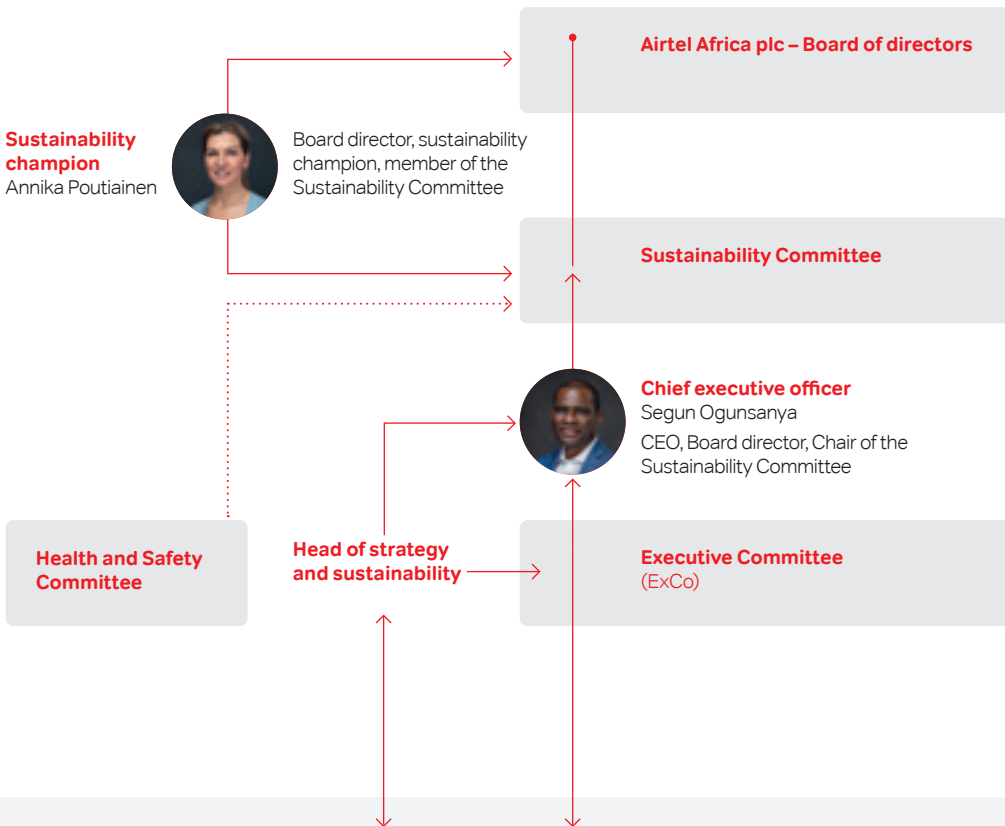
Initiates and manages key policies and major operational decisions relating to treasury and direct taxes.

Chair:
Jaideep Paul – CFO

Members:
Ravi Rajagopal – independent NED
Annika Poutiainen – independent NED
Segun Ogunsanya – CEO
Pier Falcione – deputy CFO and head of IR

Attendee:
Akhil Gupta represents 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.

Sustainability governance



Our sustainability strategy



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

Our leadership continued

Compliance with the UK Corporate Governance Code

See pages 134-138 for how we comply with the UK Corporate Governance Code (the Code). Here we explain the provision not yet met.

Code provision	Explanation
Provision 9: the chair should be independent on appointment when assessed against the circumstances set out in Provision 10	<p>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.</p> <p>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 and support for the chair and as an intermediary for other directors and shareholders. The independent non-executive directors have carefully considered Sunil's leadership position. As part of the annual Board evaluation process, they've looked at the checks and balances in place to mitigate the risk of having a non-independent chair, including the impact on board effectiveness and Board dynamics. They've concluded that these checks and balances are strong and effective. Airtel Africa has a strong culture, which has benefited from stable and consistent leadership of the business. The seven independent non-executive directors on the Board provide a fresh perspective and challenge, a range of corporate experience, and effective challenge to the chair and other executive directors. This was endorsed by the three consecutive external evaluation exercises undertaken since listing. The separate committees for audit, nominations and remuneration are each chaired by an independent non-executive director.</p> <p>We also review the chair's performance as part of the annual Board evaluation exercise. In line with the Code, the chair only sits on the Nominations Committee, which he also chairs.</p> <p>The Board believes Sunil Bharti Mittal continues to effectively oversee our leadership and maintain a balanced shareholder agenda.</p> <p>We'll continue to report against this provision while Bharti Airtel remains a majority shareholder or until the chair is no longer in place, at which time these arrangements will be reviewed.</p>

During this financial year, we became compliant with Provision 41 of the Code.

» For more information on how we became compliant, see page 137

The Board's focus in 2022/23

As well as our six scheduled meetings and the AGM, during the 2022/23 reporting period the Board met an additional two times to consider our full year financial statements and annual report approvals process and to approve our first sustainability report. 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
- Progressed the separation of Airtel Money
 - Began the operational separation of Airtel Money from the GSM business in preparation for its IPO
 - Reviewed appropriate and optimal operating and ownership structures for the Airtel Money entities, including local ownership requirements
 - Took steps to empower and add to the management team to prepare for the separation
 - Discussed the risk and control framework. Concluded that we wanted to see a management system in place appropriate for a financial services company – with a chief risk and compliance officer and a culture of compliance and accountability

- Culture
 - Discussed how to define a culture that promotes a positive feeling of ownership around strong controls and compliance – and how the Board sets the tone for this
 - Discussed how the internal audit, risk and governance functions can promote culture during a recent training session, and how the Audit and Risk Committee should be assessing and monitoring culture on an ongoing basis
- Deep dives
 - Undertook deep dives into:
 - Our digital strategy
 - Our SmartCash PSB business
 - Our data centre plan
 - Our fibre business plan
 - Each segment: Nigeria, East Africa, Francophone Africa and Airtel Money, which included discussion on the success of the execution of the respective business plans and performance reviews
 - Our organisational structure, including a restructuring of the ExCo to align with the strategic ambition and planned separation of Airtel Money
 - Our regulatory function

Strategy

- Continued to look at strategic opportunities to create value and expand our Airtel Money business by securing payment service bank licences and a super-agent licence in Nigeria – this allows us to create an agency network through our SmartCash Payment Bank subsidiary that can service the customers of licensed Nigerian banks, payment service banks and licensed mobile money operators in Nigeria
- This aligned with the Board's strategy to revolutionise the financial services landscape in Africa, particularly Nigeria. This will further digitise the economy, and most importantly help bank the unbanked by reaching the millions of Nigerians without access to financial services by delivering current and savings accounts, payment and remittance services, debit and prepayment cards
- Spent considerable time discussing the need for a more entrepreneurial culture, not just at management level but also within the Board. While keeping the highest levels of governance and complying with all regulations, there's scope to be more entrepreneurial and to make faster decisions and approvals for the businesses
- Reviewed the move of the administrative office from Kenya to Dubai for our ExCo, and judged it to be a success with significantly improved connectivity and enhanced cooperation across our 14 operating markets in Africa
- Reviewed and revised our investment strategy for buying spectrum to support our 4G network capacity expansion across our markets for both mobile data and fixed wireless home broadband capability, and for future 5G rollout. This provides significant capacity for continued strong data growth and reflects our continued confidence in the opportunities in our markets to support local communities and economies through digital inclusion and connectivity
- Established a working group of the Board to work with the CEO on spectrum auction matters, recognising the need to act quickly in any auction within agreed parameters
- Reviewed and approved our first sustainability report showing the Board's commitment to developing infrastructure and services to drive both digital and financial inclusion for people across Africa
- Reviewed and committed to 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
- Benefited from a presentation on geopolitical trends, opportunities for Airtel Africa in 2023 and opportunities to maximise influence – given by Paul Arkwright, special adviser to the chair and Board on political and security developments in our Op-Cos
- Reviewed the Board, committee and senior management succession plans as presented by the Group chair on behalf of the Nominations Committee

Financial

- Approved the full year results and financial statements, as well as the Annual Report and financial statements and accompanying RNS announcements for the 2022 financial year
- Approved the half year results statement and quarterly statements for the 2023 financial year and accompanying RNS announcements
- Approved the payment of the interim dividend for the financial half-year 2023 and recommended a final dividend for the financial year 2022
- 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 2023
- Regularly reviewed our financial performance and forecasts
- Agreed to the early redemption of the Guaranteed Senior Notes due in 2024 for \$450m. This early redemption is from Group cash reserves and is in line with our strategy of reducing external foreign currency debt at Group level
- Determined a conservative leverage profile with a net debt to underlying EBITDA ratio of 1.4x as of March 2023 in line with our continued focus on a strong balance sheet
- Made significant progress in reducing holding company debt which was \$550m in March 2023 versus \$1,000m in March 2022
- Agreed to commit to:
 - A \$125m revolving credit facility that provides potential interest rate savings in exchange for achieving social impact milestones linked to digital inclusion and gender diversity with a focus on rural areas and women – also aligns with our sustainability strategy
 - A \$194m facility with International Finance Corporation (IFC), a sister organisation of the World Bank and a member of the World Bank Group – we're committed to complying with the IFC's Performance Standards on social and environmental sustainability and have put in place an environmental and social action plan
- This is in line with our strategy to raise local currency and US dollar debt in our local operating companies. These facilities underpin our commitment to transforming lives across the communities where we operate, including addressing inequality and supporting economic growth
- Reviewed the legal, regulatory and commercial aspects of potential structures for FX sourcing and repatriation of funds
- Discussed proposing an alternative Naira investment strategy in light of the economic environment in Nigeria and the difficulty of repatriating dollars – work still to be concluded
- Deloitte presented the audit plan and we considered whether this would drive further improvement in audit quality
- Agreed that all future intermediary and consultancy fees above \$200,000 must be approved by the chair of the Audit and Risk Committee and presented to that committee every six months

Our leadership continued

Leadership and employees

- Discussed how to support the new CEO as he transitioned and progressed into his new role, made changes to his top team and provided guidance and focus on operational issues
- Our CEO regularly updated the Board on employee engagement and talent pipeline initiatives, including the encouraging results of the recent people engagement survey and the Women in Tech one-year mentoring programme
- Approved the submission of a revised remuneration policy to shareholders at our 2023 AGM
- Worked to make sure our remuneration policy remains appropriate and able to incentivise our executive team, while being able to adapt to each year's developments and strategy
- Endorsed the chief executive's appointment of:
 - Ian Ferrao as CEO, Airtel Money
 - Anthony Shiner as chief commercial officer
 - Apoorva Mehrotra as regional director, East Africa
 - Yashnath Issur as CEO, Data centres
- Agreed that the chief HR officer should be invited to attend Board meetings twice a year to give updates on people, culture and diversity – and that relevant papers should be circulated to the other two meetings as part of the sustainability focus
- Reviewed our people agenda and the robustness of our succession plans for improving diversity, talent management and bench strength

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 2022 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

- Held two additional single topic Board meetings to deep dive and review:
 - 1. Our Annual Report to ensure it was fair, balanced and understandable before formal approval at the May Board
 - 2. Our Sustainability Report to ensure it was aligned with our 10-year business plan before publication
- 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 compliance
- Pathway to net zero and reduction of GHG emissions:
 - Delivered our first report – timescales to publication reflect the complexity of modelling and implementing scope 1 and 2 initiatives/interventions and modelling for scope 3
 - Our strategy has been costed and is being rolled out to the business
- 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 and 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
- Reviewed the quarterly compliance certificates provided by executive management confirming the adequacy of procedures to review the effectiveness of our internal and disclosure controls and discussed areas of non-compliance
- Received a joint presentation and had a discussion with our corporate brokers on our share price performance since IPO, investor profile, ESG profile and dividend yield
- Supported our Nigeria management team in identifying ways to ensure all subscribers provide their valid National Identification Numbers (NINs) and update their SIM registration records – this followed a Nigerian Communications Commission (NCC) directive to all Nigerian telecom operators
- Supported working closely with the regulator to minimise disruption and make sure affected customers continued to benefit from full connectivity in line with our aim to drive increased connectivity and digital inclusion

Board attendance

Directors make every effort to attend all Board and committee meetings. 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. The chair follows up with them after the meeting about decisions taken.

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 2022/23	Scheduled Board meetings	Number of additional Board meetings attended ¹	Audit and Risk Committee	Remuneration Committee	Nominations Committee	Market Disclosure Committee ³
Sunil Bharti Mittal ² (chair)	6 (6)	2 (2)			3 (3)	
Segun Ogunsanya (CEO)	6 (6)	2 (2)				2 (2)
Jaideep Paul (CFO)	6 (6)	2 (2)				
Andrew Green (independent non-executive director)	6 (6)	2 (2)	9 (9)		3 (3)	2 (2)
Awuneba Ajumogobia (independent non-executive director)	6 (6)		9 (9)	5 (5)		
Doug Baillie (independent non-executive director)	6 (6)	2 (2)		5 (5)	3 (3)	2 (2)
John Danilovich (independent non-executive director)	6 (6)	2 (2)		5 (5)		
Tsega Gebreyes (Independent non-executive director)	6 (6)	2 (2)		5 (5)		
Annika Poutiainen (independent non-executive director)	6 (6)	2 (2)	9 (9)			
Ravi Rajagopal (independent non-executive director)	6 (6)	2 (2)	9 (9)		3 (3)	2 (2)
Akhil Gupta ² (non-executive director)	6 (6)	2 (2)				
Kelly Bayer Rosmarin ² (non-executive director)	6 (6)	2 (2)				
Shravin Bharti Mittal ² (non-executive director)	6 (6)	2 (2)				

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 Communicates monthly in writing before releasing information in line with the information protocols and service agreement with Bharti Airtel.

Board evaluation

Board performance

During the year the Board undertook an internal evaluation (the previous three annual exercises have been externally facilitated). This was conducted by the Group company secretary circulating questionnaires for feedback on a range of areas to the Board, the directors, and each committee. 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 Secretary then reported on this feedback to the chair and senior independent director. The results were discussed in detail by the Board and each committee. The chair had follow up discussions with directors on the findings of the evaluation. Separately, the senior independent director held a meeting of the non-executive directors without the chair to consider his performance and the running of the Board. This evaluation confirmed that the Board, its committees and individual members all continue to operate effectively and that each performed strongly during the year.

From the anonymised survey responses and interview feedback we identified focus areas and recommendations for the Board and its committees.

2022/23 evaluation results

The chair and company secretary presented the reports to the Board in May 2023 for discussion and review.

Recognising its strengths and areas to develop, the Board and its principal committees agreed actions for the coming year.

2022/23 evaluation	Outcome	Key themes and areas for focus	Action
Board	Strategic oversight	KPIs	To include a dashboard of key financial metrics in Board papers for each meeting – also covering markets in which we operate.
		Digital and data developments	The Board will strengthen the IT function, cybersecurity and disaster recovery plans.
		Risk	Strengthening of financial internal controls.
	Stakeholder oversight	Partners, customers and suppliers	Our directors will engage with stakeholders in more ways during the year. Our Board seeks more direct engagement with our key partners, customers and suppliers. The management team and company secretary have been tasked with identifying meaningful opportunities to engage and manage relationships with our suppliers.
		Workforce engagement	The Board will identify and create more opportunities to engage directly with our wider workforce across geographies and for monitoring employee sentiment and culture.
	Governance and compliance	Board composition	We'll review the size and composition of the Board, with a view to including more telecom/fintech experience and African resident members with specific finance skills.
		Board agenda	The evaluation identified topics to be added to the rolling forward agenda, the need for sharper focus on areas where management require Board input and suggestions for various improvements to the content and presentation of papers. More focus on talent, succession and career planning.
	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 requested one meeting a year be allotted specifically to discussion of the sustainability strategy – which will be followed up with regular updates at each meeting.

Conclusions

The 2022/23 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 are making valuable contributions. In light of this, the Board proposed the re-elections set out in the 2023 Notice of Annual General Meeting.

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 4 July 2023. Following the formal performance evaluation described here and taking into account each director's skills and experience (set out on page 116), 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

Attendance

	Meetings attended (held)
Ravi Rajagopal Chair	9 (9)
Andy Green	9 (9)
Annika Poutiainen	9 (9)
Awuneba Ajumogobia	9 (9)

Chair's statement

I'm pleased to present the work of our Audit and Risk Committee for the year ended 31 March 2023. My report sets out an overview of how this committee discharged its duties in compliance with the UK Corporate Governance Code and provides an insight into the key matters and findings considered during the year.

Our members are unchanged. We remain a team of independent non-executive directors with the financial experience, commercial acumen and industry knowledge to fulfil our responsibilities.

In these challenging macroeconomic times, we continue to focus on ensuring the integrity of the Group's published financial information and the effectiveness of its risk management, controls and related processes.

As part of my commitment to connect with my management colleagues in person, during the year I visited our operating entities in Zambia and Nigeria. On these visits I met and spoke with local management who gave me valuable insights into their operations.

Key areas of focus

We continued this year 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 internal audit reviews during the year in each of these areas were shared with our committee.

There is one change and two modifications to our principal risks for the year ended 31 March 2023: Covid-19 was dropped as a principal risk for the Group, the risk on 'Exchange rate fluctuations and availability of foreign currency for repatriation' was modified to 'Exchange rate fluctuations and shortage of foreign currency' and the risk on 'Non-compliance to legal and regulatory requirements' was modified to 'Uncertain and constantly evolving legal and regulatory requirements and environment'. The principal and emerging risks and significant judgements made in connection with these risks are set out on page 93.

We examined in detail the interplay between the mandatory Task Force on Climate-related Financial Disclosures (TCFD) and our sustainability reporting. Our committee is comfortable with the approach adopted. For our TCFD disclosures, see page 56 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 accounting treatment for the transfer of minority shareholders' interests in Nigeria SmartCash to Airtel Networks Limited (our Nigerian subsidiary) and, therefore, outside of Airtel Mobile Commerce BV (AMC BV) and the introduction of mobile money as a new operating segment. We continued to monitor the integrity of our financial statements and the effectiveness of the internal and external audit processes.

In addition to scheduled committee meetings, 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.

Our committee report is structured into five parts:

Part 1 – Our work during the year

Part 2 – Key transactions, judgements and estimates and our response

Part 3 – Risk management and internal controls

Part 4 – External auditors

Part 5 – Finance Committee

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, our committee will focus on the control and compliance environment for the Airtel Money business as it completes its separation from the GSM business. We'll continue to look at and strengthen the focus on compliance across all levels and functions in the organisation using various measures, including training, process improvements, automation and robust consequence management policies to hold people accountable for their actions. The committee will also focus on actions to further mitigate risks of fraud, especially relating to the mobile money business.

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 251 for contact details). Also, I'll be attending the 2023 AGM and look forward to the opportunity to meet and speak to you there.

Ravi Rajagopal
Chair, Audit and Risk Committee

10 May 2023

Audit and Risk Committee report continued

Part 1

Committee governance

Key responsibilities

Our committee is responsible for overseeing:

- Accounting and financial reporting
- The role and mandate of the internal audit function
- The selection, appointment and management of the relationship with the external auditor
- Internal control and risk management systems

Detailed responsibilities are set out in our committee's terms of reference, which can be found at www.airtel.africa/investors/governance.

Composition

Our committee consists of four independent non-executive directors: Ravi Rajagopal (chair), Andy Green, Annika Poutiainen and Awuneba Ajumogobia. The Board believes these directors have the necessary range of financial, risk, control and commercial experience required to effectively challenge management.

Provision 24 of the Code states:

- 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.
- 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 and mobile money services sector and emerging markets in Africa, including recent and relevant financial experience and expertise gained through various corporate and professional appointments over the years.

Detailed biographies of our committee members are on pages 102-105 of this Annual Report. Our company secretary is secretary to this committee.

Meetings during the year

Our scheduled quarterly meetings take place shortly before Board meetings. Before that, the committee has a pre-meeting to focus on internal audit and discuss any issues needing more time. We held five scheduled meetings and four combined internal assurance and pre-meetings during the year. Attendance during the year is set out on page 115.

We also met three times 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 (EY) and other senior executives. Representatives of our external auditor, Deloitte, were invited and attended all meetings. 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 and separately with each of the Group CFO, chief internal auditor, 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 Board evaluation reviewed the committee's effectiveness and sought feedback from its members. We discussed the output, which concluded that we had operated effectively throughout the year. Areas of challenge are identified throughout this report. We also confirmed our areas of focus for the year ahead.

2022/23 evaluation	Outcome	Key themes and areas for focus	Action
Audit and Risk Committee	Areas of focus	Risk	We will review the meeting agenda to spend more time reviewing risk.
		Compliance and controls developments	We will focus more on embedding a culture of compliance and ensuring accountability for controls.

We review our terms of reference yearly to ensure clearer alignment with Code provisions and updated FRC guidance. There were no changes this year.

These terms of reference are available on our website at www.airtel.africa.

For details of the Board evaluation, see page 116.

Our work during the year

At each quarterly meeting, we review summary reports from internal assurance, as well as financial results and details of actions 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 2022/23

Strategic focus for risk management and internal control

2022/23 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	<p>We've increased our focus by spending more time in meetings on the subject. We completed deep dives on areas of risk, including network technology, IT systems, cybersecurity, revenue assurance and fraud controls.</p> <p>As part of the quarterly key control status update, we received descriptions of the key controls monitoring and reporting cycle for both ICOFR key controls and non-ICOFR key controls. Our discussions led to improved controls training and a more consistent approach (ICOFR is an internal control over financial reporting process consisting of policies and control procedures to assess financial statement risk and reduces the risk around inaccurate financial reporting).</p> <p>As part of our key issues report, we conducted design and compliance reviews, assessed the quality of quantitative data and qualitative assessment and ensured that learnings were applied across the business.</p>	See pages 90-92
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	<p>We continued to make progress in embedding the Risk Appetite Statement (RAS) framework and an exception-based risk reporting approach. We conducted an annual review of the key risk indicators and tolerance limits.</p> <p>We also made several improvements to the framework and plan, and conducted the following thematic reviews:</p> <p>Enterprise risk management review: we reviewed the Group compliance strategy and its mission 'to establish and maintain adequate procedures, systems and controls to enable Airtel Africa to comply with its obligations'. The strategic goals are to:</p> <ul style="list-style-type: none"> • Improve the maturity of risk management practices • Enhance the whistleblowing programme • Focus on high-risk areas <p>Data privacy: we reviewed the evolving risk landscape, including the changing legal framework for data privacy risk across the Group's operating footprint. We adopted a Group-wide compliance strategy for data privacy risk. We subsequently received updates on progress and risk mitigation actions, and were assured by the Group's response to these changes.</p> <p>Fraud risk assessment update: after implementing the fraud risk assessment policy the previous year, we ensured that all risks identified and entered on the risk register were accompanied by a risk mitigation plan and mapped to the audit plan. We welcomed the approach outlined and framework and methodology being adopted.</p> <p>Financing and foreign currency risk: we discussed:</p> <ul style="list-style-type: none"> • Exchange rate volatility and devaluation risk • Liquidity and refinancing risk • Depth of market/new products and banking landscape and treasury governance • Related internal controls and compliance <p>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. We continue to oversee the rebalancing of debt from Group level to OpCo level.</p>	See page 61

Audit and Risk Committee report continued

Part 1

2022/23 committee objectives	Actions taken	Cross-reference
	<p>Airtel Money Commerce B.V. (AMC BV): our committee discussed in detail the business process risk audit for the Airtel Money business. We agreed that the Nigeria Airtel Money rollout should be a separate item given the size and value of the risk. We sought to understand how the AMC BV Board was reviewing the issues identified by the Group internal assurance Airtel Money audits.</p> <p>Before the launch of the Airtel Money service in Nigeria, we conducted risk reviews to ensure the adequacy of the controls and systems and to ensure they were in line with our service objectives. We kept abreast of all actions arising from these reviews.</p> <p>We discussed in detail our responsibilities for overseeing the AMC BV business, particularly given the increasing pace of separation activities and the desire to avoid any unnecessary duplication of effort with the AMC BV Board. We analysed the current Airtel Money risk and compliance structure and systems to assess their fitness for purpose. We reviewed the plan reaching appropriate financial services regulatory supervisory standards, as well as the risk and compliance scope for the Airtel Money business.</p> <p>We reviewed the register of significant risks and assessed regulatory-related implications of a breach. And we reviewed back-end controls and supported actions to strengthen Know Your Customer and minimise commission arbitrage.</p> <p>Cybersecurity: we conducted a review of known incidents, commissioned several internal audit reviews and made an assessment of related risk on the business following which we adopted remediation plans. As a result, we reviewed the Group's cybersecurity strategy and appointed a Group chief information security officer with responsibility for defining and securing the Group's information security systems and processes, and for ensuring a robust information security control environment within our operations. We performed a cyber threat intelligence action to discover the risk of exposure of confidential data related to Airtel Africa from social media, dark web and other breached databases, and reviewed physical back up strategy and arrangements. We recognised that Airtel Africa's pre-paid model mitigates against any direct risk to customers, given that customers' personal bank details are not held.</p> <p>Having reviewed cybersecurity risk, our committee adopted the Group's ransomware policy, cyber insurance policy, information security policy, data protection and privacy policy, and the virtual desktop infrastructure (VDI) implementation. We reviewed the cybersecurity policy to ensure appropriate legal and technical advice was obtained and breach notification obligations understood. We also reviewed the strategic communications strategy.</p> <p>Key risks and remediation actions for 2022/23 were identified. The ISO 2700 standard had been achieved and ISO 22301 certification status is being pursued.</p> <p>We reviewed the risk of technology obsolescence and examined our network resilience and business continuity plans.</p> <p>Culture: we reviewed the culture of compliance and arranged a training session. As a result of this, our chief internal auditor was instructed to establish a robust reporting framework for assessing and monitoring culture on an ongoing basis and to include these findings in the quarterly internal audit report to the Audit and Risk Committee, for subsequent sharing with the Board. The Remuneration Committee was also asked to review our incentivisation schemes to ensure the business is driving behaviours consistent with our purpose, values, strategy and culture. This work is ongoing.</p> <p>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 potential impact.</p>	
<p>Clarifying processes and controls to help people identify, monitor and mitigate risk earlier and more effectively</p>	<p>We started the process of self-certification by business units as a further check on the rigour of the internal audit and external audit assurance process. This places accountability for assurance on operational staff.</p> <p>Following a deep dive of fraud perpetrated in one OpCo, processes to improve revenue assurance and fraud prevention and detection were strengthened and rolled out across the whole business. We started to review overall ratings on the quality of processes and controls identified for each OpCo, alongside a rating of end-to-end processes across all OpCos.</p> <p>Continuous Control Monitoring (CCM)</p> <p>We reviewed and endorsed a data-led approach to continuous monitoring. We adopted an analytics platform which runs algorithms and checks on a large volume of transactions to identify potential red flags or outliers. Over time, we can assess baseline controls using this platform.</p>	<p>See page 56 for our climate change risk disclosures</p>

Part 1

2022/23 committee objectives	Actions taken	Cross-reference
Reviewing the assurance processes supporting certain aspects of the TCFD and sustainability sections in the 2022/23 annual report	<p>The Group has identified its climate risks and opportunities after an assessment of the possible impact of climate change across its business and geographies. The Group has also put in place mitigation actions to address these risks as can be seen from the Group sustainability strategy and report. This important piece of work has governing oversight not only from the Audit and Risk Committee but also the Board Sustainability Committee which meets monthly to review the various mitigation actions in line with the Group's strategy. Additionally, we have taken steps to develop the technical capability of our teams in identifying, assessing, modelling and creating viable plans to address these long-term climate risks. This is underpinned by our engagement with The Carbon Trust who have been instrumental in helping us along this journey and building the internal capacity within our teams.</p> <p>We, therefore, have concluded that the assurance processes supporting the narrative reporting in the Annual Report are satisfactory.</p>	
Supporting the Group's sustainability strategy	<p>Airtel Africa officially joined the Joint Audit Cooperation (JAC), an association of telecoms operators aiming to verify, assess and develop corporate social responsibility implementation across the manufacturing centres of suppliers. This action addresses third-party risks from an ESG perspective and whether third parties are complying with standards of compliance required from an ESG perspective with respect to labour laws, health and safety and other practices. Membership of the JAC allows us to conduct these ESG audits in a cost-effective manner through cost sharing with other global telcos.</p>	

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, key estimates, and 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 123. We also reviewed existing and emerging litigation and regulatory risks.

2022/23 committee objectives	Actions taken	Cross-reference
Reviewing financial reporting controls and considering issues and findings raised by the Internal Audit team	Our committee was satisfied that management had resolved, mitigated or set out action plans for all issues or concerns identified by Internal Audit teams.	See page 125
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	<p>We assessed:</p> <ol style="list-style-type: none"> 1. The quality, appropriateness and completeness of the significant accounting policies and practices and any changes to these 2. The reliability and integrity of our financial reporting, including key judgements and whether to support or challenge management's judgements 3. The external audit findings, including their review of key judgements and the level of misstatements 4. The rationale for the accounting treatment and disclosures around judgements and estimates, as reported by the CFO 5. The overall level of reasonableness applied by management in their judgements and estimates around significant half year and full year matters, considering also the views of Deloitte UK and evidence of bias <p>We challenged management on some judgements and sought explanations of the interpretation, making recommendations to the Board for the approval of half and full year accounts and financial statements.</p>	See page 178
Reviewing the proposed audit strategy for the year's external audit, including the level of materiality applied	We assessed the detailed audit scope and strategy for the year, including the application of Group and component materiality. Furthermore, we monitored the external auditor's progress against the agreed plan and considered issues as they arose.	See page 125
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.	See pages 123 and 178 for the statement
Assessing the effectiveness of the 2022/23 audit	We concluded that the audit was effective. The Board will recommend the reappointment of Deloitte as external auditor for the year ending 31 March 2024 at the AGM.	See page 126
Reviewing related party transactions and disclosures	We reviewed related party transactions entered by the Group during the year and determined that these were at arm's length. The committee sees the related party disclosures in our financial statements as appropriate.	See page 220

Audit and Risk Committee report continued

Part 1

2022/23 committee objectives	Actions taken	Cross-reference
Reviewing updates from regulators on corporate reporting	We reviewed updates on FRC's thematic reviews and other guidance issued by the FRC during the year. The Group already complied with the majority of the recommendations, and our 2023 Annual Report has been updated to adopt best practice as appropriate.	
Reviewing whether the company's position and prospects as presented in the 31 March 2023 Annual Report and financial statements were fair, balanced and understandable	We assessed: <ol style="list-style-type: none"> 1. The completeness and consistency of disclosures in the Annual Report, interim reports, our business model and strategy 2. The internal verification of the non-financial factual statements, key performance indicators and descriptions within the narrative 3. The use of APMs 4. The treatment of items as exceptional 5. Feedback from external parties (corporate reporting specialists, remuneration advisers, external auditors) to enhance the quality of our reporting 6. The FRC's guidance on clear and concise reporting, as well as compliance with financial reporting standards and other reporting requirements 7. The FRC's guidance on what makes a good annual report to ensure our Annual Report is prepared in line with clear corporate reporting principles and effective communication techniques as outlined by the FRC <p>We recommended to the Board that the 31 March 2023 Annual Report and financial statements presented a fair, balanced and understandable assessment of Airtel Africa's position and prospects.</p>	See page 122
Reviewing the services, fees and 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 2022/23 and concluded that no changes were required to the policy for non-audit fees provided by the auditor.	See page 127
Approving the statutory audit fee for the year	The 2021/22 statutory audit fee was paid, and the committee approved the fees for the 2022/23 audit.	See page 197, Note 8.1

Reviewing the 2023 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 Annual Report open, honest and accurate? 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?
- Does the narrative and analysis in the Annual Report effectively balance the needs and interests of our key stakeholder groups?

Understandable

- Do we explain our business model, strategy and accounting policies in a simple way, using precise and clear language?
- Do we break up lengthy narrative with quotes, tables, case studies and graphics?
- Do we define industry terminology and acronyms?
- 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 28 April, 4 May and 9 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 28 March, 9 May and 10 May 2023.

Governance

At each quarterly meeting, we receive and review summary reports with updates on upcoming proposals and regulations to UK corporate reporting. The FRC publishes thematic reviews and other guidance to help improve the quality of corporate reporting. We also receive summarised reports from our external auditors highlighting any proposed amendments to UK corporate reporting.

2022/23 committee objectives	Actions taken	Cross-reference
Meeting the UK's Transparency Directive (TD) ESEF Regulation (ESEF regulatory technical standard), including 'phase 2' requirements, prepared using the UKSEF taxonomy	We paid special attention to the preparation of our consolidated financial statements and the additional 'phase 2' notes text block tagging in digital format under the TD ESEF Regulation. We made sure the necessary procedures had been completed by all parties, including our technical accounting team and our specialist external digital reporting providers. Our 2023 digital report uses the UKSEF taxonomy created by the UK Financial Reporting Council (FRC). We commissioned a voluntary assurance review on our 2023 ESEF Annual Report by Deloitte UK. Deloitte confirmed that the ESEF Annual Report was prepared and marked up in line with the requirements of the ESEF RTS. Deloitte's ESEF review opinion is included at the end of this Annual Report.	See page 252
Staying up to date with regulatory reform	The committee noted the recommendations of the UK government's Department for Business, Energy and Industrial Strategy (BEIS) in response to last year's white paper on restoring trust in audit and corporate governance. We have already started preparing for the proposed regulations, specifically with regards to the audit and assurance policy and strengthening of our internal controls. The Group continued to further enhance its risk management processes, key controls monitoring and reporting processes for both internal controls over financial reporting (ICOFR) related key controls and non-ICOFR related key controls. Our committee will continue to monitor proposed regulatory changes to ensure Airtel Africa fully complies.	
Reviewing the findings of the yearly evaluation of our committee	We reviewed the evaluation results and set out an action plan to deliver its recommendations. The Board considered the results of the review and considered the Audit and Risk Committee to be effective.	See page 118
Reviewing Group policies	We reviewed and approved updated Group policies in relation to data privacy, ransomware and information security.	See page 119

Accounting and financial reporting issues and our response

We considered the following accounting and financial reporting issues, judgements and estimates in the context of the financial statements and management override of controls and fraud, discussed them with our external auditor, and have found the response to each appropriate and acceptable.

Issue	How this was addressed by our committee
Going concern and long-term viability statement	As we advise the Board on the form and basis of conclusion underlying the long-term viability statement and going concern assessment, we reviewed these in depth and also considered the Group's strategy and business model. Our review covered: <ul style="list-style-type: none"> • The Group's prospects • The period under consideration • Principal risks (refer to pages 90-97) • Longer-term cash flow forecasts • The sensitivities considered in management's stress-test to respond to principal risks Taking into account potential mitigating actions, we were satisfied with the conclusion and disclosure on the Group's long-term viability and going concern. Our 2022/23 long-term viability statement and more details on the assessment is set out on page 98. More details about going concern assessment are on page 178.
Deferred tax asset recognition and classification as an exceptional item	One of our subsidiaries in Kenya had carried forward losses and timing differences on which deferred tax assets had not been recognised until 2022/23. During the year, management proposed the recognition of deferred tax assets on these losses based on projected profitability. Additionally, the Group has also trued-up deferred tax assets in our subsidiaries in Tanzania and DRC on deductible temporary differences based on updated probability of future taxable profits in these subsidiaries. We reviewed and challenged management's assumptions and were satisfied that there were taxable profits against which tax losses and temporary differences could be used – meaning that such deferred tax assets should be recognised. We were also satisfied with the transaction being classified as an exceptional item in accordance with the Group policy on exceptional items.

Audit and Risk Committee report continued

Part 2

Issue	How this was addressed by our committee
Transfer of Nigeria SmartCash outside of the AMC BV perimeter	<p>The Group's minority shareholders in Nigeria have interests in SmartCash Payment Service Bank Limited, a direct subsidiary of the Airtel Mobile Commerce BV Group (AMC BV). As outlined on page 189, Note 5 of the financial statements, in August 2022, as directed by Central Bank of Nigeria, SmartCash was transferred to Airtel Networks Limited (ANL), a subsidiary of Airtel Africa plc outside the perimeter of Airtel Mobile Commerce BV Group.</p> <p>The non-controlling interest in respect of SmartCash continued to be recognised in Airtel Africa's consolidated financial statements despite the legal transfer of SmartCash from the AMC BV perimeter to ANL.</p> <p>Our committee reviewed the accounting for the transaction and was satisfied that the conclusions were appropriate.</p>
Disclosure of currency devaluation risk	<p>As outlined in the principal risks and uncertainties section of this Annual Report, the Group is constantly exposed to the risk of adverse currency fluctuations and the macroeconomic conditions in the markets where it operates. Adverse movements in exchange rates between the currencies in OpCos and the US dollar could have a negative effect on liquidity and financial performance. Given the severity of this risk, specifically in OpCos who face a limited supply of foreign currency in the local monetary system, management presented how it continuously monitors the potential impact of this risk of exchange rate fluctuations.</p> <p>After performing a detailed review, our committee was satisfied with:</p> <ul style="list-style-type: none"> • Management's methodology for monitoring the potential impact of this risk of exchange rate fluctuations • The mitigating action plans in place • The reasonability of sensitivities adopted • That appropriate disclosures are included in quarterly reports and the Annual Report <p>For more details on currency devaluation disclosures, see page 222, Note 32.</p>
Mobile money as a new reporting segment and consequent goodwill reallocation	<p>As outlined on page 190, Note 6.1 of the financial statements, the Group identified mobile money services as a new operating and reportable segment as of April 2022. This is due to the significant growth in mobile money and a corresponding change in its organisation structure combined with changes in the information provided to the chief operating decision-maker for allocating resources and assessing performance. Information for both current and comparative periods was presented for the four segments: Nigeria, East Africa and Francophone Africa mobile services, and mobile money services. Consequently, as per the requirements of IAS 36, the Group's goodwill was re-allocated between four groups of CGUs based on the new segments, with \$1.3bn being allocated to the mobile money group of CGUs.</p> <p>Our committee reviewed the basis for this change and is satisfied that appropriate segmental disclosures and goodwill allocations are included in the financial statements.</p>
Review of tax/legal/regulatory matters	<p>We 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 as probable, possible or remote. We were satisfied with the accounting conclusions reached by management.</p>
Goodwill impairment	<p>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 2022. We reviewed the sensitivities performed by management on key assumptions such as the discount rate, growth rates and the headroom if a five-year plan were adopted with appropriate long-term growth rates.</p> <p>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.</p> <p>For more information on the Group's goodwill impairment assessment, refer to page 97 of the financial statements.</p>
Alternative performance measures (APMs)	<p>The Group has revised the computation of return on capital employed (ROCE) by grossing up the 'equity attributable to owners of the company' for put option provided to minority shareholders. The previous period's ROCE was also restated for this change.</p> <p>Further, during the year, underlying revenue has not been defined as an APM due to the absence of any exceptional items during the period.</p> <p>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.</p> <p>For more information on APMs, refer to pages 240-245 of the Annual Report.</p>

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 90-97 and 161.

The Board also approved the statement of the principal risks and uncertainties set out on pages 93-97.

Progress in 2022/23

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 do this in a range of ways. These include assessing the quality of balance sheet reconciliations, key judgement matters, tenders and quotations, and controls over payments and associated applications.

The committee received and reviewed reports of attempted and actual fraud incidents during the year. We received comprehensive updates from management on the incidents and reviewed the root cause analysis and remediation plans to address gaps noted. The committee will continue to monitor the implementation of these plans across all markets, through management updates followed by verification from the internal audit team.

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, and 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 ended 31 March 2023, we investigated 34 incidents (2022: 74) received through various touch points and our formal whistleblowing channels. These were of varying magnitude, with five above the ExCo threshold – these and the measures taken in response have been reported to our committee. Of these 34 cases, 92% 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 resource 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

Our internal audit team considers compliance with internal policies, regulatory obligations and fraud risk mitigation as part of its independent testing and evaluation. Airtel Africa has adopted an internal audit co-sourcing model where the internal audit activity is carried out by a partnership of our group internal audit department and EY as the internal audit service provider. 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 its 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. During the year, internal audit focused on principal risks as well as emerging risks, including cybersecurity and regulatory compliance. This year, we looked closely at how to remediate key issues more quickly and address risks in order of priority.

During the reporting period, we also approved the three-year Internal Assurance strategic plan that will guide the development of this function. This is focused on improving delivery, increasing automation and on a new approach to talent and staffing centred on recruiting and retaining a team with varied professional experience and supplementing it with external expertise as necessary.

Audit and Risk Committee report continued

Part 3

We'll continue to monitor the implementation of this strategy through quarterly updates on its progress and milestones from the chief internal auditor being achieved.

In evaluating the work, effectiveness and independence of internal audit, the audit committee drew its own conclusion based on its experience and regular contact with the chief internal auditor, and co-source partner. In addition, the committee reviewed the annual internal audit work plan, received periodic reports on the results of the internal audit work and monitored management's responsiveness to the internal auditor's findings and recommendations.

Key controls

We continued to monitor the implementation and standardisation of key controls to enhance our internal control environment. A review of the initial set of key controls led to a redefined and expanded set of controls incorporating all functions. The revised controls were progressively implemented during the year and the full set will be operational during the next financial year. With the separation of Airtel Money, an initial set of key controls were also developed and adopted for the mobile money business, and incorporated into the overall key controls programme.

Automation

Internal audit continued to adopt new technology to improve its effectiveness. We've brought in more extensive and insightful analytics and are using more expansive data to identify key emerging themes and risks.

As well as using enhanced data analytics, we piloted a continuous controls auditing programme for three functions across all 14 markets. This identified an initial set of 65 risk scenarios for the proof-of-concept phase. The programme will be rolled out progressively for all functions across our markets. This will enable us to flag errors and control violations as they happen.

During the next financial year, we'll establish a dedicated data analytics and automation team. The practices of data analytics and continuous auditing will become even more central to our methodology to ensure effective and sustainable auditing and monitoring of controls.

Part 4

External auditors

Engaging our auditor

Our committee manages the Group's relationship with the external auditor. Each year, we assess their performance, effectiveness and independence and recommend their reappointment or removal to the Board.

The Group's external auditor is Deloitte LLP (UK), and the lead partner is Ryan Duffy. He was appointed as the engagement partner for our 2022/23 year after Mark Goodey retired.

Effectiveness of the external audit process

Our committee makes recommendations to the Board on whether to reappoint the external auditors, their independence from our business, and the scope and fee for the audit. 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.

Having reviewed Deloitte's performance in committee, with management and other key stakeholders, our committee recommended to the Board that they be reappointed as our external auditor for the 2023 financial year. The Board will recommend this to shareholders as resolution 19 at our 2023 AGM.

Our committee works in line with the UK Corporate Governance Code, the FRC Guidance on Audit Committees and EU regulations on audit reform for our external audit tendering timetable.

We will continue to follow the annual appointment process until our next competitive tender. In line with current regulations, our next mandatory tender will be in readiness to retain our current auditor or move to a new audit firm for the 2029 financial year. This timetable is subject to an annual assessment of Deloitte's effectiveness and independence. The audit was last subjected to a tender in 2019 when Deloitte were appointed (four years).

Our choice of auditor is not restricted by contractual obligations or 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 rotation and 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 external audit 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 half year review report on Airtel Africa's interim condensed consolidated financial statements by Deloitte UK
- The audit report on Airtel Africa's consolidated and company only 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 did not report any significant deficiencies in controls or issues with our accounting judgements and estimates.

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.

This year we agreed to refine the audit scope into three groups: full scope audits (Scope A), specified account balance audits (Scope B), and review procedures (Scope C). Deloitte visited all Scope A and Scope B OpCos during the year and some Scope C OpCos to meet local management and to perform audit procedures.

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 pursuant to law or regulation or where there are typically significant efficiencies to be had when done in combination with the audit. 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 CEO and CFO have authority to approve permitted services up to \$50,000, with any amounts above this needing committee approval.

Our review of the auditor's performance during the reporting period included non-audit services and the ability of Deloitte to maintain 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, non-statutory audit of Airtel Mobile Commerce B.V. financial statements, and control attestation in Zambia required by local regulations, certification of SmartCash Payment Services Bank Limited's customers' deposits required by local regulations in Nigeria, mobile money regulatory reporting required by local regulations in Uganda and Single Electronic Format (ESEF) assurance. The value of this was \$1.9m, representing approximately 31% of Deloitte's total remuneration as set out on page 197, Note 8.1 of the consolidated financial statements.

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

Attendance

	Meetings attended
Sunil Bharti Mittal Chair	3 (3)
Andy Green Senior independent non-executive director	3 (3)
Ravi Rajagopal (Audit and Risk Committee chair)	3 (3)
Doug Baillie (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 2022/23 and to share our plans for the coming year.

Changes to the Board

We continue to make sure our Board members have the necessary drive, abilities, experience and diversity to lead Airtel Africa in delivering on our strategy.

We also continue to regularly monitor succession planning for senior management immediately below the Board to ensure we have a consistent pipeline of diverse talent for progression to the Board. We're working to support and encourage a growing pool of talent potentially suitable for senior roles at Airtel Africa.

2022/23 saw the strengthening of our ExCo with significant changes:

- The recruitment of Anthony Shiner as our new chief commercial officer
- The appointment of Ian Ferrao as CEO of Airtel Money
- The promotion of Apoorva Mehrotra to regional director, East Africa

We also made some significant senior management appointments: PD Sarma as CEO of FibreCo and Yashnath Issur as CEO of Data Centres.

We're expecting to be able to share news on our appointments of chief information officer and head of strategy and sustainability roles in the near future.

Our work to identify executives with potential and to encourage their development led to several key internal promotions in and across our operating companies this year. As well as Ian and Apoorva, Ashish Malhotra was promoted to managing director for Airtel Kenya Networks Ltd in May 2022. Ashish was previously head of sales and marketing, Africa.

As part of our onboarding and review process, we've supported Segun Ogunsanya as new MD and CEO of Airtel Africa since October 2021 and Jaideep Paul, CFO, since his appointment to the Board as executive director in June 2021. We are pleased with the progress of both.

Board diversity

Airtel Africa is a multicultural business, and our ethnic diversity is reflected in our Board, our leadership team and our employee 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 wide diversity of skills, experience, age and nationality to perform their vital role. This is invaluable in developing our business strategy and further enhancing our governance capabilities.

We reviewed the tenure of all directors and discussed future Board rotation as part of our ongoing review of the Board's current and future needs. Our Board is not yet gender balanced, despite including four women. We foresee this imbalance being corrected through our Board succession plans and retirement and rotation over the next 12 months.

As you can see from their biographies on pages 102-105, our committee chairs and members have recent and relevant skills, experience and expertise.

Employee engagement

As the non-executive director with responsibility for engaging with our employees, I was delighted to be able to join several employee events during the year to hear and respond to questions and listen to people's stories. This included the leadership conclave in February 2023, when I met with over 200 colleagues, both informally and formally. I have shared the outcomes of this with the Board and the senior management team, as relevant. Our independent non-executive directors are also invited to all-employee quarterly town halls where they can take questions and provide answers.

Given my extensive travel to our operating companies throughout the year, the Board considers my role as non-executive director with responsibility for engaging with employees to be an effective engagement mechanism. The Board intends to review how we can both collectively and individually enhance engagement with our people during the coming year.

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.

We regularly map the skillsets of our Board members against our current strategy and annual operating plan. We confirmed that collectively our non-executive directors have significant experience across the critical areas of strategy, risk management, M&A, technology, media and telecoms (TMT) and Africa.

I welcome questions from shareholders on this committee's activities. If you would like to discuss any aspect of this report, please contact me through our company secretary, Simon O'Hara (see page 127 for contact details). I will be attending the 2023 AGM and look forward to the opportunity to meet you and answer your questions there.

Sunil Bharti Mittal

Chair, Nominations Committee

10 May 2023

About the committee

Led by the chair of our Board, our committee consists of independent non-executive directors. Our CEO and chief HR officer are also invited to attend committee meetings and submit reports.

We met formally three times during the 2022/23 financial year. Our focus, driven by a more ambitious strategic agenda and the planned separation of Airtel Money, was on longer-term succession planning for the senior executive team, short-term senior leadership changes, and supporting the CEO on his proposal to restructure our Executive Committee (ExCo). Improving the gender balance at senior leadership level across our business, including in our HQ and OpCos, remained fundamentally important.

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 keep this under regular review.

The committee's work and focus in 2022/23

- 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 show their potential for progression and to help build a diverse pipeline of talent
- Reviewed proposals from the CEO to restructure and reduce the ExCo to create a more empowered and accountable group for faster decision-making, deeper bench strength and more accountability for expanding the diversity and gender balance of the business
- Reviewed the Board and committee structure of Airtel Money (AMC B.V.) and progress towards the strategy and roadmaps for creating a standalone Airtel Money entity. Also reviewed the trajectory towards listing and the strength of talent to manage this new entity once separated
- Considered the early stage policy for creating a new distinct business unit for Airtel Business (Enterprise, Data Centres and FibreCo) each led by a separate CEO, including the structure and skillset to support implementation
- Identified gaps in development plans for those in the Airtel Money and PSB Nigeria businesses and recommended remedial actions

- Identified vulnerabilities in the senior management compliance and risk reporting structure and recommended remedial actions
- Recommended to the Board that each director be proposed for re-election by shareholders at the July 2023 AGM
- Reviewed the mentoring programmes for the CEO and the onboarding and mentoring arrangement for Ian Ferrao when promoted to CEO of Airtel Money
- 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 and agreed actions redressing gender imbalance in management positions
- 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
- Made four senior female Group appointees: Group tax director, Group digital and product director, head of economic regulatory, products, services and compliance, and Group finance officer B2B
- Monitored the progress towards targets to increase the number of women in leadership positions by 2026 and to achieve gender-balanced shortlists.
- Appointed three women to senior roles in our operating companies: internal assurance director, Nigeria; finance director, Niger; and marketing director, Zambia.
- In 2022/23:
 - 26% of total Group employees were women
 - 29% of our operating companies' Executive Committees were women (target 30% by the end of 2023)
 - 20% of appointments during the year at the level of general manager and above were women

Nominations Committee report continued

International Woman's Day

In addition to a number of equality, diversity and inclusion-related initiatives and campaigns across our OpCos, the Group celebrated International Women's Day for the third consecutive year. Employees took part in talks, debates and activities to recognise women across the Group and to consider some of the barriers and challenges facing women in the workplace.

As at 31 March 2023

Percentage of employees that are women

26%

2022: 26%

Percentage of women in ExCo at the OpCo level

29%

2022: 28%

Board tenure as at 31 March 2023

	2-3 years	3-4 years	4-5 years
Sunil Bharti Mittal	•	•	•
Akhil Kumar Gupta	•	•	•
Shravin Bharti Mittal	•	•	•
Andrew James Green	•	•	
Douglas Anderson Baillie	•	•	
Awuneba Ajumogobia	•	•	
John Joseph Danilovich	•	•	
Ravi Rajagopal	•	•	
Liisa Annika Poutiainen	•	•	
Segun Ogunsanya	•		
Jaideep Paul	•		
Kelly Bayer Rosmarin	•		
Tsega Gebreyes	•		

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.

We also reviewed the induction programme for directors and concluded that this is appropriate.

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 visits each year to operations, either individually or in small groups – with representatives from the business present. This year, two of our Board and committee programmes once again took place in Dubai and were attended by many senior colleagues. These created opportunities for employees at all levels to discuss both professional and personal matters.

The Board 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 is not expected to take on the responsibilities of an executive director or the Chief HR officer.

He is responsible for supporting 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, particularly 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 gathered from all levels of the workforce in various locations

Each of our non-executive directors is invited to attend all quarterly employee town halls to hear feedback from employees and is encouraged to engage directly with employees when the opportunity arises. Feedback can then be shared immediately with the company secretary or chief HR officer, or with the Board at its next meeting.

In 2023, we'll continue to identify and create mechanisms for effective and meaningful dialogue with our broad employee base.

For more on how we engaged with our people during the reporting period, see page 79.

Employee development and engagement

During the year, our Board stayed up to date on projects to accelerate talent acquisition and to support and keep our own employees. These included:

- Our Women in Tech programme – a one-year developmental immersive programme targeting over 70 high-performing women employees in tech or engineering
- The young technology leaders 2022 training programme and set-up of Nigeria Digital Labs, both of which offer engineering employment opportunities
- The Airtel Africa Mobility Programme – a women-focused framework to support talent development and succession planning, which will create the opportunity to spend months in other OpCos
- The rollout of online learning programmes for capability building and functional training, as well as for key competency areas like management effectiveness and project management
- The rollout of mandatory compliance training across the Group

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 our 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 – this 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 skills, knowledge and experience of current members. Non-executive appointees must be able to show 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.

There were no Board changes in 2022/23.

No director took on a significant new appointment during the year. Before accepting any appointment, each director is expected to discuss the anticipated time commitment with our chair and company secretary to make sure they continue to have adequate time for Airtel Africa Board duties.

Re-election

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 131.

Effectiveness

The internal 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.

2022-23 evaluation	Outcome	Key themes and areas for focus	Action
Nominations Committee	Areas of focus	Priorities for change	We will focus on our Board and executive succession planning to ensure greater gender diversity.

Areas of challenge are identified throughout this report.

Each director goes through a performance review process as part of the annual Board effectiveness review. This 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 162
- 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

Nominations Committee report continued

Diversity

We see diversity as fundamental to the successful operation of our Board and to creating a balanced culture across our business. The Board represents a broad range of skills, experience, age, education, social background, 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. We're working 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.

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 far 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 to increase senior leadership diversity, including its listing rule requirement target of 40% women on Board, Executive Committee and senior management teams. As part of this review the Committee considered the Group's ongoing compliance with the Board diversity policy and the new Listing Rule Disclosure as at 31 March 2023 requirement, pursuant to which at least one woman should be

appointed as chair or senior independent director on the Board or as either our CEO or finance director by the end of 2025. The Board is not currently compliant with these two Listing Rule targets.

As at 31 March 2023, women made up 31% of the directors and there were no woman in senior Board positions. Of our directors, 62% identified as being from a non-white or minority-white background. This represented no change in the Board's gender and ethnic diversity compared to 31 March 2022. We are compliant with the Listing Rule target of having one individual on the Board of directors from a minority ethnic background.

While we haven't yet achieved the FTSE Women Leaders Review's Board level gender-balance target, its attainment is an integral part of our succession planning. Our two most recent Board appointments have been women, and this number will increase as Board members retire and we appoint new directors.

Gender diversity in our Group level Executive Committee remains a challenge. We're working to increase the number of women at this level by 2026. We are making considerable strides in addressing the gender imbalance at our OpCo Executive Committee level and in our senior management teams who report to the ExCo. For more on this see below.

We're making 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 applicant characteristics. Diversity and inclusion are, and will continue to be, a key focus for Airtel Africa.

Gender balance

The gender balance of the Group's employees as at 31 March 2023, was as follows:

Category	Women	Men	Total	Women (%)	Men (%)
Group Board	4	9	13	31%	69%
Group Executive Committee Member	1	12	13	8%	92%
OpCo Executive Committee	41	101	142	29%	71%
Senior and middle management*	156	685	841	19%	81%
All other employees	844	2,160	3,004	28%	72%
Total	1,046	2,967	4,013	26%	74%

* Senior management is all general managers and above, excluding the OpCo ExCo, and middle management includes all employees at senior management level

** This table is intended to meet the broader strategic report requirement under S414C (8)(C)

Ethnicity table* as at 31 March 2023, was as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, SID, CEO, CFO)	Number in executive management**	Percentage in executive management
Asian/Asian British	5	38%	2	1	8%
Black /African/Caribbean/Black British	3	24%	1	1	8%
White British or other white (including minority-white groups)	5	38%	1		
Mixed/multiple ethnic groups	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

* The data for these tables was collected by asking individuals to anonymously self-report against the categories displayed in the table above as part of the annual Board evaluation exercise

** This is the number of executive managers on the Board

Women in leadership* as at 31 March 2023, was as follows:

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, SID, CEO, CFO)	Number in executive management**	Percentage in executive management
Women	4	31%	0	0	27%
Men	9	69%	4	2	73%

* This representation on sex rather than gender identity as defined by the listing rules

** This is the number of executive managers on the Board

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 working environment and a culture of high performance, wellbeing, skills enhancement and coaching.

Our diversity policy

Purpose

We have a clear and 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 shape this include global mobility, talent acquisition and learning and development. We're particularly focused on developing women in management and leadership roles across our business.

Initiatives

1. Finding 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, such as the 'Women in Tech' programme, the young technology leaders 2022 training programme, Digital Labs and the Airtel Africa Mobility programme
3. Mentoring programmes
4. Facilities for expectant and new mothers, such as reserved parking and mothers' rooms
5. The CEO's Women in Leadership council
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 create awareness and set 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. A monthly diversity review by our chief HR officer with the 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

“
Achieving our corporate governance and transparency in reporting goals is a shared ambition of all the teams 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 (NGX), we're permitted by NGX 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 yet comply.

Throughout the year ended 31 March 2023, we've applied the principles and complied with the provisions set out in the 2018 UK Corporate Governance Code except for in the area: Provision 9, requiring that the chair be independent on appointment.

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 140 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. Our 'Win with' strategy ensures that 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
- Mentoring
- Ensuring all employees have mandatory training in compliance areas such as our Code of Conduct, anti-bribery and corruption, and information security

The Board receives regular reports that allow it to assess our culture to ensure this continues to support our strategy and purpose. Our Audit and Risk Committee reviewed the culture of compliance and arranged a presentation facilitated by Deloitte UK. As a result of this, our chief internal auditor was instructed to establish a robust reporting framework for assessing and monitoring culture on an ongoing basis and to include these findings in the quarterly internal audit report to the Audit and Risk Committee, for subsequent sharing with the Board. Our Remuneration Committee helps our Board oversee our culture by making sure our incentivisation schemes are driving behaviours consistent with our purpose, values, strategy and culture; and through its focus on diversity and inclusion, people and community engagement. The committee tracks performance in these areas and reports to the Board as appropriate.

These reports have led to Board discussions on matters ranging from gender balance metrics across the business to how to achieve wider workforce engagement. 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 is the Board sustainability champion, supported by the CEO, CFO and company secretary as fellow committee members. She reports to each Board meeting on the work of the Sustainability Committee. This committee, which became a full committee of the Board at the beginning of the financial year, meets monthly and 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 pages 37 and 77.

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 90 and on page 222, note 32

D. Stakeholder engagement

Our Board members are increasingly taking a more active role in engaging with shareholders and wider stakeholders and addressing their concerns. This is in keeping with our sustainability strategy, which addresses stakeholder concerns as advised by the Global Reporting Initiative (GRI), and the ongoing development of our remuneration policy. 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 12 active equity research analysts who follow Airtel Africa.



Our compliance with the UK Corporate Governance Code continued

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 77).

Sunil Bharti Mittal is our designated Board director for employee engagement, given his regular travel to our operating companies.

We continue to seek to identify and facilitate mechanisms for more effective and meaningful dialogue with our people.

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 on to the Board and Audit and Risk Committee by our head of internal audit and risk assurance, chief compliance officer or Group company secretary.

A description of our whistleblowing procedures is set out on page 125.

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 Olusegun 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 2022/23 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 pages 102-105.

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, see pages 102-107

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.

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 Group company secretary. And non-executive directors can take independent legal advice at our expense when necessary to fulfil their duties to the company.

We take time at the end of each Board meeting to review our Board and committee processes and to build on actions introduced as a result of the annual evaluation exercise. Coordinated by the Group company secretary and led by the chair, we consider feedback from Board members to improve our efficiency.

3. Composition, succession and evaluation

J. Board appointments

As part of our 2022/23 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, no new directors were appointed to the Board.

» For more on our Nominations Committee's activities and processes, see pages 128-133

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 102-105.

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. The Code requires an externally facilitated evaluation at least every three years. We have chosen to do this in each of the three previous years since listing to enable us to plan effectively for the future. This year we have undertaken an anonymised internally facilitated evaluation under the direction of the company secretary.

» See page 116 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; and satisfies itself as to the policies and procedures that ensure the independence and effectiveness of internal and external audit functions and satisfies on the integrity of financial and narrative statements.

During 2022/23, Deloitte UK performed an external statutory audit of our year ended 31 March 2023, and a half-yearly review. See page 126 for a discussion of their independence and effectiveness.

» For more on the activities and processes of our Audit and Risk Committee, see pages 117-127

N. Fair, balanced and understandable assessment

Pages 17-19, 24-25, 26-37, 90-97 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.

» For more on the Audit and Risk Committee's assessment of fair, balanced and reasonable see page 122

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 117-127

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 originally introduced at the 2020 AGM. It 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.

In 2022, changes were made to the remuneration policy to incorporate best practice features and reflect the appointment of a new CEO and CFO in line with current good practice. The committee decided to adapt the policy in two areas: requiring one-third of any bonus paid to executive directors to be deferred (rather than any bonus of more than 100% of salary) and introducing a two-year post-employment holding period. No changes were made to policy maximum pay levels. These changes were supported by shareholders at the 2022 AGM.

Provision 41: engagement with the workforce

Airtel engages with employees on a number of issues, including remuneration, in a variety of ways. For example, the designated non-executive director for employee engagement holds regular meetings with employees when he visits sites throughout the year, and Board members when they visit markets during any year hold engagement sessions with the workforce. Through these meetings and engagement, our board members inform employees on executive remuneration and receive feedback. This engagement approach is kept under review as we continually seek to improve the Board's dialogue with employees.

The topic of engaging with our people forms part of the chief HR officer's report to each Board meeting.

Our compliance with the UK Corporate Governance Code continued

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 Q3'23 Board and Committee meetings in Dubai, UAE, the Board met both formally and informally with our wider management team and other colleagues when questions were asked. A similar opportunity is offered to employees attending the Q&A session following each quarterly Group-wide town hall meeting. The Board is satisfied that we're compliant with Provision 41.

» See page 137 for details

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 evolving business strategy. The committee has decided to put the policy to a shareholder vote at the AGM later this year. The policy differs from the previous shareholder-approved policy in these key areas:

- A reduction in the CFO's maximum annual bonus opportunity
- An increase in the LTIP opportunity allowable to provide headroom for larger award sizes over the next three years if Airtel Africa continues to deliver high levels of growth
- A cap on RSU opportunity of 50% of base salary
- The introduction of a facility for one-off awards linked to key strategic initiatives

R. Exercising independent judgement

In the year ended 31 March 2023, 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 145-163 for more detail

LR 9.8.6R Climate-related financial disclosures

For our TCFD disclosure pursuant to the Financial Conduct Authority's LR9.8.6R (8) requirement, see page 56.

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 2023.

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. It 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 102-138 and 145-163 of the governance report and this report on pages 139-143. Other relevant information which is incorporated by reference can be found in the strategic report:

- Financial performance on pages 86-89
- Business environment on pages 20-21
- Outlook and financial management strategies, including important events affecting the company since the year end (with subsidiary undertakings included in the consolidated statements) on pages 1-99 and on page 230, note 34
- The principal risks and risk management framework on pages 93-97
- Our engagement with suppliers, customers and others

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	Page
Details of our long-term share plans	151
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	140
Relationship agreement	141
Climate-related financial disclosures (LR 9.8 6R)	56

This section contains the remaining matters not covered elsewhere on which the directors are required to report each year.

Profit and dividends

Statutory profit for Airtel Africa after tax for 2022/23 was \$750m (2021/22: \$755m), and for the company the profit after tax for 2022/23 was \$229m (2021/22: loss after tax was \$7m). Details of our dividend distribution during the year are set out on page 215, 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 2023 of 3.27 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 at www.airtel.africa. On 30 October 2022, the Board declared an interim dividend of 2.18 cents per ordinary share. This was paid on 9 December 2022 to shareholders who were on the UK and Nigerian share registers on 11 November 2022.

Directors

The names of our current directors, along with their biographical details, are set out on pages 102-105 and are incorporated into this report by reference. Directors serving during the year are listed on page 115.

Details of directors' interests in our share capital are in our remuneration report on page 158.

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.

Directors' report continued

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.

Following the conclusion of our AGM, Airtel Africa intends to apply its authority to purchase all deferred shares from their holders before proceeding to cancel the shares.

Details of our share capital movement during the year are set out in the consolidated statement of changes in equity on page 176.

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.

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 2023, we had been notified, in keeping with Rule 5, of the following holdings of ordinary share voting rights²:

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 2023 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 page 153.

We do not have agreements with any director or employee that would compensate for loss of office or employment resulting from a takeover bid.

Share plans and rights under the employee share scheme

We operate an Employee Benefit Trust (EBT) for some employee share plans. The trustees of the EBT have 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 or issuing new shares. Existing shares are held in the trust. The trustee purchases shares in the open market as required to enable us to issue 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 2023, the EBT held 7,326,058 ordinary Airtel Africa shares. During the year, the EBT transferred 3,933,952 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.

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. It 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 Money Investments at a glance



Airtel Africa aims to explore the potential listing of the mobile money business within four years of the announcement to do so made in March 2021. Under the terms of the transaction with the four minority stakeholders, the minority investors have the option to sell their shares in AMC BV to Airtel Africa or its affiliates in very limited circumstances: if there's no Initial Public Offering of shares in AMC BV within four years of first close, or if there are changes of control without prior approval. This sale would be made to provide liquidity to the minority investors and would be at fair market value, determined by a mutually agreed merchant bank using an agreed internationally accepted valuation methodology. The option is subject to a minimum price equal to the consideration paid by the investors for their investment (less the value of all distributions and any proceeds of sale of the shares, and with no time value of money or minimum built in) and a maximum number of shares in AMC BV.

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.

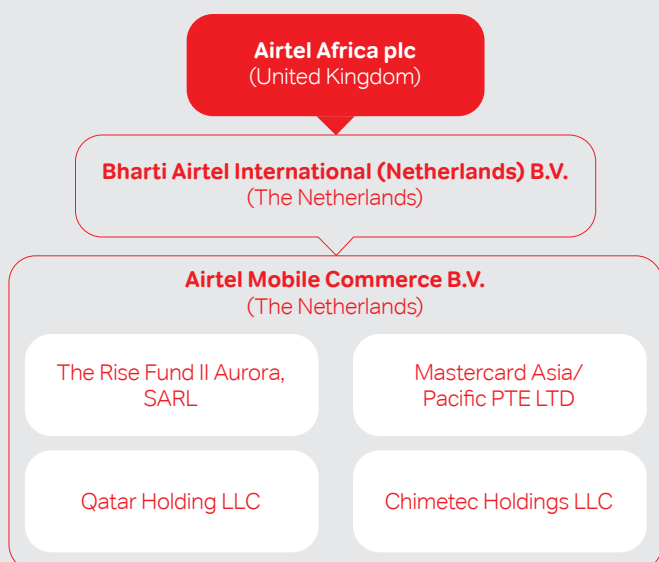
As long as Bharti Airtel and/or AAML and their associates hold (directly or indirectly) ordinary shares in Airtel Africa, they are entitled to appoint non-executive directors to the Board as follows:

- 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.

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

Directors' report continued

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 2023. 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 again 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 on page 235, note 36 to the consolidated financial statements.

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 126), we'll 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 127.

As at the date of this report, so far as each director is aware, there's 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 117-127.

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 4 July 2023 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 2023 notice of the AGM available on our website at 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.

This directors' report has been approved by the Board and is signed on its behalf by:

Simon O'Hara
Group company secretary

10 May 2023

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 judgments 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 way that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when the specific requirements in IFRSs do not enable readers 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. These records must also enable them to ensure that the financial statements comply with the Companies Act 2006. Directors 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 2023 and is signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2023

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 submitted for shareholder approval at the 2023 AGM and will remain in force until the 2026 AGM at the latest.

Part 3

Our annual report on remuneration – this sets out in detail how we applied our current remuneration policy in 2022/23, the remuneration received by directors for the year and how the policy will be applied in 2023/24. 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 2022/23.

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, underlying EBITDA and operating free cash flow growth. Airtel Africa has delivered on growth opportunities despite macroeconomic volatilities, with the customer base growing to 140m customers.

Annual bonuses for 2022/23 were based on a scorecard of measures: net revenue (35%), EBITDA (35%), operating free cash flow (10%) and ESG and Governance objectives (20%). Given the Group's strong performance with 18.3% growth in net revenue on a constant currency basis, 17.3% growth in underlying EBITDA and 18.6% growth in operating free cash flow, the targets for all of the financial objectives were exceeded. Both of our executive directors in the year also had role-specific personal objectives for the year – see page 156 for details. As a result, bonuses of 74.45% of maximum were awarded to our CEO and our CFO. One-third of the bonuses will be deferred into shares for two years.

Our CFO was granted an award in 2020 which vested subject to performance up to 31 March 2023. This award vested at 100%. See page 157 for details.

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.

Review of the policy in 2022/23

Last year, we made minor amendments to the policy before its expiry in order to incorporate best practice features. However, we did not conduct a full review of the policy at that time.

The current policy provides for base salary, benefits, pension, annual bonus and long-term incentive awards (LTIP) and allows long-term incentive awards to be delivered in a mix of performance shares (PSP) and restricted shares (RSU) with a performance underpin. It includes best practice features such as bonus deferral, post-vesting holding periods, in-employment and post-employment shareholder requirements, and malus and clawback.

This policy received strong support from our shareholders, having received 94.98% of votes in support of its adoption at the 2023 AGM. Now, in line with our normal review schedule, we have reviewed the policy to ensure it continues to support our strategic goals for the next three years.

Since the IPO, our remuneration policies have provided headroom to allow incentive levels to increase in line with the achievement of our ambitious growth plans. In accordance with this approach, the policy maximum has been set above the intended grant level. Since the IPO actual incentive opportunities have been below the maximum levels and have not increased in the last three years even though Airtel Africa has grown and even exceeded its growth targets.

Directors' remuneration report continued

Airtel's strong growth since IPO has now resulted in the policy maximum LTIP level falling behind market median for a company of Airtel's size. Moreover, the current policy maximum will be a constraining factor in delivering remuneration at market levels as Airtel continues to grow.

As a result, we are proposing a new policy which seeks to achieve the following goals:

- (a) Bring total target remuneration to market levels, which is supported by Airtel's strong performance.
- (b) Continue to provide headroom so that incentive opportunities can be increased if Airtel continues to achieve its ambitious growth targets over the next three years.
- (c) Introduce differentiation in incentive levels between the CEO and other executive directors.
- (d) Continues to weight variable remuneration towards the long-term components.
- (e) Continues to support our entrepreneurial culture.

In addition, the next three years will include some major strategic goals fundamental to our growth strategy, such as the IPO of Airtel Money. As a result, the new policy will also include a facility to motivate and reward the achievement of these goals, as these will not necessarily lend themselves to being covered by our existing annual bonus or LTIP.

Proposed changes to the Directors' Remuneration Policy and amendment to the rules of the long-term incentive plan

As a result of the review of the remuneration policy, the Committee is proposing the following changes to the current remuneration policy:

- (a) Differentiate annual bonus opportunities for the CEO and other executive directors by reducing the annual bonus policy maximum for other executive directors.
- (b) Increase and differentiate the policy maximum LTIP award levels for the CEO and other executive directors.
- (c) Place a cap on annual RSU award levels within the overall maximum LTIP award levels.
- (d) Introduce a facility for a one-off exceptional award opportunity to incentivise a strategic initiative (such as a successful IPO of Airtel Money).

This policy would be implemented in a similar manner to our previous policies. Incentive levels will initially be set below the policy maximum levels, and will result in total target remuneration for each executive director which is around the market median level for companies of similar market cap to Airtel Africa, and whilst taking into account remuneration levels at like-minded direct comparators in Africa, which include Vodacom, MTN Safaricom and Orange Africa. This approach of providing headroom in the policy provides the necessary flexibility for a company with high growth ambitions.

In order to enable the company to make one-off exceptional awards under the new policy, shareholders will be asked to approve certain amendments to the rules of our existing long-term incentive plan at our 2023 AGM.

Applying the new policy in 2023/24

Salaries for the CEO and the CFO will be increased by 5%, which is below the planned increase for employees which is slightly above 8%.

Maximum bonus opportunity is capped at 200% of base salary for the CEO, and 175% of base salary for the CFO, under the new policy, if approved by shareholders at the 2023 AGM. The actual 2023/24 bonus opportunities for the executive directors will be set below these policy maximum levels. The 2022/23 target bonus will be set at 75% of base salary for the CEO and 70% of salary for the CFO. In line with the 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.

LTIP grants will also be made at levels below the maximum levels permitted under the new policy, if approved by shareholders at the 2023 AGM. LTIP grants will consist of performance shares (with a maximum face value of 150% of salary for the CEO and 100% of salary for the CFO), and restricted stock units (with a face value of 50% of salary for the CEO and 40% of salary for the CFO). These increases will bring the CEO and CFO target remuneration to around market median levels, and deliver the majority of the increase in performance-linked long-term remuneration. We believe that a significant proportion of pay should be tied to performance. We will 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 2022/23, three performance conditions will apply to the performance shares: relative TSR (20%), underlying EBITDA (40%) and net revenue (40%), with each measured over three years. The underlying EBITDA and net 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.

During the next three years, a successful IPO of Airtel Money is a strategic priority and will create significant value for Airtel Africa shareholders. Given the importance of this goal, and the role which the executive directors play in its achievement, the committee intends to grant a one-off incentive award linked to a successful listing. This incentive will sit alongside the annual bonus and PSP awards, which are designed to incentivise the successful management of the remaining businesses, and its key terms are as follows:

- (a) Award of equity in Airtel Money shares
- (b) Award will vest on IPO subject to this not being later than three years from grant and subject to the meeting of performance targets linked to the IPO price, (which will be disclosed retrospectively) and continued employment. If the IPO does not occur within three years from grant, the award will lapse
- (c) Award is subject to clawback and malus
- (d) Award is subject to a one year post-vesting holding period

No vesting will occur if a threshold IPO price which creates significant value for shareholders is not achieved. The award will align the remuneration of executive directors with Airtel Africa's current strategic priorities and the interests of shareholders.

Conclusion

The past year has once again demonstrated the strong resilience of all of Airtel Africa's employees. The company has maintained its position as one of the fastest growing and most profitable mobile communications company in Africa and made very good progress in embedding its sustainability plan in all it does. Importantly it has continued to live out its purpose of delivering vital services and helping to transform the lives of all its stakeholders.

The implementation of the policy, as set out above, will motivate and reward the achievement of our strategic goals by increasing the portion of variable remuneration linked to three-year performance measures, by including a new incentive linked to the successful IPO of Airtel Money, and by bringing remuneration closer to market median levels. This planned implementation will result in total target remuneration for the CEO and CFO around or below market median levels, when compared to companies of similar size.

I would like to thank my fellow committee members for their continued diligence and dedication. We look forward to seeing your support for the new policy and 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 2023 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 251 for contact details).

Doug Baillie
Chair, Remuneration Committee

10 May 2023

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 2022/23

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 level of LTIP vesting for the CFO
- Drafted and agreed the directors' remuneration report
- In line with our three-year cycle reviewed and updated the Remuneration Policy for approval with shareholders at the AGM

- Received training in key areas of the UK Corporate Governance Code and The Investment Association's guidance
- Held regular updates on latest investor thinking and emerging and future remuneration trends, including the expected impact of ESG trends on remuneration

Shareholder consultation

Shareholders were consulted during the year on the proposed policy and its implementation. Letters were sent to major shareholders and voting advisory bodies in order to explain the rationale for the policy changes and understand the views of our shareholders. Only a minority of shareholders who were contacted decided to participate in the consultation, and the chair of the Remuneration Committee responded to their questions through correspondence and meetings. Shareholders' main questions related to the rationale for the special incentive arrangement, why the policy maximum levels were being positioned above market median, and how the comparator group for benchmarking purposes had been selected. The responses to shareholders were in line with the information provided earlier in this annual statement on each of these topics.

Engaging with employees

The report on pages 132 and 137 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, a non-executive director attended our regular town halls at which a wide range of topics were discussed with our CEO, including employee remuneration.

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. We also confirmed our intended areas of focus for the year ahead.

2022/23 evaluation	Outcome	Key themes and areas for focus	Action
Remuneration Committee	Areas of focus	Priorities for change	We will focus our Board on ensuring greater gender diversity across our executive and senior management teams through our choice of ESG metrics; and we will continue to keep the Remuneration Committee up to date with best practice and external developments.

Directors' remuneration report continued

Summary of remuneration

2022/23 performance

Net revenue

18.3%

up on last year in constant currency
\$4,760m

Underlying EBITDA

17.3%

up on last year in constant currency
\$2,688m

Operating free cash flow

18.7%

up on last year in constant currency
\$1,942m

Annual bonus outcomes

All amounts are in \$million	Weighting	Threshold	Target	Maximum	Outcome (%)
Net revenue	35%	4,565	4,682	4,799	4,760.1 (29.2%)
Underlying EBITDA	35%	2,564	2,641	2,726	2,688.5 (27.3%)
Operating free cash flow	10%	1,814	1,891	1,976	1,940.6 (7.95%)
Non-financials CEO >> Details on page 156	20%				(10%)
Non-financials CFO >> Details on page 156	20%				(10%)

Bonus outcome as % of maximum



Long-term incentive plan

Only legacy LTIP awards which were granted to the CEO and CFO prior to their appointment as directors vested during the year. Only one of these awards granted to the CFO had a performance period covering his time as a director, and this is included in the single figure

table on page 155. The CFO's first award granted in his current role will vest in 2024, and the first award to the CEO will vest in 2025. See pages 162 and 163 for details of their legacy LTIP awards.

Single figure of remuneration (\$000s)

Olusegun Ogunsanya



Jaideep Paul



Link between remuneration and business strategy – metrics for 2023/24

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 (OFCF)	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

Special one-off incentive

Measure	Weighting	Why chosen
IPO price	100%	Measures additional value created for Airtel Africa shareholders on an IPO of Airtel Money

Long-term incentive plan

Measure	Weighting	Why chosen
TSR, relative to a peer group of competitors	20%	Measures the total returns to our shareholders, providing close alignment with shareholders' interest
For grants in 2023, we intend to use a peer group of international emerging market communication services organisations (MSCI Emerging Markets Communication Services Index constituents).		
Net revenue	40%	A key indicator of long-term growth in the market, highlighting the importance of sustained performance
Underlying EBITDA	40%	A key indicator of long-term growth on profitability from operations, highlighting the importance of sustained performance
Operating free cash flow (OFCF)	RSU underpin	Measure of the underlying profitability from our operations, as well as our ability to service debt and other capital commitments

Summary of remuneration

Proposed remuneration structure for 2023/24

Component	Purpose and link to strategy	23/24	24/25	25/26	26/27	27/28	28/29	Deferral and holding requirements	Proposed implementation for 2023
Base salary	To recruit and reward executive directors of a suitable calibre for the role	■						n/a	CEO: \$1,008,788 CFO: \$642,758
Benefits (including pension)	To provide market competitive benefits	■						n/a	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 one-third of any bonus	CEO: 150% of salary maximum CFO: 140% of salary maximum Metrics ¹ : Net revenue, underlying EBITDA, operating free cash flow, non-financial
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			Two-year post-vesting holding period	CEO grant: 150% of salary in PSP and 50% of salary in RSUs CFO grant: 100% of salary in PSP and 40% of salary in RSUs Metrics ¹ : TSR, relative to a peer group of competitors, Net revenue, Underlying EBITDA, RSU underpin: operating free cash flow
Special one-off incentive	To incentivise a successful IPO of Airtel Money	■	■	■	■	■		One-year post-vesting holding period ²	75% of base salary for CEO and CFO Metrics ¹ : IPO price
Shareholding requirement	To further align the interests of executive directors with those of shareholders								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 2023/24 directors' remuneration report for the annual bonus, and at the time of performance measurement for the LTIP and special one-off incentive.

2 Vesting is on IPO providing no later than three years from grant, followed by a one-year holding period.

Directors' remuneration report continued

Part 2

Directors' remuneration policy

This sets out the policy which will be submitted for shareholder approval at the 2023 AGM.

We developed the policy taking into account the principles of the UK Corporate Governance Code, the views of our major shareholders, and pay and conditions of other employees which were considered when the Committee discussed the new policy. 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. To avoid conflicts of interest, executive directors were not included in discussions on the new policy, and the policy was approved by the Remuneration Committee. The policy will be implemented by the Remuneration Committee.

The policy differs from the previous shareholder approved policy in the following key areas:

- Differentiation in the maximum annual bonus opportunities allowed under the policy.
- Increase in the LTIP opportunity allowable under the policy to provide headroom over the next three years for larger award sizes if Airtel Africa continues to deliver high levels of growth. These opportunities will not be used in full in FY2023/24.
- Cap on RSU opportunity of 50% of base salary.
- Introduction of a facility for one-off awards linked to key strategic initiatives

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 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	<p>Normally reviewed annually by committee, taking account of company and individual performance, changes in responsibility and levels of increase for the broader employee population.</p> <p>Reference is also made to market levels in companies of similar size and complexity.</p> <p>We consider the impact of any base salary increase on the total remuneration package.</p> <p>Salaries (and other elements of the remuneration package) may be paid in different currencies as appropriate to reflect the geographic location.</p>	<p>There is no prescribed maximum salary or annual increase.</p> <p>However, increases will generally be guided by increases for the broader employee population.</p> <p>Increases above this level may be made in specific situations to recognise development in the role, changes in responsibility, material changes to the business or exceptional company performance.</p>
Benefits and pension	To provide market competitive benefits	<p>Benefits for executive directors will typically reflect their country of residence.</p> <p>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.</p> <p>Pensions may be provided where this is in line with the workforce provision and statutory requirements in the executive's home location.</p> <p>We may also equalise for double taxation between the required work location and the executive's country of residence, if required.</p>	<p>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.</p>

	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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 	<p>The maximum annual bonus is 200% of base salary for the CEO, and 175% for other executive directors.</p> <p>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.</p> <p>Threshold performance results in a payment of 30% of maximum.</p> <p>Dividend or dividend equivalents may be earned on the deferred bonus component.</p> <p>Change from previous policy: Reduction in policy maximum from 200% to 175% of base salary for other executive directors.</p>
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	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The LTIP vesting outcome can be reduced, if necessary, to reflect the underlying or general performance of Airtel Africa.</p> <p>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.</p> <p>Malus and clawback provisions apply to awards made for three years from the date on which the award vest when there has been:</p> <ul style="list-style-type: none"> • 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 	<p>The maximum annual grant limit is 300% of base salary (face value of shares at grant) for the CEO and 250% of base salary for other executive directors.</p> <p>No more than 50% of base salary may be granted as RSUs to any one person in a single year.</p> <p>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.</p> <p>In accordance with the LTIP plan rules, dividend or dividend equivalents may be earned on vested shares.</p> <p>Change from previous policy: Increase in LTIP award level from 200% of base salary to 300% of base salary for the CEO and to 250% of base salary for other executive directors. New cap on RSU award level of 50% of base salary.</p>

Directors' remuneration report continued

Part 2

	Purpose and link to strategy	How we assess performance	Maximum opportunity
One-off award for exceptional strategic initiatives	To incentivise, in exceptional circumstances, the achievement of strategic initiatives	<p>An award of cash or equity linked to the achievement of an exceptional strategic initiative.</p> <p>Awards would be subject to performance measures linked to the strategic initiative. The performance period would be aligned to the achievement of the strategic initiative, or a specific milestone.</p> <p>Malus and clawback provisions apply to awards made for three years from the date on which the award vest when there has been:</p> <ul style="list-style-type: none"> • 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 	<p>Maximum annual award level of 100% of base salary (face value of equity award at grant, or maximum value of cash award).</p> <p>Where a threshold target is set, the minimum amount payable would normally be 25% of the award.</p> <p>Change from previous policy: New element of remuneration.</p>
Share ownership policy	To further align the interests of executive directors with those of shareholders	<p>In-employment</p> <p>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.</p> <p>Post-employment</p> <p>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.</p>	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 rights 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, and, if relevant, any one-off award for exceptional strategic initiatives, 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 2023 these will comprise net revenue (35%), underlying EBITDA (35%), operating free cash flow (10%), 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 2023/24 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 are 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 157. 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.

The performance conditions for any one-off awards for strategic initiatives would be linked to the successful delivery of the strategic initiative and the creation of value for Airtel Africa shareholders. The performance targets would be tailored to the specific strategic objective, but would be set so that: (a) the maximum award would be only payable for achieving a stretching level of performance, and (b) the delivery of a 'target' level of performance would result in around 50% of the maximum award becoming payable.

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 can enter into agreements with a fixed or indefinite term that may be terminated by either party on three months' written notice. 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.

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	Normally lapse	Lapse
	Paid following the relevant year end in cash		
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.

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	10 years
Jaideep Paul	1 June 2021	10 years

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 150.

The committee may also buy out any remuneration and contract features that an executive director may be giving up in order to become an executive director of 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.

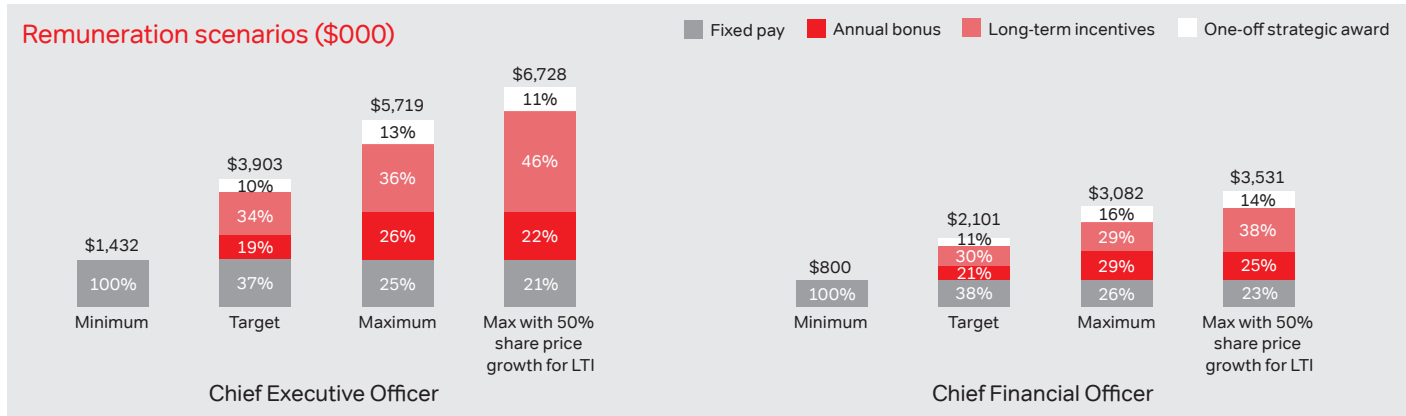
For an internal appointment, any legacy arrangements related to the previous role will be allowed to pay out as per their original terms unless they are bought out by the company, even if these are in conflict with the policy in place at the time.

Directors' remuneration report continued

Part 2

Remuneration scenarios at different performance levels

These charts illustrate the total potential remuneration for the CEO and CFO at three performance levels.



- 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
- Salary levels (on which other elements of the package are calculated) are based on those applying on 1 April 2023 and incentive levels are based on the implementation levels for 2023/24.
- Benefit values exclude the costs of business travel and accommodation
- To reflect the impact of a share price increase in Airtel Africa plc shares between award and vesting, the LTIP value in the maximum column has been increased by 50% in the maximum with 50% share price growth column

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.	<p>The chair receives an annual fee, plus a fee for chairing the Nominations Committee.</p> <p>We may also pay fees reflecting additional time commitments or time required to travel to Board meetings.</p> <p>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.</p>	<p>The committee reviews chairs' fee periodically.</p> <p>While there is no maximum fee level, we set fees by reference to market data for companies of similar size and complexity.</p>
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.	<p>Non-executive directors' fees are reviewed periodically by the chair and executive directors.</p> <p>While there is no maximum fee level, fees are set by reference to market data for companies of similar size and complexity.</p>

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 by 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 were appointed for a fixed term ending on the date of our 2022 AGM and were 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 with major shareholders on changes to this policy 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.

Airtel engages with employees on a number of issues, including remuneration, in a variety of ways. For example, the designated non-executive director for employee engagement holds regular meetings with employees when he visits sites throughout the year, and Board members when they visit markets during any year hold engagement sessions with the workforce. Through these meetings and engagement, our Board members inform employees on executive remuneration and receive feedback. This engagement approach is kept under review as we continually seek to improve the Board's dialogue with employees.

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 158
- The table of share awards granted to executive directors and associated footnotes on page 156
- The statement of directors' shareholdings and share interests on page 161

2022/23 remuneration of directors (audited)

This table sets out the total remuneration for the executive directors for the year ended March 2023.

All amounts are in '\$'000		Base salary	Benefits ³	Pension contribution ⁴	Annual bonus	LTIP ^{5,6}	Other	Total fixed	Total variable	Total
Segun Ogunsanya	2022/23	952	322	95	1,064	–	–	1,370	1,064	2,434
	2021/22 ¹	458	214	46	686	–	–	718	686	1,404
Jaideep Paul	2022/23	607	157	–	633	846	–	764	1,479	2,243
	2021/22 ²	486	165	–	680	259	–	651	939	1,590

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 Segun's benefits included (\$'000) of: expatriate housing benefit of \$247, car benefit value of \$71, and insurance costs of \$5. Jaideep Paul's benefits included (\$'000) of: expatriate housing of \$69, car of \$58, expatriate home leave tickets entitlement of \$25 and insurance costs of \$5.
- 4 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.
- 5 For Jaideep Paul, the 2022/23 figure includes 397,590 PSU awards and 198,795 RSU awards which were granted on 30 October 2020 and will vest in 2023. The PSU awards were subject to a performance condition and the RSU awards were subject to a performance underpin, both of which had performance periods ending on 31 March 2023. The value of these awards has been estimated using the average price of Airtel Africa shares between 1 January 2022 and 31 March 2022. For 2022/23, the total value estimated attributable to share price appreciation is \$550,900.
- 6 The 2021/22 LTIP value for Jaideep Paul has been restated based on the share price of \$1.941 on the vesting date of 01 June 2022. For the 2021/22 LTIP the total value estimated attributable to share price appreciation is \$124,401. Last year's report contained an estimate of the level of vesting for the TSR element of these awards. It was estimated that 100% of the shares subject to the TSR performance condition would vest, and this estimate has since been confirmed, as Airtel Africa's TSR of 26% per annum over the performance period placed it first amongst the three comparators and exceeded the 10% per annum requirement for full vesting. The value in last year's report was estimated using an average share price.

Annual bonus

Airtel Africa delivered strong performance, exceeding the targets in all key financial metrics. Revenue growth in constant currency continued to grow double digit, as did underlying EBITDA and operating free cash flow. In more detail, revenue grew by 18.3%, underlying EBITDA grew by 17.3%, and operational free cash flow grew by 18.6%.

Performance was equally strong across all the key operational KPI's. Total customer base increased to 140 million (up 9%), as the penetration of mobile data and mobile money services continued to rise, driving up the data and the mobile money customer base. The mobile money business performed strongly with annualised transaction value reaching nearly \$102bn, as Airtel Africa continues to drive financial inclusion in the continent. It is in this context that we have assessed the performance achieved against the incentive targets. The strong in-year performance resulted in performance for all financial measures falling in between the target and stretch levels set at the beginning of the year. As a result, a bonus between target and the maximum level has been awarded, of which one-third will be deferred into shares for two years.

Directors' remuneration report continued

Part 3

2022/23 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)	29.2%	27.3%	7.95%		
Segun Ogunsanya (weighted % of maximum)				10.0%	74.45%
Jaideep Paul (weighted % of maximum)				10.0%	74.45%

Financial objectives

Financial performance was assessed against the underlying net revenue, underlying EBITDA and operating free cash flow (OFCF) ranges set for 2022/23.

All amounts are in \$million	Weighting (%)	Threshold (30%)	Target (50%)	Maximum (100%)	Actual
Net revenue	35%	4,564.7	4,681.7	4,798.8	4,760.1
EBITDA	35%	2,563.7	2,641.3	2,725.5	2,688.5
OFCF	10%	1,813.7	1,891.3	1,975.5	1,940.6

All targets and achievements are in constant currency as at 31 March 2022.

Personal objectives

Personal objectives for the executive directors during the year are as follows:

		Weighting (%)	Target	Performance achieved	Outcome (weighted % of maximum)
Segun Ogunsanya	ESG – Our People	10%	Proportion of female employees Threshold: 27% Target: 28% Maximum: 29%	26%	0%
	Compliance	10%	Threshold: 66 Target: 70 Maximum: 74	80.1	10%
Jaideep Paul	ESG – Our People	10%	Proportion of female employees Threshold: 27% Target: 28% Maximum: 29%	26%	0%
	Internal audit score for finance	10%	Threshold: 66 Target: 70 Maximum: 74	85.7	10%

All targets and achievements are in constant currency as at 31 March 2022.

Annual bonus awarded

Name	Awarded in cash	Awarded in shares	Total
Segun Ogunsanya	709.6	354.8	1,064.4
Jaideep Paul	422.0	211.0	633.0

Long-term incentive plan (LTIP) (audited)

LTIP awards granted in 2022/23

During the year, Segun Ogunsanya and Jaideep Paul were granted the following LTIP awards on 28 June 2022.

	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	2022 LTIP – PSU	514,688	\$1.6814	\$865,396	90%	25%	31 March 2025
	2022 LTIP – RSU	228,750	\$1.6814	\$384,620	40%	100%	31 March 2025
Jaideep Paul	2022 LTIP – PSU	273,281	\$1.6814	\$459,495	75%	25%	31 March 2025
	2022 LTIP – RSU	127,531	\$1.6814	\$214,431	35%	100%	31 March 2025

1 Average closing share price and FX rate for the three dealing days immediately prior to grant

RSUs may not vest unless aggregate 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 2022/23 three-year plan and will require competitive market-leading growth in net revenue at target with more than 5% 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 2022 performance share plan (PSP) awards

Metric	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)
Net revenue (CAGR %)	40%	Target minus more than 5%	Based on 3-year plan	Target plus more than 5%
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

Share awards vesting in relation to 2022/23

The CFO was granted a RSU award over 198,795 shares subject to an Operating free cash flow performance underpin, and a PSP award over 397,590 shares on 30 October 2020 subject to performance measured to the end of 31 March 2023 against the following conditions:

All amounts are in US\$million		Weighting by tranche	Below threshold (0%)	Threshold (25%)	Target (50%)	Maximum (100%)	Actual	% achievement (of maximum)
2020 LTIP awards – PSP-financial	Net revenue CAGR	40%	<11.6%	11.6%	13.6%	15.6%	21.1%	100%
	Increase in Underlying EBITDA Margin	40%	<40 basis points	40 basis points	80 basis points	120 basis points	470 basis points	100%
2020 LTIP awards – PSP-TSR	Relative TSR	20%	<Median	Median	n/a	Upper quartile	>Upper quartile	100%

All targets and achievements are in constant currency

The underpin for the RSU awards required aggregate Operating free cash flow to be positive over the three-year performance period ending on 31 March 2022. Over the three financial years, aggregate Operating free cash flow was \$4,770m, which resulted in the underpin being satisfied.

Directors' remuneration report continued

Part 3

As a result the following awards will vest:

All amounts are in '\$'000	Type of award	Applicable performance conditions	Maximum number of shares	Number of shares vesting	Estimated value on vesting (\$'000s) ¹	Estimated value attributable to share price difference (\$'000s) ¹	
Jaideep Paul	2020 LTIP	RSUs	Operating free cash flow underpin	198,795	198,795	282	184
		PSUs	Net Revenue CAGR	159,036	159,036	226	147
		PSUs	Underlying EBITDA margin	159,036	159,036	226	147
		PSUs	Relative TSR against comparator group	79,518	79,518	113	73

1 The estimated value on vesting is the average price of Airtel Africa's shares in the period between 1 January 2023 to 31 March 2023: \$1,419 (£1,168). The estimated value attributable to share price difference is the change from the share price on the date of grant of \$0.495 (£0.617).

2022/23 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 2023 \$ ²
Sunil Bharti Mittal ³	2022/23	£300	N/A	£300	\$372
	2021/22	£178	£56	£244	\$303
Awuneba Ajumogobia	2022/23	£85	N/A	£85	\$105
	2021/22	£85	N/A	£85	\$105
Douglas Baillie	2022/23	£90	N/A	£90	\$112
	2021/22	£90	N/A	£90	\$112
John Danilovich	2022/23	£80	N/A	£80	\$99
	2021/22	£80	N/A	£80	\$99
Andrew Green	2022/23	£90	N/A	£90	\$112
	2021/22	£90	N/A	£90	\$112
Akhil Gupta	2022/23	£70	N/A	£70	\$87
	2021/22	£70	N/A	£70	\$87
Shravin Bharti Mittal	2022/23	£70	N/A	£70	\$87
	2021/22	£70	N/A	£70	\$87
Annika Poutiainen	2022/23	£80	N/A	£80	\$99
	2021/22	£80	N/A	£80	\$99
Ravi Rajagopal	2022/23	£90	N/A	£90	\$112
	2021/22	£90	N/A	£90	\$112
Kelly Bayer Rosmarin ⁴	2022/23	£70	N/A	£70	\$87
	2021/22	£70	N/A	£70	\$87
Tsega Gebreyes	2022/23	£82	N/A	£82	\$102
	2021/22	£31	N/A	£31	\$38

1 NED fees determined in pounds sterling.

2 Adjustable closing FX rate of GBP/USD on 31 March 2022 – £1 = \$1.24. USD values for 2021/22 are restated using this FX rate to aid comparison.

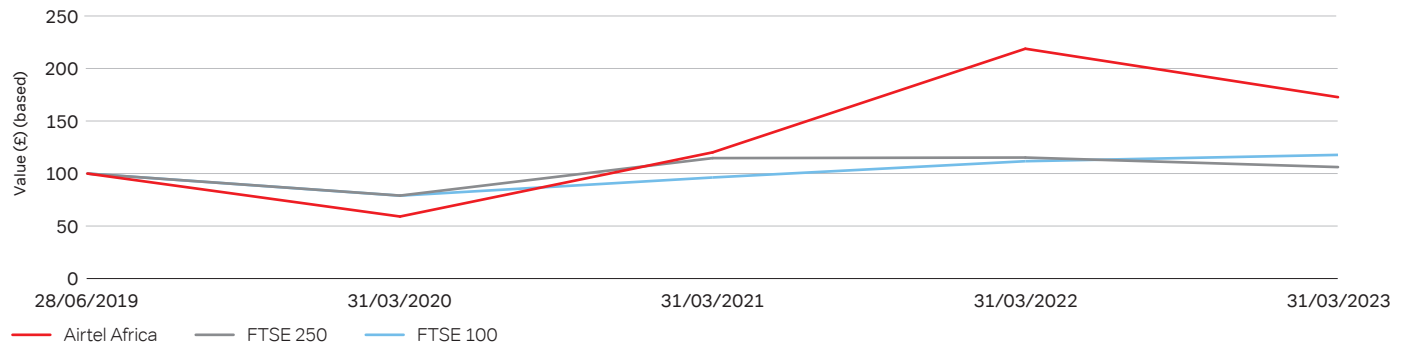
3 Benefits for 2021/22 are restated to reflect the final value paid in respect of the year. Last year the benefits were estimated in £000s as £67.

4 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 2023, 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 2023 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 Index over the same time period.

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. Financial year 2021/22 is split between the two people acting as CEO during this period.

	Raghunath Mandava		Segun Ogunsanya		2022/23
	2019/20 ¹	2020/21 ²	2021/22 ³	2021/22 ⁴	
Total remuneration (\$'000)	\$3,140	\$3,608	\$3,484	\$1,404	\$2,434
% of maximum bonus earned	60%	100%	100%	100%	74%
% maximum LTI vested	76%	100%	86%	N/A	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 employees is likely to be misleading. As such, we've decided not to publish this information. However, the committee takes into account pay relativities, employee wellbeing when setting executive remuneration, and 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.

Directors' remuneration report continued

Part 3

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			Percentage change in remuneration elements from 2021/22 to 2022/23		
	Base salary/fees	Benefits ¹	Bonus	Base salary/fees	Benefits	Bonus	Base salary/fees	Benefits	Bonus
Segun Ogunsanya ²	n/a	n/a	n/a	n/a	n/a	n/a	108%	50.5%	55.1%
Jaideep Paul ³	n/a	n/a	n/a	n/a	n/a	n/a	25%	-5%	-7%
Sunil Bharti Mittal ⁴	0%	0%	n/a	97%	0%	n/a	69%	-100%	n/a
Awuneba Ajumogobia	3%	n/a	n/a	2%	n/a	n/a	0%	n/a	n/a
Douglas Baillie	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
John Danilovich	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Andrew Green	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Akhil Gupta	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Shravin Bharti Mittal	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Annika Poutiainen	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Ravi Rajagopal	0%	n/a	n/a	0%	n/a	n/a	0%	n/a	n/a
Kelly Bayer Rosmarin ⁵	n/a	n/a	n/a	133%	n/a	n/a	0%	n/a	n/a
Tsega Gebreyes ⁶	n/a	n/a	n/a	n/a	n/a	n/a	164%	n/a	n/a
Full-time employees ^{7,8}	5%	-8%	10%	6%	-7%	6%	7%	24%	12%

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 Fee increased from 1 November 2021.

5 Joined the Board on 27 October 2020.

6 Joined the Board on 12 October 2021.

7 Based on employees of the Group.

8 Provisional bonuses are used for year-on-year comparison.

Payments to past directors and payments for loss of office (audited)

No payments for loss of office were made during 2022/23. No payments to past directors were made in 2022/23 apart from those disclosed in previous remuneration reports.

Relative importance of spend on pay

This table sets out, for the year ended 31 March 2023, the total cost of our employee remuneration and the total distributions to shareholders through dividends.

\$million	2021/22	2022/23	% change
Dividends	\$169	\$195	15%
Overall remuneration expenditure	\$297	\$287	-3%

Non-executive directors' remuneration

The table below summarises the fees payable to non-executive directors. During the year, our committee reviewed the Board fees. Following its review, the committee decided not to increase fees.

Role	Annual fee ¹	As at 31 March 2023 \$ ²
Board chair fee	£300,000	\$372,000
Non-executive base fee	£70,000	\$86,800
Additional fees		
Committee chair fee	£20,000	\$24,800
Supplement for senior independent director	£20,000	\$24,800
Committee membership fee (one committee)	£10,000	\$12,400
Committee membership fee (two committees)	£15,000	\$18,600

1 NED fees determined in pound sterling.

2 Adjustable closing FX rate of GBP/USD on 31 March 2023 – £1 = \$1.24.

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 2022 and 31 March 2023 (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 2022	Shareholding at 31 March 2023	Total shareholding as multiple of salary (%)	Maximum unvested LTIPs	Unvested awards subject to service condition	Unvested options	Vested but not exercised share options
Segun Ogunsanya	0	335,895	65%	1,805,492	466,441	0	705,632
Jaideep Paul	379,613	585,675	155%	1,569,787	375,918	0	751,086

Non-executive directors (audited)

	Shareholding at 31 March 2022	Shareholding at 31 March 2023
Sunil Bharti Mittal ¹	–	–
Awuneba Ajumogobia	–	–
Douglas Baillie	20,000	20,000
John Danilovich	460,000	548,000
Andrew Green	–	–
Akhil Gupta	–	–
Shravin Bharti Mittal ^{1,2}	292,424,330	292,424,330
Annika Poutiainen	30,000	30,000
Ravi Rajagopal	122,250	122,250
Kelly Bayer Rosmarin	–	–
Tsega Gebreyes	–	–

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 140 (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.

Directors' remuneration report continued

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 is 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)
Tsega Gebreyes	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 and 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 £226k (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 2023.

Share awards held by the executive directors (audited)

Segun Ogunsanya

Type of award	Maximum unvested awards held on 31 March 2022	Awards granted during year	Vested in year	Lapsed	Maximum unvested awards held as at 31 March 2023	Date of grant	Exercise price	Vesting date
IPO share options	235,212	Nil	235,212	Nil	Nil	3 July 2019	£0.8	1 June 2022
Replacement award – tranche 1 ¹	330,280	Nil	330,280	Nil	Nil	28 June 2021	Nil	28 June 2022
Replacement award – tranche 2 ¹	330,280	Nil	Nil	Nil	330,280	28 June 2021	Nil	28 June 2023
2021 LTIP – PSU	735,268	Nil	Nil	Nil	735,268	28 June 2021	Nil	28 June 2024
2021 LTIP – RSU	326,786	Nil	Nil	Nil	326,786	28 June 2021	Nil	28 June 2024
2022 Deferred bonus	Nil	136,161	Nil	Nil	136,161	28 June 2022	Nil	28 June 2024
2022 LTIP – PSU	Nil	514,688	Nil	Nil	514,688	28 June 2022	Nil	28 June 2025
2022 LTIP – RSU	Nil	228,750	Nil	Nil	228,750	28 June 2022	Nil	28 June 2025

1 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.

Jaideep Paul

Type of award	Maximum unvested awards held on 31 March 2022	Awards granted during year	Vested in year	Lapsed	Maximum unvested awards held as at 31 March 2023	Date of grant	Exercise price	Vesting date
IPO Share options	250,362	Nil	250,362	Nil	Nil	3 July 2019	£0.8	1 June 2022
2019 LTIP awards – PSP-financial	26,666	Nil	26,666	Nil	Nil	3 July 2019	Nil	1 June 2022
2019 LTIP awards – PSP-TSR	80,000	Nil	80,000	Nil	Nil	3 July 2019	Nil	1 June 2022
2019 LTIP – RSU	26,668	Nil	26,668	Nil	Nil	3 July 2019	Nil	1 June 2022
2020 LTIP – PSP	397,590	Nil	Nil	Nil	397,590	30 Oct 2020	Nil	30 October 2023
2020 LTIP – RSU	198,795	Nil	Nil	Nil	198,795	30 Oct 2020	Nil	30 October 2023
2021 LTIP – PSP	390,402	Nil	Nil	Nil	390,402	28 June 2021	Nil	28 June 2024
2021 LTIP – RSU	182,188	Nil	Nil	Nil	182,188	28 June 2021	Nil	28 June 2024
2022 LTIP – PSU	Nil	273,281	Nil	Nil	273,281	28 June 2022	Nil	28 June 2025
2022 LTIP – RSU	Nil	127,531	Nil	Nil	127,531	28 June 2022	Nil	28 June 2025
2022 Deferred bonus	Nil	134,954	Nil	Nil	134,954	28 June 2022	Nil	28 June 2024
One-off Share award ¹	60,241	Nil	60,241	Nil	Nil	30 October 2020	Nil	30 Oct 2022
One-off Share award ¹	240,964	Nil	Nil	Nil	240,964	30 October 2020	Nil	30 Oct 2023

1 One tranche of this award vested on 30 October 2022. As the award does not have any performance conditions, it is not included in the single figure of remuneration, in accordance with the regulations.

Airtel Africa share price

The closing price of an ordinary share on the London Stock Exchange on 31 March 2023 was 106.5p, with the range between 1 April 2022 and 31 March 2023 being 104.6p to 170.9p.

Statement on voting at the 2021 Annual General Meeting (unaudited)

At our 15 July 2022 AGM, votes cast on the directors' remuneration report and directors' remuneration policy were as follows:

	Percentage of votes cast		Number of votes cast		
	For	Against	For	Against	Withheld
Directors' remuneration report	99.08%	0.92%	3,381,623,020	31,297,216	58,732,404
Directors' remuneration policy	94.98%	5.02%	3,241,503,962	171,412,682	58,735,995

On behalf of the Board

Doug Baillie
Chair, Remuneration Committee

10 May 2023

Financial statements

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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 'company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the company's affairs as at 31 March 2023 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);
- the 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 company statements of financial position;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 35 of the Group financial statements and the related notes 1 to 11 of the 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. 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 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 company for the year are disclosed in note 8.1 in 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 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:

- Prepaid and Airtel Money (mobile money) revenue
- Airtel Money restricted cash; and
- The classification of legal cases.

Within this report, key audit matters are identified as follows:

- Newly identified
- Increased level of risk
- Similar level of risk
- Decreased level of risk

Materiality The materiality that we used for the Group financial statements was \$65m which represents 6.3% of profit before tax (March 2022: 5.1% of profit before tax) and 2.5% (March 2022: 3%) of underlying earnings before interest, tax, depreciation and amortisation (underlying EBITDA).

Scoping Our scope covered seventeen components. Of these, three were full-scope audits. Six components were subject to an audit of specified account balances and seven components were subject to analytical review procedures. A further component is the Group's shared service centre in India. The scope of this component was either a full scope or an audit of specified account balances depending on the scope of the component managed at the shared service centre. These covered 96% of Group profit before tax, 97% of Group revenue and 96% of the Group total assets. Components and balances not in scope were subject to analytical procedures performed by the Group audit team.

Significant changes in our approach Airtel Money restricted cash has now been included as a separate key audit matter given the increase in size and prominence of the Group's mobile money business.

Going concern has not been included as key audit matter this year given the continued profitability of the Group and the early prepayment of bonds in the current year.

Gabon, Chad, Congo B, Rwanda, Seychelles and Madagascar are now subject to analytical review procedures this year as these components are deemed not to be significant to the Group.

We tested the operating effectiveness of controls relating to IFRS16, the classification of legal and regulatory matters as well as the consolidation process this year.

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 company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the relevant controls over the Group's forecasting process;
- Performing retrospective reviews of historical forecasts to assess the reasonableness of the Group's forecasting process;
- Performing risk assessment procedures in response to the economic disruption risk. 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 and how these were factored into the Group's reasonable worst case forecast, including: currency devaluation; a reduction in revenue and profit; and legal, tax and regulatory claims;
- 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 and lower dividends payouts;
- Obtaining direct confirmations of the value, duration and terms for the Group's undrawn committed facilities as at the year-end;
- 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; and
- Assessing the appropriateness of the disclosures in the financial statements.

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 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. Prepaid and mobile money revenue

Key audit matter description	<p>As set out in note 6 to the financial statements, revenue of \$5,255m (March 2022: \$4,714m) is derived from the provision of voice, data, mobile money and other services. These revenue streams account for \$5,245m of revenue (March 2022: \$4,307m) with voice and data accounting for \$4,278m (March 2022: \$3,883m) of revenue and mobile money services accounting for \$540m (March 2022: \$424m) of revenue.</p> <p>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.</p> <p>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 both matters.</p>
How the scope of our audit responded to the key audit matter	<p>Our procedures involved:</p> <ul style="list-style-type: none"> • 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 tariffs set up in IN system; • For Airtel Money, tested a sample of tariffs set up in Mobiquity system; and • We also created our 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	<p>Based on our work, we noted no significant issues on the accuracy of prepaid and mobile money revenue recorded in the year.</p>

Independent auditor's report to the members of Airtel Africa plc continued

5.2. Mobile money restricted cash

Key audit matter description	<p>Airtel Money has been identified as a separate reportable segment for the year ended 31 March 2023 due to the growth in this business together with changes to the Group's organisational structure, including the separate reporting of the results of mobile money to the Chief Operating Decision Maker (CODM) for the allocation of resources and assessment of performance.</p> <p>The Group holds cash on behalf of its mobile money customers, which is restricted for use by the Group. The total restricted cash balance as at 31 March 2023 amounted to \$617m (March 2022: \$513m) and is presented as 'balance held under mobile money trust' under cash and cash equivalents.</p> <p>We identified a key audit matter and a fraud risk related to the existence of this restricted cash balance.</p>
How the scope of our audit responded to the key audit matter	<p>Our procedures involved:</p> <ul style="list-style-type: none"> • Testing the relevant controls around the existence and valuation of the Airtel Money restricted cash balance. • Obtained and tested the Airtel Money bank reconciliations, tracing the amounts held to external, independent confirmations. • Testing a sample of transactions at or around period end to ensure the transactions were appropriate and did not constitute transfers into the Group's own operating bank accounts.
Key observations	Based on our work, we noted no exceptions regarding the existence of the mobile money restricted cash balance.

5.3 Classification of legal matters

Key audit matter description	<p>Management has recorded a provision of \$7m (March 2022: \$7m) in respect of legal claims against components operating within complex jurisdictions. This is included in the total provision for legal and regulatory cases amounting to \$34m (March 2022: \$51m) as set out in note 25 to the financial statements. Contingent liabilities as at 31 March 2023 for legal claims in these jurisdictions amounted to \$69m (March 2022: \$70m) as described in Note 29 to the financial statements.</p> <p>Airtel Africa has business operations in 14 countries across Africa, each with different legal environments. Certain components operate in higher-risk and complex jurisdictions than others. 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 the matter as probable, possible or remote in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent assets.</p> <p>Further information on the Group's policies for legal matters, including the judgements taken, can be found in notes 2.19 and 2.20 of 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 106.</p> <p>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, with a focus on components operating in complex jurisdictions. There is an incremental challenge in predicting the outcome of the ongoing cases in these jurisdictions due to the significant number of cases and the high value of the claims. Management has exercised significant judgement in determining their assessment of the outcome and the accounting consequences thereon. As a result of these factors, we consider there to be a fraud risk associated with this key audit matter due to susceptibility of the judgement to bias.</p>
How the scope of our audit responded to the key audit matter	<p>Our procedures involved:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the relevant controls concerning the classification of legal cases and testing the design, implementation and operating effectiveness of these controls; • 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 external legal counsel for a sample of cases and checking their assessment of whether a case is probable, possible or remote is appropriate. 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	<p>Based on the procedures performed we consider the classification of legal cases as probable, possible and remote to be appropriate.</p> <p>We consider the provision and contingent liability disclosures within notes 25 and 29 of the financial statements to be appropriate.</p>

6. Our application of materiality

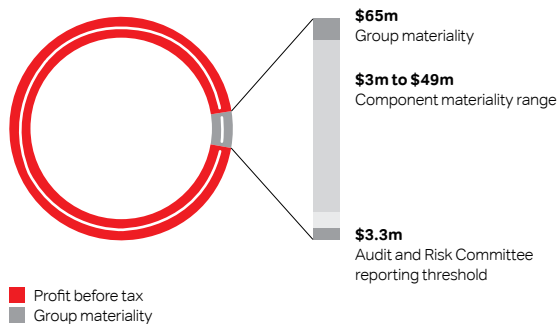
6.1 Materiality

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	\$65m (March 2022: \$62m)	\$41m (March 2022: \$33.5m)
Basis for determining materiality	6.3% of profit before tax (March 2022: 5.1% of profit before tax) and 2.5% of underlying EBITDA (March 2022: 3% of underlying EBITDA).	1% of net assets (March 2022: 1% of net assets).
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 the private trusts of the Bharti family). 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
\$1,034m



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	65% (March 2022: 60%) of Group materiality	65% (March 2022: 60%) of parent company materiality
Basis and rationale for determining performance materiality	<p>In determining performance materiality, we considered the following factors:</p> <ol style="list-style-type: none"> Our experience of auditing the Group: this is the fifth year of our audit of the consolidated financial statements and fourth year of auditing the Group as a listed entity on the London Stock Exchange; Our ability to visit component management and component audit teams in India, Dubai and Africa during the year following the easing of covid-related travel restrictions; and The maturity of the Group's control environment. <p>As a result of these factors, we increased performance materiality to 65% of Group materiality (March 2022: 60% of Group materiality). We applied the same approach in calculating parent company materiality.</p>	

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 \$3.3m (March 2022: \$3.1m), 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.

Independent auditor's report to the members of Airtel Africa plc continued

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 B.V.) which holds a part of the Group's debt, and Airtel Africa plc, the company.

Component teams performed full scope audits on two components (Nigeria and Uganda) and audits of specified account balances on five components as set out in the table below. We performed interim audit procedures for the 9 months ended 31 December 2022 on Nigeria, Uganda, Tanzania, Kenya, Malawi, Zambia and the DRC and additional procedures for the period to the year ended 31 March 2023.

The below table summarises the segment allocation and scope of the Group's components:

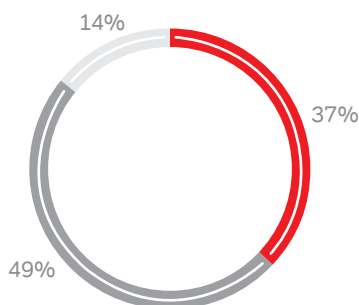
Segment	Full scope audit	Audits of specified balances	Analytical review procedures
Nigeria	Nigeria	–	–
East Africa	Uganda	Tanzania, Malawi, Kenya and Zambia	Rwanda
Francophone	–	Democratic Republic of the Congo	Congo Brazzaville, Niger, Chad, Gabon, Madagascar and Seychelles
Central	Airtel Africa plc 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	Other components deemed insignificant to the Group

For Congo B, Gabon, Niger, Chad, Seychelles, Rwanda and Madagascar we performed analytical review procedures at the Group level for the year ended 31 March 2023 as these components are not significant to the Group.

We performed a full scope audit on Airtel Africa plc and an audit of specified account balances on Bharti Airtel Netherlands B.V. A component audit team also performed procedures at the shared service centre in India. The scope of the shared service centre matched the scope of each African component e.g. the Nigeria transactions at the shared service centre were subject to a full scope audit.

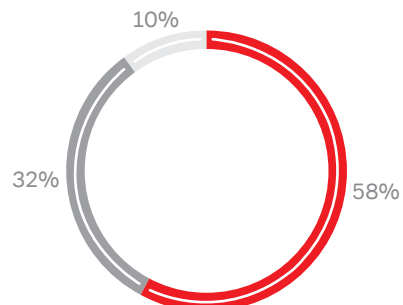
The Group team performed analytical review procedures on the remaining balances not included within audit scope, each of which are insignificant. This included other holding companies within the Netherlands, including AMC B.V., the holding company of the main Airtel Money entities. We also made inquiries 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.

Revenue



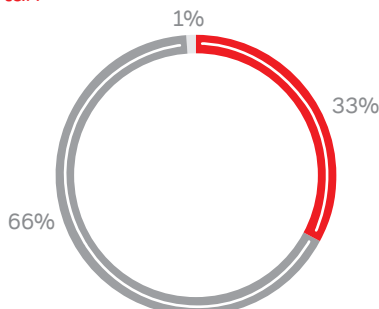
■ Full audit scope
■ Specified audit procedures
■ Review at Group level

Total assets



■ Full audit scope
■ Specified audit procedures
■ Review at Group level

Profit before tax



■ Full audit scope
■ Specified audit procedures
■ Review at Group level

7.2 Our consideration of the control environment

7.2.1 IT controls

As a business, the Group is heavily reliant on IT systems. Therefore, effective IT 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 revenue.

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).

Key systems in scope for the audit were the accounting and revenue recording systems (IN, Intec 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 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.

7.2.2 Business processes

We previously 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. In the year we expanded this to cover reliance over the classification of legal and regulatory cases, the recording of leases and the consolidation processes following improvements in the controls of these areas.

7.2.3 Governance controls

We paid particular attention to the governance of the relationship with the 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') on pages 56-59 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 Group 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, particularly in respect of Goodwill. Management disclosed in note 15 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

The work on all components subject to either full audit or an audit of specified account balances was performed 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 in Dubai.

We held a planning meeting in Dubai with all the component audit teams to discuss and agree the planning and execution of the audit; at the same meeting we met with Group management to communicate our planned audit strategy, including key audit focus areas.

As part of oversight procedures, we visited all the full scope components and all the components subject to audit of specified account balances (Nigeria, Uganda, the DRC, Kenya, Tanzania, Malawi and Zambia). We also visited Gabon and Congo Brazzaville components, which was subject to Group analytical review procedures, the shared service centre in India and the Group's head office in Dubai. We remained in regular contact with all component teams throughout the year to understand key issues and appropriately plan and execute the year end audit. The frequency of these interactions was increased during the key audit periods and included direct calls between senior members of the Group and component audit teams.

We issued detailed instructions to our component audit teams, included them within our team briefings and regular status calls, and reviewed component auditor working papers during the above component visits and remotely via online review of their audit files.

Throughout the core period of the audit, we held regular, and at times daily calls with Group management, which also involved Deloitte India, who audit the shared service centre in India and where the majority of account balances are managed.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Airtel Africa plc continued

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, including those that are specific to the Group's sector;
- 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;
 - 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, valuations, and IT specialists 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 and mobile money revenue, the existence of mobile money restricted cash and the classification of legal matters in components operating in certain jurisdictions. 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 jurisdictions 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 mobile money regulator within each operating entity and the relevant financial regulations which govern the components.

11.2 Audit response to risks identified

As a result of performing the above, we identified prepaid and mobile money revenue, the existence of mobile money restricted cash and the classification of legal cases in components operating in certain jurisdictions 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 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 of 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 which demonstrate characteristics of audit interest; 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 unusual or outside the normal course of business.

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 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 pages 123 and 178;
- 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 98-99;
- the directors' statement on fair, balanced and understandable set out on page 122;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 90;
- the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 90-97; and
- the section describing the work of the Audit and Risk Committee set out on pages 117-127.

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 year ended 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement, including previous renewals and reappointments of the firm is five years, covering the years ended 31 March 2019 to 31 March 2023.

15.2 Consistency of the audit report with the additional report to the Audit and Risk 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.

Ryan Duffy (Senior statutory auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

10 May 2023

Consolidated statement of comprehensive income

(All amounts are in US\$ millions unless stated otherwise)

	Notes	For the year ended	
		31 March 2023	31 March 2022
Income			
Revenue	6	5,255	4,714
Other income		13	10
		5,268	4,724
Expenses			
Network operating expenses		1,027	817
Access charges		410	407
License fee and spectrum usage charges		241	244
Employee benefits expense	7	287	297
Sales and marketing expenses		243	224
Impairment loss on financial assets		14	5
Other operating expenses	8	471	451
Depreciation and amortisation	9	818	744
		3,511	3,189
Operating profit		1,757	1,535
Finance costs	10	752	441
Finance income	10	(29)	(19)
Other non-operating income		-	(111)
Share of profit of associate and joint venture accounted for using equity method		(0)	(0)
Profit before tax		1,034	1,224
Income tax expense	12	284	469
Profit for the year		750	755
Profit before tax (as presented above)		1,034	1,224
Less: exceptional items (net)	11	-	(60)
Underlying profit before tax		1,034	1,164
Profit after tax (as presented above)		750	755
Less: exceptional items (net)	11	(161)	(62)
Underlying profit after tax		589	693
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
Loss due to foreign currency translation differences		(350)	(4)
Tax expense on above		(3)	(3)
Share of OCI of associate and joint venture accounted for using equity method		-	1
Net loss on net investments hedge		-	(8)
		(353)	(14)
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		(353)	(14)
Total comprehensive income for the year		397	741
Profit for the year attributable to:		750	755
Owners of the company		663	631
Non-controlling interests		87	124
Other comprehensive loss for the year attributable to:		(353)	(14)
Owners of the company		(341)	(12)
Non-controlling interests		(12)	(2)
Total comprehensive income for the year attributable to:		397	741
Owners of the company		322	619
Non-controlling interests		75	122
Earnings per share			
Basic	13	17.7 cents	16.8 cents
Diluted	13	17.7 cents	16.8 cents

Consolidated statement of financial position

(All amounts are in US\$ millions unless stated otherwise)

	Note	As of	
		31 March 2023	31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	14	2,295	2,214
Capital work-in-progress	14	212	189
Right of use assets	30	1,497	1,109
Goodwill	15	3,516	3,827
Other intangible assets	15	813	632
Intangible assets under development	15	399	2
Investments accounted for using equity method	16	4	6
Financial assets			
– Investments		0	0
– Derivative instruments	17	9	3
– Others		34	7
Income tax assets (net)		1	22
Deferred tax assets (net)	12	337	222
Other non-current assets	18	151	134
		9,268	8,367
Current assets			
Inventories		15	3
Financial assets			
– Derivative instruments	17	4	3
– Trade receivables	19	145	123
– Cash and cash equivalents	20	586	638
– Other bank balances	20	131	378
– Balance held under mobile money trust		616	513
– Others	21	142	124
Other current assets	18	259	215
		1,898	1,997
Total assets		11,166	10,364
Liabilities			
Current liabilities			
Financial liabilities			
– Borrowings	22	945	786
– Lease liabilities	30	395	323
– Derivative instruments	17	5	9
– Trade payables		460	404
– Mobile money wallet balance		582	496
– Others	23	533	376
Provisions	25	83	121
Deferred revenue		183	162
Current tax liabilities (net)		194	220
Other current liabilities	24	192	176
		3,572	3,073
Net current liabilities		(1,674)	(1,076)
Non-current liabilities			
Financial liabilities			
– Borrowings	22	1,233	1,486
– Lease liabilities	30	1,652	1,337
– Put option liability		569	579
– Derivative instruments	17	43	–
– Others	23	147	88
Provisions	25	21	20
Deferred tax liabilities (net)	12	108	114
Other non-current liabilities	24	13	18
		3,786	3,642
Total liabilities		7,358	6,715
Net assets		3,808	3,649
Equity			
Share capital	26	3,420	3,420
Reserves and surplus		215	82
Equity attributable to owners of the company		3,635	3,502
Non-controlling interests ('NCI')		173	147
Total equity		3,808	3,649

The consolidated financial statements of Airtel Africa plc (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 10 May 2023 and were signed on its behalf by:

For and on behalf of the board of Airtel Africa plc

Olusegun Ogunsanya
Chief executive officer

10 May 2023

Consolidated statement of changes in equity

(All amounts are in US\$ millions unless stated otherwise)

	Equity attributable to owners of the company								
	Share capital		Reserves and surplus			Total	Equity attributable to owners of the company	Non-controlling interests (NCI)	Total equity
	No of shares ⁴	Amount	Retained earnings (Note 27a)	Transactions with NCI reserve	Other components of equity (Note 27c)				
As of 1 April 2021	6,839,896,081	3,420	2,975	(594)	(2,396)	(15)	3,405	(52)	3,353
Profit for the year	–	–	631	–	–	631	631	124	755
Other comprehensive loss	–	–	(0)	–	(12)	(12)	(12)	(2)	(14)
Total comprehensive income/(loss)	–	–	631	–	(12)	619	619	122	741
Transaction with owners of equity									
Employee share-based payment reserve	–	–	(1)	–	3	2	2	–	2
Purchase of own shares	–	–	–	–	(6)	(6)	(6)	–	(6)
Transactions with NCI	–	–	–	(348)	(1)	(349)	(349)	153	(196)
Dividend to owners of the company	–	–	(169)	–	–	(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)	82	3,502	147	3,649
Profit for the year	–	–	663	–	–	663	663	87	750
Other comprehensive income/(loss)	–	–	(0)	–	(341)	(341)	(341)	(12)	(353)
Total comprehensive income/(loss)	–	–	663	–	(341)	322	322	75	397
Transaction with owners of equity									
Employee share-based payment reserve	–	–	(2)	–	6	4	4	–	4
Purchase of own shares	–	–	–	–	(11)	(11)	(11)	–	(11)
Transactions with NCI ^{2,3}	–	–	–	13	–	13	13	3	16
Dividend to owners of the company (refer to Note 5(a))	–	–	(195)	–	–	(195)	(195)	–	(195)
Dividend (including tax) to NCI ¹	–	–	–	–	–	–	–	(52)	(52)
As of 31 March 2023	6,839,896,081	3,420	3,902	(929)	(2,758)	215	3,635	173	3,808

1 Dividend to NCI include tax of \$3m (March 2022: \$4m).

2 Transaction with NCI reserves' increased due to reversal of put option liability by \$16m for dividend distribution to put option NCI holders. Any dividend paid to the put option NCI holders is adjustable against the put option liability based on the put option arrangement.

3 'Transaction with NCI reserves' was reduced and NCI was increased by \$3m i.e. NCI's proportionate share of the consideration for transfer of SmartCash Payment Service Bank Limited (PSB) from the control of AMC BV to Airtel Networks Limited. For details, refer to note 5(b).

4 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 2023	31 March 2022
Cash flows from operating activities		
Profit before tax	1,034	1,224
Adjustments for:		
Depreciation and amortisation	818	744
Finance income	(29)	(19)
Finance cost	752	441
Share of profit of associate and joint venture accounted for using equity method	(0)	(0)
Non-operating income adjustments	-	(111)
Other non-cash adjustments ¹	2	(6)
Operating cash flow before changes in working capital	2,577	2,273
Changes in working capital		
Increase in trade receivables	(45)	(18)
(Increase)/decrease in inventories	(13)	4
Increase in trade payables	9	34
Increase in mobile money wallet balance	120	64
(Decrease)/increase in provisions	(32)	14
Increase in deferred revenue	37	27
Increase in other financial and non financial liabilities	92	50
Increase in other financial and non financial assets	(140)	(144)
Net cash generated from operations before tax	2,605	2,304
Income taxes paid	(397)	(293)
Net cash generated from operating activities (a)	2,208	2,011
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(779)	(717)
Proceeds from sale of tower assets	-	171
Purchase of intangible assets and intangible assets under development	(502)	(22)
Maturity of deposits with bank	350	301
Investment in deposits with bank ²	(126)	(388)
Proceeds from sale of tower subsidiary (net of cash acquired)	-	79
Investment in joint venture	(0)	-
Dividend received from associate	2	-
Interest received	29	19
Net cash used in investing activities (b)	(1,026)	(557)
Cash flows from financing activities		
Proceeds from sale of shares to non-controlling interests	-	550
Acquisition of non-controlling interests	-	(164)
Purchase of own shares by ESOP trust	(8)	(6)
Proceeds from issue of shares to non-controlling interests	-	2
Proceeds from borrowings	906	973
Repayment of borrowings	(1,018)	(2,115)
Repayment of lease liabilities	(279)	(251)
Dividend paid to non-controlling interests	(75)	(48)
Dividend paid to owners of the company	(195)	(169)
Interest on borrowings and lease liabilities and other finance charges	(400)	(370)
Outflow on maturity of derivatives (net)	(49)	(9)
Net cash used in financing activities (c)	(1,118)	(1,607)
Increase/(decrease) in cash and cash equivalents during the year (a+b+c)	64	(153)
Currency translation differences relating to cash and cash equivalents	(70)	(3)
Cash and cash equivalents as at beginning of the year	847	1,003
Cash and cash equivalents as at end of the year (refer to Note 20)³	841	847

1 For the years ended 31 March 2023 and 31 March 2022, this mainly includes movement in trade receivables impairment and other provisions.

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 \$616m (2022: \$513m) 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 and domiciled 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 is listed on the London Stock Exchange (LSE) and on the Nigerian Stock Exchange (NGX). 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, its associate and its joint venture 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 (UKESB).

All the amounts included in the financial statements are reported in United States dollars, with all values rounded to the nearest millions (\$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.

a. New and amended standards and interpretations that are effective for the current year

No new IFRS issued during the year are 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 IAS 37 in relation to 'Onerous contracts – cost of fulfilling contracts'.
- Amendments to IAS 16 in relation to 'Proceeds before intended use of property, plant and equipment'.

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 generally 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 – fair values derived on the basis of quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – fair values derived on the basis significant inputs other than quoted prices within Level 1 that are directly or indirectly observable.
- Level 3 – fair values derived on the basis valuation techniques that used significant inputs that are not based upon observable market data (unobservable inputs).

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 2024 (going concern assessment period) 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 \$525m expiring beyond the going concern assessment period, which will fulfil 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 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 has power over the entity (that is, existing rights that give it the current ability to direct the relevant activities), 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 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 when the Group obtains control and are de-consolidated from the date that control ceases. No subsidiaries are excluded from the Group consolidation. Non-controlling interest is the equity in a subsidiary not attributable to the parent and is presented separately from equity attributable to the owners of the company. 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 and 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.

2. Summary of significant accounting policies continued

The Group has written a put option to non-controlling shareholders in one of the Group's subsidiaries to purchase their equity interest in the subsidiary, for cash and/or another financial assets. This gives 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. 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 (if any) to the extent of shares re-acquired from non-controlling shareholders is de-recognised through equity ('Transactions with NCI reserve') at the time of exercise of the put option.

The profit/loss on disposal of a subsidiary (associated with loss of control) is recognised in profit and loss 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 of the subsidiary (i.e., reclassified to profit and loss or transferred to another category of equity as required/permitted by applicable IFRS). At such disposal 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 'the transactions with NCI reserve', within equity.

b. Associate and joint venture (JV)

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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in its associate and joint venture are accounted for using the equity method from the date on which the Group starts exercising significant influence over the associate or joint control over the joint venture.

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 standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis after adjusting for business combination adjustments. Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The Group's investments in its associate and JV are 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/JV at the date of acquisition is presented as goodwill. The goodwill is included within the carrying amount of the investment. The unrealised gains resulting from transactions with the associate/JV are eliminated against the investment to the extent of the Group's interest in the associate/JV. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Adjustments in respect of accounting policies of the Group's subsidiaries, associate and JV are made to ensure consistency with the accounting policies that are adopted by the Group.

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 and 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 profit and loss) 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.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

2. Summary of significant accounting policies continued

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

Transfers involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, (and that control is not transitory) are accounted for at their historic carrying values. The difference between the consideration paid/received and the historic carrying values is recorded in equity.

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 dollars, 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 profit and loss 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 for which gains and losses are recognised in the other comprehensive income or directly in equity.

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

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 (i.e., disposal of Group's entire interest in a foreign operation or disposal involving loss of control), all the accumulated exchange differences accumulated in FCTR in respect of that foreign operation is reclassified to profit and loss.

d. Net investment in foreign operation

When a monetary item forms part of the Group's net investment in a foreign operation, the exchange differences are then recognised initially in other comprehensive income and are held within the foreign currency translation reserve (FCTR). Such FCTR is reclassified from equity to profit and loss on disposal of the foreign operation.

2.6 Current versus non-current classification

The Group classifies assets and liabilities in the statement of financial position as current or non-current.

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 is 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 the Group does not have the unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

2.7 Property, plant and equipment (PPE) and capital work-in-progress (CWIP)

The cost of an item of property, plant and equipment 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 of 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, is charged to the profit and loss in the period in which such costs are incurred. However, in situations where the expenditure can be measured reliably and it 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.

2. Summary of significant accounting policies continued

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 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 profit and loss within other income/other expenses, respectively.

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as 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 (group of CGUs) include the carrying amount of goodwill relating to the group of CGUs sold. In case goodwill has been allocated to a group of CGUs, allocation of goodwill is determined based on the relative value of the operations sold in order to compute the gains/(losses).

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 their 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 expenditures are recognised in profit and 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 two to twenty-five 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 expense in profit and loss 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, amortisation is calculated over the remaining revised useful life.

Further, the cost of intangible assets under development is presented separately in the statement of financial position and includes spectrums/licences allotted to the Group and related costs for which services are yet to be rolled out.

- **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 met:

- 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 and 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, if any.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

2. Summary of significant accounting policies continued

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 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 a pro-rata basis of the carrying value of each asset.

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 the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss representing the excess of recoverable value over the carrying value of the asset/CGU is recognised immediately in profit and loss.

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 profit and 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 classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. The Group does not have any financial instruments classified as fair value through other comprehensive income.

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 liability (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 offset 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

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2. Summary of significant accounting policies continued

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 profit and loss 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 (including all fees and transaction costs that form an integral part of the effective interest rate) 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 instruments 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 and 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 and 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 the fair value of 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 and loss over the period of the remaining maturity of the hedged item. The amortisation is based on the recalculated effective interest rate.

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 is 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 and loss within finance income/finance costs. The amounts accumulated in cash flow hedge reserve are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period.

For any other cash flow hedges, the amount accumulated in OCI (in CFHR) is reclassified to profit and loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit and loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI (in CFHR) remains in accumulated OCI (in CFHR) if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit and loss as a reclassification adjustment.

After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI (in CFHR) must be accounted for depending on the nature of the underlying transaction as described above.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

2. Summary of significant accounting policies continued

III. Net investment hedge

The Group may hedge its net investment in certain foreign subsidiaries. On doing so, 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 and loss. The amounts accumulated in equity are reclassified to profit and loss when the foreign operation is disposed.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

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 and 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.

Subsequent to initial recognition, right-of-use assets 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 asset.

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 leaseback

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 profit and loss. 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 profit and loss 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.

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.

2. Summary of significant accounting policies continued

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 an operating lease. 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 and 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 payments 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 is not included in the income tax charge or (credit), but is 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, associate and joint venture 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 tax asset is realised or the deferred 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.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

2. Summary of significant accounting policies continued

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. The 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 profit and loss 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 and 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 the 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 interim reporting period. The obligation towards these benefits is recognised in the statement of financial position 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 and loss as employee benefit expenses. Past service cost is recognised in profit and 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 and loss.

- **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 provides 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 re-measurements are recognised in the 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 equity shares/cash-settled units.

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 and 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 and loss.

As at each reporting date, the Group estimates the number of awards that are expected to eventually vest. 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 where 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 conditions 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 26.1 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 discounting due to the passage of time is recognised within finance costs.

2. Summary of significant accounting policies continued

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 where required, assesses the likelihood that a pending claim will succeed against the Group. 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 or commission provided to the intermediary is recognised as a cost of sale in such a case.

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 their relative standalone selling prices. The stand-alone selling prices are the prices at which the Group would sell a promised good or service separately to a customer.

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 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 profit and loss 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 signalling 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 fulfilment of these services by the Group.

Sale of products

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 fulfil a contract with a customer over expected average customer life determined based on churn rate specific to such contracts.

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 which are not 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 expensed in the period they occur.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

2. Summary of significant accounting policies continued

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 and joint venture accounted for using equity method.

2.24 Exceptional items – Alternative performance measures (APMs)

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 profit and loss is disclosed in Note 11.

For other APMs, refer pages 240-245.

2.25 Dividends

Dividends to shareholders of the company are deducted from retained earnings and recognised as a liability, in the year in which the dividends are approved by the shareholders. Interim dividends are deducted from the retained earnings when they are paid.

2.26 Earnings per share (EPS)

The Group presents the basic and diluted EPS data. Basic EPS is computed by dividing the profit for the period attributable to the owners of the company by the weighted average number of shares net of any treasury shares outstanding during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

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 \$15m and contingencies amounted to \$16m (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. 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 against the Group, 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 material provisions or the disclosure of additional material contingent liabilities.

• 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 where required, 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

3. Critical accounting estimates, assumptions and judgements continued

\$30m in respect of indirect tax, legal and regulatory matters and discloses contingencies amounting to \$116m. In recording or disclosing these amounts, the Group has estimated which claims are probable and consequently has recorded a provision for those. For the claims which are possible, the Group has disclosed a contingent liability. For claims which are considered to be remote, no recording or disclosure has been made. 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, 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 judgements in applying the Group's accounting policies

There were no critical accounting judgments that would have a significant effect on the amount recognised in the Group's financial statements.

4. New accounting pronouncements to be adopted on or after 1 April 2023

The following pronouncements issued by the IASB are relevant to the Group and effective for annual periods beginning on or after 1 January 2023. 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 IFRS 16 in relation to Sale and leaseback accounting.
- 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'.
- Amendments to IAS 8 in relation to Accounting Estimates.
- Amendments to IAS 1 in relation to disclosure of accounting policies.

5. Significant transactions/new developments

- a) The directors recommended and shareholders approved a final dividend of 3 cents per ordinary share for the year ended 31 March 2022, which was paid on 22 July 2022 to the holders of ordinary shares on the register of members at the close of business on 24 June 2022.

An interim dividend of 2.18 cents per share was also approved by the Board on 26 October 2022, which has been paid on 08 December 2022.

- b) In April 2022, one of the Airtel Mobile Commerce B.V.'s (AMC B.V.) subsidiaries, SmartCash Payment Service Bank Limited ('SmartCash'), received the final approval from the Central Bank of Nigeria for a full Payment Service Bank licence affording it the opportunity to deliver a full suite of mobile money services in Nigeria.

Later in August 2022, in line with the directions of the Central Bank of Nigeria, SmartCash was transferred to Airtel Networks Limited (a subsidiary of Airtel Africa Group, outside the perimeter of AMC B.V. Group). Airtel Africa Group has agreed with non-controlling investors to compensate them for their respective potential loss of value by

way of transferring additional AMC B.V. shares equivalent to the value of SmartCash on the prescribed trigger event date (subject to a cap of 5% of the value of AMC B.V. Group), which will only be payable in the event that SmartCash does not again form part of the AMC B.V. Group perimeter or the non-controlling investors do not own a direct shareholding in SmartCash based on regulatory approvals, by the prescribed trigger event date.

Given that the proposal to compensate the non-controlling investors is agreed, for their economic value loss due to exclusion of SmartCash (which they were entitled to before the transfer of SmartCash to Airtel Nigeria Limited) based on the future fair value of SmartCash on the prescribed trigger event date, Airtel Africa Group continues to recognise non-controlling interest with respect to net assets of SmartCash.

- c) In June 2022, the Group announced the acquisition by Airtel Congo RDC S.A, a subsidiary of the Group, of 58 MHz of additional spectrum spread across the 900, 1800, 2100, and 2600 MHz bands for a gross consideration of \$42m. An amount of \$20m pertaining to the 900, 1800 and 2100 MHz bands has been capitalized as an intangible asset and \$22m pertaining to the 2600 MHz bands is carried as intangible asset under development since these bands are not yet available for use (expected to be available for use by June 2023).
- d) On 7 July 2022, Bharti Airtel International (Netherlands) B.V., one of the Group's subsidiaries, completed the early redemption of \$450m of its \$1bn of 5.35% guaranteed senior notes due in 2024 for a consideration of \$463m. The consideration included accrued interest up to the date of redemption and early redemption cost.
- e) In July 2022, the Group announced the acquisition by Airtel Kenya, a subsidiary of the Group, of 60 MHz of additional spectrum in the 2600 MHz band from the Communications Authority of Kenya, for a gross consideration of \$40m. The spectrum is valid from July 2022 for a period of 15 years. This cost has been capitalised as an intangible asset.
- f) In October 2022, the Group announced the acquisition by Airtel Tanzania, a subsidiary of the Group, of 110 MHz of additional spectrum spread across the 2600 MHz (two blocks of 2x15 MHz) and 3500 MHz bands from the Tanzania Communications Regulatory Authority (TCRA) for a gross consideration of \$60m. The spectrum is being carried as an intangible under development, since it is not available for use yet (expected to be available for use by August 2023).
- g) In October 2022, the Group announced the acquisition by Airtel Zambia, a subsidiary of the Group, of 60 MHz of additional spectrum spread across the 800 MHz and 2600 MHz bands from the Zambia Information and Communications Technology Authority (ZICTA), for a gross consideration of \$29m which has been capitalised as an intangible asset.
- h) In December 2022, the Group paid \$317m (in Nigerian naira) to acquire 100 MHz of spectrum in the 3500 MHz band and 2x5 MHz of 2600 MHz band from the Nigerian Communications Commission (NCC). The 2600 MHz and 3500 MHz spectrum licences are valid for a period of 10 years from January and July 2023, respectively. The spectrum has been carried as an intangible under development, since it is not yet available for use (expected to be available for use by July 2023).
- i) During the year, Airtel Nigeria, a subsidiary of the Group, was offered renewal of 2100 MHz spectrum license by Nigerian Communications Commission (NCC) for a gross consideration of \$127m, which was accepted by Airtel Nigeria. This cost was capitalised as an intangible asset and is being amortised over the useful life of the spectrum of 15 years. A corresponding liability was created for the amount payable for the renewal which has been subsequently paid in April 2023.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

6. Revenue

	For the year ended	
	31 March 2023	31 March 2022
Service revenue	5,245	4,703
Sale of products	10	11
	5,255	4,714

Transaction price allocated to the remaining performance obligations

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to \$183m as of 31 March 2023 and \$162m as of 31 March 2022 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:

	For the year ended	
	31 March 2023	31 March 2022
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	162	135

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended			
	31 March 2023		31 March 2022	
	Unbilled revenue	Deferred revenue	Unbilled revenue	Deferred revenue
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	–	162	–	135
Increases due to cash received, excluding amounts recognised as revenue during the year	–	183	–	162
Transfers from unbilled revenue recognised at the beginning of the period to receivables	53	–	43	–

Reconciliation of costs to obtain or fulfil a contract with a customer

	For the year ended	
	31 March 2023	31 March 2022
Costs to obtain or fulfil a contract with customer		
Opening balance	55	44
Costs incurred and deferred	171	88
Less: cost amortised	(95)	(77)
Foreign currency translation impact	(7)	(0)
Closing balance	124	55

6.1 Segmental information

The Group's segment information is provided on the basis of geographical clusters and products to the chief executive officer (chief operating decision maker – 'CODM') for the purposes of resource allocation and assessment of performance.

The Group's reporting segments till 31 March 2022 were as follows:

Nigeria – comprising operations in Nigeria.

East Africa – comprising operations in Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

Francophone Africa – comprising operations in Chad, Gabon, Democratic Republic of the Congo, Madagascar, Niger, Republic of the Congo and the Seychelles.

Owing to significant growth in the Group's mobile money business and a corresponding change in the organisation structure combined with changes in information provided to the CODM for the allocation of resources and the assessment of performance, with effect from April 2022, the Group has identified mobile money as a new operating and reportable segment. Thus, the segments for the Group are now as follows:

Nigeria mobile services – comprising of mobile service operations in Nigeria.

East Africa mobile services – comprising of mobile service operations in Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia.

Francophone Africa mobile services – comprising of mobile service operations in Chad, Gabon, Democratic Republic of the Congo, Madagascar, Niger, Republic of the Congo and the Seychelles.

Mobile money – comprising of mobile money services across the Group, including the recently launched payment service bank in Nigeria.

* Mobile money segment consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce B.V. (AMC B.V.) is the holding company for all mobile money services for the Group, and as of 31 March 2023, it consolidates mobile money operations from eleven OpCos, currently excluding operations in Nigeria, Tanzania, and Republic of the Congo. It is management's intention to continue work to transfer all these remaining mobile money services operations into AMC B.V., subject to local regulatory requirements.

6. Revenue continued

Each segment derives revenue from the respective services housed within each segment, as described above. Expenses, assets and liabilities primarily related to the corporate headquarters and centralised functions of the Group are presented as unallocated items.

The amounts reported to the chief operational decision-maker ('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). This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance. During the year ended 31 March 2023, EBITDA is equal to underlying EBITDA since there are no exceptional items pertaining to EBITDA.

Consequent to the change in reportable segments during the period, comparative information has also been restated in line with the revised segments.

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

The 'Eliminations' column comprises inter-segment revenues eliminated upon consolidation.

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-of-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 impacts are reflected in the 'Eliminations' column.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2023 is as follows:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money	Others (unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	1,052	835	604	–	–	–	2,491
Data revenue	884	537	366	–	–	–	1,787
Mobile money revenue ¹	–	–	–	540	–	–	540
Other revenue ²	189	124	114	–	10	–	437
	2,125	1,496	1,084	540	10	–	5,255
Inter-segment revenue	3	12	6	152	4	(177)	–
Total revenue	2,128	1,508	1,090	692	14	(177)	5,255
Underlying EBITDA	1,099	753	476	344	(97)	–	2,575
Less:							
Depreciation and amortisation	344	260	190	17	7	–	818
Finance costs							752
Finance income							(29)
Share of profit of associate and joint venture accounted for using equity method							(0)
Profit before tax							1,034
Other segment items							
Capital expenditure	293	256	151	33	15	–	748
As of 31 March 2023							
Segment assets	2,634	2,255	1,599	945	25,485	(21,752)	11,166
Segment liabilities	2,193	2,393	2,359	742	12,839	(13,168)	7,358
Investment accounted for using equity method (included in segment assets above)	–	–	4	–	–	–	4

1 Mobile money revenue is net of inter-segment elimination of \$152m mainly for commission on sale of airtime. It includes \$103m pertaining to East Africa mobile services and balance \$49m pertaining to Francophone Africa mobile services.

2 Other revenue includes messaging, value-added services, enterprise, site sharing and handset sale revenue.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

6. Revenue continued

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2022 is as follows:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money	Others (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	–	–	–	424	–	–	424
Other revenue ²	157	146	104	–	–	–	407
	1,875	1,385	1,030	424	–	–	4,714
Inter-segment revenue	3	10	3	129	–	(145)	–
Total revenue	1,878	1,395	1,033	553	–	(145)	4,714
Underlying EBITDA	1,043	672	425	281	(110)	–	2,311
Less:							
Depreciation and amortisation	268	230	199	14	33	–	744
Finance costs							441
Finance income							(19)
Non-operating income (net)							(111)
Share of profit of associate and joint venture accounted for using equity method							(0)
Exceptional items pertaining to operating profit	–	32	–	–	–	–	32
Profit before tax							1,224
Other segment items							
Capital expenditure	249	259	114	25	9	–	656
As of 31 March 2022							
Segment assets	2,247	1,886	1,485	776	27,396	(23,426)	10,364
Segment liabilities	1,438	2,450	2,358	588	14,458	(14,577)	6,715
Investment accounted for using equity method (included in segment assets above)	–	–	6	–	–	–	6

1 Mobile money revenue is net of inter-segment elimination of \$129m mainly for commission on sale of airtime. It includes \$85m pertaining to East Africa mobile services and balance \$44m pertaining to Francophone Africa mobile services.

2 Other revenue includes messaging, value-added services, enterprise, site sharing and handset sale revenue.

Geographical information disclosure based on location of statutory entity of non-current assets (PPE, CWIP, ROU, intangible assets, including goodwill and intangible assets under development):

	As of	
	31 March 2023	31 March 2022
United Kingdom	0	1
Nigeria	2,379	1,670
Netherlands (including goodwill)	3,464	3,773
Others	2,889	2,529
Total	8,732	7,973

7. Employee benefits expense

	For the year ended	
	31 March 2023	31 March 2022
Salaries and bonuses	243	258
Defined contribution plan cost	12	14
Defined benefit plan cost/(income)	5	(2)
Staff welfare expenses	18	17
Others	9	10
	287	297

Employee benefit expenses includes directors' remuneration. For further information about the remuneration of individual directors, refer to pages 145 to 163 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 2023		31 March 2022	
	Year end	Average	Year end	Average
Nigeria	779	728	706	686
East Africa	1,250	1,252	1,251	1,230
Francophone Africa	1,144	1,148	1,149	1,151
Corporate and others	827	779	651	596
Total	4,000	3,907	3,757	3,663

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	1–2	2
	IPO Awards ¹	1–3	3
	IPO share options ³	1–3	10
	IPO executive share options ³	1–3	10
	Performance share awards ¹	3	3
	Restricted share awards ²	3	3
	One-off awards ³	1–3	3
	Replacement awards ³	1–2	2
	Deferred bonus shares ³	2	2
Cash settled plans	Shadow stock plan ¹	1–2	2

1 Vesting is subject to service, total shareholder return and financial performance conditions.

2 Vesting is subject to service and financial performance conditions.

3 Vesting is subject to service conditions only.

The following table exhibits the net compensation expenses under the schemes:

	For the year ended	
	31 March 2023	31 March 2022
Expenses arising from equity and cash settled share based payment transactions	1	2

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

7. Employee benefits expense continued

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 2023		31 March 2022	
	Number of share options (in '000)	Weighted average exercise price per share (in US\$)	Number of share options (in '000)	Weighted average exercise price per share (in US\$)
Replacement stock awards				
Outstanding at beginning of year	-	-	299	-
Granted during the year ¹	-	-	135	-
Exercised during the year ²	-	-	(434)	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
IPO Awards				
Outstanding at beginning of year	80	-	566	-
Additions during the year based on performance ¹	53	-	63	-
Exercised during the year ²	(133)	-	(511)	-
Forfeited during the year ³	-	-	(38)	-
Outstanding at the end of the year	-	-	80	-
Exercisable at the end of the year	-	-	-	-
IPO share options				
Outstanding at beginning of year	751	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	751	1
Exercisable at the end of the year	751	1	250	1
IPO executive share options				
Outstanding at beginning of year	8,842	1	10,594	1
Exercised during the year ²	(2,187)	-	(717)	-
Forfeited during the year ³	(265)	-	(1,035)	-
Outstanding at the end of the year	6,390	1	8,842	1
Exercisable at the end of the year	6,390	1	2,815	1
Shadow stock plan				
Outstanding at beginning of year	-	-	688	-
Additions during the year based on performance ¹	-	-	261	-
Exercised during the year ²	-	-	(884)	-
Forfeited during the year ³	-	-	(65)	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-
Performance share awards				
Outstanding at beginning of year	1,523	-	1,373	-
Granted during the year ¹	788	-	1,126	-
Exercised during the year ²	-	-	(299)	-
Forfeited during the year ³	-	-	(677)	-
Outstanding at the end of the year	2,311	-	1,523	-
Exercisable at the end of the year	-	-	-	-
Restricted share awards				
Outstanding at beginning of year	708	-	633	-
Granted during the year ¹	356	-	509	-
Exercised during the year ²	-	-	(133)	-
Forfeited during the year ³	-	-	(301)	-
Outstanding at the end of the year	1,064	-	708	-
Exercisable at the end of the year	-	-	-	-
One-off award				
Outstanding at beginning of year	301	-	361	-
Granted during the year ¹	-	-	-	-
Exercised during the year ²	(60)	-	(60)	-
Outstanding at the end of the year	241	-	301	-
Exercisable at the end of the year	-	-	-	-
Replacement awards				
Outstanding at beginning of year	661	-	-	-
Granted during the year ¹	-	-	661	-
Exercised during the year ²	(330)	-	-	-
Outstanding at the end of the year	331	-	661	-
Exercisable at the end of the year	-	-	-	-
Deferred bonus shares				
Outstanding at beginning of year	-	-	-	-
Granted during the year ¹	271	-	-	-
Outstanding at the end of the year	271	-	-	-
Exercisable at the end of the year	-	-	-	-

1 Includes additional awards granted based on meeting performance conditions.

2 For share options exercised during the year ended 31 March 2023, the weighted average share price during the year was \$1.65 per share (March 2022: \$1.46 per share).

3 Represents forfeitures on account of employees not meeting service or performance conditions.

7. Employee benefits expense continued

The total carrying value of cash-settled share-based compensation liability is nil and nil as of 31 March 2023 and 2022, respectively.

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 2023	31 March 2022
Risk free interest rates	2.12%	0.08% to 0.16%
Expected life	2.00 to 3.00	2.00 to 3.00
Volatility	44.14% to 58.36%	36.22% to 38.10%
Dividend yield	2.97%	3.69%
Share price on the date of grant	1.69	1.08
Fair value	1.23 to 1.27	0.70 to 0.75

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 2023	31 March 2022
Remaining contractual life for the share options outstanding as of (years)	0 to 6	0 to 7

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 2023				For the year ended 31 March 2022			
	Retirement benefits	Severance benefits	Compensated absences	Total	Retirement benefits	Severance benefits	Compensated absences	Total
Obligation:								
Balance as at beginning of the year	11	2	11	24	12	2	10	24
Current service cost	3	1	2	5	2	0	2	4
Interest cost	1	1	1	2	1	0	1	2
Benefits paid	(1)	(1)	(2)	(3)	(0)	(0)	(3)	(3)
Past service cost and gains/(loss) on settlement	-	-	-	-	(4)	-	0	(4)
Remeasurements	(0)	1	0	1	0	0	1	1
Exchange differences	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Present value of employee benefit obligation	13	4	12	29	11	2	11	24
Liability recognised in the balance sheet	13	4	12	29	11	2	11	24
Current portion	6	0	4	10	2	0	4	6
Non-current portion	7	4	8	19	9	2	7	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	(1)	(0)
Loss from change in demographic assumptions	(0)	(0)
Gain/(loss) from change in financial assumptions	1	(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.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

7. Employee benefits expense continued

The financial and demographic assumptions used to determine defined benefit obligations are as follows:

	As of	
	31 March 2023	31 March 2022
Discount rate	7.80% to 15.00%	8.00% to 14.00%
Rate of return on plan assets	NA	NA
Rate of salary increase	4.48% to 7.50%	3.84% to 7.00%
Rate of attrition	5.40% to 14.75%	5.20% to 13.00%
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 2023			31 March 2022		
		Retirement benefits	Severance benefits	Total	Retirement benefits	Severance benefits	Total
Discount rate	+1.00%	(1)	(0)	(1)	(0)	(0)	(1)
	-1.00%	(1)	0	(1)	0	0	0
Salary growth rate	+1.00%	(1)	0	(1)	0	0	0
	-1.00%	(1)	(0)	(1)	(0)	(1)	(1)
Withdrawal rate	+1.00%	(1)	1	0	(0)	1	1
	-1.00%	(1)	(1)	(2)	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 2023	31 March 2022
Within one year	6	2
Within one-three years	6	7
Within three-five years	8	7
Above five years	20	19
	40	35
Weighted average duration in years	8	8

8. Other operating expenses

Other operating expenses mainly include the following:

	For the year ended	
	31 March 2023	31 March 2022
Cost of sales ¹	292	243
Repairs and maintenance	24	21
Charitable donations	2	2

1 Cost of sales mainly includes mobile money distribution and gateway charges.

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 2023 and 2022, respectively is analysed below (in US\$ thousands):

	For the year ended	
	31 March 2023	31 March 2022
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts ¹	2,407	2,654
Fees payable to the company's auditor and their associates for the audit of the company's subsidiaries	2,011	1,805
Total audit fees	4,418	4,459
Non-audit services		
Fees payable to the company's auditor associates for quarterly assurance services performed by component teams	1,099	1,027
Fees payable to company's auditor and their associates for other assurance services	488	386
Fees payable to the company's auditors for half yearly review procedures performed by Deloitte UK for the purposes of Airtel Afirca plc	342	353
Total non-audit fees	1,929	1,766
Total fees	6,347	6,225

1 March 2023 fees includes additional fees of \$84,180 arising from the completion of March 2022 audit.

9. Depreciation and amortisation

	For the year ended	
	31 March 2023	31 March 2022
Depreciation	715	629
Amortisation	103	115
	818	744

10. Finance costs and income

	For the year ended	
	31 March 2023	31 March 2022
Finance costs		
Interest on borrowings and other financial liabilities	168	162
Interest on lease liabilities	194	148
Net exchange loss	259	81
Bank charges, corporate guarantee fees and commitment fees	20	23
Net loss on derivative financial instruments	79	12
Other finance charges	32	15
	752	441
Finance income		
Interest income on deposits	29	19
	29	19

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

11. Exceptional items

Underlying profit before tax excludes the following exceptional items:

	For the year ended	
	31 March 2023	31 March 2022
Profit before tax	1,034	1,224
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
	–	(60)
Underlying profit before tax	1,034	1,164

1 Represents the gain on the sale of telecommunication tower assets during the year ended 31 March 2022 in the Group's subsidiaries in Malawi, Madagascar, Tanzania and Rwanda as part of the Group's strategic asset monetisation programme recognised in other non-operating income.

2 Represents cost of agreeing historic spectrum fees during the year ended 31 March 2022 in one of the Group's subsidiaries recognised in license fees and spectrum usage charges.

3 Comprises cost of prepaying \$505m bonds during the year ended 31 March 2022 with original maturity of March 2023 recognised in finance costs.

4 Represents provision for expected settlement of a contractual dispute recognised during the year ended 31 March 2022, in which one of the Group's subsidiaries is a party recognised in other operating expenses.

Underlying profit after tax excludes the following exceptional items:

	For the year ended	
	31 March 2023	31 March 2022
Profit after tax	750	755
– Exceptional items (as above)	–	(60)
– Tax on above exceptional items	–	(2)
– Deferred tax asset recognition ¹	(161)	–
	(161)	(62)
Underlying profit after tax	589	693

1 During the year ended 31 March 2023, the Group has recognised new deferred tax assets in Airtel Kenya. Airtel Kenya had carried forward losses and temporary differences on which deferred tax was not previously recognised. Considering Airtel Kenya's profitability trends, that tax losses have recently been utilised and on the basis of forecast 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. Consequently, the deferred tax asset recognition criteria are met, leading to the recognition of an additional deferred tax asset of \$117m during the year ended 31 March 2023 in Airtel Kenya. Additionally, the Group has also trued up deferred tax assets in Airtel Tanzania and Airtel DRC amounting to \$19m and \$25m, respectively on deductible temporary differences based on updated probability of future taxable profits in these subsidiaries.

Profit attributable to non-controlling interests include benefit of \$10m and \$33m during the years ended 31 March 2023 and 31 March 2022, respectively, relating to the above exceptional items.

12. Income tax

The major components of the income tax expense are:

	For the year ended	
	31 March 2023	31 March 2022
Current income tax		
– For the year	407	343
– Adjustments for prior periods	1	4
	408	347
Deferred tax		
– Origination and reversal of temporary differences	(10)	141
– Recognition of deferred tax on tax losses and temporary differences	(119)	(17)
– Write down of deferred tax due to inadequate future taxable profits	–	3
– Adjustments for prior periods	5	(5)
	(124)	122
Income tax expense	284	469

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 2023	31 March 2022
Profit before tax as shown in the consolidated income statement	1,034	1,224
Blended tax rate ¹	32.3%	34.2%
Tax expense at the Group's blended tax rate	334	418
Effect of:		
Tax on dividend and undistributed retained earnings of subsidiaries	51	56
Deferred tax triggered during the year ²	(119)	–
Deferred tax recognised on projected profitability ³	(33)	(17)
Irrecoverable withholding taxes	20	14
Adjustment in respect of previous years	5	(6)
Settlement of various disputes	0	5
Expenses (net) not taxable/deductible	(5)	4
Losses for which no deferred tax asset recognised	25	(3)
Other tax	6	(2)
Income tax expense	284	469

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 87-89.

2 For the year ended 31 March 2023, \$119m of deferred tax asset (DTA) was recognised on brought forward tax losses and temporary differences for Airtel Kenya for the first time due to continued improvement in profitability. Out of \$119m of deferred tax, \$117m was recognised under exceptional items for the initial recognition of DTA based on forecasted profitability.

3 Deferred tax asset (net) recognised during 2022/23 of \$19m in the Democratic Republic of Congo and \$14m in Tanzania. During 2022/23, this majorly includes deferred tax asset recognised for \$10m and \$9m in the Democratic Republic of Congo and Niger, respectively, based on forecasted profitability.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

12. Income tax continued

The analysis of deferred tax assets and liabilities is as follows:

Deferred tax assets and liabilities are consolidated jurisdiction wise at component level. The breakdown of deferred tax assets and net deferred tax liabilities is summarised below.

Deferred tax in jurisdictions with net deferred tax assets is comprised of:

	As of	
	31 March 2023	31 March 2022
Deferred tax assets (net)		
a) Deferred tax asset arising out of		
Carried forward losses	127	144
Fair valuation of financial instruments and exchange differences	68	105
Depreciation/amortisation on PPE/intangible assets	99	31
Provision for impairment of trade receivables/advances	28	17
Deferred tax asset on fair valuation of PPE/intangible	11	12
Employee benefits	8	8
Provision for inventories	3	3
Deferred revenue	3	–
Others	2	5
b) Deferred tax liability due to		
Depreciation/amortisation on PPE/intangible assets	(9)	(103)
Others	(3)	–
	337	222

Deferred tax in jurisdictions with net deferred tax liabilities is comprised of:

	As of	
	31 March 2023	31 March 2022
Deferred tax liabilities (net)		
a) Deferred tax liability due to		
Deferred tax liability on retained earnings	(54)	(74)
Depreciation/amortisation on PPE/intangible assets	(213)	(58)
Fair valuation of financial instruments and exchange differences	(0)	(1)
Others	(5)	(6)
b) Deferred tax asset arising out of		
Provision for impairment of trade receivables/advances	10	13
Carried forward losses	76	–
Fair valuation of financial instruments and exchange differences	68	4
Deferred revenue	2	5
Employee benefits	2	–
Provision for inventories	3	–
Others	3	3
	(108)	(114)

Net deferred tax asset/(liability) reflected in the statement of financial position is as follows:

	As of	
	31 March 2023	31 March 2022
Deferred tax assets	337	222
Deferred tax liabilities	(108)	(114)
Net	229	108

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 2023	31 March 2022
Deferred tax expenses/(benefit)		
Carried forward losses	(58)	84
Depreciation/amortisation on PPE/intangible assets	(12)	54
Undistributed retained earnings	(16)	27
Fair valuation of financial instruments and exchange differences	(28)	(22)
Provision for impairment of trade receivables/advances	(10)	(9)
Deferred revenue	(0)	(5)
Deferred tax on fair valuation of PPE/Intangible	0	(6)
Employee benefits	(2)	(1)
Provision for inventories	(2)	2
Others	4	(2)
	(124)	122

The movement in net balance of deferred tax asset and liabilities from prior year end is as follows:

	As of	
	31 March 2023	31 March 2022
Opening balance	108	233
Tax (expense)/credit recognised in statement of profit and loss	124	(122)
Translation adjustment recognised in other comprehensive loss and others	(3)	(3)
Closing balance	229	108

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 \$927m and \$1,593m as of 31 March 2023 and 31 March 2022, 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 2023	31 March 2022
Expiring within 5 years	222	389
Expiring beyond 5 years	20	428
Unlimited	685	776
	927	1,593

Unused tax losses and deductible temporary differences for which deferred tax assets is recognised:

	As of	
	31 March 2023	31 March 2022
Expiring within 5 years	–	–
Expiring beyond 5 years	–	–
Unlimited	1,100	708
	1,100	708

The Group has not recognised deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve with respect to certain of its subsidiaries where the Group is in a position to control the timing of the distribution of profits and it is probable that the subsidiaries will not distribute the profits in the foreseeable future. The taxable temporary difference associated with respect to unremitted retained earnings is \$29m and \$76m as of 31 March 2023 and 31 March 2022, respectively. The distribution of the unremitted retained earnings is expected to attract a tax in range of 5% to 20% depending on the tax rate applicable as of 31 March 2023 in the jurisdiction in which the respective Group entity operates. Also, 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.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

12. Income tax continued

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 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 operates. 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 2023	31 March 2022
Profit for the year attributable to owners of the company	663	631
Weighted average ordinary shares outstanding for basic EPS ¹	3,751,665,898	3,754,179,962
Basic EPS	17.7 cents	16.8 cents

The details used in the computation of diluted EPS:

	For the year ended	
	31 March 2023	31 March 2022
Profit for the year attributable to owners of the company	663	631
Weighted average ordinary shares outstanding for diluted EPS ^{1,2}	3,756,867,853	3,760,109,303
Diluted EPS	17.7 cents	16.8 cents

1 Deferred shares have not been considered for EPS computation as they do not have a right to participate in profits.

2 The difference between the basic and diluted number of shares at the end of March 2023 being 5,201,955 (March 2022: 5,929,341) relates to awards committed but not yet issued under the Group's share-based payment schemes.

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 2023 and 31 March 2022:

	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 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
Additions/capitalisation	3	-	0	614	17	0	15	51	700	735
Disposals/adjustments ¹	0	-	-	(20)	(3)	(0)	(3)	(5)	(31)	(700)
Foreign currency translation impact	(3)	(4)	(1)	(390)	(6)	(0)	(6)	(53)	(463)	(12)
Balance as of 31 March 2023	49	43	25	3,249	70	22	61	696	4,215	212
Accumulated depreciation										
Balance as of 1 April 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	-
Charge	1	2	-	374	13	0	13	32	435	-
Disposals/adjustments ¹	(0)	-	-	(18)	(3)	(0)	(1)	(5)	(27)	-
Foreign currency translation impact	(3)	(3)	(0)	(222)	(3)	(0)	(5)	(47)	(283)	-
Balance as of 31 March 2023	42	19	-	1,137	30	20	39	633	1,920	-
Net carrying value										
As of 1 April 2021	6	29	26	1,922	22	2	18	41	2,066	166
As of 31 March 2022	5	27	26	2,042	39	2	23	50	2,214	189
As of 31 March 2023	7	24	25	2,112	40	2	22	63	2,295	212

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 secured against the Group's Borrowings outstanding of \$44m and \$50m as of 31 March 2023 and 31 March 2022, respectively. For details of the security, refer to Note 22.2.

3 The carrying value of capital work-in-progress as of 31 March 2023 and 2022 mainly pertains to plant and equipment.

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(All amounts are in US\$ millions unless stated otherwise)

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 2023 and 31 March 2022:

	Other intangible assets					Intangibles under development
	Goodwill	Software	Licences (including spectrum) ²	Others	Total	
Gross carrying value						
Balance as of 1 April 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
Additions/capitalisation	–	–	322	9	331	738
Disposals/adjustments ¹	–	–	(41)	–	(41)	(331)
Foreign currency translation impact	(311)	–	(106)	(2)	(108)	(10)
Balance as of 31 March 2023	3,516	3	1,217	37	1,257	399
Accumulated amortisation						
Balance as of 1 April 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	–
Charge	–	–	99	4	103	–
Disposals/adjustments ¹	–	–	(41)	0	(41)	–
Foreign currency translation impact	–	–	(60)	(1)	(61)	–
Balance as of 31 March 2023	–	3	414	27	444	–
Net carrying value						
As of 1 April 2021	3,835	–	557	1	558	177
As of 31 March 2022	3,827	–	626	6	632	2
As of 31 March 2023	3,516	–	803	10	813	399

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. Also includes movement from intangible asset under development on capitalisation.

2. The Group capitalises deferred spectrum license payments, for which the Group is under an obligation for payment till 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 2023 and 2022 is 10.35 years and 9.47 years, respectively.

Impairment review

As disclosed in Note 6.1, during the year, the Group re-assessed its operating segments which resulted in mobile money becoming a new operating segment of the Group. In line with this change, for the purposes of impairment testing, mobile money was identified as an additional new group of CGUs. The new group of CGUs for impairment testing purposes are Nigeria mobile services, East Africa mobile services, Francophone Africa mobile services and mobile money (previously Nigeria, East Africa and Francophone Africa). Goodwill was reallocated to the four groups of CGUs based on the relative values of each group of CGUs, which resulted in goodwill being reallocated from Nigeria mobile services, East Africa mobile services and Francophone Africa mobile services to the mobile money group of CGUs. Consequently, as of 1 April 2022, goodwill of \$1,295m was reallocated to the new group of CGUs, i.e. mobile money.

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

	As of	
	31 March 2023	31 March 2022
Nigeria – mobile services	900	1,275
East Africa – mobile services	927	1,835
Francophone Africa – mobile services	503	717
Mobile money	1,186	–
	3,516	3,827

15. Intangible assets continued

The Group tests goodwill for impairment annually on 31 December. The carrying value of goodwill as of 31 December 2022 was \$901m, \$951m, \$497m and \$1,200m for Nigeria mobile services, East Africa mobile services and Francophone Africa mobile services and mobile money services, 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.

Whilst the Board performed a long-term viability assessment over a three-year period, for the purposes of assessing liquidity (refer to long-term viability statement on pages 98-99), 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 and mobile money markets are underpenetrated when 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 telecom licences and network assets are at an average of ten years, the spectrum renewals happen for a period of ten years or more and in general the replacement of technology happens after a similar duration, and
- The potential opportunities of the emerging African telecom and mobile money sectors, which is mostly a two-to-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 sensitivity analysis to assess the impact on impairment of using a five-year plan. The results of this sensitivity analysis demonstrate that the initial five-year plan with appropriate changes, including long-term growth rates applied at the end of this period does not result in any impairment and does not impact the headroom by more than 6% in any of the group of CGUs as compared to the headroom using the ten-year plan. 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 in which the Group operates. The Group's first endeavour is to secure spectrum for 5G launch and roll out 5G network in key markets. During the financial year, the Group secured 5G spectrum in Nigeria, Kenya, Zambia and Tanzania and will selectively launch 5G services in these 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.

The nominal cash flows used in the impairment tests reflect the Group's current assessment of the impact of climate change and associated commitments the Group has made (refer to climate change disclosures on pages 56-61). Based on the analysis conducted so far, the Group is satisfied that the impact of climate change does not lead to an impairment as of 31 December 2022 and is adequately covered as part of the sensitivities disclosed below.

The nominal 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 as of 31 December 2022 were as follows:

Assumptions	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money
Pre-tax discount rate	33.38%	23.01%	21.07%	26.10%
Capital expenditure (as a percentage of revenue)	6-23%	8-20%	9-26%	1-5%
Long term growth rate	7.64%	7.30%	7.35%	7.47%

As of 31 December 2022, 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	Nominal discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for respective CGUs.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the capital expenditure required to meet coverage and capacity requirements relating to voice, data and mobile money services.
Growth rates	The growth rates into perpetuity used are in line with the nominal long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/external sources of information.

As of 31 December 2022, 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 \$1,342m for Nigeria mobile services (54%), \$1,593m for East Africa mobile services (66%), \$1,512m for Francophone Africa mobile services (105%) and \$2,688m for mobile money (198%), respectively. The Group, therefore, concluded that no impairment was required to the goodwill held against each group of CGUs.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

15. Intangible assets continued

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 mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money
Pre-tax discount rate	46.89%	32.34%	33.37%	55.00%

The table below presents the increase in isolation in absolute 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 mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money
Capital expenditure (as a percentage of revenue)	6.21%	8.15%	8.89%	20.24%

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 2022:

The inputs used in performing the impairment assessment at 31 December 2021 were as follows:

Assumptions	Basis of assumptions
Discount rate	Discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for each respective group of CGUs.
Capital expenditures	The cash flow forecasts of capital expenditure are based on experience after considering the capital expenditure required to meet coverage and capacity requirements relating to voice, data and mobile money services.
Growth rates	The growth rates used are in line with the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with internal/external sources of information.

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

Assumptions	Nigeria	East Africa	Francophone Africa
Pre-tax discount rate	24.35%	16.17%	15.43%
Capital expenditure (as a percentage of revenue)	8-15%	7-15%	7-12%
Long term growth rate	2.65%	5.31%	5.46%

As of 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 the PSB licence which was received after 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 absolute 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 a percentage 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.

16. Investments accounted for using equity method

The Group's interests in associate and joint venture 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 associate/JV are set out in Note 34.

The amounts recognised in the statement of financial position are as follows:

	As of	
	31 March 2023	31 March 2022
Investment in associate ¹	4	6
Investment in joint venture ²	0	–
	4	6

1 Adjusted for dividend received during the year from associate amounting to \$2m (2022: Nil).

2 On 22 March 2023 the Group entered into a joint venture in the Democratic Republic of Congo. The joint venture is yet to commence its operations.

The amounts recognised in the profit or loss are as follows:

	For the year ended	
	31 March 2023	31 March 2022
Share of profit of associate	0	0
Share of profit of joint venture	–	–
	0	0

The amount recognised in other comprehensive income is as follows:

	For the year ended	
	31 March 2023	31 March 2022
Share of other comprehensive income of associate	–	1
Share of other comprehensive income of joint venture	–	–
	–	1

17. Derivative financial instruments

	As of	
	31 March 2023	31 March 2022
Assets		
Currency swaps, forward and option contracts	4	3
Interest swaps	9	3
	13	6
Liabilities		
Currency swaps, forward and option contracts	48	8
Embedded derivatives	0	1
	48	9
Non-current derivative financial assets	9	3
Current derivative financial assets	4	3
Non-current derivative financial liabilities	(43)	–
Current derivative financial liabilities	(5)	(9)
	(35)	(3)

The Group holds derivatives which are accounted for as FVTPL. In some of these derivatives, on recognition, since the fair value of these derivatives 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 is deferred and recognised on a straight-line basis over the tenure of such derivatives. The fair value of the derivatives are determined based on a valuation report by the derivative issuer.

A reconciliation of day one 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 2023	31 March 2022
Opening balance	1	4
Difference between fair value on initial recognition and transaction price	30	–
Less: aggregate difference recognised in profit and loss	(10)	(3)
Closing balance	21	1

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

18. Other non-financial assets

Non-current

	As of	
	31 March 2023	31 March 2022
Advances (net) ¹	37	28
Prepayments ²	80	85
Cost to obtain or fulfil a contract with a customer	34	10
Others	–	11
	151	134

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 \$13m and \$11m as of 31 March 2023 and 2022, respectively.

2 Prepayments mainly include advance payments in respect of capacity indefeasible right to use (IRUs) and lease contracts for which leases are yet to commence.

Current

	As of	
	31 March 2023	31 March 2022
Prepayments ¹	70	69
Taxes recoverable ²	69	37
Advances to suppliers (net) ³	24	20
Cost to obtain or fulfil a contract with a customer	90	44
Others ⁴	6	45
	259	215

1 Prepayments mainly include advance payment in respect of capacity indefeasible right to use (IRU), network costs and advance payments for lease contracts for which leases are yet to commence.

2 Taxes recoverable include customs duty, sales tax and value-added tax.

3 Advance to suppliers (net) are disclosed net of provision of \$7m and \$8m as of 31 March 2023 and 2022, respectively.

4 Others mainly includes claims receivable from vendors based on contractual arrangements and employee advances net of related provision of \$5m and \$5m as of 31 March 2023 and 2022, respectively. The balance as of 31 March 2022 included a reimbursement asset amounting to \$25m pertaining to a probable obligation in relation to a deed of support. Based on an agreement between the parties to this arrangement entered during the year, the outstanding amount of \$10m as of 31 March 2023 has been reclassified to other current financial assets.

19. Trade receivables

	As of	
	31 March 2023	31 March 2022
Trade receivable ¹	329	303
Less: allowance for impairment of trade receivables	(184)	(180)
	145	123

1 Refer to Note 32 for credit risk.

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	31 March 2023	31 March 2022
Opening balance	180	184
Additions	38	21
Reversal	(34)	(25)
Net charges/(reversal)	4	(4)
Closing balance	184	180

There has been no change in the estimation techniques or significant assumptions made in calculating the provision.

20. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2023	31 March 2022
Balances with banks		
– On current accounts	248	267
– Bank deposits with original maturity of three months or less	272	281
Cheques on hand	1	–
Balance held in wallets	64	89
Cash on hand	1	1
	586	638

Other bank balances

	As of	
	31 March 2023	31 March 2022
Term deposits with banks with original maturity of more than three months but less than 12 months	117	220
Margin money deposits ¹	14	158
Unpaid dividend	0	0
	131	378

1 Margin money deposits represent amount given as collateral for legal cases and/or bank guarantees for disputed matters and deposit against derivative contracts. As of 31 March 2022 these also included 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 2023	31 March 2022
Cash and cash equivalents as per statement of financial position	586	638
Balance held under mobile money trust	616	513
Bank overdraft	(361)	(304)
	841	847

21. Financial assets – others

Current

	As of	
	31 March 2023	31 March 2022
Unbilled revenue	59	53
Claims recoverable ¹	41	42
Interest accrued on investments/deposits	3	2
Others ²	39	27
	142	124

1 As of 31 March 2023, this primarily includes receivables under the Group's tower sale agreements.

2 As of 31 March 2023, this primarily relates to advances given for currency swaps, a reimbursement asset pertaining to a deed of support (refer to Note 18) and an amount receivable from minority shareholders on account of issue of share capital in one of the subsidiaries. As of 31 March 2022, it also included an advance for payment service bank licence in Nigeria.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

22. Borrowings

Non-current

	As of	
	31 March 2023	31 March 2022
Secured		
Term loans	43	50
Less: current portion (A)	(8)	(50)
	35	–
Unsecured		
Term loans ²	964	655
Non-convertible bonds ^{1 2}	554	1,015
	1,518	1,670
Less: current portion (B)	(320)	(184)
	1,198	1,486
	1,233	1,486

Current

	As of	
	31 March 2023	31 March 2022
Secured		
Term loans	1	–
	1	–
Unsecured		
Term loans ²	255	248
Bank overdraft	361	304
	616	552
Current maturities of long-term borrowings (A + B)	328	234
	945	786

1 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 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 2023	31 March 2022
Within one year	945	786
Between one and two years	826	339
Between two and five years	345	1,136
Over five years	62	–
	2,178	2,261

22. Borrowings continued

22.1.2 Currency of borrowings

	Total borrowings	Floating rate borrowings	Fixed rate borrowings
USD	1,430	713	717
Euro	70	70	–
UGX	136	116	20
KES	128	89	39
XAF	141	–	141
XOF	77	–	77
Others	196	137	59
31 March 2023	2,178	1,125	1,053

USD	1,773	500	1,273
Euro	72	72	–
UGX	73	48	25
KES	77	33	44
XAF	117	–	117
XOF	91	–	91
Others	58	35	23
31 March 2022	2,261	688	1,573

22.2 Security details

The Group has taken borrowings in certain subsidiaries. The details of security provided against such borrowings are as follows:

Entity	Relation	Outstanding loan amount		security detail
		31 March 2023	31 March 2022	
Airtel Networks Limited	Subsidiary	1	50	Pledge of all fixed and floating assets
Airtel Tanzania plc	Subsidiary	43	–	First Pari-Passu security in the form of fixed and floating charge over all assets, with certain agreed exclusions, for the outstanding amount with a maximum amount of up to 125% of the facility.

The \$550m USD bonds maturing in 2024 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 ratably to the holders of these bonds.

These bonds also contain an 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.

These 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 credit¹

The below table provides details of undrawn credit facilities that are available to the Group.

	As of	
	31 March 2023	31 March 2022
Un-drawn credit facilities	859	749

1 Excluding non-fund-based facilities such as bank guarantees.

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.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

23. Financial liabilities – others

Non-current

	As of	
	31 March 2023	31 March 2022
Deferred payment liability	142	79
Payable against capital expenditure	–	5
Security deposits	3	2
Others	2	2
	147	88

Current

	As of	
	31 March 2023	31 March 2022
Payable against capital expenditure	377	247
Interest accrued but not due	26	29
Security deposit ¹	13	12
Deferred payment liability	40	15
Dividend payable to NCI	13	37
Others ²	64	36
	533	376

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 and interest received on trust bank accounts.

24. Other non-financial liabilities

Non-current

	As of	
	31 March 2023	31 March 2022
Income received in advance	13	18
	13	18

Current

	As of	
	31 March 2023	31 March 2022
Taxes payable ¹	187	171
Income received in advance	5	5
	192	176

1 Taxes payable includes value-added tax, excise, withholding taxes and other taxes payable.

25. Provisions

Non-current

	As of	
	31 March 2023	31 March 2022
Provision for defined benefit obligations	11	11
Provision for other long-term employee benefits	8	7
Asset retirement obligations ¹	2	2
Total	21	20

25. Provisions continued

Current

	As of	
	31 March 2023	31 March 2022
Provision for short-term employee benefits payable	43	52
Provision for sub-judice matters ²	30	63
Provision for defined benefit obligations	6	2
Provision for other long-term employee benefits	4	4
Total	83	121

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 As of 31 March 2022, this included a probable obligation in relation to a deed of support against which the Group carries a back to back indemnity. Based on an agreement between the parties to this arrangement entered during the year, the outstanding amount of \$10m, as of 31 March 2023, has been reclassified to other current financial liabilities.

The movement of provision for sub-judice matters is as given below:

	For the year ended 31 March 2023		
	Indirect tax cases	Legal and regulatory cases	Total
Opening balance	12	51	63
Additions during the year	5	2	7
Reversal during the year	(3)	(12)	(15)
Utilisation/settlement during the year ¹	(3)	(22)	(25)
Closing balance	11	19	30

1 Refer footnote 2 above.

	For the year ended 31 March 2022		
	Indirect tax cases	Legal and regulatory cases	Total
Opening balance	40	19	59
Additions during the year	15	41	56
Reversal during the year	(29)	(2)	(31)
Utilisation during the year	(14)	(7)	(21)
Closing balance	12	51	63

For details of contingent liabilities, refer to Note 29.

26. Share capital

	As of	
	31 March 2023	31 March 2022
Authorised shares		
3,758,151,504 ordinary shares of \$0.50 each (March 2022: 3,758,151,504)	1,879	1,879
3,081,744,577 deferred shares of \$0.50 each (March 2022: 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 \$0.50 each (March 2022: 3,758,151,504)	1,879	1,879
3,081,744,577 deferred shares of \$0.50 each (March 2022: 3,081,744,577)	1,541	1,541
	3,420	3,420

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

26. Share capital continued

26.1 Treasury shares

Details of movement in treasury shares:

	For the year ended			
	31 March 2023		31 March 2022	
	Number of shares (in '000)	Amount	Number of shares (in '000)	Amount
Opening balance	4,932,206	7	3,699,614	4
Purchased during the year	6,327,804	11	3,741,747	6
Exercised during the year	(3,933,952)	(6)	(2,509,155)	(3)
Closing balance	7,326,058	12	4,932,206	7

Terms/rights attached to equity shares

The company has following two classes of ordinary shares:

- Ordinary shares having par value of \$0.50 per share. Each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.
- Deferred shares of \$0.50 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 \$689m (as presented on page 237 in the company only financial statements). The majority of the 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.

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 2021	(2,399)	7	0	(4)	(2,396)
Net losses due to foreign currency translation differences	(4)	–	–	–	(4)
Net losses on net investments hedge	(8)	–	–	–	(8)
Employee share-based payment reserve	–	–	1	3	3
Purchase of own shares	–	–	–	(6)	(6)
Transaction with NCI	(1)	–	–	–	(1)
As of 31 March 2022	(2,412)	7	1	(7)	(2,412)
As of 1 April 2022	(2,412)	7	1	(7)	(2,412)
Net losses due to foreign currency translation differences	(341)	–	–	–	(341)
Employee share-based payment reserve	–	–	0	6	6
Purchase of own shares	–	–	–	(11)	(11)
As of 31 March 2023	(2,753)	7	1	(12)	(2,758)

27. Other equity continued

27.1 Dividends

	For the year ended	
	31 March 2023	31 March 2022
Distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2022 of 3 cents (2021: 2.5 cents) per share	113	94
Interim dividend for the year ended 31 March 2023 of 2.18 cents (2022: 2 cents) per share	82	75
	195	169
Proposed dividend for the year ended 31 March 2023 of 3.27 cents (2022: 3 cents) per share	123	113

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting (AGM) 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 23 June 2023. 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 34.

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 2023	31 March 2022
Assets		
Non-current assets	518	375
Current assets	182	194
Liabilities		
Non-current liabilities	225	162
Current liabilities	318	307
Equity	157	100
Percentage of ownership interest held by NCI	49%	49%
Accumulated NCI ¹	98	70

1 Includes share of goodwill of \$21m (March 2022: \$21m).

Summarised income statement

	For the year ended	
	31 March 2023	31 March 2022
Revenue	337	308
Net profit	70	150
Other comprehensive loss	(0)	(19)
Total comprehensive income	70	131
Profit allocated to NCI	34	74

Summarised cash flows

	For the year ended	
	31 March 2023	31 March 2022
Net cash inflow from operating activities	103	124
Net cash outflow from investing activities	(66)	(87)
Net cash outflow from financing activities	(25)	(51)
Net cash inflow/(outflow)	12	(14)
Dividend paid to NCI during the year (included in cash flow from financing activities)	36	31

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

28. Investments in subsidiaries continued

B. Airtel Malawi plc

Summarised financial position

	As of	
	31 March 2023	31 March 2022
Assets		
Non-current assets	123	126
Current assets	79	67
Liabilities		
Non-current liabilities	38	72
Current liabilities	122	72
Equity	42	49
Percentage of ownership interest held by NCI	20%	20%
Accumulated NCI ¹	42	52

1 Includes share of goodwill of \$33m (March 2022: \$42m).

Summarised income statement

	For the year ended	
	31 March 2023	31 March 2022
Revenue	164	170
Net profit	34	34
Other comprehensive (loss)/income	(9)	3
Total comprehensive income	25	37
Profit allocated to NCI	7	7

Summarised cash flows

	For the year ended	
	31 March 2023	31 March 2022
Net cash inflow from operating activities	82	31
Net cash (outflow)/inflow from investing activities	(5)	3
Net cash outflow from financing activities	(56)	(18)
Net cash inflow	21	16
Dividend paid to NCI during the year (included in cash flow from financing activities)	6	6

C. Airtel Mobile Commerce B.V. sub-group (i.e., including subsidiaries)

Summarised financial position

	As of	
	31 March 2023	31 March 2022
Assets		
Non-current assets	42	27
Current assets	757	616
Liabilities		
Non-current liabilities	20	21
Current liabilities	592	456
Equity	187	166
Percentage of ownership interest held by NCI	26%	26%
Accumulated NCI ¹	48	43

1 In addition, NCI was increased by \$3m, i.e., NCI's proportionate share of the consideration for transfer of SmartCash Payment Service Bank (PSB) Limited from the control of AMC B.V. to Airtel Networks Limited. For details, refer to note 5(b).

28. Investments in subsidiaries continued

Summarised income statement

	For the year ended	
	31 March 2023	31 March 2022
Revenue	584	308
Net profit	183	93
Other comprehensive loss	(9)	(2)
Total comprehensive income	174	91
Profit allocated to NCI	47	21

Summarised cash flows

	For the year ended	
	31 March 2023	31 March 2022
Net cash inflow from operating activities	220	110
Net cash outflow from investing activities	(42)	(75)
Net cash (outflow)/inflow from financing activities	(151)	1
Net cash inflow	27	36
Dividend paid to NCI during the year (included in cash flow from financing activities)	31	–

29. Contingent liabilities and commitments

(i) Contingent liabilities

	As of	
	31 March 2023	31 March 2022
(a) Taxes, duties and other demands (under adjudication/appeal/dispute)		
– Income tax	16	18
– Value-added tax ¹	20	30
– Customs duty and excise duty	9	9
– Other miscellaneous demands	5	6
(b) Claims under legal and regulatory cases, including arbitration matters^{2,3}	82	82
	132	145

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.

The reduction of \$13m in contingent liabilities during the year ended 31 March 2023 is primarily due to a change in the likelihood of outflow of resources from possible to remote related to the 2016 VAT matter on the sale of towers.

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 2023, 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 \$8m is included within contingent liabilities in respect of this matter. No provision has been created against this claim.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

29. Contingent liabilities and commitments continued

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 (approx. \$1m). In 2014, the vendor-initiated arbitration proceedings claiming a sum of approximately CFA 1.9bn (approx. \$3m). In mid-May 2019, the lower courts imposed a penalty of CFA 35bn (approx. \$59m), based on which certain banks of the subsidiary were summoned 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 judgment 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 the subsidiary against this case. The court will provide a further update on the upcoming proceedings in due course.

As per the law no civil action can be initiated against the subsidiary while criminal proceedings are ongoing. On 30 November 2022 subsidiary was notified that the plaintiff has appealed in the court of cassation against the stay of execution dated 30 May 2022. Subsidiary has filed its response on 26 January 2023. The Group still awaits the Supreme Court ruling on the merits of the case, and until that time has disclosed this matter as a contingent liability for \$59m (included in the closing contingent liability). No provision has been made against this claim.

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, totalling approximately \$11m, 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 \$11m to the distributor. On 5 October 2016, the subsidiary filed an appeal in the Court of Appeal against the order of the High Court, which on 24 July 2020 was ruled against the subsidiary. On 7 August 2020, the subsidiary filed an appeal against the decision of the Court of Appeal, in the Supreme Court. Record of appeal has been transmitted to the Supreme Court and briefs of argument are currently being prepared.

Despite the strength of the subsidiary's line of defence, as both the High Court and Court of Appeal have ruled against the subsidiary, it is appropriate to disclose this matter as contingent liability for \$11m, pending the decision of the Supreme Court. No provision has been made against this 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 2023 and 31 March 2022 amounting to \$9m and \$8m, 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 and the amounts with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advances paid) of \$313m and \$295m as of 31 March 2023 and 31 March 2022, respectively.

30. Leases

(a) As a lessee

Right-of-use assets

	Plant and equipment	Others	Total
2022/23			
Balance as of 1 April 2022	1,034	75	1,109
Additions (net)	738	45	783
Depreciation charge for the year	(267)	(13)	(280)
Foreign currency translation impact	(108)	(7)	(115)
Balance as of 31 March 2023	1,397	100	1,497

30. Leases continued

2021/22	Plant and equipment	Others	Total
Balance as of 1 April 2021	724	75	799
Additions (net)	524	15	539
Depreciation charge for the year	(199)	(12)	(211)
Foreign currency translation impact	(15)	(3)	(18)
Balance as of 31 March 2022	1,034	75	1,109

Lease liabilities

	As of	
	31 March 2023	31 March 2022
Maturity analysis:		
Less than one year	572	456
Later than one year but not later than two years	545	412
Later than two years but not later than five years	912	762
Later than five years but not later than nine years	468	453
Later than nine years	38	64
Total undiscounted lease liabilities	2,535	2,147
Lease liabilities included in the statement of financial position	2,047	1,660

Amounts recognised in profit or loss

	For the year ended	
	31 March 2023	31 March 2022
Interest on lease liabilities	194	148

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 and other services. These leases typically run for a period of 3-15 years. Some leases include an option to renew the lease mainly for an additional period of 3-10 years after the end of initial contract term based on renegotiation of lease rentals. Considering this, the Group has only considered the original lease period for lease term determination. 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 offices, shops, showrooms, guest houses, warehouses, data centers, vehicles and Indefeasible right of use (IRU).

(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 2023	31 March 2022
Operating lease		
Lease income recognised in profit or loss	5	27

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 2023	31 March 2022
Less than one year	2	4
One to two years	1	2
Two to three years	1	1
Three to four years	1	1
Four to five years	1	1
More than five years	2	3
Total	8	12

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

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, associate and joint venture refer to Note 34

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 October 2021)

Singapore Telecommunications Limited

vi. Key management personnel (KMP)

a. Executive directors

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

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 (till December 2022)

Ramakrishna Lella

Olivier Pognon (till October 2021)

Edgard Maidou (since October 2021)

Rogany Ramiah

Stephen Nthenge

Vimal Kumar Ambat (till October 2022)

Ashish Malhotra (till June 2022)

Vinny Puri

C Surendran (from August 2021 to December 2022)

Olubayo Augustus Adekanmbi (from December 2021 to November 2022)

Anthony Shiner (since May 2022)

Apoorva Mehrotra (since October 2022)

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 2023 and 31 March 2022 respectively, are described below:

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

Relationship	For the year ended											
	31 March 2023						March 31, 2022					
	Parent company	Intermediate parent entity	Fellow subsidiaries	Joint venture	Associates	Other related parties	Parent company	Intermediate parent entity	Fellow subsidiaries	Joint venture	Associates	Other related parties
Sale/rendering of services	-	13	77	-	-	-	-	13	59	-	-	0
Purchase/receiving of services	-	16	59	-	0	-	-	19	54	-	0	0
Rent and other charges	-	1	-	-	-	-	-	1	-	-	-	-
Guarantee and collateral fee paid	-	3	-	-	-	-	-	6	-	-	-	-
Purchase of assets	-	3	-	-	-	-	-	-	2	-	-	-
Dividend paid	109	-	-	-	-	-	95	-	-	-	-	-
Dividend received	-	-	-	-	2	-	-	-	-	-	-	-

31. Related party disclosure continued

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

Relationship	Parent company	Intermediate parent entity	Fellow subsidiaries	Joint venture	Associate	Other related parties
As of 31 March 2023						
Trade payables	-	12	31	-	1	-
Trade receivables	-	4	46	-	-	-
Corporate guarantee fee payable	-	1	-	-	-	-
Guarantees and collaterals taken (including performance guarantees) ¹	-	2,000	-	-	-	-
Reimbursement asset (refer to Note 21)	-	10	-	-	-	-
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 18)	-	25	-	-	-	-

1 This guarantee (200% of the bond amount) relates to the \$1bn USD non-convertible bonds (refer to Note 22) with original maturity of 2024. The Group has prepaid a portion of these bonds and the outstanding amount as on 31 March 2023 is \$550m (31 March 2022: \$1,000m). In accordance with the legal and regulatory requirements pertaining to these bonds, the guarantee amount can be reduced only once these are paid in full and thus the full guarantee amount (based on issued value of guarantee) is disclosed.

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 145 to 163. Remuneration to KMP were as follows:

	For the year ended	
	31 March 2023	31 March 2022
Short-term employee benefits	10	10
Performance linked incentive	4	3
Share-based payment	1	2
Other long term benefits	2	2
Other benefits	1	1
	18	18

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.

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

32. Financial risk management continued

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 has foreign currency loans and foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. Further, the Group derives revenue and incurs costs in local currencies where it operates, but it also incurs 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 the Group's OpCos and the US dollar could have a negative effect on Group's liquidity and financial condition. In some markets, the Group faces instances of limited supply of foreign currency within the local monetary system. This not only constrains Group's ability to fully benefit at Group level from strong cash generation by those OpCos but also impacts its ability to make timely foreign currency payments to our international suppliers.

The Group may use risk management products such as 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 its foreign currency exposure as per business needs and as approved by Board in accordance with established risk management policy. The Group also continues to mitigate foreign exchange risk by minimising cash held in local currency in its various OpCos where possible through such risk management products.

Given the severity of this risk, specifically in some of Group's OpCos, Group management continuously monitors the potential impact of this risk of exchange rate fluctuations based on the following methodology:

- Comparing the average devaluation of each currency in the markets in which the Group operates against US dollar on 3-year and 5-year historic basis and onshore forward exchange rates over a 1-year period.
- If either of the above devaluations is higher than 5% per annum, management selects the highest of these exchange rates.
- Management then uses this exchange rate to monitor the potential impact of using such rate on the Group's income statement so that the Group can actively monitor and assess the impact on the Group's financials due to exchange rate fluctuations.

Based on the above-mentioned methodology, the weighted average yearly potential devaluation of the basket of currencies in which the Group is exposed is estimated to be in the range of 7% to 8% in the subsidiaries meeting the above criteria.

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 \$51m on revenues, \$31m on EBITDA and \$23m on finance costs (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a 1% devaluation would have a negative impact of \$22m on revenues, \$12m on EBITDA and \$7m on finance costs (excluding derivatives).

This does not represent any guidance and is being used solely to illustrate the potential impact of further currency devaluation on the Group for the purpose of exchange rate risk management. The accounting under IFRS is based on exchange rates in line with the requirements of IAS 21 'The Effect of Changes in Foreign Exchange' and does not factor in the above-mentioned devaluation.

Based on above-mentioned specific methodology, for the identified OpCos, management evaluates specific mitigation actions based on available mechanisms in each of the geographies. For further details on such mitigation action refer to the risk section of the Annual Report.

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 2023	31 March 2022
Currency exchange risk hedged	–	Euro to US\$
Nominal amount hedged as of the end of the year	–	Nil
Nominal amount hedged during the year	–	Euro 160m
Maturity date	–	May 2021
Nominal value of hedging instruments (borrowings)	–	195
Change in fair value during the year		
Hedged item	–	8
Hedging instrument	–	(8)
FCTR gain for continuing hedge (cumulative)	–	402
Hedging (loss)/gain recognised during the year ¹	–	(8)

1 The net investment hedge accounting has been discontinued with effect from 18 May 2021 due to repayment of the hedging instrument (EUR borrowings).

32. Financial risk management continued

Foreign currency sensitivity

The following table demonstrates the sensitivity in the US\$ account balances to the functional currency of the respective entities as of 31 March 2023 and 31 March 2022, 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 the Group's equity is due to a 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 2023			
US dollars	+5%	109	22
	-5%	(109)	(22)
For the year ended 31 March 2022			
US dollars	+5%	97	34
	-5%	(97)	(34)

1 '+' represents appreciation and '-' represents depreciation in US\$ 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 2023 after taking into account the effect of interest rate swaps, approx. 48% of the Group's borrowings are at a fixed rate of interest (31 March 2022: 70%).

The Group had applied fair value hedge accounting in the past which was 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 2023 is deferred gain of \$5m (31 March 2022: deferred gain of \$16m).

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 2023 and 31 March 2022.

Interest rate sensitivity	Increase '+/ decrease '-' in basis points	Effect on profit before tax ¹
For the year ended 31 March 2023		
US dollar – borrowings	+100	7
	-100	(7)
Other currency – borrowings	+100	4
	-100	(4)
For the year ended 31 March 2022		
US dollar – borrowings	+100	5
	-100	(5)
Other currency – borrowings	+100	2
	-100	(2)

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.

Notes to consolidated financial statements continued

(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 creditworthiness 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 since probability of default in such cases is considered to be 100% except amounts due from related parties. 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:

	Not past due	Past due					Total
		Less than 30 days	31 to 60 days	61 to 90 days	91 to 270 days	Above 270 days	
Trade receivables as of 31 March 2023	13	25	14	40	51	186	329
Trade receivables as of 31 March 2022	15	28	8	4	48	200	303

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 a good reputation and past track record which are considered to carry a low credit risk. Similarly, counterparties of the Group's other receivables carry either negligible or very low credit risk. Further, the Group reviews the creditworthiness of the counter-parties (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 liquidity risk management objective is to, at all times, maintain adequate levels of liquidity to meet its requirements. The Group closely monitors its liquidity position, expected cash flows and deploys a robust cash management and planning exercise. It maintains adequate sources of financing, including term loans, short-term loans 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 if and when required. For details on borrowings and going concern, refer to Notes 22 and 2.2, respectively.

32. Financial risk management continued

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As of 31 March 2023							
	Carrying amount	On demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings ¹	2,204	361	569	153	890	534	2,507
Lease liabilities ²	2,047	–	306	266	545	1,418	2,535
Put option liability	569	–	–	–	–	584	584
Other financial liabilities	654	–	483	34	25	190	732
Trade payables	460	–	460	–	–	–	460
Mobile money wallet balance	582	582	–	–	–	–	582
Gross settled derivatives							
– Outflow	43	–	256	51	219	25	551
– Inflow	–	–	(246)	(45)	(208)	(25)	(524)
	6,559	943	1,828	459	1,471	2,726	7,427

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	–	–	–	–	600	600
Other financial liabilities	435	–	338	16	21	109	484
Trade payables	404	–	404	–	–	–	404
Mobile money wallet balance	496	496	–	–	–	–	496
Gross settled derivatives	–	–	–	–	–	–	–
– Outflow	7	–	271	50	–	–	321
– Inflow	–	–	(262)	(48)	–	–	(310)
	5,882	752	1,537	338	851	3,152	6,630

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.

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Statement of cash flow line items	Non-cash movements								31 March 2023	
	1 April 2022	Cash flow	Interest and other finance charges	Dividend declared for NCI during the year	Lease liability additions	Fair value changes	Foreign currency translation reserve	Others		
Borrowings ¹	Proceeds/repayment of borrowings	1,968	(112)	–	–	–	(11)	(27)	(1)	1,817
Lease liability	Repayment of lease liability	1,660	(473)	194	–	776	–	(110)	–	2,047
Derivative assets net	Outflow on maturity of derivatives (net)	3	(49)	–	–	–	79	2	–	35
Interest accrued but not due	Interest and other finance charges paid	29	(206)	200	–	–	–	3	–	26
Dividend payable to NCI	Dividend paid to non-controlling interests	37	(75)	–	52	–	–	(1)	–	13

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

32. Financial risk management continued

	Statement of cash flow line items	Non-cash movements									
		1 April 2021	Cash flow	Interest and other finance charges	Foreign exchange loss	Dividend declared for NCI during the year	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	0	(9)	–	–	–	–	12	1	–	3
Interest accrued but not due	Interest and other finance charges paid	50	(215)	181	–	–	–	–	13	–	29
Dividend payable to NCI	Dividend paid to non-controlling interests	3	(48)	–	–	81	–	–	(0)	–	37

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 years ended 31 March 2023 and 31 March 2022.

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 240-245.

	For the year ended	
	31 March 2023	31 March 2022
Long-term borrowings, net of current portion	1,233	1,486
Short-term borrowings and current portion of long term borrowings	945	786
Lease liabilities	2,047	1,660
Adjusted for:		
Cash and cash equivalents (refer to Note 20)	(586)	(638)
Term deposits with banks (refer to Note 20)	(117)	(220)
Margin money deposits (refer to Note 20)	–	(122)
Processing costs related to borrowings	7	5
Fair value hedge adjustment (refer to Note 32)	(5)	(16)
Net debt	3,524	2,941
Underlying EBITDA	2,575	2,311
Underlying EBITDA	2,575	2,311
Leverage ratio	1.4	1.3

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 2023	31 March 2022	31 March 2023	31 March 2022
Financial assets					
FVTPL					
Derivatives					
– Forward and option contracts	Level 2	4	2	4	2
– Currency swaps and interest rate swaps	Level 2	9	3	9	3
– Cross currency swaps	Level 3	–	1	–	1
Other bank balances	Level 2	4	16	4	16
Investments	Level 2	0	0	0	0
Amortised cost					
Trade receivables		145	123	145	123
Cash and cash equivalents		586	638	586	638
Other bank balances		127	362	127	362
Balance held under mobile money trust		616	513	616	513
Other financial assets		176	131	176	131
		1,667	1,789	1,667	1,789
Financial liabilities					
FVTPL					
Derivatives					
– Forward and option contracts	Level 2	5	2	5	2
– Currency swaps and interest rate swaps	Level 2	0	0	0	0
– Cross currency swaps	Level 3	43	7	43	7
– Embedded derivatives	Level 2	0	1	0	1
Amortised cost					
Long term borrowings – fixed rate	Level 1	554	1,015	540	1,016
Long term borrowings – fixed rate	Level 2	227	267	210	264
Long term borrowings – floating rate		452	204	452	204
Short term borrowings		945	786	945	786
Put option liability	Level 3	569	579	569	579
Trade payables		460	404	460	404
Mobile money wallet balance		582	496	582	496
Other financial liabilities		680	464	680	464
		4,517	4,225	4,486	4,223

Notes to consolidated financial statements continued

(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 B.V. 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 B.V. (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 B.V. at the end of 48 months and applying a cap thereon.

During the years ended 31 March 2023 and 31 March 2022, 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 2023 and 31 March 2022:

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 2023	31 March 2022
Opening balance	(6)	(3)
Recognised in finance costs in profit and loss (unrealised) ¹	(67)	(3)
Derivative settled during the period	30	–
Closing balance	(43)	(6)

1. These amounts represent the amounts recognised in the financial statements during the year, excluding the initial recognition deferment impact.

• Put option liability

	For the year ended	
	31 March 2023	31 March 2022
Opening balance	579	–
Liability recognised by debiting transaction with NCI reserve	–	575
Liability derecognised by crediting transaction with NCI reserve following dividend payment to put option holders	(16)	–
Recognised in finance costs in profit and loss (unrealised)	6	4
Closing balance	569	579

34. Companies in the Group, associate and joint venture

Information on the Group's directly and indirectly held subsidiaries, associate and joint venture is as follows:

Details of subsidiaries:

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
1	Airtel Mobile Commerce Services Limited	LR 209/11880, 4th Floor, Parkside Towers, Mombasa Road, P.O. Box 962-00100, Nairobi, Kenya	Support services	Ordinary	74.23	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.	3ème étage, 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	74.23
10	Airtel Mobile Commerce Rwanda Ltd	Airtel Building, Remera, KG 17 Ave, Kigali, Rwanda	Mobile commerce services	Ordinary	74.23	74.23
11	Airtel Mobile Commerce (Seychelles) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
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	74.23
13	Airtel Mobile Commerce (Tanzania) Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District PO Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	74.23	74.23
14	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
15	Airtel Mobile Commerce Congo B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
16	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
17	Airtel Mobile Commerce Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
18	Airtel Mobile Commerce Limited	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Mobile commerce services	Ordinary	74.23	74.23

Notes to consolidated financial statements continued

(All amounts are in US\$ millions unless stated otherwise)

34. Companies in the Group, associate and joint venture continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ^a	
					Percentage as of	
					31 March 2023	31 March 2022
19	Airtel Mobile Commerce Madagascar B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
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	74.23
21	Airtel Mobile Commerce Malawi B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
22	Airtel Mobile Commerce Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
23	Airtel Mobile Commerce Nigeria Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Mobile commerce services	Ordinary	99.96	99.96
24	Airtel Mobile Commerce Rwanda B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
25	Airtel Mobile Commerce Tchad B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
26	Airtel Mobile Commerce Tchad S.A.	Avenue Charles de Gaulle, Immeuble Pierre Brock, B.P. 5665, N'Djaména, Tchad	Mobile commerce services	Ordinary	74.23	74.23
27	Airtel Mobile Commerce Uganda B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
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	74.23
29	Airtel Mobile Commerce Zambia B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
30	Airtel Mobile Commerce Zambia Limited	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	Mobile commerce services	Ordinary	74.23	74.23
31	Airtel Money RDC S.A.	6ième étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Mobile commerce services	Ordinary	74.23	74.23
32	Airtel Money Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	Mobile commerce services	Ordinary	66.81	66.81
33	Airtel Money S.A.	124, Avenue Bouët B.P. 23 899, Libreville, Gabon	Mobile commerce services	Ordinary	74.23	74.23
34	Airtel Money Tanzania Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and 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 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
37	Airtel Networks Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	99.96	99.96

34. Companies in the Group, associate and joint venture continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
38	Airtel Networks Zambia plc	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	Telecommunication services	Ordinary	96.36	96.36
39	Airtel Rwanda Limited	Airtel Building, Remera, KG 17 Ave, Kigali, Rwanda	Telecommunication services	Ordinary	100	100
40	Airtel Tanzania Public Limited Company	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Telecommunication services	Ordinary	51	51
41	Airtel Tchad S.A.	Rue du Commandant Galyam Négal, Immeuble du Cinéma Etoile, B.P. 5665, N'Djaména, Tchad	Telecommunication services	Ordinary	100	100
42	Airtel Uganda Limited	Airtel Towers, Plot 16 –A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Telecommunication services	Ordinary	100	100
43	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
44	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
45	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
46	Bharti Airtel Developers Forum Limited	Stand No. 2375, Corner of Great East/ Addis Ababa Road, Lusaka, Zambia	Investment Company	Ordinary	96.36	96.36
47	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
48	Bharti Airtel International (Netherlands) B.V. ⁴	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
49	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
50	Bharti Airtel Kenya Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
51	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
52	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
53	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
54	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
55	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
56	Bharti Airtel Nigeria Holdings II B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
57	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
58	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
59	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100

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(All amounts are in US\$ millions unless stated otherwise)

34. Companies in the Group, associate and joint venture continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
60	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
61	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
62	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
63	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
64	Celtel Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	Telecommunication services	Ordinary	90	90
65	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
66	Congo RDC Towers S.A.	6ème étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Infrastructure sharing services	Ordinary	100	100
67	Gabon Towers S.A. ²	124 Avenue Bouët, B.P. 9259, Libreville, Gabon	Infrastructure sharing services	Ordinary	100	100
68	Indian Ocean Telecom Limited	28 Esplanade, St. Helier, Jersey JE2 3QA, Channel Islands	Investment Company	Ordinary	100	100
69	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	74.23
70	Montana International ³	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment Company	Ordinary	100	100
71	Partnership Investments Sarlu	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Investment Company	Ordinary	100	100
72	Société Malgache de Téléphone Cellulaire S.A. ³	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment Company	Ordinary	100	100
73	Airtel Africa Services (UK) Limited ⁴	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Support services	Ordinary	100	100
74	Airtel Digital Services Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	100	100
75	Airtel Mobile Commerce DRC B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
76	Airtel Mobile Commerce Gabon B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
77	Airtel Mobile Commerce Niger B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	74.23
78	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	74.23

34. Companies in the Group, associate and joint venture continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
79	Smartcash Payment Service Bank Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Mobile commerce services	Ordinary	99.96	74.23
80	Airtel Africa Telesonic Holdings Limited ⁴	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	100
81	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	74.23
82	Airtel Africa Telesonic Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Support services	Ordinary	100	100
83	The Registered Trustees of Airtel Money Trust Fund	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	51	51
84	Airtel Mobile Commerce Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment Company	Ordinary	74.23	–
85	Airtel Congo Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
86	Airtel DRC Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
87	Airtel Gabon Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
88	Airtel Kenya Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
89	Airtel Madagascar Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
90	Airtel (M) Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
91	Airtel Niger Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
92	Airtel Nigeria Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
93	Airtel Rwanda Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
94	Airtel Seychelles Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
95	Airtel Tanzania Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
96	Airtel Uganda Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–

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(All amounts are in US\$ millions unless stated otherwise)

34. Companies in the Group, associate and joint venture continued

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
97	Airtel Zambia Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
98	Airtel Tchad Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
99	Airtel Kenya Telesonic Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Telecommunication services	Ordinary	100	–
100	Airtel (M) Telesonic Limited	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Telecommunication services	Ordinary	100	–
101	Airtel Nigeria Telesonic Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	100	–
102	Airtel Rwanda Telesonic Limited	Remera, Gasabo, Umujyi wa Kigali, Rwanda	Telecommunication services	Ordinary	100	–
103	Airtel (Seychelles) Telesonic Limited	Airtel House, Josephine Cafrine Road, Perseverance, P.O. Box 1358, Victoria, Mahe, Seychelles	Telecommunication services	Ordinary	100	–
104	Airtel Telesonic Uganda Limited	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Telecommunication services	Ordinary	100	–
105	Airtel Zambia Telesonic Limited	P.O Box 320001, Showgrounds, Lusaka, Lusaka Province, Zambia	Telecommunication services	Ordinary	100	–
106	Nxtra Africa Data Holdings Limited ⁴	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
107	Nxtra Nigeria Data Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
108	Nxtra Kenya Data Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
109	Nxtra DRC Data Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
110	Nxtra Gabon Data Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
111	Nxtra Congo Data Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment Company	Ordinary	100	–
112	Airtel Congo RDC Telesonic S.A.U.	3ème étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Telecommunication services	Ordinary	100	–
113	Nxtra Africa Data (Nigeria) Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	100	–

1 Companies' proportion of voting power held is same as proportion of ownership interest held.

2 Under dissolution as of 31 March 2023.

3 Under removal from the register of RoC.

4 Direct subsidiary to the company.

34. Companies in the Group, associate and joint venture continued

Details of associate:

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
1	Seychelles Cable Systems Company Limited	Caravelle House, 3rd Floor, Victoria, Mahe, Seychelles	Submarine cable system	Ordinary	26	26

1 Companies' proportion of voting power held is same as proportion of ownership interest held.

Details of joint venture:

S. no.	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest ¹	
					Percentage as of	
					31 March 2023	31 March 2022
1	Mawezi RDC S.A.	Avenue des Huileries N° 7, Commune of Lingwala, Ville de Kinshasa, République Démocratique du Congo	The construction and operation of a landing station	Ordinary	49.25	–

1 Companies' proportion of voting power held is same as proportion of ownership interest held.

35. 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 3.27 cents per share on 10 May 2023.

Company Statement of Financial Position

(All amounts are in US\$ thousands)

	Note	As of	
		31 March 2023	31 March 2022
Assets			
Non-current assets			
Property, plant and equipment		169	163
Capital work-in-progress		63	51
Right of use assets		206	396
Investment in subsidiary undertakings	4	3,533,231	3,533,231
Financial assets			
– Loan receivables	5	310,864	412,689
– Others		16	16
Other non-current assets		204	371
		3,844,753	3,946,917
Current assets			
Financial assets			
– Cash and cash equivalents	6	134,159	31,028
– Other bank balances	6	101,000	100,000
– Others		29,660	5,300
Other current assets		1,773	849
		266,592	137,177
Total assets		4,111,345	4,084,094
Liabilities			
Current liabilities			
Financial liabilities			
– Lease liabilities		222	307
– Trade and other payables	7	1,816	4,387
– Others		2,818	1,159
		4,856	5,853
Net current assets		261,736	131,324
Non-current liabilities			
Financial liabilities			
– Lease liabilities		17	165
– Others		43	–
		60	165
Total liabilities		4,916	6,018
Net assets		4,106,429	4,078,076
Equity			
Share capital	8	3,419,948	3,419,948
Reserves and surplus ¹		686,481	658,128
Total equity		4,106,429	4,078,076

1 The profit for the financial year dealt with in the financial statements of the company is \$229,299,000 (March 2022: loss of \$7,344,000).

The company only financial statements of Airtel Africa plc (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 10 May 2023. They were signed on its behalf by:

Olusegun Ogunsanya
Chief executive officer

10 May 2023

Company Statements of Changes in Equity

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

	Share capital		Reserves and surplus				Total equity
	No of shares ²	Amount	Retained earnings	Share-based payment reserve	Others ³	Total	
As of 1 April 2021	6,839,896,081	3,419,948	833,836	258	3,179	837,273	4,257,221
Loss for the year	-	-	(7,344)	-	-	(7,344)	(7,344)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive loss		-	(7,344)	-	-	(7,344)	(7,344)
Employee share-based payment reserve	-	-	(878)	-	3,876	2,998	2,998
Purchase of own shares	-	-	-	-	(5,682)	(5,682)	(5,682)
Dividend to owners to the company ¹	-	-	(169,117)	-	-	(169,117)	(169,117)
As of 31 March 2022	6,839,896,081	3,419,948	656,497	258	1,373	658,128	4,078,076
Profit for the year	-	-	229,299	-	-	229,299	229,299
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income		-	229,299	-	-	229,299	229,299
Employee share-based payment reserve	-	-	(1,663)	-	6,202	4,539	4,539
Purchase of own shares	-	-	-	-	(10,809)	(10,809)	(10,809)
Dividend to owners to the company ¹	-	-	(194,676)	-	-	(194,676)	(194,676)
As of 31 March 2023	6,839,896,081	3,419,948	689,457	258	(3,235)	686,481	4,106,429

1 Refer to Note 5a of consolidated financial statements.

2 Includes ordinary and deferred shares, refer to Note 27 of the consolidated financial statements.

3 Includes share stabilisation reserve and treasury shares.

Notes to company only financial statements

(All amounts are in US\$ millions 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 (the functional currency of the company), with all values rounded to the nearest thousand (USD thousand) 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.

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; and
- 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. 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.
- 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 are no critical accounting judgments or key sources of estimation uncertainty that would have a significant effect on the amount recognised in the company financial statements.

3. Employee expenses

The average monthly number of employees during the year was six (March 2022: eight).

	For the year ended	
	31 March 2023	31 March 2022
Salaries	1,074	1,658
Bonuses	438	276
Others	135	156
	1,647	2,090

4. Investment in subsidiary undertakings

	As of	
	31 March 2023	31 March 2022
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	0

For details of subsidiary undertakings, refer to Note 34 of consolidated financial statements.

5. Loan receivables

	As of	
	31 March 2023	31 March 2022
Opening balance	412,689	14,129
Additions	420,870	1,426,384
Repayment	(522,695)	(1,027,824)
Balance at 31 March	310,864	412,689
Bharti Airtel International (Netherlands) B.V. ¹	239,905	386,600
Airtel Africa services (UK) Limited ²	70,706	26,089
Airtel Africa Telesonic Holdings Limited ³	253	–

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\$.

3 The loan is unsecured, bears interest at the rate of three months SOFR+ 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 2023	31 March 2022
Cash at bank in current accounts	36,159	31,028
Bank deposits with original maturity of three months or less	98,000	–
	134,159	31,028

Other bank balances

	As of	
	31 March 2023	31 March 2022
Term deposits with banks with original maturity of more than three months but less than 12 months	101,000	100,000
	101,000	100,000

7. Trade and other payables

	As of	
	31 March 2023	31 March 2022
Legal and professional expenses payable ¹	1,071	4,034
Employees bonuses payable	330	255
Dividend payable	46	24
Administrative and other payable	369	74
	1,816	4,387

1 The auditor's remuneration for the current year in respect of audit and audit-related services was \$42,000 (March 2022: \$46,000).

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 at 31 March 2023 and 31 March 2022 amounting to \$163m and \$160m, respectively, have been issued for external loans taken by the Group's subsidiaries.

11. Events after the balance sheet date

There are no subsequent events other than disclosed in Note 35 to the consolidated financial statements.

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 EBITDA and margin	Operating profit	<ul style="list-style-type: none"> • Depreciation and amortisation • Exceptional items 	Table A	<p>The Group defines underlying EBITDA as operating profit/(loss) for the period before depreciation and amortisation and adjusted for exceptional items.</p> <p>The Group defines underlying EBITDA margin as underlying EBITDA divided by revenue.</p> <p>Underlying EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. Underlying EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, underlying EBITDA and margin are APMs.</p> <p>Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at underlying EBITDA and margin.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBITDA and margin.</p>
Underlying profit/(loss) before tax	Profit/(loss) before tax	<ul style="list-style-type: none"> • Exceptional items 	Table B	<p>The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items.</p> <p>The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) before tax.</p>

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference ¹	Definition and purpose
Effective tax rate	Reported tax rate	<ul style="list-style-type: none"> • Exceptional items • Foreign exchange rate movements • One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences 	Table C	<p>The Group defines effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one-off tax items of prior period adjustment, tax settlements and impact of permanent differences on tax.</p> <p>This provides an indication of the current on-going tax rate across the Group.</p> <p>Exceptional 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.</p> <p>Foreign exchange rate movements are specific items that are non-tax deductible in a few of the entities which are loss making and/or where DTA is not yet triggered and hence are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis and therefore excluded to arrive at effective tax rate.</p> <p>One-off tax impact on account of prior 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.</p>
Underlying profit/(loss) after tax	Profit/(loss) for the period	<ul style="list-style-type: none"> • Exceptional items 	Table D	<p>The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items.</p> <p>The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) after tax.</p>
Earnings per share before exceptional items	EPS	<ul style="list-style-type: none"> • Exceptional items 	Table E	<p>The Group defines earnings per share before exceptional items as profit/(loss) for the period before exceptional items attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period.</p> <p>This measure reflects the earnings per share before exceptional items for each share unit of the company.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at earnings for the purpose of earnings per share before exceptional items.</p>
Operating free cash flow	Cash generated from operating activities	<ul style="list-style-type: none"> • Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Exceptional items • Capital expenditures 	Table F	<p>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, exceptional items, and after capital expenditures. The Group views operating free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.</p>

Alternative performance measures (APMs) continued

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Table reference ¹	Definition and purpose
Net debt and leverage ratio	Borrowings	<ul style="list-style-type: none"> Lease liabilities Cash and cash equivalent Term deposits with banks Deposits given against borrowings/non-derivative financial instruments Fair value hedges 	Table G	<p>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.</p> <p>The Group defines leverage ratio as net debt divided by underlying EBITDA for the preceding 12 months.</p> <p>The directors view net debt and the leverage ratio to be meaningful measures to monitor the Group's ability to cover its debt through its earnings.</p>
Return on capital employed	No direct equivalent	<ul style="list-style-type: none"> Exceptional items to arrive at underlying EBIT 	Table H	<p>The Group defines return on capital employed ('ROCE') as underlying EBIT divided by average capital employed.</p> <p>The directors view ROCE as a financial ratio that measures the Group's profitability and the efficiency with which its capital is being utilised.</p> <p>The Group defines underlying EBIT as operating profit/(loss) for the period adjusted for exceptional items.</p> <p>Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period-to-period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBIT.</p> <p>Capital employed is defined as sum of equity attributable to owners of the company (grossed up for put option provided to minority shareholders to provide them liquidity as part of the sale agreements executed with them during year ended 31 March 2022), non-controlling interests and net debt.</p> <p>Average capital employed is average of capital employed at the closing and beginning of the relevant period.</p> <p>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).</p>

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 2022. 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. The constant currency numbers only reflect the retranslation of reported numbers into exchange rates as at 31 March 2022 and are not intended to represent the wider impact that currency changes has on the business.

Changes to APMs

- Underlying revenue: the underlying revenue has not been defined as an APM due to the absence of any exceptional items during the period.
- Return on capital employed (ROCE): the Group has revised the computation of ROCE by grossing up the 'equity attributable to owners of the company' for put option provided to minority shareholders based on the fact that this liability was created through reserves and the Group believes that it should not impact the computation of return on capital employed. The previous period ROCE has also been restated for this change.

Reconciliation between GAAP and Alternative Performance Measures

Table A: Underlying EBITDA and margin

Description	Unit of measure	Year ended	
		March 2023	March 2022
Operating profit	\$m	1,757	1,535
Add:			
Depreciation and amortisation	\$m	818	744
Exceptional items	\$m	-	32
Underlying EBITDA	\$m	2,575	2,311
Revenue	\$m	5,255	4,714
Underlying EBITDA margin (%)	%	49.0%	49.0%

Table B: Underlying profit/(loss) before tax

Description	Unit of measure	Year ended	
		March 2023	March 2022
Profit/(loss) before tax	\$m	1,034	1,224
Exceptional items (net)	\$m	-	(60)
Underlying profit/(loss) before tax	\$m	1,034	1,164

Table C: Effective tax rate

Description	Unit of measure	Year ended					
		March 2023			March 2022		
		Profit before taxation	Income tax expense	Tax rate %	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate	\$m	1,034	284	27.4%	1,224	469	38.3%
Adjusted for:							
Exceptional items (provided below)	\$m	-	161		(60)	2	
Foreign exchange rate movement for loss making entities and/or non-DTA operating companies and holding companies	\$m	106	-		50	-	
One-off adjustment and tax on permanent differences	\$m	4	(1)		(12)	(2)	
Effective tax rate	\$m	1,144	444	38.8%	1,202	469	39.0%
Exceptional items							
1. Deferred tax asset recognition	\$m	-	161		-	-	
2. Gain on sale of tower assets	\$m	-	-		(111)	0	
3. Bonds prepayment cost	\$m	-	-		19	-	
4. Provision for settlement of contractual dispute	\$m	-	-		12	2	
5. Spectrum fee agreement cost	\$m	-	-		20	-	
Total	\$m	-	161		(60)	2	

Table D: Underlying profit/(loss) after tax

Description	Unit of measure	Year ended	
		March 2023	March 2022
Profit/(loss) after tax	\$m	750	755
Exceptional items	\$m	(161)	(62)
Underlying profit/(loss) after tax	\$m	589	693

Reconciliation between GAAP and Alternative Performance Measures continued

Table E: Earnings per share before exceptional items

Description	Unit of measure	Year ended	
		March 2023	March 2022
Profit for the period attributable to owners of the company	\$m	663	631
Operating and non-operating exceptional items	\$m	–	(60)
Tax exceptional items	\$m	(161)	(2)
Non-controlling interest exceptional items	\$m	10	33
Profit for the period attributable to owners of the company – before exceptional items	\$m	512	602
Weighted average number of ordinary shares in issue during the financial period	Million	3,752	3,754
Earnings per share before exceptional items	Cents	13.6	16.0

Table F: Operating free cash flow

Description	Unit of measure	Year ended	
		March 2023	March 2022
Net cash generated from operating activities	\$m	2,208	2,011
Add: income tax paid	\$m	397	293
Net cash generation from operation before tax	\$m	2,605	2,304
Less: changes in working capital			
Increase in trade receivables	\$m	45	18
Increase/(decrease) in inventories	\$m	13	(4)
Increase in trade payables	\$m	(9)	(34)
Increase in mobile money wallet balance	\$m	(120)	(64)
Decrease/(increase) in provisions	\$m	32	(14)
Increase in deferred revenue	\$m	(37)	(27)
Increase in other financial and non-financial liabilities	\$m	(92)	(50)
Increase in other financial and non-financial assets	\$m	140	144
Operating cash flow before changes in working capital	\$m	2,577	2,273
Other non-cash adjustments	\$m	(2)	6
Operating exceptional items	\$m	–	32
Underlying EBITDA	\$m	2,575	2,311
Less: capital expenditure	\$m	(748)	(656)
Operating free cash flow	\$m	1,827	1,655

Table G: Net debt and leverage

Description	Unit of measure	As at	
		March 2023	March 2022
Long term borrowing, net of current portion	\$m	1,233	1,486
Short-term borrowings and current portion of long-term borrowing	\$m	945	786
Add: processing costs related to borrowings	\$m	7	5
Add/(less): fair value hedge adjustment	\$m	(5)	(16)
Less: cash and cash equivalents	\$m	(586)	(638)
Less: term deposits with banks	\$m	(117)	(220)
Less: deposits given against borrowings/non-derivative financial instruments	\$m	–	(122)
Add: lease liabilities	\$m	2,047	1,660
Net debt	\$m	3,524	2,941
Underlying EBITDA	\$m	2,575	2,311
Leverage	times	1.4x	1.3x

Table H: Return on capital employed

Description	Unit of measure	Year ended	
		March 2023	March 2022
Operating profit	\$m	1,757	1,535
Add:			
Operating exceptional items	\$m	–	32
Underlying EBIT	\$m	1,757	1,567
Equity attributable to owners of the company	\$m	3,635	3,502
Add: put option given to minority shareholders ¹	\$m	569	579
Gross equity attributable to owners of the company¹	\$m	4,204	4,081
Non-controlling interests (NCI)	\$m	173	147
Net debt (refer Table G)	\$m	3,524	2,941
Capital employed	\$m	7,901	7,169
Average capital employed²	\$m	7,536	7,026
Return on capital employed	%	23.3%	22.3%

1 Refer changes to APMs in Alternative performance measure (APMs) section.

2 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 2023 and 2022 is \$ 7,169m and \$ 6,883m 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.

Glossary continued

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.
Environment, Social and Governance (ESG)	ESG is a framework designed to be embedded into an organisation's strategy that considers the needs and ways in which to generate value for all organisational stakeholders.
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 trialed 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.

Company-related

Underlying EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation, amortisation, CSR cost and exceptional items.
Underlying EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing underlying EBITDA for the relevant period by underlying revenue for the relevant period.
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.

Glossary continued

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
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	4 July 2023
Day	Tuesday
Time	11am BST
Venue	53/54 Grosvenor Street, London W1K 3HU, United Kingdom

Dividend

Ex-dividend date for final dividend	22 June 2023
Record date for final dividend	23 June 2023
AGM	4 July 2023
Final dividend payment	3.27 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	31	14,117	0.00
1,001-5,000	58	164,994	0.01
5,001-50,000	125	3,009,561	0.08
50,001-100,000	43	3,097,974	0.08
100,001-500,000	122	30,531,705	0.81
More than 500,000	151	3,721,333,153	99.02
Totals	530	3,758,151,504	100%

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	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	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 Coronation Registrars Limited	webqueries@computershare.co.uk Website: www.coronationregistrars.com	The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom 9 Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria Tel: +234 1 271 4566-7

Auditor's ESEF Assurance statement

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 2023 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 2023 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 2023;
- 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 2023 is set out in our Independent Auditor's Report dated 10 May 2023.

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)

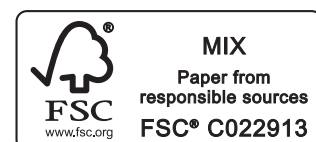
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

7 June 2023

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This report has been printed on Amadeus Silk which is FSC® certified and made from 100% Elemental Chlorine Free (ECF) pulp. The mill and the printer are both certified to ISO 14001 environmental management system. The report was printed by a CarbonNeutral® printer.





airtel

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