Airtel Africa plc

Annual Report and Accounts 2021

Transforming lives

Transforming lives by bridging the digital divide

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Our business is transforming lives across Africa by bringing telecoms and mobile money services to almost 118.2 million customers in 14 sub-Saharan countries.

We're connecting the unconnected, reaching the financially excluded and bridging the digital divide.

And our essential services are unlocking the potential for people and economies to grow.

Our regions
- Nigeria
- East Africa
- Francophone Africa

Providing essential services, supporting livelihoods

Telecoms and mobile money services are vital in Africa, where too many people and communities are held back by large distances and underdeveloped infrastructure.

As the Covid-19 emergency has shown, a resilient telecoms network is crucial to people's lives and livelihoods.

40.6m
data customers

1.8m+
people financially empowered through direct employment, business partnerships and our distribution network

300
schools in 30 counties in Kenya have been connected

133m
school age children in sub-Saharan Africa had access to remote learning


Serving customers
and creating
opportunities

By serving our customers, we connect them to each other, and to future opportunities. By expanding our network in both rural and semi-urban areas, we're reaching more customers than ever. And by taking the lead in the rollout of 4G networks in all our markets, we're helping to drive digitalisation.

But while we're among the leaders in all our markets, we know there's more for us to do. Mobile and digital penetration in Africa is still low. Populations are young, and growing fast. Millions of people are still unbanked or financially excluded. Millions have yet to join the digital economy.

Voice

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

Data

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

Airtel Money

We offer mobile money services, including payment services, microloans, savings and international money transfers

Building sustainable value, for all our stakeholders

We're continuing to strengthen our networks and expand our distribution channels so we can reach more customers, with more services. Growing our business sustainably means growing our impact: meeting the critical needs of customers, economies, and all our stakeholders.

25,368
2020: 22,909
infrastructure sites

>1.8m
2020: >1.6m
retail touchpoints (agents and distributors) in our network

76.5%
2020: 64.7%
sites providing 4G coverage

54,500+
2020: 43,000+
kilometers of connecting fibre

Empowering customers and communities in difficult times

"It is clear that just as data and telecoms services have been essential to people and economies during the pandemic, they will also play a vital role in the recovery across sub-Saharan Africa. By consistently focusing on serving our customers, we transform lives and communities while delivering sustainable, profitable growth."

Sunil Bharti Mittal
Chair

Many of our customers and their communities faced difficult and tragic times over the last year.

The Covid-19 pandemic has had a deep impact on people's lives and livelihoods across Africa, as it has everywhere in the world. This crisis is not over, though there are promising signs in terms of treatment and vaccination, and the World Bank and other experts predict a return to GDP growth in Africa in 2021. It is clear that just as data and telecoms services have been essential to people and economies during the pandemic, they will play a vital role in the recovery across sub-Saharan Africa.

I know that everyone at Airtel Africa is rightly proud of the work we have done to maintain our services over the last year, and to keep serving our customers throughout the crisis. For millions of people across the continent, our services have been a vital link – to family and loved ones, to their businesses and livelihoods, and to the wider economy.

It has been a year in which Airtel Africa employees have been true to our core value, 'Respectful': 'We live the same lives as our customers, sharing the same joys and the same pains'. And as we support the recovery and open up opportunities through financial inclusion and digital empowerment, we will continue to serve our purpose of transforming lives.

A resilient business, focused on colleagues and customers

Throughout the year, the Board has been confident that the business has had the right measures in place to protect our colleagues, who have adapted to new ways of working so that we could continue to provide vital services and create value for all our stakeholders. We have also supported the extensive work carried out to help our customers, and the programmes put in place to address urgent needs in our markets, many of which are described on page 16. By supporting vital services in education and healthcare, and by working closely with governments to keep networks operational and make mobile money services more available, we have shown that not only are our own operations resilient, but we contribute to the resilience of those around us.

Serving customers to deliver growth and strengthen our balance sheet

The year has also shown the resilience of our strategy. We have always aimed to create a model for providing affordable telecoms services that is sustainable as well as profitable. That means taking account of the challenges presented by geography and infrastructure, mitigating our risks, including foreign exchange risks, and growing revenue faster than the markets in our footprint through a continuous focus on serving customers' needs. Our revenue growth of 14.2% in reported currency in 2020/21 demonstrates this strategy in action.

At the same time, we have a longstanding focus on strengthening our balance sheet. Our leverage (net debt to underlying EBITDA) improved to 2.0x (2.1x as of 31 March 2020). Our aim is to continue to reduce our leverage ratio, and keep it below 2.0x.

During the year, the Board approved a new progressive dividend policy, which aims to grow the dividend annually by a mid- to high- single-digit percentage from a base of 4 cents per share for financial year 2020/21, until reported leverage falls below 2.0x. We paid an interim dividend of 1.5 cents per ordinary share in December 2020. The Board has recommended a final dividend of 2.5 cents per share.

In March 2021, we took an important step by welcoming both The Rise Fund and Mastercard as investors in our mobile money business. The Rise Fund will invest $200m and Mastercard will invest $100m in Airtel Mobile Commerce BV (AMC BV), a wholly-owned subsidiary of Airtel Africa plc. This is part of our pursuit of asset monetisation opportunities, and we aim to explore the potential listing of the mobile money business within four years. At the same time, we welcome The Rise Fund and Mastercard as partners in our ambition of banking the unbanked across Africa. This investment is described on page 47.

Meeting the Board's priorities

Strong governance remains a core focus of the Board. We were pleased to welcome Kelly Bayer Rosmarin as a non-executive director when Arthur Lang stepped down in October 2020 – both are nominees of Singtel.

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

On behalf of the Board I would like to thank Raghu for being instrumental in successfully leading and transforming Airtel Africa into a powerhouse telecoms and mobile money company. Throughout that time, Raghu has worked tirelessly, first to repair and then to strengthen Airtel Africa's business, and to champion our stakeholders. As we look forward to Segun assuming his new role in October 2021, we do so from a position of great strength as a result of Raghu's highly effective stewardship. Raghu will retire from the Board with our very best wishes and sincere appreciation for everything he has achieved.

We also announced on the same day that Jaideep Paul, chief financial officer, has been appointed as an Executive director and will join the Board of Airtel Africa plc with effect from 1 June 2021.

The company is committed to ensuring that the Board membership continues to reflect the diversity, breadth of skills and experience required to drive and support the business strategy going forward.

I am pleased with our continuing efforts to build on our effective governance structure, described in more detail on pages 90-99.

Making sure our success is sustainable, for us and others

Our business has always understood that the markets we operate in have powerful and promising underlying macroeconomic and demographic trends, and that meeting the demand in underserved markets goes hand in hand with addressing the challenges faced by the millions of people who still lack access to effective communications infrastructure, data services, and to financial services. As well as investing in our networks and distribution channels to bring us closer to customers, and enabling financial inclusion through our mobile money services, the business has consistently delivered targeted programmes in areas such as education, health and disaster relief that address local needs and benefit the societies we serve.

We are now going further than ever, with the development of a comprehensive sustainability strategy that will extend our reach and impact, and make sure that our work is aligned with the aims of the UN Sustainable Development Goals. We continue to engage with all our stakeholders, and we aim to announce our strategy in full later this year. The Board fully supports this work, which is described on pages 53-55; and I know it will also have the support of Airtel Africa colleagues, who already do so much to create opportunity and serve their communities, and who have shown by their actions this year that they are committed to transforming lives across Africa. I thank them for their extraordinary efforts and dedication.

Sunil Bharti Mittal
Chair

11 May 2021

> Progress across all our strategic pillars this year has meant that despite the challenging times, we have been able to deliver the 'win-win' scenario: where our provision of essential services to customers and communities has fed our profitable growth, which in turn sustains our ability to keep advancing digitalisation and expanding financial inclusion in underserved markets.
>
> **Raghunath Mandava**
> Chief executive officer

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

In this year in which people everywhere have had to find ways to adapt to new circumstances, I'm grateful to everyone at Airtel Africa and to all our stakeholders for helping us ensure that we could continue to provide essential services in all our markets and serve more customers than ever before.

We have all lived and worked under the shadow of the Covid-19 pandemic for more than a year now.

While I am hopeful that there are signs of recovery, the pandemic has had a deep and unprecedented impact on people's lives and livelihoods, on their health, and on whole economies. I am very proud of the work we have done to look after our employees, to help our communities, and to maintain our services at a time when they have never been more critical. I am especially proud of how fast, and how well, our employees adapted, whether working from home or out in the field, to stay safe while staying close to our customers. They knew that at times of lockdown or travel restriction, data and voice services were many people's only means of contact with their families, and their only way to do business. Mobile money services became more important than ever, both as a safe way to do business without cash and contact, and as a lifeline to people separated from loved ones.

Throughout the crisis, we kept our networks and services running, and invested in strengthening them further for the future – putting into action our purpose of transforming lives. At the same time we helped with national and local efforts during the pandemic – for example by enabling free access to educational websites for students learning from home, or providing free airtime for health promotion and Covid-19 messages through our partnership with USAID-funded Breakthrough ACTION Nigeria and the Nigeria Centre for Disease Control (NCDC). Our strong business performance underlines once again that serving and empowering customers and their communities is the only way to success – and our new sustainability ambition, described on pages 50-53, is designed to ensure that we continue to grow responsibly and in ways that create even more social and economic value for our stakeholders.

We talk more about our work during Covid-19 on pages 16-17, describing its impact on our business, and the measures and mitigations we put in place to protect our colleagues, support our communities and keep our customers connected.

Strategic overview

While we have adapted what we do over the last year to make sure we keep serving customers, our underlying business strategy has not changed. If anything, Covid-19 has accelerated the trends that underpin our strategy: a continuous and expanding demand for mobile money and mobile services from growing populations who are underserved by infrastructure, especially those in the remote rural areas of this beautiful continent.

Our aim remains to provide a model which provides affordable telecoms services in a profitable and sustainable manner, thus reducing the digital divide and enhancing financial inclusion in the countries we serve. Our work marches alongside social and economic development – especially when, as this year, we increase our capacity and extend the network and distribution to people living far from the nearest fixed-line infrastructure or financial institutions. And it demands both innovation and disciplined execution by our teams, who have once again strengthened our networks and expanded our distribution channels, allowing us to grow our customer base to 118.2 million.

Like all good business models, ours relies on a continuous monitoring and mitigation of risk – including, for us, currency volatility and/or foreign exchange shortage in some of the economies hit by the pandemic. Our strategy is designed to overcome these risks by delivering faster revenue growth with improved profitability, strengthening our balance sheet by asset monetisation through towerco sales, and bringing fresh investment into our mobile money business. The key risks to our business and the risk mitigation we have planned are further described in pages 72-78.

While we detail our 'Win with' strategy on pages 24-31, I would like to say a few words on its key strategic elements.

Win with network

Our strategy to continuously build on our network in rural areas and improve network quality and capacity in urban areas helped serve customers better, when customers were far more dependent on our networks than ever before. In spite of all the restrictions of movement and the risks of Covid-19, our teams have achieved our highest ever network availability. We have added more than 2,400 sites, taking our total sites to 25,368. Because of the single RAN technology we use, we now have 94% of our sites on 3G and 76.5% of sites on 4G technology. Our continuous expansion of fibre to over 54,500km has helped us significantly expand our data capacities in line with our plan to create huge data capacities at marginal costs.

Win with customers

We have continued to expand our distribution infrastructure through a mix of multi-brand outlets, supported by our own exclusive franchise-run shops and kiosks. Maintaining the momentum of last year, we have almost doubled our exclusive large-format retail footprint across our markets, thereby bringing our services much closer to our customers. Our total exclusive Airtel Money branches and kiosks have grown to over 10,000 and 37,800 respectively. This has enabled greater accessibility for new customers to sign up, better recharge availability and easier access to mobile money during a year when our customers' movement was often restricted. This supported a customer base growth of 6.9% and voice revenue growth of 11.0%. Customer base growth was affected, however, by new customer registration regulations for telecoms operators in Nigeria, introduced in December 2020 and described on page 20 of this report. Airtel Nigeria is working with the Nigerian government to ensure that all our subscribers provide their valid National Identification Numbers (NINs) to update the existing SIM registration records. The deadline for existing base has been extended to 30 June 2021. We resumed new customer acquisition in approved outlets in the second half of April 2021 (see page 21 for further details).

Win with data

This pandemic year has underlined customers' need for mobile data as the pace of digitalisation has quickened. In addition to the mobile data services that we offer, we also increased our focus on our wireless home broadband products to help people working and studying from home through a mix of WiFi routers and pocket WiFi devices. We continued our focus on further expanding our fibre footprint to provide better connectivity to our enterprise customers. All these initiatives serve our vision of bridging the data divide.

Simplified pricing and reduction of 'pay-as-you-go' (PAYG) rates has further helped in data adoption, with data customers growing by 14.5%, which along with data usage per customer growing by 44.2% has led to data revenue growth of 31.2%. Data usage per customer for the quarter ended March 2021 stands at 2.8 GB per month.

Win with mobile money

We continue to drive the growth of digital financial services on the continent, thereby serving the wider purpose of extending financial inclusion to people who have been left untouched by traditional banking. We have a clear strategy to continue to drive sustainable long-term growth in Airtel Money with a focus on assured float availability, distribution reach and increased use cases for our customers. Higher float availability in the farthest corners of our markets is helping more individuals, small traders and businesses to adopt mobile money for their daily business needs.

Our mobile money customer base grew by 18.5%. The increase in contributions from merchant payments, cash transactions, P2P transfers and mobile services recharges through Airtel Money have helped grow our mobile money transaction value even faster at 53.6%, enabling mobile money revenues to grow by 35.5%.

Win with cost

The pandemic placed heavy pressures on the business in terms of costs. There have been greater costs for enhancing the safety of our people, and we incurred costs as movement restrictions were imposed. Further, huge increases in demand for our services increased our costs of running towers, due to increased fuel and loading charges. However, tight monitoring and our efficiency drive, along with redesigning and eliminating some of our operational activities while adapting to new ways of working helped to keep cost increases lower than revenue growth. Greater recharging through mobile money and other digital means have helped reduce our costs further. Our incremental capacities were brought in at marginal costs and this helped keep our EBITDA flow-through on incremental revenue at 59.4%.

Win with people

Our people have been the strongest pillar for us. Our leaders and managers and our HR teams across the business have shown great empathy and understanding in helping people cope as our employees rose to the occasion to serve our customers. My special thanks go to all those in the field, especially the sales and network colleagues who made sure our services were up and available for customers even in remote or inaccessible markets. Even as we went through these difficult times, our learning and development teams have embarked on training all leaders in objective selection and performance management methodologies.

Our empowered OpCo management teams, led by local managing directors and supported by regional directors, have helped the organisation be agile and responsive to the changes on the ground.

Transforming lives

Progress across all our strategic pillars this year has meant that despite the challenging times, we have been able to deliver the 'win-win' scenario: where our provision of essential services to customers and communities has fed our profitable growth, which in turn sustains our ability to keep advancing digitalisation and expanding financial inclusion in underserved markets. It is a virtuous circle that our strategy is designed to maintain and it is a clear expression of our purpose of transforming lives.

This would not be possible without the hard work of our employees and the support of our stakeholders. I would like to thank them for their efforts and their continued dedication to our shared purpose.

In conclusion, I am thankful to Airtel Africa for providing me and my team the opportunity to transform the business and fulfil our responsibility to the countries in which we operate. It has been a privilege to serve in the African continent and I cherish my time here. Airtel Africa is a remarkable business with fantastic people. Having been at Bharti Airtel for 13 years and at Airtel Africa for 5 years as chief executive officer, I feel now is the right time to take a sabbatical.

The last five years have been an exhilarating journey where we have been able to turn around and transform the business into a strong high growth and profitable company. We have been able to build the business with our unique management and problem solving approach to bring in substantial performance improvement. I am very proud of what we have achieved over the past five years in Africa, and I look forward to seeing the Company make even greater progress over the coming years.

Raghunath Mandava
Chief executive officer

11 May 2021

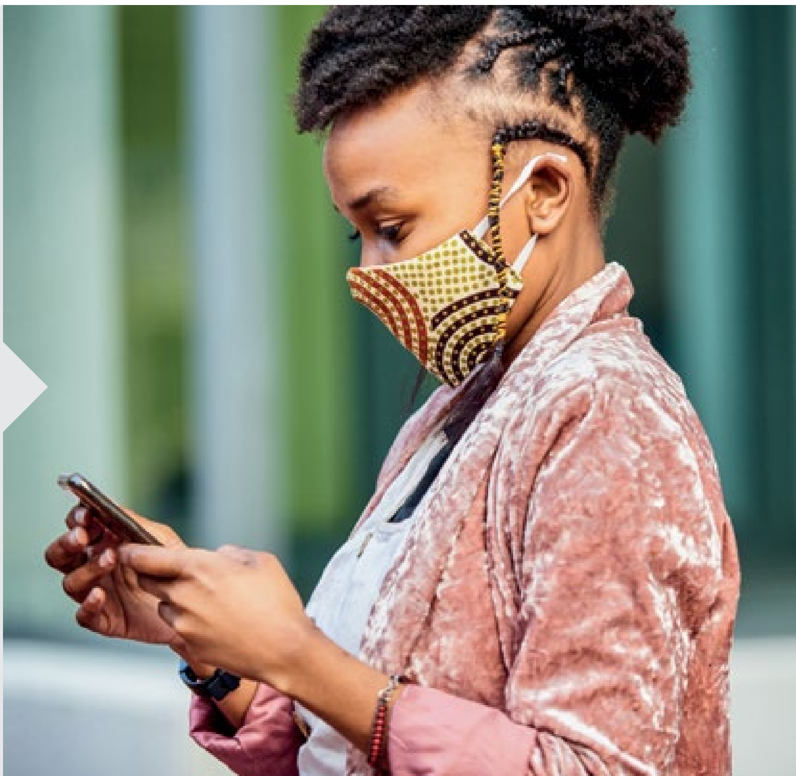
Transforming lives spotlight

Harnessing the power of mobile phones to protect people's health

Covid-19 touched the lives of people and communities across our markets – and one way we've responded is through public-private partnerships that help protect our customers' health.

In Nigeria, for example, we gave people the opportunity to access key Covid-19 messages in five languages on their phones through our partnership with USAID-funded Breakthrough ACTION Nigeria and the Nigeria Centre for Disease Control (NCDC).

We provided free infrastructure and airtime so people could get critical and reliable information on Covid-19, placing calls to 15 million subscribers and sending out 32 million text messages. Nearly 190,000 people called the 3–2–1 service to receive information about Covid-19.



We operate largely in sub-Saharan African markets which offer **substantial market potential** across voice, data and mobile money services.

Our countries of operation boast some of the highest projected population growth rates in the world, and the region currently has low penetration levels of unique mobile customers, low minutes of usage, low data consumption and limited traditional banking services.

» See our market environment on **page 18**

Our **leadership across our markets** provides us with the diversity and scale required to deliver value-for-money telecom and mobile money services to our customers. Our well-invested asset base, strong brand values and recognition, and effective distribution channels (both direct and indirect) give us sustainable differentiation in the market.

We continue to extend our **track record of delivering strong growth and improved operational performance**. We have a lean and simplified operating model which, combined with an effective management team, delivers double-digit revenue growth and strong profitability and cash flow. Strong country-level management teams with deep knowledge of their markets are supported by subject matter experts at Group level. We also leverage the support of our globally recognised shareholder Bharti Airtel, one of the world's largest telecoms operators.

» See our financial review on **pages 60-66**

We are driven by our purpose of **Transforming lives**, with a customer-centric vision of enriching the lives of our customers. We deliver **sustainable profitable growth** through our **six pillar strategy**, which is helping us grow ahead of the industry: 'Win with…' network, customers, data, mobile money, cost and people. And we are reducing the digital divide and enhancing financial inclusion, including through partnerships with governments in the countries where we operate, while our new sustainability strategy, which we plan to publish in Q3 2022, will further embed environmental, social and corporate governance (ESG) considerations into everything we do.

» Our strategy for growth is described on **pages 24-31**

» See our sustainability ambition on **pages 50-53**

Our strong balance sheet and conservative capital structure allow us to deliver the full execution of our growth strategy, and **create value for all our stakeholders**: customers, communities, regulators and governments, partners and suppliers, our people, and shareholders.

Our key performance indicators

Our KPIs give our Board and management a clear sense of where we're making progress, and where we need to improve.

Measuring the success of our strategy

We monitor the success of our strategy through financial and operational key performance indicators (KPIs). Our operational KPIs reflect the measurement of our key strategic pillars: growing our customer base, strengthening our network, growing voice, data, and mobile money revenue streams, and improving cost efficiency. Our financial KPIs monitor our progress in terms of our profitability ambitions.

As well as helping measure and monitor our progress, our KPIs help us 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

To reflect our strategic pillars, our primary operational KPIs include sites, data capacity, customer base, net additions, churn, average revenue per user (ARPU), usage per customer, Airtel Money transactions, and transaction value per customer.

Our key financial KPIs are revenue, underlying EBITDA, operating profit, profit after tax, operating free cash flow, free cash flow, net debt, leverage, earnings per share, and return on capital employed. We also focus on aspects of our business not currently covered by a KPI, including our environmental and social performance, and on our workplaces. They will form part of our sustainability strategy, for which we will announce targets and commitments in Q3 2022 (see pages 50-53 for more details about our sustainability ambition).

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

» See definition and reconciliation of our alternative performance measures on **pages 67-71**

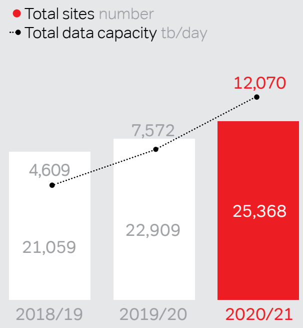
Linkage with remuneration

Our remuneration targets are linked with our financial KPIs (revenue, underlying EBITDA and operational free cash flow). As part of our long-term incentive scheme, we also benchmark our total shareholder return performance with a peer group of companies. We review our remuneration-linked KPIs every year to ensure these are relevant to our business strategy.

» See remuneration committee report on **pages 124-138**

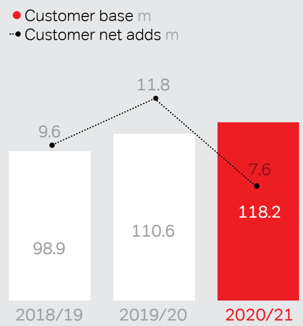
Operational KPIs

Total sites and data capacity



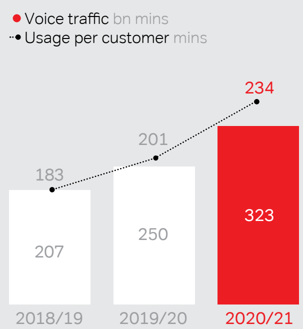
Performance In 2020/21, we deployed more than 2,400 additional sites, reaching 25,368 sites in total as of 31 March 2021. During the year, we added more than 3,400 sites to 3G (94% of sites are on 3G), more than 4,500 sites to 4G (76.5% of sites are on 4G) and added 11,500km of fibre (54,500+ km of fibre as on 31 March 2021). Data capacity increased by 59.4% to 12,070 terabytes (TB) per day, with peak hour data utilisation at 45%.

Customer base and customer net additions



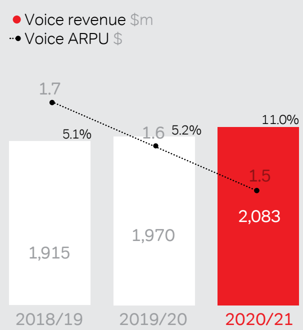
Performance Our overall customer base grew by 6.9% to 118.2 million as of 31 March 2021 – despite no new customer onboarding in Nigeria since December 2020 (growth was 10.7% excluding Nigeria). This reflects our continuous focus on investment in sales and distribution infrastructure in urban and rural markets, including our exclusive distribution channel of kiosks and Airtel Money branches. Our enhanced distribution channel ensures availability of SIM cards, recharge cards and money float. Our customer base grew across all three regions: in Nigeria by 0.5%, in East Africa by 9.2%, and in Francophone Africa by 14.5%.

Voice traffic and usage per customer



Performance Our voice traffic grew by 29.1% to 322.9 billion minutes in 2020/21. Increase in voice traffic was driven by our customer base growth of 6.9%, and an increase of usage per customer of 16.4% to 234 minutes per customer per month. Our voice usage growth was mainly driven by our expansion of rural network coverage, our investment in rural sales and distribution infrastructure, and by customer adoption of our 'more-for-more' voice bundles.

Voice revenue and voice ARPU

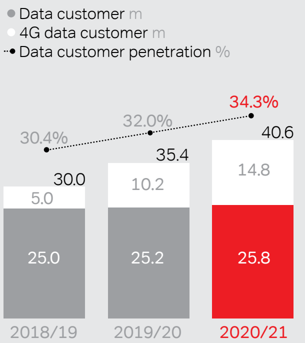


Performance In 2020/21, voice revenue at $2,083m, grew by 11.0% in constant currency. The voice revenue growth was driven by an increase in our customer base of 6.9%, voice usage per customer growth of 16.4%, partially offset by rate drop of 14%, largely due to a decrease in roaming revenue during Covid-19 and interconnect usage charges in a few of the East Africa and Francophone Africa markets.

Constant currency growth for the year ended 2018/19 and 2019/20 is presented in 31 March 2019 constant currency

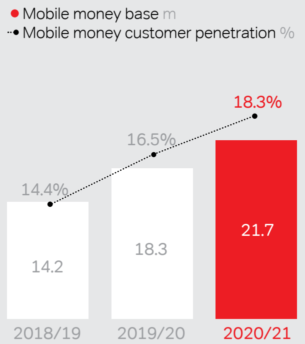
Constant currency growth for the year ended 2020/21 is presented in 31 March 2020 constant currency

Data customers, 4G data customers and penetration



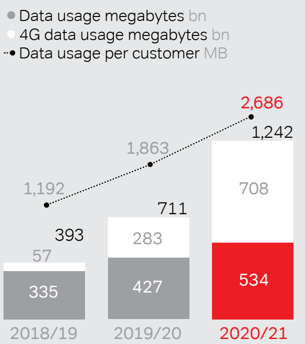
Performance Our data customer base increased by 14.5% to 40.6 million as of 31 March 2021, which now contributes to 34.3% of our total customer base. Our data customer base growth was driven by expansion of our data network, increase in data capacity and 3G and 4G enabled smartphones. Smartphone penetration increased to 33%, of which 51% are 4G enabled smartphones. Our 4G customer base stands at 14.8 million which is 36.4% of our total data customer base.

Airtel Money customer base and penetration



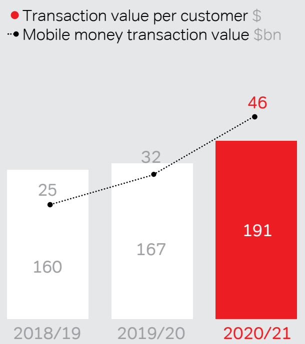
Performance Our Airtel Money customer base grew by 18.5% to 21.7 million as of 31 March 2021, representing 18.3% of our total customer base. This growth was largely driven by our expansion of our agents and merchant ecosystems, the increase in Airtel Money's product portfolio through strategic partnerships, and continued investment in our exclusive franchise channel of kiosks and branches.

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



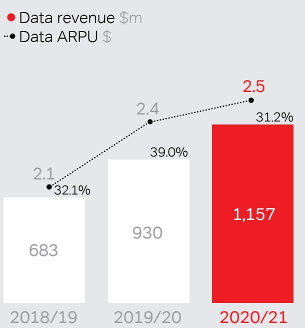
Performance Our total data usage increased by 74.8% in 2020/21 to 1,242 billion MB. Data usage per customer per month was at 2.6 GB, an increase of 44.2%, led by an increase in smartphone penetration, densification of 4G network, rationalisation of 'Pay-as-you-go' (PAYG) rate and higher adoption of 'more-for-more' data bundles. Additionally, 4G data usage per customer was at 5 GB while overall data usage per customer was at 2.6 GB, thereby supporting the usage growth. 4G data usage more than doubled and now contributes to 62.2% of total data usage in Q4.

Airtel Money transaction value and transaction value per customer



Performance Our transaction value grew by 53.6% in 2020/21 in constant currency, to $46.0bn. Transaction value per customer per month was $191, an increase of 20.9% in constant currency. This growth in transaction value was driven by our customer base growth and increased adoption of Airtel Money services. Increase in transaction value per customer was mainly contributed by person-to-person (P2P), cash-in and cash-out transactions. Our Q4 annualised transaction value was $51bn in constant currency.

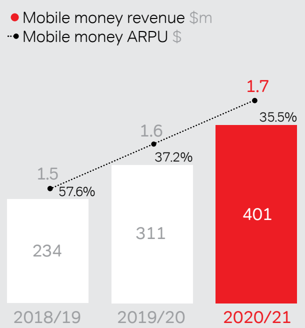
Data revenue and data ARPU



Performance Data ARPU grew by 8.2%, and data revenue by 31.2% in constant currency. Data ARPU growth was supported by an increase in the number of 4G customers, who have higher usage and ARPU than 3G data customers.

The marginal decline in the rate of data revenue growth compared to last year was in part due to reduced imports of handsets across our footprint during the Covid-19 pandemic.

Airtel Money revenue and ARPU



Performance Our Airtel Money revenue was $401m, a 35.5% increase year on year, and Airtel Money ARPU was $1.7, up by 6.6% in constant currency. Revenue growth was driven by our customer base growth of 18.5% and transaction value growth of 53.6%. Airtel Money ARPU growth was supported by an increase in transaction value per customer of 20.9%.

Financial KPIs

Underlying revenue*
$3,888m
Reported currency +13.6%
Constant currency +19.4%
2019/20: $3,422m +13.8%

Underlying EBITDA and margin
$1,792m
(margin 46.1%)
Reported currency +18.3%
Constant currency +25.2%
2019/20: $1,515m +16.3% (margin 44.3%)

Operating profit
$1,119m
Reported currency +24.2%
Constant currency +32.8%
2019/20: $901m +25.4%

Profit after tax**
$415m
+1.8%
2019/20: $408m (4.4%)

Operating free cash flow**
$1,178m
+34.9%
2019/20: $873m +24.4%

Free cash flow**
$647m
+42.8%
2019/20: $453m

Leverage
2.0x
2019/20: 2.1x

Basic earnings per share
9.0 cents
(12.6%)
2019/20: 10.3 cents

Return on capital employed
16.5%
2019/20: 14.0%

* Underlying revenue excludes one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended 31 March 2021

** Growth % is in reported currency

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

Serving our customers, safeguarding our people, minimising risk

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

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

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

Monitoring the Covid-19 context in our markets

At the beginning of the pandemic, which coincided with the start of our financial year, most governments in the countries where we operate acted swiftly to implement and enforce restrictions on the movement of people to prevent contagion. These swift actions, along with low population density, less frequent travel, and local experience in dealing with contagious diseases, resulted in low infection rates in sub-Saharan Africa relative to some other regions. In the months that followed, some restrictions have generally been eased and local economies have improved, although many consumers still feel cautious about social and working habits. The pandemic continues to pose a threat to communities, however, and towards the end of our financial year we saw further waves in some regions. While this has had no adverse impact on our business, we will continue to monitor the situation closely.

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

Ensuring our employees are safe, our networks are serving customers, and our finances are sustainable

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

Safety for our employees

The Covid-19 crisis has led to profound changes in operating environments across our markets, and throughout the last year we continued to reinforce health and safety measures for all our employees, for outsourced partners and for our customers as a key priority.

All our offices continue to offer the option of remote working, or working in shifts and with social distancing practices, depending upon the critical needs of individual functions. Our OpCos still have a large percentage of employees working from home with increased digital access to enable a seamless workflow. All employees continue to be on full pay and, along with their family members, continue to receive full medical insurance cover, which includes any diagnostic testing, associated physician visits related to Covid-19 and vaccination costs. We have also granted immediate paid medical leave for any employees diagnosed with Covid-19. More recently we launched an employee assistance programme, which allows our employees access to free consultations with mental healthcare professionals. The aim of this programme is to help employees achieve mental wellbeing by ensuring harmony between work and personal life and by providing access to support when employees need to speak to someone.

Safety for our outsourced teams

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

Safety for our customers

We have delivered a range of educational digital campaigns explaining best practices during the Covid-19 outbreak, and the importance of being safe. We have significantly enhanced our self-care mobile app by adding features to enable customers to self-service, removing the need for a visit to a shop or an agent. We have partnered with other ogranisations and made a number of online educational platforms accessible free of charge to give students continuous access to quality education. Our staff across all our OpCos have also generously contributed and sacrificed from their salaries a total of $362,000, which we have matched like-for-like as a company and donated to the respective governments to support the communities where we operate.

Resilience for our network

For many of our customers our network remains the main source for their social interactions, their work and entertainment.

The key business continuity plans we implemented at the start of the pandemic ensured that both active and passive maintenance services could be safely carried out even when the movement of people was restricted. During an increase in data traffic of more than 74%, and voice traffic of more than 29%, our network did not experience any significant disruption.

Strengthening distribution

Ensuring customers retain access to our services remains a key priority for us.

When lockdown restrictions were implemented, we increased stock levels of SIM cards and recharge vouchers to ensure continued availability in our shops and enable customers to buy recharges whenever convenient. We have also encouraged customers to use digital methods of recharge, including through Unstructured Supplementary Service Data (USSD), bank portals or our app.

In April 2020 we launched the new MyAirtel self-care app in all 14 countries. Using the app, a customer can check airtime or bundles and purchase them using Airtel Money or any credit or debit cards. It also has various Airtel Money features so that customers can send money to Airtel and other operators, pay bills, pay merchants, scan and pay using Airtel's or Mastercard's QR codes and virtual cards, and use Airtel Money and e-recharge to minimise the impact of any possible disruption to our distribution network. We have pushed the e-recharge scheme even further by allowing customers to e-recharge both friends' and loved ones' accounts, for which they also receive benefits in return. As lockdown restrictions have eased we have been able to expand our distribution, in line with our strategy, and we continued to carry higher stock levels to mitigate the risks that possible future restrictions on the movement of people could have on our stock levels and the ability of customers to access our recharge vouchers.

Maintaining mobile money growth

During the initial phase of the pandemic, mobile money revenue growth slowed to 26.3% as the business was impacted by social distancing measures and non-essential service closures, reducing customers' ability to deposit and withdraw cash.

Additionally, several governments asked mobile money operators to waive fees on certain transactions, including person-to-person and merchant payments. Afterwards, as lockdown restrictions were generally eased and most fees on transactions reinstated, revenue growth for the full year rebounded to 35.5%, reaching 38.7% in Q4, with mobile money contributing over 10.6% of the Group revenue in the quarter.

Improving our financial position

Our financial position continued to improve during the year.

Free cash flow increased 42.8% during the financial year and underlying EBITDA margin continued to improve by 210 bps to 46.1%. Our net debt to underlying EBITDA ratio improved to 2.0x, despite investing $247m of intangible capex to renew licences in two of our biggest markets, Nigeria and Uganda, and acquiring additional spectrum across several markets. Our cash balances, in conjunction with more than $1.1bn of committed undrawn facilities, ensure we can continue to meet our financial obligations. We have $2.4bn in long-term bonds with the first repayment of $879m (€750m) due in May 2021 which will be paid through a mix of cash held as well as from the proceeds of a $500m inaugural multi-bank long-term facility (part of the $1.1bn undrawn facilities mentioned above) entered into by Airtel Africa plc in April 2021. Post this repayment, only $1.5bn of long-term bonds will remain outstanding for the Group, with the next major bond repayment of $505m not due until March 2023. In recent months we have announced several transactions to strengthen our balance sheet, including asset monetisation through towerco sales, and bringing fresh investment into our mobile money business amounting in aggregate to c.$400m, with proceeds expected to be received in the next 12-18 months, which will further improve our financial position and continue our deleveraging. Additionally, we have agreed longer payment terms of up to around 12 months with strategic vendors in certain markets to facilitate continued investment in modernising the network, while also increasing liquidity.

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

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

» See **page 154** for our going concern assessment

Monitoring foreign exchange risk

The global economic slowdown, combined with lower oil and commodity prices, has resulted in currencies devaluing across our markets, including the Nigerian naira, Kenyan shilling and Zambian kwacha.

By far our largest exposure is in Nigeria, which represents 40% of our revenue and 47% of underlying EBITDA. On a 12-month basis, we estimate that a 1% Nigerian naira devaluation will have a negative $14m impact on revenue, $8m on underlying EBITDA and $6m on finance costs.

» See **page 79** for our long-term viability statement

Transforming lives spotlight

Reaching out to send relief payments through mobile money

The potential for mobile money as a way to transmit payments safely and transparently has been harnessed by a wide range of organisations, including governments, UN agencies and NGOs. This has been particularly true during Covid-19, when Airtel Money has helped partners such as governments, ministries, Plan international, Childfund, and UNICEF deliver Covid-19 relief payment packages to beneficiaries who can then access them securely and conveniently through their phones. Our current partnerships will reach more than 200,000 beneficiaries in total.

» For our sustainability ambition, see **pages 50-53**

Our market environment

While the Covid-19 pandemic has touched the lives of everyone in the communities we serve, the fundamental dynamics of our markets have not changed.

A young and growing population, an expanding urban middle class, limited infrastructure, and people's need to connect with each other and with local and global economies: these factors are all driving ever-increasing demand for data, mobile voice, and mobile money services across sub-Saharan Africa.

The result is a continuing opportunity to foster financial inclusion, bridge the digital divide, and serve more customers in some of the least penetrated telecoms markets in the world, with just 46% of the population owning one or more SIM.

The fundamentals for future growth

Africa is one of the world's fastest growing regions in terms of population and urbanisation. While each of our markets is unique, the dynamics in our overall footprint reflect those of Africa as a whole: 33% of the population in our markets is between the ages of 10 and 24, and the population in our footprint is forecast to grow at a CAGR (compound annual growth rate) of 2.7% between 2020 and 2025.*

The Covid-19 pandemic meant that the region faced severe economic hardship in 2020, but the International Monetary Fund's Regional Economic Outlook forecasts a return to GDP growth in 2021. One of the factors the IMF identifies as key to that growth is digitalisation. We aim to be part of the digital transformation of sub-Saharan Africa, and to offer a mix of products, content and pricing structures that reach and keep an emerging customer base while providing essential services that will help underpin the region's economic recovery.

Key to our strategic pillars

- Win with network
- Win with customers
- Win with data
- Win with mobile money
- Win with cost
- Win with people

» See our strategy on **pages 24-31**

Growing connectivity and reliance on mobile

Mobile networks are the primary source of voice and data services in much of our region, where landline and fixed broadband infrastructures are limited or, in many places, non-existent. That means mobile telecoms are a critical resource, essential to people's daily lives, to businesses, and to community and state service providers.

Mobile connectivity remains low relative to other markets, but in our footprint unique users are forecast** to increase by 5.4% each year between 2020 and 2025, reaching 346 million unique users by 2025, compared to 267 million in 2020. By expanding and improving our networks, we help drive this trend – strengthening local infrastructures, and winning and retaining customers.

Link to strategy

The data opportunity

Digitalisation will be at the heart of Africa's future growth, and our region is already seeing a rapid expansion of data usage, despite relatively low smartphone penetration: around 44% of subscribers currently have a smartphone.*** Smartphone penetration continues to grow, and though it slowed in 2020 during the pandemic, the end of the year saw a return to accelerated uptake.

The availability of 4G is a key factor in the growth of data – one of the reasons we have led the way in expanding 4G coverage in our networks – and data adoption has also been spurred on by the growth of online education and homeworking, trends which continued after the lifting of Covid-19 restrictions in many markets. Secure, reliable, competitively-priced data is essential to a wide range of service providers, and to businesses both large and small – many of which we serve through our Airtel Business function. Customers are also eager for simple, well-priced ways to access new content, demand that we meet through our range of apps including Airtel TV, our digital content platform, which is now live in nine countries.

Link to strategy

The mobile money opportunity

Limited banking infrastructure means that customers in many of our markets do not have easy access to traditional financial institutions. Less than half of the population has a bank account, the lowest proportion of any emerging market region. At the same time, e-commerce and the digital economy are taking off, and millions of potential customers are seeking new ways to transfer, save and spend money.

* Source: United Nations (UN) www.un.org
** Data source: omdia.tech.informa.com
*** Source: GSMA SSA Report 2020
**** Source: GSMA Mobile Money Report 2021

There is a clear need for mobile money services, both for individual customers, and for economies seeking to increase financial inclusion and fuel growth. The regulatory frameworks for mobile money differ across the region, but overall, active mobile money accounts in sub-Saharan Africa grew 18% in 2020 to 159 million.**** Airtel Money is already well-placed to be part of this opportunity. We continue to build the mobile money ecosystems that help customers join the digital economy, and to win new customers through services including inter-operability, payments, microloans and international money transfers.

Link to strategy

A growing market where serving the customer is key

The mobile telecoms landscape in our region is dominated by a few large competitors, with some smaller regional companies in some markets. As well as Airtel Africa, the key players include MTN, Vodacom, Orange and Tigo.

We compete for customers through our range of services, our advertising and brand image, the quality and reliability of our service, our wide coverage, strong data networks, accessibility and availability. Price and transparency are vital elements of our offer: simple, understandable pricing plans based on the principle of 'more for more', in a strategy that is tailored to each market.

Link to strategy

Managing risk

Fluctuating currencies, economic volatility and high rates of inflation can affect some of the economies in sub-Saharan Africa, and may be a feature of the road to recovery following Covid-19. We manage foreign exchange and financial risk within our principal risks, described in detail on page 77.

Link to strategy

Working alongside governments and complying with regulations

The telecoms sector is highly regulated and, like all operators, we must work within the frameworks created by governments and regulatory authorities, covering telecoms regulations, banking regulations, licences and requirements such as Know Your Customer regulations.

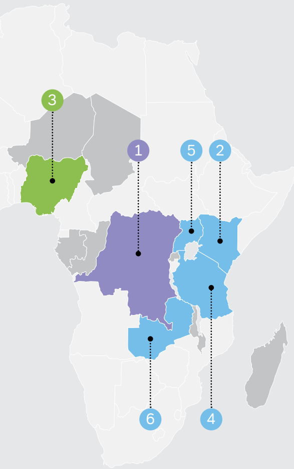
As a telecoms provider, we also have a vital role to play in providing a critical service, and in helping the countries of sub-Saharan Africa achieve their goals of digitalisation, financial inclusion and sustainable development. So alongside strict compliance with regulations, we aim to work collaboratively with governments to make sure we integrate our services into their key initiatives, and play our part in strengthening economies and transforming lives.

Link to strategy

» Our statement on the impact of Covid-19 is on **page 16**

» More information on legislation and regulation can be found on **page 20**

Key market profiles



Top six markets

Our other eight markets

Data sources:
Population and GDP from IMF

Mobile customers and mobile money customers from respective telecoms regulatory authorities' published data

Unique mobile penetration report from Omdia market analysts

Our top six markets in alphabetical order

1 DRC

	2020	2019
Population	**90m**	87m
GDP	**$49bn**	$50bn
Mobile customers	**41m**	37m
Unique mobile penetration	**41%**	39%
Mobile money users	**9m**	7m

2 Kenya

	2020	2019
Population	**54m**	53m
GDP	**$99bn**	$95bn
Mobile customers	**61m**	55m
Unique mobile penetration	**61%**	60%
Mobile money users	**32m**	29m

3 Nigeria

	2020	2019
Population	**206m**	201m
GDP	**$429bn**	$448bn
Mobile customers	**204m**	184m
Unique mobile penetration	**46%**	45%

4 Tanzania

	2020	2019
Population	**60m**	58m
GDP	**$63bn**	$61bn
Mobile customers	**51m**	48m
Unique mobile penetration	**53%**	51%
Mobile money users	**32m**	26m

5 Uganda

	2020	2019
Population	**46m**	44m
GDP	**$38bn**	$38bn
Mobile customers	**28m**	27m
Unique mobile penetration	**43%**	43%
Mobile money users	**23m**	17m

6 Zambia

	2020	2019
Population	**18m**	18m
GDP	**$19bn**	$23bn
Mobile customers	**19m**	17m
Unique mobile penetration	**57%**	56%

Legislation and regulation

We work with governments and regulators to create a fair and stable business environment which adapts to rapid technological change. We aim to abide by all laws and regulatory frameworks, and we support governments and regulatory agencies to drive digital and financial inclusion.

While legal and regulatory frameworks are unique to each country, they can be broadly classified in three categories: telecoms services, mobile financial services and broadcasting services. National competition law and laws developed by economic blocks also apply in some of our markets.

Our regulatory environment constantly evolves, and we keep it under continuous review. We publish significant developments on our corporate website, under 'Regulatory news'.

This year, significant developments in our largest markets included:

Licence renewal in Nigeria

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

Following the application, the NCC offered Airtel Nigeria the opportunity to renew its spectrum licences in the 900MHz and 1800MHz bands for a period of ten years, with effect from 1 December 2021 until 30 November 2031, which Airtel Nigeria accepted. Under the terms of the spectrum licences Airtel Nigeria paid N71.611bn ($182m) in respect of the licence renewal fees.

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

New licence in Uganda

In December 2020, Airtel Uganda Limited (Airtel Uganda) was issued with a National Telecom Operator (NTO) Licence following a period of negotiation and transition to a new licensing regime.

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

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

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

New shareholding requirements in Kenya

On 9 April 2021, the Ministry for Information, Communications and Technology (ICT) published an amendment to the National ICT Policy Guidelines, 2020 (ICT Policy). The amendment will have an impact on Airtel's business in Kenya in the following ways:

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

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

KYC requirements in Nigeria

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

Initially, new customer acquisitions were barred until significant progress had been made on linking the active customer base with verified NINs. Natural churn in the customer base led to a loss of 2.5 million active mobile customers in the final quarter of the year. The financial impact has been minimal, however, with continued revenue growth in Nigeria, due largely to the significantly lower ARPU of the churned base and increased usage by the active customer base. In April 2021, the NCC announced that it would allow new customer enrolment from certified outlets. Airtel Nigeria has so far received interim approvals for around 800 outlets, and new customer registrations have begun in those outlets.

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

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

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

Our dynamic business model delivers value to stakeholders while transforming lives through digitalisation and financial inclusion.

Vision

Our vision is to enrich the lives of our customers.

Our obsession is to win customers for life through an exceptional experience.

Values

Alive	We act with passion and a can-do attitude. Innovation and an entrepreneurial spirit drive us.
Inclusive	We champion diversity. We anticipate, adapt and deliver solutions that enrich the lives of the communities we serve.
Respectful	We share the joy and pain of our customers. We act with humility and are always open and honest.

How we create value

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

- **Spectrum assets** in every country, with multiple layers of data capacity
- **A modernised network** offering 2G, 3G and 4G, largely on efficient single RAN technology
- **25,368** network towers and data capacity of **12,000+** terabytes per day
- **54,500+** km of fibre across our markets
- **3,500+** employees

Other key inputs and enablers:

- Compliance with regulatory framework in all markets
- A sound capital allocation strategy and financial management that targets revenue growth ahead of the market and underlying EBITDA margin improvement
- Mobile network partnerships that outsource the management and operation of our network infrastructure
- A strong management structure with operating companies in each market that can leverage Group expertise
- Our sustainability ambition has been aligned with the UN SDGs and will be 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 around 2,800 partners, including mobile brands, IT companies and telecoms infrastructure providers

Delivering outstanding services and products

Voice

Data

Airtel Money

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

Through a unique distribution network that is close to our customers

- More than **48,000** exclusive retail touchpoints (including minishops, kiosks and Airtel Money branches)
- More than **200,000** activating outlets
- A wide network of more than **1.8 million** retail touchpoints
- **Strategic collaborations** with regional and international partners to offer financial and money transfer services

Other key inputs and enablers:

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

99.2% of our customers use pre-paid services

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

99% of customer requests processed digitally

Our purpose of transforming lives is supported by our sustainability ambition, described on **pages 50-53**

Our strategy is supported by a robust framework for monitoring and managing risk, described on **pages 72-78**

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:

Our vision for data in Africa

We could see that African customers wanted and needed data to connect, work and thrive. We invested in 4G to meet this demand ahead of the competition, using single RAN technology to offer more capacity to customers at a low incremental cost to ourselves. We have an extensive, resilient and reliable 4G network in most of our markets.

Simple, trusted pricing and service

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

A unique distribution network

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

Offering simple customer journeys and competitive pricing

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

Other key inputs and enablers:

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

To reach:

118.2m customers

including

40.6m data customers

and

21.7m Airtel Money customers

See our glossary for definitions on **page 215**

Creating value for:

Our customers

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

Our economies

- **Accelerated sustainable development** through financial inclusion and 'banking the unbanked'
- **Direct and indirect contributions** of $1.4bn in 2020/21 (vs $1.0bn in 2019/20)
- **1.8 million people earning through working with Airtel** 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** health, education, and disaster relief

Our shareholders

- Constant currency underlying revenue growth of **19.4%** in 2020/21
- Underlying EBITDA margin of **46.1%**
- Total dividend of **4 cents** (interim and final declared)

Our 'Win with' strategy aims to drive the sustainable, profitable growth we need to continue creating value for all our stakeholders.

Our products and services are helping transform lives across sub-Saharan Africa by fostering **financial inclusion**, driving **digitalisation** and **empowering** our 118.2 million customers. 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.

Our 'Win with' strategy describes the six strategic pillars in which we focus our work to achieve our business objectives. Cutting across all these pillars is our commitment to transforming lives, driving sustainable development and acting as a responsible business – work that is helping us develop our new sustainability ambition, described on pages 50-53.

Working to enhance digitalisation and financial inclusion with the governments and institutions of the countries in which we operate is a central element of our strategy. We aim to help them realise their goals for sustainable development by working to integrate mobile services and mobile money usage into their economies. At the same time, we know that strict and continued compliance with local laws and regulations and listing requirements are a vital element in our current and future success.

We aim to act as a responsible business at all times. That means doing business transparently and with a sound governance structure. It also means being a good partner and an active contributor to society, by creating jobs, paying taxes and respecting the environment. We also support our communities by working with local stakeholders in our core sustainability programmes: improving digital education, improving health and supporting communities through disaster relief.

Win with **network**

Our strategic intent

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

That means improving basic network uptime and quality as well as expanding our network footprint and our 3G and 4G capabilities.

- Focusing on **rural coverage expansion** through new site rollouts, recognising that access to a reliable service is the critical first step for providing previously underserved communities with the opportunity for digital and financial inclusion
- Focusing on our **network resilience and service continuity**
- **Building and modernising our network** through optimal end-to-end design, including spectrum additions, carrier aggregation, the use of single RAN technology and fibre rollout
- Expanding **4G coverage** and building capacity
- **Delivering voice quality** index while improving network uptime

Our progress in 2020/21

We continue to see delivering the best 4G network in our markets as a key focus, and our goal is to be the market leader everywhere we operate. This year we had an additional focus on resilience and continuity of service – because we realised how much our customers and their businesses depended on us as Covid-19 restrictions curtailed movement and trade. Increases in sites, coverage, and data capacity all reflect this priority, and came despite the complexities imposed by the pandemic.

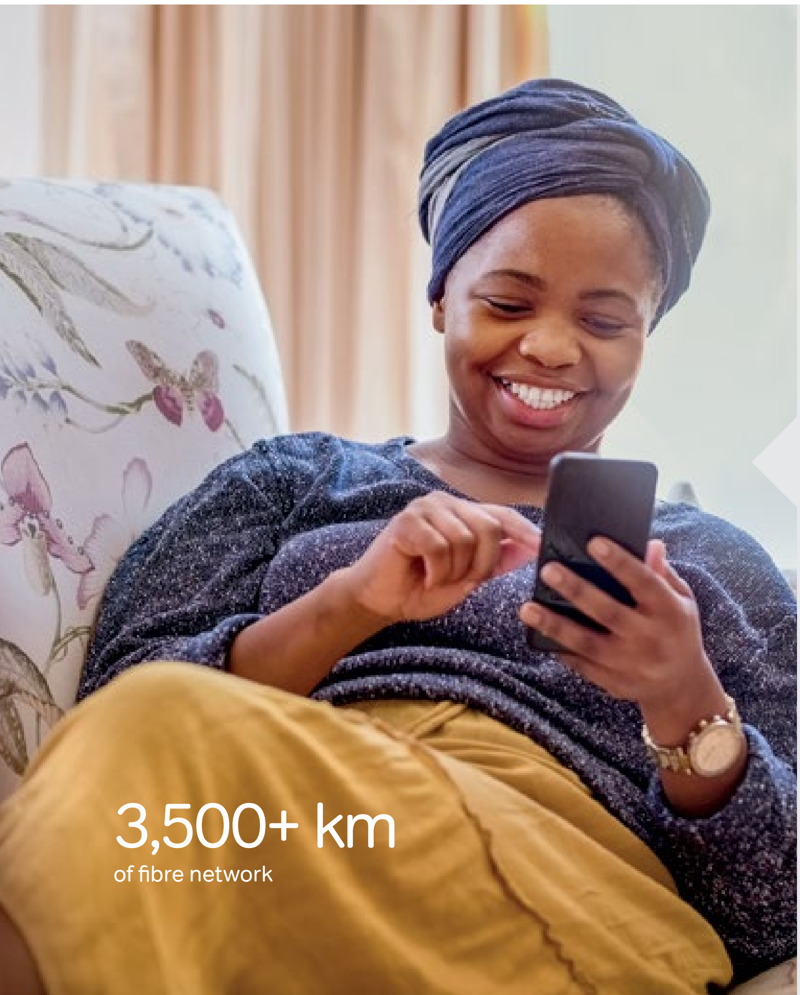
Our increase in data capacity was driven in part by the addition of further fibre connections to our network. This has meant customers can achieve greater international connectivity, as well as benefiting from fibre connections within and between many cities and urban areas. Similarly, our investment in new and existing sites has enabled us to increase data speeds as well as coverage.

How we measure progress

We measure network through a number of KPIs, described on page 14, including:

Total sites and data capacity: we deployed more than 2,400 additional sites, reaching 25,368 sites in total as of 31 March 2021. During the year, we added 3,400 more sites to 3G (94% of sites on 3G), 4,500 more sites to 4G (76.5% of sites now on 4G) and added an incremental 11,500km of fibre (54,500+ km of fibre as of 31 March 2021). Data capacity increased by 59.4% to 12,000 terabytes (TB) per day, with peak hour data utilisation at 45%.

» See our principal risks on **pages 74-77**
» See our business model on **page 22**
» See our sustainability ambition on **pages 50-53**



3,500+ km
of fibre network

Our **network** strategy in action

Investing in transformation: Democratic Republic of Congo (DRC)

Our investment in our networks provides the infrastructure that supports sustainable development in many of our markets – and provides the foundations for all our growth.

In the DRC, for example, our consistent investment in our tower and fibre network has made us the leading 4G provider in the country, with 4G coverage for 38% of the population. With 3,500+ km of fibre network and 76.8% of our sites on 4G, we are able to connect millions of people across the DRC to each other, to communities across Africa, and to the global economy.

We are market leaders in data, and supply internet bandwidth to a number of other critical service providers, including government agencies, public health bodies, multinationals, and UN agencies. And this year alone we deployed nine Packet Core sites (data switching centres) in addition to the existing three sites for disaster recovery and redundancy, making our network even more resilient.

» For our Francophone Africa business, see **page 42**

Win with **customers**

Our strategic intent

We aim to build on our distribution network to increase our customer base by increasing mobile penetration through:

- **Strengthening our distribution infrastructure** to win more customers by increasing our depth and width, with more focus in rural areas
- **Enhancing the customers' experience** through simplified digital customer onboarding processes, including the Know Your Customer (KYC) process
- Focusing on higher adoption of '**more for more**' bundles to enhance usage and ARPU, along with reduced pay-as-you-go rates, making services more affordable

Our progress in 2020/21

We've continued to expand our distribution network to get closer to customers, with a particular focus on our exclusive franchises, a unique strength for our business. This helps us to onboard more customers – and it also helps us serve them better and in more ways, enabling recharges and access to mobile money services.

We've also continued to focus on fast, effective digital onboarding, bringing new customers to our service in ways that are compliant with local Know Your Customer (KYC) requirements while being as efficient as possible – and which this year also met local requirements for Covid-19 safety when many retail outlets were closed. In Rwanda, Malawi, Gabon and Zambia, we worked with regulators to achieve temporary permissions to carry out the biometric elements of KYC digitally. In Nigeria, we are working as partners with the government to deliver its national identity number (NIN) programme, which makes collecting NINs a requirement for new and existing customers, including by operating NIN enrolment centres. Across every market, we have now developed an app for digital registration, and most onboarding processes are achieved in five minutes or less.

How we measure progress

We measure customers through a number of KPIs, described on page 14, including:

Customer base and net adds: Our overall customer base grew 6.9% to 118.2 million as of 31 March 2021, a rate of growth that was subdued by the sector-wide regulations barring new customer acquisitions in Nigeria from mid December 2020 – and excluding Nigeria, our customer base growth was 10.7% (see our KPI on page 15). The overall growth reflects our continuous focus on investment in sales and distribution infrastructure in urban and rural markets, including our exclusive Airtel Money distribution channel of kiosks and branches. Our enhanced distribution channel ensures availability of SIM cards, recharge cards and mobile money float. Our voice revenue grew by 11.0%.

» See our principal risks on **pages 74-77**

» See our business model on **page 22**

» See our sustainability ambition on **pages 50-53**

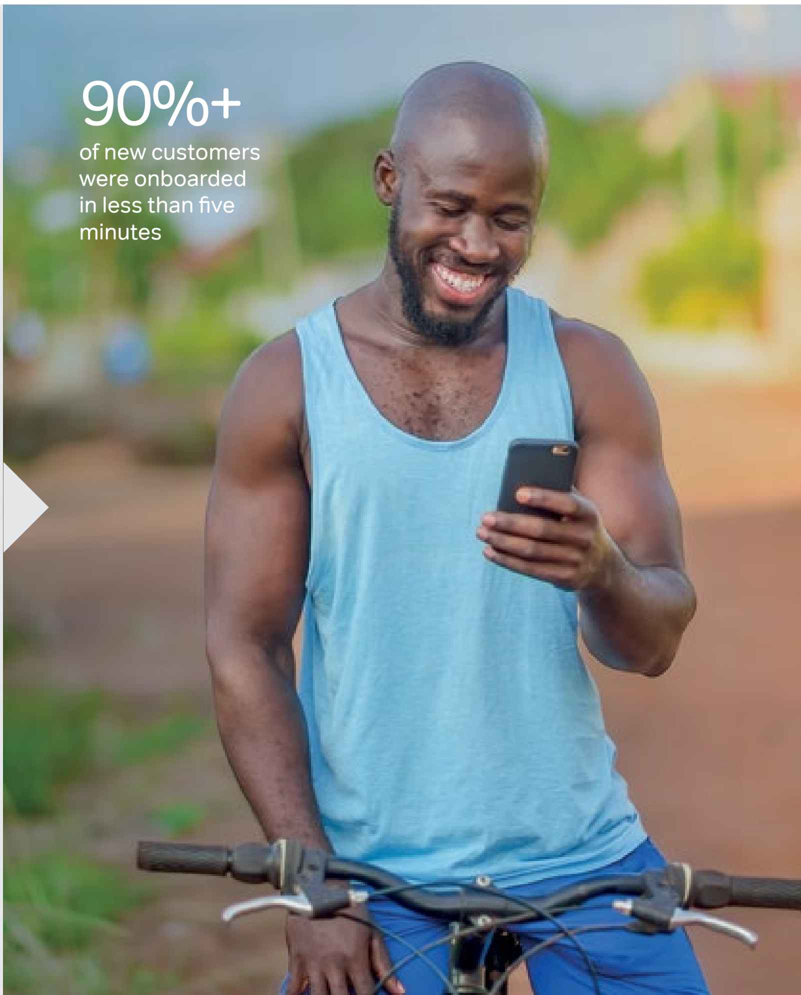
Our **customers** strategy in action

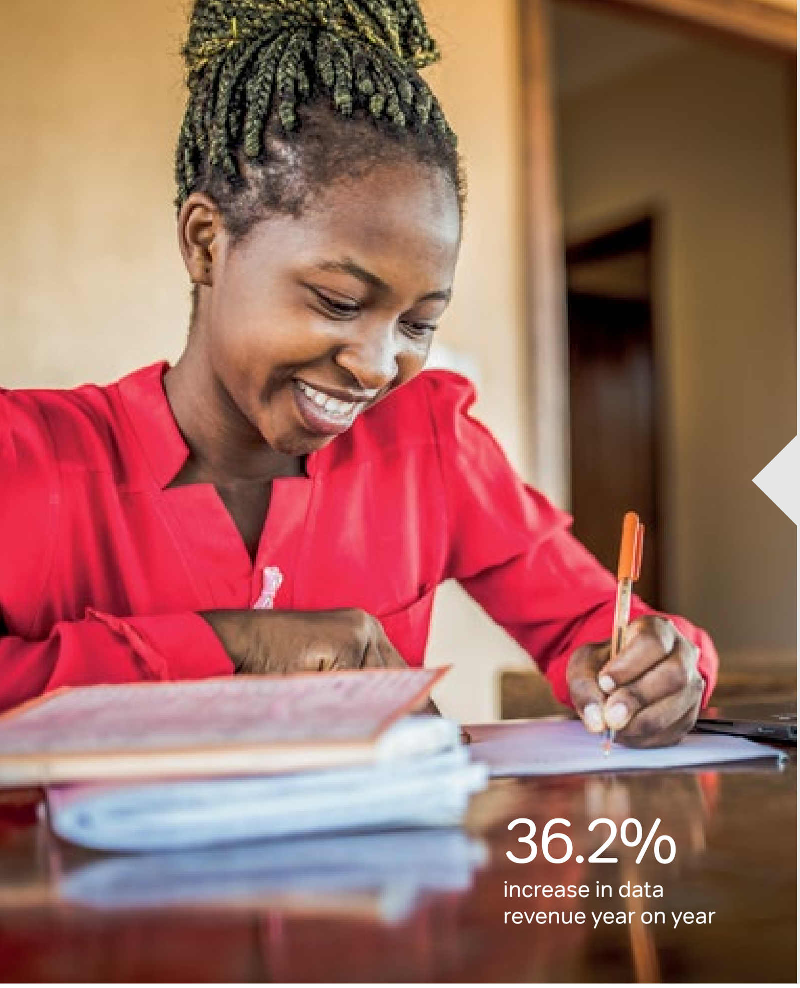
Getting closer to more customers in Malawi

Expanding our distribution network so we can get closer to more customers is central to our strategy, giving us the platform to include millions more people in the digital economy, and driving our own sustainable growth.

In Malawi this year, we grew our customer base by 31.3% through a rapid expansion of our distribution network and a clear focus on customer needs, including fast onboarding processes and a simple and competitive product offering. At the heart of our expansion were our Airtel Money branches, kiosks, outlets and agents: we increased our Airtel Money branches in the country by 84% in a single year, and more than doubled the number of outlets where customers could register and complete local Know Your Customer requirements. Our focus on speed meant that more than 90% of new customers were onboarded in less than five minutes. Across Malawi, our expansion meant that more people than ever could access financial services through Airtel Money, which grew its customer base by 63%.

» For our East Africa business review, see **page 40**





Our **data** strategy in action

Meeting customers' demand for data in Nigeria

There is demand for data everywhere in our markets, from remote rural areas to towns and cities across the continent. Our strategy revolves around reaching more people with data services by expanding our 4G network, and increasing the speed and capacity we can provide in areas we already cover, including through home broadband offers.

Nigeria shows this strategy in action. This year we built L2600 technology into 2,900 additional sites, introduced home broadband packages in more than 150 towns just when customers who were working or studying at home needed it most, and used sales teams and retail outlets to promote WiFi technology. We focused on price bundles that met customers' needs, and leveraged a network that now covers more than 78.8% of the population, with 84% of our sites now offering 4G.

The result was that more Nigerians than ever before had access to the opportunities provided by our data services, while the overall data traffic we enabled grew by 74.2% year on year.

For our Nigeria business review, see **page 38**

Win with **data**

Our strategic intent

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 our markets.

Our approach includes:

- Leveraging our **4G network** for data ARPU and revenue growth
- **Smartphone offerings** through partnerships with device OEMs ('Original Equipment Manufacturers') and device selling outlets
- Building our **wireless home broadband business**
- Developing innovative products and data solutions for corporate and SME customers through Airtel Business

As part of our expansion of data services, we have an important responsibility to keep customers' data secure. Building and reinforcing our data security systems will be a key focus of our **sustainability strategy**.

Our progress in 2020/21

All our strategic pillars are closely interconnected, and our success in achieving our ambitions for data are closely linked to our ability to extend and maintain fast, reliable networks, and to being close to our customers. Being the leading 4G provider gives us a competitive advantage when it comes to new customer acquisitions, while our ability to provide capacity helps drive usage. The strong presence of our outlets and our marketing investment support this network advantage. As our KPIs show, our customer base and data usage both grew in 2020/21. We also monitor 4G net additions, which track the number of new devices coming into our 4G network – 36.4% of our data customer base has 4G devices.

Another focus for 2020/21 was our launch of new broadband and wireless home network solutions, which helped people required to work from home as well as leisure users.

How we measure progress

We measure data through a number of KPIs, described on page 14, including:

Data customers, 4G data customers and penetration: Our data customer base increased by 14.5% to 40.6 million as of 31 March 2021, and now constitutes 34.3% of our total customer base. Our total data usage increased by 74.8% in 2020/21 to 1,242 billion MB. Data usage per customer per month reached 2.6 GB, an increase of 44.2%. Data usage rises with the mobile technology used, with 4G data usage delivering the highest data usage levels, at 5 GB. 4G data usage more than doubled and contributed 62.2% to total data usage as of Q4.

See our principal risks on **pages 74-77**
See our business model on **page 22**
See our sustainability ambition on **pages 50-53**

Win with mobile money

Our strategic intent

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

We will achieve this by:

- Efficiently operating the largest branch network comprising kiosks, mini shops and dedicated Airtel Money branches, so customers can access assured float and cash
- Making Airtel Money the currency of choice by building on strategic partnerships to expand local and global acceptance and deepening in-store and e-commerce usage
- Expanding our mobile money ecosystem through international money transfer services, merchant and commercial payments, benefit transfers, loans, savings and insurance
- Pro-actively cross-selling Airtel Money to our mobile services base
- Focusing on technology as an enabler and competitive advantage

Our progress in 2020/21

We maintained a consistent focus on the execution of our mobile money strategy, continuing the key trends from previous years by focusing on our distribution network, our cash float availability, and our drive to increase Airtel Money's acceptance as the currency of choice across the financial ecosystem. As the KPIs show, these measures have widened our customer base and driven increased revenues.

Our reach has also been increased by our use of technology as a key enabler for competitive advantage. We know that this aspect of mobile money never stops evolving, and we have invested in our application programming interfaces (APIs), which enable us to form partnerships that create new ways to use Airtel Money, for example by expanding our virtual card partnership with Mastercard to Tanzania and Uganda. In December 2020, Airtel Uganda, together with our long-term technology partner Comviva, won three awards at the Emerging Payments Awards for our payments and merchant solutions, supplementing previous awards for our Airtel Wallet collaboration.

How we measure progress

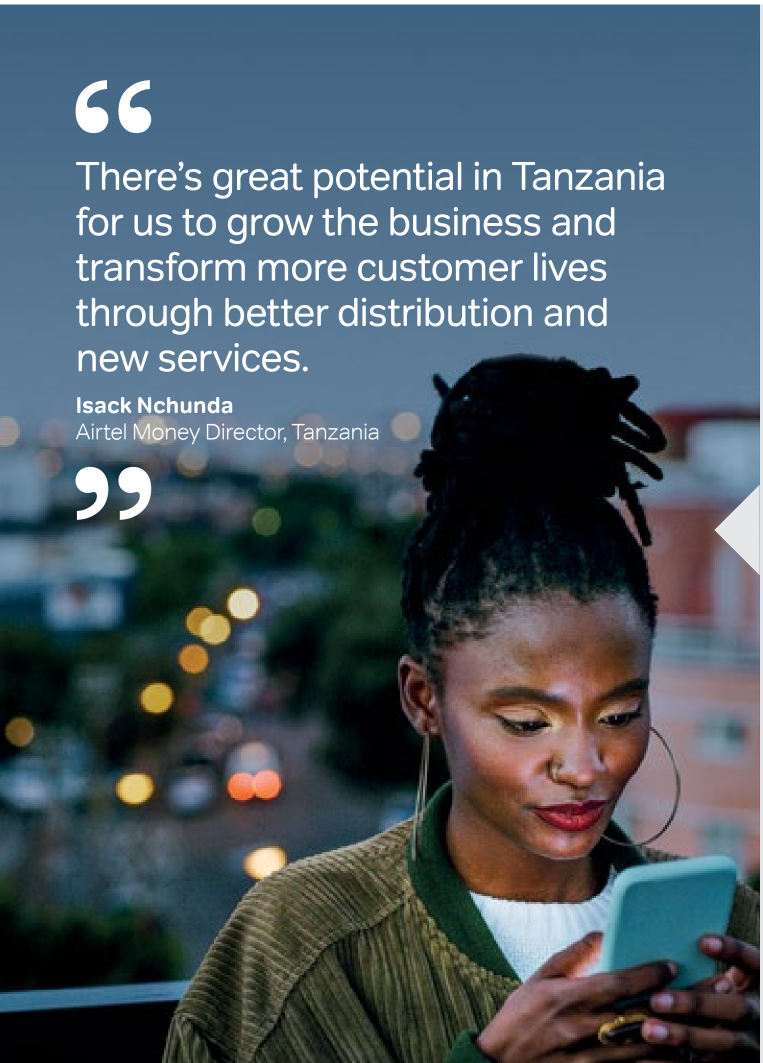
We measure mobile money progress through a number of KPIs, described on page 14, including:

Airtel Money customer base and penetration: our Airtel Money customer base grew by 18.5% to 21.7 million in 2020/21.

Airtel Money transaction value and transaction value per customer: our transaction value grew by 53.6% to $46bn in 2020/21. Transaction value per customer grew by 20.9% in constant currency.

Airtel Money revenue and ARPU: Airtel Money revenue grew by 35.5% in 2020/21. Airtel Money ARPU was $1.7, up by 6.6% in constant currency.

» See our principal risks on **pages 74-77**
» See our business model on **page 22**
» See our sustainability ambition on **pages 50-53**



> There's great potential in Tanzania for us to grow the business and transform more customer lives through better distribution and new services.
>
> **Isack Nchunda**
> Airtel Money Director, Tanzania

Our **mobile money** strategy in action

Extending our reach and changing the game in Tanzania

Accessibility is at the heart of our mobile money strategy – we need to be close to customers, and we need to assure them that when they come to our outlets, we'll have the cash float to meet their needs.

We've had a relentless focus on this aspect of our execution this year – and our performance in Tanzania is a great example of the result.

Until recently, we were not a significant player in Tanzania's mobile money sector – but this year, our mobile money revenues grew by 54.7%, and our customer base grew by 19% to more than 4.5 million.

The turnaround was driven in large part by better distribution – we rolled out more than 550 Airtel Money branches and more than 39,000 Airtel agents in the year – supported by effective pricing and the new products and partnerships that are helping us grow the Airtel Money ecosystem everywhere. And we focused on making sure that when customers came to us, we could meet their needs – driving significant increases in our agents' float balances. The result is a huge improvement in our performance, as well as the creation of around 120,000 income opportunities, and more financial inclusion in a country where only 21% of the population over 14 years of age has a bank account*.

» For our East Africa business review, see **page 40**

* Source: https://www.theglobaleconomy.com

Transforming lives spotlight

Going the last mile in Zambia

Airtel Zambia formed a partnership in February 2021 with the United Nations Capital Development Fund (UNCDF) to roll out a 'Last Mile Distribution' project designed to extend Airtel Money services to rural areas. The partnership aims to build a cashless economy and support the government's efforts to control Covid-19 while strengthening the digital financial services sector.

"This project capitalises on the investment we have made in the country over the years by building necessary infrastructure, expanding digital finance and providing the necessary support to achieving financial inclusion".

James Chona, Airtel Money Director, Zambia

Transforming lives spotlight

Digitalising essential services in Rwanda

Our Airtel Money platforms are helping to create whole new ecosystems that support the delivery of government services as well as commerce.

In Rwanda, for example, Airtel Africa is playing a key role in supporting the government's e-services as part of the country's digital-first approach. Airtel Money is plugged into the e-government facility, and Rwandans can use Airtel Money to pay for a wide range of services including marriage certificates, birth certificates and health insurance, which are then delivered by SMS. Total transaction value was more than RWF 418m (equivalent of $420,000) in 2020/21.

Transforming lives spotlight

Mobile technology and remote working in Uganda

In Uganda, we partnered with Avaya Holdings Corp to enable organisations to implement remote working and learning initiatives after the Ugandan government's implementation of lockdown restrictions and limited access to offices, schools and universities to curb the spread of Covid-19.

As a result of our partnership, organisations in Uganda had full-feature access to Avaya Spaces, a cloud meeting and team collaboration solution that means colleagues can chat, voice, video, have online meetings and share content, enabling them to continue working effectively.

» See our sustainability ambition on **pages 50-53**

Win with cost

Our strategic intent

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.

We will achieve this through:

- 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
- **Optimal design** for vendor service delivery
- Increasing availability of digital recharges and self-care services

Our progress in 2020/21

While operating during the Covid-19 pandemic created some new costs, including our expenditure on employee safety, the sharp rise in demand in 2020/21 demonstrated the resilience of our cost model, which is focused on ensuring that we can provide substantial additional capacity at marginal additional cost, as the KPI indicates.

This model applies to our fibre networks, which have significant surplus capacity which can be utilised at nominal cost, as well as to our sites, where much of our continuing work is focused on designing optimal networks, including through the use of improved technology such as optimised antenna sizes. This year, for example, we began working with antenna designers to increase our use of single multi-port antennae in sites where previously several antennae would be needed, increasing our capacity while limiting costs and staying within mandatory tower load requirements. We also continue to invest in energy-efficient radio equipment.

How we measure progress

We measure cost optimisation through a KPI, described on page 14:

Underlying EBITDA for 2020/21 was $1,792m, up by 25.2% versus 2019/20 in constant currency. Underlying EBITDA flowthrough of 59.4%, as a result of better controls on operating cost. Underlying EBITDA margin improved to 46.1%, an improvement of 210 basis points in constant currency.

» See our principal risks on **pages 74-77**

» See our business model on **page 22**

Our **cost** strategy in action

Joined up thinking: more capacity, at lower marginal cost

One of our strategic aims is to leverage the benefits we enjoy through two related advantages: the strength of our fibre network, and the fact that many our markets are contiguous, forming a continuous land corridor across sub-Saharan Africa.

It means we can increase capacity at marginal cost – which is at the heart of our strategic intent for cost.

In the Democratic Republic of Congo (DRC), for example, our substantial investment in 3,500+ km of optical fibre, described above, demonstrated its value in 2020/21. Because it connects with our networks in adjacent markets, we are able to transmit up to 20 GBPS to Kenya from the DRC via Rwanda and Uganda. That means we can keep the people and economies of the continent connected, while avoiding the costs of paying a third party for transfers. And because we have ensured our fibre networks have ample capacity, we'll be able to meet future demand with only a small incremental increase in operating expenses.

Our **people** strategy in action

'Licence to hire': looking to the future, recruiting today

Attracting and retaining the best talent is core to our strategy and that means ensuring that our hiring managers are equipped with the right skills and competencies to select talent.

Our mandatory, two-day 'Licence to hire' coaching programme was delivered through e-module learning and in-class facilitation to refresh leaders' knowledge of our DNA and talent acquisition processes using the STAR methodology. The coaching sessions also delved into potential unconscious bias. The programme was launched across Africa, in the UK, and in India to all our employees.

Over a period of four months, 710 leaders from 16 countries took the training.

Win with **people**

Our strategic intent

We aim to be an employer of choice with a diverse and inclusive work environment that continues to foster a culture of high performance, our colleagues' wellbeing, skills enhancement and coaching.

We will achieve this by:

- Accelerating a diverse pipeline of talent to meet current and future business needs
- Building a dedicated people structure for Airtel Money, with appropriate systems and processes
- Improving coaching and functional skills through our digital learning platform, functional programmes and cognitive assessments
- Digitalising our people processes to improve overall employee experience.
- Refreshing our policies and workplace facilities to enable a more diverse and inclusive workplace

Our progress in 2020/21

Our focus over the year continued to be on three key areas: talent, capability and technology.

- We onboarded top talent and reduced our time-to-hire for key roles, made significant progress on the Airtel Money people structures and scaled up the Group's digital capability through Airtel Africa Digital Labs.
- As a result of our internal development programmes, 31% of promotions into senior management/ExCo roles are internal.
- Through a combination of our digital learning platforms and in-person training, we enriched our functional expertise and on-the-ground coaching. This further enhanced productivity and performance.
- Keeping our people connected and engaged remains a priority for us. We did this by conducting quarterly Group town halls, including an upward feedback session through Q&A, and through our annual strategic and award conclave in which our people had an opportunity to interact with the chair, Group CEO and Group CFO.
- Our employee engagement survey continues to provide us with regular insight and feedback from our people. Details of our engagement and programmes, including our employee assistance programme, can be found on page 32 in the stakeholders 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, 23% women in ExCo at the OpCo level) and nationality (employees from 34 nationalities).

Skills development: delivered key functional and leadership training through accelerated on-demand learning programmes, which in return improved productivity and overall performance.

Employee engagement: our new annual employee engagement survey achieved an 87% response rate, with an overall engagement score of 79%.

Voluntary attrition: voluntarily attrition rate dropped from 9.5% to 6.6%.

» See our principal risks on **pages 74-77**
» See our business model on **page 22**
» See our corporate responsibility on **pages 54-59**
» See our sustainability ambition on **pages 50-53**

Staying engaged, strengthening relationships, building trust

Turbulent times make trusted relationships more important than ever. So despite the challenges presented by Covid-19, we made sure we adapted how we engage with our stakeholders, so we could continue to build understanding and create mutual, long-lasting value. It has made our relationships stronger, and added new momentum to our drive to grow our business and transform more lives.

Engagement with stakeholders happens at all levels of our business.

Engaging with our stakeholders and our section 172 statement

This section describes how the directors have acted in relation to their duties under section 172 (a) to (f) 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.

In November 2020, our directors received training from our corporate legal advisers Herbert Smith Freehills (HSF) to remind them of their duties to apply section 172 to their considerations and decisions. By considering and applying our purpose, vision and core values (particularly 'respectful') consistently when delivering our strategy and in our decision-making, we aim to meaningfully engage with all our stakeholders regardless of the outcome of any particular decision.

The information in this section explains how the Board oversaw stakeholder interests and concerns and considered stakeholders when making decisions in 2020/21.

How we work to understand our stakeholders

Our Board seeks to understand the interests of each stakeholder group and to consider them in their decisions. Directors receive information about our stakeholders through various channels. This includes direct interaction and engagement – something we place much importance on at Airtel Africa. They also receive reports and updates in Board and committee meetings from our senior leadership team who engage with our stakeholders – for example, when concerns and initiatives related to stakeholders are presented to directors by our Investor relations team or chief human resources officer. We're working to make sure Board papers include coverage of relevant stakeholder interests related to proposed courses of action – and are revising our Board paper templates and introducing training for people who write Board and committee papers.

This year our Board hasn't spent as much time as usual in our markets and meeting with stakeholders in person due to Covid-19 restrictions, but we will restart these meetings as soon as it's safe to do so. Once travel restrictions have been lifted, Board meetings will take place at regional locations with representatives from the business present. We will also arrange regular director visits to local operations.

How we consider stakeholder interests

Our directors foreground stakeholder interests when making key decisions for Airtel Africa. Sometimes this means considering the results of a direct consultation, such as the one between our Remuneration Committee and our shareholders. At other times, it involves distilling data and other metrics to inform decisions.

Our Board has also established clear business standards to which stakeholder interests are integral. Our Code of Conduct encompasses everything from respect for human rights to data privacy to acting lawfully. This sets out our high expectations for how all of us at Airtel Africa should act in ways that create value for – and build trust in – our many stakeholders.

Our customers

More than 118 million customers across Africa use our data, voice and mobile money services to connect, live and work.

How we engaged during the year

Our customers relied on us more than ever this year – and we developed new channels and ways of working so we could stay in touch and engaged with their interests and needs.

We collect customer feedback at various points of customers' Airtel Africa experience – using these insights to improve our services and inform our decision-making. In September 2020, we began using SMS to survey our customers and assess how well we've met their expectations.

Our Board was kept informed of significant customer concerns and priorities through the CEO's regular update and continues to champion the cause for customer-centricity.

Interests and concerns

This year especially, customers wanted to be sure that they could stay connected to friends, family, work and vital services. That meant business and network continuity was a particular focus for us. More widely, our customers want to engage with our products and services in ways that enhance their quality of life, support their work, and optimise their leisure – so they can have a seamless customer experience and be self-sufficient.

Engaging with our **stakeholders**

Keeping customers safe

The impact of Covid-19 on our customers was shared at Board meetings by our CEO.

Subsequent Board discussions led to various safeguarding measures, including:

Self-care app enhancements: more features to enable customers to serve themselves without needing to go to a shop or agent

Call centre: a new self-serve channel so that customers could do more over the phone instead of going into shops for things like resetting their PINs and getting PUK codes

E-recharge: we rolled out an online prepaid mobile facility so that customers could access prepaid plans without leaving their homes

We also created a Covid-19 information hub on all 14 operating company websites to inform customers about health tips, Covid-19 hotlines, free educational portals and more

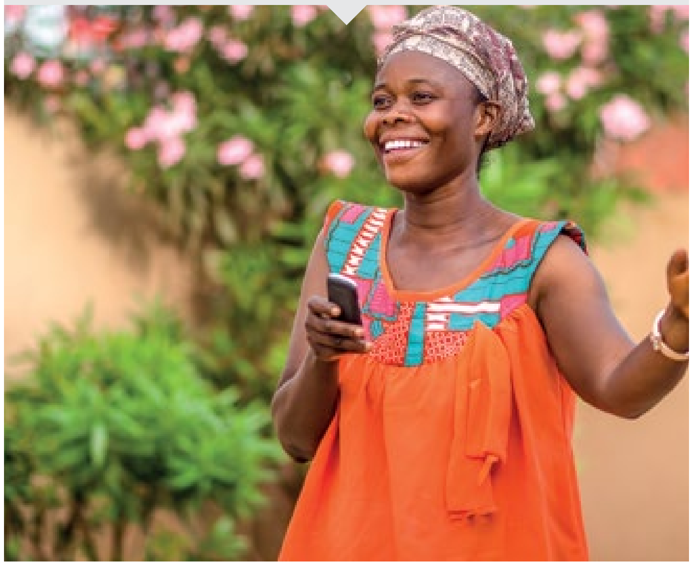
Engaging with our **stakeholders**

Empowering our customers

We know our customers want more ways of independently accessing our products and services – particularly online.

So in August 2019, we began to roll out the MyAirtel app and by April 2020 it was live across our 14 markets. As of March 2021, the app has been downloaded almost 7.5 million times and is used by many customers to check their airtime minutes and buy bundles using Airtel Money or any credit or debit card. The app also gives customers access to mobile money services anytime, anywhere.

Also in April, we launched transactional video on demand (TVOD) services in Nigeria, which allows our customers to enjoy the latest Nollywood blockbusters through the Airtel TV app. Airtel TV is now live in nine countries, with almost 2 million registered users across Chad, the DRC, Kenya, Madagascar, Niger, Nigeria, Tanzania, Uganda and Zambia.



Outcome and actions

Where restrictions allowed, we observed all locally mandated health protocols in our Airtel shops so that we could have face-to-face interactions that were safe for customers and staff. Our in-country call centres, adapted where necessary so people could work from home, ran 24 hours a day, seven days a week. We also worked hard to find 'self-service' solutions for customers, so they could solve issues or access services using their phones. In particular, we reached out through social media to let customers know about our new self-care channels and processes, including the MyAirtel app.

This year, in response to customer requests, we made a number of sites across our businesses accessible free of charge to give students continuous access to quality education.

Our people

Our more than 3,500 full-time permanent employees in 17 countries represent 34 nationalities and are at the heart of our success.

How we engaged

Our Board works in various ways to interact with and understand our employees. Sunil Bharti Mittal is our designated Board director for employee engagement, given his regular travel to our operating companies. He reports to the Board on what he learns from his engagement with our employees. Despite pandemic-related restrictions, our chair met with senior executives across our operating companies and headquarters to discuss both personal and professional matters. This included managing Covid-19, team capabilities, engagement and continuing to build a high-performance culture.

We've always had an open-door policy, where any employee can connect directly with the Group CEO or any Executive Committee member. To this end, we make our ExCo members' contact details available in our employee directory. The CEO also covers employee engagement matters in his report to the Board – and this year, he shared personal stories of the impact of Covid-19.

The Board also stays on top of employee-related issues through:

- Quarterly CEO-led town halls in English and French where our senior leaders update employees on our business performance, organisational changes and take questions from employees
- Chief human resources officer presentations to directors every year and one-to-one meetings as necessary
- Full quarterly reports to the Remuneration Committee from the HR Forum and Remuneration Forum chair on people, culture, wellbeing and the impact of Covid-19. These were shared at Board meetings by the Remuneration Committee chair
- An employee engagement survey, launched online and carried out by consultants Willis Towers Watson: 87% of the 3,411 employees we invited to participate across all markets responded to the survey. See page 31 for a summary of the findings.

Interests and concerns

Health, safety and wellbeing is a paramount concern for both our company and employees, and this year that meant taking new steps to keep employees safe. During the pandemic we made sure employees stayed on full pay and received full medical insurance, and launched an employee assistance programme with remote access to mental healthcare professionals.

» See our responsible business section on **page 56**

Our employees have other interests and concerns beyond health and safety, of course – including a focus on career development. This year, we made significant steps in evolving our capability-building programmes, including through a revamp of our online learning platforms, and ensuring all employees receive training on our Code of Conduct and mandatory policies.

The results of our engagement survey showed an engagement score of 79%, which was benchmarked as in line with local norms. We're continuing to build our engagement with employees so we can attract, motivate and retain the best skilled talent.

Engaging with our **stakeholders**

Support for our people during the pandemic

We took range of steps during the year to ensure everyone's safety:

- A Covid-19 war room to monitor people's needs and provide support
- A cross-functional business continuity planning (BCP) team which continues to assess potential risks and refine contingency plans for each OpCo
- Agreed policies for remote working, working in shifts and social distancing, depending on the needs of teams
- Full pay and medical insurance for all employees, including diagnostic testing and physician visits related to Covid-19
- A new fund to help temporary staff with Covid-19 medical bills
- Paid medical leave for employees with Covid-19 or who needed to care for family members with Covid-19
- Psychological counselling, personal legal advice and access to crisis centres through our employee assistance programme
- Personal protective equipment and hand sanitiser for staff in offices and shops

Outcome and actions

Our CEO held one-to-one meetings with our operating company managing directors and other leaders to discuss issues of employee and personal wellbeing, team updates and career aspirations. We also put several retention plans in place for our leadership team.

We put several retention plans for the leadership team into place as a result of one-to-one meetings between the CEO and our operating company managing directors and other leaders to discuss issues of employee and personal wellbeing, team updates and career aspirations.

We're continuing to consult with employees on how Board members can better engage with employees and will report on the outcomes next year. We are planning for non-executive directors to attend more employee meetings, so that they can engage with colleagues in both formal and more relaxed settings.

Communities

We stand with our communities in hard times as well as good times, and we listen to their concerns to make sure we remain a force for positive change.

How we engaged

Our CEO reported on the impact of Covid-19 on our communities at Board meetings during the year. The Board also regularly reviews our formal programme of community initiatives.

Interests and concerns

Like much of the world, our communities faced a health and economic emergency in 2020. As well as relying on mobile telecoms to stay connected and enable essential services, communities looked to business to help in their time of need.

This year, we will be developing our new sustainability strategy in consultation with our key stakeholders. This will reflect their interests in digital transformation and financial inclusion as well as our core corporate social responsibility activities in projects and activities that make a real difference to the lives of some of the most vulnerable people on the continent.

» We describe this work in our sustainability ambition on **pages 50-53**

Outcome and actions

We support the communities in which we operate in many ways, with a particular focus on creating educational opportunities, improving health and using our technology for good in disaster situations.

From 2021, we intend to increase our community programmes through technology and partnerships to meet people's needs against the backdrop of the pandemic and other important issues.

The pandemic has had a major impact on health and development across Africa, and we did not hesitate to lend support through our products and services, and in cash and in kind. With Group support, each OpCo took into account the needs of local stakeholders and supported a range of activities, including:

- Acting on government requests for assistance through our Airtel Money and digital platforms, removing transaction fees so that communities could send and receive money for free through our platform
- Contributing funding to various government institutions directly dealing with the pandemic across Africa
- Revising the limits for mobile money transactions to support medium and small businesses

In addition, our employees made voluntary donations to communities that were matched by the company. This is in addition to the $2.6m donated by Airtel Africa towards protective equipment for frontline health workers across Africa.

» We provide more details about our community support in corporate responsibility on **pages 54-55**

Partners and suppliers

Across Africa, we work with more than 2,800 suppliers, including mobile brands, IT companies and telecoms infrastructure providers – with the top 100 suppliers accounting for just over 83% of our procurements.

How we engaged

During the year, we engaged proactively at both Group and operational company level with all of our top vendors. Relevant information from these engagements is communicated to the Board via the CEO's report; and the Board's response is fed back to the business and the relevant executive by the CEO at his regular ExCo and business review meetings.

We continued engaging with our vendors while observing social distancing restrictions. While major conventions such as MWC Barcelona and AfricaCom were cancelled this year, and direct meetings with vendors were not possible, we continued meeting major vendors online at least once each quarter.

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

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

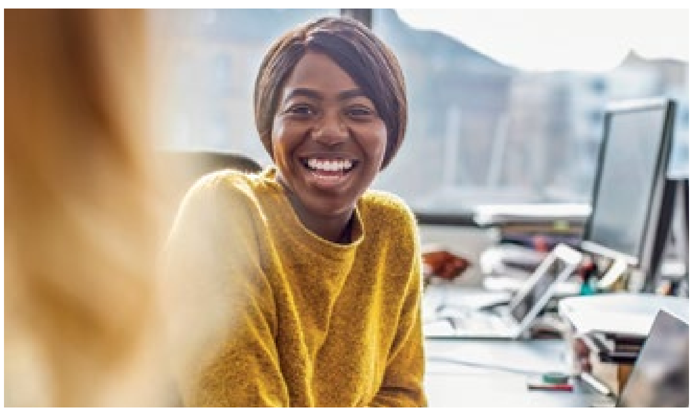
Interests and concerns

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

Outcomes and actions

In July 2020, we scaled up our partnership with WorldRemit, the global digital money transfer service operating from over 50 sending countries to over 150 receiving countries. This partnership will enable more customers in more places to send and receive money through Airtel Money.

In the same month, we began working with Mukuru, one of Africa's largest remittance organisations with a strong presence in southern Africa. This partnership will enable Mukuru customers to instantly send cross-border transfers directly to Airtel Money customer wallets in 12 African countries.



Regulators and governments

Mobile telecoms has been shown to be an essential service throughout the pandemic, and we have continued to work closely with governments and regulators to help in the emergency and build the digital and financial inclusion that will fuel recovery.

How we engaged

With operations in 14 countries, we work hard to stay ahead of regulatory changes in different regions. Our Board maintains a productive and open dialogue with regulatory bodies and policymakers and sets high standards of governance across our business.

Over the 2020/21 financial year, we continued to engage with governments to understand key policy considerations and the direction in which governments are driving their countries. We take a multi-layered approach to engaging with regulatory stakeholders around potential changes to licencing frameworks, market and competition structures, new government policy initiatives and new laws affecting our business. In other words, we communicate with governments and regulators on various levels, depending on the complexity of the issue and the level of the stakeholder. Some issues might be dealt with by our regulatory affairs directors, some might involve the Group chief regulatory officer working alongside the local team, and others will need the support of our Group CEO or chair.

The Board has empowered the CEOs and chief regulatory officers of our operating companies to represent them at country-level engagements with governments and regulators. Management informs the Board about regulatory developments in the markets on a monthly and quarterly basis. From time to time, we also commission audits to verify levels of regulatory compliance.

Interests and concerns

While different governments tailored their approach to the pandemic to local conditions, a number of concerns arose in several markets. One was making sure networks were robust enough to accommodate changes in traffic patterns as people worked from home, which meant we were temporarily assigned additional spectrum to support network reconfigurations.

Some governments also took steps to promote the use of mobile financial services as a safe way of making payments without cash, and in some markets governments requested that all telecom companies temporarily waive transactions fees, a request Airtel agreed to.

At the same time, regulators continued to promote national security, and in a number of markets added Know Your Customer requirements – these are described in market environment on page 18.

Outcomes and actions

This has been a year of close cooperation during a health and economic emergency. Governments across our markets recognised telecom operators as essential workers, which was a critical step in keeping our networks open so people and service providers stayed connected. It meant our employees could continue to maintain facilities, distribute SIM cards and recharges, and serve customers. At the same time, we worked with governments and regulators to ensure that, as people's behaviour changed through lockdowns and travel restrictions, our services could adapt.

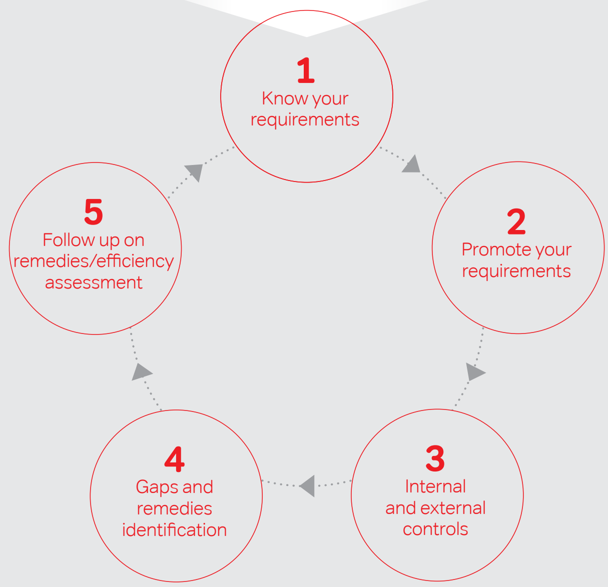
Engaging with our **stakeholders**

Our compliance management system

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

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

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



Shareholders

Our shareholders provide the funding flexibility we need to execute our strategy, allowing us to deliver sustainable long-term value to them and all our stakeholders, and to society.

How we engaged

The Board is updated on investor and shareholder feedback as part of the CEO's monthly report to the Board.

We aim to encourage shareholder participation through clear messaging and reporting and careful review of shareholder feedback. To this end, in 2020/21 we:

- Held interactive conference calls with analysts and shareholders on the day of our quarterly results announcements
- Held virtual investor roadshows after publishing our full year and half year results in May and October, as well as ad hoc meetings and calls with both existing and prospective shareholders
- Attended online investor and industry conferences throughout the year to offer existing and prospective shareholders more opportunities for dialogue with executive management
- Proactively engaged with the sell-side equity research community
- Encouraged shareholder attendance at our virtual first AGM in June 2020, including voting on resolutions proposed through briefings to analysts and the press
- Collected and reviewed feedback from shareholders on our engagements with them throughout the year

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

» See **pages 124-138** for more details about our Remuneration Committee

Interests and concerns

In addition to investor interest around solid financials, such as delivering sustainable profitable growth, free cash flow and dividends, our shareholders also expect to see sustained high standards of governance at Airtel Africa.

We know that many shareholders are interested in our outlook on trading and market demand, our guidance for 2021 and beyond, our progress in improving our natural currency hedging by localising debt in our operating companies, and our other financial targets and dividend policy. In light of the increased interest in our approach to environmental, social and governance-related policies and matters, we will work closely with our shareholders in developing our sustainability strategy in 2021.

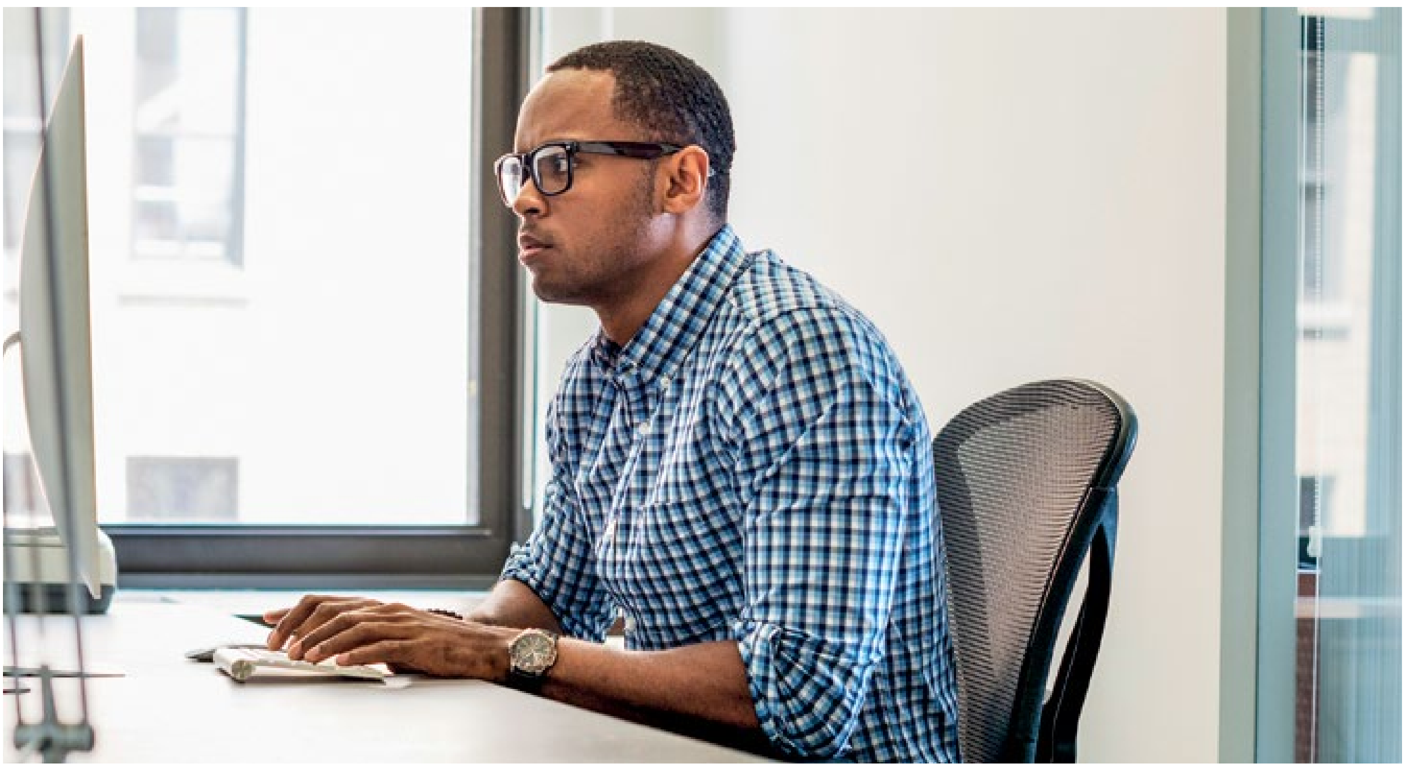
» We describe the relationship with our majority shareholders on **page 120**

Outcomes and actions

All directors have formal briefings during the year about our investor relations programme and receive detailed shareholder and institutional feedback. This enables directors to act on major strategic and operational decisions with a good awareness of the views of our shareholders.

In response to increasing demand from investors, and other stakeholders, we recently embarked on a process to more formally articulate how our strategy and business model align with environmental, social and governance best practices. As part of this process, we have now defined our sustainability framework, our ESG materiality matrix and the six UN SDGs where we believe we can make the biggest difference.

» Full details of our sustainability ambition can be found on **pages 50-53**



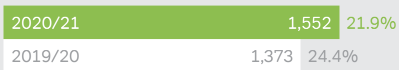
Meeting the needs of customers and communities, driving digital transformation

“This was a year in which we were focused on our communities, customers and employees as much as our business – and we learnt once again that serving our stakeholders is at the heart of business success. The opportunities ahead are exciting: there is a clear recognition that the services we provide are key to progressing Nigeria on a new, digital trajectory of growth.”

Olusegun Ogunsanya
MD & CEO, Airtel Nigeria

Revenue	Underlying EBITDA	Operating profit	ARPU
$1,552m	$839m	$602m	$3.0
Reported currency 13.1%	Reported currency 12.8%	Reported currency 6.5%	Reported currency 2.2%
Constant currency 21.9%	Constant currency 21.6%	Constant currency 14.9%	Constant currency 10.2%

Revenue ($m)

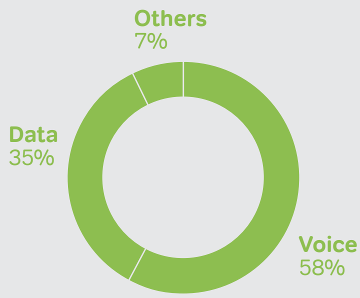


Growth % are in constant currency

Underlying EBITDA ($m)

* Underlying EBITDA margin

Revenue split



Summarised statement of operations

Description	Unit of measurement	March 2021	March 2020	Reported currency change %	Constant currency change %
Revenue	$m	**1,552**	1,373	13.1%	21.9%
Voice revenue[1]	$m	**897**	850	5.6%	13.9%
Data revenue	$m	**549**	435	26.3%	36.2%
Other revenue[1]	$m	**106**	88	20.2%	29.7%
Underlying EBITDA	$m	**839**	744	12.8%	21.6%
Underlying EBITDA margin	%	**54.1%**	54.2%	(15) bps	(14) bps
Depreciation and amortisation	$m	**(236)**	(183)	28.9%	38.9%
Exceptional item	$m	**–**	5	(100.0%)	(100.0%)
Operating profit[2]	$m	**602**	565	6.5%	14.9%
Capex	$m	**275**	325	(15.3%)	(15.3%)
Operating free cash flow	$m	**564**	419	34.6%	53.6%
Operating KPIs					
ARPU	$	**3.0**	2.9	2.2%	10.2%
Total customer base	million	**42.0**	41.8	0.5%	
Data customer base	million	**17.7**	16.7	5.6%	

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

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

Our market

Nigeria is Airtel Africa's largest single country market – and as an enabler of Nigeria's rapidly expanding digital economy, we see great potential for continued growth as we create opportunities and value for our customers and shareholders.

Nigeria has a growing population of more than 200 million people, more than half of whom are under 30 years old – and the Nigerian government, as well as external experts such as the World Bank, see digital entrepreneurship as an engine of economic transformation for the country.

We are well-placed to continue serving this need, investing this year in network upgrades to boost capacity and reinforce resilience, and making further progress on expanding our distribution network, while developing our offer to customers. New National Identity Number (NIN) regulations introduced in December 2020, which require every phone user to have a registered NIN, have temporarily slowed customer onboarding across the telecoms sector, as we describe on page 21. Despite this, we have widened our customer base during the year overall, and seen a rapid rise in data consumption contributing to double-digit revenue growth. In January 2021, we renewed our spectrum licences in the 900MHz and 1800MHz band, valid for ten years from 1 December 2021 – an important development we describe on page 21. We continue to progress our application for a licence to offer payment services independently, as we see a major opportunity to complement our existing financial services partnership with a local bank, which uses our platform for financial transactions. We also closely monitor Nigeria's foreign exchange situation: our analysis of foreign exchange risk is described on page 17 in our Covid-19 statement.

Our focus on customers, communities and employees has been more important than ever this year. As everyone in Nigeria tackled the urgent demands of Covid-19, our teams pulled together to provide vital support, whether through testing centres, free SMS and data services, or resilient services that were essential to people's everyday lives and the national response. It was an effort that we can recall with pride as we help our communities build back stronger in 2021.

» For more information on our response to Covid-19, see **page 16**

Other market participants

- MTN
- Globacom
- 9 Mobile

Our performance

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

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

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

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

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

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

Transforming lives spotlight

Putting our business at the service of customers and communities

While we never lost sight of how crucial it was to keep our mobile and data services running in Nigeria during the Covid-19 pandemic, we also looked for innovative ways we could help our communities through the worst of the crisis.

We used our platforms to make sure people got the information they needed – both about Covid-19 (see page 12 for a description of our communications work on behalf of the National Center for Disease Control (NCDC)), and for their education, through partnerships that meant vulnerable children continued to get access to online learning resources.

At the same time we supported the government's efforts to combat Covid-19, including through a N200m (equivalent of $525,000) donation to refurbish and equip a specialist unit at the Lagos University Teaching Hospital, and donations to the Ogun State government to support Covid-19 testing through a molecular laboratory. We also supported the Nigerian Port Health Authority, provided toll-free lines to the 36 State Government offices, and donated N50m (equivalent of approx. $132,000) to Lagos State Government to procure personal protective equipment (PPE) for Lagos State health workers, among other initiatives. Our employees led the way: through our Employee Volunteer Scheme (EVS), they donated N20m (equivalent of approx. $52,500) from their salaries to the Lagos State government to provide relief materials and palliative packs to vulnerable families and individuals.

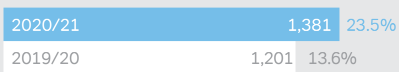
Opening up access to essential services, helping millions stay connected

Our services helped governments, health workers and communities through the Covid-19 pandemic by disseminating safety information, enabling commercial transactions and keeping communities connected through our voice and data platforms. We will continue to work with all our stakeholders to ensure that our services remain accessible and affordable as a key element of our strategy for continued growth.

Ian Ferrao
Regional director, East Africa

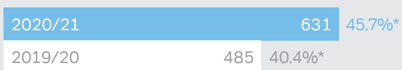
Revenue	Underlying EBITDA	Operating profit	ARPU
$1,381m	$631m	$408m	$2.3
Reported currency 15.0%	Reported currency 30.0%	Reported currency 53.7%	Reported currency 2.5%
Constant currency 23.5%	Constant currency 40.2%	Constant currency 67.8%	Constant currency 10.0%

Revenue ($m)



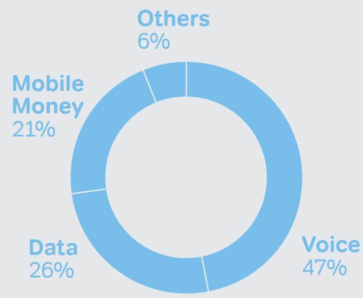
Growth % are in constant currency

Underlying EBITDA ($m)



* Underlying EBITDA margin

Revenue split



Revenue contribution of others includes eliminations

Summarised statement of operations

Description	Unit of measurement	March 2021	March 2020	Reported currency change %	Constant currency change %
Revenue[2]	$m	**1,381**	1,201	15.0%	23.5%
Voice revenue[3]	$m	**650**	606	7.4%	15.4%
Data revenue	$m	**354**	307	15.4%	23.9%
Mobile money revenue[4]	$m	**291**	213	36.1%	47.2%
Other revenue[3]	$m	**150**	131	14.2%	20.8%
Underlying EBITDA	$m	**631**	485	30.0%	40.2%
Underlying EBITDA margin	%	**45.7%**	40.4%	529 bps	541 bps
Depreciation and amortisation	$m	**(221)**	(229)	(3.7%)	2.5%
Exceptional item	$m	**–**	10	(100.0%)	(100.0%)
Operating profit[5]	$m	**408**	266	53.7%	67.8%
Capex	$m	**249**	181	37.5%	37.5%
Operating free cash flow	$m	**382**	304	25.6%	42.0%
Operating KPIs					
ARPU	$	**2.3**	2.2	2.5%	10.0%
Total customer base	million	**53.1**	48.6	9.2%	
Data customer base	million	**16.2**	13.3	21.5%	
Mobile Money customer base	million	**18.0**	15.5	16.4%	

1 The East Africa business region includes Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia
2 Revenue includes intra-segment eliminations of $64m for the year ended 31 March 2021 and $56m for the year ended 31 March 2020
3 Voice revenue and other revenue includes inter-segment revenue of $1m and $3m respectively in the year ended 31 March 2021. Excluding inter-segment, voice revenue was $649m and other revenue was $147m in the year ended 31 March 2021
4 Mobile money revenue post intra-segment eliminations with mobile services was $227m for the year ended 31 March 2021 and $157m for the prior year
5 Operating profit includes a CSR (corporate social responsibility) expense of $1.7m in the year ended 31 March 2021

Transforming lives spotlight

‘Let’s Read’: working in partnership to help improve education for 1.4 million children

We have a long track record of supporting education projects by harnessing our data and network capabilities, which will continue to be a focus of our new sustainability strategy.

Our partnership work in Zambia is a great example: this year we partnered with the ‘Let’s Read’ project being rolled out to five provinces in Zambia as part of a USAID funded five-year programme led by the Education Development Center, Inc. (EDC).

Airtel Zambia provided more than 2,000 data SIM cards for the programme, to support the development of primary school teachers with the aim of improving the reading outcomes for approximately 1.4 million children attending pre-primary (kindergarten) through Grade 3.

» See our sustainability ambition on **pages 50-53**

Our market

Our six markets in East Africa have some of the youngest and fastest-growing populations in the world – and mobile, digital and financial services are essential to their future opportunities.

To continue serving our customers, we’re focused on making our services accessible. That has meant continuing to invest in network upgrades: our Kenya and Tanzania 4G networks are now best-in-class, and we continue to maintain 4G leadership in Malawi, Uganda and Zambia. We have significantly improved our customer experience by using the Airtel app to enhance digital support, and by simplifying customer journeys on our platforms. We also continue to deploy our distribution network closer to our customers by rolling out more service centres across urban and rural areas. Perhaps the strongest example this year has been the expansion of our Airtel Money branch and kiosk footprint by 73.4% and 11.5% respectively, which has brought financial inclusion and connectivity to more customers while driving significant growth for our business.

The Covid-19 pandemic, which continues to have an impact on people’s lives across our markets, has again shed light on how crucial telecoms services are to our communities and economies. Over the course of the year, we helped millions of families and businesses stay connected. The pandemic has also accelerated the adoption of new ways of working that bridge barriers between homes, offices and business places, and we have pushed forward with the expansion of our FTTH (Fibre To The Home) and FTTB (Fibre To The Business) portfolios, which both rely on our 54,500+ kilometres of fibre across Africa. Above all, the year has shown that we are all at our strongest when we work together with all stakeholders, including governments, the health sector, communities, businesses and our customers.

» For more information on our response to Covid-19, see **page 16**

Other market participants

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

Our performance

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

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

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

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

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

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

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

Business review: Francophone Africa

Return to sustainable growth founded on strong networks and getting closer to customers

"This was a year which showed once again how our products and services are supporting customers and economies in markets which were previously underserved by financial and communications infrastructure. And it showed that the delivery of our strategy, with a focus on distribution, network and pricing, can meet these customer needs while fuelling our growth."

Michael Foley
Regional director, Francophone Africa

Underlying revenue	Underlying EBITDA	Operating profit	ARPU
$964m	$364m	$170m	$3.8
Reported currency 12.3%	Reported currency 24.6%	Reported currency 86.7%	Reported currency 3.6%
Constant currency 10.0%	Constant currency 21.7%	Constant currency 80.5%	Constant currency 1.5%

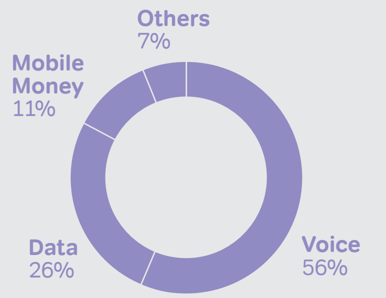
Underlying revenue ($m)

Growth % are in constant currency

Underlying EBITDA ($m)

* Underlying EBITDA margin

Revenue split



Revenue contribution of others includes eliminations

Summarised statement of operations

Description	Unit of measurement	March 2021	March 2020	Reported currency change %	Constant currency change %
Underlying revenue[2]	$m	**964**	859	12.3%	10.0%
Voice revenue[3]	$m	**541**	525	2.9%	0.5%
Data revenue	$m	**254**	189	34.4%	31.9%
Mobile money revenue[4]	$m	**110**	93	18.1%	15.0%
Other revenue	$m	**96**	86	11.5%	11.0%
Underlying EBITDA	$m	**364**	292	24.6%	21.7%
Underlying EBITDA margin	%	**37.7%**	34.0%	372 bps	363 bps
Depreciation and amortisation	$m	**(207)**	(189)	9.7%	7.7%
Exceptional item[5]	$m	**14**	(12)	(217.8%)	(209.6%)
Operating profit[6]	$m	**170**	91	86.7%	80.5%
Capex	$m	**88**	133	(33.9%)	(33.9%)
Operating free cash flow	$m	**276**	159	73.2%	68.2%
Operating KPIs					
ARPU	$	**3.8**	3.7	3.6%	1.5%
Total customer base	million	**23.1**	20.2	14.5%	
Data customer base	million	**6.7**	5.4	24.6%	
Mobile Money customer base	million	**3.6**	2.8	30.6%	

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

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

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

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

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

6 Operating profit includes a CSR (corporate social responsibility) expense of $1.1m in the year ended 31 March 2021

Our market

Demand for voice, data and mobile money products continued to grow in a year which showed more than ever how essential our services are to human connection and economic resilience.

More than 165 million people live in our Francophone Africa segment, which is made up of Chad, Democratic Republic of the Congo, Gabon, Madagascar, Niger, Republic of the Congo, and the Seychelles. This year, we got closer to many more new and existing customers through the rapid expansion of our distribution network, increasing our retail outlets by 43.7% to over 65,000. This expansion was made possible by our continuing investment in our network's capacity and resilience. Major projects this year in Niger and Chad serve as an example of our work in building infrastructure that is bringing communities into the mobile and digital ecosystem. Across the segment around 60% of our sites are now on 4G.

This growth in capacity came at the right time for customers facing new challenges brought about by the Covid-19 pandemic. Our field teams were able to keep working as essential service providers, increasing both the quality and availability of our network as people turned to mobile voice and data to stay connected and keep businesses running. We also helped meet the need for mobile money services within economies and households, by expanding the availability of Airtel Money services at the height of the pandemic. Our expanded network of Airtel Money branches and kiosks supported a substantial increase in our mobile money customer base and transaction volumes across the region.

With a strong foundation provided by our networks and expanded distribution footprint, combined with the region's young and growing populations, we see huge opportunities to continue serving customers and driving sustainable growth for us, and the communities we support.

» For more information on our response to Covid-19, see **page 16**

Other market participants

- Chad: Maroc, Sotel
- 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
- Seychelles – Cable & Wireless and Intelvision

Our performance

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

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

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

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

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

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

Our **data** strategy in action

Digitalisation through 4G connectivity: Niger

The success of our data business in Niger provides a clear example of how focusing on the reach and quality of our network can drive growth by bringing more customers across the digital divide.

We're the network leaders in the country, the first business to bring 4G coverage to Niger's cities, and the operator with the largest combined 3G and 4G network. And we've expanded our network to cover an increasing number of rural areas, bringing internet access to many places for the very first time.

We put that network strength and speed to good use by focusing on connecting new smartphone customers to 4G, and converting existing customers, while also driving adoption of home broadband, including through pocket Wi-Fi technology that allows 3G smartphone users to connect to the 4G network.

And we've made sure we're making the right offer to our customers, reviewing all our data packages and building trust with our customers through transparent bundle deals.

The result is that more people than ever before in Niger now have access to data and the digital economy. We've seen a rise in data usage, a rise in data customers, and an increase in data revenue of nearly 46% this year.

Our network has the potential to transform Niger, provide a solid platform for building the country's digital economy, and empower its people.

Strong performance in all 14 markets driven by transparency, access and leadership in 4G

"Availability, relevant and affordable products, and a quality network – these core pillars have been our focus. Our strong performance is proof of customer confidence and trust in the brand, and this is the equity we continue to build on."

Ashish Malhotra
Chief sales and marketing officer

Underlying revenue	Underlying EBITDA	Voice ARPU	Data ARPU
$3,592m	$1,639m	$1.5	$2.5
Reported currency 11.9%	Reported currency 19.5%	Reported currency (4.6%)	Reported currency 2.5%
Constant currency 17.6%	Constant currency 26.5%	Constant currency 0.1%	Constant currency 8.2%

Voice revenue ($m)

Growth % are in constant currency

Data revenue ($m)

Growth % are in constant currency

Summarised statement of operations

Description	Unit of measurement	March 2021	March 2020	Reported currency change %	Constant currency change %
Underlying revenue[1]	$m	**3,592**	3,210	11.9%	17.6%
Underlying EBITDA	$m	**1,639**	1,372	19.5%	26.5%
Underlying EBITDA margin	%	**45.6%**	42.7%	289 bps	323 bps
Depreciation and amortisation	$m	**(654)**	(595)	10.0%	14.6%
Operating exceptional items	$m	**14**	3	307%	508.4%
Operating profit[2]	$m	**995**	780	27.6%	37.0%
Capex	$m	**580**	626	(7.4%)	(7.4%)
Operating free cash flow	$m	**1,059**	746	42.0%	57.9%
Operating KPIs					
Mobile voice					
Voice revenue[3]	$m	**2,083**	1,970	5.8%	11.0%
Customer base	million	**118.2**	110.6	6.9%	
Voice ARPU	$	**1.5**	1.6	(4.6%)	0.1%
Mobile data					
Data revenue	$m	**1,157**	930	24.3%	31.2%
Data customer base	million	**40.6**	35.4	14.5%	
Data ARPU	$	**2.5**	2.4	2.5%	8.2%

1 Mobile service underlying revenue after intersegment eliminations amounted to $3,587m in the year ended 31 March 2021 and $3,207m in the year ended 31 March 2020. It also excludes a one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended 31 March 2021
2 Operating profit includes a CSR (corporate social responsibility) expense of $3.5m in the year ended 31 March 2021 and $1m in the year ended 31 March 2020
3 Voice revenue represents underlying revenue excluding the impact of a settlement in Niger ($20m)

Our market

We've continued to grow in 2020/21 by offering transparent voice and data products that meet customers' needs – and by making sure that customers can access them through a distribution network that reaches them effectively and efficiently.

Demand in sub-Saharan Africa remains strong, as growing populations of aspirational, price-conscious consumers look for ways to connect with each other, with business, and with the opportunities of the global economy. We've continued to add new customers for both voice and data services, thereby growing our overall customer base by 6.9%, to 118.2 million subscribers across our markets.

Demand for voice services continues to grow as mobile penetration within the region increases. While we've seen changes in usage patterns during the Covid-19 pandemic, with an impact on traffic and revenues during hours when curfews were in place, this was mitigated by our increased distribution: our overall ARPU grew by 7.7% compared to 2019/20. Our mobile voice business line – which includes pre- and post-paid wireless voice services, international roaming, fixed-line phone services and interconnect revenue – contributed 53.6% to our consolidated revenue in 2020/21.

Data has been another area of strong performance. Our focus is on simple and affordable data products that are transparent to customers, including 'more for more' data bundles, to encourage data use. While smartphone penetration across the continent increased less than expected, partly because of smartphone supply issues caused by Covid-19, it nonetheless increased by 1.0 percentage points in 2020/21 to 33%. We see the trend towards smartphone adoption only going in one direction, and we're continuing to invest in our 4G network, reinforcing our position as leaders in 4G in most markets. Altogether, we've seen strong growth in data customer numbers, rapid expansion of data usage, and increased revenue.

Both voice and data performance improvements are only possible because of our foundation in two key areas: network and distribution. Upgrading and expanding our network builds our capacity and resilience, so we can keep customers connected. We continue to focus on making sure our Airtel shops, Airtel kiosks, and agents are as close as possible to customers, increasing our exclusive retail footprint by 73% this year.

» For more information on our response to Covid-19, see **page 16**

Our performance

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

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

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

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

Transforming lives spotlight

Keeping students connected as they learned from home in Gabon

Distance learning became the new normal for students in many of our markets in the Covid-19 pandemic – and we worked with a range of partners to help schools keep children's education on track.

In Gabon, we supported the Ministry of National Education by enabling free access to education websites in the government's 'Learn from Home' programme. And Airtel employees lent a hand through our '1 employee, 1 school kit' initiative, collecting school supplies to support children at the El-Jireh orphanage in Essassa.

» See our sustainability ambition on **pages 50-53**

Unlocking potential through financial inclusion

> “Our model for spearheading financial inclusion is predicated on customer-centricity and solving the challenges faced by millions on the continent. From livelihood creation to processing payments to facilitating credit and savings, our purpose is to ensure that the digital revolution does not leave anyone behind.”
>
> **Vimal Kumar Ambat**
> CEO, Airtel Money

Revenue	Underlying EBITDA	Operating profit	ARPU
$401m	$195m	$185m	$1.7
Reported currency 29.1% Constant currency 35.5%	Reported currency 30.5% Constant currency 36.2%	Reported currency 29.6% Constant currency 35.3%	Reported currency 1.6% Constant currency 6.6%

Revenue ($m)

Growth % are in constant currency

Underlying EBITDA ($m)

* Underlying EBITDA margin

Summarised statement of operations

Description	Unit of measurement	March 2021	March 2020	Reported currency change %	Constant currency change %
Revenue[1]	$m	**401**	311	29.1%	35.5%
Underlying EBITDA	$m	**195**	150	30.5%	36.2%
Underlying EBITDA margin	%	**48.7%**	48.2%	52 bps	27 bps
Depreciation and amortisation	$m	**(10)**	(7)	48.2%	54.0%
Operating profit	$m	**185**	143	29.6%	35.3%
Capex	$m	**32**	12	165.8%	165.8%
Operating free cash flow	$m	**163**	138	18.7%	24.9%
Operating KPIs					
Mobile money key KPIs					
Transaction value	$m	**46,009**	31,598	45.6%	53.6%
Active customers	million	**21.7**	18.3	18.5%	
Mobile money ARPU	$	**1.7**	1.6	1.6%	6.6%

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

Our market

Digital financial services are transforming sub-Saharan Africa, where millions of people lack access to traditional banking services but are unlocking the potential of digital commerce through mobile phones.

Airtel Money is part of this transformation, which is driving financial inclusion at scale as well as creating huge opportunities for business growth as customers adopt new and wider ways to store, send, and spend their money.

Our digital mobile financial services platform caters to a large addressable market characterised by limited access to formal financial institutions and a lack of banking infrastructure. It includes mobile wallet deposit and withdrawals, merchant and commercial payments, benefits transfers, loans and savings, virtual credit cards and international money transfers. Our partnerships with Ecobank, Standard Chartered Bank, Mastercard, Western Union, MoneyGram, WorldRemit, and Mukuru, and remittance aggregators like Homesend, MFS Africa, Terrapay and Thunes, are broadening our offer, and helping us onboard more customers.

We offer mobile money services directly to customers in 13 of our 14 markets. In Nigeria, Airtel Money services are offered by a licensed bank using Airtel Nigeria network. We have applied for our own mobile banking licence (see our Nigeria Business review on page 38).

Our customers benefit from Airtel Africa's strong network presence and our extensive distribution platform of kiosks, mini shops, and dedicated Airtel Money branches, as well as our extensive agent network. To drive sustainable long-term growth, we're focused on assured float availability, distribution expansion and increased use cases for our customers.

In 2020/21, our network grew to 37,000+ kiosks, 10,000+ Airtel Money branches and shops and more than 440,000+ Airtel Money agents, creating valuable employment opportunities while building greater convenience and accessibility for customers. These have been important drivers of the 18.5% growth in our customer base.

We also aim to increase the penetration of our services by developing the mobile money ecosystem and making Airtel Money easier to use. We made our user interface simpler through our self-care app, we continue to partner with other financial institutions to drive mobile banking services, and we're developing products to help drive the growth and uptake of merchant payments, business to customer (bulk payments) and customer to business payments. We're also building Application Programming Interfaces (APIs) to allow further integration with other partners and technologies.

In 2020/21, we saw a significant shift in customer behaviour, including a 53.6% increase in transaction volume, with notable increases in the use of bank to wallet transfers, international money transfers, and merchant or bill payments. This reflects a worldwide movement towards the adoption of digital payments, and while this may have been accelerated by the Covid-19 pandemic, we see it as indicative of the long-term trend. We believe this behaviour change creates a significant opportunity, which informs our approach to the strategic monetisation of our mobile services, described below. At the same time, in recognition of the hardships faced by many customers and communities in dealing with the pandemic this year, we made a range of Airtel Money services complimentary.

For more information on our response to Covid-19, see **page 16**

Widening financial inclusion

We're addressing the lack of banking services in our markets through services that include:

- Mobile banking
- Merchant payments
- Loans
- Savings
- International money transfers
- Insurance
- Virtual cards

Our performance

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

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

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

Our **mobile money** strategy in action

Realising Airtel Money's potential through strategic investment

Two recent announcements in March and April 2021 demonstrate how we're unlocking value by bringing in strategic investors in our mobile money business.

The Rise Fund, the global impact investing platform of leading alternative investment firm TPG, will invest $200m in Airtel Mobile Commerce BV (AMC BV), a wholly-owned subsidiary of Airtel Africa plc. Mastercard will invest $100m. We are in discussions with other potential investors in relation to possible further minority investments into Airtel Money, up to a total of 25% of the issued share capital of AMC BV.

AMC BV is currently the holding company for several of Airtel Africa's mobile money operations; and is now intended to own and operate the mobile money businesses across all of Airtel Africa's 14 operating countries.

Airtel Africa and Mastercard have also signed a new commercial framework which will deepen our partnerships in areas including card issuance, payment gateway, payment processing, merchant acceptance and remittance solutions, amongst others.

Both transactions valued our mobile money business at $2.65bn on a cash and debt-free basis. Airtel Africa continues to hold the remaining majority stake.

The proceeds will be used to reduce our Group debt, and invest in network and sales infrastructure in our markets.

Dynamic, reliable communications for the organisations driving Africa's growth

"The organisations we serve are the growth engine of our markets – and we are perfectly positioned to draw on the infrastructure and network leadership of Airtel Africa to provide a complete suite of services to our customers."

Luc Serviant
Group enterprise director

Airtel Business acts as the digital partner to companies and organisations new and old, large or small – supporting the enterprises that are helping to drive economic growth and opportunity across Africa.

Airtel Business offers a comprehensive suite of business ICT (Information and Communication Technologies) and digital services for organisations at any stage of their growth, providing mobile and fixed data services to major corporate offices, non-governmental organisations, government departments, diplomatic missions, start-ups and small- and medium-sized businesses.

We serve customers who value speed, security and coverage – and we understand that reliability is key for any organisation where disruptions can lead to lost turnover, inefficiencies, and even safety incidents.

We also offer conferencing and collaboration services, a complete end-to-end cloud and data centre, and mobile money services from Airtel Money.

Ours is a growing market, as more and more businesses across sub-Saharan Africa digitise and look for communication solutions.

In addition to mobile banking and e-commerce, e-health, e-education, e-energy or e-agriculture are creating endless opportunities for African entrepreneurs. By supporting their success, we believe we're helping them create value and unlock the possibilities of digitalisation in the wider economy. It is also fuelling our growth: this year, we've seen a significant growth in terms of enterprise customer connections, fixed or mobile, from March 2020 to March 2021.

+24.3%	+34.5%
fixed data connections	enterprise mobile subscribers

Shaping the digital future through technological innovation and delivery

"We know that digitalisation will be at the heart of a successful future for our customers and communities. Digital Labs is the creative engine that propels Airtel Africa's contribution to that digital future, solving complex problems and innovating bold technologies that meet customers' digital needs."

Neelesh Singh
Chief information officer

Digital Labs is our in-house digital hub for developing and delivering technology platforms and digital products. We work with country teams across our 14 markets and we draw on Airtel Africa's scale and market leadership to innovate technologies that enhance customers' experience, drive financial inclusion, and harness the power of digitalisation.

Innovation is vital when it comes to addressing customers' digital needs in sub-Saharan Africa. The challenges and opportunities are unlike anywhere else in the world, and call for an agile, problem-solving mindset supported by cutting-edge technological expertise.

Through Digital Labs, we can develop the right solutions for our customers at speed, and shape the whole innovation process, from concept to delivery to customer use. And our product development focus is wide-ranging: we work on analytics, platforms, digital consumer products, enterprise product engineering, and more. This year alone we have worked on challenges as diverse as a mobile device management solution and mobile app for retailers – that is effectively a one-stop shop for managing their data and mobile money needs – to developing contact tracing apps for governments as part of their national effort to combat Covid-19.

The opportunities ahead of us, as our innovations help shape customers' digital future, are exciting.

Our sustainability ambition: guiding our business and transforming lives

We're doing more than plan a sustainability strategy. We're planning a more sustainable future – for our business and for people across sub-Saharan Africa.

“I am pleased that we are establishing this strategy to support communities across Africa and to demonstrate our environmental responsibility.”

Raghunath Mandava
Chief executive officer

Letter from the CEO

Transforming lives means creating sustainable futures for individuals, families, communities and businesses across Africa. Sustainable futures that are built on increasing equality through digital and financial inclusion, through ensuring children have access to vital education and through the provision of rewarding employment for people across the continent.

The development of our sustainability strategy is a significant and vital step for Airtel Africa. It underpins our absolute commitment to expanding the infrastructure and services that will tackle inequality and drive economic growth. It establishes the role we can play in helping the world address the climate crisis. And it demonstrates our ongoing focus on introducing and upholding the highest governance standards. I am determined that our sustainability strategy will be both ambitious and credible to build the confidence and trust of all our stakeholders.

The detailed sustainability plans we will be launching later in 2021 build on a strong foundation of work we already have underway. In 2020 we established a partnership with UNICEF to support school children with access to mobile technology throughout the Covid-19 pandemic, ensuring they could continue their learning and stay in touch with family and friends. And across every one of our 14 markets, local initiatives are already transforming the lives of communities. While our sustainability strategy will be defined at a Group level, national and local programmes across Africa will continue to make an important contribution.

I am pleased that we are establishing this strategy to support communities across Africa and to demonstrate our environmental and social responsibility. As the world starts to emerge from the pandemic and economies struggle to recover, this has never been more important to me or to the business. The goals we set and the programmes we initiate will determine Airtel Africa's future corporate decisions – the investments we make, the partnerships we establish and, critically, the culture of the company. In short, it is our future.

Raghunath Mandava
Chief executive officer

11 May 2021

Addressing the expectations of stakeholders, fulfilling our purpose

Developing a transparent, ambitious sustainability strategy is a vital next step for Airtel Africa, strengthening our business and helping us live our purpose of transforming lives.

Our strategy will demonstrate to our stakeholders that Airtel Africa is a responsible corporate citizen, ready to respond to any future regulatory or legislative requirements around sustainability. It will help to improve our ESG rating, and will ensure we remain competitive amongst global and African peers. And above all, it will bring to life our corporate purpose through clear programmes to increase digital and financial inclusion, address gender equality, build the company into one of the best employers in Africa, support communities and minimise our environmental impact.

In this section, we provide an update on our progress to date. We give an outline of the outcome of our materiality assessment, and the sustainability framework we have developed to clarify our reporting and ensure the business remains focused on key areas. We also set out the six United Nations Sustainable Development Goals (SDGs) to which we believe we can make the most significant contribution, and how we will play our part.

While this will be our first sustainability strategy, we have long worked to improve the lives of Africans across all our 14 markets, with corporate social responsibility (CSR) projects and through partnerships with NGOs. On pages 54-59, you will find details of some of our key activities in 2020/21.

Timeline for transformation

In 2020, we stated our intention to establish a sustainability strategy by the end of 2021, setting out long-term programmes and investment to improve the lives of millions of people in our markets. We are on track to make a full announcement of our goals, commitments and programmes in Q3 2022, and we are committed to reporting annually on our progress. In 2022, we will publish our first sustainability report, which will comply with the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures frameworks (TCFD).

Setting out our sustainability strategy – progress to date

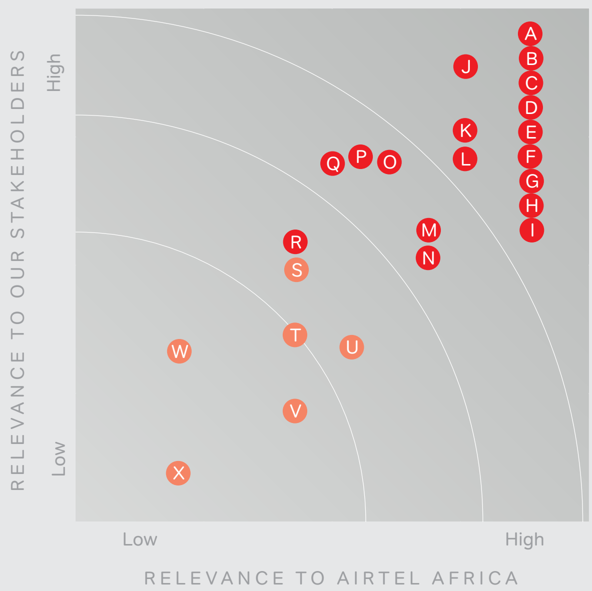
Our material topics

To determine the priority material topics that our sustainability strategy must address, we completed a detailed materiality assessment. This included in-depth analysis of industry benchmarks, best practice across the global telecoms sector and the recommendations of Global System for Mobile Communications Association (GSMA).

We also reviewed the focus areas of ESG ratings agencies and reporting frameworks.

This research and analysis identified 24 material sustainability topics – indicated on the graph below as A-X. To determine their relative importance, each of these topics was scored twice: first, for its relevance or potential risk to Airtel Africa, and then for its relevance to our broad range of stakeholders. This scoring allowed us to rank the topics and inform the priority focus areas for our sustainability strategy. Of the topics, 18 were ranked as being of extremely high relevance (top right quartile, or A to R) – and, therefore, priority topics to both our business and our stakeholders. We are now working to establish long-term goals and build programmes to address these priority material topics as part of our sustainability strategy.

Materiality matrix

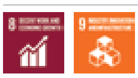
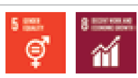
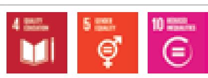


Key
- High priority material topics
- Material topics

- A Data security
- B Ethical business practices
- C Anti-bribery and corruption
- D Digital inclusion
- E Financial inclusion
- F Education and digital literacy
- G Economic value creation
- H Labour management
- I Employee health and safety
- J Service quality
- K Transparency and reporting
- L Supply chain
- M Indirect socio-economic benefits
- N Anti-competitive behaviour
- O Diversity and inclusion
- P Engagement with local communities
- Q Climate change
- R Circular economy
- S Technological innovation
- T Customer health and safety
- U Marketing and labelling
- V Security practices
- W Environmental resources
- X Biodiversity

Our sustainability strategy framework

We have now developed a framework for our sustainability strategy. With 24 material topics – 18 of which are priorities for our sustainability strategy – this framework will ensure clarity in our reporting and ongoing focus within the business. The framework has four pillars – **Our business**, **Our people**, **Our communities** and **Our environment** – reflecting the broad range of material topics. We are now focused on the development of long-term sustainability programmes and commitments for each of these four pillars. The diagram below explains why these pillars are important to our sustainability and the topics we will be addressing under each of them.

Our business	Our people	Our community	Our environment
Our role			
The expansion of our network and the reliability of our service is critical to increasing digital and financial inclusion across Africa. Through investment in our operations and services we can contribute to the economic growth of families, businesses and nations.	Tackling inequalities starts within our own business. Providing rewarding employment opportunities to people across all our markets and demonstrating our genuine commitment to achieving full diversity and inclusion among our workforce is central to our culture and a key focus for our future.	We have an important role to play in improving financial inclusion and access to education and healthcare for people and communities across Africa. Our network and services are key, but so are the partnerships and more direct forms of investment and support we can provide.	Recognising the potential impact of the climate crisis on Africa, we acknowledge the responsibility Airtel Africa has to limit its environmental impact. We are committed to addressing all the environmental risks that arise from our operations and the delivery of our services.
SDGs to which we will be contributing			
			
Our priority material topics			
• Data security • Ethical business practices • Anti-bribery and corruption • Financial inclusion • Economic value creation • Service quality • Transparency and reporting • Supply chain • Anti-competitive behaviour	• Labour management • Employee health and safety • Diversity and inclusion	• Digital inclusion • Education and digital literacy • Indirect socio-economic benefits • Engagement with local communities	• Climate change • Circular economy

Supporting the United Nations Sustainable Development Goals (UN SDGs)

In 2015, the United Nations launched the Sustainable Development Goals (SDGs), uniting governments, businesses and civil society across the world in the development of solutions to the most intractable problems facing the planet and its people. The 17 SDGs are broad in their nature and ambitious in their scope. Each is defined by several specific targets that indicate how the SDGs can be measured and achieved.

As a business, we are fully supportive of all 17 SDGs and look to make a contribution to all of them whenever possible. However, we have identified six SDGs where we believe our sustainability strategy programmes will make the most meaningful and measurable contribution. When we launch our full sustainability strategy in Q3 2022, we will identify the specific targets we will work towards within each of these SDGs.

Developing our strategic goals and roadmaps

Our work to date has identified our material topics, established a strategic framework to deliver our ambitious sustainability objectives and defined the contribution we can make to the achievement of the SDGs. We are now focused on setting the goals that will ensure we deliver measurable improvements, and we will publish them in Q3 2022.

We know that our stakeholders and customers will follow our progress and hold us to account on the promises we make. We know that we need to define the programmes required over the short, medium and long term to achieve our objectives. Work is underway across the entire business to plan the investment, to identify new technologies and services, and to establish the policies and processes that will ensure our strategy is achievable by the business and credible to our stakeholders. We recognise that collaboration will be essential, and we are identifying the partnerships we can create with industry peers, NGOs, academics and civil society organisations to deliver our goals and advocate on behalf of the people in our markets.

We look forward to making our measurable goals public and providing details of the roadmaps and milestones we have set ourselves to deliver those goals.

Overseeing our progress

During the year we established an internal reporting structure to support our sustainability strategy development. The Board of directors has overall responsibility for our sustainability strategy and its implementation across the Group. Our Board Sustainability champion is Annika Poutiainen. The executive sponsor is our CEO, Raghunath Mandava. We established a sustainability monitoring group to oversee and report to the Board on progress of our sustainability strategy development, including environmental initiatives.

SDG	How we make an impact
4	**SDG4: Quality education** Through the provision of free internet services to schools and libraries across all our markets, we will ensure teachers and children have access to the resources they need to improve literacy standards and educational attainment. And by direct financial support for a number of schools in each of our 14 markets, we are able to ensure education is established and remains available to some of the most vulnerable children.
5	**SDG5: Gender equality** We are committed to improving gender equality across Africa. Through our work to expand our network, more women will have access to services needed to drive financial inclusion, providing them with greater independence, security for their families and the opportunity to develop businesses. And within Airtel Africa, our commitment to achieving full diversity and inclusion at every level of the business will ensure that all employees, regardless of gender, have the chance to develop their skills and progress their careers.
8	**SDG8: Decent work and economic growth** We will help ensure people across all our markets have access to the financial and data services they need to establish independent businesses, driving the entrepreneurship, creativity and innovation that is essential for economic growth. And through our own recruitment, we will continue to develop opportunities for local people to enjoy safe and rewarding employment and development opportunities.
9	**SDG9: Industry, innovation & infrastructure** Through the ongoing expansion of our network and continuous development of our data security and service reliability, we will establish essential infrastructure to increase financial inclusion for individuals, provide vital education and healthcare services and support the economic resilience and growth of communities.
10	**SDG10: Reduced inequalities** Our commitment to the ongoing development of our services and network will provide millions of people with new opportunities regardless of their age, gender, disability, ethnicity, religion or any other status. This will be reflected in our own business through our recruitment policies and our focus on achieving full diversity and inclusion.
12	**SDG12: Responsible consumption & production** Our sustainability strategy will ensure that we minimise every environmental impact arising from our operations. It will drive the development of new technologies to reduce our energy use and limit our direct and indirect greenhouse gas emissions, and it will lead to innovative processes that effectively minimise our waste.

> The telecoms sector has a unique opportunity to help build a better future and support the vision of the UN SDGs. We must harness our expertise in digitalisation and financial inclusion to the work of creating a world where 'no-one is left behind'.

Annika Poutiainen
Board director and Airtel's sustainability champion

Our work with communities

Supporting the communities in which we work is part of what makes us who we are as a business, and as Airtel Africa employees.

Right across Africa, we have always been engaged in corporate social responsibility (CSR) projects and activities that make a real difference to the lives of some of the most vulnerable and underserved people on the continent. Many of these projects have been running for years and their themes will underpin some of the pillars of our new sustainability ambition (see pages 50-53).

This year, the impact of the pandemic meant that our community projects were more vital than ever, helping to provide people with essential items and services. Our Group-wide approach to key community activities focuses on three main areas: **education**, **health and wellbeing**, and **disaster relief**.

Across our markets, employees volunteer and offer support in a wide range of community programmes, from supporting girls in Niger through professional training in hairdressing and aesthetics, donating food and essential materials to families in Chad, to the significant and ongoing donation of medical equipment across all our markets to protect frontline workers in the fight against Covid-19.

» For more information on our values, see page 22

Bridging the health information gap

Mobile and data technology is playing an important role in helping people get trustworthy information about their health. One example is our support for the Uganda Blood Transfusion Service, which struggled to reach its donors due to the Covid-19 pandemic. We supplied them with two hotline numbers free of charge, and a large number of minutes and data for them to reach potential blood donors. This enabled many people to continue donating blood at donation centres across Uganda.

In Nigeria, in a partnership with the Nigeria Centre for Disease, the 36 State Government and Federal Capital Territory, we donated mobile phones, toll-free minutes, internet and data to provide a Covid-19 helpline to customers in need of medical attention.

» For more information on our response to Covid-19, see page 16

“Supporting, improving and creating opportunities in the lives of the communities we serve through harnessing the power of mobile technology is at the core of our objectives and values.”

Michael Okwiri
Head of communications and CSR

Engaging with our stakeholders

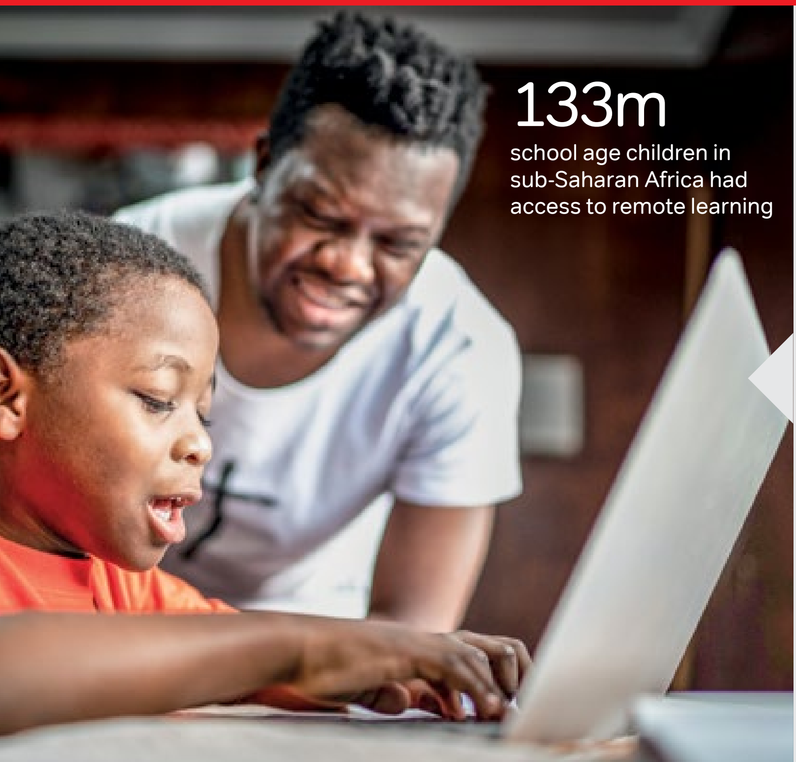
Understanding the needs and expectations of all our stakeholders helps us boost our positive impact – and makes us a better business.

We describe how we engage with our stakeholders on page 32.

A simple set of principles guides all of our corporate social responsibility (CSR) programmes. We work with initiatives that:

Do:
- Draw on our own technology
- Align with local development plans or goals
- Address a pressing social need
- Offer opportunities to create partnerships with customers, employees, and public and private sector actors

Do not:
- Harm the environment
- Discriminate because of race or gender
- Support a political party, candidate or movement
- Support a particular religious doctrine



Our **community** in action

Supporting education for 133 million students across Africa

Africa will experience significant growth in its child and youth populations over the coming decades. We are determined to support them to give them the best possible start.

In May 2020, we formalised a partnership with UNICEF to provide an estimated 133 million school age children in sub-Saharan Africa with access to remote learning through the provision of mobile technology. The partnership also supported UNICEF, facilitating vital cash assistance to alleviate financial barriers for some of the most vulnerable families across the region, including many affected by economic hardship during Covid-19.

The partnership led to us zero-rating 20+ websites hosting educational content across 11 of our markets, which provided children with remote access at no cost.

Our **community** in action

Making connections, listening to communities in Nigeria

Our services are making a difference to the lives of millions of Nigerians – but we know that every community is different and has different needs. So alongside our expansion of data and voice services into regions where there is huge unmet demand from individuals and businesses, we also listen to our community stakeholders.

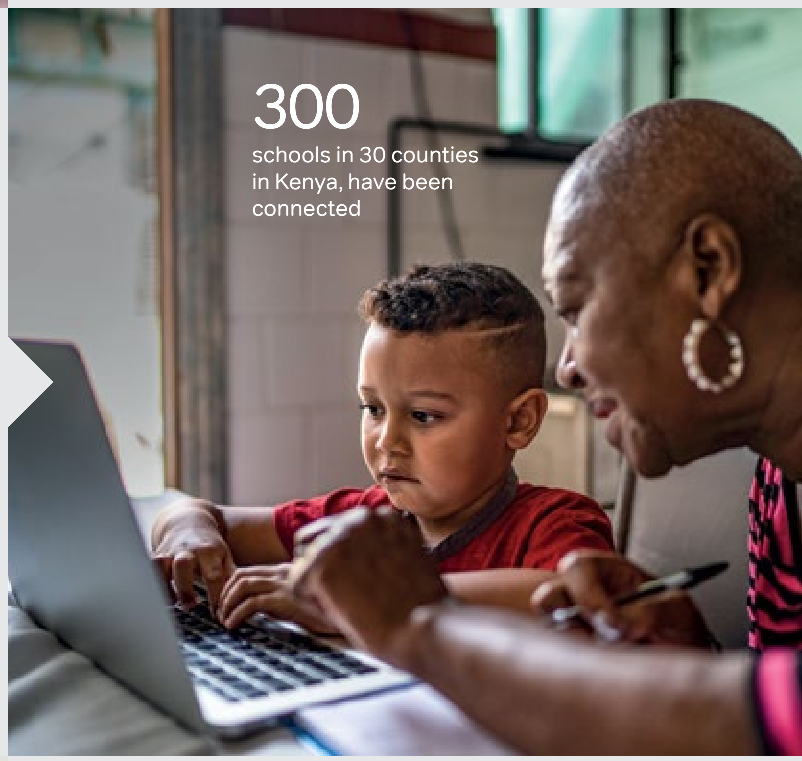
To take one example, this year our Touching Lives community initiative was contacted by representatives from the Isokan community in Ogun State, which had been left without electricity for more than a decade. Through a N7,000,000 (equivalent to $18,500) donation by Touching Lives, Airtel Nigeria helped construct a pole and cable network to link them to the public power grid.

Our **community** in action

Harnessing mobile technology to support education in Kenya

Harnessing the strength of our technology to drive change in the community is central to our 'Transforming lives' commitment. In line with this, in 2020 we accelerated the flagship community programme we operate in Kenya to provide free internet connectivity for students in the country. For even more schools, we are now responsible for students having access to free data through the provision of free data devices.

The internet opens educational opportunities for children providing them with access to the wide range of online and e-learning facilities available, helping to ensure they are well-prepared for further education and future employment. So far, we have connected over 300 schools in 30 counties in Kenya, positively impacting the lives and opportunities of more than 300,000 students in the process.



Our **community** in action

#SoyonsPrudents ('#LetsBeCareful'): raising cancer awareness in Gabon

Awareness campaigns are a crucial tool in combating breast and cervical cancer – and in Gabon, our employees have joined the movement to encourage women to get tested early.

As well as taking part in the Gabon Ministry of Health's (Ministère de la Santé) mobilisation campaign in October through the #SoyonsPrudents social media campaign, our employees were invited to take part in a free screening session in our offices by the Education Unit of the Sylvia Bongo Ondimba Foundation.

Responsible business

Integrity, transparency and respect for human rights underpin everything we do. Our Code of Conduct sets out how we do business, and what we expect from both ourselves and the people we work with.

Not only are we committed to respecting and upholding human rights in our operations, but also to making sure our employees and business partners respect the rights of the people we interact and work with.

We always consider whether a prospective partner's values align with our own when making contracting and supplier decisions. For more information on our governance processes, including our zero tolerance of bribery and corruption, see page 121 of the governance report.

From our Code of Conduct

We will conduct our business in a way which respects human rights. We are committed to combatting any form of slavery, trafficking, child labour, forced labour, inhuman treatment or working conditions that are a threat to life or hinder the physical, emotional and/or mental wellbeing of a person.

$362,000
donated by our employees to support communities and matched by the company like-for-like, all in support of various government Covid-19 response efforts

$6.1m
total CSR expense in 2020/21

Our **community** in action

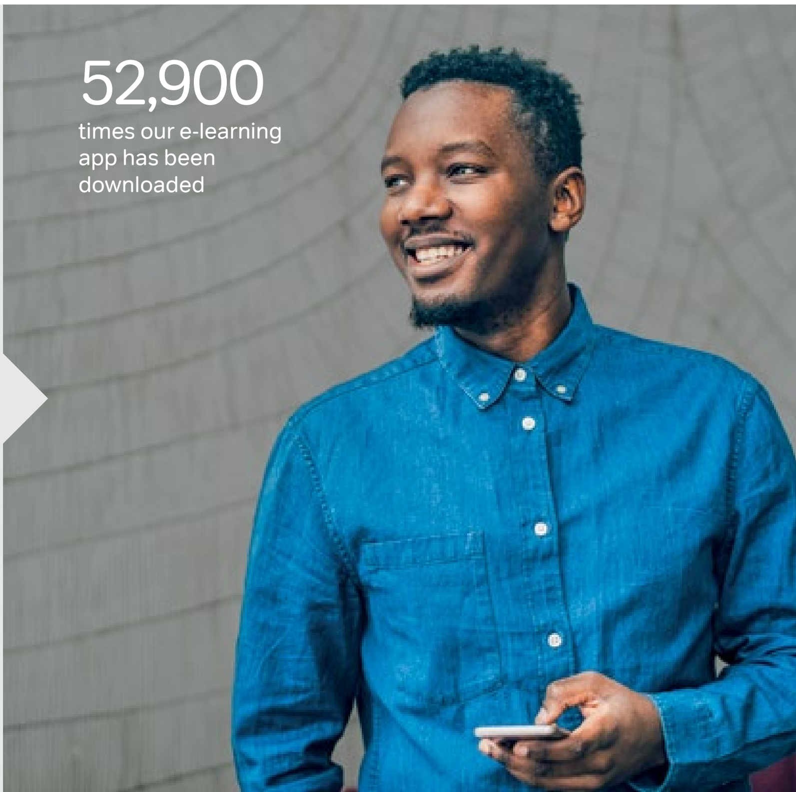
Promoting vocational skills in Tanzania

The Vocational Education and Training Authority (VETA) in Tanzania has a vision to provide systems that will support national socio-economic development for its people.

We have worked with VETA for many years with a key focus on providing young adults with the important vocational skills that will improve their employment opportunities. In 2016, the partnership launched a new app, driven by demand for an e-learning platform to deliver vocational skills.

Named VSOMO, the app was the first of its kind in East and Central Africa and is accessible via smartphones and tablets. In 2020, the programme accelerated and now supports both Swahili and English languages and offers 13 courses. The results demonstrate the positive impact that e-learning can have for users: the app has been downloaded over 52,900 times, and more than 18,311 individuals have registered.

To date, 831 students have been trained and a total of 628 have received certification. We continue, with VETA, to find new ways of providing young people with the skills necessary for employment.



Our **community** in action

Partnering with UN Women to tackle domestic violence in Malawi

In Malawi, domestic violence against women and girls increased during the Covid-19 pandemic as families endured lockdown restrictions.

We worked with UN Women to support women who are experiencing domestic violence by offering a toll-free hotline. The initiative aimed to reach four million women and adolescent girls in Malawi with information on life-saving services to help mitigate the impact of domestic violence.

The service also enabled volunteers to give more information on keeping families safe and took many calls from pregnant women seeking help on how to prevent Covid-19.

Care for our people

Our colleagues are an essential part of our business. We strive to be an employer of choice with a dynamic working environment that encourages productivity and fosters the health, knowledge, skills, experience, drive and inventiveness of our colleagues.

We have three main focus areas for our people: making sure our **workplaces are fair** through a robust human resources and policy framework, improving our **diversity and inclusion**, and ensuring the **health and safety** of our people.

A fair workplace

From our Code of Conduct

We are an equal opportunity employer and are committed to creating a safe and conducive work environment that enables employees to work without fear of prejudice, gender bias and/or sexual harassment.

Our Code of Conduct, available on our website, outlines the framework of robust policies we have in place to make sure we respect human rights throughout our operations. This is supported by our commitment to support people who speak out and ensure they have no reason to worry about retaliation. We have an independent whistleblowing mechanism in place which is managed by KPMG, described in our Audit and Risk Committee report on page 107.

A diverse and inclusive workplace

From our diversity and inclusion policy

Championing diversity and inclusion is embedded in our values. We recognise that a diverse and inclusive workforce is key to delivering our value proposition to customers.

We want to create an environment that embraces our differences and fosters inclusion, so that people can maximise their potential. We're committed to supporting the development of women in management and leadership roles and in the broader business, and we will continue to develop our measurement and reporting in this area in the coming year.

From our Code of Conduct

Our Code of Conduct provides that we do not discriminate on any basis, including ethnicity, gender, language, age, race, sexual orientation, religion, socio-economic status, or any other arbitrary ground.

How we monitor our progress

Country management teams receive monthly briefings on our diversity and inclusion initiatives, and they report to our Group Executive Committee and HR Committee each quarter. Through a monthly people scorecard, we are able to measure our progress on diversity and inclusion. This scorecard is populated by each country we operate in and informs us on the sections we need to give particular focus, and in which specific countries.

"Get the best people for every role, then provide them with an environment that nurtures their thinking, is conducive to their growth and allows them to deliver their best every day. This will help you win even during unprecedented times."

Rogany Ramiah
Chief human resources officer

Our **people** in action

Employee assistance programme

The health and wellbeing of our employees is a priority for the Group and with the increase in remote working, we are very conscious of mental health.

At no point has this been more important than during the pandemic, when country lockdowns have meant many of our staff have been working in isolation which, we recognise, can have a detrimental effect on emotional and mental wellbeing.

We launched an employee assistance programme across all our markets which allowed for any employee to speak confidentially to healthcare professionals. The programme was launched with the aim of helping employees achieve mental wellbeing by having harmony between work and personal life, which can often be blurred. In addition, the programme enabled employees struggling with their mental health to speak to someone for support and information on how to help them.

Environment, Health and Safety (EHS)

We are committed to conducting business in a responsible manner that will not intentionally harm the environment, and we have policies and processes in place to safeguard our employees.

Respecting the environment

We understand the importance of the natural environments we work in – to our communities and to the world. As well as ensuring we comply with all legal and local environmental requirements, we aim to promote good environmental practices and reduce the impact of our business on the natural world.

We have three broad areas of focus: responsible use of energy and resources, reducing waste, and supporting biodiversity.

Responsible use of energy

Our offices, tower infrastructure and data centres all depend on energy to operate.

We take a responsible approach to our use of energy. We recognise that every company must contribute if the world is to address the climate crisis. We are committed to using energy from renewable sources whenever this is available and reliable enough to support our network. The continued modernisation of our infrastructure is contributing to more energy efficiency across the Group.

We have been converting many of our infrastructure sites from indoor to outdoor, requiring less cooling and therefore fewer air conditioners. We continue to connect sites to grid power and reduce dependencies on diesel generated power. We carry out regular maintenance to avoid excessive emissions. We use hybrid power solutions to reduce on generator runtime.

In the UK, our energy consumption is just over 21,000kWh, which is below the threshold for energy and greenhouse gas emissions disclosure. We will report further on our progress as part of our sustainability reporting.

Reducing waste

Reducing the amount of plastic and other waste in our business is an important part of our sustainability ambition. Disposable plastic bottles are no longer available in our offices, while the use of e-billing and e-recharge systems is helping us to use and dispose of less paper.

Hazardous materials

In most of our markets we rely on towers that are owned and operated by reputable tower companies. Where we do own towers, tower areas are secured through fencing and regular maintenance is done to ensure that there are no leakages.

Lead acid is disposed of according to regulatory standards, and third parties have to be licensed and authorised to dispose of these materials. In addition:

- There is a process for fuel delivery and battery lifecycle management at all sites.
- All our fuel tanks are placed in secured sites with PVC and gravel underneath; this is covered under our maintenance standards.
- All our electronic equipment is purchased from reputable third-party organisations, who comply with the EHS standards.
- We continuously evaluate options of renewable power sources, such as solar. In most of the operating countries, we lease towers from the reputable towercos who are also committed to this objective.

Supporting biodiversity

We draw on our technology and expertise in our markets to support local biodiversity programmes such as the Wildlife Conservation Society project in Nigeria and the reforestation initiative launched by the government in Madagascar.

While Airtel Africa does not operate in a sector known for heavy emissions or substantial environmental impact, we do consider climate change as part of our overall business sustainability. We fully support the 2015 Paris Agreement to limit global temperature rises below 1.5°C, and the Global System for Mobile Communications (GSMA) task force defining the emission reduction pathway for the telecoms industry. Furthermore, we welcome the call for action by the global investment community for an imminent response on transitioning to net zero emissions by 2050. As such:

- We're focused on reducing our direct carbon emissions as a business by looking at ways to optimise our own energy efficiency at our sites and offices
- We're increasing our own consumption of renewable energies and shifting our energy suppliers where feasible in order to reduce our own reliance on fossil fuels
- We will be announcing carbon reduction targets in Q3 2022 as a critical part of our sustainability strategy and will produce and publish detailed transition plans with regular updates on monitoring our progress
- We're always looking for ways to contribute to the circular economy by setting up e-waste recycling points
- We recognise the importance of addressing climate change and are committed to adopting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) starting from 2022.

» See page 78 for climate change as one of our emerging risks

Occupational health and safety

We know that a safe and healthy working environment helps people to be more productive – and we aim to ensure the health and safety of all our employees and business associates at all our office locations and facilities. All our sites comply with engineering standards and we scrutinise the health and safety procedures and policies of our partners.

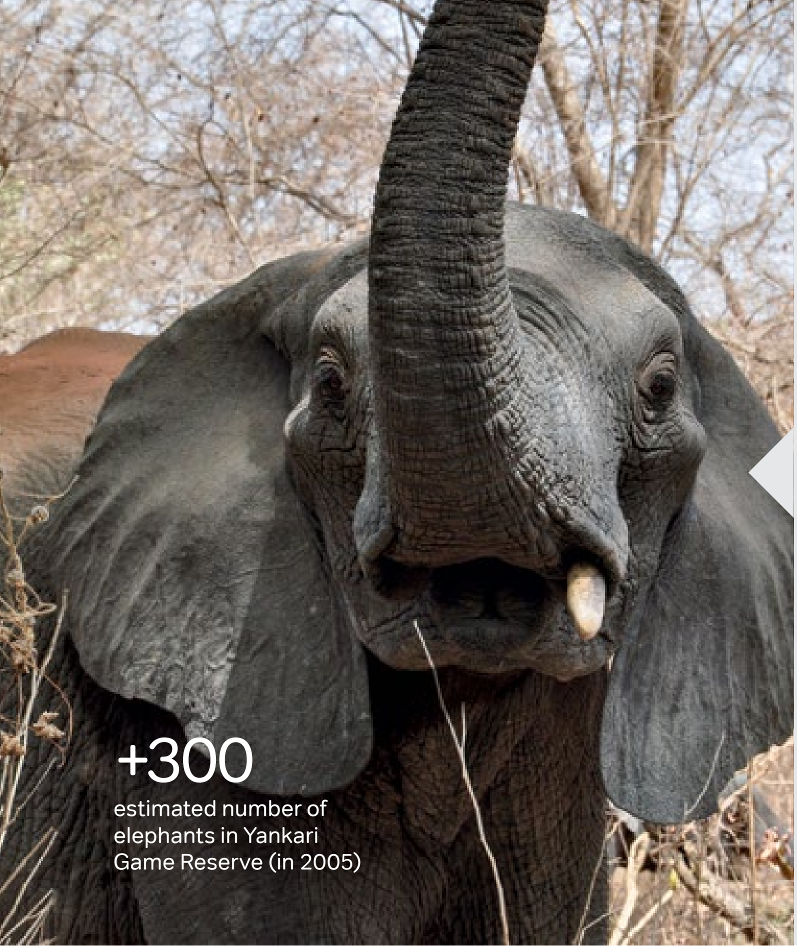
Our health and safety policy is part of our Code of Conduct and applies to all of our employees, as well as contractors and partners on Airtel Africa premises. We have training programmes in place for employees, including during induction, to raise awareness of how to stay healthy and safe at work.

How we monitor health and safety

We monitor health and safety through the health and safety committee who produce a quarterly report. This report is reviewed by the managing director at OpCo level and, in addition to this, any major health and safety threats and incidents are reported immediately to the CHRO and Group CEO. We also work with our insurance providers to keep track of any disease trends across OpCos. This enables us to provide preventative advice/care to staff through health talks.

We provide medical insurance to all our full-time permanent employees, and our health insurance partners hold a health screening and wellness day each year.

Each of our country operations has detailed procedures in case of emergencies.



+300

estimated number of elephants in Yankari Game Reserve (in 2005)

Our **environment** in action

Network support in Nigeria

The Wildlife Conservation Society is a non-profit project that manages the Yankari Game Reserve in Nigeria and safeguards its endangered species.

As a non-profit, the project could not afford to rebuild their own masts to support the VHF radios for communication within the reserve, vital for the protection of animals and to support ranger patrols.

In partnership with The Wildlife Conservation Society we intend to host masts for the reserve which will enable rangers to communicate through their VHF radios, helping them better safeguard Nigeria's endangered wildlife, particularly lions and elephants.

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
Business model	Strategic report	1-80
	Business model and KPIs	22; 14
	Principal risks and uncertainties	74
Environmental matters	Our 2020/21 Sustainability statement	50
	Principal risks and uncertainties: compliance to legal requirements, KYC and quality of service, non-compliance, internal controls and compliance	76-77
Our people	Principal risks and uncertainties: leadership succession planning, internal controls and compliance	76
	Chair's statement; company purpose and values	8; 22
	Directors' report	119-122
	Stakeholder engagement: Our people	32
Social matters	Principal risks and uncertainties: Covid-19	74
	Directors' report	119-122
	Information about our approach to tax can be found on our website: airtel.africa.com	
Respect for human rights	Principal risks and uncertainties: supply chain	72-77
	Our Code of Conduct can be found on our website: airtel.africa.com	
Anti-corruption and anti-bribery matters, health and safety	Directors' report, modern slavery act, anti-corruption and anti-bribery matters	94; 121
	Our Code of Conduct and other related policies can be found on our website: airtel.africa.com	

Chief financial officer's introduction to the financial review

We deliver value to all our stakeholders because we focus on the fundamentals: strengthening our balance sheet, driving robust top-line growth, improved margins, and better profitability

Jaideep Paul
Chief financial officer

Underlying revenue
$3,888m
Reported currency +13.6%
Constant currency +19.4%

Underlying EBITDA
$1,792m
Reported currency +18.3%
Constant currency +25.2%

Operating profit
$1,119m
Reported currency +24.2%
Constant currency +32.8%

Capex
$614m
% change (4.3%)

Basic earnings per share
9.0 cents
% change (12.6%)

All financial numbers are in reported currency

Profit and loss snapshot

		Year ended			
Description	Unit of measure	**March 2021**	March 2020	Reported currency change %	Constant currency change %
Underlying revenue[1]	$m	**3,888**	3,422	13.6%	19.4%
Voice revenue	$m	**2,083**	1,970	5.8%	11.0%
Data revenue	$m	**1,157**	930	24.3%	31.2%
Airtel Money revenue[2]	$m	**401**	311	29.1%	35.5%
Other revenue	$m	**347**	302	14.9%	20.0%
Expenses	$m	**(2,107)**	(1,924)	9.5%	14.5%
Underlying EBITDA[3]	$m	**1,792**	1,515	18.3%	25.2%
Underlying EBITDA margin	%	**46.1%**	44.3%	181 bps	210 bps
Depreciation and amortisation[4]	$m	**(681)**	(605)	12.5%	17.2%
Operating exceptional items[5]	$m	**14**	(4)	(479.9%)	(399.8%)
Operating profit[6]	$m	**1,119**	901	24.2%	32.8%
Net finance costs	$m	**(423)**	(372)	13.5%	
Non-operating exceptional items	$m	**–**	69	(100.0%)	
Profit before tax	$m	**697**	598	16.7%	
Tax	$m	**(318)**	(237)	34.0%	
Tax – exceptional items	$m	**36**	47	(24.3%)	
Total tax charge[7]	$m	**(282)**	(190)	48.5%	
Profit after tax[8]	$m	**415**	408	1.8%	
Non-controlling interest	$m	**(76)**	(38)	100.8%	
Profit attributable to owners of the company – pre-exceptional items	$m	**308**	261	18.0%	
Profit attributable to owners company the company	$m	**339**	370	(8.4%)	

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

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

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

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

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

6 Operating profit includes $6m CSR (corporate social responsibility) expense in the year ended 31 March 2021 and $5m in the prior period

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

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

Strengthening our balance sheet and seizing growth opportunities

Our results this year demonstrate the resilience of our business and the effective execution of our strategy, delivering strong revenue growth and an expansion of our underlying EBITDA margin. They show that even in the uncertain times caused by Covid-19, we are capturing growth opportunities in a fast-growing region that remains vastly underpenetrated in terms of both mobile and banking services – opportunities that simultaneously further our ambitions to bridge digital divides and drive financial inclusion.

From a financial perspective, we focused on four main objectives this year.

1. Growing our operating profitability

Our first objective was to continue supporting the business to enhance operating profitability through higher revenue extraction and EBITDA flowthrough by focusing on operating cost. As the review below describes in detail, operating profit grew by 24.2% in reported currency, with constant currency growth of 32.8%, constant currency growth was partially offset by currency devaluation.

2. Improving our return on capital

Our second objective was to improve our return on capital by making sure our capex was deployed adroitly. This is one of the key measures we track, so that we can monitor how assets are performing while taking long-term financing into consideration. Our return on capital employed was 16.5%, an improvement of 2.5 percentage points.

3. Strengthening our balance sheet and improving leverage

Third, we sought to strengthen our balance sheet through a continuous focus on deleveraging our debt position as a result of EBITDA expansion, asset monetisation and strategic investment opportunities.

Our leverage (net debt to underlying EBITDA) improved to 2.0x (2.1x as of 31 March 2020) despite investing $247m of intangible capex to renew licences in two of our largest markets, Nigeria and Uganda, and acquiring additional spectrum across a few of our markets. This is a longstanding focus for the business, and our aim is to reduce our leverage ratio further and keep it below 2.0x, which is the anchor of our capital structure policy.

The investments by The Rise Fund of $200m, and $100m by Mastercard, in Airtel Mobile Commerce BV, described on page 47, demonstrate our strategy to bring fresh investments into our mobile money business. We have announced our intention to explore the potential listing of our mobile money business within four years. We also entered into an agreement to sell our telecommunications tower companies in Madagascar and Malawi, and into exclusive Memorandum of Understanding agreements for the potential sale of our tower assets in Chad and Gabon.

As part of our strategy to achieve effective natural hedging in our balance sheet, we have reduced the foreign currency exposure by increasing the local currency market debt to 14%, from 10% of total market debt in previous period.

As set out in Note 2.2 to the financial statements on page 154, as of the date of authorisation of the financial statements, the Group had undrawn committed facilities of more than $1.1bn. This strengthens our liquidity position for sustainable business growth and repayment of market debt as and when falling due.

A challenge that we have faced over the last 12 months has been low availability of foreign currency in Nigeria and, as a consequence, being unable to fully benefit at Group level from the strong cash generation of our local business. However, during the year this had no material impact on our liquidity at Group level as we continue to access liquidity broadly across the rest of our footprint. This challenge is still on going and we continue to closely monitor the situation.

» See how we manage our risks, on **pages 72-78**

4. Returns to shareholders

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

During the year, the Board approved a new progressive dividend policy, which aims to grow the dividend annually by a mid- to high- single-digit percentage from a base of 4 cents per share for financial year 2020/21, until reported leverage falls below 2.0x. We paid an interim dividend of 1.5 cents per ordinary share in December 2020. The Board recommended a final dividend of 2.5 cents per share.

Basic earnings per share reduced from 10.3 cents to 9.0 cents in financial year 2020/21. However, normalising the one-time gain of exceptional items, restated earnings per share improved from 6.9 cents to 8.2 cents.

Performance highlights

- Reported revenue grew by 14.2% to $3,908m, with Q4'21 reported revenue growth of 15.4%.
- Constant currency underlying revenue growth was 19.4%, with Q4'21 growth of 21.7%. Growth was recorded across all regions: Nigeria up 21.9%, East Africa up 23.5% and Francophone Africa up 10%; and across key services, with revenues for voice up 11.0%, data up 31.2% and mobile money up 35.5%.
- Underlying EBITDA was $1,792m, up 18.3% in reported currency, and growing 25.2% in constant currency.
- Underlying EBITDA margin was 46.1%, adding 181 basis points (210 basis points higher in constant currency). Underlying EBITDA margin for Q4'21 was 47.7%, an increase of 389 basis points in constant currency.
- Operating profit increased 24.2% to $1,119m in reported currency, and by 32.8% in constant currency.
- Free cash flow was $647m, up 42.8% on the prior year.
- Basic EPS was 9.0 cents, down 12.6%, largely due to prior year exceptional items and a one-off derivative gain. Excluding these, basic restated EPS rose 44.5%. EPS before exceptional items was 8.2 cents.
- Our customer base grew by 6.9% to 118.2 million, with increased penetration across mobile data (customer base up 14.5%) and mobile money services (customer base up 18.5%). The recent slowdown in customer base growth has been due to the new SIM registration regulations in Nigeria
- The Board has recommended a final dividend of 2.5 cents per share, making the total dividend for FY21 4 cents per share

Outlook: helping customers and communities bounce back

The fundamentals of our business remain strong, and we are well-positioned to help our customers and communities as economies in our region begin their projected return to GDP growth. We will continue to look at further strategic investment and asset monetisation opportunities, and to further rebalance our foreign and local currency exposure to achieve a more effective natural hedging of our balance sheet, so that we can continue to be a strong, high-performing business at the heart of sub-Saharan Africa's digital future.

Jaideep Paul
Chief financial officer

11 May 2021

Financial review

Summary

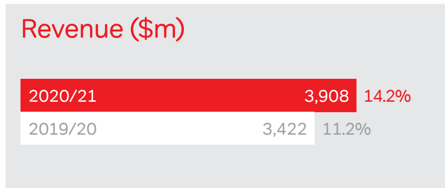
These results continue to demonstrate the effective execution of our strategy, delivering strong revenue growth and the significant expansion of our underlying EBITDA margin. As a result, we were able to deliver double-digit underlying revenue growth of 17.6% in mobile services in constant currency (11.9%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

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

GAAP measures

Revenue

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

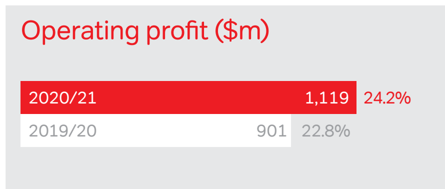


1 Revenue includes one-time exceptional revenue of $20m relating to a settlement in Niger in the year ended March 2021

2 Growth % in reported currency

Operating profit

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



Growth % in reported currency

Net finance costs

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

Taxation

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

Profit after tax

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

Basic EPS

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

Alternative performance measures

Underlying revenue

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

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

Underlying EBITDA

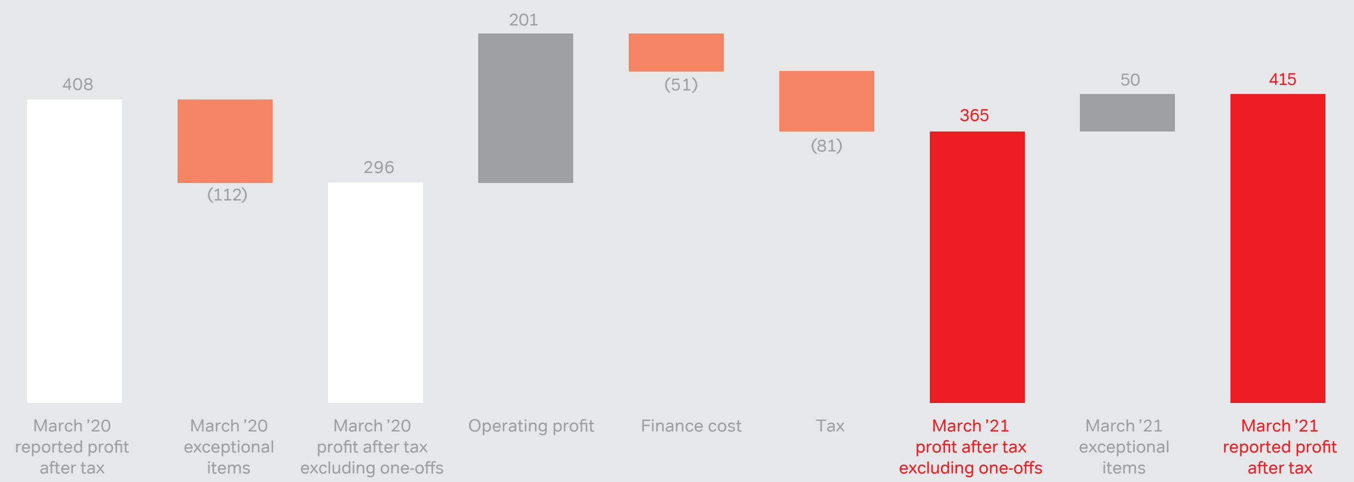
Underlying EBITDA, at $1,792m, increased 18.3% in reported currency while in constant currency underlying EBITDA grew by 25.2%. The growth in underlying EBITDA was driven by underlying revenue growth of 19.4% and improved efficiency in operating expenses. Underlying EBITDA margin was 46.1%, an improvement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

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

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

Underlying EBITDA ($m)

Profit after tax ($m)



Operating free cash flow

Operating free cash flow (underling EBITDA less capex) for the year was $1,178m, increased by 34.9% from $873m, largely due to higher underlying EBITDA and slightly lower capex.

Tax

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

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

	Year ended March 2021			Year ended March 2020		
Description	**Profit before taxation $m**	**Income tax expense $m**	**%**	Profit before taxation $m	Income tax expense $m	%
Reported effective tax rate	**697**	**282**	**40.5%**	598	190	31.8%
Adjusted for:						
Exceptional items	**(14)**	**36**		(65)	47	
Foreign exchange rate movements for non-DTA operating companies and holding companies	**42**	**–**		(21)	–	
One-off tax adjustment	**–**	**(5)**		–	12	
Effective tax rate	**725**	**313**	**43.2%**	512	249	48.6%
Deferred tax triggered during the year	**–**	**(36)**		–	(51)	
Adjusted effective tax rate	**725**	**277**	**38.2%**	512	198	38.7%

Exceptional items

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

Free cash flow

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

	Year ended		
Description	**March 2021 $m**	March 2020 $m	Growth %
Underlying EBITDA	**1,792**	1,515	18.3%
Capex incurred	**(614)**	(642)	(4.3%)
Operating free cash flow	**1,178**	873	34.9%
Income tax paid	**(195)**	(114)	70.4%
Cash interest	**(302)**	(288)	4.8%
Change in working capital	**(34)**	(18)	94.6%
Free cash flow	**647**	453	42.8%

Free cash flow ($m)

EPS before exceptional items

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

Description	Unit of measure	March 2021 Reported	March 2021 Restated
Weighted average shares outstanding 2020	M	3,586	3,754
Weighted average shares outstanding 2021	M	3,758	3,754
March 2020 EPS before exceptional items	$ cents	**7.3**	**6.9**
Exchange	$ cents	**(1.2)**	**(1.2)**
Operating profit (constant currency)	$ cents	**7.3**	**7.0**
Net finance charges	$ cents	**(1.5)**	**(1.4)**
Derivatives and Forex gain/(loss)	$ cents	**(0.8)**	**(0.8)**
Finance charges (excluding derivatives and Forex)	$ cents	**(0.7)**	**(0.6)**
Tax	$ cents	**(2.6)**	**(2.5)**
Others	$ cents	**(0.7)**	**(0.6)**
Number of shares changed	$ cents	**(0.4)**	**–**
March 2021 EPS before exceptional items	$ cents	**8.2**	**8.2**

Leverage and balance sheet measures

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

The Group's capex investment to support business growth remains broadly stable with a capex investment of $614m during the year ended 2020/21. The full year capex is marginally reduced as compared to the previous guidance due to logistic challenges faced during pandemic.

Description	March 2021 $m	March 2021 Underlying EBITDA	March 2020 $m	March 2020 Underlying EBITDA
Foreign currency	**2,870**	**1.6x**	2,791	1.8x
HoldCo	**2,388**	**1.3x**	2,330	1.5x
OpCos	**482**	**0.3x**	461	0.3x
Local currency	**452**	**0.3x**	297	0.2x
OpCos	**452**	**0.3x**	297	0.2x
Less: cash and cash equivalents*	**1,069**	**0.6x**	1,010	0.7x
Net debt excluding lease liabilities	**2,253**	**1.3x**	2,078	1.4x
Lease liabilities	**1,277**	**0.7x**	1,169	0.8x
Net debt including lease liabilities	**3,530**	**2.0x**	3,247	2.1x

*Cash and cash equivalents includes term deposits with banks

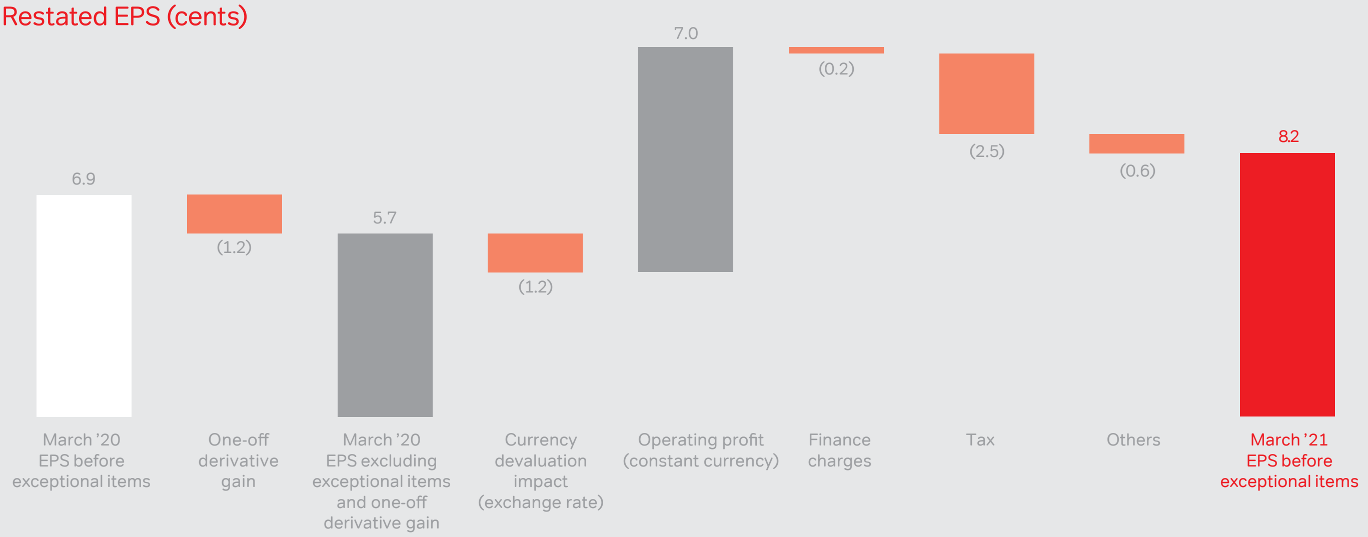
Asset monetisation

With the focus on an asset-light business model and on its core subscriber-facing operations, the Group has entered into an agreement to sell its telecommunications tower companies in Madagascar and Malawi to Helios Towers plc for gross consideration of $108m. The Group's tower portfolios in these two markets together comprise 1,229 towers.

In addition, the Group has entered into exclusive Memorandum of Understanding agreements for the potential sale of its tower assets in Chad and Gabon with Helios Towers plc. The Group's tower portfolios in the two markets of the Proposed Transactions together comprise c.1,000 towers.

Description	Year ended March 2021 $m	Year ended March 2020 $m
Free cash flow (a)	**647**	453
Purchase of intangible assets	**(270)**	(155)
Issue of share capital	**–**	680
Proceeds from sale of shares to non-controlling interests	**–**	34
Acquisition of non-controlling interest	**(7)**	–
Settlement of derivatives	**(3)**	97
Dividend paid by subsidiaries	**(188)**	(221)
Dividend received by HoldCos	**179**	216

Restated EPS (cents)



EPS has been restated considering all the shares as of 31 March 2021 had been issued on 1 April 2019 for like-for-like comparison.

Description	Year ended March 2021 $m	March 2020 $m
Dividend to Airtel Africa plc shareholders	**(169)**	(113)
Others	**(76)**	(96)
Subtotal (b)	**(534)**	442
Addition of lease liabilities	**(359)**	(155)
Foreign exchange on borrowings and cash flows	**(37)**	18
Subtotal (c)	**(396)**	(137)
Net debt (increase)/decrease d= a+b+c	**(283)**	758
Opening net debt	**3,247**	4,005
Closing net debt	**3,530**	3,247

Purchase of intangible assets

Purchase of intangible assets of $270m mainly includes $182m paid for licence renewal in Nigeria and $65m in Uganda in the year ended 31 March 2021. Previous year amount of $155m includes $128m for spectrum in Nigeria.

Issue of share capital

For the year ended 31 March 2020, this represents $680m net proceeds from the Airtel Africa plc IPO.

Settlement of derivatives

We took interest rate swap and currency swap contracts from various banks against our outstanding USD bonds. These bonds are all fixed-rate bonds, and to hedge our exposure from market interest rate fluctuations we entered fixed-to-floating interest rate swap (IRS) contracts for USD bonds. In the year ended 31 March 2020, these IRS contracts were cancelled and realised in cash for $122m. Further, in the year ended 31 March 2020, an amount of $25m was paid on maturity of derivatives taken against CHF bonds.

Dividend paid to shareholders

During the year, the Board approved a new progressive dividend policy. The newly adopted dividend policy aims to grow the dividend annually by a mid- to high- single-digit percentage from a base of 4 cents per share for financial year 2020/21, until reported leverage falls below 2.0x. The Board will reassess the dividend policy in light of the growth outlook of the Group.

March 2021 had a final dividend payment of 3.0 cents per ordinary share for year ended 31 March 2020 and an interim dividend payment of 1.5 cents per ordinary share.

The Board recommended a final dividend of 2.5 cents per share.

Others

Others includes payment to capex creditors over and above capex incurred, share issue expenses and changes in non-operating working capital.

Foreign exchange on borrowings and cash flows

Foreign exchange on borrowings and cash flows for the year ended 31 March 2021 primarily represents loss on account of restatement of EUR bonds due to appreciation of EUR against US dollar.

Financial information by service

We provide performance data for our mobile voice and data services and Airtel Money in our business reviews on pages 44-47.

Financial information by market

We provide performance data for each of our markets in our business reviews on pages 38-43.

Consolidated statement of financial position

The consolidated statement of financial position is set out on page 151. Details on the major movements of our assets and liabilities in the year are set out on this page.

Assets

Property, plant and equipment

Property, plant and equipment (including capital work in progress) increased by $141m to $2,232m. This was due to capital expenditure of $614m linked to continued investment in network assets, which was partially offset by $389m of depreciation.

Right of use assets

Right of use assets increased by $160m to $799m. The increase of $359m was due to capitalisation of present value of telecommunication towers taken on long-term lease partially offset by $183m of depreciation.

Other intangible assets

Other intangible assets, including assets under development, increased by $249m to $735m. This relates to $270m of investment in licence/ spectrum and capitalisation of present value of deferred spectrum charges amounted to $102m partially offset by $109m of amortisation.

Current assets

Current assets increased by $234m to $1,905m largely contributed by: (i) cash and cash equivalents and other bank balances increased by $79m due to cash generated by the business, and (ii) balance held under mobile money trust – these increased by $145m; it represents the balance held on behalf of mobile money customers which is not available for use by the Group.

Total equity and liabilities

Equity attributable to owners of the company

Equity attributable to the owners of the company increased by $17m to $3,405m. This was linked to the $339m profit for the period, partially offset by $169m dividend paid to shareholders of Airtel Africa and $140m other comprehensive losses primarily due to exchange losses.

Borrowings

Gross borrowings (including short-term borrowings and current portion of long-term borrowings) increased by $337m to $4,616m. This was largely due to increase in lease liabilities by $108m and drawdown of external loan. Net debt of the Group as of 31 March 2021 was $3,530m.

Non-current liabilities

Non-current liabilities (excluding borrowings) increased by $87m. This was largely due to a liability created against capitalisation of present value of deferred spectrum charges.

Current liabilities

Current liabilities (excluding borrowings) increased by $171m to $1,796m. This was largely due to a $140m increase in mobile money wallet balance. Further details on Group's liquidity position and going concern assessment are shown on page 154, note 2.2 of financial statements.

Dividends

The Board has recommended a final dividend of 2.5 cents per ordinary share for the year ended 31 March 2021. The proposed final dividend will be paid on 23 July 2021 to all ordinary shareholders who are on the register of members at the close of business on 25 June 2021. We will announce more details in due course. We paid an interim dividend of 1.5 cents per ordinary share in December 2020.

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 our 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 our operating performance:

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Underlying revenue	Revenue	• Exceptional item	Table A	The Group defines underlying revenue as revenue for the period adjusted for exceptional items. The directors view underlying revenue to be a meaningful measure to analyse the Group's revenue, excluding exception items. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying revenue.
Underlying EBITDA and margin	Operating profit	• Depreciation and amortisation • Charity and donation • Exceptional item	Table B	The Group defines underlying EBITDA as operating profit/(loss) for the period before depreciation and amortisation, charity and donation, and adjusted for exceptional items. Group defines underlying EBITDA margin as underlying EBITDA divided by total underlying revenue. Underlying EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. Underlying EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, underlying EBITDA and margin are APMs. Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. 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. Charity and donations are not related to the trading performance of the Group and hence adjusted to arrive at underlying EBITDA and margin. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBITDA and margin.

Alternative performance measures (APMs) continued

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Underlying profit/(Loss) before tax	Profit/(loss) before tax	• Exceptional items	Table C	The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items. The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) before tax.
Effective tax rate	Reported tax rate	• Exceptional items • Foreign exchange rate movements • One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences	Table D	The Group defines effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one-off tax items of prior year adjustment, tax settlements and impact of permanent differences on tax. This provides an indication of the current ongoing tax rate across the Group. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at effective tax rate. Foreign exchange rate movements are specific items that are non-tax deductible in few of the entities which are loss making and where DTA is not yet triggered and hence are considered to hinder comparison of the Group's effective tax rate on a period to period basis and therefore excluded to arrive at effective tax rate. One-off tax impact on account of prior year adjustment, any tax litigation settlement and tax impact on permanent differences are additional specific items that because of their size and frequency in the results, are considered to hinder comparison of the Group's effective tax rate on a period to period basis.
Adjusted effective tax rate	Reported tax rate	• Deferred tax triggered during the year and accounted as exceptional tax item	Table D	The Group defines adjusted effective tax rate as effective tax rate after normalizing any impact arising on account of deferred tax triggered during the year for the first time which has been reported as exceptional item. This provides an indication of the tax rate across the Group for the current financial year after considering any deferred tax triggered during the year.
Underlying profit/(loss) after tax	Profit/(loss) for the period	• Exceptional items	Table E	The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items. The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying profit/(loss) after tax.
Earnings per share before exceptional items	EPS	• Exceptional items	Table F	The Group defines earnings per share before exceptional items as profit/(loss) for the period before exceptional items attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period. This measure reflects the earnings per share before exceptional items for each share unit of the company. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at earnings for the purpose of earnings per share before exceptional items.

APM	Closest equivalent IFRS measure	Adjustment to reconcile to IFRS measure	Table reference[1]	Definition and purpose
Operating free cash flow	Cash generated from operating activities	• Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Charity and donation • Exceptional items • Capital expenditure	Table H	The Group defines operating free cash flow as net cash generated from operating activities before income tax paid, changes in working capital, other non-cash items, non-operating income, charity and donation and exceptional items less capital expenditure. The Group views operating free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Free cash flow	Cash generated from operating activities	• Changes in working capital • Capital expenditure • Income tax paid • Cash interest	Table I	The Group defines free cash flow as net cash generated from operating activities after change in operating working capital, income tax paid and cash interest. It is calculated as 'underlying EBITDA less change in operating working capital, capital expenditure, income tax paid and cash interest'. The Group views free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Net debt and leverage ratio	No direct equivalent	• Borrowing • Lease liabilities • Cash and cash equivalent • Term deposits with banks • Fair value hedges	Table J	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. The Group defines leverage ratio as net debt divided by underlying EBITDA. The directors view net debt and the leverage ratio to be meaningful measures to monitor the Group's ability to cover its debt through its earnings.
Return on capital employed	No direct equivalent	• Exceptional items to arrive at underlying EBIT	Table K	Group defines return on capital employed ('ROCE') as underlying EBIT divided by average capital employed. The directors view return on capital employed as a financial ratio that measures Group's profitability and the efficiency with which its capital is being utilised. The Group defines underlying EBIT as operating profit/(loss) for the period adjusted for exceptional items. Exceptional items are additional specific items that because of their size, nature or incidence in the results, are considered to hinder comparison of the Group's performance on a period to period basis and could distort the understanding of our performance for the period and the comparability between periods and hence are adjusted to arrive at underlying EBIT. Capital employed is defined as sum of equity attributable to owners of the company, non-controlling interests and net debt. Average capital employed is average of capital employed at the closing and beginning of the relevant period.

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 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 of 31 March 2020. Reported currency percentage change is derived on the basis of average actual periodic exchange rates for that financial period. Variance between constant currency and reported currency percentage are due to exchange rate movements between previous financial reporting period and current period.

Changes to APMs

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

Alternative performance measures (APMs) continued

Reconciliation between GAAP and Alternative Performance Measures

Table A: Underlying revenue

Description	Year ended March 2021 $m	Year ended March 2020 $m
Revenue	**3,908**	3,422
Less:		
Exceptional items	**(20)**	–
Underlying revenue	**3,888**	3,422

Table B: Underlying EBITDA and margin

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

Table C: Underlying profit/(loss) before tax

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

Table D: Effective tax rate and adjusted effective tax rate

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

Table E: Underlying profit/(loss) after tax

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

Table F: Earnings per share before exceptional items

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

Table G: Earnings per share – restated

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

1 EPS has been restated considering all the shares as of 31 March 2021 had been issued on 1 April 2019 for like-for-like comparison

Table H: Operating free cash flow

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

Table I: Free cash flow

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

Table J: Net debt and leverage

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

Table K: Return on capital employed

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

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

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

"Our actively managed risk framework provides essential support to our key operating and financial decisions at Airtel Africa – and assessing and managing risk underpins day-to-day working in all of our operating companies and functions."

Ravi Rajagopal
Chair, Audit and Risk Committee

Managing our risks

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

Identifying and managing risk

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

Risk management governance

The Airtel Africa plc Board has overall responsibility for the Group's risk management framework and processes. Through the Audit and Risk Committee, the Board oversees the Group's risk management framework and regularly reviews its principal risks as well as emerging risks that may impact the Group. Within that overarching framework, the governance of risk management has been cascaded to various levels across the organisation to allow effective management of the Group's risks. The framework covers the interplay between risks impacting Airtel Africa as a whole and risks identified at either the operating company (OpCo) level (geography-related) or the functional level (business function-related). Our Group Executive Risk Committee 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 operating companies (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, the Board oversees the Group risk management framework and regularly reviews our principal risks.

Group Executive Risk Committee

The Executive Risk Committee (ERC) is responsible for the implementation of the risk management framework across the Group. The ERC reviews our significant risks and the progress and effectiveness of mitigation actions. It continually monitors and assesses new and emerging risks.

Functional Risk Management Committee

The Group executive functional heads are responsible for identifying and mitigating risks at a functional level. The Group's risk register is created from risks identified either by the Group functional heads or the OpCo Executive Risk Committees.

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.

Risk identification process

IDENTIFY

OpCo

Function

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

RISK ANALYSIS

Discuss and validate each risk

Assess each risk

Likelihood

Impact

Identified risks are assessed on

Likelihood of occurrence

Impact/ consequence

RANK

Score and prioritise each risk

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

Risk rating

airtel

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

Emerging risks
Ongoing review of the external environment and potential risks

How we classify our risks

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

Strategic risks: 1 2 3

External risks such as changes in market dynamics or risks to strategic partnerships.

Operational risks: 4 5 6 7 8 9

Risks affecting our ability to effectively operate our business model across a variety of functional areas.

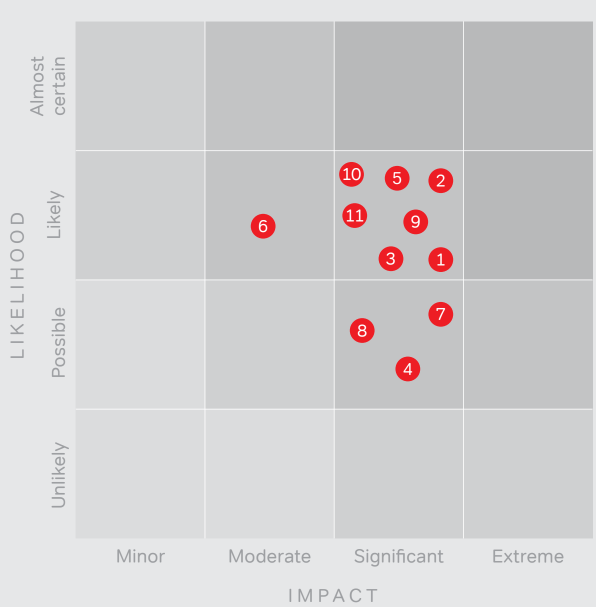
Financial risks: 10

Risks impacting our liquidity or solvency, financial reporting or capital structure.

Governance and compliance risks: 11

Risks affecting our ability to comply with our legal, regulatory and governance obligations.

Risk heat map (residual risks)



1 Adverse competition and market disruption
3 Digitalisation and innovation
3 Covid-19
4 Technology obsolescence
5 Cyber and information security threats
6 Increase in cost structure
7 Leadership succession planning
8 Internal controls and compliance
9 Network resilience and business continuity
10 Exchange rate fluctuations and availability of funds for repatriation
11 Non-compliance to legal and regulatory requirements

Our principal risks, and how we mitigate them

Strategic risks

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.

How we mitigate this risk

1. Ongoing monitoring of competitive landscape and competitor activities
2. Driving penetration of bundle offerings to lock in customers, increase affordability and reduce churn
3. The continued growth of our Airtel Money business and the increased penetration of our GSM customers using Airtel Money services helps to increase customer stickiness on our network
4. Simplifying customer experience through self-care and other apps, and customer touchpoints

Link to strategy

Risk owner

Chief sales and marketing officer

2. Digitisalition and innovation

Failure to innovate through simplifying the customer experience, developing adequate digital touchpoints in line with changing customer needs and competitive landscape could lead to loss of customers and market share. 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.

How we mitigate this risk

1. Roll out of digital apps and self-care channels to simplify customer experience
2. Set up of Airtel Africa Digital Labs focused 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

Link to strategy

Risk owner

Chief information officer

3. Covid-19

Covid-19 continues to be both a healthcare crisis and a major disruptor in the lives of people and the economic activities of businesses and governments across the world. The pandemic has underlined how critical telecoms are to the countries in which we operate, and throughout the crisis we have maintained our services as well as supporting communities, including by coordinating medical relief with respective governments. While the pandemic has shown the continued resilience of our operating model, we continue to monitor the evolution of the pandemic to prevent any negative adverse impact on the Group's ability to operate its business effectively.

How we mitigate this risk

1. The Group's business continuity plans continue to be in place ensuring minimal disruption in our abilities to provide critical telecom services
2. Ongoing crisis monitoring by the crisis management team at the Group office through regular engagement with the OpCo crisis management teams with overall oversight by the Executive Committee
3. To protect the health and safety of our employees, the Group's operations continue to adopt a work from home policy with a predominant number of the Group's employees working remotely
4. Availability of digital self-care channels through which customers can access the company's products and services and resolve basic customer queries

Link to strategy

Basic building block for all strategic intent

Risk owner

Chief executive officer

Key to our strategic pillars

Win with network | Win with customers | Win with data | Win with mobile money | Win with cost | Win with people

See our strategy on pages 24-31

Operational risks

4. Technology obsolescence

An inability to effectively and efficiently invest 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.

How we mitigate this risk

1. Refreshing our IT infrastructure with 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

Link to strategy

Risk owner

Chief technology officer
Chief information officer

5. Cyber and information security threats

Cybersecurity threats through internal or external sabotage or system vulnerabilities could potentially result in customer data breaches and/or service downtimes. Like any other business, we are increasingly exposed to the risk that third parties or malicious insiders may attempt to use cyber-crime techniques, including distributed denial of service attacks, to disrupt the availability, confidentiality and integrity of our IT systems. This could disrupt our key operations, make it difficult to recover critical services and damage our assets.

How we mitigate this risk

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

Link to strategy

Risk owner

Chief information officer

6. Increase in cost structure

Adverse changes in our external business environment and/or supply chain processes could lead to a significant increase in our operating cost structure and negatively impacting 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 also contribute to this risk. We need to continually re-evaluate our operating model and cost structure to identify innovative ways to optimise our costs.

How we mitigate this risk

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

Link to strategy

Risk owner

Chief supply chain officer

Our principal risks, and how we mitigate them

Operational risks

7. Leadership succession planning

We need to continually identify and develop successors for key leadership positions across our organisation to ensure minimal disruption to the execution of our corporate strategy. Our ability to execute our business strategies depends in large part on the efforts of our key people. In some of the countries in which we operate, there's a shortage of skilled telecommunications professionals. Any failure to successfully recruit, train, integrate, retain and motivate key skilled employees could have a material adverse effect on our business, the results of our operations, financial condition and prospects.

How we mitigate this risk

1. Defined functional and leadership development plans for the leadership and critical roles within Airtel Africa
2. Ongoing identification of high potential employees for talent development
3. Long term incentive arrangements to encourage employee retention and alignment to long term company objectives

Link to strategy

Risk owner

Chief human resources officer

8. Internal controls and compliance

Gaps in our internal control and compliance environment could affect our reputation and lead to financial losses. Our financial reporting is subject to the risk that controls may become inadequate due to changes in internal or external conditions, new accounting requirements, or delays or inaccuracies in reporting. We continue to implement internal risk management and reporting procedures at Group and OpCo levels to protect against risks of internal control weaknesses and inadequate control over financial reporting.

How we mitigate this risk

1. Ongoing review and strengthening of the Group's internal controls over financial reporting and compliance processes
2. Review process for addressing and mitigating findings from internal audit, with oversight from the Audit and Risk Committee
3. Continually identifying and mitigating risks

Link to strategy

Basic building block for all strategic intent

Risk owner

Chief financial officer

9. Network resilience and business continuity

Our ability to provide unparalleled quality of service to our customers and meet quality of service (QoS) requirements depends on the robustness and resilience of our network and IT infrastructure and our ability to respond appropriately to any disruptions. Our telecommunications networks are subject to risks of technical failures, aging infrastructure, human error, 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.

How we mitigate this risk

1. Implementing geographically redundant disaster recovery sites for our networks and IT infrastructure across our OpCos
2. Regular testing of fallback plans for network and IT systems to ensure reliability of switch over from active to redundant nodes in the event of a disaster

Link to strategy

Risk owner

Chief technology officer
Chief information officer

Key to our strategic pillars

Win with network · Win with customers · Win with data · Win with mobile money · Win with cost · Win with people

See our strategy on pages 24-31

Financial risks

10. Exchange rate fluctuations and availability of funds for repatriation

Our multinational footprint means we're 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. Furthermore, in some of our markets, triggered by broader macroeconomic conditions, we are faced with instances of limited supply of foreign currency within the local monetary system. This constrains the ability to fully benefit at the Group level from the strong cash generation of those few OpCos.

How we mitigate this risk

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. Availability of adequate funding arrangements to mitigate any short-term liquidity constraints caused by fluctuations in Forex supply within our OpCos
4. Geographical diversification allows us to continue to access liquidity broadly across our footprint

Link to strategy

Risk owner

Chief financial officer

Governance and compliance risks

11. Non-compliance to legal and regulatory requirements

We operate in diverse legal and regulatory environments both in terms of the countries, where we operate, and the regulators for the services we provide. Establishing and maintaining adequate procedures, systems and controls enables us to comply with our obligations in all the jurisdictions where we operate and for the services we provide to our customers. We are required to comply with Know Your Customer, anti-money laundering, anti-bribery and corruption, sanctions, data privacy, quality of service and other laws and regulations. A failure to comply could lead to unanticipated regulatory penalties and sanctions or tax levies, as well as damage to our reputation.

How we mitigate this risk

1. Instituting various policies across the Group to comply with the legal requirements in the jurisdictions where we operate
2. Continuing engagement with regulators and industry bodies on key policy matters across our operating footprint
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

Link to strategy

Basic building block for all strategic intent

Risk owner

Chief legal officer
Chief regulatory officer

Changes in principal risks within the financial year

Based on risk reviews conducted during the financial year, the following changes occurred in the Group's principal risks from the last financial year:

Risk	Changes
Vendor governance	This risk was removed as a principal risk during the year. While the Group operates an outsourced business model, adequate progress has been made around our vendor governance processes including minimising the risks of over-reliance on particular vendors.
Debt facilities and cross-guaranteed debt	This risk was removed as a principal risk during the year. This risk relates to certain debt notes issued by Bharti Airtel International (Netherlands) B.V., a wholly-owned subsidiary of the Group and guaranteed by the Group's majority shareholder for which early repayment could be triggered under certain conditions. The Group has assessed the likelihood of these events occurring as remote.
Know Your Customer (KYC) and Quality of Service (QoS) non-compliance	This risk was merged with the existing Compliance to legal requirements risk and renamed Non-compliance to legal and regulatory requirements. There has been a lot of recent focus from regulators on KYC and QoS regulations in the markets where we operate. Commensurate with the increased risk level, the Group has implemented adequate compliance processes around our customer onboarding process to ensure compliance with KYC regulations and is also continually working on improving the quality of service in our operating markets. These risks still persist, albeit with a lower risk rating, and they will continue to be monitored as part of our broader risk of non-compliance to legal and regulatory requirements.

Emerging risks

Post-Brexit regulatory environment: The UK and EU have agreed on a deal for the UK's exit from the EU. While the Group does not anticipate any impact on its business as the Group's operating subsidiaries are located outside the UK and EU, the Group is continuing to monitor changes in the post-Brexit legal and regulatory environment.

Climate change: we continue to evaluate the potential impact of climate change on our business operations and on the economies in which we operate. The Group is progressing on its sustainability initiatives and has outlined its broad ambition on pages 50-53 of this report.

> "Compliance with legal and regulatory requirements cuts across all our strategic pillars and is fundamental to the Group achieving its objectives."
>
> **Peter Odedina**
> Chief compliance officer

Our long-term viability statement

The preparation of this viability statement involved the Board assessing 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 the stress tests on various scenarios to test the resilience and strength of our forecasts.

Viability statement of Airtel Africa plc

In line with the UK Corporate Governance Code, the Board has 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 (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. The three-year period of our viability assessment is in line with a three-year liquidity plan which matches the current visibility of the tenure of our financing arrangements and also the design and payout of the management incentive plan.

While the Board has no reason to believe that the Group will not 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.

This plan has been prepared based on our strategy and adequate stress tests have been conducted through various scenarios, both individually and collectively, based on our overall risk assessment framework.

The Covid-19 pandemic has contributed to a rapid acceleration of already existing macro trends across the countries where we operate, with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion. These challenging times have shown that the telecoms industry is a key and essential service for these economies, allowing customers to work remotely, reduce their travel, keep connected and have access to affordable entertainment and financial services.

Covid-19 presented significant challenges to the business, particularly during the initial phase of the pandemic when mobile money and services growth slowed. However, the actions taken by the Board in the first quarter enabled the continued execution of our strategy, including meeting increased customer demand for data, mobile money and mobile services.

As a matter of prudence, we have given specific consideration to the impact of Covid-19 on our cash flows with the stress tests performed, including possible incremental revenue decline, an unanticipated increase in costs, currency devaluation and availability of funds for repatriation to the Group.

Further, notwithstanding the possible impacts of Covid-19, the Group will continue to benefit from population growth and the need for increased connectivity and financial inclusion in the medium to long term in the countries where we operate.

Our detailed assessment of the possible impact of Covid-19 is explained on pages 16-17 of the strategic report.

The company ended the year in a strong financial position. Free cash flow increased by c.43% in the last 12 months to $647m and our net debt to EBITDA ratio continued to improve to 2.0x at the end of this financial year. Our cash balances, in conjunction with nearly $1.14bn of committed undrawn facilities at the date of approval of these financial statements, ensure we can continue to meet our financial obligations. We have $2.4bn in long-term bonds with the first repayment of $879m (€750m) due in May 2021, which will be paid through a mix of cash held as well as from the proceeds of a $500m inaugural multi-bank long-term facility (part of the above mentioned $1.14bn undrawn facilities) entered into by Airtel Africa plc in April 2021. Post this repayment, only $1.5bn of long-term bonds will remain outstanding for the Group, with the next major bond repayment of $505m (not due until March 2023). In recent months we have announced several transactions to strengthen our balance sheet, including asset monetisation through towerco sales, and bringing fresh investment into our mobile money business amounting in aggregate to c.$400m, with proceeds expected to be received in the next 12-18 months, which will further improve our financial position and continue our deleveraging.

We have also concluded standalone credit rating assessments that will enable us to further access debt capital markets, as and when required.

Board's assessment

Viability
The viability statement is based on our current business model (see page 22 of this report), a three-year prospect horizon, and our strategy (see pages 24-31).

Long-term plan 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 72 to 78. 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.

Sensitivity
We have quantified the impact of sensitivities on cash and liquidity headroom availability, both individually and collectively, in worst case scenarios. In assessing the impact, 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 long-term viability statement continued

The key risks considered in the stress tests keeping in mind the demographical and sectoral dynamics along with their potential negative impacts are detailed here.

Stress tests done	Link to principal risks and uncertainties	Description
Slowdown in revenue growth	• Adverse competition and market disruption • Technology obsolescence	Revenue is projected on a number of assumptions such as subscriber base, rates and change in average revenue per user. A change in any of the assumptions due to adverse competition and market disruption may affect overall revenue growth. In most cases, changes in one such assumption (e.g. in rates) are compensated either fully or marginally by a corresponding change in other variables (e.g. subscriber base). Changes not fully compensated lead to a reduction in the rate of revenue growth. We have modelled stress test scenarios for various levels of slowdown across segments and revenue streams.
Increase in operating expenses	• Increase in cost structure	With operations spread across 14 markets and each country having a different economic and business environment, there is always a risk of operating costs increasing beyond projected levels.
Unanticipated regulatory and tax levies	• Non-compliance to legal and regulatory requirements	As we work in diverse and dynamic legal environments, it's necessary to establish and maintain adequate procedures, systems and controls to ensure we comply with our obligations in all the jurisdictions in which we operate. There will always be a risk of unanticipated regulatory and tax levies affecting our profitability and therefore additional tax and regulatory levies have been considered in the stress tests.
Exchange rate fluctuation	• Exchange rate fluctuation and availability of foreign currency for repatriation to Group	We are constantly exposed to the risk of adverse currency fluctuations, given our operations in 14 different markets with different functional currencies. Furthermore, we could face low availability of foreign currency in some of our markets constraining our ability to fully benefit at the Group level from the strong cash generation of our local businesses. We have stress tested the plan for various levels of currency devaluation across operating entities, including the risk of availability of foreign exchange leading to repatriation of cash from operating entities to Group holding companies and the resulting impact on cash flows and liquidity headroom at a Group level.
Covid-19 impact	• Uncertainties arising out of the Covid-19 pandemic	The Covid-19 pandemic has contributed to a rapid acceleration of already existing macro trends across the countries where we operate, with people, businesses and governments seeking access to more and better connectivity and improved financial inclusion. It is in these challenging times that the telecoms industry has emerged as a key and essential service for these economies, allowing customers to work remotely, reduce their travel, keep connected and allow access to affordable entertainment and financial services. This has resulted in robust growth in all revenue streams for most of the telecom operators. We, on our part, have continued to work with governments, regulators, partners and suppliers to keep customers and businesses connected as well as supporting the economies and communities. We focused on expanding and maintaining our network to ensure it could cope with increasing demand, we kept our distribution up and running by increasing the penetration of digital recharges and stock levels, and we expanded our home broadband solutions to ensure customers could work and access entertainment remotely. Our detailed assessment of possible impact of Covid-19 is provided on pages 16-17 of this report. We have carried out extensive scenario analysis looking at the possible negative effect of the outbreak on the business via a possible reduction in revenue growth and a possible increase in operating expenses.

Conclusion

The results of stress-testing our forecasts over the three-year period for the above sensitivities, including the possible impact of Covid-19, demonstrate that the Group will be able to withstand these impacts over the period of its financial forecasts. The Board has a reasonable expectation that no single or plausible combination of events would affect long-term viability, even under the severe stress tests and the Group would be able to continue operating and meet its liabilities over the three-year period.

In order to reach this conclusion, the Board has considered:

- Possible actions to mitigate the impact of risks in the severe stress tests, including limiting or delaying discretionary capital expenditure without compromising on network quality, optimising operating expenditure and reducing or stopping dividend payments
- Accessing additional funding, including financing facilities and access to the debt capital markets in order to repay debt which matures over the three-year period while maintaining adequate liquidity headroom
- The proceeds from the Group's asset monetisation programme related to tower assets and investments in mobile money business which have been announced during the financial year 2020/21
- 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 paragraph 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 11 May 2021 and signed on its behalf by:

Raghunath Mandava
Chief executive officer

11 May 2021