



Information Memorandum

SAFARICOM PLC
DOMESTIC MEDIUM TERM NOTE PROGRAMME
UP TO KES 40,000,000,000

JOINT LEAD ARRANGERS



SBG Securities
A member of Standard Bank Group



Stanbic Bank
A member of Standard Bank Group



**standard
chartered**





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Signature: _____

Name: **Peter Ndegwa (CBS)**

Designation: Director

Signature: _____

Name: **Linda Mesa Wambani**

Designation: Director / Company Secretary

IMPORTANT INFORMATION

This Information Memorandum is important and should be read in its entirety. If you are in doubt about the contents of this Information Memorandum or what action you should take, please consult your investment advisor, stockbroker, lawyer, banker or any other financial consultant.

This Information Memorandum contains particulars given in compliance with the requirements of each of the Companies Act, the Capital Markets Act, the POLD Regulations, the NSE Listing Rules, the CD Act and any applicable rules of the CDSC.

This Information Memorandum is issued by Safaricom which having made all reasonable inquiries, confirms that:

- (a) This Information Memorandum contains all information with respect to itself and the Notes to be issued by it, which is material in the context of the Notes;
- (b) The information contained in this Information Memorandum is true and accurate in all material respects and is not misleading;
- (c) The opinions and intentions expressed in this Information Memorandum are honestly held; and
- (d) There are no other material facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading.

THE PROGRAMME

The Issuer may, from time to time, issue Notes of up to KES 40 billion, subject to the Conditions. Any other terms and conditions not contained in the Conditions and which are applicable to a particular Series or Tranche of Notes will be set out in the relevant Pricing Supplement.

The Notes may be issued from time to time under the Programme. Except as otherwise specified in this Information Memorandum or in the relevant Pricing Supplement, the Notes will not be subject to any minimum or maximum maturity. The aggregate Principal Amount of outstanding Notes will not, at any time, exceed KES 40 billion.

Applications for participation may be processed through the electronic channels referred to in section [6] (Application Procedure) of this Information Memorandum or through the Placing Agents, whose details are provided in this Information Memorandum.

The Notes may be issued in Tranches and be placed by the Placing Agents described in Appendix E of this Information Memorandum, together with any additional Placing Agents appointed from time to time. Such appointments may be for a specific issue or on an ongoing basis.

The price (or yield), tenor, amount, and allocation of the Notes to be issued under this Programme will be determined by the Issuer, in consultation with the Joint Lead Arrangers and Placing Agents, at the time of issue and in accordance with the prevailing market conditions as set out in the relevant Pricing Supplement.

CAUTIONARY STATEMENT

Prospective investors should carefully consider the matters set forth under the section “Risk Factors” covered in Section 3 of this Information Memorandum.

APPROVALS

The CMA has approved the public offering of the Notes. As a matter of policy, the CMA assumes no responsibility for the correctness of any statements, opinions, or reports contained in this Information Memorandum. The approval of the Issue and/or listing of the Notes is not to be taken as an indication of the merits of the Issuer or of the Notes.

Safaricom will apply for authorization from the NSE for any Tranche of the Notes that are to be admitted to the FISMS of the NSE, as indicated in the relevant Pricing Supplement. The NSE assumes no responsibility for the correctness of any of the statements, opinions, or reports expressed or referred to in this Information Memorandum. Admission of the Notes to the FISMS should not be taken as an indication of the merits of the Notes or the Issuer.

In respect to each Tranche of Notes listed on the FISMS, the applicable Pricing Supplement(s) shall be delivered to the NSE and the CDSC prior to the Issue Date. The Notes under that Tranche may be traded by Noteholders on the NSE from the date of their listing. The trading of Notes listed on the FISMS will take place in accordance with the rules and operating procedures of the NSE. The settlement of trades on the NSE will take place in accordance with the electronic settlement procedures of the NSE and the CDSC.

The Issuer may also issue unlisted Notes. Such unlisted Notes are not regulated by the CMA. The applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed on the NSE. Unlisted Notes will only be available to “sophisticated investors” as defined in the POLD Regulations and will comply with Applicable Laws.

The listed Notes will be issued as a dematerialised security by the CDSC in accordance with section 24 of the CD Act.

The sale or transfer of listed Notes by Noteholders will be subject to the rules of the NSE, and where applicable, the CDSC rules, the Conditions and the provisions of the Agency Agreement. Except as may be stated in the Information Memorandum or in the Pricing Supplement, there are no restrictions on the sale or transfer of Notes under Kenyan law. The register (i) in the case of listed Notes, will be the record of Noteholders maintained by the CDSC in accordance with the CD Act, and (ii) in the case of unlisted Notes, will be the electronic record of Noteholders as maintained by the Registrar in accordance with the provisions of the Agency Agreement.

RESPONSIBILITY

The directors of Safaricom, whose names appear in Section 9 (Corporate Governance and Management) of this Information Memorandum, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with facts and does not omit anything likely to affect the import of such information.

SELLING RESTRICTIONS

The Notes may not be offered or sold, directly or indirectly, and neither this document nor any other supplemental Information Memorandum or any prospectus, form of application, advertisement, other offering material or other information relating to the Issuer or the Notes may be issued, distributed or published in any jurisdiction, other than the Republic of Kenya.

The distribution of this Information Memorandum and the offer or sale of the Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States, the European Union, the United Kingdom and South Africa (for further details refer to section 6 (Subscription and Selling Restrictions) of this Information Memorandum). Persons into whose possession this Information Memorandum or any Notes may come, must first inform themselves about and observe all applicable selling restrictions.

It is intended by the Issuer and the Placing Agents that the Notes will only be sold pursuant to a domestic offer in Kenya, and that any investor or potential investor who purchases the Notes shall inform themselves of the risks involved in investing in the Notes and has understood that the information contained in this Information Memorandum is consistent with information that would be required in connection with a domestic offer of securities in Kenya, which differs substantially from international markets.

ELECTRONIC OFFER OF THE NOTES

The offer of the Notes under this Information Memorandum may be made electronically. Where the offer is made electronically, the Issuer shall ensure that any electronic offer of the Notes is undertaken in compliance with all applicable laws and regulations, including the requirements of the CMA and the NSE.

The electronic offer will be conducted in a manner that safeguards the security and confidentiality of all information provided by prospective investors who are willing to subscribe for the Notes. The Issuer will provide clear and comprehensive instructions to prospective investors on how to access, review, and participate in the electronic offer process. All relevant documents and information pertaining to the offer will be made available electronically to facilitate investor participation.

DISCLAIMERS

General

Neither this Information Memorandum nor any other information supplied in connection with the Notes is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Joint Lead Arrangers, the Sponsoring Broker, the Placing Agents, the Note Trustee and the Agents or any of their respective directors, affiliates, advisers or agents, that any recipient of this Information Memorandum or any other information supplied in connection with the Issue should purchase any Notes. Each investor contemplating purchasing a Note should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Information Memorandum nor any other information supplied in connection with the Issue constitutes an offer or invitation to any person by or on behalf of the Joint Lead Arrangers, the Sponsoring Broker, the Placing Agents, the Note Trustee or the Agents or any of their respective directors, affiliates, advisers or agents to subscribe for or to purchase any Notes.

The information presented herein was prepared or obtained by the Issuer and is being furnished to the Joint Lead Arrangers, the Sponsoring Broker, the Placing Agents, the Note Trustee and the Agents solely for use by prospective investors in connection with the Notes. Neither of the Joint Lead Arrangers, the Sponsoring Broker, the Placing Agents, the Note Trustee nor the Agents or any of their respective directors, affiliates, advisers or agents have assumed any responsibility for independent verification of the information contained herein or otherwise made available in connection with the Notes, neither do they make any representation or warranty as to the accuracy or completeness of such information.

Nothing contained in this Information Memorandum is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Joint Lead Arrangers or the Placing Agents, the Sponsoring Broker, the Agents, or the Note Trustee or any of their respective directors, affiliates, advisers or agents, in any respect. Furthermore, none of the Joint lead Arrangers or the Placing Agents, the Sponsoring Broker, the Agents, or the Note Trustee nor any of their respective directors, affiliates, advisers or agents, makes any representation or warranty or assumes any responsibility, liability or obligation in respect of the legality, validity or enforceability of the Notes, the performance and observance by the Issuer of its obligations in respect of the Notes, or the recoverability of any sums due or to become due from the Issuer under the Notes.

The delivery of this Information Memorandum does not at any time imply that the information contained herein concerning the Issuer is correct at any time after the date hereof or that any other information supplied in connection with the Notes is correct as of any time after the date indicated in the document containing the same.

No person has been authorised to give any information or make any representation other than that contained in this Information Memorandum and if given or made, such information or representation should not be relied upon as having been authorised by or on behalf of the Issuer, the Joint Lead Arrangers, the Sponsoring Broker the Placing Agents, the Agents, the Trustee or any of their respective directors, affiliates, advisers or agents.

Environmental, Social and Governance

The use of proceeds for any Tranche of Notes identified as Sustainable Notes in the applicable Pricing Supplement may not meet investor expectations or requirements or be suitable for an investor's investment criteria.

The Pricing Supplement relating to any Tranche of Sustainable Notes may provide that it will be the Issuer's intention to issue Green Notes, Social Notes or Sustainability Notes and apply an amount equal or equivalent to the net proceeds of the issue of any such Sustainable Note to finance and/or refinance, in whole or in part, with respect to Green Notes, new or existing projects from any of the Eligible Green Projects or, with respect to Social Notes, from any of the Eligible Social Projects or, with respect to Sustainability Notes, from a combination of the Eligible Green projects and the Eligible Social Projects meeting certain eligibility criteria as further described in the Sustainable Finance Framework, which Sustainable Finance Framework is available for inspection on the Issuer's website. In connection with the issue of such Sustainable Notes, Sustainalytics has evaluated the Sustainable Finance Framework and has issued an independent Second Party Opinion confirming that the Eligible Green Projects and Eligible Social Projects described in the Sustainable Finance Framework are aligned with the ICMA Principles, as well as the LMA, LSTA and APLMA Principles, as applicable.

None of the Issuer, the Joint Lead Arrangers, the Placing Agents, the Sponsoring Broker, or any of their respective directors, affiliates, advisers, agents or any other person makes any representation or gives any assurance as to the Sustainable Finance Framework's compliance or alignment with the ICMA Principles and LMA, LSTA and APLMA Principles. Furthermore, none of the Sustainable Finance Framework, the Second Party Opinion, the ICMA Principles, the LMA, LSTA and APLMA Principles, or any associated or future reports, verifications, certifications or the contents of the Issuer's website have been or will be verified by the Issuer, the Joint Lead Arrangers, the Placing Agents, Sponsoring Broker or any of their respective directors, affiliates, advisers, agents nor do they, or will in the future, constitute or form part of any offer to sell or issue, or any solicitation of any offer to purchase or subscribe for, any Sustainable Notes and are not incorporated in or form part of this Information Memorandum

Prospective investors should have regard to the information set out in this Information Memorandum, the applicable Pricing Supplement, the Second Party Opinion and the Sustainable Finance Framework regarding such use of proceeds and consult with their legal and other advisers before making an investment in any such Sustainable Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Sustainable Notes together with any other investigation such investor deems necessary.

No assurance is given by the Issuer, the Joint Lead Arrangers, the Placing Agents, Sponsoring Broker, or any of their respective directors, affiliates, advisers, agents or any other person that the use of such proceeds for any Eligible Green Projects and/or Eligible Social Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, social or sustainability impact of any projects or uses, the subject of or related to, any Eligible Green Projects and/or Eligible Social Projects. Accordingly, no assurance is or can be given by the Issuer, the Joint Lead Arrangers, the Placing Agents, Sponsoring Brokers, or any of their respective directors, affiliates, advisers, agents or any other person to investors that any projects or uses the subject of, or related to, any Eligible Green Projects and/or Eligible Social Projects will meet any or all investor expectations regarding such "green", "social", "sustainable" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Projects and/or Eligible Social Projects. In addition, no assurance can be given by the Issuer, the Joint Lead Arrangers, the Placing Agents, Sponsoring Brokers, or any of their respective directors, affiliates, advisers, agents or any other person to investors that any Notes will comply with any future standards or requirements regarding any "green", "social" or other equivalently-labelled performance objectives and, accordingly, the status of any Notes as being "green", "social", "sustainable" (or equivalent) could be withdrawn at any time.

None of the Joint Lead Arrangers, the Placing Agents, Sponsoring Brokers, or any of their respective directors, affiliates, advisers, agents or any other person shall be responsible for the ongoing monitoring of the use of proceeds in respect of any such Sustainable Notes or will verify or monitor any of the commitments set out in the Sustainable Finance Framework relating to such Sustainable Notes issued under the Information Memorandum.

In connection with Green Notes, the Issuer shall comply with the Green Bonds Disclosure and Continuing Obligations. No assurance is or can be given by the Joint Lead Arrangers, the Placing Agents, Sponsoring Broker or any of their respective directors, affiliates, advisers, agents or any other person on the compliance with the Green Bonds Disclosure and Continuing Obligations.

While it is the intention of the Issuer to apply the net proceeds or amount equal or equivalent to the net proceeds of the issue of any Sustainable Notes specified for Eligible Green Projects and/or Eligible Social Projects (as applicable) in, or substantially in, the manner summarised in this Information Memorandum, prospective investors should be aware that the Issuer has no contractual obligation to use the net proceeds as stated in, or to provide the reports described in the "Use of Proceeds" section. There can be no assurance by the Issuer, the Joint Lead Arrangers, the Placing Agents, the Sponsoring Brokers, or any of their respective directors, affiliates, advisers, agents or any other person that the application of such net proceeds to the relevant Eligible Green Projects and/or Eligible Social Projects will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timeframe or at all, or that such proceeds will be totally or partially disbursed as planned. Nor can there be any assurance that such Sustainable Notes or the projects they finance and/or refinance will have the results or outcome (whether or not related to environmental, social, sustainability or other objectives) originally expected or anticipated by the Issuer.

Any such event or failure by the Issuer to use the net proceeds or amount equal or equivalent to the net proceeds as stated or to provide the Second Party Opinion, Allocation and Impact Report (as defined herein) or Verification Report (as defined herein) and/or the fact that the maturity of an Eligible Green Project and/or Eligible Social Project may not match the duration of any Sustainable Notes and/or the failure by the Issuer to meet any environmental, social, sustainability or other objectives and/or any changes to the composition of the Eligible Green Projects and Eligible Social Projects before the applicable maturity date or any applicable optional redemption date of the applicable Sustainable Notes and/or any failure of the Eligible Green Projects and/or Eligible Social Projects to perform as expected will not: (i) give rise to any claim in contract of a holder of any Sustainable Notes against the Issuer, the Joint Lead Arrangers, the Placing Agents, the Sponsoring Broker, any Dealer, or any of their respective directors, affiliates, advisers, agents or any other person; (ii) constitute an Event of Default with respect to Sustainable Notes; (iii) create an obligation of the Issuer to redeem the relevant Sustainable Notes.

In respect of any Tranche of Notes identified as Sustainable Notes in the applicable Pricing Supplement, there can be no assurance regarding the suitability or reliability of any opinion (including the Second Party Opinion), report, verification or certification of any third party (whether or not solicited by the Issuer) or admission to any index

In connection with the issuance of any Tranche of Notes identified as Sustainable Notes, in the applicable Pricing Supplement, the Issuer may request a provider of second party opinions to issue a Second Party Opinion in respect of the Sustainable Finance Framework.

No assurance or representation is given by the Issuer, the Joint Lead Arrangers, the Placing Agents, Sponsoring Broker, or any of their respective directors, affiliates, advisers, agents or any other person as to the suitability or reliability for any purpose whatsoever of any opinion (including the Second Party Opinion), report, verification or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of Sustainable Notes and in particular with any Eligible Green Projects and/or Eligible Social Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion, report or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Information Memorandum. Any such opinion, report, verification or certification is not, nor should it be deemed to be, a recommendation by the Issuer, the Joint Lead Arrangers, the Placing Agents, the Sponsoring Broker, or any of their respective directors, affiliates, advisers, agents or any other person to buy, sell or hold any such Sustainable Notes. Any such opinion, report or certification is only current as at the date that opinion, report or certification was initially issued.

Prospective investors must determine for themselves the relevance of any such opinion, report, verification or certification and/or the information contained therein and/or the provider of such opinion, report or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions, reports, verifications and certifications are not subject to any specific regulatory or other regime or oversight. Investors in such Sustainable Notes shall have no recourse against the Issuer, the Joint Lead Arrangers, the Placing Agents, the Sponsoring Broker, or any of their respective directors, affiliates, advisers, agents or any other person or the provider of any such opinion, report, verification or certification for the contents of any such opinion, report, verification or certification.

FORWARD-LOOKING STATEMENTS

Some statements in this Information Memorandum may be deemed to be "forward-looking statements". Forward-looking statements include statements concerning the Issuer's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying these forward-looking statements. When used in this Information Memorandum, the words "anticipates", "estimates", "believes", "intends", "plans", "may", "will", "should" and any similar expressions are used to identify forward-looking statements. The Issuer has based these forward-looking statements on the current view of its management with respect to future events and financial performance. These views reflect the best judgement of the Issuer's management but involve uncertainties and are subject to certain risks the occurrence of which could cause actual results to differ materially from those predicted in the Issuer's forward-looking statements and from past results, performance or achievements. Although the Issuer believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Issuer has identified in this Information Memorandum, or if any of the Issuer's underlying assumptions prove to be incomplete or incorrect, the Issuer's actual results of operations may vary from those expected, estimated or projected.

These forward-looking statements apply only as at the date of this Information Memorandum. Without prejudice to any requirements under Applicable Laws and regulations, the Issuer expressly disclaims any obligations or undertaking to disseminate after the date of this Information Memorandum any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based. A prospective investor of the Notes should not place undue reliance on these forward-looking statements.

FINANCIAL INFORMATION

The Issuer's financial year ends on 31 March in each year. Financial information presented in this Information Memorandum is derived from the audited financial statements of the Issuer for the years ended 31 March 2024 and 2025. In addition, the audited accounts of Safaricom as at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024, and 31 March 2025 are included under the Reporting Accountant's report.

ROUNDING

Some numerical figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that preceded them.

DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum should be read and construed in conjunction with:

- a) All supplements to this information Memorandum circulated by the Issuer from time to time in accordance with the undertakings given by the Issuer in the Agency Agreement and as further described in the section entitled "Supplemental Information Memorandum" in this Information Memorandum;
- b) The audited annual financial statements (and notes thereto), and any interim semi-annual financial statements (whether audited or unaudited) in respect of further years, as and when they become available;
- c) Each Pricing Supplement relating to any Tranche of Notes; and
- d) All information related to the Issuer which is relevant to the Programme and/or this Information Memorandum which is electronically submitted to the CMA and NSE,

which shall be deemed to be incorporated in, and to form part of, this Information Memorandum and which shall be deemed to modify or supersede the contents of this Information Memorandum to the extent that a statement contained in any such document is inconsistent with the contents of this Information Memorandum. The Issuer will provide, free of charge, to each person to whom a copy of this Information Memorandum has been delivered, upon request of such person, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Request for such documents should be directed to the Placing Agents or the Registrar at its respective office as set out below.

Requests for such documents should be directed to:

The Placing Agents:

1. SBG Securities Limited and Stanbic Bank Kenya Limited

Physical Address: Stanbic Bank Centre, 58 Westlands Road, P.O Box 47198 – 00100, Nairobi, Kenya

Designated email Address: shujaasbk@stanbic.com

2. Standard Chartered Bank Kenya Limited

Physical Address: Standard Chartered Building Westlands road, Chiromo Lane Westlands, P.O Box 30003 – 00100 Nairobi, Kenya

Designated email Address: shujaa-sc@sc.com

3. Dyer and Blair Investment Bank Limited

Physical Address: 7th Floor, Goodman Tower, off Waiyaki Way and of P.O Box 45396 – 00100 Nairobi, Kenya

Designated email address: corporate@dyerandblair.com

and

The Registrar: Image Registrar

Physical Address: 5th Floor, Absa Towers, Loita Street

P.O.Box 9287- 00100 GPO, Nairobi, Kenya

DL: 0709 170003

Tel: +254 709 170 000/+254 735 565 666

Designated email Address: corporate@image.co.ke

The information may also be obtained from the Issuer's website: www.safaricom.co.ke

SUPPLEMENTAL INFORMATION MEMORANDUM

The Issuer hereby gives an undertaking to publish a supplemental Information Memorandum on the occasion of:

- (a) A material adverse change in the condition (financial or otherwise) of the Issuer that affects any matter contained in this Information Memorandum or any supplement to the Information Memorandum;
- (b) A significant new matter arises, the inclusion of which would have been so required if it had arisen when this IM or any supplement to the Information Memorandum was first prepared, the inclusion of which is required under applicable law or would reasonably be required by investors and their professional advisors and would reasonably be expected by them to be found in this Information Memorandum for the purpose of making an informed assessment of the assets and liabilities, financial position and prospects of the Issuer and the rights attaching to the Notes; and
- (c) A significant inaccuracy in this Information Memorandum or any supplement to the Information Memorandum is discovered.

The Issuer shall seek the prior approval of the CMA in connection with any proposed amendment or supplement to this Information Memorandum and the Issuer shall, in addition, supply to the Joint Lead Arrangers, Sponsoring Stockbroker and Placing Agents, the CMA, the NSE and the CDSC in Kenya such number of copies of such supplement to this Information Memorandum or replacement Information Memorandum as Joint Lead Arrangers, Sponsoring Stockbroker and Placing Agents, the CMA, the NSE and the CDSC may reasonably require or as may be required to be provided by law. If the terms of the Issue are modified or amended in a manner which would make this Information Memorandum as supplemented, inaccurate or misleading, a new Information Memorandum will be prepared by the Issuer after seeking the approval of the CMA and the NSE.

It is anticipated by the Issuer that it may in future issue structured notes, and if it does so, the terms and conditions for such notes shall be published in a supplemental information memorandum.

CORPORATE INFORMATION

Executive Director

Dr. Peter Ndegwa (CBS) – Group Chief Executive Officer and Executive Director

Non- Executive Directors

Mr. Adil Arshed Khawaja (MGH) – Chairman

Mr. Mohamed Shameel Aziz Joosub

Ms. Raisibe Morathi

Ms. Murielle Lorilloux

Dr. (Eng.) John Kipngetich Mosonik

Mr. James Ludlow

Cabinet Secretary (CS), The National Treasury and Economic Planning

Independent Non- Executive Directors

Mr. Edward Okaro

Ms. Rita Kavashe

Mr. James Wambugu

Alternate Directors

Mr. Dilip Pal – Group Chief Financial Officer and Alternate Director to the Group Chief Executive Officer

Mr. Lawrence Kibet (EBS) – Alternate Director to the Cabinet Secretary, National Treasury and Economic Planning

Registered Office

L.R No. 209/13263 Westlands

P.O.Box 46350 G.P.O Nairobi, Kenya

Company Secretary: Linda Mesa Wambani

(Address as above)

Principal place of business

L.R. No. 209/15029 Safaricom House, Waiyaki Way

P.O. Box 66827-00800 Nairobi, Kenya

Independent Auditor

Ernst & Young LLP Kenya Re Towers Upper Hill

P.O. Box 44286-00100 Nairobi, Kenya

PRINCIPAL BANKERS

Citibank NA Citibank House, Upper Hill Road

P.O Box 30711 - 00100 GPO Nairobi, Kenya

Standard Chartered Bank Kenya Limited

Standard Chartered Building

Westlands road, Chiromo Lane Westlands

P.O Box 30003 - 00100 Nairobi, Kenya

REGISTRARS

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GLOSSARY OF DEFINITIONS AND ABBREVIATIONS

Term/Abbreviation	Description
“AI”	means Artificial Intelligence;
“2Africa”	means a submarine fibre-optic cable system designed to connect Africa, the Middle East, Asia and Europe via a route along the African coastline, including both the Indian and Atlantic Oceans;
“2G”	means the second generation of mobile communications technology. Radio signals on 2G networks are digital, whereas the previous mobile telephone systems (retrospectively dubbed 1G) were analogue. Allows for voice calls and limited data transmission;
“3G”	means the third generation of mobile communications technology. Designed to support high-speed data services as well as voice. Allows mobile phones, computers, and other portable electronic devices to access the Internet wirelessly;
“4G”	means the fourth generation of mobile communications technology, often branded as 4G or LTE by operators; allowing wireless Internet access at a much higher speed;
“5G”	means the fifth generation of wireless communication technology, offering significantly enhanced data speeds, ultra-low latency, and increased network capacity;
“Africa-1”	means a submarine fibre-optic cable system designed to connect Africa, the Middle East, Asia and Europe via a route along the eastern/Red Sea / Indian Ocean corridor;
“Agency Agreement”	means the agency agreement entered into between the Issuer, the Agents, the Settlement Bank (as defined therein) and the Note Trustee dated 21 November 2025 as varied from time to time;
“Agents”	means the Calculation Agent, Fiscal Agent and Registrar and any additional agent that may be appointed pursuant to the terms of the Agency Agreement and Agent shall be construed accordingly;
“AGM”	means the Annual General Meeting;
“Allotment Date”	means the date specified as such in the applicable Pricing Supplement on which Notes are allotted to the successful applicants;
“ARPU”	means Average Revenue Per User customer generated revenue over a specified period, divided by the Company’s 30-day active number of subscribers;
“Applicable Laws”	means any laws or regulations (including any foreign exchange rules or regulations) of any governmental or other regulatory authority which may govern the Issue, the Conditions of the Notes and the Notes issued thereunder in accordance with which the same are to be construed;
“ASIS”	means American Society for Industrial Security International;
“AWS”	means Amazon Web Services, which is a cloud computing platform provided by Amazon;
“BAC”	means Board Audit Committee;
“BII”	means British International Investment;
“BIIC”	means Board Innovation and Investments Committee;
“BHRC”	means Board Human Resources Committee;
“BRESGC”	means Board Risk Environmental and Social Governance Committee;
“BNC”	means Board Nominations Committee;
“Board” or “Board of Directors”	means Safaricom’s leadership appointed to oversee Executive Management and overall direction of the Company;
“Business Day”	means a day (other than a Saturday, Sunday or gazetted public holiday) on which banks are generally open for the conduct of business in Kenya;
“CA” or “Communications Authority”	means the Communications Authority of Kenya, as established pursuant to the Kenya Information and Communications Act (Chapter 411A of the laws of Kenya);
“CAGR”	means compound annual growth rate;
“Capital Markets Authority” or “CMA”	means the Capital Markets Authority established under the Capital Markets Act (Chapter 485A of the Laws of Kenya) and includes and successor thereto;
“Central Bank of Kenya” or “CBK”	means the Central Bank of Kenya established by an Act of Parliament and anchored in the Constitution under Article 231;

Term/Abbreviation	Description
“CBR”	means Central Bank Reference rate;
“CD Act”	means the Central Depositories Act, Chapter 485C of the Laws of Kenya;
“CDS”	means the central depository system maintained by the CDSC;
“CDSC”	means the Central Depository and Settlement Corporation Limited, a limited liability company approved by the CMA to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at NSE;
“CDSC Account”	means a depository account of a Noteholder which is opened and maintained with the CDSC in accordance with the CD Act;
“CEO”	means Chief Executive Officer;
“CFO”	means Chief Financial Officer;
“Closed Period”	means such period as specified in the relevant Pricing Supplement;
“CM Act”	means Capital Markets Act
“Companies Act”	means the Companies Act, Cap. 486 of the Laws of Kenya;
“Company Policies”	means internal rules, guidelines, and procedures established by the Issuer to govern its operations, ensure legal and regulatory compliance, and promote consistency in decision-making and employee conduct;
“Conditions”	means the Terms and Conditions set out in section 4 (“Terms and Conditions”) of this Information Memorandum and in Schedule 1 of the Trust Deed;
“CS”	means Company Secretary;
“CSI”	means Corporate Social Investment;
“DARE1”	means Djibouti Africa Regional Express 1, a submarine fibre-optic cable system connecting the Horn of Africa and East Africa to each other and to global networks;
“Data Protection Act”	means the Data Protection Act, Chapter 411C of the laws of Kenya;
“DMTN”	means Domestic Medium Term Note Programme;
“Early Redemption Amount”	means the amounts due on any prepayment of the Notes;
“EBITDA”	means Earnings Before Interest, Taxation, Depreciation and Amortisation;
“ECA”	means the Ethiopia Communications Authority;
“EFT”	means Electronic Funds Transfer;
“EASSy”	means Eastern Africa Submarine Cable System, a major undersea fibre-optic cable network that connects countries along the East Coast of Africa to the global internet backbone;
“ESG”	means the Environmental, Social and Governance;
“Event of Default”	means any of the circumstances described in Condition 4.9 (Events of Default);
“Extraordinary Resolution”	means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions of the Trust Deed;
“Executive Management”	means senior management of the Issuer;
“Fixed Rate Notes”	means Notes that will bear interest at a fixed interest rate, as indicated in the relevant Pricing Supplement and more fully described in the Conditions;
“FISMS”	means the Main Fixed Income Securities Market Segment of the NSE;
“Floating Rate Notes”	means Notes that will bear interest at a floating interest rate, as indicated in the relevant Pricing Supplement and more fully described in the Conditions;
“Final Redemption Amount”	means the amount, as specified in the applicable Pricing Supplement, due on final redemption of the Notes;

Term/Abbreviation	Description
“FSMA”	mean Financial Services and Markets Act 2000;
“FTTB”	means fibre to the business;
“FTTH”	means fibre to the home;
“FY”	means financial year end;
“GB”	means gigabyte;
“GDP”	means gross domestic product;
“GHG”	means greenhouse gas emissions;
“GoK” or “Government”	means the Government of Kenya;
“Google Cloud”	means a cloud computing platform by google, providing a wide array of services for computing, storage, databases, networking, and other;
“GPE”	means Global Partnership for Ethiopia B.V., a private limited company incorporated in the Netherlands;
“Green Bonds and Disclosure Obligations”	means the green bonds disclosure and continuing obligations as set out in the (i) Fifth Schedule of the POLD Regulations (ii) Nairobi Securities Exchange Listing Rules (iii) Kenya Green Bond Market Issuer’s Guide;
“Green Notes”	means such Notes identified as Green Notes and issued pursuant to the relevant Pricing Supplement and the proceeds of which are applied to finance and/or refinance, in whole or in part, new and/or existing Green Projects;
“Group”	means the Company and its subsidiaries;
“GSMA”	means Global System for Mobile Communications Association;
“ICMA Principles”	means the International Capital Market Association Green Bond Principles 2021, Social Bond Principles 2023, and Sustainability Bond Guidelines 2021;
“ICPAK”	means the Institute of Certified Public Accountants of Kenya;
“ICPSK”	means the Institute of Certified Public Secretaries of Kenya;
“ICT”	means Information and Communication Technology;
“IFC”	means International Finance Corporation;
“IMF”	means International Monetary Fund;
“Information Memorandum” or “IM”	means this Information Memorandum dated 21 November 2025 which will apply to all Notes issued from time to time under the Programme;
“Interest Amount”	means in relation to a Tranche of Notes and an Interest Period, the amount of interest payable in respect of that Tranche of Notes for that Interest Period;
“Interest Commencement Date”	means the first date from which interest on the Notes will accrue as specified in the applicable Pricing Supplement;
“Interest Determination Date”	means the date specified in the applicable Pricing Supplement;
“Interest Payment Date”	means in relation to a Tranche of Notes, the dates indicated in the applicable Pricing Supplement commencing on the date specified in the applicable Pricing Supplement until the Principal Amount of each Note is repaid in full;
“Interest Period”	means the period beginning on and including the Issue Date, to but excluding, the first Interest Payment Date, and each successive interest period from and including an Interest Payment Date to but excluding the next Interest Payment Date;
“Interest Rate”	means the rate of interest applicable to the Notes as specified in the applicable Pricing Supplement;
“IPO”	means an initial public offering;
“ISO”	means International Organization for Standardization;

Term/Abbreviation	Description
“Issue Date”	means the date upon which the relevant Tranche of the Notes is issued as provided in the relevant Pricing Supplement;
“Issue Agreements”	means the Trust Deed, the Placing Agreement and the Agency Agreement, duly executed by the parties thereto;
“ITU”	means International Telecommunication Union;
“IOT”	mean internet of things;
“ITA”	means Income Tax Act (Chapter 470 of the Laws of Kenya);
“KICA”	means Kenya Information and Communications Act (Chapter 411A of the Laws of Kenya) to regulate postal and telecommunications services;
“Kenya”	means the Republic of Kenya;
“KES” or “Shs” or “Kenya Shilling(s)”	means the lawful currency of the Republic of Kenya;
“KPIs”	means key performance indicator;
“Kenya Revenue Authority” or “KRA”	means the Kenya Revenue Authority
“LION2”	means Lower Indian Ocean Network 2, a submarine fibre-optic cable system;
“LMA, LSTA and APLMA Principles”	means the Green Loan Principles 2023 and Social Loan Principles 2023 published by the Loan Market Association, the Loan Syndications and Trading Association and the Asia Pacific Loan Market Association;
“LSK”	means Law Society of Kenya;
“LTE”	means Long Term Evolution and is sometimes referred to as 4G LTE;
“MFS”	means mobile financial services;
“MHCL”	means M-PESA Holding Company Limited, a limited liability company incorporated in Kenya with Registration number C.128199;
“MHz”	means megahertz;
“Microsoft”	means a multinational technology company based in the United States, best known for its software, hardware, cloud services, and enterprise solutions;
“Microsoft Azure”	means a cloud computing platform and service offered by Microsoft, similar to AWS;
“MNOs”	means a mobile network operators;
“MSMEs”	means micro, small, and medium enterprises;
“MW”	means megawatt;
“NBE”	means the National Bank of Ethiopia;
“NOFBI”	means the National Optic Fibre Backbone Initiative, a Kenyan government initiative to build a national Fibre optic network to enhance digital connectivity, improve government service delivery and bridge the digital divide across Kenya;
“Notes”	means notes issued by the Issuer within the Republic of Kenya in the aggregate principal amount of up to Kenya Shillings forty billion (KES 40,000,000,000);
“Noteholders”	means the person in whose name a Note is registered in the CDSC Account, or in the case of joint holders, the first-named person thereof;
“Non-Executive Director” or NEDs	means member of the Company's Board of Directors who is not part of the executive management team and does not engage in the day-to-day operations of the business;
“NSE”	means Nairobi Securities Exchange;
“Oracle Cloud”	means a cloud computing platform offered by oracle corporation, providing a range of services including computing, storage, databases, networking, and enterprise applications;
“ODPC”	means the Office of the Data Protection Commissioner;
“Optional Redemption Amount”	means the amount due on any prepayment of the Notes at the option of the Issuer;

Term/Abbreviation	Description
“Payment Date”	means any date which is a Business Day and upon which a payment is due by the Issuer in respect of the Notes;
“PEACE”	means Pakistan & East Africa Connecting Europe, a new-generation submarine fibre-optic cable system designed to connect Asia, Africa, and Europe with ultra-high-speed, low-latency data links;
“Placing Agreement”	means the placing agreement dated 21 November 2025 between the Issuer, and the Placing Agents as varied from time to time;
“PLC”	means Public Limited Company;
“POLD Regulations”	means the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023;
“Principal Amount”	means the nominal amount of each Note as set out in the relevant Pricing Supplement;
“Pricing Supplement”	means a pricing supplement approved by the Issuer, and which is supplemental to the Information Memorandum and is issued for purposes of specifying the relevant issue details of any Tranche of the Notes;
“Programme”	means Kenya Shillings Forty Billion (KES 40,000,000,000) medium term note programme established pursuant to the Information Memorandum and the relevant Issue Agreements;
“Programme Documents”	means the Trust Deed, the Agency Agreement, the Placing Agreement, the Information Memorandum and Pricing Supplement;
“Record Date”	means fifteen (15) calendar days prior to each Interest Payment Date unless otherwise provided in the relevant Pricing Supplement in which case ‘Record Date’ shall have the meaning ascribed to that term in the relevant Pricing Supplement;
“Redemption Date”	means the date on which the Principal Amount due on the Notes is repaid;
“Register”	means (i) in the case of listed Notes, the official record of the Noteholders in the CDS as maintained by the CDSC pursuant to section 25 of the CD Act, and (ii) in the case of unlisted Notes, the electronic record of the Noteholders as maintained by the Registrar in accordance with the provisions of the Agency Agreement;
“RTGS”	means Real-Time Gross Settlement;
“Safaricom Ethiopia or STE”	means Safaricom Telecommunications Ethiopia PLC, a private limited company incorporated in the Federal Democratic Republic of Ethiopia under investment permit number EIC-IP/2715/13 and with company registration number EIA/PC/2/0001138/2013;
“Safaricom PLC” or “Safaricom” or the “Company” or the “Issuer” or the “Group”	means Safaricom Plc a limited liability company Incorporated in Kenya with Registration number C.8/2002 of L.R. No. 209 / 15029 Safaricom House, Waiyaki Way P.O Box 66827-00800 Nairobi, Kenya;
“SEACOM”	means a private telecommunications company that operates the SEACOM submarine communications cable system, which provides high-speed internet and data connectivity along the east coast of Africa;
“Second Party Opinion” or “SPO”	means the opinion provided by Sustainalytics in respect of the Sustainable Finance Framework, pursuant to which Sustainalytics has assessed the alignment of the Sustainable Finance Framework with the ICMA Principles and LMA Principles;
“Series”	means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series, or (ii) identical in all respects (including as to listing);
“SMTSL”	means Safaricom Money Transfer Services Limited a limited liability company incorporated in Kenya with Registration number CPR/2014/150867;
“Social Notes”	means such Notes identified as social Notes and issued pursuant to the relevant Pricing Supplement and the proceeds of which are applied to finance and/or refinance, in whole or in part, new and/or existing Social Projects;
“Specified Denomination”	means the amount specified as such in the applicable Pricing Supplement;
“Specified Office”	means the specified office of the Fiscal Agent and Registrar as specified in the Information Memorandum;
“Sponsoring Broker”	means SBG Securities Limited;
“Standards of Business Conduct”	means set of ethical principles, professional behaviours, and compliance expectations that guide the Company and its employees;

Term/Abbreviation	Description
“Sustainable Finance Framework”	means the framework prepared by the Issuer dated May 2025 in relation to the Eligible Green Projects and Eligible Social Projects and which is available on the Issuer’s website at https://www.safaricom.co.ke/investor-relations ;
“SLL”	means Sustainability Linked Loan;
“Sustainable Notes”	means the Green Notes, the Social Notes or the Sustainability Notes;
“Sustainability Notes”	means a combination of Green Notes and Social Notes;
“Sustainalytics”	means Morningstar Sustainalytics;
“Tbps”	means terabits per second;
“TEAMS”	means The East African Marines Systems Limited, a limited liability company incorporated in Kenya with Registration number C.149460;
“TMT”	means the technology, media and telecommunications;
“Tranche”	means a series of Notes comprising one or more series that (except in respect of the first Interest Payment Date and their Issue Price and Issue Date) have the identical terms of issue and are expressed to have the same tranche number. Details applicable to each tranche are to be specified in the applicable Pricing Supplement;
“Trust Deed”	means the trust deed dated 21 November 2025 between the Issuer and the Note Trustee as varied from time to time;
“TowerCos”	means tower companies;
“UFA Act”	means the Unclaimed Financial Assets Act (Chapter 494 of the Laws of Kenya;
“UK”	means the United Kingdom of Great Britain and Northern Ireland;
“UNGC”	means the United Nations Global Compact;
“UNSDGS”	means the United Nations Sustainable Development Goals;
“USD”	means denotes the lawful currency of the United States of America;
“USF”	means Universal Service Fund administered and managed by the Communication Authority of Kenya;
“Verification Report”	means a report issued by an independent verifier in relation to the verification of the Allocation and Impact Report;
“USSD”	unstructured supplementary service data;
“Vodafone Group Plc or Vodafone PLC (UK)”	means Vodafone Group Plc incorporated in the United Kingdom and listed on the London Stock Exchange and on NASDAQ in the United States and;
“Vodafone Kenya Limited”	means Vodafone Kenya Limited incorporated in Kenya with Registration number C.79550;

1. SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Information Memorandum. We encourage you to read this entire Information Memorandum carefully, including the “Risk Factors” section, the financial statements and the notes to those financial statements.

Issuer:	Safaricom PLC.
Description:	Domestic Medium Term Note Programme denominated in KES.
Joint Lead Arrangers:	SBG Securities Limited, Stanbic Bank Kenya Limited and Standard Chartered Limited.
Sponsoring Broker:	SBG Securities Limited.
Placing Agents:	SBG Securities Limited, Stanbic Bank Kenya Limited, Standard Chartered Limited and Dyer and Blair Investment Bank Limited.
Receiving Bank:	Stanbic Bank Kenya Limited.
Fiscal and Calculation Agent:	Image Registrars Limited.
Registrar:	Image Registrars Limited.
Note Trustee:	MTC Trust & Corporate Services Limited.
Reporting Accountant:	PricewaterhouseCoopers LLP.
Transaction Legal Counsel:	Coulson Harney LLP (trading as Bowmans Kenya).
Size of the Programme:	Up to KES 40,000,000,000 aggregate principal amount.
Currency:	Kenya Shillings.
Fixed Rate Notes:	Fixed Rate Notes will bear interest at a fixed interest rate, as indicated in the relevant Pricing Supplement and more fully described in the Conditions.
Floating Rate Notes:	Floating Rate Notes will bear interest at a floating interest rate, as indicated in the relevant Pricing Supplement and more fully described in the Conditions.
Form of Notes:	Notes will be issued in book-entry form or certificated for unlisted Notes.
Selling Restrictions:	The Notes will not be offered by the Placing Agents or Issuer for subscription in any jurisdiction other than the Republic of Kenya. The distribution of this Information Memorandum and/or any relevant Pricing Supplement and any offering or sale of or subscription of Notes may be restricted by law in certain jurisdictions, and is restricted by law in the United States, the European Union, the United Kingdom and South Africa (for further details refer to section 6 (Subscription and Selling Restrictions) of this Information Memorandum). Any other or additional restrictions which are applicable, and which may be required to be met in relation to an offering or sale of Notes will be included in the applicable Pricing Supplement. Persons who come into possession of this Information Memorandum and/or any applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.
Issue Price:	Notes may, at the election of the Issuer, be issued at an issue price which is at par or at a discount to, or premium over, their nominal amount as indicated in the relevant Pricing Supplement.
Maturity:	Such maturity as may be agreed between the Issuer and the Joint Lead Arrangers and stipulated in the relevant Pricing Supplement.
Denomination of Notes:	Notes will be issued in such denominations as may be specified in the applicable Pricing Supplement.
Interest Period(s) or Interest Payment Date(s):	The Interest period(s), date(s) or rate(s) and whether a fixed or floating interest rate, applicable to a Tranche or Series of Notes will be as indicated in the relevant Pricing Supplement.

Term/Abbreviation	Description
Status and characteristics of the Notes:	Unless otherwise specified in the relevant Pricing Supplement, the Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain debts preferred by law) equally with all other unsecured obligations (other than subordinated obligations (if any)) of the Issuer from time to time outstanding.
Terms and Conditions of the Notes:	The Conditions of the Notes are set out in section 4 of this Information Memorandum as further supplemented and/or modified from time to time by the applicable Pricing Supplement for the relevant Series or Tranche of Notes.
Taxation:	For details of any taxes that are applicable to the Programme, refer to the (Taxation) of this Information Memorandum.
Redemption Amounts:	The relevant Pricing Supplement will specify the redemption amount or, if applicable, basis for calculating the redemption amounts payable.
Optional Redemption:	The relevant Pricing Supplement issued in respect of each Tranche of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part), and the applicable Terms and Conditions relating to such redemption.
Compliance:	The issue, placement and transfer of listed Notes shall comply with the CMA, NSE and CDSC requirements from time to time.
Listing:	Notes issued under the Programme will be eligible for listing on the FISMS by the NSE; The applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be listed.
Unlisted Notes:	Unlisted Notes may also be issued under the Programme. Unlisted Notes are not regulated by the CMA. The applicable Pricing Supplement in respect of a Tranche will specify whether or not such Notes will be unlisted. Unlisted Notes will only be available to “sophisticated investors” as defined in the POLD Regulations and will comply with Applicable Laws.
Governing Law:	The Notes will be governed by, and construed in accordance with, Kenyan law.
Risk Factors:	Investing in the Notes involves certain risks, some of which are set out in section 3 (Risk Factors) of the Information Memorandum.

Summary Financial and other Information:

The following tables include a summary of historical financial and other data for the Group and Company as of and for each of the five years ended 31 March 2021, 2022, 2023, 2024 and 2025. Prospective investors should read the summary financial and other information in conjunction with the information contained in “Reporting Account Report”, “Use of Proceeds”, “Risk Factors”, “Description of the Issuer” and the Financial Statements, including the notes thereto, and other financial data appearing elsewhere in this Information Memorandum.

Summary Statement of profit or loss and other comprehensive income

Group	Year ended 31 March (audited KES 'millions')				
	2025	2024	2023	2022	2021
Revenue from contracts with customers	384,433.4	345,893.4	307,142.1	295,441.4	261,462.3
Revenue from other sources	4,255.5	3,553.8	3,762.7	2,636.5	2,564.2
Direct costs	(101,081.3)	(97,046.9)	(92,232.1)	(91,467.8)	(80,852.8)
Expected credit losses on financial assets	(11,146.0)	(5,807.4)	(4,725.3)	(2,361.2)	(3,009.7)
Other operating expenses	(104,310.7)	(83,300.3)	(74,085.0)	(55,187.0)	(46,034.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	172,150.9	163,292.6	139,862.4	149,061.9	134,129.2
Depreciation - property and equipment	(50,999.9)	(55,162.3)	(39,754.5)	(34,145.2)	(32,624.5)
Depreciation - indefeasible rights of use (IRUs)	(323.6)	(281.3)	(281.3)	(281.3)	(406.5)
Amortisation - intangible assets	(9,953.4)	(17,804.5)	(8,417.9)	(1,850.0)	(1,628.5)
Depreciation - right of use (RoU) assets	(6,823.9)	(9,699.7)	(6,411.3)	(3,656.8)	(3,304.8)
Operating profit (Earnings before interest and tax (EBIT))	104,050.1	80,344.8	84,997.4	109,128.6	96,164.9
Finance income	9,222.1	5,459.6	4,075.2	2,413.4	2,198.4
Finance costs	(30,131.5)	(22,101.1)	(11,162.3)	(8,852.6)	(4,220.8)
Fair value remeasurement on investment properties	25.0	-	90.0	-	-
Share of profit/(loss) of associates	57.2	(2.9)	12.5	(279.8)	(192.9)
Share of loss of joint venture	(1,234.7)	(1,376.2)	(50.7)	(196.2)	(314.1)
Hyperinflationary monetary gain	11,222.3	22,363.2	10,383.1	-	-
Profit/(loss) before income tax	93,210.5	84,687.4	88,345.2	102,213.4	93,635.5
Income tax expense	(47,453.3)	(42,029.0)	(35,862.4)	(34,717.3)	(24,959.3)
Profit/(loss) for the year	45,757.2	42,658.4	52,482.8	67,496.1	68,676.2
Attributable to:					
Equity holders of the parent	69,798.7	62,991.7	62,268.9	69,648.1	68,676.2
Non-controlling interests	(24,041.5)	(20,333.3)	(9,786.1)	(2,152.0)	-
Profit/(loss) for the year	45,757.2	42,658.4	52,482.8	67,496.1	68,676.2
Other comprehensive income:					
Exchange differences on translation of foreign operations	(153,790.2)	(7,278.1)	10,260.0	(9,536.3)	-
Total comprehensive (loss)/income for year	(108,033.0)	35,380.3	62,742.8	57,959.8	68,676.2
Attributable to:					
Equity holders of the parent	(9,668.2)	59,230.9	34,954.0	64,335.4	68,676.2
Non-controlling interests	(98,364.8)	(23,850.6)	27,788.8	(6,375.6)	-
Total comprehensive (loss)/income for year	(108,033.0)	35,380.3	62,742.8	57,959.8	68,676.2

Summary Statement of profit or loss and other comprehensive income

Company	Year ended 31 March (audited KES 'millions')				
	2025	2024	2023	2022	2021
Revenue from contracts with customers	373,492.5	335,330.8	302,579.4	292,556.2	259,296.3
Revenue from other sources	6,985.8	4,386.5	7,900.4	3,289.7	3,153.4
Direct costs	(95,716.2)	(89,261.9)	(89,363.4)	(90,613.6)	(80,334.1)
Expected credit losses on financial assets	(11,206.4)	(6,073.4)	(4,925.3)	(2,602.7)	(3,863.7)
Other operating expenses	(68,627.3)	(59,146.1)	(53,118.7)	(49,545.5)	(45,168.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	204,928.4	185,235.9	163,072.4	153,084.1	133,083.3
Depreciation - property and equipment	(40,000.0)	(39,324.3)	(36,971.8)	(33,922.2)	(32,570.4)
Depreciation - indefeasible rights of use (IRUs)	(323.6)	(281.3)	(281.3)	(281.3)	(406.5)
Amortisation - intangible assets	(2,852.0)	(2,836.4)	(2,329.6)	(1,850.0)	(1,628.1)
Depreciation - right of use (RoU) assets	(4,405.3)	(4,503.2)	(4,419.0)	(3,644.2)	(3,304.8)
Operating profit (Earnings before interest and tax (EBIT))	157,347.5	138,290.7	119,070.7	113,386.4	95,173.5
Finance income	2,341.7	3,288.5	2,403.7	2,050.1	2,177.0
Finance costs	(17,241.0)	(16,395.0)	(12,416.0)	(8,895.2)	(4,405.5)
Fair value remeasurement on investment properties	25.0	-	90.0	-	-
Share of profit/(loss) of associates	13.2	(2.9)	12.5	(279.8)	(192.9)
Share of loss of joint venture	(1,234.7)	(1,376.2)	(50.7)	(196.2)	(314.1)
Profit before income tax	141,251.7	123,805.1	109,110.2	106,065.3	92,438.0
Income tax expense	(46,297.6)	(41,151.3)	(34,170.6)	(34,276.0)	(24,481.4)
Profit for the year	94,954.1	82,653.8	74,939.6	71,789.3	67,956.6
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	94,954.1	82,653.8	74,939.6	71,789.3	67,956.6

Summary Statement of financial position

Group	As at 31 March (audited KES 'millions')				
	2025	2024	2023	2022	2021
Assets					
Non-current assets	431,235.0	558,622.4	436,771.5	281,548.6	174,719.9
Current assets	84,049.2	82,541.9	72,435.5	65,250.0	55,909.4
Total assets	515,284.2	641,164.3	509,207.0	346,798.6	230,629.3
Equity and liabilities					
Equity					
Share capital	2,003.3	2,003.3	2,003.3	2,003.3	2,003.3
Share premium	2,200.0	2,200.0	2,200.0	2,200.0	2,200.0
Retained earnings	153,881.8	134,314.0	121,823.6	110,528.9	96,571.8
Other reserves	(6,432.3)	61,789.3	36,688.4	(5,312.7)	-
Proposed dividend	26,042.5	26,042.5	24,840.6	30,049.1	36,860.2
Equity attributable to equity holders of the parent	177,695.3	226,349.1	187,555.9	139,468.6	137,635.3
Non-controlling interests	46,325.8	109,398.8	75,810.0	40,232.3	-
Total equity	224,021.1	335,747.9	263,365.9	179,700.9	137,635.3
Liabilities					
Non-current liabilities	136,230.8	137,594.3	105,463.9	68,947.1	17,541.7
Current liabilities	155,032.3	167,822.1	140,377.2	98,150.6	75,452.3
Total liabilities	291,263.1	305,416.4	245,841.1	167,097.7	92,994.0
Total equity and liabilities	515,284.2	641,164.3	509,207.0	346,798.6	230,629.3

Summary Statement of financial position

Company	As at 31 March (audited KES 'millions')				
	2025	2024	2023	2022	2021
Assets					
Non-current assets	374,232.3	316,743.4	279,662.0	247,360.1	175,067.6
Current assets	58,315.7	54,547.7	48,391.7	55,948.2	53,033.8
Total assets	432,548.0	371,291.1	328,053.7	303,308.3	228,101.4
Equity and liabilities					
Equity					
Share capital	2,003.3	2,003.3	2,003.3	2,003.3	2,003.3
Share premium	2,200.0	2,200.0	2,200.0	2,200.0	2,200.0
Retained earnings	218,516.1	171,640.5	137,065.2	110,204.0	94,105.6
Proposed dividend	26,042.5	26,042.5	24,840.6	30,049.1	36,860.2
Total equity	248,761.9	201,886.3	166,109.1	144,456.4	135,169.1
Liabilities					
Non-current liabilities	69,030.6	60,693.5	61,582.6	64,231.7	17,541.7
Current liabilities	114,755.5	108,711.3	100,362.0	94,620.2	75,390.6
Total liabilities	183,786.1	169,404.8	161,944.6	158,851.9	92,932.3
Total equity and liabilities	432,548.0	371,291.1	328,053.7	303,308.3	228,101.4

Summary Statement of Cash Flows

Group	Year ended 31 March (audited KES 'millions')				
	2025	2024	2023	2022	2021
Net cash flows generated from operating activities	137,693.9	107,923.6	116,151.1	110,700.5	105,197.3
Net cash flows used in investing activities	(75,514.2)	(100,218.2)	(71,875.6)	(136,944.8)	(40,481.7)
Net cash flows (used in)/generated from financing activities	(40,677.1)	(9,696.5)	(46,864.3)	30,382.2	(64,739.2)
Cash and cash equivalents at end of year	29,995.7	22,868.2	22,098.1	30,779.6	26,736.1

Summary Statement of Cash Flows

Company	Year ended 31 March (audited KES 'millions')				
	2025	2024	2023	2022	2021
Net cash flows generated from operating activities	154,743.4	139,261.5	117,071.8	113,224.7	105,807.0
Net cash flows used in investing activities	(88,705.1)	(81,461.4)	(57,583.5)	(98,120.8)	(40,910.3)
Net cash flows used in financing activities	(69,202.1)	(56,789.9)	(66,987.0)	(15,579.2)	(64,720.5)
Cash and cash equivalents at end of year	15,908.3	19,072.1	18,061.9	25,560.6	26,035.9

Key Performance Indicators and Key Operational Data (Actual and Pro Forma)

The table below sets forth the Group and Company's actual revenue, blended monthly ARPU, EBITDA, EBITDA margin, capital expenditure and gearing levels for each of the last five fiscal years.

Group	Year ended 31 March				
	2025	2024	2023	2022	2021
(KES 'millions')					
Total revenue	388,688.9	349,447.2	310,904.8	298,077.9	264,026.5
Year-on-year revenue growth	39,241.7	38,542.4	12,826.9	34,051.4	1,470.8
EBITDA	172,150.9	163,292.6	139,862.4	149,061.9	134,129.2
EBITDA margin (%)	44%	47%	45%	50%	51%
Capital expenditure	91,306.2	93,540.7	96,131.8	49,778.5	34,960.2
Net Debt to EBITDA	0.75x	0.86x	0.72x	0.37x	0.04x

Company	Year ended 31 March				
	2025	2024	2023	2022	2021
(KES 'millions')					
Total revenue	380,478.3	339,717.3	310,479.8	295,845.9	262,449.7
Year-on-year revenue growth	40,761.0	29,237.5	14,633.9	33,396.2	1,044.2
EBITDA	204,928.4	185,235.9	163,072.4	153,084.1	133,083.3
EBITDA margin (%)	54%	55%	53%	52%	51%
Capital expenditure	52,111.2	47,292.5	40,366.1	39,336.2	34,960.2
Net Debt to EBITDA	0.45x	0.44x	0.49x	0.39x	0.04x

Extract of Group's and Company's Borrowings

The tables below represent the Group and Company's current and non-current borrowings for each of the last five fiscal years:

Group	As at 31 March				
	2025	2024	2023	2022	2021
(KES 'millions')					
Current	42,686.0	45,053.6	45,555.4	21,557.9	15,363.3
Non-current	64,744.4	63,093.2	42,050.0	44,910.8	-
Total borrowings	107,430.4	108,146.8	87,605.4	66,468.7	15,363.3
Company	As at 31 March				
	2025	2024	2023	2022	2021
(KES 'millions')					
Current	40,499.0	41,555.8	37,563.1	21,557.9	15,363.3
Non-current	39,955.3	36,110.8	38,533.6	44,910.8	-
Total borrowings	80,454.3	77,666.6	76,096.7	66,468.7	15,363.3

The table below sets forth the Group and Company's actual number of subscribers as of 31 March for each of the last five fiscal years:

Group	Year ended 31 March				
	2025	2024	2023	2022	2021
One-month mobile active customers outgoing (including M-PESA)	44,363,494	37,697,215	34,541,911	32,811,800	31,450,148
Distinct Messaging users	24,026,499	21,507,093	21,174,535	22,274,789	21,791,535
Distinct mobile data customers (chargeable)	27,898,327	24,295,073	20,503,906	19,595,891	20,043,686
Company	Year ended 31 March				
	2025	2024	2023	2022	2021
One-month mobile active customers outgoing (including M-PESA)	37,110,865	34,635,807	33,105,902	32,811,800	31,450,148
Distinct Messaging users	21,045,767	21,507,093	21,174,535	22,274,789	21,791,535
Distinct mobile data customers (chargeable)	22,616,960	22,305,808	19,587,416	19,595,891	20,043,686

Average Revenue Per User ("ARPU")

Kenya - ARPU in KES	Year ended 31 March				
	2025	2024	2023	2022	2021
Voice - One-month active voice customer	233.73	251.00	248.59	248.91	257.72
MPESA - One-month active M-PESA ARPU	395.22	361.32	311.28	305.37	256.74
Mobile data - One-month active chargeable data ARPU	267.11	242.71	239.04	205.73	186.28
Messaging - One-month active Messaging customer ARPU	43.75	47.33	43.82	41.71	52.74
Fixed service					
i) Fibre to the Home	2,355	2,381	2,336	2,300	2,275
ii) Fixed enterprise	10,411	10,928	12,312	11,059	13,710

Ethiopia - ARPU in KES	Year ended 31 March				
	2025	2024	2023	2022	2021
Voice - One-month active voice customer ARPU	28.43	41.04	21.33	-	-
Mobile data - One-month active chargeable data	156.29	215.20	76.19	-	-
Messaging-One-month active Messaging customer ARPU*	4.58	4.00	1.84	-	-

*For Ethiopia, ARPU is in KES excluding hyperinflationary impact. Conversion of ETB to KES at an average exchange rate of KES 1.304 to ETB in FY25 (FY24: 2.623).

2. USE OF PROCEEDS

The Issuer will apply the net proceeds of each Tranche of Notes for its general corporate purposes, or as otherwise specified in the applicable Pricing Supplement.

In respect of each Tranche of Notes identified as Sustainable Notes in the applicable Pricing Supplement:

1. for Sustainable Notes identified as Green Notes, an amount at least equal to the net proceeds of such Tranche of Green Notes will be applied to finance and/or refinance, in whole or in part, Eligible Green Projects which fall under the Green Project Categories (as set out under the Sustainable Finance Framework);
2. for Sustainable Notes identified as Social Notes, an amount at least equal to the net proceeds of such Tranche of Social Notes will be applied to finance and/or refinance, in whole or in part, Eligible Social Projects which fall under the Social Project Categories (as set out under the Sustainable Finance Framework);
3. for Sustainable Notes identified as Sustainability Notes, an amount at least equal to the net proceeds of such Tranche of Sustainability Notes will be applied to finance and/or refinance, in whole or in part, a combination of Eligible Green Projects and Eligible Social Projects; or
4. as otherwise specified in the applicable Pricing Supplement.

In relation to the above, the Eligible Green Projects and Eligible Social Projects are set out in Safaricom's Sustainable Finance Framework dated May 2025 which is summarised below and available on Safaricom's website <https://www.safaricom.co.ke/investor-relations>.

Summary of eligibility criteria for Eligible Green and Eligible Social Projects

The eligibility criteria of the Eligible Green Projects and Eligible Social Projects is defined in the Sustainable Finance Framework and outlined below.

Figure 1: Eligibility Criteria for Green and Social Projects

Eligible Project Category	Eligibility Criteria	UN SDGs
Environmental Objective: Climate Change Mitigation		
Energy Efficiency	Investments in fixed-line and mobile network projects to reduce energy consumption: • Deployment of Fiber Optic network such as Fiber to the Home (FTTH), Fiber to the Business (FTTB), Fibre to the Site (FTTS) or MetroFibre (for the purpose of sending data from the Base Transceiver Stations) to replace copper-based networks or microwave transmission networks • Deployment of 5G network to upgrade from legacy networks and enable real-time response to energy demand for customers Investments in new or existing network infrastructure and data centres to achieve a decoupling of rising customer voice and data growth from environmental degradation and increase energy efficiency: • Upgrade or retrofit of network transmission capacity • Rectifiers with improved conversion efficiency • Energy saving solutions using Artificial Intelligence and Machine Learning such as a radio access intelligent shutdown system based on machine learning to ensure idle cells/layers are shutdown while maintaining stability and saving energy, automation of energy reports by leveraging the Microsoft Power BI data visualization application to enable quick response to any outages • Deployment of data centre infrastructure management tools to monitor, measure, manage and control energy consumption of IT-related equipment and facility infrastructure components to provide remote view in real time • Improve the Power Usage Effectiveness (PUE) of existing data centers to ≤ 1.5 and improve the energy efficiency of Mobile Service Centres (MSRs)/access sites by deploying energy saving measures such as the installation of more efficient water pumps, free cooling systems, installation of LED lights • Batteries storage (Lead acid replacement with lithium ion and supercapacitor storage) to increase the length of time that the grid can run on batteries Investments or expenditures in digital products such as the Internet of Things (IoT) to enable customers to reduce their energy consumption as well as related Research & Development (R&D): • IoT solutions (e.g. smart home, smart mobility, smart logistics, smart cities) • Network investments to enable IoT solutions (e.g. IoT connectivity, IoT analytics)	

Eligible Project Category	Eligibility Criteria	UN SDGs
Environmental Objective: Climate Change Mitigation		
Renewable Energy	Investments or expenditures related to the on-site development, construction and maintenance of renewable energy production facilities and related infrastructure or components: - Onshore and Offshore Wind - Solar Photovoltaics (PV) - Biofuel with feedstock sourced from either waste materials or sustainable feedstock of high biodiversity that do not compete with food sources or deplete carbon pools. Crop based feedstock is excluded - Geothermal (excluding lifecycle GHG emissions greater than 100gCO₂e/kWh) - Green hydrogen produced using electrolysis powered by renewable energy aligned with the criteria above	
Green Buildings	Investments in low-carbon commercial buildings: Construction or acquisitions of new and existing buildings which must meet at least 1 of the following criteria: - BREEAM min Excellent - LEED min Gold - Africa Green Stars 5 Stars - IFC EDGE certified - Renovations of existing buildings which lead to an improvement in energy efficiency by at least 30% or meet at least 1 of the above green building certifications	
Environmental Objective: Pollution Prevention and Control		
Pollution Prevention and Control	Investments or expenditures to support waste prevention, reduction, recycling or repurposing and improvement of air quality: - Switch to lower GWP refrigerant gases and recovery of refrigerant gases from decommissioned units - E-Waste management project including the collection, recycling or reuse of devices - Projects to scale up end-to-end integrated waste management in line with Kenya's national integrated waste management hierarchy focusing on waste sorting and segregation - Projects to reduce single-use plastics	
Environmental Objective: Protection and Restoration of Biodiversity and Ecosystems		
Environmentally Sustainable Management of Living Natural Resources and Land Use	Investments or expenditures related to restoration of forests and ecosystems: - Public schools greening program - Conservation and restoration of terrestrial and marine ecosystems and habitats. Example projects include developing digital solutions for monitoring, protecting and restoring nature, and nature-based solutions such as tree growing	 

Eligible Project Category	Eligibility Criteria	UN SDGs
Social Objective: Social Inclusion		
Socioeconomic Advancement and Empowerment	Investments or expenditures in development or maintenance of digital platforms to enhance access to financial services and improve capacity building for populations and MSMEs in remote and rural areas as well as smallholder farmers: • Mobile financial services platform (M-PESA) that provides money transfer, payments, access to credit and other digital banking services for retail customers and MSMEs particularly in the remote and rural areas • Integrated platform targeting smallholder farmers and offers convenient, one-stop access to financial and credit services, quality farm products, access to market and farming best practices Procurement of products and services from vulnerable groups: • Procurement of products and services from special interest groups (SIG) which include MSMEs owned by women (at least 51%), MSMEs owned by youths (up to 34 years in line with Kenya national legislation) and MSMEs owned by people with disabilities Programs to enhance digital literacy and environmental educational initiatives: • Programs to enhance the digital literacy of girls and children through training, internship and mentoring on STEM subjects • Nature advocacy and environmental educational initiatives among indigenous communities Target populations: Populations or MSMEs focusing on remote and rural areas with no or limited access to banking, financial or digital services, smallholder farmers, MSMEs owned by women, youths or people with disabilities, girls, children, indigenous communities	 
Social Objective: Access to Essential Services		
Access to Digital Services	Investments or expenditures to enable improved access to digital services • Deployment of mobile or Fibre optic network and related telecommunication infrastructure to enable network connectivity for subscribers in underserved areas at risk of digital exclusion • Device financing programs to provide access to smartphones for low-income customers or customers in rural areas and increase uptake of smartphone connected to the network with affordability mechanisms enforced • Digital solutions for education such as platforms to support education content and communication among students and teachers in public schools located in remote and rural areas • Projects to connect underserved primary schools to the internet Target populations: Populations in underserved areas with limited access to fixed and mobile network, low-income populations, populations in rural areas, primary and secondary school students, underserved primary schools	

¹MSMEs will be defined per government policy. In Kenya, MSMEs are defined by the Kenya MSEs policy: Micro – annual turnover below KES 1 million and either (a) employs less than 10 people (b) has total assets determined from time to time by the Cabinet Secretary (responsible for MSEs matters); Small – annual turnover between KES 1 million and 5 million and either (a) employs between 10-50 people (b) has total assets determined from time to time by the Cabinet Secretary.

²Farmers with farmland no larger than 1 hectare.

³Underserved areas are defined based on either (a) the distance between the customer and the serving telecommunication site. If >50% of the traffic from a site is attributed to customers based >2.5km away, the areas where the customers reside are underserved or (b) low signal coverage areas at less than -90dBm receive level for GSM.

Eligible Project Category	Eligibility Criteria	UN SDGs
Access to Healthcare	Investments or expenditures in digital platforms to enable increased access to healthcare and education services: Digital solutions for healthcare such as platforms to enable earners to save for future healthcare expenses, mobile-based digital health passport, non-communicable disease content management platform and tele-healthcare service Target populations: General public	 

Process for Project Evaluation and Selection

Safaricom has established a Sustainable Finance Committee which will carry out the project evaluation and selection process to ensure that the net proceeds of Sustainable Notes are allocated to Eligible Green and Eligible Social Projects in line with the criteria as set out in the Sustainable Finance Framework.

Management of Proceeds

The net proceeds of Sustainable Notes will be deposited as part of Safaricom's general treasury account and earmarked for allocation in Safaricom's finance management system. The proceeds of any Sustainable Notes issued are reflected and tracked in the Company's finance management system on Oracle for use towards financing or refinancing Eligible Projects. Internal budget/accounting systems or invoices are used to identify the costs of the Eligible Projects, which are then marked against funds held in the relevant budget line.

Safaricom will strive to fully allocate net proceeds from the Sustainable Notes to Eligible Green and Eligible Social Projects within 24 months from issuance date. Pending full allocation of the net proceeds of any Sustainable Notes, Safaricom will hold the unallocated funds in cash and/or invest in other short-term liquid instruments, according to its investment guidelines. For the avoidance of doubt, unallocated funds will not be allocated to greenhouse gas intensive or controversial activities per the exclusion criteria of the Sustainable Finance Framework.

Reporting

Allocation and Impact Report

The Issuer will publish a report on the allocation of net proceeds and impact metrics (the "Allocation and Impact Report") within one year from issuance and annually until full allocation for Social Notes or Sustainability Notes and Green Notes. In this respect, the Issuer has obtained a waiver from the CMA from the requirement set out in the Fifth Schedule of the POLD Regulations, for the Allocations and Impact Report to be reviewed and verified annually until the maturity of any Green Notes.

The Allocation and Impact Report will provide the following information:

- Total amount of expenditures pertaining to the Eligible Green and Eligible Social Projects, broken down across Eligible project categories
- Total amount of net proceeds allocated to the Eligible Green and Eligible Social Projects
- Share of proceeds for refinancing and new financing
- Balance of unallocated proceeds
- Additional details of Eligible Projects including locations, descriptions and target populations (for Eligible Social Projects) (to the extent available)
- Estimated environmental and social impacts of the Eligible Green and Eligible Social Projects, where feasible
- Methodology and assumptions used for the calculation of the impact metrics

Verification Report

The Issuer will obtain a Verification Report on the Allocation Report by an independent verifier annually until full allocation for Green Notes. In this respect, the Issuer has obtained a waiver from the CMA from the requirement set out in the Fifth Schedule of the POLD Regulations, for the Allocations and Impact Report to be reviewed and verified annually until the maturity of any Green Notes.

The Verification Report will be made available on Safaricom's website (<https://www.safaricom.co.ke/investor-relations>).

Second Party Opinion

Safaricom had appointed Sustainalytics to provide the Second Party Opinion on the Sustainable Finance Framework and assess the alignment of the Sustainable Finance Framework with the ICMA Principles and LMA Principles.

The Second Party Opinion will be made available on Safaricom's website: (<https://www.safaricom.co.ke/investor-relations>).

None of the Sustainable Finance Framework or the Second Party Opinion, the Allocation and Impact Report, or Verification Report or the contents of any of Safaricom's website are incorporated in or form part of this Information Memorandum.

3. RISK FACTORS

Prior to purchasing any Notes offered hereby, prospective investors should consider carefully the following factors in addition to the other information contained in this Information Memorandum. Certain information contained in this Information Memorandum, including information with respect to the Company's plans and strategy for its business and related financings are forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from the results discussed in the forward-looking statements due to certain factors, including those set forth in the following risk factors and elsewhere in this Information Memorandum. The following risk factors, however, are not intended to be exhaustive and there may be other considerations that should be considered in relation to an investment in the Notes.

3.1 Risk Factors Related to countries and industry in which the Group operates

Political and policy changes may adversely impact macroeconomic conditions and the Group's operating environment

The Kenyan and Ethiopian economies are exposed to global macroeconomic conditions, including commodity price movements, developments in major economies, and changes in global interest and exchange rates, each of which may adversely affect domestic demand, funding conditions, and investment flows. Policy adjustments and political developments may affect economic growth, inflation, interest rates, currency stability, and broader macroeconomic fundamentals.

Despite recent domestic and external shocks including liquidity pressures, fiscal consolidation measures, Kenya's economy has shown resilience. S&P Global Ratings upgraded Kenya's long-term sovereign rating from B- to B in August 2025, citing reduced external liquidity risks supported by stronger export earnings and diaspora remittances.

The laws and regulations of the countries could change affecting the Issuer's operations, costs, or profitability. Changes in tax policy, including rate adjustments, new levies, or removal of incentives, could affect pricing, margins, operating and capital costs, and network investment plans. For instance, the CA reduced Mobile Termination Rates and Fixed Termination Rates from KES 0.58 to KES 0.41 per minute in March 2024 whilst in the same year, ECA set price caps on mobile and fixed termination rates for the next five years in a bid to foster better competition in the country's telecoms sector⁴.

Safaricom monitors these factors and incorporates contingencies into its planning and strategy implementation.

Interest-rate risk

Changes in the rates from Central Bank of Kenya (CBK) and National Bank of Ethiopia (NBE) could affect borrowing costs, credit conditions, and investment decisions. Developments such as KESONIA the proposed overnight interbank benchmark for KES loans that have a variable interest rate may also affect interest-rate and funding dynamics over time. Such changes could expose the Issuer to interest rate and liquidity risks.

The Issuer actively monitors interest rate developments to mitigate associated financial risks. Safaricom undertakes borrowings in local and foreign currencies, and a material increase in interest rates could adversely affect the Group's profitability and its capacity to meet debt service obligations. Historically, applicable financing rates have been subject to volatility and periodic fluctuations. To address this, the Issuer employs prudent debt structuring and maintains continuous oversight of market conditions with the objective of minimising potential adverse impacts.

Inflation risk

Increased inflation in these countries may lead to increased operational and financing costs for the Issuer. Elevated inflation erodes real returns and may weaken consumer purchasing power which in turn may adversely affect demand for the Issuer's products and services and could lead to an increase in operating costs and reduce the Issuer's profit margins. In Kenya the headline inflation eased from 7.9% in April 2024 to 5.6% in March 2025, near CBK medium-term target of 5% $\pm$ 2.5%⁵. Inflation could rise again due to supply shocks, exchange-rate movements, tax changes, or global commodity prices, which could adversely affect demand for the Issuer's products and services.

Ethiopia's inflation rate dropped to 13.6% in August 2025, from 15% in February 2025 as reported by NBE. This is largely attributed to the government's monetary policy measures, the improvement in agricultural production, and the gradual nature of adjustments in key administered prices.

Safaricom actively manages inflation-related risks through a combination of strategic financial instruments and operational adjustments.

Foreign-exchange risk

Exchange-rate volatility may reduce returns for investors converting proceeds into a different currency and may increase the Issuer's cost base for foreign-currency-denominated inputs. It can also create uncertainty and deter foreign direct investment. The Kenyan Shilling's value relative to major currencies can be affected by terms of trade, capital flows, interest-rate differentials, and external shocks. In recent months of 2025, the Shilling remained relatively stable against the US Dollar and traded at an average of approximately KES 129 per USD.

The Issuer reported in March 2025 that the Ethiopian Birr (ETB) depreciated against the US Dollar by 118.7% YoY, from ETB 57.29 as at June 2024 to ETB 125.3. This sharp depreciation followed the forex regime reforms announced in July 2024.

Safaricom is exposed to foreign exchange risk arising from various currency exposures, primarily, with respect to the US dollar and the Euro. The Company manages foreign exchange risks arising from forecast transactions by maintaining foreign-currency reserves to meet future cash-flow requirements. The Group does not have any derivative instruments.

⁴Source: https://developingtelecoms.com/telecom-business/telecom-regulation/16595-ethiopian-regulator-resets-termination-rates-to-boost-competition.html?utm_source=chatgpt.com

⁵Source: CBK Monetary Policy Statement, May 2025

Increased competition

The Group faces competition from both local and international players across its various markets and business segments.

The Kenya Information and Communications (Amendment) Bill 2022 seeks to enhance consumer protection and promote competition within the telecommunications sector. The bill mandates that operators separate their core telecommunications services from non-core businesses, such as mobile money services to support market competition.

To maintain its competitive advantage, the Group remains focused on its strategic priorities and core purpose. It continues to lead through product innovation, the establishment of strategic partnerships, and investment in extensive network coverage and service quality key enablers in its mission to transform lives.

3.2 Risk Factors Related to the Issuer

Issuer operates within markets that are inherently exposed to fluctuations in the macroeconomic, regulatory and business environment

Regulatory developments across the Group's various business segments and geographies may result in increased operational costs, heightened liabilities, and potential reductions in revenue

Safaricom operates in a complex and evolving regulatory environment across multiple jurisdictions, including Kenya and Ethiopia. A breach of these regulations could expose Safaricom or its subsidiaries to financial penalties, reputational damage and/or suspension of its licenses.

The Issuer continues to foster proactive and constructive relationships with regulators and government authorities, guided by a shared commitment to inclusive economic development. Engagement in industry and policy forums enables the Issuer to contribute to discussions on emerging legislation and regulatory frameworks, while also preparing for timely compliance. The Issuer maintains rigorous oversight of its products and services to ensure ongoing compliance with applicable laws and regulations. A strengthened focus has also been placed on enhancing governance structures and maintaining robust regulatory compliance frameworks.

Rising competition across the Group's markets may lead to reduced market share or margins, negatively impacting its financial performance and position

The Group faces intensified competition from traditional telecom operators and non-traditional technology and fintech players, alongside its expansion into Ethiopia. Rapid shifts in consumer preferences, new market entrants, and technological disruption increase competitive pressures.

The Issuer's strategy includes: (i) embedding quality standards and governance in product development to enhance customer experience; (ii) prioritising growth areas such as accelerating delivery of scalable tech solutions, managed security services, and in Ethiopia; (iii) using data-driven insights to tailor value propositions; (iv) adopting agile ways of working; (v) investing in network rollout (5G and fibre); and (vi) leveraging strategic partnerships. Competition could nevertheless adversely affect market share, pricing, and profitability.

Safaricom faces evolving cybersecurity threats, with potential regulatory, operational, and reputational risks arising from significant incidents

Cybersecurity threats continue to evolve in scale and sophistication, including attempts to gain unauthorised access to systems and data. Kenya's Data Protection Act and related regulations impose stringent obligations on data controllers and processors, including privacy-by-design, data minimisation, documented processing purposes, robust processor contracts, security safeguards aligned to risk, and mandatory personal data breach notifications to the ODPC. Notifications to affected data subjects are also required where there is a high risk to their rights and freedoms. Cross-border data transfers must comply with the Data Protection (General) Regulations, including appropriate safeguards and, where applicable, a documented Data Transfer Impact Assessment.

A significant incident could result in service disruption, fraud, data leakage, loss of digital trust, investigations, penalties, litigation, and reputational damage. In addition to ODPC oversight and potential administrative fines, telecommunications and mobile money services operate under a layered regulatory framework that elevates both expectations and enforcement touchpoints.

The board and management maintain a risk-based programme that integrates cybersecurity with enterprise risk, legal compliance, and operational resilience, including regular penetration testing, vendor assurance, employee and agent training, crisis simulations, and continuous improvement of breach response protocols calibrated to Kenyan regulatory expectations.

Safaricom operates a 24/7 cyber defence capability and invests in advanced tools (including AI-enabled detection and multi-factor authentication) and controls designed to protect systems and data.

Global supply chain disruptions and geopolitical pressures may increase procurement and operational costs for the Issuer

The Issuer relies on key suppliers and partners for network infrastructure, devices, and logistics. Global geopolitical tensions, trade restrictions, component shortages (e.g., chipsets), and shipping disruptions could affect availability, costs, and timelines, adversely impacting operations. Safaricom pursues supply-chain resilience through multiple supplier sourcing, robust service level agreements and partner frameworks, and proactive monitoring of geopolitical developments, adjusting strategies and controls as conditions evolve.

Fraud and social engineering attacks pose risks to Safaricom by potentially causing financial losses and damaging customer trust

M-PESA customers and partners face fraud risks including social engineering, fraudulent SIM swaps, digital identity theft, and malicious applications. Safaricom operates fraud-mitigation programmes and technical controls to detect and prevent such activity and Worry-Free, a customer protection programme to support rapid customer remediation for eligible product or process failures. Nonetheless, residual fraud risk remains and could result in financial loss, regulatory scrutiny, and reputational harm.

Cross-Border Transfers and Unregulated Activities expose the Group to licence revocation and regulatory sanctions

Growth in cross-border transfers and unregulated activities (including unlicensed virtual-asset trading) heightens Anti-Money Laundering and Combating the Financing of Terrorism (AML/CTF) risks. Inadequate partner and customer due diligence, Ultimate Beneficial Owner (UBO) verification, sanctions screening, transaction monitoring, reporting, and audits could result in regulatory enforcement, including licence restrictions or revocation. Safaricom conducts real-time sanctions screening on all international remittance transactions, has optimised its AML monitoring and screening platform (including machine-learning models for suspicious-activity detection), and undertakes collection and verification of Uba information. Safaricom also periodically screens its databases against applicable sanctions lists (including OFAC). Despite these controls, residual AML/CFT risk remains.

General insecurity and terrorism risks could disrupt Safaricom's operations, impact infrastructure, and affect customer access to services

Risk particularly in border regions pose threats to network assets (e.g., base transmission stations). Expansion into Ethiopia has exposed Safaricom further to the civil unrest experienced in some regions in Ethiopia. Safaricom operates security programmes to protect personnel, assets, and operations. Furthermore, the Ethiopian Government has been supportive in creating an enabling business environment. Deterioration in security conditions could nonetheless disrupt services, increase costs, or affect growth plans.

Safaricom faces potential litigation risks that could result in financial losses, reputational damage, and operational disruptions

Given the scale and scope of its operations, the Issuer is exposed to litigation and regulatory proceedings, including those related to data protection, fraud, consumer issues, intellectual property, competition, and regulatory compliance. Outcomes are uncertain, and defence costs, settlements, or adverse judgments could materially affect operations, reputation, and financial performance.

The Issuer has established governance, compliance, and risk management frameworks to manage exposure to litigation and regulatory proceedings. These include policies and procedures addressing data protection, fraud prevention, consumer protection, intellectual property management, competition law compliance, and other regulatory requirements. The Issuer engages external legal counsel as necessary and maintains insurance coverage to reduce potential financial impact. Regular monitoring and internal reviews are undertaken to support compliance with applicable laws and regulations.

3.3 Risk Factors Related to the Notes Issued

The Notes may not suit all investors:

The Notes may not be suitable for all investors. Each prospective investor should: (i) possess sufficient knowledge and experience to evaluate the Notes and the risks involved; (ii) have access to appropriate analytical tools to assess the impact of an investment in the Notes in the context of its overall portfolio and financial situation; (iii) have sufficient financial resources and liquidity to bear all risks associated with an investment in the Notes; (iv) thoroughly understand the Conditions of the Notes and the behaviour of relevant markets and benchmarks; and (v) be able to assess, alone or with a financial adviser, possible economic, interest-rate, foreign-exchange, and political scenarios and their impact on the Notes and the investor's ability to bear related risks. Certain forms of Notes may be complex. Prospective investors should not invest in complex Notes without advice from a qualified financial adviser.

The forward-looking financial information included in this Information Memorandum may be of limited use in assessing the suitability of the Notes

The proforma balance sheet, profit and loss account and a cash flow projection for the next twelve months have not been included in this Information Memorandum.

Regulation 10.11 of the Tenth Schedule of the POLD Regulations requires Safaricom to disclose a proforma balance sheet, profit and loss account and a cash flow projection for the next twelve months following the issue. However, Safaricom has obtained a waiver from the CMA from disclosing these forward-looking financial statements for the following reasons:

1. Regulatory Compliance and Governance

Safaricom is committed to maintaining high standards of corporate governance and regulatory compliance. In lieu of disclosing proforma financials, Safaricom has enhanced its disclosures in this Section 3 (Risk Factors) to provide investors with a comprehensive understanding of the key variables that may influence financial performance over the next 12 months.

2. Risk of Misinterpretation

Forecasts and proforma financials inherently involve assumptions and estimates that may not materialize. Their publication could lead to misinterpretation or undue reliance by investors which can lead to opportunistic trading on its equity securities listed on the NSE, especially in volatile economic conditions.

3. Availability of Audited Financials

To support transparency, in line with regulatory requirements, Safaricom has made available for inspection its audited financial statements for the financial year ended 31 March 2025, and financial half year ended 31 September 2025.

4. Material Non-Public Information:

As a listed company, Safaricom is subject to strict disclosure obligations under the Capital Markets Act and related the regulations, in particular, the continuing disclosure obligations under the Thirteenth Schedule of the POLD Regulations. Providing forward-looking financial information to only a subset of investors (i.e., those participating in this Programme) would risk constituting and may amount to selective disclosure of material non-public information. This could result in regulatory and governance concerns, as it may create and result in an uneven flow of information to investors – particularly disadvantaging retail equity investors who may not review the Information Memorandum.

5. Commercial Sensitivity:

The publication of forward-looking 12-month cash flow forecasts, a proforma balance sheet, and a proforma profit and loss account could reveal commercially sensitive information. This may prejudice the Group's competitive position as a listed entity, particularly in a dynamic and fast-evolving market environment.

Verification of the Allocations and Impact Report

In respect of any Green Notes, the Fifth Schedule of the POLD Regulations requires Safaricom to provide investors and the CMA, the Allocations and Impact Report annually for the duration of the Green Notes, and that such Allocations and Impact Report is to be reviewed and verified annually by a second party opinion provider for the duration of the Green Notes.

However, Safaricom has obtained a waiver from the CMA from this requirement, and will instead provide the Allocations and Impact Report, and have the Allocations and Impact Report reviewed and verified by a second party opinion provider, annually until full allocation of the net proceeds of the Green Notes. This is based on the following reasons:

1. Best International Market Practices

Best international market practices, including the ICMA Principles and the Climate Bonds Standard, require annual reporting and external verification, but only mandate external verification at issuance and/or until full allocation of the net proceeds received under the Green Notes. This approach supports transparency and investor confidence, while avoiding ongoing verification costs that could unduly increase the cost of the Green Notes issuance.

2. Use and Allocation of the Proceeds

The proceeds from the Green Notes will be used to finance and/or refinance 100% of the existing Eligible Green Projects. This means that at issuance, all Eligible Green Projects will have been identified, and the volume of the Eligible Green Projects will be at least equivalent to or exceed the size of the issuance during the lifetime of the Green Notes.

Moreover, while impact can evolve over time, the impact metrics will be broadly aligned with Safaricom's entity level impact indicators, which are disclosed in the annual sustainability report and verified by an independent auditor annually.

Safaricom is also aware that if there is a material change in the allocation of the net proceeds of the Green Notes, it will need to provide an updated allocation and impact report and obtain an independent verification of that updated allocations and impact report.

Interim Financial Statements

The Second Schedule to the POLD Regulations provide that Safaricom is required to provide a limited review of the interim financial statements where the recent accounting period ends on a date that is more than four months from the proposed date of the commencement of the offer.

Safaricom has obtained a waiver from the CMA from this requirement, and will instead make the interim financial statements for the half year period ended 31 September 2025 available for inspection on its website.

Specific Investor restrictions

Certain investors are subject to laws and regulations that restrict their investment activities. Prospective investors should consult their legal advisers to determine whether: (i) the Notes are permitted investments; (ii) the Notes may be used as collateral; and (iii) other restrictions apply to purchasing or pledging the Notes. Regulated financial institutions should consult their legal advisers or regulators regarding the treatment of the Notes under applicable capital or similar rules.

Contractual or effective subordination

If the Notes are unsecured, they will rank junior to the Issuer's existing and future secured indebtedness and certain other liabilities that may be mandatorily preferred by law. In a bankruptcy, liquidation, or similar proceeding, claims of secured creditors and other senior liabilities will have priority over claims of Noteholders, and recoveries on the Notes may be limited.

Early Redemption of Notes

The Issuer may redeem the Notes prior to maturity as described in the applicable Pricing Supplement. If the Notes are redeemed early, Noteholders may be unable to reinvest the proceeds at a yield comparable to that of the Notes and may experience a lower return. The applicable redemption amount may be less than the then-prevailing market value of the Notes.

Market value of the Notes may be volatile

The market price of the Notes may fluctuate significantly due to, among other things, variations in the Issuer's results, adverse business developments, regulatory changes, macroeconomic conditions in Kenya and other emerging markets, changes in interest rates, and investor sentiment. Movements in other emerging markets may also affect the Notes, even where economic conditions differ from those in Kenya.

Change of law

The Conditions of the Notes are based on Kenyan law in effect on the date of this Information Memorandum. No assurance can be given as to the impact of any judicial decision, change in Kenyan law, or change in administrative practice after that date.

3.4 ESG Related Risk Factors

Reputational and Greenwashing Risk

Any perceived or actual misalignment between the stated green, social or sustainability use of proceeds and the funded activities, deficiencies in environmental and social due diligence, or failure to meet publicly communicated impact targets could lead to allegations of greenwashing, intensified regulatory scrutiny, loss of investor confidence, and reduced market access. Reputational concerns could arise from project partners, contractors, or suppliers failing to meet ESG standards, including in areas such as e-waste management, labor standards, and community engagement.

Reputation and transition risks may also arise if projects underperform, allocations are delayed, impact metrics fall short of expectations, data quality or methodologies change, or market norms shift. These factors can increase the risk of negative publicity, stakeholder scrutiny, perceptions of "greenwashing," and a reduced investor appetite for current or future green, social or sustainability notes. Concentration in a limited pool of eligible projects may exacerbate deployment delays, and evolving transition pathways may render certain categories less favoured over time. Such outcomes could adversely affect investor perception, and the trading performance of the notes, even where projects are selected and managed in accordance with the framework at the time of issuance.

Demand and Adoption Risk for Green Products and Services

The success of funded green projects (e.g., energy efficiency, renewable energy, network energy optimization, sustainable data centers, circular economy initiatives) may depend on consumer adoption, corporate client willingness to pay, or counterparties' operational readiness. Price sensitivity, affordability considerations, or competing technologies could suppress demand, reducing expected environmental impact and cash generation.

In this regard, the Issuer is committed to undertaking market testing and demand analysis and will prioritize projects with clear payback periods and contracted or highly visible demand, and will incorporate conservative adoption assumptions and sensitivity analyses into its investments appraisal.

Country Macroeconomic, Climate, and Political Risk

Kenya's macroeconomic conditions, climate variability, and political developments can affect execution of eligible green and/or social projects and servicing capacity. Climate-related physical risks such as droughts, floods, and extreme weather can disrupt operations, supply chains, and project timelines. Policy uncertainty around climate or socioeconomic priorities during electoral cycles may delay permits or approvals.

The Issuer maintains an ESG risk framework to identify, assess and monitor risks in eligible green and/or social projects. The Issuer also maintains ongoing engagement with authorities and communities to support permitting and continuity.

Regulatory and Taxation Changes

Evolving sustainable finance frameworks, disclosure requirements, and local content or environmental licensing and permits rules may alter project timelines and costs. Changes to tax treatment relevant to bond instruments, renewable energy equipment, or carbon-related incentives could affect project economics or investor returns. Such developments may also trigger reclassification risk, and lead to misalignment with investor mandates, with potential consequences for liquidity, pricing, and the investor base.

The Issuer has aligned the Sustainable Finance Framework with current Kenyan regulatory guidance and best market practices to mitigate against such risks. The Issuer regularly monitors the market for regulatory change and has built compliance measures into project planning and procurement, to accommodate for amendments to tax or disclosure regimes.

Policy and Transition Risk

Evolving national, regional, and local policies on climate, energy, waste, and biodiversity may alter the economic viability, regulatory eligibility, or classification of eligible green and/or social projects. The introduction or strengthening of performance standards—such as minimum energy efficiency thresholds, emissions intensity limits, e-waste compliance requirements, or changes to grid interconnection and dispatch rules—may necessitate additional capital expenditures, delay implementation timelines, or adversely affect project feasibility and operating assumptions. Similarly, amendments to taxonomies, labeling regimes, or disclosure requirements could change whether certain assets qualify as "green" or continue to be eligible under the Issuer's use of proceeds framework.

The Issuer has established a sustainable finance committee which will carry out ongoing monitoring of relevant policy developments and reassessing project alignment in light of such changes. While the committee aims to manage policy and transition risks through periodic reviews, enhanced diligence, and potential reallocation of proceeds where appropriate, there can be no assurance that future policy actions will not adversely affect project performance, eligibility status, or the achievement of the Issuer's stated environmental objectives.

Application of proceeds presents execution and timing risks

Although an amount equal to the net proceeds is intended to be allocated to eligible green and/or social projects, allocation may not occur within expected timeframes, projects or categories may change, and unallocated balances may persist pending deployment. There is a risk that funded projects do not deliver the anticipated environmental or social outcomes, or that project maturities, performance, or implementation schedules diverge from expectations. Reporting and verification depend on data availability, methodologies, and underlying assumptions, which may limit comparability or the precision of impact metrics.

External evaluations and market labels have inherent limitations

Second-party opinions and verification reports reflect methodologies that can differ across providers and may not capture all relevant risks, structural features, or market factors affecting the notes or the financed projects. These assessments are point-in-time and may become out of date as frameworks or standards evolve. In addition, the providers of such assessments are not subject to a uniform regulatory regime, and their conclusions may diverge from other market views.

Market admission and indexation entail uncertainty

Admission of the notes to “green,” “sustainable,” or similar exchange segments or indices is subject to criteria that vary by venue and may change without notice. There is no assurance that the notes will be admitted, remain admitted, or continue to qualify as criteria evolve, and periodic eligibility reviews may result in exclusion or migration between segments. Any change in admission status or index inclusion could reduce liquidity, increase price volatility and bid–ask spreads, and constrain access to dedicated ESG funds or index-tracking investors, including potential mandate-driven divestment. It may also influence future funding costs or market access for similarly labelled instruments.

4 TERMS AND CONDITIONS OF THE NOTES

The issue of Notes of up to Kenya Shillings forty billion (KES 40,000,000,000) within the Republic of Kenya by the Issuer was duly authorised pursuant to a circular resolution of the Board of Directors passed on 7 November 2025.

The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and Trust Deed. The Noteholders are deemed to have notice of all the provisions of the Agency Agreement and Trust Deed, copies of which are available for inspection at the registered office of the Issuer and the specified offices of the Fiscal and Calculation Agent, and the Registrar and the Note Trustee, respectively, in accordance with the provisions of the Agency Agreement, Trust Deed and the Information Memorandum.

Electronic versions of the Agency Agreement and the Trust Deed are also accessible for viewing and download via the online platform established by the Issuer in connection with the issuance of the Notes.

The expressions “Fiscal and Calculation Agent” and “Registrar” shall include any successor Fiscal and Calculation Agent and Registrar appointed pursuant to the Agency Agreement. The expressions “Note Trustee” shall include any successor Trustee appointed pursuant to the Trust Deed.

Unless otherwise indicated or unless the context clearly requires a different interpretation, terms and expressions used in these Conditions but not defined herein shall have the meanings ascribed to them in the Agency Agreement or the Trust Deed.

These Conditions may be supplemented or varied by the relevant Pricing Supplement, which may also set out additional terms and conditions that shall prevail over or modify these Terms and Conditions to the extent specified, solely in relation to the relevant Tranche of Notes.

The Pricing Supplement may also introduce defined terms as may be agreed between the Issuer and the Fiscal and Calculation Agent in relation to any specific Tranche of Notes issued under the Programme.

4.1 Form, Denomination and Title

Form of Notes and denominations

Listed Notes will be issued in dematerialised book-entry form in the Specified Denominations and will be registered in the CDSC Account of each Noteholder held with the CDSC in accordance with the CD Act. Unlisted notes will be issued in book entry format in the Specified Denominations by the Registrar.

(a) Title

Title to the listed Notes will be evidenced by means of a book-entry in the CDSC Account of a Noteholder in accordance with the CD Act. Unlisted notes will be issued in book entry format in the Specified Denominations by the Registrar.

The Issuer, the Fiscal and Calculation Agent and Registrar, and the Note Trustee may (to the fullest extent permitted by Applicable Laws) deem and treat the registered owner of any Note as the absolute owner of any such Notes registered in the CDSC Account of such Noteholder (whether or not the Note shall be overdue).

(b) Listing

The Issuer may issue listed or unlisted Notes. Unlisted Notes are not regulated by the NSE. Listed Notes will be listed on the FISMS. The applicable Pricing Supplement will specify whether or not a Tranche of Notes will be listed. Unlisted Notes will only be available to “sophisticated investors” as defined in the POLD Regulations and will comply with Applicable Laws.

(c) Transfer

A Note may be transferred in whole or in part in a Specified Denomination and title to such Notes shall pass upon the book-entry of the transfer of the Note from the CDSC Account of the relevant Noteholder to the CDSC Account of the transferee, in accordance with the CD Act.

(d) Charges for Transfers

The transfer of any listed Note will be subject to such charges as may be levied by the CDSC, CMA, NSE or any other regulatory authority or agency and market intermediary through whom the order is made.

(e) Register Closed Periods

No Noteholder may transfer any interest in any listed Note to be registered in the CDSC Account during register closed periods.

(f) Future Issues

Nothing contained in the Agency Agreement, the Trust Deed or the Information Memorandum shall preclude the Issuer from, at any time, issuing further Notes or otherwise raising additional capital on these or any other terms and conditions.

4.2 Status of the Notes

The Notes constitute direct, general, unconditional, unsubordinated and, subject to the provisions of Condition 4.3 (Negative Pledge), unsecured obligations of the Issuer and will at all times rank *pari passu* in all respects (including in priority of payment) among themselves and with all other present and future direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except for any obligations that may be preferred by provisions of law that are both mandatory and of general application.

4.3 Negative Pledge

As long as any of the Notes shall remain outstanding and unpaid, the Issuer will not cause or permit to be created over any of its present or future property or assets any charge, pledge, lien or other security, as security for any Capital Markets Indebtedness issued, assumed or guaranteed by the Issuer, unless the Notes are secured equally and rateably with such relevant Capital Markets Indebtedness such that the Notes benefit from the same security on a pari passu basis.

In these Conditions “Capital Markets Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, and having an original maturity of more than one year from its original date of issue.

4.4 Interest

a) Payment of Interest

From, but excluding, an Issue Date to, and including the relevant Redemption Date, the Notes bear interest at the Interest Rate (as determined below). Interest on each Note will be payable in arrears on each Interest Payment Date.

If any Interest Payment Date falls on a day which is not a Business Day, the following Business Day shall be substituted for such day, unless such Business Day falls in the next calendar month, in which case the immediately preceding Business Day shall be substituted thereof.

b) Interest Rate

The Notes will either be Fixed Rate Notes or Floating Rate Notes, as specified in the relevant Pricing Supplement.

c) Floating Rate Notes

Each Floating Rate Note will bear interest on its Principal Amount from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) (the “**Floating Rate Notes Rate of Interest**”) equal to the sum of the applicable Floating Rates Note Reference Rate (hereinafter defined) plus the Floating Rate Notes Margin (hereinafter defined) specified in the relevant Pricing Supplement, payable in arrears on the Interest Payment Date(s) specified in the relevant Pricing Supplement.

The Fiscal and Calculation Agent will on the Interest Determination Date apply the relevant benchmark or index (the “**Floating Rate Notes Reference Rate**”) plus the relevant margin (the “**Floating Rate Notes Margin**”) and aggregate them to form the applicable Interest Rate. The Floating Rate Notes Reference Rate and the Floating Rate Notes Margin will be specified in the relevant Pricing Supplement. The Interest Amount payable from time to time for each Interest Period in respect of the Floating Rate Notes will be determined by the Fiscal and Calculation Agent (unless otherwise specified in the relevant Pricing Supplement) two (2) Business Days before each Interest Payment Date.

Each Floating Rate Note shall cease to bear interest from the date of its redemption unless, on the due date of payment thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Default Rate (if any) as specified in the relevant Pricing Supplement.

d) Fixed Rate Notes

Each Fixed Rate Note will bear interest on its Principal Amount from (and including) the relevant Issue Date at the rate of interest (expressed as a percentage per annum) equal to the rate of interest specified in the relevant Pricing Supplement, payable in arrears on the Interest Payment Dates specified in the relevant Pricing Supplement.

Each Fixed Rate Note shall cease to bear interest from the date of its redemption unless, on the due date of payment thereof, payment of any Principal Amount due thereunder is improperly withheld or refused. In such event, interest will continue to accrue at the Fixed Rate Notes Default Rate as specified in the relevant Pricing Supplement.

e) Calculation of Interest

The interest payable in respect of any Note for any Interest Period shall be calculated by multiplying the product of the Interest Rate and the outstanding Principal Amount of such Note by the Day Count Fraction, unless interest (or a different formula for its calculation) is specified in the relevant Pricing Supplement in respect of such Interest Period, in which case the interest payable in respect of such Note for such Interest Period shall be the amount specified in the relevant Pricing Supplement (or be calculated in accordance with such formula).

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition:

if “**Actual/364**” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 364 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 364);

if “**Actual/Actual**” or “**Actual/365**” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

if “**Actual/364 (Fixed)**” is specified in the relevant Pricing Supplement, the actual number of days in the Interest Period divided by 364;

For the purpose of any calculation of interest pursuant to these Terms and Conditions (unless otherwise specified in the Conditions or the relevant Pricing Supplement), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (ii) all figures shall be rounded to seven significant figures (with halves being rounded up) and (iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means the lowest denominated amount of the currency.

f) Notification of Rate of Interest and Interest

As soon as practicable after an Interest Determination Date, the Fiscal and Calculation Agent will cause the Interest Rate, the interest payable in respect of each Interest Period and the relevant Interest Payment Dates and, if required to be calculated, the amounts due on the Final Redemption Amount, the Early Redemption Amount, or the Optional Redemption Amount, to be notified to (i) the Issuer, (ii) the Noteholders, (iii) the Note Trustee (iv) any other agent appointed in respect of the Notes, and (v) if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange, as soon as possible after their determination, but in no event later than the 5th Business Day after all such determinations are complete.

Where any Interest Payment Date or Interest Period is subject to adjustment pursuant to Condition 4.4 (a), the interest and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) and such amendment will be promptly notified to the Noteholders in accordance with Condition 4.11 (Notices).

If the Notes become due and payable under an Event of Default, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated in accordance with this Condition but no publication of the Interest Rate or the interest so calculated shall be required to be made. The calculation and determination of the Interest Rate or the interest by the Fiscal and Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

g) Fall-back Rate of Interest

If the Fiscal and Calculation Agent is unable to determine the Floating Rate Notes Reference Rate for any particular Interest Period in accordance with the provisions of Condition 4.4 (c) above or the relevant Pricing Supplement, then unless otherwise specified in the relevant Pricing Supplement, the Floating Rate Notes Reference Rate for that particular Interest Period shall be deemed to be the Interest Rate that applied to the that Tranche of the Notes during the immediately preceding Interest Period, subject to any adjustments to reflect the change in the Floating Rate Margin.

h) Certificate to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.4 (Interest), by the Fiscal and Calculation Agent shall (in the absence of willful default, bad faith or manifest error) be binding on all parties. The Fiscal and Calculation Agent shall not be liable to the Issuer or the Noteholders in connection with the exercise or failure to exercise by the Fiscal and Calculation Agent of its respective powers, duties and discretions pursuant to such provisions.

i) Accrual of Interest

Each Note will cease to accrue interest from the date of its redemption unless, on the due date of payment thereof, payment of the Principal Amount is improperly withheld or refused. In such event, interest will continue to accrue until the earlier of:

- i. The date on which all amounts due in respect of such Note have been paid by the Issuer to the Noteholder (if no Fiscal and Calculation Agent has been appointed under the Agency Agreement); and
- ii. The date on which all amounts due in respect of such Note have been received by the Fiscal and Calculation Agent and notice to that effect has been given to the Noteholders in accordance with Condition 4.11 (Notices).

4.5 Payments

a) Method of Payment

- i. Payment and settlement of the amount specified in the Pricing Supplement as the Final Redemption Amount(s) will be made by the Fiscal and Calculation Agent in accordance with the CD Act, where applicable.
- ii. Payment and settlement of the Early Redemption Amount(s) will be made by the Fiscal and Calculation Agent in accordance with the CD Act where applicable, Trust Deed, and the provisions of the relevant Pricing Supplement.
- iii. Payment of instalments of principal (other than the Final Redemption Amount(s) and Early Redemption Amount(s)), interest and other amounts due in respect of the Notes will be paid to the holder of the Notes appearing on the CDSC Account as at the Record Date.
- iv. Subject to Condition 4.5(b)(i), payment of interest and Principal Amounts in excess of Kenya Shillings two hundred and fifty thousand (KES 250,000) shall be made by the Fiscal and Calculation Agent via RTGS to the account designated for such purpose by the Noteholder. Payment by RTGS and mobile money shall be a valid discharge of the Issuer's obligations to pay interest and any Principal Amount. In the event that for any reason, payment by means of RTGS and mobile money is not possible, payment will be made by EFT or cheque in the manner set out in the remainder of this Condition 4.5 (Payments).
- v. Payment of interest and Principal Amounts less than Kenya Shillings two hundred and fifty thousand (KES 250,000) may at the election of the Noteholder be made through EFT, RTGS, or cheque drawn on a bank in Kenya and posted to the address as recorded in the CDSC Account of the Noteholder, on the Business Day not later than the relevant due date. Payment by mobile money, EFT, RTGS or cheques shall be a valid discharge of the Issuer's obligations to pay interest and any Principal Amount.

- vi. Neither the Issuer, the Note Trustee nor the Fiscal and Calculation Agent will be responsible for any loss in transmission of any cheque posted by way of registered post and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques so posted.

b) Payments on Business Days and Late Payments

- i. Where payment is to be made by RTGS, Mobile money or EFT, payment instructions will be initiated on the due date for payment of interest and/or the Principal Amount (in the event of a partial or full redemption), or the Redemption Amount on redemption, as the case may be.
- ii. Where payment is to be made by cheque, the cheque will be posted by registered post (i) on the Business Day immediately preceding the due date for payment of interest or the Principal Amount (in the event of a partial or full redemption) as applicable.
- iii. If any day for payment of any amount of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment until the next following Business Day nor be entitled to any interest or other sums in respect of such postponed payment.
- iv. If (otherwise than by reason of the application of paragraph (i) above) (a) any payment of the Principal Amount is withheld or refused when due in respect of any Note, or (b) any interest is not paid when due (the defaulted amounts mentioned in (a) and (b) above being referred to in this Condition as "Defaulted Amounts") then interest shall accrue on each such Defaulted Amount at the Default Rate and shall be paid to a person who is shown as the Noteholder on the relevant Record Date.

"Default Rate" means the Interest Rate plus a margin as specified in the Pricing Supplement.

c) Currency of Account and Payments

The currency of account and for any sum due from the Issuer hereunder is Kenya Shillings.

d) Interpretation of Principal

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- i. The instalments specified in Condition 4.5 (a) (iii) (Method of payment);
- ii. The Early Redemption Amounts; and
- iii. Any premium and any other amounts, excluding Interest, which may be payable by the Issuer under or in respect of the Notes.

4.6 Redemption and Purchase

a) Redemption

Unless previously redeemed or purchased and deleted from the relevant Noteholder's CDSC Account, each Note shall be redeemed on the date so specified in the relevant Pricing Supplement relating to that Tranche of Notes.

b) Early Redemption

The Issuer may redeem all or part of the Principal Amount of the Notes earlier than the date set out in Condition 4.6 (a) (Redemption) (together with interest accrued to the new date of redemption) subject to the following conditions:

- i. The Fiscal and Calculation Agent has received from the Issuer not less than 15 and not more than 30 days prior written notice (or such other notice period, if any, as is indicated in the relevant Pricing Supplement), which written notice shall have been first approved by the Note Trustee (the "Early Redemption Notice").
The Early Redemption Notice shall be accompanied by a draft public announcement which, once approved by CMA shall be given to the Noteholders in accordance with Condition 4.11 (Notices), specifying the date on which the Principal Amount is to be redeemed and the terms of the redemption;
- ii. Each partial redemption shall be of an aggregate Principal Amount of not less than Kenya Shillings 500 million and an integral multiple of Kenya Shillings 50 million; and
- iii. Except as otherwise stated in the Early Redemption Notice no early redemption may be made before the date stipulated in the applicable Pricing Supplement.

The amount of each early redemption shall be applied to the instalment amounts in inverse order of maturity (unless otherwise advised in writing by the Issuer), and pro rata against the Issuer's obligations under the Notes.

For the avoidance of doubt, the consent of the Noteholders will not be required for an early redemption carried out pursuant to this Condition 4.6 (b) (Early Redemption).

c) Purchases

The Issuer may at any time purchase Notes at any price in the open market or otherwise, subject to any approvals required from the CMA or the NSE or to any other restrictions under Applicable Laws. In the event of the Issuer purchasing Notes, such Notes may be held or resold, or at the discretion of the Issuer, cancelled. All Notes which are redeemed or purchased by or on behalf of the Issuer may be cancelled by giving notice to that effect to the Registrar, the Fiscal and Calculation Agent, the Note Trustee and the CDSC.

4.7 Taxation

- i. All payments in respect of the Notes will be made with deduction for or on account of withholding taxes, other taxes, duties, assessments and governmental charges of whatever nature imposed or levied by or on behalf of the government of Kenya or any political sub-division of or any authority in Kenya having power to tax as required by the Applicable Laws.
- ii. The Issuer, the Note Trustee (or the Fiscal and Calculation Agent, as the case may be) will deduct withholding tax at the prescribed rate on all interest payments to Noteholders, other than any Noteholder who:
 - a. is exempt from such deduction under the provisions of the ITA or any other applicable law or treaty having the force of law in Kenya; and
 - b. has provided evidence of such exemption to the reasonable satisfaction of the Issuer.

As at the date of this Information Memorandum, interest income payable on the Notes under any Tranche that are certified to be used to raise funds for infrastructure, projects and assets defined under Green Bonds Standards and Guidelines, and other social services, where such Tranche has a tenor of at least three (3) years will be exempt from withholding tax.

Any changes in Applicable Laws relating to taxes or rates after the date of this Information Memorandum shall apply to the Notes without requiring any amendment to these Terms and Conditions.

4.8 Unclaimed Assets

The Notes will be presumed abandoned and the Issuer or the Fiscal and Calculation Agent, as applicable, may take action accordingly, in relation to principal and interest, under the provisions of the UFA Act, if:

- i. For more than three (3) years (or such other period as may be prescribed from time to time under the UFA Act) after the Relevant Date (as defined below), a Noteholder has not claimed interest or the Early Redemption Amount or the Final Redemption Amount as applicable, or any other sum payable on the Notes or the Noteholder has not communicated with the Issuer or the Fiscal and Calculation Agent regarding such sum, as evidenced by a memorandum or other record on file with the Issuer or the Fiscal and Calculation Agent; and
- ii. The Issuer or the Fiscal and Calculation Agent does not know the whereabouts of the Noteholder at the end of a three (3) year period (or such other period as may from time to time be prescribed under the UFA Act) after the Relevant Date.

As used herein, the “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal and Calculation Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received and notice to that effect is duly given to the Noteholders in accordance with Condition 4.11 (Notices).

4.9 Events of Default

If any one or more of the following events (each an “**Event of Default**”) in respect of the Notes or any of them shall have occurred and be continuing:

- a) default is made in the payment of any amount in respect of any of the Notes when and as the same ought to be paid in accordance with these Conditions unless:
 - I. the failure to pay is caused by administrative or technical error;
 - II. payment is made within 7 Business Days of its due date; or
 - III. the failure to pay is in order to comply with any Applicable Laws or order of any court of competent jurisdiction or in case of doubt as to the validity or applicability of any such Applicable Laws, regulation or order, in accordance with advice as to such validity or acceptability given at any time, during such period by independent advisers acceptable to the Fiscal Agent; or
- b) the Issuer fails to perform or observe any obligation, condition or provision under the Notes (other than any obligation for the payment of any amount due in respect of any of the Notes) and, if capable of remedy, such default continues for a period of 30 days after written notice is given to the Issuer by the Trustee specifying such default and requiring it to be remedied; or
- c) any indebtedness (other than the Notes) in excess of KES 20,000,000,000 becomes due and payable prematurely by reason of an event of default in relation thereto, or if any such indebtedness is not paid at maturity as extended by an applicable grace period, or if any guarantee or indemnity in respect of any such indebtedness of any person given by the Issuer is not honoured when due and called upon or within any applicable grace period as originally provided; or
- d) the Issuer makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors, or a resolution is passed by the Issuer for its winding-up or dissolution except in connection with a solvent merger or other re-organisation,

Then the Noteholders may, further to an Extraordinary Resolution, authorise the Trustee to issue a written notice to the Issuer, effective upon the date of receipt, declaring the Notes to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 4.6 (Redemption and purchase)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

4.10 Fiscal and Calculation Agent, Registrar and Note Trustee

The name of the initial Fiscal and Calculation Agent and the Registrar and its initial Specified Office are set out below.

Fiscal and Calculation Agent and Registrar

Image Registrars Limited

Absa Towers, 5th Floor, Loita Street

P.O. Box 9287- 00100 GPO

DL: 0709 170003

Tel: +254 709 170 000/+254 735 565 666

Nairobi, Kenya

Email: corporate@image.co.ke

The Fiscal and Calculation Agent may be removed at any time by the filing with it of any instrument in writing signed on behalf of the Issuer specifying such removal and the date when it shall become effective, provided that such removal shall only take effect upon the appointment by the Issuer, of a successor Fiscal and Calculation Agent and the acceptance of such appointment by such successor Fiscal and Calculation Agent; provided further that no notice removal given under this Condition 4.10 (Fiscal and Calculation Agent, Registrar and Note Trustee) shall take effect within the thirty (30) day period prior to any date on which a payment in respect of the Notes is or becomes due.

The Issuer may terminate the appointment of the Registrar at any time and or/appoint one or more replacement Registrars by giving to the Registrar (with a copy to the Fiscal and Calculation Agent and the Note Trustee) at least thirty days' notice in writing to that effect, such notice not to take effect within the thirty (30) day period prior to any date on which a payment in respect of the Notes is or becomes due, provided always that so long as any of the Notes are outstanding, no such notice shall take effect until a successor Registrar has been appointed.

The Issuer agrees that, until no Notes are outstanding, or until moneys for the payment of all amounts payable in respect of all outstanding Notes and all amounts payable in accordance with these Conditions, shall have been made available to the Fiscal and Calculation Agent, there shall at all times be a Fiscal and Calculation Agent and a Registrar, having the functions provided for in the Agency Agreement.

The Note Trustee shall cease to hold office if:

- a) it shall have resigned by giving at least three (3) months' written notice to the Issuer; or
- b) being a corporation, it becomes the subject of Insolvency Proceedings (as defined in the Trust Deed); or
- c) it becomes disentitled in law to hold the office of Note Trustee; or
- d) it shall be removed from office by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

Upon any Note Trustee ceasing to hold office, the new Note Trustee shall be appointed by an Extraordinary Resolution of the Noteholders, provided that such new Note Trustee must be a person or corporation approved by the Issuer, which approval shall not be unreasonably withheld.

The name of the initial Note Trustee and its initial Specified Office is set out below:

MTC Trust & Corporate Services Limited

Delta Riverside, Block 4, Ground Floor, Riverside Drive

P.O. Box 1071 - 00200 (City Square)

Tel Nos: +254 (0)733 698 707 / +254 (0)700 164 370

For the kind of attention of Abel Munda

Email: info@mtc-trust.com

4.11 Notices

Notices to the Noteholders will be deemed to be validly given if made by email, delivered to them, or sent by registered mail or (if posted to an overseas address) by airmail to them, and:

- I. in the case of delivery, the notice will be deemed to have been validly given when such communication or document is left with or delivered to the intended Noteholder at its address as recorded on the CDSC Account or as specified in the Application Form;
- II. in case of electronic transmission via email, the notice will be deemed to have been validly given when such electronic communication is sent to the intended Noteholder (unless the sender receives an automated notification of non-delivery or rejection by the Noteholder's e-mail server), in which case the notice shall be deemed not to have been given or received;
- III. in any other case, will be deemed to have been validly given six (6) calendar days after its being posted to the intended recipient at its address as recorded on the CDSC Account;

provided that a communication or document which is received after 5:00 p.m. on a Business Day, or on a day which is not a full Business Day, in the place of receipt shall be deemed to be delivered on the next full Business Day in that place.

The Issuer shall also ensure that notices regarding the Notes are duly published in a manner that complies with the regulations of the CMA and the rules of the CDSC and the NSE.

The Note Trustee shall, upon and in accordance with the instructions of the Issuer but not otherwise, arrange for the Registrar to give any notice to the Noteholders and to the NSE in accordance with this Condition.

Notices given by any Noteholder shall be in writing and given by lodging the same with the Note Trustee or in such other manner as the Note Trustee shall direct.

4.12 Meetings of Noteholders

Meetings of the Noteholders will be held in accordance with the terms of the Trust Deed.

4.13 Modifications and Waiver

The Note Trustee and the Issuer may agree, without the consent of the Noteholders, to:

- a) to add to the Issuer's covenants in respect of the Notes for the benefit of the Noteholders or to surrender any right or power conferred upon the Issuer in the Trust Deed or the Notes;
- b) to cure any ambiguity, mistake, defect or inconsistency or to correct or supplement any provision in the Trust Deed or the Notes that may be defective or inconsistent with any other provision in the Trust Deed or the Notes, or (ii) make any other provisions with respect to matters or questions arising under the Trust Deed or the Notes, provided however, that such provisions shall not adversely affect the interests of the Noteholders in any material respect;
- c) to evidence and provide the acceptance of the appointment of a successor Note Trustee under the Trust Deed; or
- d) to charge, pledge, hypothecate or grant a security interest if any in favour of the Note Trustee for the benefit of the Noteholders as security for the payment and performance of the Issuer's obligations under these Terms and Conditions, the Trust Deed and the Notes, in any property, or assets, including any of which are required to be charged, pledged or hypothecated, or in which a security interest is required to be granted to the Note Trustee pursuant to the Trust Deed or otherwise.

Any such modifications shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 4.11 (Notices) as soon as practicable. Any such modification shall also be notified to the CMA and the NSE.

4.14 Governing Law

The Notes shall be governed by, and construed in accordance with, Kenyan law.

4.15 Jurisdiction

The Issuer agrees for the benefit of the Noteholders that the High Court of Kenya shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes and accordingly any legal action or proceedings arising out of or in connection with the Notes shall be brought in that court.

5 TAXATION

The comments below are of a general nature based on taxation law and practice in Kenya as at the date of this Information Memorandum and are subject to any changes thereafter. They relate only to the anticipated tax consequences of an investment in the Notes under Kenyan tax laws. The comments below do not relate to all possible tax consequences of an investment in the Notes and so should be treated with appropriate caution.

Prospective investors should consult their own professional advisers concerning the possible tax consequences of purchasing, holding and/or selling Notes and receiving payments of interest, principal and/or other amounts under the Notes under the Applicable Laws of their country of citizenship, residence or domicile.

Withholding Tax

Interest (including any commission, discount, commitment and other fees) payable under the Notes (other than interest paid to the financial institutions specified in the fourth schedule to the ITA and certain other exempt persons) is subject to withholding tax.

In terms of current legislation, withholding tax at the rate of 15% will be deducted from interest payments made to both resident and non-resident Noteholders as set out in the ITA (which is subject to revision through changes in government policy).

The Issuer will not deduct withholding tax at the prescribed rate on interest payments to any Noteholder who:

- a) is exempt from such deduction under the provisions of the ITA; or
- b) is exempt under any other applicable law or treaty having the force of law in Kenya,

and in each case has provided evidence of such exemption to the reasonable satisfaction of the Issuer.

Where a Noteholder is tax resident in a jurisdiction that has a double taxation treaty with Kenya, the Issuer, the Note Trustee (or the Fiscal and Calculation Agent, as the case may be) will deduct withholding tax in accordance with the applicable Double Tax Treaty. A Noteholder seeking to benefit from an applicable double taxation treaty must provide the Issuer with a valid certificate of tax residence or any other documentation reasonably required by the Kenya Revenue Authority or the Issuer, the Note Trustee (or the Fiscal and Calculation Agent, as the case may be) evidencing entitlement to the benefits in the applicable Double Taxation Treaty.

Interest income payable on the Notes under any Tranche that are certified to be used to raise funds for infrastructure, projects and assets defined under Green Bonds Standards and Guidelines, and other social services, where such Tranche has a tenor of at least three (3) years will be exempt from withholding tax.

Capital Gains

No capital gains tax is payable in Kenya on any gains made on issue, transfer or redemption of the Notes so long as the Notes are listed and traded on the NSE.

Stamp Duty

No stamp duty is payable in Kenya on the issue, transfer or redemption of the Notes so long as the Notes are listed and traded on the NSE.

Tax Treaties

As at the date of this Information Memorandum, Kenya has entered into double taxation treaties with United Arab Emirates, Canada, Denmark, France, Germany, India, Iran, Norway, Qatar, Sweden, United Kingdom, South Africa, South Korea, Seychelles and Zambia.

6 SUBSCRIPTION AND SELLING RESTRICTIONS

The Notes will be offered by the Issuer through the Placing Agents for each Tranche in accordance with the terms of the Placing Agreement entered into between the Issuer and the Placing Agents. Each agreement for the sale of the Notes will set out, among other matters, the form and terms and conditions of the relevant Notes, the issue or placement price, and any commissions, placement fees, or discounts payable by the Issuer in connection with such placement. The agreement will also include customary provisions on indemnification of the Placing Agents against specified liabilities arising from the offer or sale of the Notes.

The Information Memorandum provides for the resignation or termination of existing Placing Agents and permits the appointment of additional or replacement Placing Agents, either generally in respect of the Programme or for a specific Series or Tranche. The Notes will be delivered to subscribers in accordance with the Conditions. No trading in the Notes will take place before the listing of all or part of the Notes on the NSE.

Unless otherwise defined in this section or required by the context, capitalised terms shall have the meanings ascribed to them in the Conditions.

Application Procedure

Physical Applications

Application Forms for the Notes (in the format provided in Appendix D) may be obtained from the offices of the Joint Lead Arrangers or any of the Placing Agents.

Completed Application Forms should be submitted to the Joint Lead Arrangers and Placing Agents no later than 17:00 hours on the date indicated in the applicable Pricing Supplement.

Electronic Applications

Investors may submit their applications electronically via the designated electronic platforms by:

- completing and submitting an electronic application, and uploading the required supporting documentation, on the application portal accessible at <https://safaricombond.e-offer.app>; or
- completing and submitting a mobile application by dialling USSD code *483*810#. This option is only available for shareholders who intend to apply for notes with an aggregate value up to KES 250,000.

Notification of Allotment

The Issuer or the Placing Agents, acting on behalf of the Issuer, will notify successful applicants of the number and value of Notes allotted to them promptly after the Allotment Date.

Payment for the Notes and Delivery

Payment for the Notes shall be made in full and in cleared funds to the Issuer, through the Joint Lead Arrangers, by the date specified in the applicable Pricing Supplement.

Following receipt of payment, the listed Notes shall be credited to the successful investors' respective CDSC accounts within fifteen (15) days from the Issue Date indicated in the relevant Pricing Supplement.

Interest Payments

Interest on the Notes will be paid by the Fiscal Agent in Kenya, in accordance with the payment schedule and terms set out in the applicable Pricing Supplement.

Selling Restrictions

General

Each Placing Agent has acknowledged above that no action has been or will be, taken in any jurisdiction, other than Kenya, by such Placing Agents or the Issuer that would permit a public offering of Notes, or possession or distribution of the Information Memorandum (in preliminary or final form) or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Each Placing Agent has undertaken that it will comply with all Applicable Laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes the Information Memorandum (in preliminary or final form) or any such other material, in all cases at its own expense.

The Issuer and the Placing Agents will have no responsibility for, and the Placing Agents will obtain, any consent, approval or permission required by them for, the acquisition, offer or sale by them of Notes under the laws and regulations in force in any jurisdiction to which they are subject or in or from which they make any acquisition, offer, sale or delivery.

The Placing Agents are not authorised to make any representation or use any information in connection with the issue, subscription and sale of Notes other than as contained in the Information Memorandum (in final form) or any amendment or supplement to the Information Memorandum.

Kenya

The approval of the CMA has been obtained for the offer of the Notes to the public in the Republic of Kenya.

A Tranche of Notes which will be listed on FISMS will be available to the general public in the Republic of Kenya.

Unless specified otherwise in the relevant Pricing Supplement, the Notes will not be offered by the Placing Agents or Issuer for subscription in any jurisdiction other than the Republic of Kenya.

The sale or transfer of Notes by Noteholders will be subject to the rules of the NSE and CDSC in the event that the Notes are listed as well as the provisions of the Agency Agreement.

There are no other restrictions on the sale or transfer of Notes under Kenyan law. In particular, (but subject to the statements below) there are no restrictions on the sale or transfer of Notes by or to non-residents of Kenya.

United States of America

The Notes have not been and will not be registered under the U.S. Securities Act, 1933 as amended (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S.

Each Placing Agent has represented and agreed, and each further Placing Agent appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S. Terms used above have the meaning given to them by Regulation S. Each Placing Agent also represents and agrees that it has offered and sold the Notes, and will offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date (the "distribution compliance period"), only in accordance with Rule 903 of Regulation S. Each Placing Agent agrees that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the ("Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Each Placing Agent also represents and agrees that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and that it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used above have the meaning given to them by Regulation S.

Prohibition of Sales to European Economic Area ('EEA') Investors

The Placing Agents have represented and agreed, and each further placing agent appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the final terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

1. The expression "retail investor" means a person who is one (or more) of the following:
 - a) A retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**");
 - b) A customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II, as amended or superseded; or
 - c) Not a qualified investor as defined in the EU Prospectus Regulation; and
2. The expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prohibition of sales to UK Retail Investors

The Placing Agents have represented and agreed and each further placing agent appointed under the Programme will represent and agree that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the final terms in relation thereto to any retail investor in the United Kingdom (UK). For purposes of this provision:

1. the expression "retail investor" means a person who is one (or more) of the following:
 - a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or
 - b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA; or
 - c) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
2. the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Selling Restrictions Addressing Additional United Kingdom Securities Laws: The Placing Agents have represented, warranted and agreed and each new placing agent appointed under the Programme will represent, warrant and agree that:

1. No deposit taking: in relation to any Notes having a maturity of less than one year:
 - a) they are persons whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business; and
 - b) they have not offered or sold and will not offer or sell any Notes other than to persons:
 - I. whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - II. who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act, 2000 ("FSMA") by the relevant Issuer;
2. Financial promotion: they have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by them in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer; and
3. General compliance: they have complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to any Notes in, from or otherwise involving the United Kingdom.

South Africa

No South African resident and/or its offshore subsidiaries may, without such person obtaining the prior written approval of the Financial Surveillance Department of the South African Reserve Bank (the "**Exchange Control Authorities**"), subscribe for or purchase any Notes or beneficially hold or own any Note, unless such subscription, purchase or beneficial holding or ownership is otherwise permitted under the South African Exchange Control Regulations, 1961 promulgated pursuant to the South African Exchange Control Regulations or the rulings promulgated thereunder (including, without limitation, the rulings issued by the South African Reserve Bank providing for foreign investment allowances applicable to persons who are residents of South Africa under the applicable exchange control laws of South Africa).

Prior to the issue of any tranche of Notes, the Placing Agents who have agreed to place that tranche of Notes will be required to represent and agree that they will not make an "Offer to the Public" (as such expression is defined in the South African Companies Act, 2008 and which expression includes any section of the public) of Notes (whether for subscription, purchase or sale) in South Africa.

Accordingly, this Information Memorandum does not, nor is it intended to, constitute:

- (a) a "registered prospectus" (as defined in the South African Companies Act, 2008) prepared and registered under the South African Companies Act, 2008 and have not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa; or
- (b) an offer or invitation to the public.

Information made available in this Information Memorandum should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

7 COUNTRY AND SECTOR OVERVIEW

7.1 Macroeconomic Overview

Safaricom operates its business in Kenya and Ethiopia. The two countries had a combined population of approximately 188 million people in 2024⁶.

7.1.1 Kenya

7.1.1.1 Economic Growth

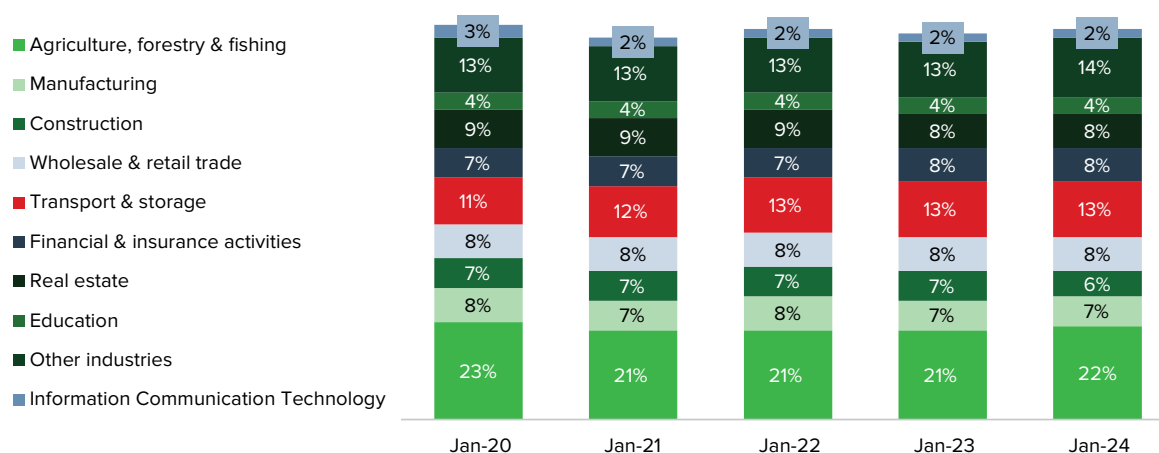
Kenya is the largest economy in East Africa and a key regional hub for finance and transportation. Over the past 25 years, the country has experienced sustained economic growth driven by strategic public investment, support for smallholder agriculture, and policies promoting private local and foreign industrial investment.

Kenya has maintained a trajectory of stable economic growth in recent years, underpinned by structural resilience and sectoral diversification. Following a modest contraction of 0.3% in 2020 due to the Covid-19 pandemic, GDP rebounded strongly with 7.6% growth in 2021. This recovery was driven by the normalization of economic activity and strong domestic demand. Growth continued at 4.9% in 2022, accelerating to 5.7% in 2023, before decelerating to 4.7% in 2024 as post-pandemic momentum tapered⁷.

Growth in key sectors however remained robust in 2024 notably agriculture, forestry and fishing (4.6%); financial and insurance activities (7.6%); transportation and storage (4.4%); and real estate (5.3%)⁸. Agriculture remains a key contributor to GDP and a major employer, offering long-term investment potential.

The graph below presents Kenya's GDP by sector from 2020 to 2024. Agriculture, forestry, and fishing remained the leading contributors, accounting for an average of 21.6% of GDP over the period.

Figure 2: Kenya's GDP contribution per sector



Source: Kenya National Bureau of Statistics

Kenya's economy demonstrated continued resilience in the first and second quarters of 2025, with real GDP expanding by 4.9% and 5.0% respectively. This performance was underpinned by strong growth in the agriculture sector and a notable rebound in industrial activity, particularly within the construction and mining sub-sectors. Forward-looking indicators suggest further improvement in economic performance in the second half of 2025⁹.

Looking ahead, the economy is projected to gain momentum, with real GDP growth forecast at 5.2% in 2025 and 5.5% in 2026¹⁰. This positive outlook is supported by the sustained strength of key service sectors, ongoing recovery in industry, and continued resilience in agriculture. However, the outlook is subject to downside risks, including potential disruptions from trade policy uncertainty and geopolitical tensions.

7.1.1.2 Monetary Policy

Since the beginning of 2025, the CBK has eased monetary policy by reducing the CBR by a cumulative 150 basis points, from 11.25% to 9.25%. In addition, the Cash Reserve Ratio (CRR) was lowered by 100 basis points to 3.25%¹¹, reinforcing the accommodative stance. Looking ahead, the key policy challenge lies in supporting economic growth, while maintaining the gains achieved in anchoring inflation. The Monetary Policy Committee (MPC) remains focused on stimulating domestic demand by, among others, strengthening private sector credit growth in the second half of 2025. However, a narrowing interest rate differential between the CBR and US Federal Reserve rates or US Treasury yields relative to Kenya Infrastructure Bonds (KENIBs) may limit further rate cuts.

⁶Source: World Bank data <https://data.worldbank.org/indicator/SP.POPT.TOTL>

⁷Source: Kenya National Bureau of Statistics

⁸Source: Kenya National Bureau of Statistics

⁹Source: CBK MPC August 2025 report https://www.centralbank.go.ke/uploads/mpc_press_release/678323370_MPC%20Press%20Release%20-%20Meeting%20of%20August%2012,%202025.pdf

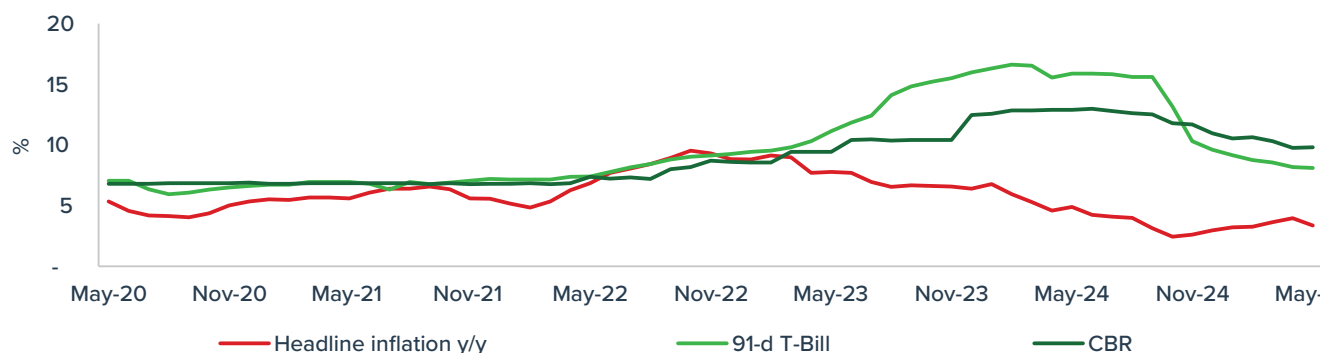
¹⁰Source: CBK MPC October 2025 report https://www.centralbank.go.ke/uploads/mpc_press_release/741103309_MPC%20Press%20Release%20-%20Meeting%20of%20October%207%202025.pdf

¹¹Source: CBK <https://www.centralbank.go.ke/monetary-policy/>

7.1.1.3 Inflation

According to CBK, overall inflation has largely remained within the medium-term target band of $5 \pm 2.5\%$ over the past five years, starting 2020. It declined from highest levels of 7.7% in 2022 and 2023 to 4.5% 2024, mainly due to reduced food and fuel prices.

Figure 2: Inflation and Interest rates in Kenya



Source: Central Bank of Kenya

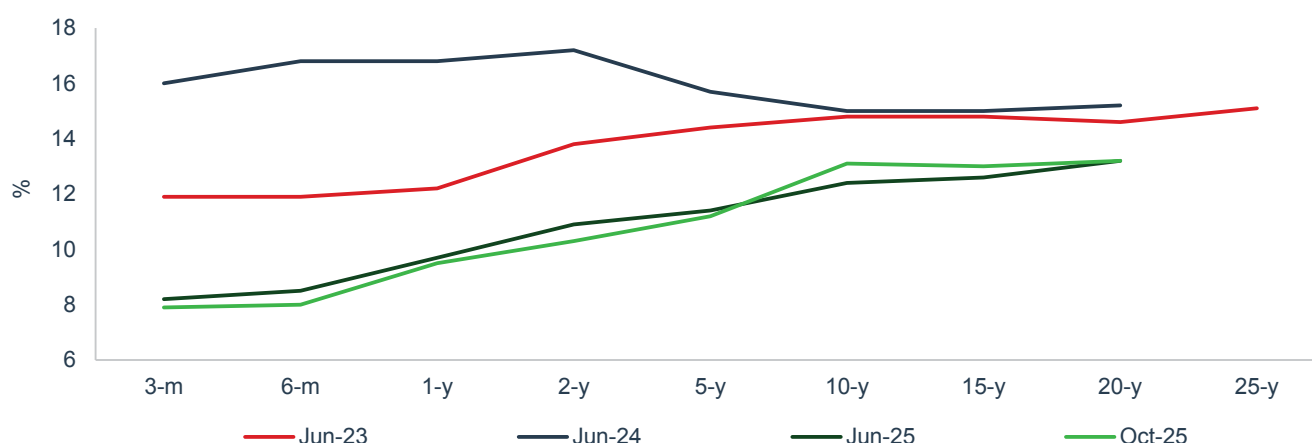
In September 2025, Kenya's overall inflation rose moderately to 4.6% from 4.5% in August, remaining below the mid-point of the CBK's target range of $5\% \pm 2.5\%$. Core inflation declined to 2.9% in September from 3.0% in August, mainly on account of lower prices of processed food items, particularly maize flour. Non-core inflation increased to 9.6% in September from 9.2% in August, mainly driven by higher vegetable prices. Overall inflation is expected to remain below the midpoint of the target range in the near term, supported by stable energy prices, and continued exchange rate stability¹².

7.1.1.4 Interest Rates

Kenya has a well-developed and stable yield curve extending up to 25 years. Past issuance of large-sized bonds has enhanced market liquidity, reduced fragmentation, and strengthened the yield curve.

Despite an increased net domestic borrowing requirement of KES 635.5 billion (equivalent to 3.3% of GDP) for the fiscal year 2025/26, the yield curve has remained stable¹³. This stability is largely attributed to the abundant liquidity within the financial system, which has helped keep interest rates steady across the curve 2025 to date.

Figure 3: Changes in the Kenya yield curve



Source: Nairobi Securities Exchange

¹² Source CBK MPC report https://www.centralbank.go.ke/uploads/mpc_press_release/741103309_MPC%20Press%20Release%20-%20Meeting%20of%20October%207%202025.pdf
¹³ Source https://www.treasury.go.ke/wp-content/uploads/2025/06/Budget-Statement-for-the-FY-2025_26-Budget...pdf?utm_source=chatgpt.com

7.1.1.5 Fiscal Performance and Outlook

According to the National Treasury, in FY 2024/25, fiscal performance was impacted by revenue shortfalls following the withdrawal of the Finance Bill 2024 and disruptions to economic activity due to public protests. In response, the Government implemented targeted revenue and expenditure measures to safeguard fiscal consolidation efforts and maintain essential services. Key legislative actions included the Tax Laws (Amendment) Act, 2024, and related reforms aimed at broadening the revenue base and reducing, non-essential expenditures.

Despite a constrained fiscal environment, the Government met all key obligations, including full debt servicing, timely transfers to Ministries, Departments and Agencies (MDAs), and disbursements to all the counties in Kenya by 30 June 2025. Total revenue increased by 8.2% year-on-year to KES 2,923.6 billion (16.8% of GDP), though falling short of target by KES 62.0 billion. Total expenditure and net lending reached KES 3,975.9 billion (22.8% of GDP), falling short of the target by KES 69.1 billion due to lower absorption in both recurrent and development budgets. The resulting fiscal deficit (including grants, on a cash basis) was KES 1,019.1 billion, equivalent to 5.8% of GDP¹⁴.

Looking ahead, according to the National Treasury, the FY 2025/26 and medium-term fiscal strategy focuses on growth-friendly fiscal consolidation to stabilise debt levels while safeguarding priority development and social programmes. The Government aims to enhance domestic revenue mobilization, streamline non-priority spending, and implement reforms under the IMF Extended Credit Facility programme. As a result, the fiscal deficit is projected to narrow to 4.7% of GDP in FY 2025/26¹⁵ and further to 4.9% in FY 2026/27. The public debt expected to improve, with the present value of debt-to-GDP ratio projected to decline progressively towards 55% by 2028, ensuring long-term debt sustainability and preserving macroeconomic stability.

7.1.1.6 Private Sector credit:

The Institute of Economic Affairs in its “Bank Credit to the Private Sector” report observed private sector growth from -0.03% in January 2025 to 2.69% in April 2025. This growth was largely driven by the CBK’s easing of its monetary policy, including significant cuts to the CBR, which made borrowing more affordable. Concurrently, improving macroeconomic indicators, such as easing inflation and a more stable exchange rate boosted confidence and stimulated renewed demand for credit from businesses and consumers.

7.1.1.7 Foreign Exchange and Foreign Exchange Reserves

The foreign exchange market has remained broadly stable in 2025. This stability has been underpinned by resilient export earnings and strong diaspora remittance inflows. Remittances totalled USD 2.52 billion in the six months to April 2025, up from USD 2.33 billion in the corresponding six months to April 2024. At the same time, CBK has maintained adequate foreign exchange reserves, which stood at USD 10,544.96 million (equivalent to 4.63 months of import cover) as at end-April 2025 offering a sufficient buffer against short-term external shocks and supporting market confidence. Kenya’s statutory foreign exchange reserve policy requires a minimum of four months of import cover.

The usable foreign exchange reserves stood at USD 9.2 billion (4.7 months of import cover) as at December 2024,, improving from USD 7.3 billion (3.9 months) as at December 31, 2023. Previously, these reserves stood at USD 8.3 billion (5.1 months) in 2020; USD 9.5 billion (5.7 months) in 2021; and USD 8.0 billion (4.5 months) in 2022 (Source: CBK).

Kenya’s improving economic and fiscal management has resulted in improved sovereign credit ratings. For instance, Moody’s Ratings (Moody’s) changed the Government of Kenya’s rating outlook from negative to positive in January 2025, while S&P Global Ratings affirmed Kenya’s B+ rating and revised its outlook to Stable in August 2025.

These positive assessments have enabled Kenya to access international capital markets on more favourable terms, supporting infrastructure financing and development goals.

¹⁴Source https://www.treasury.go.ke/wp-content/uploads/2025/09/Draft-2025-Budget-Review-and-Outlook-Paper.pdf?utm_source=chatgpt.com

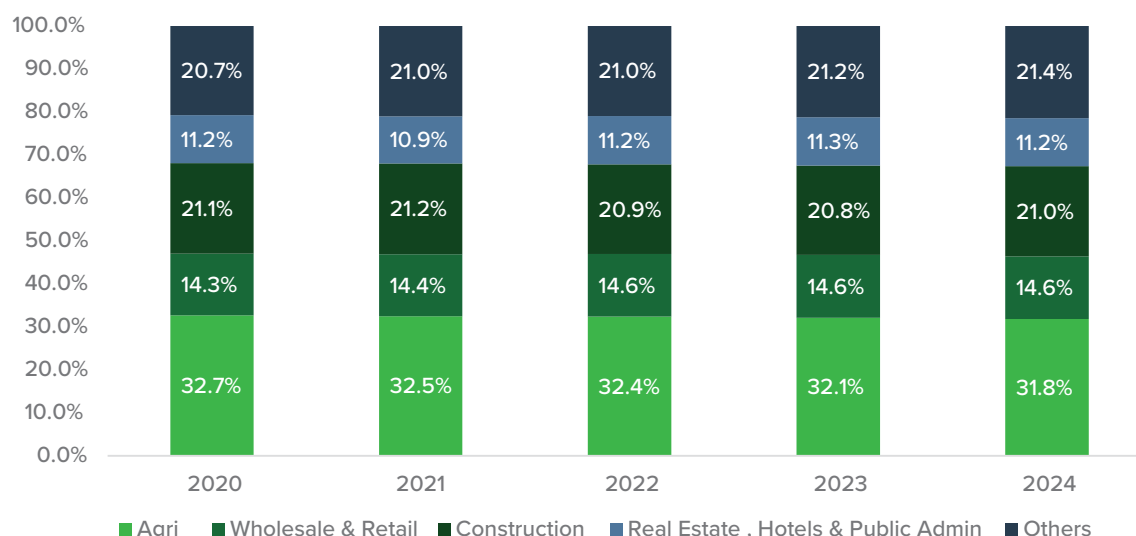
¹⁵Source https://www.treasury.go.ke/wp-content/uploads/2025/09/Draft-2025-Budget-Review-and-Outlook-Paper.pdf?utm_source=chatgpt.com

7.1.2 Ethiopia

With a population of 132.1 million people as of 2024, Ethiopia is the second most populous country in Africa and one of the fastest-growing economies in the region. According to the National Bank of Ethiopia's Financial Stability Reports, the country has sustained strong economic performance over the past 5 years, with real GDP growth consistently exceeding 6% annually well above the Sub-Saharan Africa average of about 3.6% per IMF estimates in 2024¹⁷.

Ethiopia's real GDP grew by 8.1% as of 30th June 2024¹⁸. The IMF projects further acceleration, with growth expected to reach 11.4% by FY 2028/29¹⁹. This expansion is supported by balanced contributions across services, agriculture, and industry on the supply side, and by household consumption and investment on the demand side.

Figure 4: Ethiopia's GDP contribution per sector



Source: National Bank of Ethiopia

7.1.2.1 Inflation

The overall inflation rate dropped to 13.6% in August 2025, from 15% in February 2025. This is largely attributed to the government's monetary policy measures, the improvement in agricultural production, and the gradual nature of adjustments in key administered prices. The National Bank of Ethiopia observed that in February 2025, food inflation declined to 12.7%, a considerable slowdown from 18.8% recorded in 2024. In contrast, non-food inflation stood at 15.1%, showing a slight increase from 2024, partly due to exchange rate pass-through effects. Meanwhile, the month-on-month inflation rate for August 2025 fell to 1.1%, indicating a gradual easing of new price pressures in the economy²⁰.

7.1.2.2 Monetary Policy

The authorities have maintained a tight monetary policy stance, keeping the policy rate unchanged at 15% now above the inflation rate. In March 2025, the ceiling on private sector credit growth was raised from 14 to 18% and subsequently to 24% in September with gradual easing of the credit ceiling to safeguard the on-going disinflation efforts.

Broad money growth accelerated to 27.0% year-on-year in March. With seasonal liquidity pressures easing, a rise in government expenditure, and the relaxation of the credit cap, private sector credit grew by 27.7% year-on-year. Credit to state-owned enterprises also increased by 13.6% year-on-year, partially offsetting an 8.4% year-on-year contraction in credit to the government²¹.

Overall credit is expected to remain stable as a % of GDP over the medium term. Private credit growth is projected to decline slightly as a % of GDP in the current year reflecting the binding effect of the credit growth cap. However, private credit is expected to increase gradually as a share of GDP, consistent with a transition toward private sector-led growth²².

7.1.2.3 Interest Rates

Short-term market interest rates have been declining trend, while remaining positive in real terms and close to the policy rate which is encouraging for money market development. The weighted average yield on 91-day T-bills stood at 15.0% in August 2025, down from 17.6% in June 2025, reflecting improved liquidity conditions. In the local currency interbank money market, the weighted average rate was 13.7% in August 2025, also indicating improvement in liquidity, and remained within NBE's interest rate corridor of 15%±3%²³.

¹⁷Source: World Bank data <https://data.worldbank.org/indicator/SP.POPTOTL>

¹⁸Source https://nbe.gov.et/wp-content/uploads/2024/11/Financial-Stability-Report_NOV2024.pdf?utm_source=chatgpt.com

¹⁹Source https://nbe.gov.et/wp-content/uploads/2024/11/Financial-Stability-Report_NOV2024.pdf?utm_source=chatgpt.com

²⁰Source https://www.imf.org/en/News/Articles/2025/07/02/pr-25234-ethiopia-imf-completes-3rd-rev-under-ecf-arrang-and-2025-art-iv-consult?utm_source=chatgpt.com

²¹Source National Bank of Ethiopia

7.1.2.4 Fiscal Performance

Federal government tax revenues grew 76% in the third quarter of FY2024/25 compared to Q3 FY2023/24, driven by VAT and excise reforms. Tax revenues from imports jumped by 125%, reflecting the exchange rate change and policy reform, while VAT on domestic goods and services grew by 64%.

Funding was boosted by front-loaded budget support from the World Bank and IMF. After subdued commercial bank participation in Treasury bill auctions in January to March 2025 due to tight liquidity conditions, volumes rose considerably in April with some auctions oversubscribed with an average bid-cover ratio of 143% for the month after several years of routinely undersubscribed auctions. Higher than anticipated credit growth has led to higher mandatory purchases of treasury bonds given the requirement to purchase treasury bonds with any additional loan disbursements²⁴.

7.1.2.5 Foreign exchange reforms

NBE implemented significant foreign exchange (FX) regime reforms through the issuance of Foreign Exchange Directive No. FXD/01/2024 in 2024. These reforms marked a major shift in policy from a fixed or tightly managed FX regime to a market-driven approach, allowing exchange rates to be determined through direct negotiation between banks and their clients.

The directive aimed to:

- Liberalise the FX market and promote financial sector reform.
- Consolidate previously fragmented FX regulations.
- Improve FX liquidity and enhance transparency and predictability in the market.

Following this reform, the Ethiopian Birr (ETB) has experienced a sharp devaluation. As of September 2025, the ETB had depreciated by 154% from ETB 57.29/USD in June 2024 to ETB 148.80/USD.

The NBE monitors the FX market to stabilise volatility and ensure sustainable liquidity. These measures are expected to improve long-term market confidence, support foreign investment, and lay the foundation for more efficient capital allocation.

7.1.2.6 Capital Market Reforms

Ethiopia officially launched trading on the Ethiopian Securities Exchange (ESX) in July 2025 marking a historic milestone as the country's first regulated capital market platform for equities and government securities.

This landmark development is a key pillar of Ethiopia's reform agenda, aimed at fostering inclusive growth, enhancing transparency, and unlocking new investment opportunities across the economy.

The launch of the ESX signals a significant shift in Ethiopia's financial landscape as:

- Ethiopian companies now have access to formal capital-raising mechanisms through public markets.
- Domestic and international investors can access a regulated, transparent, and rules-based trading environment.
- Citizens are offered new pathways to participate in the country's economic growth through equity ownership and investment products.

The Ethiopian Capital Market Authority (ECMA) has been instrumental in establishing the legal, regulatory, and institutional infrastructure to ensure the integrity and resilience of the market. The authority has also led efforts to build public awareness, enhance institutional capacity, and foster collaboration across government and private sector stakeholders. ECMA remains committed to:

- Expanding market access and participation
- Upholding investor protection standards
- Ensuring the Ethiopian capital market becomes a trusted engine for long-term, sustainable development

7.1.2.7 External Ratings

Fitch Ratings ("Fitch") downgraded Ethiopia's foreign-currency rating to 'Restricted Default' (RD) in December 2023 after suspension of Eurobond payments. In October 2024, Fitch upgraded Ethiopia's local-currency rating to 'CCC+' from 'CCC-' due to easing financing pressures and improved macroeconomic stability. In November 2024 IMF concluded a technical assistance mission in Ethiopia supporting the NBE developing a forecasting and policy analysis System (FPAS).

²¹Source IMF Third Review Under The Extended Credit Facility Arrangement, And Financing Assurances Review <https://www.imf.org/en/Publications/CR/Issues/2025/07/15/The-Federal-Democratic-Republic-of-Ethiopia-2025-Article-IV-Consultation-Third-Review-Under-568611>

²²Source IMF Third Review Under The Extended Credit Facility Arrangement, And Financing Assurances Review <https://www.imf.org/en/Publications/CR/Issues/2025/07/15/The-Federal-Democratic-Republic-of-Ethiopia-2025-Article-IV-Consultation-Third-Review-Under-568611>

²³https://nbe.gov.et/nbe_news/monetary-policy-committee-meeting-no-004/?utm_source=chatgpt.com

²⁴Source IMF Third Review Under The Extended Credit Facility Arrangement, And Financing Assurances Review <https://www.imf.org/en/Publications/CR/Issues/2025/07/15/The-Federal-Democratic-Republic-of-Ethiopia-2025-Article-IV-Consultation-Third-Review-Under-568611>

7.2 Technology, Media, and Telecommunications (“TMT”) Overview

7.2.1 Regulatory Environment

Kenya and Ethiopia have evolving regulatory frameworks designed to balance industry growth, consumer protection, and market competition, while responding dynamically to shifts in the socio-economic landscapes.

In Kenya, the TMT sector operates within a multi-regulatory framework, governed by several key oversight bodies including:

- **CBK:** Regulates financial services, including mobile money platforms, ensuring financial stability, anti-money laundering compliance, and consumer protection in mobile financial transactions.
- **CA:** Regulates all telecommunications services, including GSM operations. CA oversees licensing, spectrum allocation, quality of service, and enforces compliance with telecommunications laws to promote fair competition and innovation.
- **Insurance Regulatory Authority (IRA):** Regulates insurance products offered through mobile platforms, ensuring that any insurance-related services comply with industry standards and consumer protection laws.
- **CAK:** Regulates the market to safeguard fair competition by monitoring and addressing anti-competitive practices and monopolistic tendencies within the telecom sector.
- **Data Protection Office:** Enforces data privacy regulations under the Kenya Data Protection Act, safeguarding consumer information and ensuring telecom operators maintain high standards of data security and privacy.

In Ethiopia, the ECA is the primary regulatory body and is responsible for licensing, spectrum management, and ensuring compliance with telecommunications laws. The regulatory environment in Ethiopia continues to be dynamic with on-going liberalisation reforms.

7.2.2 TMT sector overview in Kenya

Kenya is a leading destination for TMT investment in Africa, given its advanced consumer digital adoption, world-leading mobile money penetration, and a competitive telecommunications market. The country’s strategic position as a landing hub for multiple subsea cables; and the accelerating investments in data centres, cloud infrastructure and terrestrial networks, has positioned it as the digital gateway into East Africa. These structural advantages are driving multi-layered value creation opportunities in telecommunications, mobile financial services, enterprise digitisation, data centre capacity expansion, 4G/5G network expansion, cloud and AI-enabled technologies. Kenya also has a supportive regulatory environment, with progressive policies around fintech licensing, spectrum allocation, and infrastructure sharing.

Key highlights:

- Mobile subscriptions in Kenya have reached 77 million implying 146% SIM penetration, underscoring deep mobile reach and multi-SIM usage.
- Mobile money is deeply embedded with subscriptions at 47.7 million, a penetration of 91% and usage by over 82% of the adult population (FSD Kenya, 2024 Annual Report). Kenya is a global leader in mobile financial services.
- Datacentre capacity is scaling rapidly. Existing collocated capacity is modest at approximately 20 MW (Global Newswire, June 2025) but planned builds exceed 160 MW pipeline on full build-out, positioning Kenya as East Africa’s hyperscale gateway. Large cloud player involvement and strategic partnerships (e.g. announced MoU by Microsoft–G42) validates hyperscale interest).
- Kenya is a leading recipient of venture capital fintech investments in Africa alongside Nigeria, South Africa, and Egypt. It is home to over 200 active tech hubs, incubators, and accelerators, supporting a thriving ecosystem of digital entrepreneurs including in fintech, agritech, healthtech, and e-commerce.

Table 2: Venture capital fintech investments in Africa

	As at December 31, 2024							
	Kenya	Tanzania	Uganda	Egypt	Morocco	S Africa	Ghana	Nigeria
4G SIMs as of total SIMs	63%	28%	36%	57%	70%	77%	37%	50%
5G SIMs as of total SIMs	4%	6%	2%	3%	1%	15%	3%	6%
Smartphone connections as total connections	62%	32%	47%	88%	88%	73%	70%	64%

Source: GSMA Intelligence

7.2.3 Kenya mobile sector

Figure 3: Kenya mobile sector statistics

							CAGR	CAGR
	2020	2021	2022	2023	2024	2030F	20-24	24-30
Mobile SIMs (millions)	61	65	66	67	71	99	4%	6%
Mobile Money subscriptions (millions)	32	35	39	38	42	-	7%	-
Mobile (SIM) penetration rate	129%	134%	133%	132%	139%	-	-	-
Mobile Money penetration rate	-	72%	78%	75%	82%	-	-	-
4G SIMs (millions)	9	13	18	31	41	59	47%	6%
5G SIMs (millions)	-	-	0	1	1	20	-	61%
Smartphones (millions)	24	27	30	34	41	79	14%	11%

Source: GSMA Intelligence, CA Sector Statistics Reports (December, 2020-24)

Kenya's TMT sector development is rooted in over two decades of progressive sector liberalisation, strategic infrastructure investment, and technological innovation. The telecommunications sector liberalisation in the late 1990s catalysed private participation, competition, and innovation across fixed and mobile segments. This, combined with landmark investments such as the National Optic Fibre Backbone Initiative (NOFBI) and the successive landings of multiple subsea fibre optic cables, transformed Kenya's connectivity landscape resulting in lower broadband costs, improved service quality and nationwide digital inclusion.

Kenya has developed a resilient digital economy and has become one of Africa's most connected and innovation-driven markets. Today, robust connectivity has facilitated digitalisation across financial services, agriculture, logistics, manufacturing, education, and transport. It has also enabled the rise of data-driven enterprise solutions, mobile financial services, and e-government platform resulting in an increasingly integrated ecosystem where digital infrastructure and innovation drive productivity and competitiveness.

According to the GSMA's 2024 Kenya Digital Economy Report, ongoing digital transformation is projected to contribute more than KES 660 billion to GDP by 2028. The report further estimates the creation of over 300,000 new jobs and KES 150 billion in incremental tax revenue, indicating the sector's importance to Kenya's long-term economic growth, fiscal resilience, and global competitiveness.

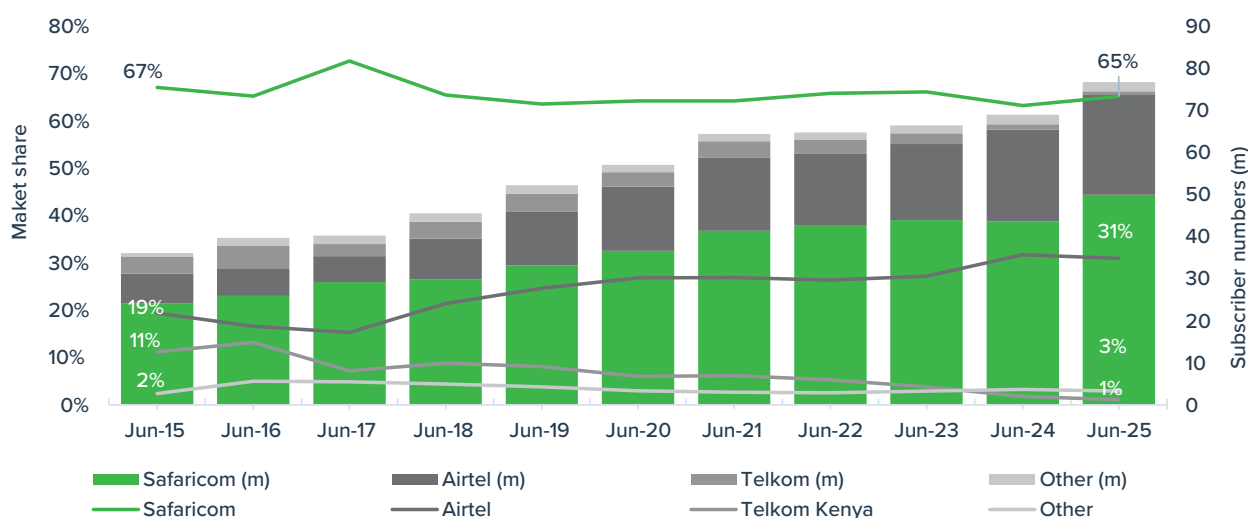
7.2.4 The telecommunications sector

Kenya's telecommunications sector initially featured low customer penetration; few poor-quality products and services; and poor customer service due to low investment, poor infrastructure, limited innovation, obsolescence, and inefficient operations. Telkom Kenya Limited (Telkom Kenya) and its predecessor, the Kenya Post and Telecommunications Corporation (KPTC), dominated fixed-line services until the early 2000s. Telkom Kenya was established as an operator in 1999 following the split of KPTC into Communications Commission of Kenya (CCK), the Postal Corporation of Kenya (Posta) and Telkom Kenya as part the liberalisation of the sector. The liberalisation process led to the emergence of other mobile network operators like Safaricom, Kencell (now Airtel) and Essar.

Kenya's mobile network operator (MNO) market remains one of the most dynamic and competitive in Sub-Saharan Africa. According to the Communications Authority of Kenya (CA), as of June 2025, Safaricom served approximately 50 million subscribers, representing 65.1% of the total market. Airtel Kenya, the second-largest operator, has a subscriber market of 31%. The steady growth in total subscriptions reflects strong demand for mobile connectivity, supported by continued investment in infrastructure and service coverage.

In the fixed broadband space, Safaricom leads with 34.3% market share, followed by Jamii Telecommunications at 20.6%, with Zuku and Poa Internet each holding around 12.5%.

Figure 5 : MNO Market: Market Share (% LHS) vs. Mobile Subs (millions, RHS), 2015 – 2025



Source: Communications Authority of Kenya reports

7.2.5 Mobile financial services

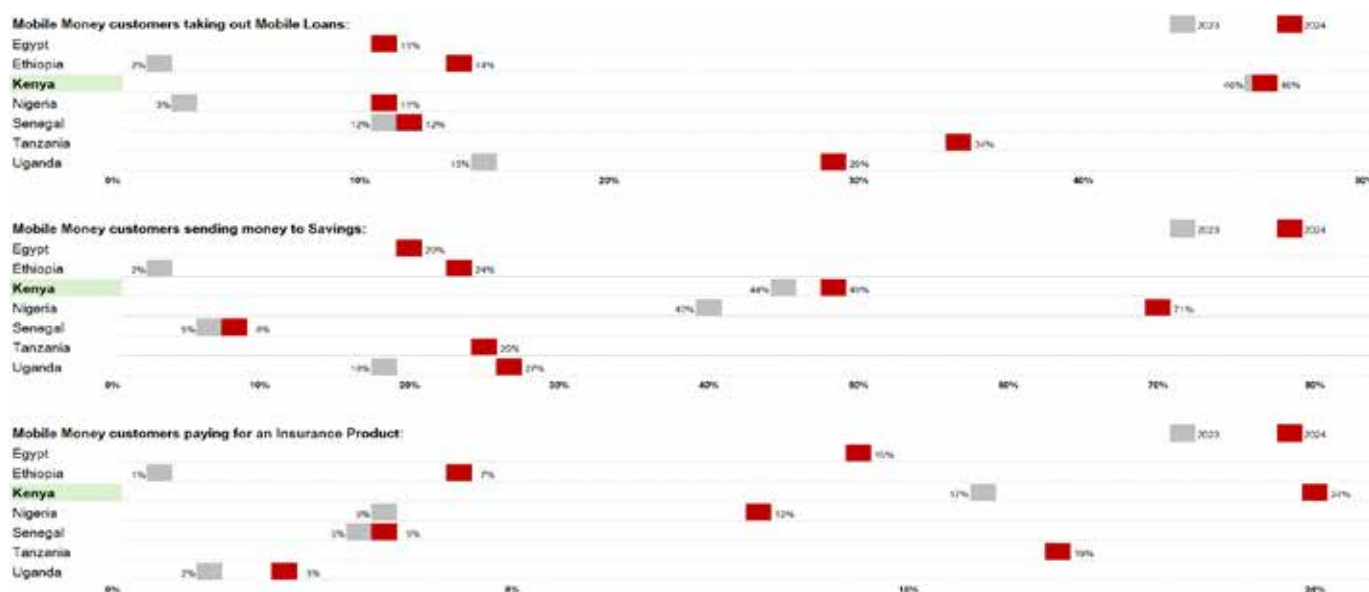
Mobile financial services (MFS) encompass a broad range of digital financial solutions delivered via mobile devices, including mobile money wallets, payments and transfers, mobile banking, and digital access to savings, credit, insurance, and investment products. By offering a low-cost, convenient, and secure alternative to traditional banking, MFS have become a cornerstone of financial inclusion across emerging markets. MFS have therefore bridged access gaps, deepened formal financial participation, and driven the digitisation of daily economic activity.

Safaricom pioneered mobile financial services in Kenya through M-PESA in 2007 and continues to anchor financial access and digital commerce, with strong momentum in user growth and service diversification. M-PESA, Safaricom's mobile money platform, revolutionized financial inclusion in Kenya and Sub-Saharan Africa. As at March 2025, the company had over 36 million 30-day active users in Kenya. Over the years, M-PESA has grown from a basic transfer service into Africa's largest fintech ecosystem, powering payments, savings, credit, insurance, remittances, and e-commerce. M-PESA operates in 8 countries in Africa; enables over 60 million subscribers to complete financial transactions globally, processing over USD4bn annually in cross-border money transfers, over USD6.3bn annually in affordable credit, and more than USD1bn in daily transactions. See more details on M-PESA in paragraphs 8.5 and 8.7 below.

Expansion of MFS has driven financial access in Kenya from 26.7% in 2006 to 84.8% in 2024, according to FSD Kenya's 2024 annual report, unlocking economic opportunities for millions of households and small businesses previously excluded from the formal financial system. Despite the significant improvement in access, there is substantial headroom for growth given the need to develop the other financial inclusion dimensions through savings, insurance and investment solutions. Deeper penetration of digital financial services can also accelerate access to healthcare financing, education loans, agricultural value-chain credit, and micro-insurance solution enhancing economic resilience and productivity.

According to the GSMA, credit remains the most offered MFS value added service globally followed by savings products given the adjacency of these products to payments. Insurance and wealth management offerings are still nascent. In this context, Kenya stands out for its higher proportion of mobile money users accessing credit, savings, and insurance products.

Figure 6 : Customers who used Mobile Money, 2023-24



Source: GSMA, The State of the Industry Report on Mobile Money 2025

7.2.6 Fintech

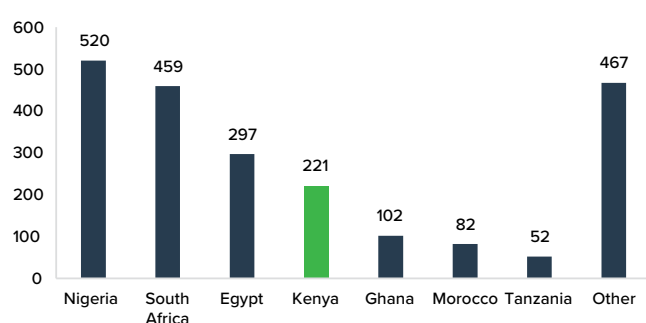
Kenya stands out as one of Sub-Saharan Africa's most advanced and vibrant fintech ecosystems, anchored by the pioneering success of M-PESA, which transformed mobile payments into a global benchmark for digital financial inclusion. With mobile money usage rising to over 82% "driven by expanded services, improved infrastructure, and greater adoption for government services and e-commerce" (FinAccess Household Survey 2024), Kenya offers a deeply entrenched digital payments infrastructure and a financially literate consumer base that fosters fintech innovation.

According to leading industry trackers such as Partech's Africa Tech Venture Capital Report, Briter Bridges' Africa Investment Reports, and AVCA's Venture Capital in Africa publications, Kenya consistently ranks among the top four destinations for fintech investment on the continent - alongside Nigeria, South Africa, and Egypt - attracting between USD 150 million and USD 250 million in annual venture funding in recent years. The country's fintech landscape is broad and sophisticated covering digital payments, savings, lending, and wealth management. Fintech solutions are also supporting technology-enabled services in insurance, agriculture, logistics, embedded finance, among others.

Nairobi has emerged as the region's innovation centre offering technical talent, conducive regulation, and regional connectivity. The CMA's Regulatory Sandbox launched in 2019 shows Kenya's supportive regulatory stance by encouraging fintech experimentation. This progressive ecosystem continues to attract global corporates, development finance institutions, and venture investors seeking scalable, high-impact solutions tailored for Africa's digital economy.

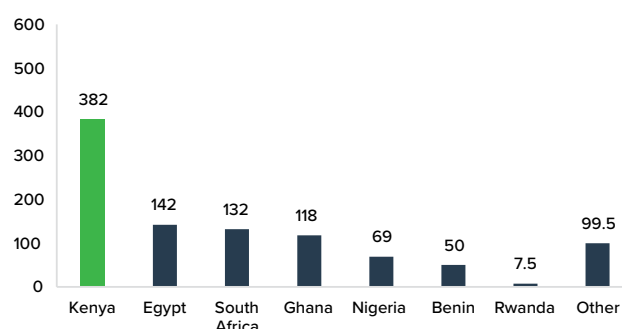
Kenya's investment proposition is further enhanced by its status as East Africa's commercial and financial hub, high fintech adoption per capita, and strong digital infrastructure foundations. These fundamentals compare favourably with those of other leading markets like Nigeria and South Africa hence the attraction to investors.

Figure 7 : Customers who used Mobile Money, 2023-24



Source: Partech Africa Tech VC Report, 2024

Figure 8: 2024 Africa Tech VC: Debt Funding (USDm)



7.2.7 Digital infrastructure

Subsea cables

Prior to 2009, Kenya's international connectivity relied on high-cost, low-capacity satellite links, making internet access prohibitively expensive and unreliable. The absence of robust international fibre connectivity constrained the growth of the digital economy due to low capacity to allow for data-intensive application such as cloud computing, video streaming, and other digital services.

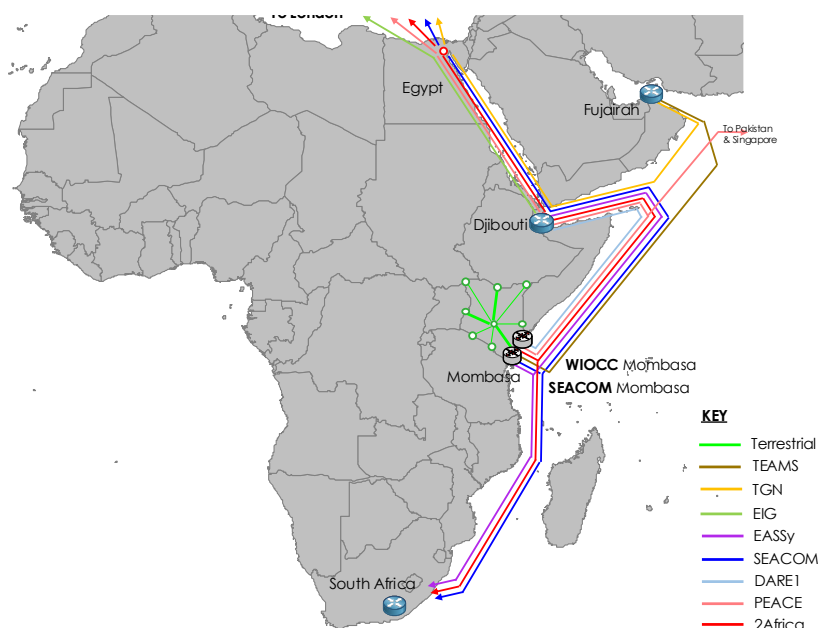
Kenya's digital transformation began in 2009 with the landing of SEACOM and TEAMS as the first major submarine fibre-optic cables which connected the country to global internet exchange points in Europe and Asia. These initial landings significantly reduced wholesale bandwidth costs within a few years and catalysed nationwide broadband penetration.

Over the past decade, additional system such as EASSy, LION2, DARE1, PEACE, Africa-1, and 2Africa have landed in Mombasa, establishing Kenya as East Africa's digital gateway. Collectively, these cables deliver multi-terabit capacity, significantly improving speed, latency, and network redundancy.

The PEACE Cable, for example, provides ultra-high-capacity, low-latency connectivity between Asia, Africa, and Europe while the on-going 2Africa project, one of the largest subsea cable systems ever deployed globally, is expected to add over 180 Tbps of design capacity to the continent, ensuring long-term bandwidth sufficiency to support cloud computing, AI workloads, and regional data localisation.

In 2025, Safaricom and Meta Platforms announced a USD 23 million investment in a new 4,108 km subsea cable system, Daraja, linking Mombasa to the Middle East. Scheduled for completion in 2026, Daraja will significantly enhance Kenya's international bandwidth capacity, while providing additional route diversity and resilience against regional connectivity disruptions. Safaricom has also participated in multiple international cable systems including TEAMS, SEACOM, and EASSy.

Figure 9: Sub Sea Cable connecting into Kenya



National backbone networks

Kenya launched the National Optic Fiber Backbone Infrastructure (NOFBI) in 2009 to link all 47 counties with high-speed fibre to be supplemented by private sector infrastructure. NOFBI uses underground fibre and KPLC transmission lines to reach remote areas. This backbone network replaces older microwave systems and is the foundation for internet access in schools, hospitals, government offices, and businesses across the country. The ICT Authority reported that the NOFBI project achieved 8,900km by 2022.

According to the Kenya National Digital Masterplan 2022–2032, the Government of Kenya set an ambitious target to deploy an additional 100,000 kilometres of high-speed fibre-optic infrastructure nationwide. This expansion will comprise approximately 52,000 km of government-owned backbone networks and 48,000 km of private sector deployments, reflecting a coordinated public–private effort to extend broadband access, enhance last-mile connectivity, and strengthen the country's position as a regional digital infrastructure hub.

Metro networks

Metro fibre networks (backhaul or middle-mile infrastructure) play a crucial role in cities like Nairobi, Mombasa, and Kisumu by connecting mobile towers and high traffic buildings to the national backbone, ensuring fast and stable internet. These networks rely on fibre for the increased data demand requirements following the rollout of 3G, 4G, and now 5G and have replaced the legacy copper and microwave connections. Companies like Dimension Data, Liquid Intelligent Technologies, Safaricom, and Telkom Kenya continue to build metro fibre networks to support MNOs, ISPs, cloud providers, banks, media houses, and other data reliant enterprises.

Access networks

Kenya's access networks, especially mobile networks, have seen remarkable growth over the past two decades. Starting with 3G and 3.5G rollouts between 2005 and 2010, the country transitioned to 4G LTE around 2012 and began deploying 5G commercially since 2022. These upgrades have boosted network capacity, largely by improving the amount of data transmitted per unit of frequency, and by allocating more spectrum for mobile data. The CA assigns frequencies to MNOs across such bands as 700MHz, 800MHz, 900MHz, 1800MHz, 2100MHz, 2600MHz and 3500MHz with spectrum neutrality.

7.2.8 Towers

As mobile and fixed broadband penetration deepen, Kenya's access networks increasingly depend on resilient passive infrastructure to deliver quality and coverage. Following an extensive 4G rollout phase, the market is now transitioning toward 5G densification. The increased data loads from video streaming, fintech applications, AI-enabled services are exerting significant capacity demand on mobile networks. This has intensified the strategic importance of the tower segment with MNOs seeking capital efficiency and independent tower companies ("TowerCos") looking for tenancy-led growth.

Kenya's tower market comprises a mix of MNO-owned and independent portfolios, with Safaricom owning a significant portion of its sites and independent TowerCos such as American Tower Corporation (ATC Kenya), Alan Dick, Atlas Towers, and Seal Towers playing a pivotal role in co-location, build-to-suit, and managed site operations. Kenya has approximately 12,000 to 13,000 tower sites according to industry estimates. Safaricom accounts for nearly 7,000 towers of these with the independent TowerCos owning the balance.

The next wave of investment is being driven by 4G and 5G densification, the surge in data consumption from youthful and mobile-first demographics, and the proliferation of content-heavy applications such as social media, e-learning, streaming, and cloud gaming. The CA reports that mobile broadband subscriptions have neared 46 million (in June 2025), while average data usage per 4G and 5G subscriber continues to grow strongly. These trends point to sustained demand for additional macro and small-cell sites, with corresponding requirements for energy-efficient power systems, fibre backhaul, and infrastructure sharing frameworks to ensure nationwide digital inclusion.

Energy management is an increasingly critical value driver with operators deploying solar and hybrid power systems to manage operating expenditure and enhance uptime. At the same time, regulatory support for infrastructure sharing and open access models will further improve asset utilisation and operating efficiency.

The expansion of tower and fibre infrastructure is creating the foundation for Kenya's broader digital economy by enabling the distribution of high-speed connectivity for data-intensive applications and cloud services. As traffic volumes migrate from the edge to the core, the next critical layer of investment lies in data centre capacity, where processing, storage, and interconnection needs are accelerating. The following section examines Kenya's rapidly evolving data centre ecosystem.

7.2.9 Data Centres

Data centre development across Africa is increasingly concentrated in South Africa, Nigeria, Egypt, Morocco, and Kenya with South Africa being the most mature and interconnected. Industry projections however indicate that the fastest near-term growth in data centre investment will occur in the next-tier markets, including Kenya, driven by the diversification of hyperscale capacity, accelerating cloud adoption, and strong local demand for enterprise digital services. The following macro and structural factors underpin this rising demand:

- Demographic momentum: a rapidly growing, youthful, and urbanising population fuelling digital consumption.
- Expanding internet penetration: Africa's internet usage level of at 38%, offers significant opportunity for broadband and mobile connectivity growth.
- Accelerating adoption of cloud and AI services: Enterprise and government migration of workloads to cloud platforms and deployment data-intensive applications.
- Policy-driven data sovereignty: Regulations driving in-country data hosting and residency.
- Mobile-first digital transformation: Exponential data generation and demand for low-latency infrastructure.

Kenya has emerged as East Africa's data centre hub. The country currently hosts approximately 20 MW of live colocation capacity, with an additional 25 MW under construction (Research and Markets, Kenya Colocation Data Centre Report 2025). This positions Kenya among the top five data centre markets in Africa by live capacity, and the leader in East Africa.

Nairobi remains the nucleus of data centre activity due to its robust connectivity, concentration of enterprise and government demand, and access to Mombasa. However, secondary cities such as Mombasa, Kisumu, and Thika are beginning to attract investment supported by proximity to cable landings (Mombasa), growth of Special Economic Zones (SEZs) offering fiscal incentives, stable power access, and regulatory support for ICT infrastructure.

Key operators such as Safaricom, Africa Data Centres, IXAfrica, iColo, and PAIX Data Centres are upgrading and expanding facilities for high redundancy, energy efficiency, and uptime capabilities to meet enterprise and cloud-grade requirements. Kenya's strong digital infrastructure fundamentals have attracted global cloud and hyperscale players. AWS, Microsoft Azure, Oracle Cloud, and Google Cloud are deepening partnerships with local data centre operators, pursuing edge deployment models and local cloud zones to meet rising demand for low-latency services and data localisation compliance.

The convergence of global cloud demand, regional enterprise digitisation, and supportive policy frameworks positions Kenya as one of Africa's most compelling next-wave digital infrastructure markets. With its strategic coastal access, stable investment climate, skilled technology workforce, predominantly green energy, and growing domestic consumption base, Kenya is increasingly viewed as the gateway for hyperscale and enterprise cloud growth across East and Central Africa.

8 DESCRIPTION OF THE ISSUER

8.1 Background and Description of Issuer's Business

Safaricom was incorporated in Kenya under the Companies Act as a private company in 1997. The Company is currently a leading purpose-led technology company in East Africa and the largest firm by market capitalization on the NSE. Safaricom's share price was KES 30.25, with a market capitalisation of KES 1.21Tn (USD 9.40Bn) as at close of trading on 31 October 2025. The Group serves a combined base of over 60 million customers in Kenya and Ethiopia, providing a wide range of services that go beyond connectivity.

Safaricom's growth and market leadership has been significantly driven by M-PESA. M-PESA is the world's most advanced mobile payment platform, which has revolutionized financial inclusion. The platform has expanded beyond basic money transfers to become a fully integrated financial ecosystem, supporting payments, savings, credit, insurance, and international remittances. M-PESA continues to be a key contributor to Safaricom's financial performance and remains central to the Company's strategic focus on deepening customer engagement and expanding its regional footprint.

The Company's corporate strategy is anchored on its purpose of "Transforming Lives," empowering communities through a robust sustainability agenda that integrates its services into the fabric of the society. This commitment makes Safaricom an integral and trusted partner in the region's development.

Safaricom is strategically evolving from a traditional communications provider to becoming Africa's leading purpose-led technology company by 2030. This vision focuses on leveraging technology to create impactful solutions in critical sectors like health, agriculture, and education. A cornerstone of this growth strategy is its successful operational launch in Ethiopia, which aims to replicate the Company's transformative success. With a deeply entrenched brand, an unparalleled distribution network, and a consistent track record of innovation, Safaricom is uniquely positioned to capitalize on the rapid digital transformation across the continent. In the last financial year, the Company contributed KES 722 billion to the Kenyan economy, sustaining over 1.28 million jobs.

The Company has made substantial investments over time, with Ethiopia representing a key focus through its subsidiary, Safaricom Ethiopia. STE directly employs 896 staff, 96% of whom are Ethiopian nationals, and has facilitated indirect employment for over 20,000 individuals. This progress underscores the strong collaboration between the government, partners, and local communities, and reflects the growing public trust in STE's role in driving Ethiopia's digital transformation.

8.2 Safaricom's Journey

The Company marked two major milestones in 2025; 25 years of connecting Kenyans (October 2025) and 18 years of M-PESA's transformative impact on mobile financial services (March 2025). The timeline below highlights key moments in Safaricom's journey since its inception.

Figure 10: The first decade (1999-2010): Inception to leading telecommunications and mobile money

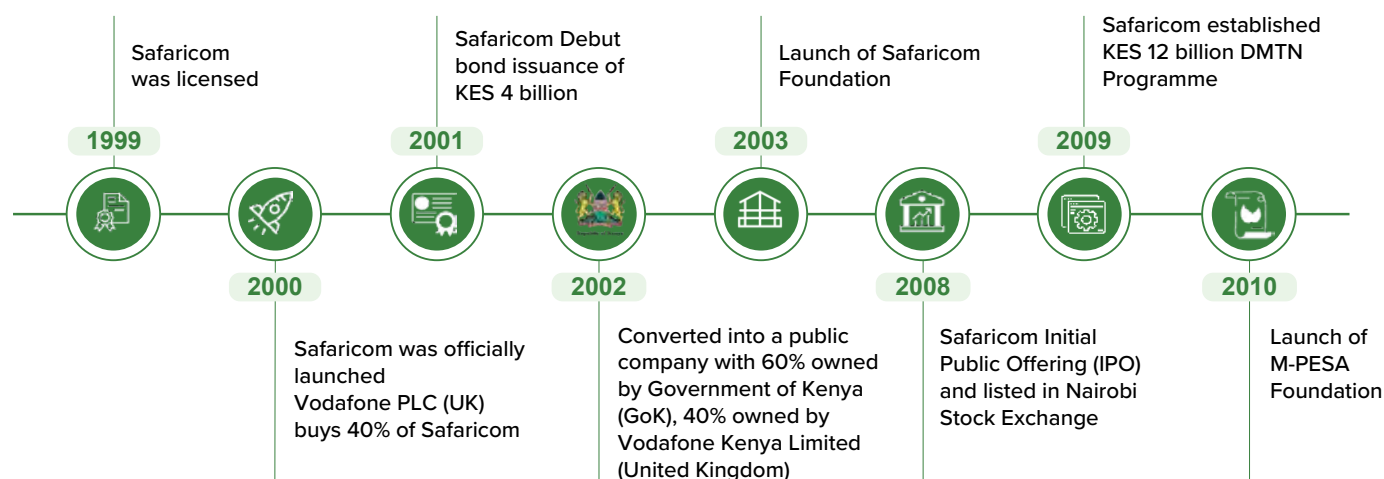


Figure 11: Second growth phase (2011- 2020): Strategic Partnerships to drive growth

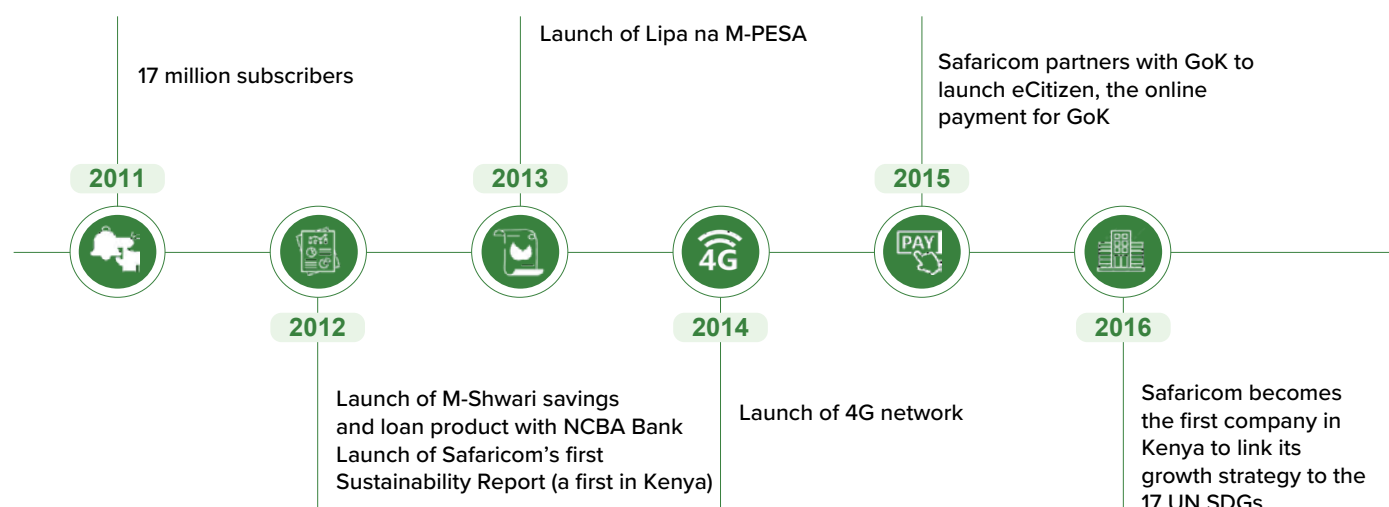
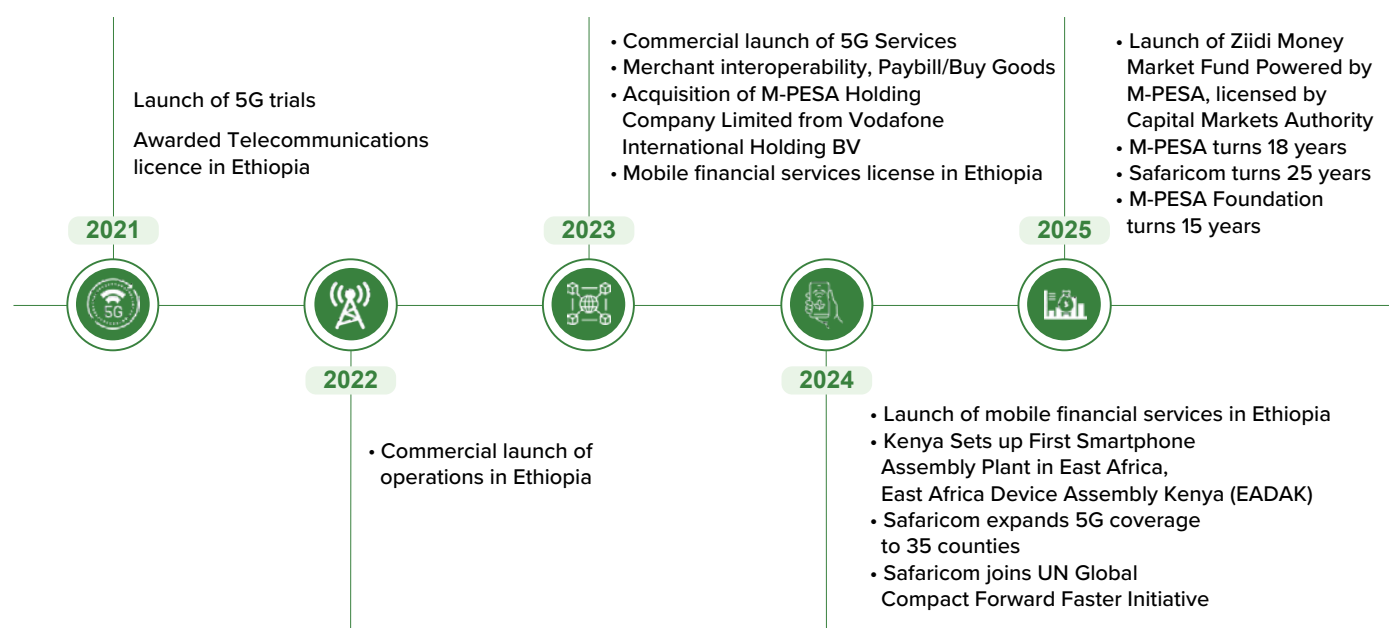


Figure 12: Transformation phase (2021 to date): Expansion to Ethiopia and transforming to a purpose led technology company



8.3 Safaricom Shareholding

As at 31 March 2025, Safaricom had 533,549 shareholders holding a total of 40,065,428,000 ordinary shares.

The table below sets out the top shareholders in Safaricom (ordinary shares only) as at 31 March 2025.

Figure 4: Safaricom PLC Shareholding

Name	No. of Shares	Shareholding %
1 Vodafone Kenya Limited	16,000,000,000	40,0%
2 Cabinet Secretary to the National Treasury of the Government of Kenya	14,022,572,580	35,0%
3 Others	10,042,855,420	25,0%
Total	40,065,428,000	100%

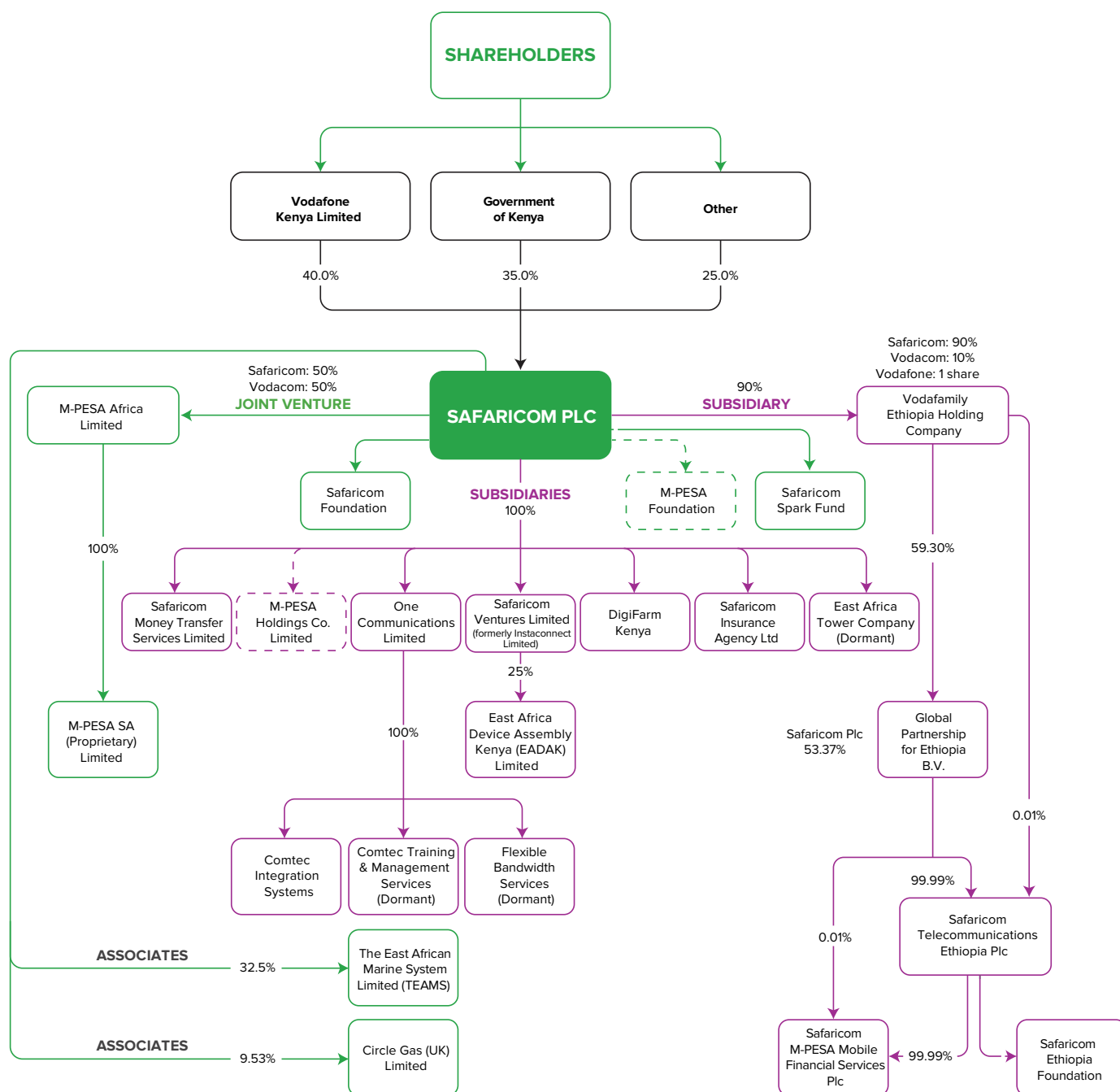
About Vodafone Kenya Limited

Vodafone Kenya Limited is the largest shareholder of the Company. It is incorporated in Kenya, and its ultimate parent is Vodafone Group Plc, a multinational telecommunications company incorporated in the United Kingdom.

Vodafone Group Plc is listed on the London Stock Exchange and on NASDAQ in the United States. It is a leading telecommunications provider in Europe and Africa, offering mobile and fixed services to over 330 million customers across 15 countries.

8.4 Safaricom Group Structure

8.4.1 Organisation Structure



KEY

— Consolidating Entities

- - - Non-consolidating Entities

8.4.2 Investments in subsidiaries

Safaricom has invested in various entities in the form of subsidiaries, associates and joint arrangements and ventures achieve its strategic objectives lives.

Below is the summary of Safaricom's shareholding in subsidiary companies:

Figure 5: Safaricom Plc Subsidiaries

Entity	Country of Incorporation	Held by	Percentage Ownership	Status
One Communication Limited	Kenya	Safaricom Plc	100%	Active
Safaricom Ventures Limited	Kenya	Safaricom Plc	100%	Active
East Africa Tower	Kenya	Safaricom Plc	100%	Dormant
DigiFarm Kenya Limited	Kenya	Safaricom Plc	100%	Active
Safaricom Money Transfer Services Limited (SMTSL)	Kenya	Safaricom Plc	100%	Active
M-PESA Holding Company Limited	Kenya	Safaricom Plc	100%	Active
Safaricom Insurance Agency Limited	Kenya	Safaricom Plc	100%	Active
Vodafamily Ethiopia Holding Company Limited	United Kingdom	Safaricom Plc	90% - 1 share	Active
Global Partnership for Ethiopia B.V	Netherlands	Vodafamily Ethiopia Holding Company Limited	59.30% (Safaricom Indirectly owns 53.37%)	Active
Safaricom Telecommunications Ethiopia Plc (STE)	Ethiopia	Global Partnership for Ethiopia B.V	100% (Safaricom Indirectly owns 53.37%)	Active

Description of material subsidiaries & Joint Venture

a) Safaricom Telecommunication Ethiopia Plc (STE)

The Ethiopia Communications Authority (ECA) awarded a telecommunications licence to the Global Partnership for Ethiopia (GPE) B.V. (a private limited company incorporated in the Netherlands) an entity owned consortium comprising Safaricom PLC, Vodafone UK, Vodacom Group Limited, Sumitomo Corporation, and British International Investment Plc (BII) formerly (CDC Group Plc) in July 2021. Safaricom, Vodafone and Vodacom invested into GPE through the Vodafamily Ethiopia Holding Company Limited (a private limited company incorporated under the laws of England and Wales, United Kingdom). In line with regulatory requirements GPE's local operating subsidiary, Safaricom Telecommunication Ethiopia Plc (STE) was subsequently incorporated in Ethiopia on 6 July 2021 to hold and operate the licence. In August 2023, International Financial Corporation (IFC), invested in Ethiopia by subscribing for 7.25% of equity in GPE. STE is effectively wholly owned by GPE.

The shareholding structure of STE is as follows:

Figure 6: GPE Shareholding as at 31 October 2025

Shareholder	Shareholding Percentage
Vodafamily Ethiopia Holding Company Limited	59.30% *Indirect shareholding – Safaricom (53.37%) and Vodacom Group (5.93%)
Minority shareholders	40.70% Sumitomo Corporation (24.02%), BII (9.71%) and IFC (6.96%)

b) Safaricom Money Transfer Services Limited (SMTSL)

Incorporated in 2014, SMTSL operates international remittance services that enable customers to send and receive funds via registered mobile phone numbers. These services are offered in collaboration with third-party international money remittance (IMT) providers.

c) Digifarm Kenya Limited (Digifarm)

Digifarm was incorporated in 2019 as a private limited to provide agribusiness technology support services to smallholder farmers in Kenya. Digifarm leverages mobile and digital technology platforms to offer end-to-end support across the agricultural value chain. Its primary objective is to connect producers directly to buyers, thereby reducing reliance on intermediaries and improving farmer incomes.

Digifarm's service offering includes:

- Access to financial services, including credit and insurance solutions tailored to small-scale agriculture
- Access to quality agricultural inputs, such as certified seeds and fertilisers
- Access to agronomic knowledge and training, delivered through digital extension services and field-based advisory
- Market linkage and post-harvest loss management, aimed at improving access to markets and reducing wastage

d) M-PESA Africa Limited (MPA)

MPA is a joint venture between Safaricom PLC and Vodacom Group Limited, established to oversee the expansion and management of the M-PESA mobile financial services platform across multiple African markets.

MPA was incorporated as a private limited liability company under the laws of Kenya. The joint venture was formalised in 2020 following the acquisition of the M-PESA brand, product development, and support services from Vodafone Group Plc.

8.5 Description of Product and Services

As a leading telecommunications company, Safaricom provides a broad range of products, services, and platforms to meet the needs of its customers across multiple sectors. These include the following:

- **Mobile connectivity services:** Safaricom's mobile connectivity services form the core its business, providing the base for the other services. These include voice, messaging (SMS), and mobile data delivered across its extensive 2G, 3G, 4G, and 5G networks. These services and network supports advanced capabilities like the Internet of Things (IoT), positioning Safaricom to lead in next-generation consumer and enterprise solutions.
- **Financial services (M-PESA):** As set out earlier, M-PESA is Safaricom's revolutionary and globally acclaimed mobile money platform which has evolved from a peer-to-peer cash transfer service into a sophisticated financial services ecosystem. As of now, M-PESA offers seamless digital payments, international remittances, savings and credit facilities (in partnership with local banks), merchant payment solutions, insurance and wealth management products. The M-PESA Super App serves as the central hub for this ecosystem, providing services to millions of customers. As of 31 March 2025, M-PESA revenue grew by 15.1% year-on-year to KES 161.1 billion, supported by increased usage and growth in chargeable transactions per one-month active customers which grew 17.7% year-on-year to 44.36 million. See further details in paragraph 8.7 below.
- **Digital and Enterprise Services:** Leveraging its robust infrastructure, Safaricom offers a growing portfolio of digital and enterprise solutions including fibre-to-the-business (FTTB) and fibre-to-the-home (FTTH) connectivity, cloud computing, and cybersecurity solutions. This segment is a key driver of future growth, catering to the digitalization needs of both public and private sector clients.
- **Value-added services:** Safaricom has developed a variety of value-added services (VAS) that leverage its robust network and the ubiquitous M-PESA platform to meet the needs of customers. Market-leading products like Fuliza (a digital overdraft service) and M-Shwari (a savings and micro-loan product) provide millions of Kenyans access to convenient savings and credit solutions. In the content and entertainment space, the company offers popular services such as Skiza Tunes and the BAZE digital content platform. Safaricom also develops targeted sector-specific solutions such as DigiFarm. Collectively, these offerings boost customer loyalty and strengthen Safaricom's position as technology partner for individuals and businesses.

8.6 Corporate Strategy

8.6.1 Overview of FY2025 strategy and key outcomes

Safaricom embarked on five-year strategic journey anchored on the vision of becoming a purpose-led technology company in 2025. The vision was underpinned by the transformational goal of building a customer-obsessed, digital-first, insights-led organisation that enables platforms and ecosystem partnerships by 2025.

Over the past five years Safaricom has successfully executed this strategy, delivering strong business outcomes across all key pillars:

Theme	Outcomes
Mobile connectivity	- As of 31 March 2025, Safaricom had doubled mobile data revenue growth, supported by increased customer acquisition and engagement. Customer growth contributed 5.7% of the 10.5% service revenue growth, with ARPU growth accounting for 4.8%, despite adjustments to support affordability. - Significant gains were realised driven by enhanced customer value management (CVM) and the application of AI and data analytics for personalised customer experiences.
M-PESA/ Financial Services	- Safaricom deepened financial inclusion by expanding access to formal financial services through innovation, partnerships, ecosystem growth, and customer education. The company achieved: - Tripled transaction value, 4x growth in transaction volume, and 10.4x growth in free transactions; - Over 4x increase in merchants and two times increase in agents; and - Expansion into new services beyond payments, reinforcing M-PESA's position as a leading financial ecosystem in the region.
Enterprise and public sector	- Safaricom strengthened its role as the technology partner of choice for the public sector, delivering impactful programmes in healthcare, financial inclusion, and digital transformation. - The company also advanced its enterprise strategy beyond connectivity, positioning itself as an enabler of digital solutions and innovation for businesses and government institutions.
Fixed Business	- As of March 2025, the fixed business achieved double-digit growth across all segments. The Home segment, which accounts for 44.3% of fixed service revenue, recorded 16.6% growth, while the Enterprise segment grew by 13.4%. Key milestones include: - Doubled homes passed and four times increase in homes connected; - Recognition as #1 in customer share and experience; and - Rapid 4G/5G fixed wireless expansion driving coverage and service quality.
Ethiopia	- Safaricom Ethiopia was launched as a greenfield operation and quickly accelerated commercial momentum reaching a subscriber base of 11 million 90-day customers by end of September 2025. The Company made significant progress in building a world class digital network, with extensive 4G coverage rolled across major cities and towns. - A key milestone in this journey was the successful launch of M-PESA in Ethiopia, marking a major step in advancing financial inclusion in one of Africa's largest underserved markets. This launch has opened a new frontier for growth, positioning Safaricom Ethiopia as a critical enabler of the digital economy.

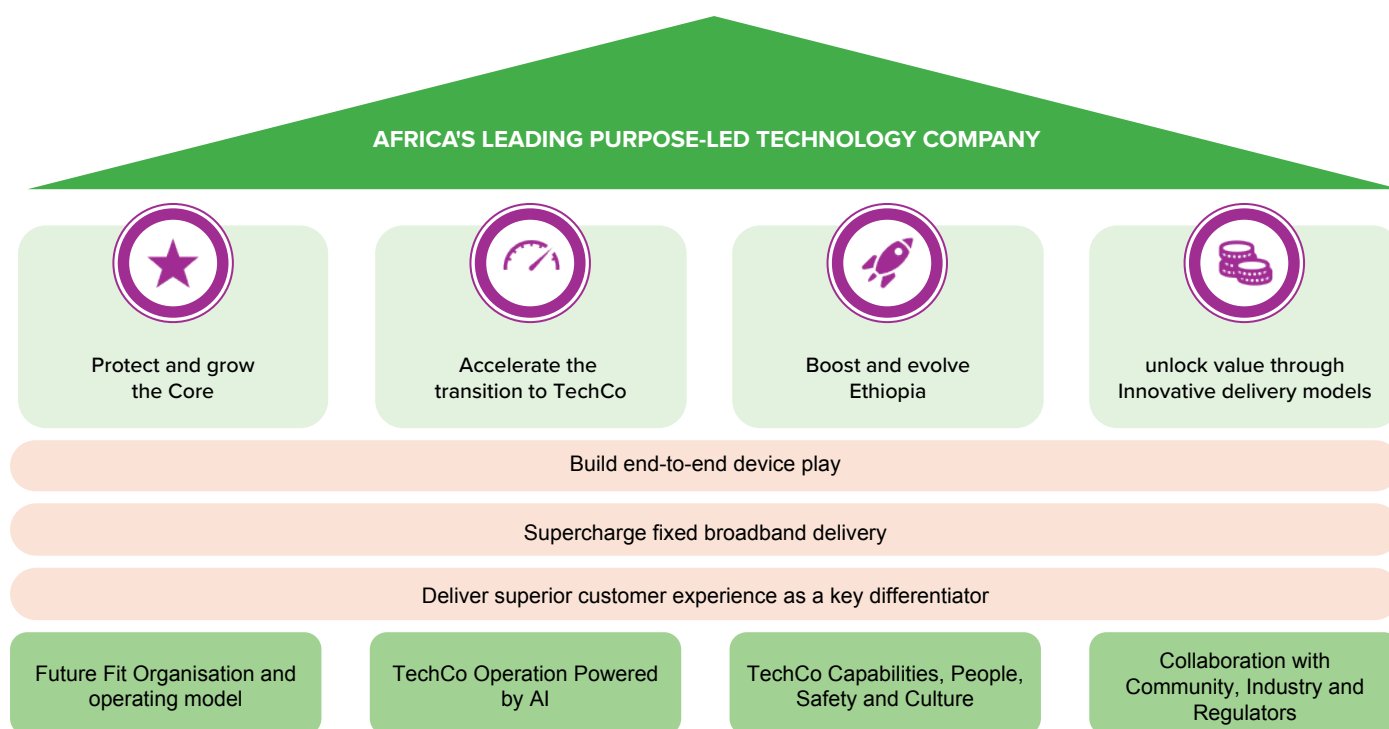
8.6.2 Safaricom's Vision 2030 strategy

Building on the momentum from implementing the FY25 strategy, the Company has since embarked on **Vision 2030** which sets out the ambition to become **Africa's leading purpose-led technology company by 2030**. This strategic evolution underscores Safaricom's commitment to innovation, regional expansion, and delivering sustainable, technology-driven solutions that address societal and economic challenges across the continent. Under Vision 2030, Safaricom aims to:

- deliver value adding and personalised digital services enabled by big data and AI that simplify and improve the daily lives of customers and society; and
- become the digitisation and financial services partner of choice for enterprises and public sector through cutting edge and secure technology solutions.

The strategy will be achieved through protecting and growing its core business, accelerating and the transition to a Technology Company ("TechCo"), boosting and evolving its Ethiopian business, and unlocking value through innovative delivery models as set out in Figure 13 below.

Figure 13: The vision 2030 strategic pillars:



To deliver on this strategy, Safaricom has identified six strategic priorities to guide decision-making and business implementations over the next five years:

Figure 8: Safaricom's strategic priorities

Consumer	• Accelerate 4G+ device adoption and penetration • Always-on, safe, secure network • Segment led execution of integrated propositions with embedded loyalty • Scale content and digital platforms
Financial Services/ M-PESA	• Super App adoption acceleration –which is intuitive AI-driven • Innovative payment use cases • Go Beyond payments – to include credit/ savings/insurance to their product portfolio • Enable Enterprise and Public Sector
Fixed	• 1 million+ homes and business connected • Always-on broadband – fibre, wireless, satellite
Enterprise	• Go beyond connectivity to managed and professional services • Segment-led execution embedded with loyalty
Public Sector	• Digitalization partner of choice for public sector • 3-4 large sectors fully digitalized
Safaricom Ethiopia	• Establish M-PESA use cases • Scale business – customers, network coverage • Sustainable funding • Positive Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) by FY27

8.6.3 Sustainability Strategy

Central to Vision 2030 ambition is Safaricom's commitment to sustainability through shared prosperity, championing climate action, advancing the circular economy, protecting biodiversity, and investing in communities. Driven by the purpose to transform lives, the Company seeks to enable a digital future by redefining digital and financial inclusion; embedding diversity, equity, and inclusion across its ecosystem; and ensuring that no one is left behind in the digital era. By harnessing the power of big data and AI, it aims to deliver tailored digital experiences to enrich daily life as partner to consumers, enterprises and the public sector. By continued commitment to deliver solutions to meet customer needs, the Company will provide differentiated experiences and propositions to all the customer segments.

As part of corporate strategy, and in line with our vision of being a purposed led organisation, Safaricom has embraced the Environmental, Social and Governance (ESG) agenda with attention on the potential ESG impact on the long-term success of the business and the ambitious target of becoming Net Zero by 2050. To this end, Safaricom is driving inclusive and sustainable development, underpinned by long-term investments in health, education, digital skills, and economic empowerment creating impact in communities.

Safaricom's commitment to social transformation is anchored in the work of the Safaricom Foundation, established in 2003, and the M-PESA Foundation, registered as a charitable trust in 2010. Together, these foundations focus on delivering high-impact, sustainable programs across health, education, and economic empowerment. As of 31 March 2025, the foundations initiated 389 projects funded through multiple streams, including:

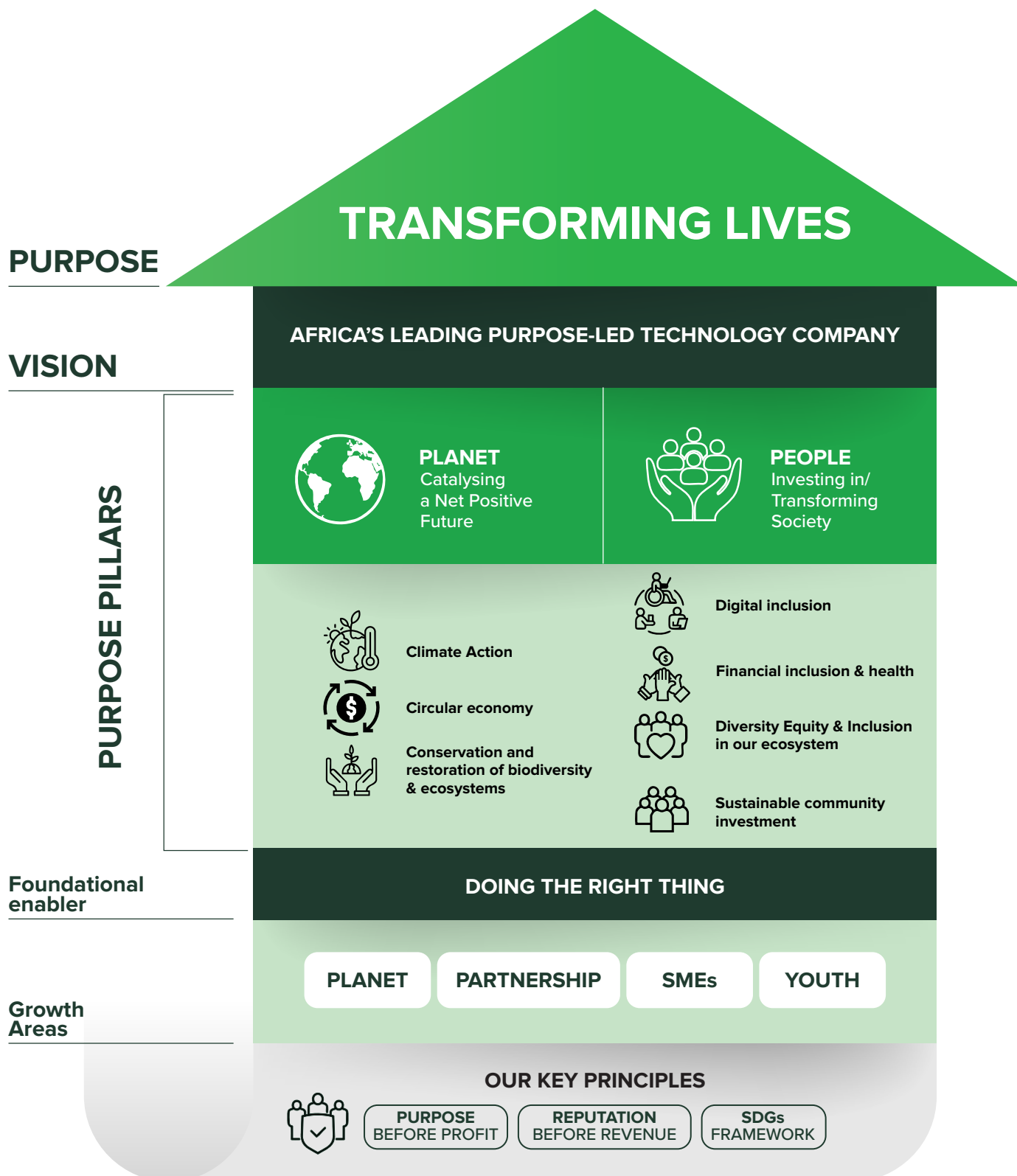
- 31 strategic regional projects targeting regional development priorities,
- 45 community-driven initiatives under the Pamoja framework, and
- 313 grassroots projects as part of the Ndoto Zetu Phase VI campaign.

More than 8 million Kenyans have benefitted from community projects delivered through the Safaricom and M-PESA Foundations. As at March 2025, the cumulative economic value delivered to communities through Safaricom's social and economic initiatives is estimated at approximately KES 1.1 trillion.

Purpose Strategy

Safaricom's Purpose Strategy is fully integrated with the 2025–2030 corporate strategy, creating a strong alignment between business objectives and sustainability ambitions. By sharing common targets, the two strategies drive cohesive and meaningful growth. The Purpose Strategy reinforces commitment to becoming Africa's leading purpose-led technology company, ensuring that Safaricom's progress delivers lasting impact and value for the communities it serves.

Figure 14: Safaricom's purpose strategy



Safaricom has been a signatory of the United Nations Global Compact (UNGC) since 2006 and has consistently reported on its sustainability strategy and progress since 2012. Safaricom has adopted and actively integrates the principles of the United Nations Sustainable Development Goals (UN SDGs).

Safaricom also strives to align all its business activities with relevant UNSDGs, ensuring that the core purpose of transforming lives remains the foundational guiding principle of everything the Company does. This commitment to sustainable development is reflected below:



Leverage mobile technologies to transform lives by improving access to quality and affordable healthcare services through products that digitise the health sector. The Safaricom Foundation and M-PESA Foundation will continue with programmes in maternal and child health.



Continue expanding access to education through innovating solutions and leveraging on Safaricom's network and through partnerships such as Shupavu 291, connectivity for schools and various programmes under the Elimu (education) pillar.



Transition to the use of clean energy at sites and leverage technology to provide clean energy solutions, including payment solutions for local and renewable energy. Safaricom commitment is to be a net-zero-emitting company by 2050.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The quality of the service provided enables decent work and economic growth. Safaricom transform lives in the areas of healthcare (SDG3) and education (SDG 4) through co-creation of innovative solutions (SDG9) by leveraging expertise, technology and partnerships (SDG17) in order to reduce inequalities (SDG10) as we transform lives.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. Facilitating increased accessibility and data connectivity by making affordable smartphones available to everyone in the market.



Work to reduce inequalities and promote financial inclusion across all sectors while promoting digital and gender inclusion. This will be through enabling equal access to opportunities for everyone, especially to vulnerable groups, using Safaricom leadership, network, solutions and technology.



98% recycling of solid waste from Safaricom's facilities.



Create strong, accountable institutions to bolster a just society.



Strategic partnerships with the broader business community and regulatory authorities. Partner with licensed mini-grid providers in remote regions or grid-power-deficient areas.

Safaricom has completed the construction of the allocated 48 out of 55 sites under the Universal Service Fund in phase 2 and 8 out of 95 for phase 3. This has provided mobile connectivity to 204,181 people in underserved areas.

For further details of sustainability agenda please see the 2025 sustainability report [Safaricom-Sustainable-Business-Report-2025-Digital-web.pdf](#)

8.7 Safaricom's value proposition and competitive advantage

Track record, market leadership and brand recognition

Safaricom has demonstrated a remarkable track record characterized by sustained innovation and strong financial performance through innovation, network investment, product diversification and service delivery. As set out earlier, this approach has positioned Safaricom as a leader in mobile, digital and financial services. The company has also developed a powerful and ubiquitous brand that is interwoven in its customers daily life. Safaricom's continuous community engagement ensure strong customer loyalty and embed it as a household name from which customers expect innovation, reliability, and quality.

Innovative Products and Services

Global System for Mobile Communications (GSM) proposition: Safaricom strategy has been to defend and grow core market share in GSM business by providing the most extensive and reliable GSM coverage. As of 31 March 2025, the Company recorded significant growth in mobile data revenue. The voice business remained strong with 58.4% growth usage, while ARPU held steady despite price reductions. This performance was further enhanced by CVM and AI driven personalised offers.

Financial Services: Safaricom's financial services business continues to deliver essential services through M-PESA platform. The Company's financial services offering include payments, money transfers and withdrawals, global payments and remittances, credit and lending, wealth management, and insurance.

As set out earlier, M-PESA has significantly shaped the financial landscape delivering over 99% uptime, processing over 4,500 transactions per second, facilitating over 200 international money transfer corridors, and supporting 74,000 integrations across more than 100 developers.

In September 2025, Safaricom announced the most significant upgrade of the M-PESA platform since 2015, marking a major milestone in the service's 18-year journey of driving financial inclusion and digital transformation. The upgrade introduced Fintech 2.0, a next-generation core platform designed to deliver scalability, strengthen resilience, expand capacity, and unlock advanced AI-driven innovation. This transformation positions M-PESA to meet the growing demands of Africa's digital economy while preparing for future opportunities.

The new M-PESA platform Core will expand capacity from 4,500 to 6,000 transactions per second, scalable with the potential to scale up to over 10,000 transactions per second as demand grows. It will also introduce an active-active architecture across multiple hosting sites, enhancing resilience and ensuring minimal service interruption.

Enterprise and Public Sector: Safaricom's enterprise and public sector strategy is anchored in its commitment to advancing customers along the digital value chain by delivering tailored, high-impact solutions across key segments including small and medium-sized enterprises (SMEs), mid-sized businesses, and large corporations. Through this approach, Safaricom offers a comprehensive suite of enterprise services such as cybersecurity, cloud computing, Internet of Things (IoT) solutions, and broadband connectivity. These services are designed to enhance operating efficiency, strengthen digital resilience, and support business growth.

Safaricom supports public sector digital transformation by partnering with public sector institutions to co-create and implement innovative e-government solutions. Notable initiatives include the deployment of integrated county revenue management systems and digital platforms that streamline service delivery, improve transparency, and enhance citizen engagement. Key contributions have included:

- **Health:** Enabled over 19 million Taifa Care registrations, strengthening access to healthcare services;
- **Agriculture:** Facilitated the disbursement of over 14 million bags of fertilizer under national agricultural initiatives;
- **Government Revenue:** Developed solutions for improved public revenue mobilization;
- **Financial Inclusion:** Enabled the disbursement of KES 65 billion through the Hustler Fund; and
- **Social Protection:** Supported 1.7 million beneficiaries under the Inua Jamii social welfare programme.

Extensive Network Coverage and Quality

Safaricom maintains a robust infrastructure and resilient infrastructure network in urban and rural areas. The Company has established a strong market position through continuous investment in an extensive and layered network that enables reliable connectivity and digital inclusion.

In Kenya:

- **2G, 3G, and 4G coverage:** Safaricom's technologies serve millions of customers, ensuring inclusivity across demographics. As of 31 March 2025, Safaricom achieved 98% 4G population coverage, with 2G and 3G each covering 98% of the Kenyan population.
- **5G leadership and expansion:** The Company has deployed over 1,100 5G sites across all 47 counties, covering 30% of the population, with expansion in urban and rural areas to enhance connectivity.
- **Fiber optic network:** Complementing its mobile infrastructure, Safaricom has expanded its fiber-optic footprint to 18,300 km, representing a 21.4% year-on-year increase (FY2024: 17,000 km). This network supports its mobile backbone and supports high-speed broadband services for homes and enterprises.

In Ethiopia, Safaricom has deployed over 3,306 4G sites, achieving 55% population coverage, and activated 1,700 5G sites in Kenya, strengthening its regional growth in line with the license obligations.

Overall, Safaricom benefits from a strong and loyal customer base, supported by an extensive distribution and channel network that enhances accessibility and service reach.

Strategic Partnerships

Safaricom is committed to supporting Kenya's development through strategic partnerships as a cornerstone for innovation given that collaboration and strategic partnerships with regulators and other players are critical growth drivers. Examples include collaboration in undersea cables; infrastructure sharing; and cooperation across key touchpoints such as landing stations, points of presence (PoPs), terrestrial backbone networks, metro networks, last-mile connectivity, towers, data centres etc. Collaboration with global technology leaders has supported initiatives in emergency location services, device financing, traffic optimisation, and big data platforms.

This approach extends to partnerships around products and value propositions including voice, data, financial services, and value-added offerings. Key partners include, public sector entities, infrastructure sector players, financial services providers e.t.c. For instance, partnerships with corporates, governments, universities, and NGOs have supported Technology for Development (T4D) solutions in health, education, agriculture, and humanitarian response impacting society beyond connectivity.

In financial services segment, Safaricom actively collaborates with the developer community to advance API integration and enhance the digital infrastructure of M-PESA. Key partners here include international remittance corridors, banks, non-bank financial institutions, fintech companies, technology companies, merchants, dealers, agents, among others.

Strategic partnerships enable Safaricom to strengthen its network, diversify services, and enhance value delivery to customers and the wider economy.

Positioned for Demographic and Digital Shifts

East Africa continues to experience steady growth in data demand, supported by increasing smartphone adoption and a broader shift toward digital services. According to GSMA Intelligence, smartphone penetration in Sub-Saharan Africa has now exceeded 50%, contributing to greater internet usage across the region. At the same time, the expansion of fixed broadband and fibre connectivity is gradually changing how individuals and businesses access the internet, offering more consistent and higher-speed connections.

As noted in paragraph 7.2.6, rapid financial access growth has still left room for holistic financial inclusion to support financial health and quality dimensions. The World Bank estimates that over 60% of the adult population in East Africa is still unbanked, underscoring a vast untapped market for digital financial services, especially for savings, credit, investments and insurance. Given the world's youngest and fastest-growing populations in the region (UN data projects East Africa's median age to be under 20), there is a unique environment to develop scalable, future-ready digital ecosystems that can drive social impact and deliver sustainable, long-term growth.

Safaricom remains focused on sustainable growth by leveraging Kenya's youthful demographics, the untapped potential in connectivity and fintech sectors and its distribution capabilities to facilitate the potential transformation and ensure continued leadership in East Africa's evolving digital landscape.

8.8 Safaricom's financial performance at a glance

Since the launch of the Vision 2025 strategy, revenue grew at a compound annual growth rate of 8.1% from KES 251 billion in FY2020 to KES 371 billion in FY2025 reflecting the successful execution of the Group's strategic priorities.

Figure 15: Service revenue in KES'mn

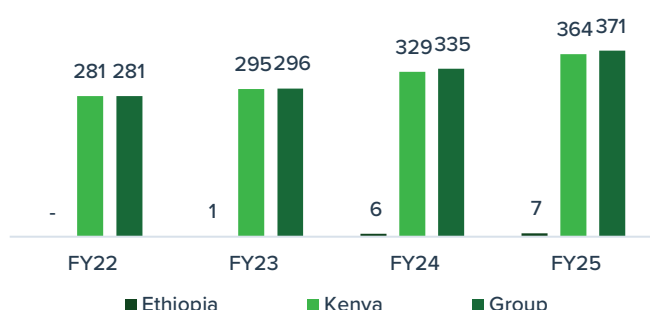
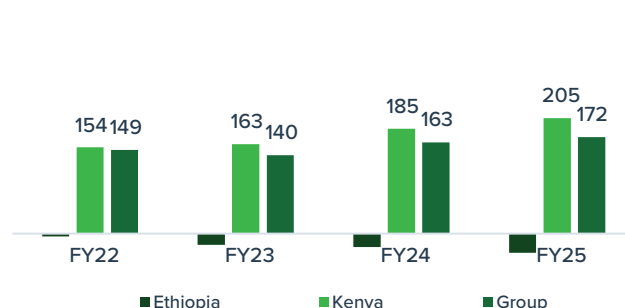


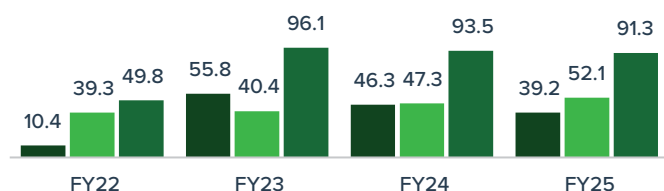
Figure 16: EBITDA in KES'mn



Performance Overview: The Group has consistently demonstrated strong and sustained growth, as evidenced by the positive four-year trend in key performance indicators. For the year ended 31 March 2025, Group service revenue reached KES 371.42 billion, representing a 10.8% increase from prior year. This growth was primarily driven by solid performance across most revenue lines, highlighting the strength and resilience of the Group's diversified business model. Overall three-month active group customers grew 16.4% to 57.08 million while one-month active customers grew 17.7% YoY to 44.36 million. In the Kenya business this marks the first time service revenue has recorded consecutive double-digit year-on-year growth since 2018, amplifying the success of Safaricom's strategy towards becoming Africa's purpose-led technology company by 2030.

Capex Overview: For the financial year ended 31 March 2025, the Group's total capital expenditure amounted to KES 91.3 billion (-2.4% YoY), with KES 39.2 billion (-15.3% YoY) directed towards operations in Ethiopia. This reflects our continued commitment to strategic regional expansion and infrastructure development.

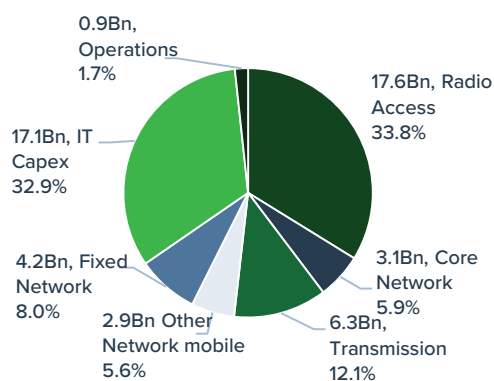
Figure 17: Group's CAPEX position



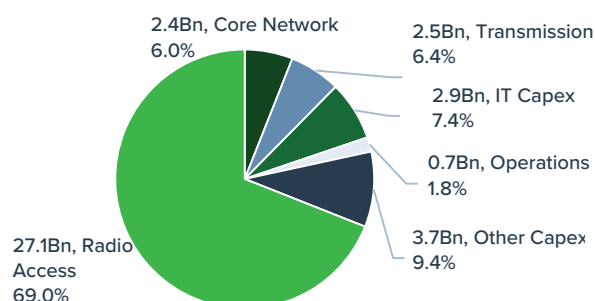
Capex Intensity

Kenya	Ethiopia*	Group
Shs 52.1Bn +10.2% YOY	Shs 39.2Bn -15.3% YoY	Shs 91.3Bn -2.4% YoY
13.7%	416.6%	23.4%

FY25 Capex Split – Kenya



FY25 Capex Split – Ethiopia



This strategic capex deployment positions the Group for long-term growth, improved service delivery, and continued market leadership across our operating regions.

Cash and Net Debt Overview: In the Kenyan operation, net debt closed at KES 64.5 billion as shown below:

Figure 13: Kenya leverage position (KES Bn)

	FY25	FY24	FY23
Cash and cash equivalents	15.9	19.1	18.1
Borrowings	(80.5)	(77.7)	(76.1)
Lease liabilities	(26.7)	(23.6)	(21.4)
Net Debt	(91.2)	(82.2)	(79.5)
Net Debt/EBITDA ratio*	0.45x	0.44x	0.49x

*Net debt/EBITDA ratio is calculated on annualised EBITDA

During FY25, the Company secured an additional KES 15 billion under its sustainability-linked loan facility, bringing the total to KES 30 billion. This strategic funding aligns with the Group's commitment to sustainable growth and was partially offset by scheduled debt repayments during the period.

The Group maintains a strong capital position, with a net debt-to-EBITDA ratio of 0.75 (on an annualised basis, including leases), well within comfortable levels. This low leverage profile provides flexibility to pursue future growth opportunities while preserving financial stability.

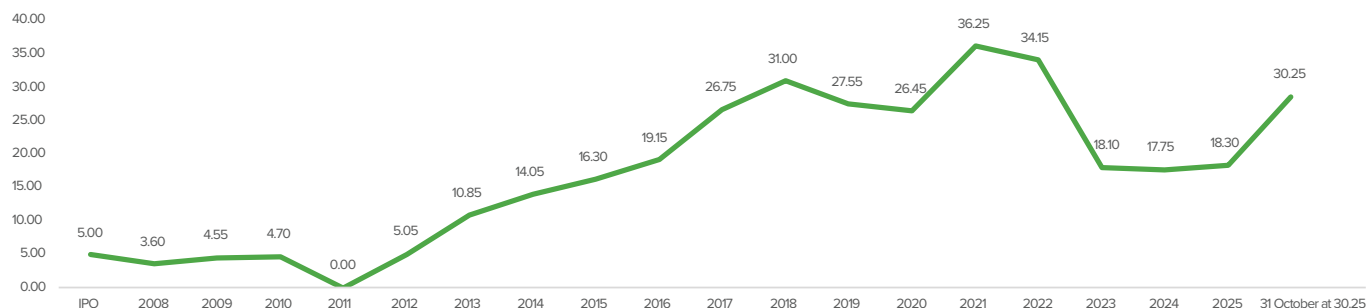
FY2026 Guidance: Safaricom expects Group EBIT to be in the range of KES 144-150 billion, and Group capex to be KES 72-78 billion in FY2026. EBIT for Kenya is expected to be between KES 170-173 billion, while Ethiopia EBIT loss is expected to be between KES 26-23 billion. Capex for Kenya is expected to be between KES 54-57 billion, while CAPEX for Ethiopia is expected to be between KES 18-21 billion.

billion. Safaricom Ethiopia is projected to breakeven at EBITDA level by March 2027 (end of FY27).

8.9 Safaricom capital markets initiatives

8.9.1 Equity capital markets initiatives

Safaricom listed its shares on the NSE in 2008, through a precedent-setting IPO as part of a government privatisation process that resulted in the government of Kenya selling a 25% stake to investors in the IPO. To date, this remains the largest IPO in Kenya and in the broader East African region. Since the listing, Safaricom's stock price has evolved as shown on Figure 14: stock price performance.



The share price growth reflects the company's strong value-creation from growth in customer base, innovation and consistent financial performance. It also reflects the company's consistent dividend track record. For instance, Safaricom paid an interim dividend payment of KES 0.55 per share and proposed a final dividend payment of KES 0.65 per share the year ended 31 March 2025, Safaricom's share price was KES 30.25, with a market capitalisation of KES 1.21 trillion as at close of trading on 31 October 2025.

8.9.2 Debt capital markets initiatives

Safaricom entered the debt capital markets in 2001 by issuing a five year secured Medium Term Note worth KES 4 billion. The issue was fully subscribed and subsequently listed on the Nairobi Securities Exchange. The funds raised were deployed for network expansion, and at the time it represented the largest non governmental bond ever listed on the NSE.

In 2009 Safaricom returned to the debt capital market with a KES 12 billion DMTN Programme, issuing a first tranche of KES 7.5bn in five-year senior unsecured notes that were listed on the NSE.

In 2010, Safaricom issued the second tranche of listed notes under the same DMTN Programme, raising an additional KES 4.5 billion. The proceeds from these issuances were used to upgrade Company's network infrastructure and to expand services including the enhancement of the M-PESA platform.

These issuances played a critical role in supporting the company's growth trajectory, particularly in scaling up its technological capabilities and expanding its customer base.

8.10 Employees

As at 31 March 2025, the Group had 6,777 employees (permanent: 95% and fixed term: 15%). Safaricom saw successes in Diversity Equity and Inclusion (DEI), achieving its targets for the gender and disability dimensions.

The Company has also embarked on enhancing its technology company readiness by developing the employee technology skills. For instance, the entire employee base obtained certification in artificial intelligence and two additional digital courses of relevance to individual employees in FY25.

9 Corporate governance and management

9.1 Structure of the Board

The Constitution of the Company's Board as stipulated by its Articles of Association is eleven Directors. There are currently ten Non-Executive Directors and one Executive Director.

Figure 14: Safaricom's Board of Directors

Name	Age and Nationality	Date of Appointment
Executive Director		
Dr. Peter Ndegwa (CBS) (Group Chief Executive Officer)	57, Kenyan	01 April 2020
Non- Executive Director		
Adil Arshed Khawaja (MGH) (Chairman of the Board)	54, Kenyan	22 December 2022
Mohamed Shameel Aziz Joosub	54, South African	31 August 2017
Raisibe Morathi	56, South African	01 November 2020
Murielle Lorilloux	52, French	23 August 2023
Dr. (Eng.) John Kipngetich Mosonik	67, Kenyan	23 August 2023
Mr. James Ludlow	49, British	28 August 2024
The Cabinet Secretary for the National Treasury and Economic Planning	Corporate Director	10 February 2021
Independent Non- Executive Director		
Mr. Edward Okaro	59, Kenyan	15 January 2025
Ms. Rita Kavashe	60, Kenyan	04 April 2025
Mr. James Wambugu	59, Kenyan	04 April 2025
Company Secretary		
Linda Mesa Wambani	44, Kenyan	01 October 2023
Alternate Directors		
Dilip Pal (Alternate Director to Dr. Peter Ndegwa (CBS) (Group Chief Executive Officer))	59, Indian	01 November 2020
Mr. Lawrence Kibet (EBS) (Alternate Director to the Cabinet Secretary for the National Treasury and Economic Planning)	41, Kenyan	04 April 2025

All Directors and the Company Secretary can be reached through the business address: L.R. No. 209 / 15029 Safaricom House, Waiyaki Way, P.O Box 66827-00800 Nairobi, Kenya.

9.2 Directors' Declaration

As at the date of this Information Memorandum, none of the Directors:

- has been nor is currently, the subject of a filing of a petition for bankruptcy either in their own capacity or as an executive officer of any company;
- has been convicted of fraud or a criminal offence, nor is any Director the subject of current criminal proceedings or any other offence or action either within or outside Kenya; and
- has been the subject of a ruling in a court of competent jurisdiction, that permanently or temporarily prohibits such director from acting as an investment adviser or as a director or employee of a stockbroker, dealer or any financial institution or engaging in any type or business practice or activity in that jurisdiction.

9.3 Qualifications and Experience of Directors and Company Secretary

Adil Arshed Khawaja (MGH) – Chairman

Adil is a highly distinguished Advocate of the High Court of Kenya with over 30 years' work experience in the legal profession ranging from dispute resolution to commercial and real estate. He is recognised as a leading name in the Kenyan legal profession and has been globally recognised in various practice groups as one of the most sought-after lawyers in Kenya. In recognition of his positive contribution to the sustainability of the environment of the country, Adil was recently awarded the Moran of the Order of the Burning Spear (MBS) by the President of the Republic of Kenya.

Adil currently serves as Partner at Dentons Hamilton Harrison & Mathews, the oldest law firm in Kenya, established in 1902 with a reputation as an innovative, experienced, responsive, and highly skilled firm. Adil holds board positions in various companies across various markets. He currently serves on various boards which include Rhino Ark Charitable Trust, Al Futtaim Automotive-CMC Motors Group Limited and Atua Enkop Africa Limited. He previously served as a director of KCB Bank Group from 2012 and was elected the first chairman of KCB Bank Kenya Limited from 2016 until 2020 when his tenure ended. He has also served as a director in the board of Kenya Power and Lighting Company. Outside his professional capacity, Adil is active in the wildlife and environmental conservation space. He has been a member of the Nairobi Arboretum Conservancy Community Forest Association, a trustee of Care for the Wild and an advisor for Friends of Conservation.

He is a former trustee of the Kenya Wildlife Service and a board member of the National Environment Council. His love for the law and environmental conservation led him to be appointed by the Government of Kenya as a member of the Taskforce to inquire into Forest Resource Management and Logging activities in Kenya. An avid enthusiast of four-wheel driving he has combined his love for the thrill with conservation and has been a participant in the Rhino Charge for nearly 20 years and amongst the top fund raisers for the Rhino Ark, where he has been a trustee since 2018.

Dr. Peter Ndegwa (CBS) - Group Chief Executive Officer and Executive Director

Peter joined Safaricom on 1 April 2020 and is the Safaricom Plc Group CEO. He also serves as a member of the Vodacom Group Executive Committee and is the Board Chairman of the Global Partnership for Ethiopia. He is a board-level leader with over 30 years of leadership experience across telecommunications, financial services, and fast-moving consumer goods in Africa and Europe. He has expertise in business transformation, strategy, and finance operations. He holds a Master of Business Administration degree from the London Business School and a Bachelor Arts degree in Economics from the University of Nairobi. He is also a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

In his previous role, Peter was responsible for Diageo PLC operations in 50 countries in Western and Eastern Europe, Russia, the Middle East, and North Africa regions. Previously, he served as CEO in Guinness Nigeria PLC and Guinness Ghana Breweries PLC, transforming the two operations to deliver double-digit growth by investing in people, introducing new brands, and re-organising the businesses. As a CEO in several markets within the Diageo Group, Peter demonstrated the ability to transform businesses and organisations to deliver superior results. With his principle of customer first, he has a real passion for delivering value to customers, investing in talent, and getting things done.

Earlier, he spent eight years at East African Breweries Limited as CFO, Strategy Director, Sales Director, and Board Executive Director helping double the company's value and leading the development of Senator Keg, one of Diageo's most successful innovations. Dr. Ndegwa began his career at PwC, the global consulting firm, where he spent 11 years, honing his expertise in financial strategy and business transformation. His leadership philosophy is deeply rooted in the values instilled during his early years, drawing inspiration from his teachers, parents, and the late Dr. Geoffrey Griffin, founder of Starehe Boys' Centre, his alma mater. These formative experiences shaped his unwavering commitment to excellence, integrity, and purpose-driven leadership.

Under his leadership Safaricom is transitioning from a telecommunications company to a technology company. In 2024 it became the first company to surpass one billion dollars in earnings (EBIT) in the region and has grown to become one of Kenya's biggest brands and strongest supporter of the society. Amongst his key achievements, Dr. Ndegwa led Safaricom PLC in collaboration with other global partners to set up Safaricom Telecommunications Ethiopia PLC which was awarded a license to operate in April 2021.

Beyond business, Peter is the Chairman of the National Steering Committee on Drought Response, leading private-sector efforts to mitigate the crisis. Dr. Ndegwa was awarded the First Class: Chief of the Order of the Burning Spear (C.B.S) in December 2023, in recognition of distinguished and outstanding services rendered to the nation in various capacities and responsibilities, conferred by H.E. The President of Kenya, Dr. William Ruto. In 2024, Dr. Ndegwa was inaugurated as the second Chancellor of Meru University of Science and Technology and later received an Honorary Doctorate in Business Management.

Dilip Pal - Group Chief Financial Officer (CFO) and Alternate Director to the CEO

Dilip joined Safaricom PLC as the Group Chief Financial Officer in November 2020. He is a seasoned finance executive with over 32 years of experience across telecommunications, financial services, fast-moving consumer goods (FMCG), and engineering sectors. His career spans international and multicultural environments, where he has consistently demonstrated a strong track record in building high-performing teams, driving business turnarounds, enhancing performance, and leading simplification and digitisation initiatives.

He holds a master's degree in commerce from Calcutta University and a bachelor's degree in commerce from Goenka College of Commerce. He is a Chartered Accountant from the Institute of Chartered Accountants of India and a Cost Accountant from the Institute of Cost and Works Accountants of India. Prior to joining Safaricom, Dilip served as CFO at DTAC Thailand, a Telenor Group company, where he led financial transformation efforts. Before that, he was CFO at Grameenphone Bangladesh, and held senior finance roles at Vodafone India in Mumbai, eventually rising to the position of EVP Finance.

His earlier career includes leadership roles at Hutchinson Essar, Hindustan Coca-Cola Beverages, and Tata Tinplate. Dilip has also served on the boards of several organizations, including Carousell (Singapore), Tele Assets (Thailand), Accenture Bangladesh (a joint venture between Accenture and Telenor), Indus Towers (a joint venture with Bharti Airtel and Idea), and Vodafone Essar Spacetel Ltd (a Vodafone India subsidiary).

Mohamed Shameel Aziz Joosub

Shameel joined Vodacom / Vodafone in 1994 and currently serves as Chief Executive Officer at Vodacom Group Limited, a position he has held since 2012.

He has extensive telco experience having operated at a senior level in various companies across the group for the last 28 years, including Managing Director at Vodacom South Africa and Chief Executive Officer at Vodafone Spain.

Shameel holds board positions at Vodacom Group Ltd, Safaricom Plc, Vodafone Egypt Telecommunications S.A.E and a number of subsidiary boards across the group. He also sits on the board of Business Leadership South Africa. He was appointed to the Vodafone Group Exco in April 2020, and is responsible for all its African operations.

He holds an Honours degree in Accounting Science from the University of South Africa, an MBA from the University of Southern Queensland and an Advanced Management Program Certificate from Harvard University. He was also awarded an Honorary Doctorate in Management Sciences from the Central University of Technology.

Raisibe Morathi

Raisibe was appointed as the Chief Financial Officer and Executive Director of Vodacom group with effect from 1 November 2020. She joined Vodacom from Nedbank Group where she had been the Group Chief Financial Officer since September 2009. She has a cumulative 30 years' experience in Financial Services and ICT sectors in various large corporates in South Africa, including Nedbank Group, Sanlam Group and the Industrial Development Corporation.

She serves on various Vodacom related Boards and has extensive experience in audit committees, having served both as a member and as the chairperson. Raisibe is a Chartered Accountant (SA) and has also completed an Advanced Management Programme (AMP) with INSEAD (France). She also holds a Higher Diploma in Taxation (Wits University) and is currently pursuing a Masters in Philosophy (Corporate Strategy) from GIBS University of Pretoria.

Murielle Lorilloux

Murielle was appointed as a Non-Executive Director on the Board, with effect from 23rd August 2023. Murielle is currently the Chief Strategy and Commercial Officer of Vodacom Group and a member of the Executive Committee. Prior to this, she worked for Vodafone Group in the United Kingdom as an Executive Business Director for Europe Cluster markets and Vodafone Business International from July 2021 to 31 March 2023. She has previously held the positions of CEO and President of the board of Vodafone Romania (2017-2021) and Managing Director of Vodacom DRC (2014-2017). Prior to this, Murielle held various senior management roles with Orascom Telecom Algeria, Wana Corporate and Capgemini.

Murielle has over 25 years' experience in general management, commercial (Business to Customer (B2C) and Business to Business (B2B)), strategy and consulting experience in telecommunications across African and European markets. She holds a master's degree in Economics (Management and Marketing) from the Paris Nanterre University and a Master's Degree in Business Management and Strategy from the ESCP Business School. She also participated in the MBA exchange programme with the University of Texas at Austin.

Dr. (Eng.) John Kipngetch Mosonik

John was appointed as a Non-executive Director on the board with effect from 23 August 2023. He is an astute technocrat with executive experience in both public and private sector administration spanning 35 years. He has a rich career profile stretching across industries from Engineering practice in the Telecom sector to serving as a Principal Secretary in the State Department for Infrastructure and the Chief Administrative Secretary in the Ministry of Petroleum and Mining.

He holds a Doctoral Degree in Business Administration (DBA) – Strategic Leadership from Northcentral University (USA) and a PhD in Business Administration (Strategic Management) from Moi University, Kenya. He also holds Postgraduate Degrees in Digital Transformation, Strategic Focus, Finance and Business Administration from renowned international universities, and a Bachelor's Degree in Electrical Engineering/ Telecommunication from the University of Nairobi. He is a Fellow of the Institute of Engineers of Kenya (FIEK) and a registered member of the Engineers Board of Kenya (EBK).

James Ludlow

James Ludlow James was appointed as a Non-Executive Director on the board with effect from 28 August 2024. He is currently the Group Reward and Policy Director-Human Resources at Vodafone Group Services Limited and is responsible for the strategic design, planning, management, and communication of the company's short term and long-term incentive reward plans. He also provides remuneration and governance advice to all Vodafone group entities. James Ludlow serves as a non-executive director on the Vodacom Group board and in the Nomination and Remuneration Committees. James Ludlow holds a Bachelor of Science (Hons) in Pure Mathematics from the University of Wales, Swansea and is a member of the Institute of Chartered Accountants, England and Wales ACCA.

Lawrence Kibet (EBS) (Alternate Director to the Cabinet Secretary for the National Treasury and Economic Planning)

Lawrence was appointed as an alternate director to the Cabinet Secretary for the National Treasury and Economic Planning on 4 April 2025.

Lawrence is currently the Director General, Public Investments and Portfolio Management at the National Treasury. He is a seasoned professional with strong and successful experience in General Management, Commercial and Business Strategy, Accounting and Finance Management, Corporate Governance, Capital Raising, Commercial Law Practice, Project Management, and Innovation Management.

He holds two Bachelor's degrees, in Commerce (Finance Option) and Law (LLB); and a Master of Business Administration (MBA) from the University of Nairobi. Lawrence is a Member of the Institute of Certified Public Accountants of Kenya (ICPAK), the Institute of Certified Public Secretaries of Kenya (ICPSK), the Law Society of Kenya (LSK) and the Investor Relations Society (UK).

Mr. Edward Okaro

Edward was appointed as an Independent Non-Executive Director of the Board on 31st January 2025. Edward is an audit professional with over 30 years' experience in financial management, audit and strategic risk management. He previously worked with Ernst & Young for 26 years rising to the position of Director and subsequently Partner in Ernst & Young Africa Risk Services.

Edward holds a Master's degree in Business Administration from the Manchester Business School, and a Bachelor of Commerce degree from the University of Nairobi. He is a Fellow Certified Public Accountant (FCPA) from the Institute of Certified Public Accountants of Kenya (ICPAK) and a Member of the South African Institute of Chartered Accountants (SAICA).

Rita Kavashe

Rita is the Chair of the Board and Managing Director of Isuzu East Africa Ltd (formerly General Motors East Africa, GMEA). Her career in GMEA began in 1995 where she has worked for the last thirty years. Rita became the company's first Kenyan Managing Director in 2011 and successfully transitioned the company to Isuzu East Africa in 2017.

Prior to her current position, Rita held several key roles in Sales and Marketing functions both in Kenya and South Africa and participated in GM sponsored leadership programs including the Harvard Business School Leadership Program.

Rita holds a bachelor's degree in education from Moi University and a master's degree in business administration (MBA) from the University of Nairobi. She is also an Executive Coach certified by the Academy of Executive Coaches (AoEC) UK.

Rita has a record in Public Service having served as Chairperson of the Kenya Roads Board, Member of the Kenya Vision 2030 Delivery Board and on the board of Kenya's Privatization Authority (formerly known as the Privatization Commission of Kenya). She has also held directorships with various business associations such as the Kenya Vehicle Manufacturers Association (KVMA), the Kenya Motor Industry Association (KMIA) and the East African Business Council (EABC). Rita has also served on the boards of Bamburi Cement Plc and the Automobile Association of Kenya.

Rita is currently a member of the Advisory Council of the Kenya Private Sector Alliance (KEPSA) and Advisory Board Member of the Palmhouse Foundation. She also serves as a member of the University of Eldoret Endowment Trust Board of Trustees. Rita is a non-executive director on the board of Safaricom Plc and Chairperson of the board of BAT Kenya Plc, both being listed firms on the Nairobi Securities Exchange.

In 2017, Rita was awarded a state honor, the Moran of the Order of the Burning Spear (MBS) in recognition of her exemplary service to the country as a business leader.

James Wambugu

James was appointed as an Independent Non-Executive Director on the Safaricom Plc Board with effect from 4 April 2025. James holds a master's in business administration (Finance) and a Bachelor of Commerce degree (Accounting) from the University of Nairobi. He holds a Diploma in Risk Management from the Institute of Risk Management (UK) and a Diploma in Advanced Management Program (AMP) from Strathmore University Business School (SBS) Nairobi and IESE Business School (Barcelona, Spain). He is a Certified Public Accountant and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

James is renowned for the development of innovative products within the African region. In 2022 in his capacity as the Chairman of Health Financing Reforms Expert Panel he developed the framework for Universal Health Care (UHC) in Kenya. In 2019 he cofounded-Solvit an innovative insurance product that enables motor vehicle insurance through motor vehicle valuations and claims assessments. Prior to that James was the Group Managing Director, General Insurance UAP Old Mutual Group and has previous worked for PricewaterhouseCoopers in Kenya and the UK.

Linda Mesa Wambani

Linda is a qualified advocate with over 21 years experience. She is a seasoned governance expert and lawyer with experience in telecommunications media and telecoms. Prior to joining Safaricom Plc, Linda worked at Dentons Hamilton Harrison & Mathews as a commercial and litigation lawyer.

Linda is a Certified Public Secretary and holds a Bachelor of Laws Degree from the University of Nairobi, a Master of Business Administration in Strategic Management from the United States International University (USIU) and a Master of Laws Degree in Commercial Law from the University of Nairobi. She is a Notary Public and Commissioner for Oaths. Linda is also a member of the Institute of Certified Public Secretaries of Kenya, the Women on Boards Network and the Law Society of Kenya. In 2022, Linda received a commendation from the Institute of Certified Public Secretaries of Kenya for her significant contribution to the growth and development of the certified public secretaries profession in Kenya.

9.4 Corporate Governance

Safaricom through its Board of Directors is committed to implementing and adhering to good corporate governance and best practice. The Board considers that good governance, achieved through an ethical culture, competitive performance, effective control, and legitimacy, can create sustainable value, and enhance long-term equity performance. The Board applies good governance practices to promote strategic decision making for the organisation to balance short, medium, and long-term outcomes to reconcile interests of its stakeholders and the society to create sustainable shared value. To that end, sound governance practices, based on accountability, transparency, ethical management, and fairness, are entrenched across the business.

9.4.1 The Role and Responsibility of the Board of Directors

The Board is committed to ensuring that a strong governance framework operates throughout the Company, recognising that good corporate governance is a vital component to support management in the delivery of the Company's strategic objectives, and to operate a sustainable business for the benefit of all stakeholders. The Board recognises that the process of identifying, developing, and maintaining high standards of corporate governance suitable for the Company is ongoing and dynamic to reflect changes in the Company and its business, the composition of the Board and developments in corporate governance.

The Board is collectively accountable and responsible for the Company's vision, strategic direction, its values, and governance. The responsibility for implementing strategy and day-to-day operations has been delegated by the Board to the Chief Executive Officer and his Senior Leadership Team.

The Board serves as the focal point and custodian of corporate governance in the Company. The Board is accountable to the Company's shareholders for the performance of the business. The Board is expected to provide effective leadership to the Company towards the following matters:

- sustainable long-term success through the exercise of objective and informed judgement in determining the strategy of the Company;
- having the right team in place to execute the strategy through effective succession planning;
- setting up appropriate governance structures for the management of the business operations;
- monitoring business performance and maintaining an effective framework of controls to mitigate risks facing the business; and
- ensuring ethical behaviour and compliance with the laws and regulations.

The key responsibilities of the Board include:

- providing effective leadership in collaboration with the Executive Management team;
- approving the Company's mission, vision, its business strategy, goals, risk policy plans and objectives;
- approving the Company's business strategy and ensuring the necessary financial and human resources are in place to meet agreed objectives;
- approving the Company's budgets as proposed by the Executive management team;
- establishing the appropriate governance framework;
- reviewing the sufficiency, effectiveness and integrity of the risk management and internal control systems;
- approving the Company's performance objectives and monitoring their achievement;
- reviewing Board succession plans and approving Non- Executive Director appointments;
- reviewing periodic financial and governance reports;
- approving the annual report, company results and public announcements;
- declaring an interim and or recommending a final dividend;
- approving Company Policies and monitoring compliance with the Standards of Business Conduct; and
- ensuring that the relevant audits e.g. financial, governance or legal and compliance are conducted.

9.4.2 Board Appointments

In line with the Company's Articles of Association, two (2) of the Non-Executive Directors are appointed by Government of Kenya and three (3) of the Non-Executive Directors, are appointed by Vodafone Kenya Limited. The Non-Executive Directors, other than those appointed by Government of Kenya and Vodafone Kenya Limited, are subject to retirement by rotation and can seek re-election by shareholders in accordance with the Articles of Association.

As part of its mandate, the Board Nominations Committee (BNC) is responsible for the selection and appointment of board directors. Prior to any appointment, the BNC Committee develops suitable selection criteria for potential candidates, screens and interviews them before they are formally appointed. The BNC Committee is permitted by its terms of reference to engage the services of a qualified external consultant to identify prospective candidates for the role of independent director.

In between AGMs, in the event of any vacancy, the Board may appoint a director to serve until the next AGM. Any such appointment of independent director(s) is brought to the attention of the shareholders through the notice of the AGM, and the director, if they opt to seek re-election, is subjected to an election process by the shareholders, at the next AGM following their appointment.

The Articles of Association also provide that at every AGM, and as may be applicable, at least one-third of the independent directors must retire from the Board and where eligible, stand for re-election.

9.4.3 Non-Executive Directors

The Non-Executive Directors help develop strategy and are responsible for ensuring that the business strategies proposed are fully discussed and critically reviewed. This enables the Directors to promote the success of the Company for the benefit of its shareholders, with consideration of, among other matters, the interests of employees, the fostering of business relationships with customers, suppliers, and other stakeholders. The Non-Executive Directors oversee the operational performance of the business, scrutinise performance of management and the company, bring an external perspective to the Board, monitor reporting of performance and should be available to meet with major stakeholders as appropriate. To perform these tasks, they have access to relevant information, with updates provided on regulatory and other matters affecting the Company.

9.4.4 Independent Directors and independence

In accordance with the POLD Regulations, Edward Okaro, Rita Kavashe and James Wambugu are regarded as independent Non-Executive Directors, while Adil Arshed Khawaja (MGH), Mohamed Shameel Aziz Joosub, Raisibe Morathi, Murielle Lorilloux, Dr. (Eng.) John Kipngetchi Mosonik and James Ludlow are considered Non- Executive Directors, accordingly most of the Board of Directors is made up of Non-Executive Directors.

Safaricom has committed to appoint a fourth independent Non- Executive Director and is in recruitment process.

9.4.5 Directors' shareholding

Directors can purchase or sell shares of the Company in the open market. None of the Directors as at the end of financial year under review held shares in their individual capacity of more than 1% of the Company's total equity.

The breakdown of the Directors' personal shareholding in the company as at 31 March 2025 is as follows:

Figure 15: Directors' shareholding

Name	2025	2024
Dr. Peter Ndegwa (CBS)	8,740,477	6,208,543
Dilip Pal	2,220,207	1,342,105

There was no change in Directors' interests between the end of the Issuer's financial year and the date of publication of this Information Memorandum.

Except for employment contracts with Executive Directors, there are no existing or proposed contracts between any of the Directors and Safaricom.

No options to purchase any securities of Safaricom have been granted to or exercised by a Director of Safaricom within the year preceding the date of this Information Memorandum.

9.4.6 Management of conflicts of interest

The Directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to any director's attention, whether direct or indirect. The statutory duty to avoid situations in which the Directors have or may have interests that conflict with those of the Company has been observed by the Board in the financial year under review. All business transactions with all parties, directors or their related parties are carried out at arm's length.

As per Company policy and practices, should it come to the attention of a director that a matter concerning the Company may result in a conflict of interest, the director is required to declare such conflict of interest, and exclude himself / herself from any discussion or decision over the matter in question.

Directors who are conflicted are excluded from the quorum and vote, in respect of any matters in which they have an interest. Various conflicts of interest on related party transactions were reported by the affected Directors in the year under review.

9.4.7 Board committees

The Board has delegated authority to various Board committees to be able to undertake its mandate effectively and efficiently. During the year under review, the Board had five committees: Audit Committee (BAC), Risk Environmental and Social Governance Committee (BRESGC), Human Resources Committee (BHRC), Innovation and Investments Committee (BIIC) and Nominations Committee (BNC). Each Committee has formal and approved terms of reference that sets out the roles and responsibilities and the procedural rules that apply to the committee. Each Committee periodically reviews its terms of reference to ensure that they are in line with current legislation and best practice. The committees are provided with all necessary resources to enable them to undertake their duties effectively.

Figure 16: Board Committees

Name	Board	BAC	BRESGC	BHRC	BIIC	BNC
Dr. Peter Ndegwa (CBS)	M	M	M	M	M	M
Mr. Adil Arshed Khawaja (MGH)	C					
Mr. Dilip Pal	M					
Mr. Mohamed Shameel Aziz Joosub	M			M	M	M
Ms. Raisibe Morathi	M	M	M		M	
Ms. Murielle Lorilloux	M				M	
Dr. (Eng.) John Kipnetich Mosonik	M			M	C	M
Mr. James Ludlow	M		M	M		
Mr. Lawrence Kibet EBS	M	M	M			
Mr. Edward Okaro	M	C	M			M
Ms. Rita Kavashe	M	M		C		
Mr. James Wambugu	M		C		M	C
Linda Mesa Wambani	CS					

Key: C: Chairman, M: Member, CS: Company Secretary

Audit Committee

The Audit Committee meets at least four times a year to discuss audit matters. To fulfil its oversight responsibility, the committee receives reports from Management, the internal auditor, and external auditors, as appropriate. The role and responsibilities of the Audit Committee include:

- monitoring the integrity of the financial statements, including the review of significant financial reporting judgements;
- providing advice to the Board on whether the Annual Report is fair, balanced, and understandable and the appropriateness of the long-term viability statement;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the external audit;
- reviewing the system of internal financial control and compliance; and
- monitoring the activities and review the effectiveness of the Internal Audit function.

Risk, Environmental, Social and Governance Committee

The Risk, Environmental, Social and Governance Committee meets at least four times a year to discuss risk, environmental, social and governance matters. To fulfil its oversight responsibility, the committee receives reports from Management. The role and responsibilities of the Risk, Environmental, Social and Governance Committee include:

- ensuring that the annual report includes appropriate reporting on risk management, including an explanation of how principal risks have been managed or mitigated;
- evaluating the Company's procedures to safeguard assets, prevent fraud, detect fraud, and bribery incidents;
- reviewing quarterly reports on the Company's anti money laundering programs, systems, and controls;
- assessing the adequacy of cybersecurity and privacy programmes and controls, including investments and budget allocations, to address emerging risks, threats, and vulnerabilities appropriately;
- providing oversight, guidance, and strategic direction on technology and IT governance to ensure that technology/ IT risks are properly managed, and IT systems and processes support the organisation's objectives while mitigating potential risks;
- reviewing reports and updates on cyber security threats landscape, breaches, privacy incidents, and responses to ensure appropriate actions are taken to mitigate against cyber and privacy threats; and
- reviewing and monitoring the effectiveness of the company's resilience and business continuity arrangements and the testing of these from time to time.

Human Resources Committee

The Human Resources Committee meets at least four times a year. The purpose of the Human Resource Committee is to assist the Board:

- review and recommend to the Board for approval, the Company's human resources policies and manuals with respect to various matters including performance management, compensation and benefits, delegation of authority and learning and development and ensure that they comply with the relevant legislations and standards;
- review organisational culture which shall be clearly articulated and in line with the Company's strategies;
- review appropriate staffing policies for the Chief Executive Officer, Senior Management and other employees of the Company;
- oversee the development and implementation of key human resource strategies that ensure employees remain motivated and promote retention of talent;
- ensure that the Company's performance management policy is implemented throughout the Company, and that all staff are included in the system of performance review;
- ensure management continuity through annual review and approval of a succession plan for the CEO and review of the CEO's plans on capacity building for Senior Management;
- ensure that the CEO has put into place and is monitoring succession planning systems and policies for senior management, including processes to identify, develop and retain the talent of key senior managers while maintaining an appropriate balance of skills and experience and to ensure that this is reviewed periodically;
- periodically review and discuss key strategic staffing issues with management as and when necessary;
- review the content and implementation of the action plans resulting from the annual staff survey including any pulse surveys thereof;
- review the recommendations from management on health, retirement and other related employee benefit programmes;
- review, advise, and recommend for the approval of the Board, a remuneration policy and framework for the remuneration of the Non-Executive Directors and CEO of the Company and its subsidiaries;
- review, advise and recommend for the approval of the Board, an overall remuneration policy, performance management policies and rewards structure for Senior Management in the Company and those of the Company's subsidiaries; and
- discuss and agree upon measurable performance goals/ key performance indicators (KPIs) that will be used to assess the CEO for the financial year and ensure that due consultations are held with the relevant stakeholders prior to finalisation of the KPIs and that the Board approves the KPIs.

Nominations Committee

The Nominations Committee meets at least four times a year. The purpose of the Nominations Committee is to assist the Board:

- to review the balance and effectiveness of the Board and remuneration of Directors and senior management as well as the succession planning at Board and senior leadership levels;
- to monitor the size and composition of the Board and its succession plans;
- to recommend individuals for nominations as members of the Board and its committees; and
- to review executive appointments, succession and development plans and proposing the remuneration structures of executive and non-executive members of the Board.

Special Committees

- The Board is authorised by the Company's Articles of Association to form standing or special committees to deal with specific matters. The Board retains oversight authority over such committees. The Board Innovation and Investments Committee ("BIIC") was formed as a standing committee which reviews key projects and investments for the Company.

9.4.8 Board Charter

The Board Charter is critical to Safaricom's governance framework, and offers guidance on matters including but not limited to the following:

- the separation of the roles, functions, responsibilities and powers of the board and its individual members. Powers delegated to the Board Committees;
- matters reserved for final decision-making and approval by the Board;
- policies and practices of the Board on matters of corporate governance, directors' declarations, and conflict of interest, conduct of Board and Board Committee Meetings; and
- nomination, appointment, induction, ongoing training and performance evaluation of the Board and its Committees.

The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the Company.

9.4.9 Board policies

The Board has established policy and procedure documents to guide the Directors and Management in the implementation of their roles and responsibilities. A summary of the governance documents and their key provisions are listed below:

Non-Executive Directors Remuneration policy

The policy sets out guidelines and criteria for the compensation of the Non-Executive Directors. The remuneration to be paid to the NEDs is guided by the findings of a survey conducted by an independent consultant and which is compared against the remuneration of a comparator organisations in the market. The findings of the survey are tabled and discussed in detail by the BNC Committee. To ensure that the Company remunerated its Non-executive Directors at the desired position to pay at least at the 75th percentile of the market.

Whistle blowing policy

Safaricom has a whistle blowing policy that provides for an ethics hotline managed by an independent, accredited, and external institution. Through the hotline, anonymous reports on unethical / fraudulent behaviour can be made without fear of retaliation from the suspected individuals.

Whistle blowing statistics are reported to the Ethics Committee and the Audit Committee on a quarterly basis. Staff members and business partners are also regularly sensitised on the need to report any suspected unethical business practices.

The whistleblowing policy provides a platform for employees, suppliers, dealers, and agents to raise concerns regarding any suspected wrongdoing, and the policy details how such concerns are addressed. The Board ensures that risks arising from any ethical issues are identified and managed in the risk management process. The Whistleblowing policy has been uploaded on the Company's website.

Conflict of interest policy

Directors are obligated to fully disclose to the Board any real or potential conflict of interest which come to their attention, whether direct or indirect. All business transactions with all parties, directors or their related parties are carried out at arm's length.

Operational policies

There are broad operation policies that guide Management in execution of the Company's operations in an efficient and socially responsible manner. The policies cover various operational functions including Human Resource, ICT, Risk Management, Financial Management, Sustainability, Environment, Safety and Health and Corporate Affairs.

Corporate Social Responsibility

Safaricom recognises that Corporate Social Investment (CSI) issues are of increasing importance to its stakeholders and are fundamental to the continued success of the business. Thus, Safaricom has a CSI policy that ensures that they always operate a business in a responsible manner for the benefit of customers, staff, suppliers, and the wider community. Safaricom exercise CSI by partnering with and investing in communities to find sustainable solutions. They also encourage employees to take part in CSI initiatives aimed at improving the standards of living of the communities that they come from. The CSI activities are disclosed every year in the social impact section of this report, sustainability, and foundation reports.

Procurement policies

Safaricom has put in place procurement policies that promote a fair and transparent procurement process, with emphasis on value for many and building mutually beneficial relationships with the suppliers. A Management Tender Committee oversees the award of tenders and there is appropriate risk assurance for procurement activities.

Insider trading policy

As a listed company, Safaricom is obliged under the CM Act to require that the Directors and certain other employees with inside information do not abuse or place themselves under suspicion of abusing insider information that they may have or be thought to have. To this end, the Company has a policy on insider trading under which Directors and staff are made aware not to trade in the Company's shares while in possession of any material insider information that is not available to the public or during a closed period. To ensure compliance with the CM Act, the Company communicates 'open' and 'closed' periods for trading in its shares to its employees and Directors on an annual basis. To the best of the Company's knowledge, there was no insider dealing in the financial year under review.

Stakeholder Relations policy

This Policy outlines a framework that guides Safaricom on its interactions with its different stakeholder groups to address their interests and expectations to drive Safaricom's reputation, cultivate long and healthy relationships built on trust and improve the quality of its engagements.

Data Retention and Disposal Policy

This Policy ensures that data and information required for business use is processed appropriately having regard to the sensitivity and confidentiality of the material. That data and information is retrievable and easily traced within stipulated timelines whenever required, not retained for longer than is required by Safaricom business or Kenyan law, disposed of securely to ensure that copyrights are not breached and to prevent them from unauthorised access, adequately protected, maintained and discarded at the proper time and in a secure manner if no longer needed by Safaricom or of no value.

9.4.10 Board Remuneration

The Company has put in place a remuneration policy which reflects a commitment to the following principles:

- ensuring remuneration policy, and the way it is implemented, drives the behaviours that support our strategy and business objectives;
- maintaining a “pay for performance” approach to remuneration which ensures incentive plans only deliver significant rewards when they are justified by business performance;
- aligning the interests of senior management team with those of shareholders by developing an approach to share ownership that helps to maintain commitment over the long term; and
- offering competitive and fair rates of pay and benefits.

The key objective of BNC Committee is to make sure that the Board comprises of individuals with the necessary skills, knowledge, and experience to ensure that it is effective in discharging its responsibilities and to review the remuneration of directors and senior management as well as the succession planning at board and senior leadership levels.

The Company’s Non-Executive Directors are compensated in the form of fees but are not entitled to any pension, bonus, or long-term incentives such as performance share plans. The package covers a director’s role in the Board, any Board Committee(s) and any other activities as identified in the approved compensation schedule and in line with the Non-Executive Directors’ remuneration policy. Elements of the compensation schedule include the following:

- annual retainer fee for the Chairman and other non-executive directors, which is paid on a quarterly basis;
- sitting allowances for Board and Board Committee meetings; and
- expenses incurred with respect to travel, accommodation, pre-approved consultancy fees or other expenses incurred because of carrying out duties as a Director are reimbursed at cost.

The Company’s policy is to remunerate its Non-executive Directors at the desired position, to pay at least at the 75th percentile of the market. This ensures that the Company is competitive in sourcing and retaining its Directors.

9.4.11 Risk Management

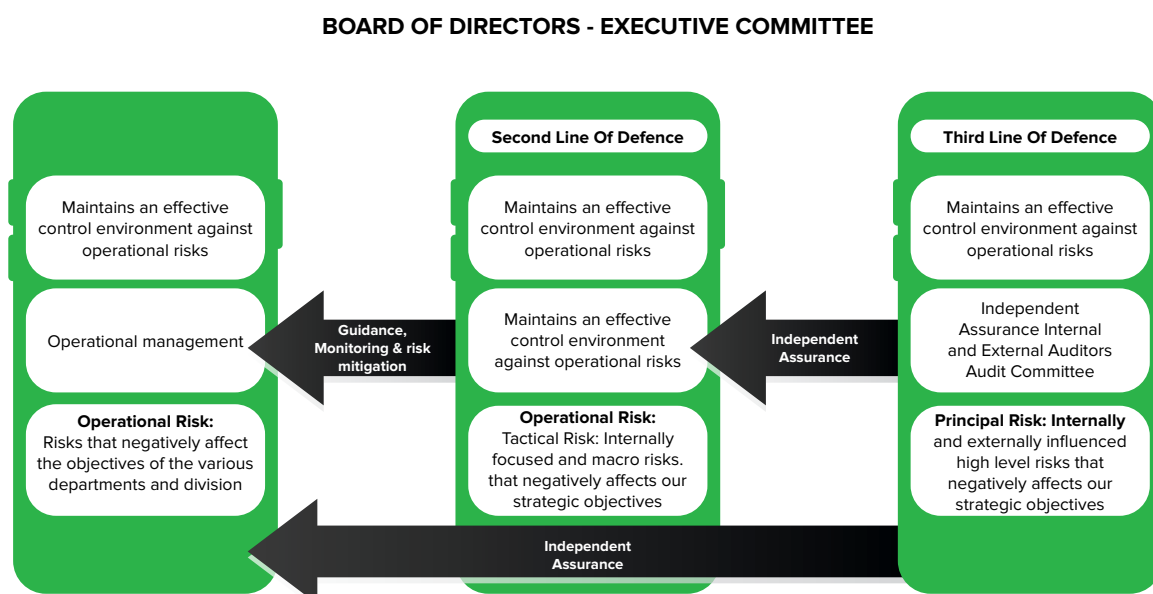
Safaricom remains committed to robust risk management practices as an integral part of sound governance. This is demonstrated by the combination of top-down and bottom-up approach to risk management. This ensures appropriate handling of risks and opportunities across the business while also driving a positive risk culture that promotes risk ownership across the whole organisation.

The risk management framework is aligned to the International Risk Management Standard ISO 31000 (Risk Management – Principles and Guidelines). This opportunity and risk management system is applicable in risk identification, measurement, mitigation and monitoring. It provides the management with a clear line of sight over risk to enable informed decision making and is adopted across all Safaricom subsidiaries and supported by management and robust oversight by the board.

The Company continuously review the risk management framework which provides the foundation and organisational arrangements for identifying, treating, reporting, monitoring, reviewing and continually improving risk management throughout the organisation.

Please see below risk management framework:

Figure 15: Risk management framework

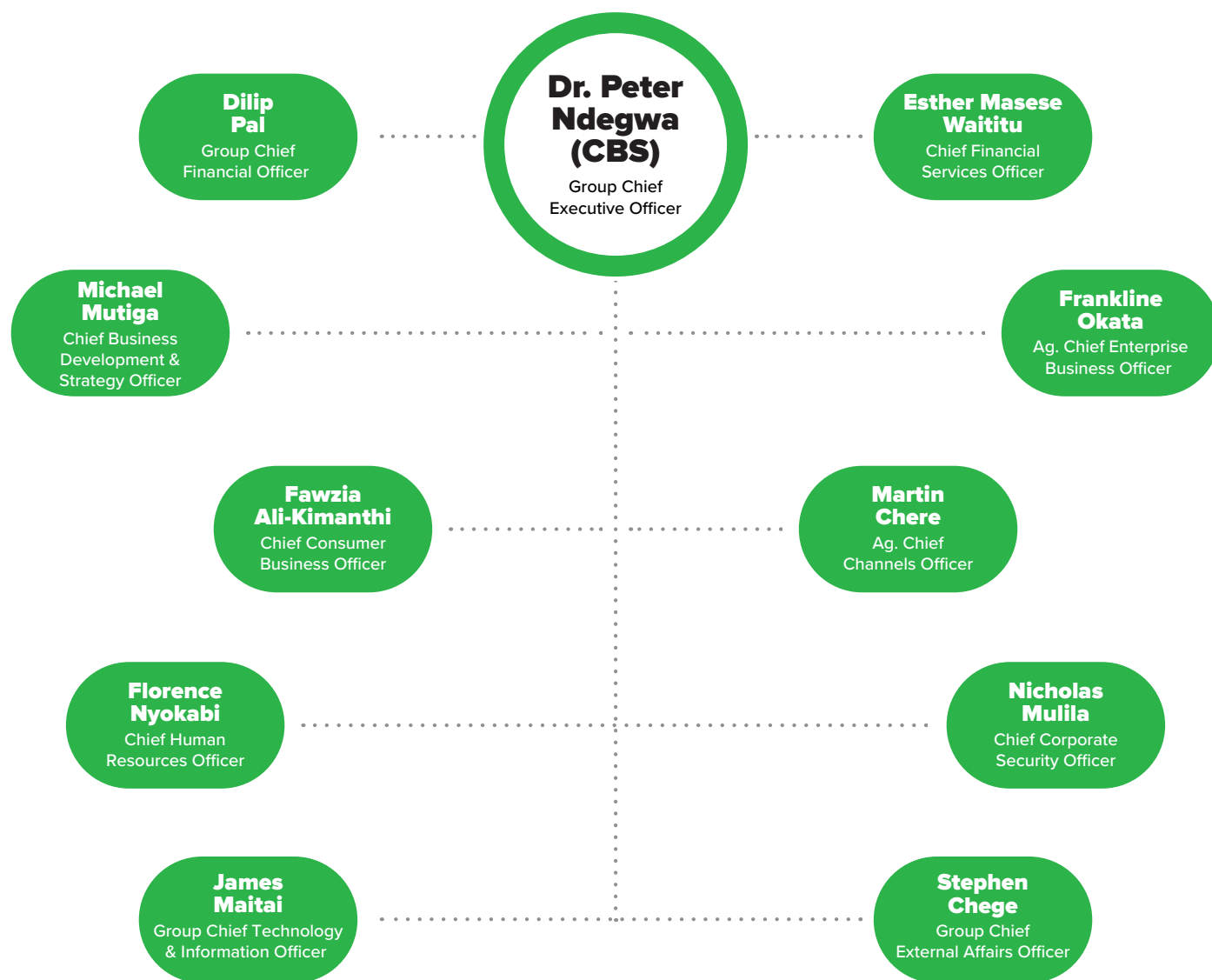


9.4.12 Safaricom Executive Management

Safaricom is led by the Chief Executive Officer who oversees various functions / departments within Safaricom.

Company is organized in the following functions/ departments:

Figure 16: Executive Management



Profile of the Executive Management

Dr. Peter Ndegwa (CBS) Group CEO

See profile on clause 9.3

Dilip Pal - Group Chief Financial Officer and Alternate Director to the CEO

See Profile on clause 9.3

Stephen Chege – Group Chief External Affairs Officer

Stephen has over 20 years' industry experience and is responsible for Safaricom Group's Regulatory, External and Corporate Affairs, Public Policy, Corporate Communication Strategy, Media Relationships, Group Corporate Social Investments, ES & Sustainability and embedding purpose in our operations. His responsibility encompasses Safaricom Group and its subsidiaries, including Safaricom Ethiopia.

He was previously at Vodacom Group where he was responsible for creating an effective and proactive external affairs team at Group and within the Vodacom and Safaricom markets. In particular, he has successfully seen resolution of critical operating licence renewals and tax matters, spectrum acquisitions, positive policy reforms in both mobile money and mobile services as well as elevated the implementation and reporting on ESG. He has also embedded a 360-degree approach to stakeholder engagement, including strategic reorganisation of the Vodacom Foundations, positioning Vodacom as a Purpose led organisation.

Prior to joining Vodacom, Steve served as the Chief Corporate Affairs Officer in Safaricom, where he had a distinguished and successful career guiding Safaricom's position in legal, competition, regulatory and reputation matters, developing industry policy, positioning Safaricom as a purpose-led organisation, and making a significant contribution to the success of the organisation.

An advocate of the High Court of Kenya, Steve holds a Masters in Law (LL.M) in International Trade and Investment Law from the University of Nairobi and a Bachelor of Laws Degree (LL.B) from the same university. He is a Notary Public as well as a Certified Public Secretary.

Fawzia Ali-Kimanthi – Chief Consumer Business Officer

Fawzia is the Chief Consumer Business Officer at Safaricom, a role she has held since March 2023. With over two decades of commercial experience spanning the telecommunications and FMCG sectors, Fawzia is recognised for her visionary leadership, business turnaround expertise, and deep market insight.

She joined Safaricom in 2007 as Senior Manager and has steadily risen through the ranks, holding several key leadership positions including Head of Regional Sales & Operations, Coast, Head of Consumer Planning and Pricing, Head of Consumer Segments, and Head of Digital Products and Services. In 2021, she was appointed the Mobile Data Tribe Lead, where she drove significant growth in data adoption and digital innovation.

Fawzia holds a Bachelor of Science degree from the University of Nairobi and an MBA from Jomo Kenyatta University of Agriculture and Technology. She is a Certified Coach and has completed several executive leadership programs.

Florence Nyokabi - Chief Human Resources Officer

Florence is the Chief Human Resources Officer (CHRO) at Safaricom PLC. A transformative HR leader with over 25 years of experience, she has led people strategies across diverse local and multinational organisations spanning East, West, and Southern Africa.

Prior to Safaricom, Nyokabi served as Managing Director, Human Resources for Standard Chartered Bank in Nigeria and West Africa, covering six markets. She also led the bank's HR function in Kenya and East Africa. Her earlier career spans roles at Kenya Television Network, NCBA Group, and KPMG, where she rose to Director of HR and Administration for Kenya and Eastern Africa.

Nyokabi holds an MBA in Human Resources and a Bachelor of Commerce in Marketing from the University of Nairobi. She is a Certified Executive Coach in Brain-Based Coaching, a Certified Human Resources Professional (C-HRP), and has undertaken executive programs at the University of Oxford and Duke University.

Nicholas Mulila - Chief Corporate Security Officer

Nicholas is the Chief Corporate Security Officer at Safaricom PLC responsible for the Business Risk Management Strategy, Cyber Security Management, Revenue Assurance, AML/CTF Program, General Insurance, Ethics & Compliance and Physical Security.

He joined Safaricom in 2001 as a Senior Management Accountant in the Finance Division and has risen steadily through the ranks to serve the company in various capacities including Principal Business Planning & Forecasting Accountant, Head of Corporate Strategy, Head of Commercial Planning & Pricing, Executive Business Analyst, Director Risk Management and is currently Chief Corporate Security Officer.

Mr Mulila has over 25 years' experience in Strategy Formulation and Execution, Financial Management, Business Analysis, Risk Management and Corporate Governance. Prior to joining Safaricom, Nicholas had worked for General Motors -EA (currently Isuzu EA Limited) and Eastern Produce (K) Ltd., where he held various positions in Finance.

Mr. Mulila holds a Master of Business Administration Degree in Strategy and a Bachelor of Commerce Degree (Accounting Option) from the University of Nairobi. He is a Professional Accountant and Company Secretary, a member of the Institute of Certified Public Accountants of Kenya (ICPAK) as well as the Institute of Certified Secretaries of Kenya (ICSK), and a member of the Institute of Directors (Kenya).

James Maitai- Group Chief Technology and Information Officer

James is the Group Chief Technology and Information Officer (CTIO) at Safaricom PLC, a role he has held since October 2024. In this capacity, he oversees the end-to-end performance of Safaricom's entire network and IT systems across all markets, ensuring they meet global standards while shaping and driving the company's group-wide technology strategy.

A seasoned technology executive with deep technical expertise and strong commercial acumen, James brings over 23 years of experience in the sector. He is widely recognized for his pragmatic, hands-on leadership style and a solution-oriented approach that balances innovation with operational efficiency.

Prior to his current role, James served as CTIO at Safaricom Ethiopia, where he led the successful rollout of a nationwide technology stack, scaling the network to more than 3,000 sites. He was instrumental in launching the M-PESA ecosystem, implementing next-generation digital infrastructure and core networks, and achieving over 30% savings in technology operating costs through strategic cost management.

James previously spent 16 years at Safaricom PLC in Kenya, holding several senior leadership positions including Director – Network, where he provided comprehensive oversight of Safaricom’s technology planning, deployment, and operational performance.

He holds a Bachelor of Science in Electrical and Electronics Engineering from the University of Nairobi and an MBA from Jomo Kenyatta University of Agriculture and Technology (JKUAT). In addition to several industry certifications, James is a certified coach and has completed executive leadership programs at Strathmore Business School, Lagos Business School, and IESE Business School in Spain.

Michael Mutiga - Chief Business Development and Strategy Officer

Michael is the Chief Business Development and Strategy Officer at Safaricom PLC, a position he has held since May 2022. In this role, he leads Safaricom’s strategy, business development and transformation agenda and is responsible for Strategy formulation and implementation, Strategic Business partnering, Transaction and Execution, New Ventures, funding strategy and asset optimization.

Michael has over 20 years’ experience in Corporate and Investment Banking and joined Safaricom from Citibank where he was a Managing Director and Head of Corporate Finance for Sub-Saharan Africa from 2019. Prior to this role, he was head of Corporate and Investment Banking for Citibank Kenya and was appointed a Senior Credit Officer in 2018. Michael was with Citibank for 15 years and has held various senior local and regional leadership roles.

Prior to joining Citibank, Michael worked in Barclays/Absa Capital, where he grew from a Management Associate to the Regional Coverage Head – East Africa, Investment Banking Division Africa, a role he held until he joined Citibank in 2006. Mr Mutiga holds a Bachelor of Law Degree from the University of Nairobi, and Masters in Law degree from Temple University. He is an Advocate and a Certified Public Secretary and sits on the Board of Endeavour Kenya.

Esther Masese Waititu - Chief Financial Services Officer

Esther joined Safaricom PLC in February 2023 as the Chief Financial Services Officer, where she leads the company’s Financial Services Business. In this role, she is responsible for driving innovation and championing financial inclusion and wellness for individuals and enterprises.

Esther has over 25 years of experience in the financial services industry, with extensive experience in corporate banking, product innovation, and strategic leadership across diverse markets. Her career spans leading institutions across diverse markets including Commercial Bank of Africa, Standard Chartered Bank, Stanbic Bank, and KCB Group, where she served as Director of Corporate Banking prior to joining Safaricom.

She holds a Bachelor of Business Administration from the University of Eastern Africa, Baraton, and an MBA from the University of Liverpool.

Martin Chere – Acting Chief Channels Officer

Martin is the acting Chief Channels Officer at Safaricom PLC, where he leads the company’s channels strategy, driving sales, service excellence, distribution, and the digitisation of customer care. In addition to this role, he also serves as the commercial operations lead, where he oversees channel business development, partner and franchise management, retail operations, and capability building to drive channel effectiveness.

He previously served as the regional business lead for Nairobi Metropolitan, where he was charged with delivering commercial growth across consumer, fintech, fixed, and digital services in Kenya’s most competitive market.

Martin joined Safaricom in 2022 from Airtel Kenya, where he was the director of sales and distribution. He has also held senior commercial roles at S.C. Johnson, Standard Group, and Coca-Cola Beverages Africa, where he began his career in 2003.

He holds a Bachelor of Commerce degree in Marketing from KCA University and a Diploma in Information Technology from Jomo Kenyatta University of Agriculture and Technology (JKUAT).

Frankline Okata – Acting Chief Enterprise Business Officer

Frankline is the Acting Chief Enterprise Business Officer at Safaricom PLC, a role he took up in July, 2025. In this role, he is responsible for accelerating digital transformation for businesses across micro, small, medium and large enterprise segments, enabling them to operate efficiently, always stay connected, unlock growth opportunities and thrive in today’s digital world.

As an experienced B2B sales and business development leader in the telecommunications industry, Frankline is skilled in direct and indirect sales, payments, corporate portfolio management, SME business growth, business process improvement, product development, customer experience, and performance management.

Frankline joined Safaricom in 2006 as a Customer Care Representative where he held several roles before moving to the Enterprise Business Unit in 2011 where he has served in various capacities.

Frankline is also the head of packaged solutions where he is responsible for curating and packaging digital solutions relevant to small and micro businesses, and building alternative channels (digital, retail, and indirect) of delivery to the two segments. He is also responsible for building and growing the Safaricom Business Hub.

Frankline holds a Bachelor of Education Degree from Kenyatta University.

Management experience

As at the date of this Information Memorandum and for at least one year prior to the listing of securities, the Issuer had suitable senior management with relevant and sufficient experience, none of whom have been convicted of any serious offence that may be considered inappropriate for the management of a listed company.

10 Statutory and General Information

10.1 Authorisation

Safaricom has obtained all necessary consents, approvals and authorisations in connection with the issue of the Notes, including but not limited to a circular resolution of the Board of Directors dated 7 November 2025.

10.2 Incorporation

Incorporation	Safaricom was incorporated in Kenya under the Companies Act as a private company under the name Safaricom Limited on 3 April 1997, under registration number C.8/2002. Safaricom was converted to a public (non-private) company on 16 May 2002. Safaricom changed its name to Safaricom PLC on 31 January 2018
Registered Office	L.R No. 209/13263, Westlands P.O.Box 46350 G.P.O Nairobi, Kenya
Principal Objects	The principal activities of the Group are provision of telecommunication services, providing a comprehensive range of integrated telecommunication services including voice and data (both mobile and fixed), SMS, internet and M-PESA.

10.3 Administration

Figure 18: Safaricom's administration details

Name	Address
Legal Advisers	Coulson Harney LLP (trading as Bowmans Kenya) 5th Floor, ICEA Lion Centre, West wing Riverside Park, Chiromo Road Nairobi P.O. Box 10643 00100 Nairobi, GPO
Auditor	Ernst & Young LLP Kenya Re Towers, Off Ragati Road P.O. Box 44286 Nairobi 00100

10.4 Share Capital and Net Assets

As at the date of this Information Memorandum, Safaricom's issued and fully paid-up share capital and net assets exceeded the statutory eligibility limit of Kenya Shillings fifty million (KES 50,000,000) and Kenya Shillings one hundred million (KES 100,000,000), respectively.

	2025	2024	2023	2022	2021
KES' million					
Authorised					
At 1 April (119,999,999,600 ordinary shares with a par value of KES 0.05 per share)	6,000	6,000	6,000	6,000	6,000
At 31 March (119,999,999,600 ordinary shares with a par value of KES 0.05 per share)	6,000	6,000	6,000	6,000	6,000
Issued and fully paid					
At 1 April (40,065,428,000 ordinary shares with a par value of KES 0.05 per share)	2,003.27	2,003.27	2,003.27	2,003.27	2,003.27
Issued during the year	-	-	-	-	-
At 31 March (40,065,428,000 ordinary shares with a par value of KES 0.05 per share)	2,003.27	2,003.27	2,003.27	2,003.27	2,003.27
Net Assets of Safaricom	224,021.1	335,747.9	263,365.9	179,700.9	137,635.3

Source: Reporting Accountant's Report, 2025

As at the date of this Information Memorandum, and save as disclosed herein:

- save for the five (5) non-redeemable preference shares of Kenya Shillings four (4) each there were no different classes of shares outstanding and all shareholders have equal voting rights;
- the Company has not made any commitments to issue any of its unissued shares to any person, nor does any person have preferential subscription rights to the unissued shares;
- there are no material founders or management shares in the capital of Safaricom;
- there is no un-issued share or loan capital of Safaricom that is under option or agreed conditionally or unconditionally to be put under option; and
- there is no share or loan capital of Safaricom that has been issued, or agreed to be issued, within the two years preceding the date of this Information Memorandum, or is now proposed to be issued, fully or partly paid, for a consideration other than cash.

10.5 Working Capital

As at the date of this Information Memorandum, in the opinion of the Directors, the Group has sufficient working capital for its present requirements.

10.6 Approvals

Capital Markets Authority

A copy of this Information Memorandum has been delivered to the CMA, and approval has granted to offer the Notes for subscription and sale in Kenya.

Listing of the Notes of the Nairobi Securities Exchange

Safaricom has obtained authorisation of the NSE for all or a portion of the Notes to be admitted to the FISMS of the NSE, as indicated in the relevant Pricing Supplement.

Dematerialized Security

An application will be made for listed Notes to be prescribed as a dematerialized security by the CDSC under section 24 of the CD Act.

10.7 Allotment

The allotment of the Notes shall be determined by Safaricom and the Joint Lead Arrangers.

Safaricom reserves the right to decline any application in whole or in part and, in the event of oversubscription, and in consultation with the Joint Lead Arrangers and Placing Agents, to make the allotment as it deems fit in accordance with the applicable Pricing Supplement (including exercising any green-shoe option that may be specified in the applicable Pricing Supplement). All applicants will be notified by the prescribed method of communication of their allotment and/or non-acceptance by no later than the allotment and the notification date specified in the applicable Pricing Supplement.

10.8 Significant or Material Changes

Save as disclosed in this Information Memorandum, there has been no material change in the business of the Group over the last 3 years.

10.9 Material Litigation

Due to the nature and scope of the Group's operations, the companies in the Group are parties to various legal proceedings that arise in the normal course of their business. Safaricom has retained professional advisors to handle all litigation matters working under the instruction of Safaricom's legal department, which in turn updates and advises Safaricom's management and the Board of Directors on the conduct of these matters on a regular basis. In the opinion of the Directors, the outcome of such proceedings are not expected to give rise to material liabilities for the Group when considered in the context of the Programme. As at 31 March 2025, the Group has made adequate provisions in its financial statements in respect of certain material litigation involving various members of the Group.

10.10 Contingent Liabilities and Material Commitments

The Group is subjected to regular compliance audits by the Kenya Revenue Authority, mainly around direct and indirect tax, capital allowances, withholding taxes and transfer pricing. Disputes may arise with tax authorities over the interpretation or application of certain tax rules to the Group's business. To address and manage this tax environment uncertainty, good governance is fundamental to the Group's business sustainability. The Group employs multiple approaches in tax self-assessment in order to arrive at the final Group's tax position. This includes internal reviews and periodic consulting with external tax experts in addition to periodic reviews by the Group's external auditors. Tax decisions are always subject to review by management and are periodically reported to the Board of Directors.

Based on their own judgement and professional advice received from legal, tax and other advisors, the Directors believe that the

outcome of such proceedings are not expected to give rise to material liabilities for the Group when considered in the context of the Programme. For most of these tax matters, the likelihood that the Group will suffer significant charges or payments is remote. However, in a few matters, the Directors consider it possible but not probable that such charges will be incurred. The Group has considered all tax matters, including ongoing tax audits by the Kenyan Revenue Authority within the knowledge of management and has accounted for them appropriately.

The Group continues to vigorously defend its position. The Directors continue to monitor the developments of these tax matters and to the extent that those developments may have a major impact on its financial position or may significantly affect its ability to meet its commitments, the Group shall disclose those developments in line with its disclosure obligations under the CMA Act and the regulations promulgated thereunder, and the rules of the NSE.

- as at 31 March 2025, and save as disclosed in this Information Memorandum, Safaricom had no off-balance sheet financing arrangements;
- save for the parental guarantees issued by the Group to Safaricom Telecommunication Ethiopia PLC vendors (Huawei and Nokia) for the supply of rollout equipment in Ethiopia on credit terms of up to 24 months from the date of equipment receipt, which as at 31 March 2025 was recognised as KES 614.5 million, there are no guarantees outstanding; and
- no material commitments, save for the capital commitments disclosed under Note 35 in the Reporting Accountant's Report.

10.11 Related Party Transactions

Vodafone Kenya Limited, incorporated in Kenya, whose ultimate parent is Vodafone Group Plc, incorporated in the United Kingdom is the largest single shareholder of Safaricom. There are other companies in the Vodafone Group that are related to Safaricom through common shareholdings or common directorships.

In addition, the Government of Kenya is a significant shareholder of Safaricom, holding a 35% equity interest. There are other government related entities that are related to Safaricom through common shareholdings or common directorships.

The transactions and balances with related parties are disclosed under Note 32 in the Reporting Accountants Report.

Figure 20: Safaricom Intercompany Transactions

	2025	2024	2023	2022	2021
Group	KES' million				
Sale of Goods and Services to related parties	1,787.2	2,037.9	108,287.0	98,551.1	74,920.8
Purchase of goods and services from related parties	7,073.0	11,116.0	8,308.5	8,083.1	4,428.3

Source: Reporting Accountant's Report, 2025

Details of the Sale of Goods and Services to related parties are disclosed under Note 32 (i) in the Reporting Accountants Report. Details of the Purchase of goods and services from related parties are disclosed under Note 32 (ii) in the Reporting Accountants Report.

Intercompany Finance

The Group has the following outstanding related party loans:

Figure 21: Intercompany Finance

	2025	2024	2023	2022	2021
Group	KES' million				
Loans receivable from M-PESA Africa Limited	-	2,661.3	1,588.4	1,285.0	1,287.8
Loan receivable from Digifarm Kenya Limited	396.2	485.4	565.5	666.1	236.2
Shareholder loan*	404.0	-	-	-	-

Source: Reporting Accountant's Report, 2025

* The shareholder loan represents the non-controlling interest portion of the financing provided to Global Partnership for Ethiopia B.V. by its shareholders.

Details of the loans to related companies and shareholder loan are included under Note 32(x) in the Reporting Accountants Report.

Balances with Related Parties

Figure 22: Safaricom's Outstanding Balances with Related Parties

	2025	2024	2023	2022	2021
Group	KES' million				
Outstanding receivable balances arising from sale of goods/services	248.6	307.9	1,599.3	1,801.2	2,475.4
Outstanding payable balances arising from purchases of goods/services	4,044.1	3,145.5	2,304.7	1,678.5	884.2

Source: Reporting Accountant's Report, 2025

Outstanding receivable balances arising from sale of goods/services are disclosed under Note 32 (viii) in the Reporting Accountants Report.

Outstanding payable balances arising from purchases of goods/services are disclosed under Note 32 (ix) in the Reporting Accountants Report.

Directors Remuneration and Key Management Compensation

Figure 23: Safaricom's Compensation to Directors and Key Management

KES' million	2025	2024	2023	2022	2021
Directors' remuneration	511.4	463.9	534.0	471.5	469.7
Key Management compensation	1,142.8	1,066.4	774.2	729.5	958.7

Source: Reporting Accountant's Report, 2025

Details of directors' remuneration and key management compensation are included in Notes 32 (iii) and 32 (iv) respectively in the Reporting Accountants Report.

Loans to Directors

As at 31 March 2025, there were no loans to Directors.

10.12 Material Contracts

There are no material contracts that have been entered into by the Group that are outside the ordinary course of the Group's business.

10.13 Conflicts of Interest

At the date of this Information Memorandum, there are no potential conflicts of interest between any duties to Safaricom of the members of its administrative, management or supervisory bodies, any of the experts named in this Information Memorandum and their private interests or other duties.

None of the experts named in the Information Memorandum owns an amount of shares in the Issuer or its subsidiaries which is material to that person. However, it cannot generally be ruled out that such persons have interests at the time of the offer or issue of Notes; whether this is the case will depend upon the facts at the time of the offer or issue. A description of any potential conflicting interests that are of importance to an offer or issue of Notes will be included in the applicable Pricing Supplement, specifying the persons involved and the types of interests.

10.14 Debt of Issuer

As at 31 March 2025, the Group's total long-term and short-term borrowings (inclusive of overdraft) amounted to KES 107.430 billion. Details of the borrowings are included under Note 16 in the Reporting Accountants Report. The Company's total long-term and short-term borrowings amounted to KES 79.5 billion with an average cost of funds of 16.3%. These borrowings included:

- Short term borrowings in form of bank overdrafts from Kenyan local banks amounting to KES 39.5B with an average annual interest rate of 14.1%. These overdraft facilities are priced based on the prevailing 91- day T-bill rates plus a margin ranging from 0.4bps – 1.2Bps. The breakdown of these facilities per bank is as follows: Standard chartered bank – KES 8 billion, NCBA bank - KES 9.5 billion, Stanbic Bank - KES 9 billion, Equity Bank – KES 5 billion, Co-operative Bank - KES 3.8Billion, KCB Bank – KES 3 billion and Sidian Bank - KES 1.2billion.
- The long-term borrowings of KES 39.96B at an average rate of 18.3% included a KES 30B Sustainability linked loan and a KES 9.96B loan that was used for the acquisition of Ethiopia operating license in the financial year ending in March 2022. Our long-term facilities are priced based on the prevailing 364 – day T-bill rate plus a margin ranging from 2.0% to 3.1%.

10.15 Expenses for the Programme

The indicative expenses for the Issue are as set out in the expenses schedule below and will be borne by Safaricom.

Figure 24: Professional Fees and Related Costs

	KES
Transaction fees**	41,000,000
Note Trustee	1,025,000
Registrar and Fiscal Agent Fees	5,122,000
NSE Listing fees	1,000,000
CMA Approval fees	30,000,000
Total	78,147,000

***Transaction Fees include various advisors involved in the transaction (Joint Lead Arrangers, Legal Counsel, Reporting Accountant, Receiving Bank)
Excludes reimbursables, taxes and any transfer fees*

CDSC Fees:

CDSC File Upload:

0.002% of the bond turnover

Annual CDSC Levy:

Fee of KES 90 per transaction payable quarterly in arrears subject to a Minimum of KES 50,000 and Maximum KES 1,000,000, per year.

10.16 Auditors

As at the date of this Information Memorandum, the auditors of Safaricom are Ernst & Young LLP, Certified Public Accountants located at the Kenya Re Towers, off Ragati Road, P.O. Box 44286-00100, Nairobi, Kenya.

The auditors have audited Safaricom's annual accounts for the years ended 31 March 2021 to 31 March 2025 in accordance with International Auditing Standards and have not resigned or been removed.

The last audited accounts and financial statements were in respect of the 12-month period ended 31 March 2025.

10.17 Consents

PricewaterhouseCoopers LLP, Certified Public Accountant Firm, acting as Reporting Accountant in respect of the Programme, has given and had not withdrawn its consent to the issue of this Information Memorandum with the inclusion in it of its reports in the form and context in which they are included.

The firm of Coulson Harney LLP (trading as Bowmans Kenya), as transaction Legal Counsel in respect of the Programme, has given and not withdrawn its written consent to the issue of this Information Memorandum with the inclusion in it of their legal opinion in the form and context in which it is included.

10.18 Borrowing Power

Under Article 104 of Safaricom's Articles of Association, the Board of Directors may exercise all the powers to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present or future) and uncalled capital of Safaricom and to issue debentures, debenture stock and other securities.

As at the date of this Information Memorandum and for a period of three (3) years prior to its publication, the borrowing powers of Safaricom as exercised by its Directors had not been exceeded.

The borrowing powers may be varied by a special resolution of the shareholders of Safaricom.

10.19 Documents Available for Inspection

As long as any Note remains outstanding, copies of the following documents will, when published, be available for inspection at (i) the offices of the Issuer in Nairobi, Kenya and the Specified Office of the Fiscal and Calculation Agent and Registrar (ii) the electronic channels referred to in section 6 (Application Procedure) of this Information Memorandum:

1. the Memorandum and Articles of Association of Safaricom;
2. the audited consolidated financial statement of the Group for the two financial years ended, 31 March 2024 and 31 March 2025;
3. resolution of the Board of Directors approving the Issue;
4. the Reporting Accountant's report as reproduced in this Information Memorandum;
5. a copy of the legal opinion of Transaction Legal Counsel;
6. a copy of the Agency Agreement between the Issuer, the Fiscal and Calculation Agent, the Registrar and the Settlement Bank;
7. a copy of the Trust Deed between the Issuer and the Note Trustee;
8. a copy of the Placing Agreement between the Placing Agents and the Issuer;
9. a copy of this Information Memorandum;
10. a copy of the approval of the CMA in respect of the Issue;
11. a copy of the authorisation of the NSE in respect of the listing of Notes on FISMS;
12. a copy of the communication from the CDSC prescribing the Notes as dematerialised securities;
13. a copy of the financial statements for the half year ended 31 September 2025
14. a copy of the Sustainable Finance Framework
15. a copy of the Second Party Opinion



APPENDIX A – LEGAL OPINION



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Your Reference: TBA
Date: 21 November 2025

Safaricom PLC
Safaricom House
Waiyaki Way
P.O. Box 66827 - 00800
Nairobi, Kenya

For the attention of **Adil Arshed Khawaja (MGH)**

Dear Sirs

Legal opinion issued pursuant to regulation 19(1)(b) of the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023, in respect of the offer of unsecured notes of up to Kenya Shillings forty billion (KES 40,000,000,000) by Safaricom PLC (the Notes)

1. BACKGROUND

- 1.1 We are the legal advisers to Safaricom PLC (the **Issuer**) in connection with the offer to the public by the Issuer of unsecured notes of up to Kenya Shillings forty billion (KES 40,000,000,000) (the **MTN Programme**).
- 1.2 The Issuer is a leading technology company in East Africa with operations in Kenya and Ethiopia. Information on the Issuer and its material subsidiaries (where the context so requires the Issuer and its material subsidiaries shall be referred to in this opinion as the **Group**) is contained in the information memorandum dated 21 November 2025 (the **Information Memorandum**), which has been prepared for the purpose of the offer of the Notes to the public in Kenya.
- 1.3 The terms and conditions of the Notes are contained in the Information Memorandum.
- 1.4 The Information Memorandum includes particulars given in compliance with the requirements of, the Capital Markets Act (Chapter 485A of the Laws of Kenya) (the **Capital Markets Act**), as well as the applicable regulations made thereunder, including, in particular, the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2023 (the **Public Offers, Listing and Disclosure Regulations**).
- 1.5 Unless otherwise defined herein, the definitions and interpretation applied in the Information Memorandum have the same meaning where used in this opinion.

2. APPLICABLE LAWS AND DOCUMENTS

- 2.1 In arriving at the opinions expressed below, we have examined and relied on:
 - 2.1.1 the Capital Markets Act;
 - 2.1.2 the Public Offers, Listing and Disclosure Regulations;
 - 2.1.3 the Nairobi Securities Exchange Listing Rules (the **Listing Rules**);
 - 2.1.4 the Central Depositories Act (Chapter 485C of the Laws of Kenya) (the **Central Depository Act**);
 - 2.1.5 the Information Memorandum;
 - 2.1.6 the placing agreement dated 21 November 2025 between the Issuer, Stanbic Bank Kenya Limited, Standard Chartered Bank Kenya Limited, SBG Securities Limited and Dyer and Blair Investment Bank Limited (the **Placing Agreement**);
 - 2.1.7 the agency agreement dated 21 November 2025 between the Issuer, Image Registrars Limited, Stanbic Bank Kenya Limited, and MTC Trust and Corporate Services Limited (the **Agency Agreement**);
 - 2.1.8 the trust deed dated 21 November 2025 between the Issuer and MTC Trust and Corporate Services Limited (the **Trust Deed**, and together with the Placing Agreement, and the Agency Agreement, the **Programme Agreements**);
 - 2.1.9 the initial public announcement dated 20 November 2025 notifying noteholders of the MTN Programme;
 - 2.1.10 the final proof of the pricing supplement for the issuance of the first Tranche of Notes (the **Pricing Supplement**);

Partners RT St A Harney | JSP Coulson | JW Karanja | JN Sykei | AG Njage | CK Kigera | PV Shah | TA Mwango | AN Mathini | J Mbuti | DO Indokhomi | VS Shah | CL Kuyo | AA Tharani | A Oduor | CN Banja | WM Gituro | D Mwathe | SN Kiriba | E Baru | D Opijah | KO Evans | A Deya | SM Githanda |
Directors R Field | A Issaia

KENYA MAURITIUS NAMIBIA SOUTH AFRICA TANZANIA ZAMBIA
ALLIANCE FIRMS: ETHIOPIA | NIGERIA



- 2.1.11 the final proof of the public announcement for the launch of the MTN Programme and issuance of the first Tranche of the Notes (the **Public Announcement**);
- 2.1.12 a copy of the Certificate of Incorporation dated 3 April 1997;
- 2.1.13 a copy of the Certificate of Change of Name dated 31 January 2018;
- 2.1.14 a copy of the Memorandum and Articles of Association of the Issuer (certified as a true and up-to-date copy);
- 2.1.15 a copy (certified as a true copy) of the circular written resolution of the Issuer's Board of Directors dated 7 November 2025, approving *inter alia* (i) the issuance of the Notes, (ii) the execution and delivery of the Programme Agreements and any other documents as may be contemplated or required under, or associated with, or related to the Programme Agreements, and (iii) the performance of all such other acts for and on behalf of the Issuer, as are required for the purposes of the issuance of the Notes; and
- 2.1.16 a copy of the approval issued by the Capital Markets Authority (the **Authority**) dated 7 November 2025, in connection with the MTN Programme and the Information Memorandum;
- 2.1.17 a copy of the certificate of no objection dated 12 November 2025 from the Communications Authority of Kenya (the **CA**), confirming that it has no objection for the issuer to establish the MTN Programme;
- 2.1.18 a copy of the certificate of no objection dated 19 November 2025 from the Central Bank of Kenya (the **CBK**), confirming that it has no objection for the issuer to establish the MTN Programme; and
- 2.1.19 such other documents and records as we have considered necessary or appropriate for the purpose of this opinion and we have undertaken such further inquiries as we consider necessary for purposes of issuing this opinion.

3. ASSUMPTIONS

- 3.1 We have assumed:
 - 3.1.1 that all the information supplied to us by the Issuer is true, accurate and up to date;
 - 3.1.2 that documents submitted as originals are authentic and documents submitted as copies conform with the corresponding original documents and that such corresponding original documents are authentic;
 - 3.1.3 that all the documents are within the capacity of, and have been validly authorised, executed and delivered by each party;
 - 3.1.4 that the signatures and stamps of each relevant party on all documents are genuine and authentic;
 - 3.1.5 that the certified circular written resolution of the board of directors of the Issuer as examined by us, was duly passed at a properly convened meeting of the duly appointed board of directors of the Issuer. The correct procedure was carried out at the board meeting. For example, there was valid quorum and all relevant interests of directors were declared;
 - 3.1.6 that all information contained in the Information Memorandum and all the information in respect of the Group, supplied to us by the Issuer, its officers and advisers is true, accurate and is up to date as of the date hereof;
 - 3.1.7 that each of the parties to the Programme Agreements (other than the Issuer) has neither taken any corporate action, nor have any steps been initiated against it for bankruptcy, administration, liquidation, dissolution or company reorganisation, or for the appointment of a liquidator, receiver or similar officer;
 - 3.1.8 that all directors of the Issuer are duly appointed;
 - 3.1.9 that any resolutions referred to in this Opinion have not been amended or rescinded and are in full force and effect;
 - 3.1.10 that the directors of the parties to the Programme Agreements acted in good faith and the Programme Agreements are entered into in the best interests of the parties thereto;
 - 3.1.11 that each of the parties to the Programme Agreements (other than the Issuer) has the capacity, power and authority to enter into, execute and deliver the Programme Agreements to which they are a party;
 - 3.1.12 that there is no other fact, matter or document which would, or might, affect this opinion and which was not revealed by examining the documents provided to us by the Issuer, and the searches and enquiries we made;
 - 3.1.13 that there are no facts or circumstances in existence and no events have occurred which would render the Information Memorandum void or voidable or capable of rescission for any reason;
 - 3.1.14 that the Information Memorandum we examined is in the final form.
- 3.2 With respect to matters of fact, we have relied on the representations contained in the Information Memorandum, the Programme Agreements and the representations of the Issuer and its officers and advisers.



- 3.3 This opinion is given on the basis of all documents and confirmations provided to us by the Issuer in respect of the Group.
- 3.4 The Programme Agreements have not been amended or varied, and there are no other arrangements between the parties to the Programme Agreements which have not been disclosed to us and which modify or supersede any of the terms of the Programme Agreements.
- 3.5 There are no facts or circumstances in existence, and no events have occurred, which would by reason of fraud or misrepresentation on the part of any of the parties to them render the Programme Agreements void or voidable or repudiated or frustrated or capable of rescission.
- 3.6 The Programme Agreements are not void, voidable or unenforceable by reason of:
- 3.6.1 *non est factum* (that is, circumstances in which one party executes an agreement believing it to be an essentially different agreement and that party was not careless in so doing); or
- 3.6.2 by a party thereto having been induced to enter into it by duress, fraud or misrepresentation or on the basis of a mistake of fact or law.
4. **OPINION**
- 4.1 Based upon and subject to the foregoing, and to the qualifications set out below, we are of the opinion that:
- 4.1.1 **Corporate Status**
- 4.1.1.1 The Issuer is a public (non-private) limited liability company incorporated under the Companies Act (Chapter 486 of the Laws of Kenya), with registration number C. 8/2002.
- 4.1.1.2 The Issuer's registered office address is at Land Reference Number 209/13263, Safaricom House, Waiyaki Way, P. O. Box 66827 – 00800, Nairobi, Kenya.
- 4.1.1.3 The Issuer is not entitled to claim any immunity from legal action or proceedings, execution, attachment or other legal process in Kenya.
- 4.1.1.4 Each material subsidiary of the Issuer listed in Annexure 1 hereto (the **Subsidiaries**, and together with the Issuer, the **Group**) is a limited liability company, duly incorporated and validly existing under the laws of the country where it was incorporated and has the power to own its assets.
- 4.1.1.5 The Issuer's ordinary shares are listed on the Main Investment Market Segment of the Nairobi Securities Exchange (**NSE**).
- 4.1.2 **Share Capital**
- 4.1.2.1 The existing nominal share capital of the Issuer is Kenya Shillings six billion (KES 6,000,000,000) divided into (i) one hundred and nineteen billion, nine hundred and ninety-nine million, nine hundred and ninety-nine thousand six hundred (119,999,999,600) ordinary shares of Kenya Shillings five cents (KES 0.05) each, and (ii) five (5) non-redeemable preference shares of Kenya Shillings five (KES 5) each, out of which forty billion, sixty-five million, four hundred and twenty-eight thousand (40,065,428,000) ordinary shares of Kenya Shillings five cents (KES 0.05) each are in issue.
- 4.1.2.2 The existing capital of the Issuer is in conformity with Kenyan law and has received all necessary authorisations.
- 4.1.3 **Licences and Consents**
- 4.1.3.1 All the material licences, consents, approvals and authorisations that are required by each member company of the Group to carry on their respective businesses, have been duly obtained and are in full force and effect or are in the process of being renewed.
- 4.1.4 **Assets, Land and Property**
- 4.1.4.1 The Issuer and its Subsidiaries, validly and legally own or lease all of the material land and property and the assets required for the purpose of the Group's business, and we are satisfied, after such enquiry as we have deemed necessary for the purpose of this opinion, that the Issuer and its Subsidiaries have, or where applicable, upon renewal will have, good and valid title or rights to or in such material assets, land and property, for the purposes of the business carried on by the Group at the date hereof, and where any leases have expired or are about to expire, such leases are in the process of being renewed.
- 4.1.5 **Material Contracts**
- 4.1.5.1 As at the date of the Information Memorandum, the Issuer has not entered into any material contracts that are outside the ordinary course of its business.
- 4.1.5.2 With the exception of contracts entered into by the Issuer with various advisers for purposes of the MTN Programme, there are no other contracts in respect of the MTN Programme, which have not been disclosed in the Information Memorandum.



4.1.6 **Material Litigation**

- 4.1.6.1 To the best of our knowledge, information and belief after due enquiry, there are no legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which have had, in the past twelve (12) months preceding the date of this legal opinion, a significant adverse effect on the financial position or the operations of the Group, or which if adversely determined are reasonably likely to have a significant adverse effect on the obligations of the Issuer in respect of the issuance of the Notes.
- 4.1.6.2 To the best of our knowledge, information and belief, and after due enquiry, there has been no material prosecution or criminal legal action in which the Issuer or any of its directors is involved in the past twelve (12) months preceding the date of this legal opinion.
- 4.1.6.3 To the best of our knowledge, information and belief after due enquiry, there are no legal investigations (including any investigations which are pending or threatened of which the Company is aware) which have had, in the past twelve (12) months preceding the date of this legal opinion, a significant adverse effect on the financial position or the operations of the Group, or which if adversely determined are reasonably likely to have a significant adverse effect on the obligations of the Company in respect of the issuance of the Notes.
- 4.1.6.4 As at the date of this opinion and for a period of at least two (2) years prior to the date of this opinion, no director of the Issuer has:
- 4.1.6.4.1 had any petition under bankruptcy or insolvency laws in any jurisdiction pending against them;
 - 4.1.6.4.2 been convicted for any criminal offence in Kenya; and
 - 4.1.6.4.3 been the subject of any ruling of a court of competent jurisdiction or any government body in any jurisdiction or any professional body to which they may belong, that disables them from acting as a director or employee or a professional in the relevant field or engaging in business practice or activity in that jurisdiction.

4.1.7 **Approvals**

- 4.1.7.1 Pursuant to a circular written resolution of the board of directors of the Issuer dated 7 November 2025, the Issuer has been duly authorised to issue and list all or a portion of the Notes on the Main Fixed Income Securities Market Segment of the NSE.
- 4.1.7.2 The Authority has approved the Information Memorandum and the offer to the public of the Notes, pursuant to a letter of approval dated 7 November 2025.
- 4.1.7.3 On 12 November 2025, the CA, and on 19 November 2025, the CBK, confirmed that they have no objection to the Issuer establishing the MTN Programme.
- 4.1.7.4 The Issuer will apply to the Authority for approval of the Pricing Supplement and the Public Announcement.
- 4.1.7.5 The Issuer will apply to the NSE for approval of the listing of the first Tranche of Notes to be issued under the MTN Programme on the Main Fixed Income Securities Market Segment of the NSE.
- 4.1.7.6 The Issuer will apply to the CDSC for the listed Notes to be prescribed as a dematerialised security under the Central Depositories Act.

4.1.8 **Notes and Programme Agreements**

- 4.1.8.1 The Issuer has the corporate capacity, power and authority to:
- 4.1.8.1.1 issue the Notes and enter into, execute and deliver the Programme Agreements; and
 - 4.1.8.1.2 exercise its rights and perform its obligations under the Notes and the Programme Agreements.
- 4.1.8.2 The Issuer has been duly authorised to execute and deliver the Programme Agreements, and their terms are valid and legally binding upon the Issuer, except as the same may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and the principles of equity.
- 4.1.8.3 Neither the execution and delivery of the Programme Agreements or the Notes, nor the consummation of the transactions therein contemplated, nor compliance with the terms and conditions will contravene:
- 4.1.8.3.1 any existing laws, governmental rule, regulation or order in force in Kenya at the date of the launch of the MTN Programme; and
 - 4.1.8.3.2 any provision of the constitutional documents of the Issuer.
- 4.1.8.4 The Notes, and the Programme Agreements are in proper legal form and are enforceable against the Issuer and do not contain provisions which are contrary to law or public policy in Kenya, or which would not for any reason be upheld by the Kenyan courts.



- 4.1.8.5 The issue of the Notes has been duly authorised, and in respect of listed Notes (following receipt of NSE's approval for the listing of such listed Notes), when issued and registered in the Central Depository and Settlement Corporation Account of each Noteholder held with the Central Depository and Settlement Corporation Limited, in accordance with the Central Depositories Act, the Notes will constitute valid and legally binding, direct and unconditional and unsecured obligations of the Issuer in accordance with their terms, except as the same may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights generally and by general principles of equity.
- 4.1.8.6 The Notes constitute direct, general, unconditional and unsecured obligations of the Issuer and will at all times rank *pari passu* in all respects (including in priority of payment) among themselves and with all other present and future direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except for any obligations that may be preferred by provisions of law that are both mandatory and of general application.
- 4.1.8.7 Subject to paragraph 4.1.8.8 below, and unless the Noteholder enjoys specific exemptions, interest (including any commission, discount, commitment and other fees) payable under the Notes (other than interest paid to the financial institutions specified in the fourth schedule to the Income Tax Act (Chapter 470 of the laws of Kenya) (the **Income Tax Act**) and certain other exempt persons) is subject to withholding tax at the rates in force from time to time in Kenya. In terms of current legislation, withholding tax at the rate of 15% will be deducted from interest payments made to both resident and non-resident Noteholders as set out in the Income Tax Act (which is subject to revision through changes in government policy). Where a Noteholder is tax resident in a jurisdiction that has a double taxation treaty with Kenya, the Issuer, the Trustee (or the Fiscal Agent and Calculation Agent, as the case may be) will deduct withholding tax in accordance with the applicable double taxation treaty. A Noteholder seeking to benefit from an applicable double taxation treaty must provide the Issuer with a valid certificate of tax residence or any other documentation reasonably required by the Kenya Revenue Authority or the Issuer, the Trustee (or the Fiscal Agent and Calculation Agent, as the case may be) evidencing entitlement to the benefits in the applicable double taxation treaty. There is no provision in the Notes requiring the grossing up of interest payments and accordingly, if withholding tax applies, the interest will be paid after deducting such withholding tax.
- 4.1.8.8 Interest payable on the Notes under any Tranche of Notes that is certified to be used to raise funds for infrastructure, projects and assets defined under the Green Bonds Standards and Guidelines, and other social services, where such Tranche has a tenor of at least three (3) years, will be exempt from withholding tax.
- 4.1.8.9 No stamp duty will be payable in Kenya in respect of the issue, or on transfers, of the Notes once they are listed on the NSE.
- 4.1.8.10 Save for (i) stamping of the Programme Agreements with stamp duty (ii) registration of the Trust Deed and (iii) the approvals of the Authority, the CA, the CBK and the NSE referred to in paragraphs 4.1.7.2, to 4.1.7.5 (both inclusive) above, there are no governmental or regulatory consents, approvals, authorisations or orders registration, filing or similar formalities required to be carried out in Kenya by the Issuer in connection with the issuance of the Notes and the performance by the Issuer of its obligations under the Programme Agreements.
- 4.1.8.11 Except as noted below it is not necessary under Kenyan law (i) in order to enable any person to exercise or enforce its rights under the Programme Agreements or the Notes, or (ii) by reason of any such person being or becoming the holder of any of the Notes or a party to the Programme Agreements, or the performance by any such person of its obligations thereunder, that any such person should be licensed, qualified or otherwise entitled to carry on business in Kenya, nor will any such performance violate any law applicable in Kenya. Brokers, dealers and investment advisers carrying on business as such in Kenya require a licence from the Authority.
- 4.1.8.12 No holder of the Notes and none of the parties to the Programme Agreements will be deemed to be resident, domiciled or carrying on business in Kenya by reason only of its holding of the Notes or by reason of its execution, performance or enforcement of the Notes or the Programme Agreements.
- 4.1.8.13 The choice of Kenyan law to govern the Programme Agreements would be recognised and upheld as a valid choice of law in any proceedings in arbitration or in the courts of Kenya and applied by such courts in proceedings in relation to the Programme Agreements as the governing law thereof.
- 4.1.9 We are not aware of any other material items that relate to the legal status of the Issuer and the MTN Programme.

5. QUALIFICATIONS

- 5.1 If any provision of the Information Memorandum or the Programme Agreements is held to be illegal, invalid or unenforceable by the Kenyan courts, severance of such provision from the remaining provisions of the Information Memorandum or the Programme Agreements would be subject to the exercise of the discretion of the Kenyan courts.



- 5.2 The Programme Agreements must be stamped in accordance with the Stamp Duty Act (Chapter 480 of the Laws of Kenya) within thirty (30) days of their execution in order to be admissible in evidence in a Kenyan court. We will attend to stamping within the prescribed period.
- 5.3 The Trust Deed must be registered at the Registry of Documents within two (2) months of execution of the Trust Deed in accordance with the Registration of Documents Act (Chapter 285 of the Laws of Kenya). We will attend to the registration within the prescribed period.
- 5.4 The terms and conditions contained in the Information Memorandum and the Programme Documents may be subject to the provisions of the Consumer Protection Act (Chapter 501 of the Laws of Kenya) (the **Consumer Protection Act**), which provides that:
 - 5.4.1 interest on overdue amounts is recoverable only if the applicable rate is expressly specified in the relevant agreement;
 - 5.4.2 other default charges may not exceed reasonable debt recovery and security enforcement costs;
 - 5.4.3 a borrower may prepay a facility in full at any time without any prepayment charge or penalty, and may also prepay in part on scheduled repayment dates or monthly without penalty, which could restrict recovery of break costs or prepayment charges;
 - 5.4.4 where a facility is prepaid in full, a lender may be required to refund a portion of the cost of borrowing (excluding interest and prescribed charges); and
 - 5.4.5 a borrower may recover, within one (1) year of the relevant payment, amounts charged in excess of those permitted under the Consumer Protection Act.
- 5.5 Any provision requiring the payment of default interest may be subject to challenge under Kenyan law. Kenyan courts may regard default interest that is excessive or not compensatory as constituting a penalty, which under common law is generally unenforceable. While it is likely that Kenyan courts would follow the persuasive reasoning of the UK Supreme Court in *Cavendish Square Holding BV v Talal El Makdessi* [2015] UKSC 67 (that default interest is enforceable if it protects a legitimate commercial interest and is not extravagant, exorbitant, or unconscionable), this remains untested locally. Accordingly, both under the Consumer Protection Act (in relation to default charges and borrower protections) and under common law (in relation to penalties), provisions for default interest and charges may be subject to legal challenges.
- 5.6 Any provision to the effect that certain calculations or certificates will be conclusive and binding will not be effective if such calculations or certificates are fraudulent or erroneous on their face and will not prevent judicial enquiry by the Kenyan courts into the merits of any claim by an aggrieved party.
- 5.7 If any party is vested with any discretion or may determine a matter in its opinion, the Kenyan courts may require that such discretion be exercised reasonably or that such opinion be based on reasonable grounds.
- 5.8 Nothing in this opinion is to be taken as indicating that the remedy of an order for specific performance or the issue of an injunction would be available in a Kenyan court in respect of the obligations arising under any agreement since such remedies are available only at the discretion of the court. Specific performance is not usually granted and an injunction is not usually issued where damages would be an adequate alternative.
- 5.9 A Kenyan court may refuse to give effect to a provision to pay the costs of another party in respect of any successful action brought against that party before a Kenyan court and the Kenyan court may not award by way of costs all of the expenditure incurred by a successful litigant in proceedings brought before that court.
- 5.10 Payments between residents and non-residents of Kenya must be made through authorised banks in Kenya in accordance with the provisions of the Central Bank of Kenya Act (Chapter 491 of the Laws of Kenya).
- 5.11 Service of legal process on the Issuer by post in connection with any proceedings in the Kenyan courts would be effective only if made in accordance with the applicable court rules or with the leave of the court.

6. LIMITATION OF LIABILITY

- 6.1 The opinions given in this Opinion are given strictly on the basis that all and any claims of any nature (whether arising in contract or in tort) arising as a result of reliance on such opinions shall only be capable of being brought and/or instituted, and may only and exclusively be brought and/or instituted, against Coulson Harney LLP (the **Firm**). No director, partner, professional with similar status, consultant, associate or other employee of the Firm or any of its affiliates shall be liable in their personal capacity, whether jointly or severally with the Firm or otherwise, for any claim whatsoever arising, directly or indirectly, in connection with the opinions given in this Opinion, and no such claims shall be enforceable against their respective personal estates. Accordingly, by placing reliance on this Opinion, the Issuer, the Joint Lead Arrangers, and initial subscribers of the Notes waive any claim or claims which they may have for any damages, loss, interest, cost, expenses or the like against any of our present or past directors and which arise directly or indirectly from it placing reliance on this Opinion. All such claims may be satisfied only from the assets of the Firm including (but not limited to) the Firm's professional indemnity cover.



6.2 The Firm shall not have any liability for any indirect, special or consequential loss or damage (including without limitation and loss of profit or bargain) in respect of this Opinion.

7. MISCELLANEOUS

7.1 This opinion relates to the laws of Kenya in force at the date hereof. No opinion is expressed as to the laws of any other jurisdiction.

7.2 This opinion is given as of the date hereof. No opinion is expressed in relation to facts or circumstances arising after the date hereof.

7.3 To the extent any opinion expressed in this letter and the opinions given in it relates to a future event, it is expressed on the assumption that Kenyan law will remain the same on any relevant future date as that in existence as at the date of this letter and, accordingly, no opinion is given that the future or continued performance of the obligations of any of the parties to the Notes and/or the Programme Agreements or the consummation of the transactions contemplated in any of the Notes and/or the Programme Agreements will not contravene Kenyan law if such law is altered.

7.4 This opinion is strictly limited to the matters stated in paragraph 4 (Opinions) and does not extend to any other matters. The statements in this letter do not purport to be an analysis of all the rights and obligations of the parties to the Notes and/or the Programme Agreements under Kenyan law, but are merely opinions regarding the effectiveness of, and the limitations Kenyan law imposes on, the express terms of the Notes and the Programme Agreements.

7.5 This opinion is addressed to the Issuer and may be relied upon for the purposes of the issue of the Notes by (i) the Issuer, (ii) the Joint Lead Arrangers named in the Information Memorandum in their capacity as arrangers and (iii) the initial subscribers for the Notes. It may not be relied upon by any other person or used for any other purpose.

8. CONSENT

8.1 We confirm that we have given, and as at the date of issue of the Information Memorandum, have not withdrawn, our consent to its issue and to the inclusion of our legal opinion therein.

Yours faithfully

Coulson Harney

COULSON HARNEY LLP

ANNEXURE 1

List of Material Subsidiaries	Shareholding %	Registration Number	Jurisdiction
1. M-PESA Holding Company Limited	100% owned by Safaricom PLC	C.128199	Kenya
2. Comtec Integration Systems Limited	100% owned by One Communications Limited	C.90944	Kenya
3. Safaricom Money Transfer Services Limited	100% owned by Safaricom PLC	CPR/2014/150867	Kenya
4. Safaricom Telecommunications Ethiopia PLC	99.99% owned by Global Partnership for Ethiopia B.V. and 0.01% by Vodafonefamily Ethiopia Holding Limited	EIA/PC/2/0001138/2013	Ethiopia
5. Safaricom Ethiopia Mobile Money	100% owned by Safaricom Telecommunications Ethiopia PLC	EIA/PC/2/0001464/2015	Ethiopia



APPENDIX B – REPORTING ACCOUNTANT’S REPORT

SAFARICOM PLC
HISTORICAL FINANCIAL INFORMATION
FOR THE YEARS ENDED
31 MARCH 2025, 31 MARCH 2024, 31 MARCH 2023, 31 MARCH 2022 AND 31 MARCH 2021

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Reporting Accountant's compilation report on historical financial statements to the directors of Safaricom PLC and its subsidiaries

We have compiled the accompanying historical financial statements of Safaricom PLC (the Company) and its subsidiaries (together, the "Group") based on information you have provided. The financial statements comprise the statements of financial position of the Group as at 31 March 2021, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and the notes to the financial statements, comprising material accounting policies and other explanatory information for the years then ended.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards. The historical financial information for each of the five financial years was compiled from the audited financial statements of the Group for the respective financial years. Where applicable, comparative figures for the preceding years have been adjusted to reflect reclassification adjustments and to ensure consistency with the presentation adopted for the year ended 31 March 2025.

We have complied with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with IFRS Accounting Standards.



CPA Bernice Kimacia, Practising Certificate Number 1457

Engagement partner responsible for the engagement

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

21 November 2025

PricewaterhouseCoopers LLP, PwC Tower, Waiyaki Way/Chiromo Road,
Westlands P O Box 43963 – 00100 Nairobi, Kenya
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Partners: J Aroi E Kerich P Kiambi B Kimacia M Mugasa F Muriu P Ngahu R Njoroge S O Norbert's
B Okundi K Saiti

Group						
	Notes	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Revenue from contracts with customers	5(a)	384,433.4	345,893.4	307,142.1	295,441.4	261,462.3
Revenue from other sources	5(b)	4,255.5	3,553.8	3,762.7	2,636.5	2,564.2
Total revenue		388,688.9	349,447.2	310,904.8	298,077.9	264,026.5
Direct costs	6(a)	(101,081.3)	(97,046.9)	(92,232.1)	(91,467.8)	(80,852.8)
Expected credit losses on financial assets	6(b)	(11,146.0)	(5,807.4)	(4,725.3)	(2,361.2)	(3,009.7)
Other operating expenses	7	(104,310.7)	(83,300.3)	(74,085.0)	(55,187.0)	(46,034.8)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		172,150.9	163,292.6	139,862.4	149,061.9	134,129.2
Depreciation - property and equipment	18	(50,999.9)	(55,162.3)	(39,754.5)	(34,145.2)	(32,624.5)
Depreciation - Indefeasible rights of use (IRUs)	19	(323.6)	(281.3)	(281.3)	(281.3)	(406.5)
Amortisation - Intangible assets	21	(9,953.4)	(17,804.5)	(8,417.9)	(1,850.0)	(1,628.5)
Depreciation - right of use (RoU) assets	22(a)	(6,823.9)	(9,699.7)	(6,411.3)	(3,656.8)	(3,304.8)
Operating profit (Earnings before interest and tax (EBIT))		104,050.1	80,344.8	84,997.4	109,128.6	96,164.9
Finance income	8	9,222.1	5,459.6	4,075.2	2,413.4	2,198.4
Finance costs	9	(30,131.5)	(22,101.1)	(11,162.3)	(8,852.6)	(4,220.8)
Fair value remeasurement on investment properties	20	25.0	-	90.0	-	-
Share of profit/(loss) of associates	23(b)	57.2	(2.9)	12.5	(279.8)	(192.9)
Share of loss of joint venture	23(b)	(1,234.7)	(1,376.2)	(50.7)	(196.2)	(314.1)
Hyperinflationary monetary gain	36(a)	11,222.3	22,363.2	10,383.1	-	-
Profit before income tax		93,210.5	84,687.4	88,345.2	102,213.4	93,635.5
Income tax expense	12(a)	(47,453.3)	(42,029.0)	(35,862.4)	(34,717.3)	(24,959.3)
Profit for the year		45,757.2	42,658.4	52,482.8	67,496.1	68,676.2
Attributable to:						
Equity holders of the parent		69,798.7	62,991.7	62,268.9	69,648.1	68,676.2
Non-controlling interests		(24,041.5)	(20,333.3)	(9,786.1)	(2,152.0)	-
Profit for the year		45,757.2	42,658.4	52,482.8	67,496.1	68,676.2
Basic earnings per share (Shs per share)	13	1.7	1.6	1.6	1.7	1.7
Diluted earnings per share (Shs per share)	13	1.7	1.6	1.6	1.7	1.7

Group					
	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Profit for the year	45,757.2	42,658.4	52,482.8	67,496.1	68,676.2
Other comprehensive income:					
<i>Items that will subsequently be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of foreign operations*	(153,790.2)	(7,278.1)	10,260.0	(9,536.3)	-
Other comprehensive (loss)/income for the year	(153,790.2)	(7,278.1)	10,260.0	(9,536.3)	-
Total comprehensive (loss)/income for year	(108,033.0)	35,380.3	62,742.8	57,959.8	68,676.2
Attributable to:					
Equity holders of the parent	(9,668.2)	59,230.9	34,954.0	64,335.4	68,676.2
Non-controlling interests	(98,364.8)	(23,850.6)	27,788.8	(6,375.6)	-
Total comprehensive (loss)/income for year	(108,033.0)	35,380.3	62,742.8	57,959.8	68,676.2

*These components of other comprehensive income do not attract any tax.

Company						
	Notes	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Revenue from contracts with customers	5(a)	373,492.5	335,330.8	302,579.4	292,556.2	259,296.3
Revenue from other sources	5(b)	6,985.8	4,386.5	7,900.4	3,289.7	3,153.4
Total revenue		380,478.3	339,717.3	310,479.8	295,845.9	262,449.7
Direct costs	6(a)	(95,716.2)	(89,261.9)	(89,363.4)	(90,613.6)	(80,334.1)
Expected credit losses on financial assets	6(b)	(11,206.4)	(6,073.4)	(4,925.3)	(2,602.7)	(3,863.7)
Other operating expenses	7	(68,627.3)	(59,146.1)	(53,118.7)	(49,545.5)	(45,168.6)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		204,928.4	185,235.9	163,072.4	153,084.1	133,083.3
Depreciation - property and equipment	18	(40,000.0)	(39,324.3)	(36,971.8)	(33,922.2)	(32,570.4)
Depreciation - Indefeasible rights of use (IRUs)	19	(323.6)	(281.3)	(281.3)	(281.3)	(406.5)
Amortisation - Intangible assets	21	(2,852.0)	(2,836.4)	(2,329.6)	(1,850.0)	(1,628.1)
Depreciation - right of use (RoU) assets	22(a)	(4,405.3)	(4,503.2)	(4,419.0)	(3,644.2)	(3,304.8)
Operating profit (Earnings before interest and tax (EBIT))		157,347.5	138,290.7	119,070.7	113,386.4	95,173.5
Finance income	8	2,341.7	3,288.5	2,403.7	2,050.1	2,177.0
Finance costs	9	(17,241.0)	(16,395.0)	(12,416.0)	(8,895.2)	(4,405.5)
Fair value remeasurement on investment properties	20	25.0	-	90.0	-	-
Share of profit/(loss) of associates	23(b)	13.2	(2.9)	12.5	(279.8)	(192.9)
Share of loss of joint venture	23(b)	(1,234.7)	(1,376.2)	(50.7)	(196.2)	(314.1)
Profit before income tax		141,251.7	123,805.1	109,110.2	106,065.3	92,438.0
Income tax expense	12(a)	(46,297.6)	(41,151.3)	(34,170.6)	(34,276.0)	(24,481.4)
Profit for the year		94,954.1	82,653.8	74,939.6	71,789.3	67,956.6
Other comprehensive income:						
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		94,954.1	82,653.8	74,939.6	71,789.3	67,956.6

Basic earnings per share (Shs per share)	13	2.4	2.1	1.9	1.8	1.7
Diluted earnings per share (Shs per share)	13	2.4	2.1	1.9	1.8	1.7

Group						
	Notes	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Non-current assets						
Deferred income tax	17	18,882.0	15,644.5	15,337.0	9,908.8	5,467.2
Property and equipment	18	247,200.9	277,041.3	221,987.6	148,993.0	133,833.7
Indefeasible rights-of-use	19	3,210.6	2,001.7	2,283.0	2,564.3	2,845.6
Investment properties	20	960.0	935.0	935.0	845.0	845.0
Intangible assets	21	111,455.8	194,280.7	150,198.8	93,647.2	8,475.5
Right-of-use assets	22(a)	38,749.6	59,455.7	36,885.5	18,301.7	14,762.8
Investment in associates and joint venture	23(b)	7,046.7	3,542.5	3,943.9	3,982.1	4,458.2
Restricted cash	26(b)	998.6	1,019.9	1,481.4	1,759.9	1,982.0
Deferred restricted cash asset	26(c)	183.3	431.9	278.2	407.9	558.7
Contract assets	30(a)	2,547.5	1,607.9	1,852.7	1,138.7	1,491.2
Loans receivable from joint venture	32(x)(a)	-	2,661.3	1,588.4	-	-
		431,235.0	558,622.4	436,771.5	281,548.6	174,719.9
Current assets						
Current income tax	12(b)	-	-	851.6	7.9	7.2
Inventories	24	2,937.0	4,526.0	3,655.6	4,306.8	2,487.0
Trade and other receivables	25	43,739.3	48,119.0	40,791.5	25,919.2	22,347.9
Net cash and cash equivalents	26(a)	29,995.7	22,868.2	22,098.1	30,779.6	26,736.1
Restricted cash - letter of credit	27	456.9	1,563.4	615.1	-	-
Other financial assets	28	-	-	28.6	-	-
Contract assets	30(a)	6,351.2	5,202.0	4,395.0	2,951.5	3,043.4
Loan receivable from related company	32(x)(a)	-	-	-	1,285.0	1,287.8
Mobile financial deposit	33	569.1	263.3	-	-	-
		84,049.2	82,541.9	72,435.5	65,250.0	55,909.4
Total assets		515,284.2	641,164.3	509,207.0	346,798.6	230,629.3
Equity						
Share capital	14	2,003.3	2,003.3	2,003.3	2,003.3	2,003.3
Share premium	14	2,200.0	2,200.0	2,200.0	2,200.0	2,200.0
Retained earnings		153,881.8	134,314.0	121,823.6	110,528.9	96,571.8
Other reserves		(6,432.3)	61,789.3	36,688.4	(5,312.7)	-
Proposed dividend	15	26,042.5	26,042.5	24,840.6	30,049.1	36,860.2
Equity attributable to equity holders of the parent		177,695.3	226,349.1	187,555.9	139,468.6	137,635.3
Non-controlling interests	23(a)	46,325.8	109,398.8	75,810.0	40,232.3	-
Total equity		224,021.1	335,747.9	263,365.9	179,700.9	137,635.3
Non-current liabilities						
Borrowings	16	64,744.4	63,093.2	42,050.0	44,910.8	-
Lease liabilities	22(b)	45,626.2	48,474.3	29,984.0	14,584.9	11,954.2
Payables and accrued expenses	29(a)	20,464.5	19,458.6	27,359.3	4,330.6	-
Provisions	29(b)	3,874.6	5,087.0	4,462.8	3,183.3	3,151.4
Contract liabilities	30(b)	1,521.1	1,481.2	1,607.8	1,937.5	2,436.1
		136,230.8	137,594.3	105,463.9	68,947.1	17,541.7
Current liabilities						
Current income tax	12(b)	2,257.5	193.1	2,408.8	5,291.2	260.3
Dividend payable	15	1,499.9	6,649.2	1,783.0	12,053.9	8,684.1
Shareholder loan	32(x)(c)	404.0	-	-	-	-
Borrowings	16	42,686.0	45,053.6	45,555.4	21,557.9	15,363.3
Lease liabilities	22(b)	6,336.8	6,411.0	5,354.9	5,508.5	4,119.5
Payables and accrued expenses	29(a)	84,571.5	94,919.5	70,625.1	40,154.7	33,430.1
Provisions	29(b)	5,220.1	2,938.9	4,524.1	3,373.8	2,561.5
Mobile financial payable	33	569.1	263.3	-	-	-
Contract liabilities	30(b)	11,487.4	11,393.5	10,125.9	10,210.6	11,033.5
		155,032.3	167,822.1	140,377.2	98,150.6	75,452.3
Total liabilities		291,263.1	305,416.4	245,841.1	167,097.7	92,994.0
Total equity and liabilities		515,284.2	641,164.3	509,207.0	346,798.6	230,629.3

Company						
	Notes	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Non-current assets						
Deferred income tax	17	18,881.3	15,605.0	15,338.0	9,908.7	5,465.8
Property and equipment	18	160,804.3	149,598.2	141,803.5	138,502.6	133,519.3
Indefeasible rights-of-use	19	3,210.6	2,001.7	2,283.0	2,564.3	2,845.6
Investment properties	20	960.0	935.0	935.0	845.0	845.0
Intangible assets	21	31,227.9	21,841.4	14,163.0	11,349.6	8,471.5
Right-of-use assets	22(a)	20,900.1	18,968.1	17,691.3	17,177.4	14,762.8
Investment in subsidiaries	23(a)	128,492.5	98,779.6	78,012.5	59,057.8	431.3
Investment in associates and joint venture	23(b)	6,934.6	3,461.9	3,943.9	3,982.1	4,458.2
Restricted cash	26(b)	998.6	1,019.9	1,481.4	1,759.9	1,982.0
Deferred restricted cash asset	26(c)	183.3	431.9	278.2	407.9	558.7
Contract assets	30(a)	1,242.9	954.0	1,578.3	1,138.7	1,491.2
Loans receivable from joint venture	32(x)(a)	-	2,661.3	1,588.4	-	-
Loan receivable from subsidiary	32(x)(b)	396.2	485.4	565.5	666.1	236.2
		374,232.3	316,743.4	279,662.0	247,360.1	175,067.6
Current assets						
Current income tax	12(b)	-	7.9	-	-	-
Inventories	24	2,208.0	2,639.0	2,231.5	4,147.4	2,441.2
Trade and other receivables	25	33,919.0	28,079.9	23,862.0	22,003.7	20,225.5
Net cash and cash equivalents	26(a)	15,908.3	19,072.1	18,061.9	25,560.6	26,035.9
Contract assets	30(a)	6,280.4	4,748.8	4,236.3	2,951.5	3,043.4
Loan receivable from related company	32(x)(a)	-	-	-	1,285.0	1,287.8
		58,315.7	54,547.7	48,391.7	55,948.2	53,033.8
Total assets		432,548.0	371,291.1	328,053.7	303,308.3	228,101.4
Equity						
Share capital	14	2,003.3	2,003.3	2,003.3	2,003.3	2,003.3
Share premium	14	2,200.0	2,200.0	2,200.0	2,200.0	2,200.0
Retained earnings		218,516.1	171,640.5	137,065.2	110,204.0	94,105.6
Proposed dividend	15	26,042.5	26,042.5	24,840.6	30,049.1	36,860.2
Equity attributable to equity holders of the parent		248,761.9	201,886.3	166,109.1	144,456.4	135,169.1
Total equity		248,761.9	201,886.3	166,109.1	144,456.4	135,169.1
Non-current liabilities						
Borrowings	16	39,955.3	36,110.8	38,533.6	44,910.8	-
Lease liabilities	22(b)	20,890.8	18,409.1	17,070.1	14,079.2	11,954.2
Payables and accrued expenses	29(a)	2,878.5	-	-	-	-
Provisions	29(b)	3,170.4	3,629.7	3,410.7	3,183.3	3,151.4
Contract liabilities	30(b)	1,521.1	1,481.2	1,607.8	1,937.5	2,436.1
Financial guarantees liability	32(xi)	614.5	1,062.7	960.4	120.9	-
		69,030.6	60,693.5	61,582.6	64,231.7	17,541.7
Current liabilities						
Current income tax	12(b)	2,042.0	-	192.2	5,086.3	151.6
Dividend payable	15	1,499.9	6,649.2	1,783.0	12,053.9	8,684.1
Borrowings	16	40,499.0	41,555.8	37,563.1	21,557.9	15,363.3
Lease liabilities	22(b)	5,780.6	5,163.1	4,376.6	5,437.4	4,119.5
Payables and accrued expenses	29(a)	48,962.1	41,822.5	42,235.5	36,900.3	33,477.1
Provisions	29(b)	5,220.1	2,938.9	4,524.1	3,373.8	2,561.5
Contract liabilities	30(b)	10,751.8	10,581.8	9,687.5	10,210.6	11,033.5
		114,755.5	108,711.3	100,362.0	94,620.2	75,390.6
Total liabilities		183,786.1	169,404.8	161,944.6	158,851.9	92,932.3
Total equity and liabilities		432,548.0	371,291.1	328,053.7	303,308.3	228,101.4

Attributable to the equity holders of the parent									
Group	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Other reserves** Shs'm	Proposed dividend Shs'm	Total Shs'm	Non-controlling interests Shs'm	Total equity Shs'm
Year ended 31 March 2025									
At start of year		2,003.3	2,200.0	134,314.0	61,789.3	26,042.5	226,349.1	109,398.8	335,747.9
-Adjustment on application of IAS 29		-	-	(2,152.4)	11,245.3	-	9,092.9	8,504.4	17,597.3
As restated		2,003.3	2,200.0	132,161.6	73,034.6	26,042.5	235,442.0	117,903.2	353,345.2
Profit/(loss) for the year		-	-	69,798.7	-	-	69,798.7	(24,041.5)	45,757.2
Other comprehensive income									
Exchange differences on translation of foreign operations		-	-	-	(79,466.9)	-	(79,466.9)	(74,323.3)	(153,790.2)
Total comprehensive income for the year		-	-	69,798.7	(79,466.9)	-	(9,668.2)	(98,364.8)	(108,033.0)
Transactions with owners:									
Dividend:									
- 2024 final dividends paid	15	-	-	-	-	(26,042.5)	(26,042.5)	-	(26,042.5)
- 2025 interim dividend paid	15	-	-	(22,036.0)	-	-	(22,036.0)	-	(22,036.0)
- Proposed final dividend for 2025	15	-	-	(26,042.5)	-	26,042.5	-	-	-
- Capital contribution from NCI shareholders*	23(a)	-	-	-	-	-	-	26,787.4	26,787.4
		-	-	(48,078.5)	-	-	(48,078.5)	26,787.4	(21,291.1)
At end of year		2,003.3	2,200.0	153,881.8	(6,432.3)	26,042.5	177,695.3	46,325.8	224,021.1

* Capital contribution from NCI shareholders relates to the contribution of non-controlling shareholders towards investment in the equity of Safaricom Ethiopia PLC.

** Other reserves include foreign currency translation reserve representing the cumulative position of translation gains and losses arising from translation of net assets of foreign subsidiary companies to the presentation currency, adjustment on application of IAS 29 (Note 36) and redistribution of loss after shareholding change.

Attributable to the equity holders of the parent									
Group	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Other reserves** Shs'm	Proposed dividend Shs'm	Total Shs'm	Non-controlling interests Shs'm	Total equity Shs'm
Year ended 31 March 2024									
At start of year		2,003.3	2,200.0	121,823.6	36,688.4	24,840.6	187,555.9	75,810.0	263,365.9
-Adjustment on application of IAS 29		-	-	(3,467.8)	31,311.1	-	27,843.3	26,041.2	53,884.5
As restated		2,003.3	2,200.0	118,355.8	67,999.5	24,840.6	215,399.2	101,851.2	317,250.4
Redistribution of loss after shareholding change		-	-	1,045.0	(2,449.4)	-	(1,404.4)	1,404.4	-
Total		2,003.3	2,200.0	119,400.8	65,550.1	24,840.6	213,994.8	103,255.6	317,250.4
Profit /(loss) for the year		-	-	62,991.7	-	-	62,991.7	(20,333.3)	42,658.4
Other comprehensive income									
Exchange differences on translation of foreign operations		-	-	-	(3,760.8)	-	(3,760.8)	(3,517.3)	(7,278.1)
Total comprehensive income for the year		-	-	62,991.7	(3,760.8)	-	59,230.9	(23,850.6)	35,380.3
Transactions with owners:									
Dividend:									
- 2023 final dividends paid	15	-	-	-	-	(24,840.6)	(24,840.6)	-	(24,840.6)
- 2024 interim dividend paid	15	-	-	(22,036.0)	-	-	(22,036.0)	-	(22,036.0)
- Proposed final dividend for 2024		-	-	(26,042.5)	-	26,042.5	-	-	-
- Capital contribution from NCI shareholders*	23(a)	-	-	-	-	-	-	29,993.8	29,993.8
		-	-	(48,078.5)	-	1,201.9	(46,876.6)	29,993.8	(16,882.8)
At end of year		2,003.3	2,200.0	134,314.0	61,789.3	26,042.5	226,349.1	109,398.8	335,747.9

* Capital contribution from NCI shareholders relates to the contribution of non-controlling shareholders towards investment in the equity of Safaricom Ethiopia Plc.

** Other reserves include foreign currency translation reserve representing the cumulative position of translation gains and losses arising from translation of net assets of foreign subsidiary companies to the presentation currency, adjustment on application of IAS 29 (Note 36).

Group	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Other reserves** Shs'm	Proposed dividend Shs'm	Total Shs'm	Non-controlling interests Shs'm	Total equity Shs'm
Year ended 31 March 2023									
At start of year		2,003.3	2,200.0	110,528.9	(5,312.7)	30,049.1	139,468.6	40,232.3	179,700.9
- Adjustment on initial application of IAS 29	36(b)	-	-	(2,895.8)	36,285.3	-	33,389.4	26,545.0	59,934.4
As restated		2,003.3	2,200.0	107,633.1	30,972.60	30,049.1	172,858.0	66,777.30	239,635.3
Profit for the year		-	-	62,268.9	-	-	62,268.9	(9,786.1)	52,482.8
Other comprehensive income									
Exchange differences on translating foreign operations		-	-	-	5,715.8	-	5,715.8	4,544.2	10,260.0
Total comprehensive income/loss) for the year		-	-	62,268.9	5,715.8	-	67,984.7	(5,241.9)	62,742.8
Transactions with owners:									
Dividend:									
- Declared final dividend for 2022	15	-	-	-	-	(30,049.1)	(30,049.1)	-	(30,049.1)
- Interim dividend paid	15	-	-	(23,237.8)	-	-	(23,237.8)	-	(23,237.8)
- Capital contribution from NCI shareholders*		-	-	-	-	-	-	14,274.6	14,274.6
- Proposed final dividend for 2023		-	-	(24,840.6)	-	24,840.6	-	-	-
		-	-	(48,078.4)	-	(5,208.5)	(53,286.9)	14,274.6	(39,012.3)
At end of year		2,003.3	2,200.0	121,823.6	36,688.4	24,840.6	187,555.8	75,810.0	263,365.9

Group	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Other reserves** Shs'm	Proposed dividend Shs'm	Total Shs'm	Non-controlling interests Shs'm	Total equity Shs'm
Year ended 31 March 2022									
At start of year		2,003.3	2,200.0	96,571.8	-	36,860.2	137,635.3	-	137,635.3
Profit for the year		-	-	69,648.1	-	-	69,648.1	(2,152.0)	67,496.1
Other comprehensive loss		-	-	-	(5,312.7)	-	(5,312.7)	(4,223.6)	(9,536.3)
Total comprehensive income/loss) for the year		-	-	69,648.1	(5,312.7)	-	64,335.4	(6,375.6)	57,959.8
Transactions with owners:									
Dividend:									
- Declared final dividend for 2021	15	-	-	-	-	(36,860.2)	(36,860.2)	-	(36,860.2)
- Interim dividend	15	-	-	(25,641.9)	-	-	(25,641.9)	-	(25,641.9)
- Capital contribution from NCI shareholders*	-	-	-	-	-	-	-	46,607.9	46,607.9
- Proposed final dividend for 2022		-	-	(30,049.1)	-	30,049.1	-	-	-
		-	-	(55,691.0)	-	(6,811.1)	(62,502.1)	46,607.9	(15,894.2)
At end of year		2,003.3	2,200.0	110,528.9	(5,312.7)	30,049.1	139,468.6	40,232.3	179,700.9

* Capital contribution from NCI shareholders relates to the contribution of non-controlling shareholders towards investment in the equity of Safaricom Ethiopia Plc.

** Other reserves include foreign currency translation reserve representing the cumulative position of translation gains and losses arising from translation of net assets of foreign subsidiary companies to the presentation currency, adjustment on application of IAS 29 (Note 36).

Group	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Proposed dividend Shs'm	Total equity Shs'm
Year ended March 31 2021						
At start of year		2,003.3	2,200.0	82,785.2	56,091.6	143,080.1
Profit for the year		-	-	68,676.2	-	68,676.2
Transactions with owners:						
Dividend:						
- Declared final dividend for 2020	15	-	-	-	(56,091.6)	(56,091.6)
- Interim dividend declared	15	-	-	(18,029.4)	-	(18,029.4)
- Proposed final dividend for 2021		-	-	(36,860.2)	36,860.2	-
		-	-	(54,889.6)	(19,231.4)	(74,121.0)
At end of year		2,003.3	2,200.0	96,571.8	36,860.2	137,635.3

Company	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Proposed dividend Shs'm	Total equity Shs'm
Year ended 31 March 2025						
At start of year		2,003.3	2,200.0	171,640.5	26,042.5	201,886.3
Profit for the year		-	-	94,954.1	-	94,954.1
Transactions with owners:						
Dividend:						
- 2024 final dividends paid	15	-	-	-	(26,042.5)	(26,042.5)
- 2025 Interim dividends paid	15	-	-	(22,036.0)	-	(22,036.0)
- Proposed final dividend for 2025		-	-	(26,042.5)	26,042.5	-
		-	-	(48,078.5)	-	(48,078.5)
At end of year		2,003.3	2,200.0	218,516.1	26,042.5	248,761.9
Year ended 31 March 2024						
At start of year		2,003.3	2,200.0	137,065.2	24,840.6	166,109.1
Profit for the year		-	-	82,653.8	-	82,653.8
Transactions with owners:						
Dividend:						
- 2023 final dividends paid	15	-	-	-	(24,840.6)	(24,840.6)
- 2024 Interim dividends paid	15	-	-	(22,036.0)	-	(22,036.0)
- Proposed final dividend for 2024		-	-	(26,042.5)	26,042.5	-
		-	-	(48,078.5)	1,201.9	(46,876.6)
At end of year		2,003.3	2,200.0	171,640.5	26,042.5	201,886.3

Company	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Proposed dividend Shs'm	Total equity Shs'm
Year ended 31 March 2023						
At start of year		2,003.3	2,200.0	110,204.0	30,049.1	144,456.4
Profit for the year		-	-	74,939.6	-	74,939.6
Transactions with owners:						
Dividend:						
Declared final dividend for 2022	15	-	-	-	(30,049.1)	(30,049.1)
Interim dividend	15	-	-	(23,237.8)	-	(23,237.8)
Proposed final dividend for 2023		-	-	(24,840.6)	24,840.6	-
		-	-	(48,078.4)	(5,208.5)	(53,286.9)
At end of year		2,003.3	2,200.0	137,065.2	24,840.6	166,109.1
Year ended 31 March 2022						
At start of year		2,003.3	2,200.0	94,105.7	36,860.2	135,169.2
Profit for the year		-	-	71,789.3	-	71,789.3
Transactions with owners:						
Dividend:						
Declared final dividend for 2021	15	-	-	-	(36,860.2)	(36,860.2)
Interim dividend	15	-	-	(25,641.9)	-	(25,641.9)
Proposed final dividend for 2022		-	-	(30,049.1)	30,049.1	-
		-	-	(55,691.0)	(6,811.1)	(62,502.1)
At end of year		2,003.3	2,200.0	110,204.0	30,049.1	144,456.4

Company	Notes	Share capital Shs'm	Share premium Shs'm	Retained earnings Shs'm	Proposed dividend Shs'm	Total equity Shs'm
Year ended March 31 2021						
At start of year		2,003.3	2,200.0	81,038.6	56,091.6	141,333.5
Profit for the year		-	-	67,956.6	-	67,956.6
Transactions with owners:						
Dividend:						
- Declared final dividend for 2020	15	-	-	-	(56,091.6)	(56,091.6)
- Interim dividend declared	15	-	-	(18,029.4)		(18,029.4)
- Proposed final dividend for 2021		-	-	(36,860.2)	36,860.2	-
		-	-	(54,889.6)	(19,231.4)	(74,121.0)
At end of year		2,003.3	2,200.0	94,105.6	36,860.2	135,169.1

Group	Notes	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Cash flows from operating activities						
Cash generated from operations	31(a)	183,648.6	149,469.2	159,596.8	143,574.7	132,551.8
Interest received		2,671.7	2,155.0	1,571.0	1,254.5	1,566.7
Income tax paid	12(b)	(48,626.4)	(43,700.6)	(45,016.7)	(34,128.7)	(28,921.2)
Net cash generated from operating activities		137,693.9	107,923.6	116,151.1	110,700.5	105,197.3
Cash flows from investing activities						
Purchase of property and equipment		(60,792.7)	(66,636.1)	(66,331.2)	(41,058.0)	(35,568.4)
Proceeds from disposal of property and equipment		46.4	290.0	43.8	49.2	84.6
Acquisition of intangible assets	21	(12,238.5)	(30,992.5)	(5,143.0)	(96,288.3)	(4,077.8)
Assets retirement obligations payments		(53.8)	(59.6)	-	-	-
Proceeds / investment in other financial assets	28	-	28.6	(28.6)	-	188.6
Movement in restricted cash		1,074.9	(796.0)	(116.6)	352.3	180.1
Dividends from associates		12.5	-	-	-	-
Repayment/(issue) of loans with joint ventures	32(x)(a)	239.5	(1,075.0)	(300.0)	-	(1,288.7)
Acquisition of intangibles- (IRU)	19	(1,532.5)	-	-	-	-
Investment in associates and joint ventures	23(b)	(2,270.0)	(977.6)	-	-	(0.1)
Net cash used in investing activities		(75,514.2)	(100,218.2)	(71,875.6)	(136,944.8)	(40,481.7)
Cash flows from financing activities						
Dividends paid	15	(53,227.8)	(42,010.4)	(63,557.8)	(59,132.3)	(66,482.0)
Repayment of lease liabilities- principal	22(b)	(7,808.6)	(7,727.1)	(8,349.1)	(3,806.4)	(2,550.6)
Repayment of lease liabilities- interest	22(b)	(3,200.4)	(1,913.7)	(1,768.5)	(1,347.9)	(1,324.0)
Proceeds from shareholder loan		404.0	-	-	-	-
Interest paid on borrowings		(14,893.5)	(12,776.5)	(6,924.4)	(2,477.9)	(1,154.6)
Proceeds from borrowings	16	37,567.0	65,841.3	62,238.1	120,564.8	44,970.0
Repayment of borrowings	16	(26,305.2)	(41,103.9)	(42,777.2)	(70,026.0)	(38,198.0)
Capital contribution from NCI shareholders		26,787.4	29,993.8	14,274.6	46,607.9	-
Net cash (used in)/generated financing activities		(40,677.1)	(9,696.5)	(46,864.3)	30,382.2	(64,739.2)
Increase/(decrease) in cash and cash equivalents		21,502.6	(1,991.1)	(2,588.9)	4,137.9	(23.6)
Movement in cash and cash equivalents:						
At start of year		22,868.2	22,098.1	30,779.6	26,736.1	26,759.7
Net foreign exchange differences		(4,409.6)	1,923.5	537.6	(94.4)	-
Net monetary (gain)/loss on cash and cash equivalents		(9,965.5)	837.7	(6,630.3)	-	-
Increase/(decrease) in cash and cash equivalents		21,502.6	(1,991.1)	(2,588.9)	4,137.9	(23.6)
At end of year	26(a)	29,995.7	22,868.2	22,098.1	30,779.6	26,736.1

Company	Notes	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Cash flows from operating activities						
Cash generated from operations	31(a)	200,014.5	178,939.7	160,263.4	145,801.0	132,866.4
Interest received		2,252.9	1,940.2	1,302.3	1,207.9	1,547.0
Income tax paid	12(b)	(47,524.0)	(41,618.4)	(44,493.9)	(33,784.2)	(28,606.4)
Net cash generated from operating activities		154,743.4	139,261.5	117,071.8	113,224.7	105,807
Cash flows from investing activities						
Purchase of property and equipment		(45,162.7)	(48,839.8)	(38,564.0)	(34,667.6)	(35,568.4)
Proceeds from disposal of property and equipment		40.8	261.0	43.6	49.2	84.6
Acquisition of intangible assets	21	(12,238.5)	(10,514.8)	(5,143.0)	(4,728.1)	(4,077.8)
Assets retirement obligations payments		(53.8)	(59.6)	-	-	-
Movement in restricted cash		272.0	336.9	416.0	352.3	180.1
Dividends from subsidiaries		2,251.3	-	4,200.0	-	-
Repayment /(issue) of loans with joint ventures	32(x)(a)	239.5	(1,075.0)	-	-	-
Loan to joint venture		-	-	(300.0)	-	(1,288.7)
Loans to subsidiaries	32(x)(b)	(90.1)	(9.2)	(120.0)	(500.0)	(240.0)
Investment in subsidiaries	23(a)	(30,161.1)	(20,663.9)	(18,116.1)	(58,626.6)	-
Acquisition of intangibles- (IRU)	19	(1,532.5)	-	-	-	-
Investment in associates and joint ventures	23(b)	(2,270.0)	(897.0)	-	-	(0.1)
Net cash used in investing activities		(88,705.1)	(81,461.4)	(57,583.5)	(98,120.8)	(40,910.3)
Cash flows from financing activities						
Dividends paid	15	(53,227.8)	(42,010.4)	(63,557.8)	(59,132.3)	(66,482.0)
Repayment of lease liabilities- principal	22(b)	(3,714.6)	(3,898.1)	(4,001.3)	(3,220.5)	(2,550.6)
Repayment of lease liabilities- interest	22(b)	(3,079.4)	(1,811.0)	(1,735.3)	(1,345.4)	(1,324.0)
Interest paid on borrowings		(12,764.8)	(10,907.6)	(6,415.4)	(2,419.8)	(1,135.9)
Proceeds from borrowings	16	28,000.0	36,892.5	51,500.0	120,564.8	44,970.0
Repayment of borrowings	16	(24,415.5)	(35,055.3)	(42,777.2)	(70,026.0)	(38,198.0)
Net cash used in financing activities		(69,202.1)	(56,789.9)	(66,987.0)	(15,579.2)	(64,720.5)
Increase/(decrease) in cash and cash equivalents		(3,163.8)	1,010.2	(7,498.7)	(475.3)	176.2
Movement in cash and cash equivalents:						
At start of year		19,072.1	18,061.9	25,560.6	26,035.9	25,859.7
Increase/(decrease) in cash and cash equivalents		(3,163.8)	1,010.2	(7,498.7)	(475.3)	176.2
At end of year	26(a)	15,908.3	19,072.1	18,061.9	25,560.6	26,035.9

1 General information

Safaricom PLC is incorporated in Kenya under the Kenyan Companies Act, 2015 as a public limited liability company and is domiciled in Kenya.

The Company's shares are listed on the Nairobi Securities Exchange.

For the Kenyan Companies Act, 2015, reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by the statement of profit or loss and other comprehensive income, in these financial statements.

2 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements, except cash flow information, have been prepared using the accrual accounting basis and in compliance with International Financial Reporting Standards (IFRS Accounting standards) issued by the International Accounting Standards Board (IASB). The financial statements are presented in Kenya Shillings (Shs), which is also the functional currency of the Company, rounded to the nearest million (Shs 'm), except where otherwise stated.

The preparation of the financial statements in conformity with IFRS Accounting standards requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Measurement basis

The measurement basis used is the historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies except for investment property that has been measured at fair value. The financial statements have been adjusted for the effects of inflation for Safaricom Telecommunication Ethiopia Plc as the Ethiopian economy was declared hyperinflationary on or after 31 December 2022.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards

New and amended standards adopted by the Group and applied consistently in each of the years presented.

New accounting standards and amendments	Affected financial years	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements' - non-current liabilities with covenants	2021 - 2025	The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify: • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.
Lease Liability in a Sale and Leaseback - IFRS 16	2021 - 2025	The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	2021 - 2025	The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
IFRS 17 Insurance Contracts	2021 - 2025	IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by: • A specific adaptation for contracts with direct participation features (the variable fee approach). • A simplified approach (the premium allocation approach) mainly for short-duration contracts.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards (Continued)

New accounting standards and amendments	Affected financial years	Executive summary
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	2021 - 2025	The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.
Definition of Accounting Estimates - Amendments to IAS 8	2021 - 2025	Definition of Accounting Estimates - Amendments to IAS 8 The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statement.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12	2021 - 2025	The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12	2021 - 2025	The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon issue of the amendments. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023 but are not required for any interim period ending on or before 31 December 2023.
Reference to the Conceptual Framework (Amendments to IFRS 3)	2021 - 2025	The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards (Continued)

New accounting standards and amendments	Affected financial years	Executive summary
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	2021 - 2025	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.
Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37)	2021 - 2025	The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property and equipment used in fulfilling the contract).
Annual improvements to IFRS Accounting Standards (AIP) IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter	2021 - 2025	The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1: D16(a).
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	2021 - 2025	The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
AIP IAS 41 Agriculture – Taxation in fair value measurements	2021 - 2025	The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
AIP IFRS 16 Leases	2021 - 2025	The amendment removes the illustration of the reimbursement of leasehold improvements.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards (Continued)

New accounting standards and amendments	Affected financial years	Executive summary
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	2021 - 2025	The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients: • A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. • Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. • Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The Group and Company had USD denominated facilities priced at Libor. The carrying amount of the borrowing facility is USD 40 million priced at 6-month USD libor. The facility will mature within 12 months from drawdown date. The amendments above had no significant impact on the annual financial statements of the Group and the Company for the period. There was no amendment to the original contracts terms specified at the initial recognition nor alteration of the method for calculating the interest rate benchmark nor existing fallback clauses in the existing contracts. The Group and Company are currently negotiating alternative benchmark rates with financial institutions and will be transitioning to new benchmark rates by December 2022.
Covid-19-Related Rent Concessions - Amendments to IFRS 16	2021 - 2025	On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.
Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16	2021 - 2025	On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16 if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. The Group and Company has not received any Covid-19-related rent concessions. The Group and Company plans to apply the practical expedient if it becomes applicable within allowed period of application. These amendments and interpretations apply for the first time in the period, but do not have an impact on the annual financial statements of the Group and Company. The Group and Company have not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards (Continued)

New accounting standards and amendments	Affected financial years	Executive summary
Definition of a Business (Amendments to IFRS 3)	2021 - 2025	The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. The amendments will likely result in more acquisitions being accounted for as asset acquisitions.
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	2021 - 2025	The amendments made to IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement provide certain reliefs in relation to interest rate benchmark reforms. The reliefs relate to hedge accounting and have the effect that the reforms should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries
Definition of Material (Amendments to IAS 1 and IAS 8)	2021 - 2025	The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no significant impact on the Group and Company financial statements.
Amendments to References to Conceptual Framework in IFRS Standards	2021 - 2025	The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the Group and Company.

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards (Continued)

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods for both the Group and Company.

New standards and interpretations not yet adopted

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for the reporting periods presented and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and amendments is set out below

Amendments to IAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)

In August 2023, the IASB amended IAS 21 to help entities to determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not. The Group does not expect these amendments to have a material impact on its operations or financial statements.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect these amendments to have a material impact on its operations or financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Group does not expect this standard to have an impact on its operations or financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

Annual Improvements to IFRS Accounting Standards—Volume 11 (effective for annual periods beginning on or after 1 January 2026)

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS (effective for annual periods beginning on or after 1 January 2026)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (effective date postponed indefinitely)

2 Summary of material accounting policies (continued)

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date in which control is transferred to the Group. They are deconsolidated from the date that control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively. When the proportion of the equity held by non-controlling interests' changes, the Group adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Group recognises directly in equity any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

(ii) Investment in associates

Associates are all entities over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is generally the case where the Group holds between 20% and less than 50% of the voting rights of the entity. In assessing existence of significant influence, the Group considers among other parameters whether there is:

Representation on the board of directors or equivalent governing body of the investee
Participation in the policy-making process and material transactions between the investor and the investee
Interchange of managerial personnel between the investor and the investee
Provision of essential technical information by the investor to the investee.

In certain instances, the requirement that significant influence arises from a 20% or more in investments can be invalidated where an entity can demonstrate that it does not have significant influence, or there is demonstrable presence of significant influence in an investment of less than 20% based on the above assessment criteria.

Investments in associates are accounted for using the equity method of accounting. The initial investment is recognised at cost of acquisition and any share of profit or loss from the investment is reflected as changes in the value of the investment. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income.

Dividend received or receivable from associates are recognised as a reduction in the carrying amount of the investment. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 Summary of material accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Investment in associates (continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. A gain on bargain purchase - is recognised through statement of profit or loss and other comprehensive income.

The carrying amount of investment in associates is tested for impairment in accordance with the policy described in Note 2(j).

(iii) Investment in joint ventures

The Group assesses its joint arrangements to determine whether they are joint ventures or joint operations. A joint venture arises from a joint arrangement where the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The resultant share of operational results, assets and liabilities of joint ventures are incorporated in the consolidated annual report and financial statements from the date on which the Group has joint control and derecognised on the date when the Group ceases to have such control.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Under the equity method, joint ventures are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of the investment. Losses of a joint venture in excess of the Group's interest in that joint venture are not recognised. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment. A gain on bargain purchase is recognised through statement of profit or loss and other comprehensive income.

The carrying amount of investment in joint ventures is tested for impairment in accordance with the policy described in Note 2(j).

(iv) Separate financial statements

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment and investment in associates and joint venture are accounted for using the equity method. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Senior Leadership Team (SLT) which makes strategic decisions.

The SLT consider the Group to be comprised of two operating segments, namely Kenya and Ethiopia. The financial statements are presented on the basis that risks and rates of return are related to these two reportable segments. Entity wide segments information is the same as that presented in these financial statements. There are no revenues from transactions with a single external customer that amount to 10% or more of the Group's revenue. For further details, refer to Note 37.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Kenya Shillings (Shs), which is the Group's and Company's presentation currency. The Company's functional currency is Kenya Shillings.

2 Summary of material accounting policies (continued)

(d) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Differences arising on settlement or translation of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation are recognised in other comprehensive income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(iii) Translation of foreign operations

The results and financial position of Group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date.
- Income and expenditure are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable; and
- Foreign exchange translation differences are recognised in OCI and accumulated in the foreign currency translation reserve (FCTR), except to the extent the difference is allocated to non-controlling interests.

The results and financial position of the Group entities, which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the Group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income and accumulated in the foreign currency translation reserve.

(e) Hyperinflation

The financial statements of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the consumer price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation, prior period gains and losses are recognised directly in equity.

An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount. Gains or losses on the net monetary position are recognised in profit or loss. All items recognised in the income statement are restated by applying the change in the consumer price index from the dates when the items of income and expenses were initially earned or incurred.

2 Summary of material accounting policies (continued)

(e) Hyperinflation (continued)

At the beginning of the first period of application, the components of equity, except retained earnings and revaluation surplus, are restated by applying a consumer price index from the dates the components were contributed or otherwise arose. Any revaluation surplus that arose in previous periods is eliminated. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position.

If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the amount in excess of the recoverable amount is recorded as a reduction in retained earnings.

At the end of the first period and in subsequent periods, all components of equity are restated by applying a consumer price index from the beginning of the period or the date of contribution, if later. All items in the statement of cash flows are expressed in terms of the consumer price index at the end of the reporting period.

The Ethiopian economy has been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiary; Safaricom Telecommunication Ethiopia Plc have been expressed in terms of the measuring unit current at the reporting date. For further details, refer to Note 36.

(f) Revenue recognition

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

Over time, in a manner that best reflects the delivery of the Group's performance obligations; or

At a point in time, when control of the goods or services is transferred to the customer.

The Group applies the five-step model as per IFRS 15 - Revenue from contracts with customers, to determine when to recognise revenue and at what amount.

The following approach is used:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract and
- Recognise revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group accounts for a contract with a customer only when;

- There is evidence of an arrangement
- The Group can identify each party's rights and obligations regarding the goods and services to be transferred
- The contract has commercial substance and collectability is reasonably assured.

The transaction price is allocated between performance obligations based on relative standalone selling prices as determined at contract inception.

Since the timing and classification of revenue recognised for a contract will often be dependent on the standalone selling prices that are identified for each performance obligation, the determination of standalone selling prices is critical.

The standalone selling price of a performance obligation is the observable price for which the good or service is sold by the Group in similar circumstances to similar customers. If a standalone selling price is not directly observable, then it is estimated. Estimations consider all relevant facts and circumstances and maximise the use of observable inputs.

Customers typically pay in advance for prepay mobile services and monthly for other communication services. Customers typically pay for handsets and other equipment either upfront at the time of sale or over the term of the related service agreement.

The Group's principal business has been the provision of telecommunication services. Airtime can be bought as scratch cards or PINless top ups through dealers and own-retail centers spread across the country. Customers can also buy airtime through M-PESA, emergency top up and direct top up for bulk purchases. Revenue from sale of the airtime is deferred and recognised as revenue on usage or expiry. Customers can use airtime to make voice calls, send SMS and browse the internet.

2 Summary of material accounting policies (continued)

(f) Revenue recognition (continued)

Voice and SMS revenue

Voice and SMS services enable both prepay and postpay customers to make calls and send text messages respectively within and outside the network. Prepay customers top up their phones by either buying prepay cards from dealers, other retail outlets, M-PESA or borrowing credit through emergency top up service (Okoa Jahazi). They can also receive airtime from other subscribers through Sambaza. Postpay customers subscribe to various tariffs and are billed at the end of the month based on a fixed charge or usage.

The headline voice tariff for prepay customers is called Uwezo and Advantage tariff for postpay customers. The on-net and off-net rate is Shs 4.67 per minute during the peak hours (08:00 to 22:00) and Shs 2.40 per minute during off-peak hours (22:00 to 08:00) applicable to both prepay and post-pay customers. Revenue from prepay voice customers is recognised on usage whereas postpay revenue is recognised at the end of every month based on a monthly charge.

In the spirit of giving value to the customers, the Group has introduced voice bundles including regional based offerings and Tunukiwa which have segmented price offerings for the customers. The Group also has in place the 'Stori Ibambe' bonus scheme where the subscribers are awarded 100% bonus airtime on achieving a daily target of usage, with the bonus valid until midnight daily. The bonus can be used for Safaricom-to-Safaricom voice calls and SMS, and revenue is recognised based on customers usage or upon expiry.

A non-expiry product named 'Milele Airtime' (Neo) is also available for use to either call or SMS at the normal rates. On purchase of Neo product, the billed amount is deferred and only revenues recognised when the service is rendered as either voice or SMS.

The Group has signed interconnect agreements with both local and foreign partners. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised when partners' calls are terminated to the Groups' network i.e., the service is rendered.

The Group has roaming agreements with roaming partners that enable customers to make and receive calls when travelling around the world. The agreed charges vary per partner. When visitors roam on Safaricom network, revenue is earned by billing the visiting customers' network while revenue from Safaricom customers is earned from customer billing for voice, SMS and data usage while roaming on other networks. Revenue is recognised on billing.

Customers can send messages for Shs 1.20 per SMS on both on-net and off-net. There are also attractive SMS bundles which offer an effective price per SMS lower than Shs 1.20. Revenue from SMS service is recognised on earlier of usage or expiry of SMS bundle.

Data revenue

Mobile data enables both Prepay and Postpay customers access the internet. Prepay customers top up their lines by purchasing credit or bundles in advance whereas Postpay customers are availed credit based on the tariff subscribed.

Mobile data has a wide range of propositions available as per customers' requirements. These include, Pay as you Go, hourly bundles, daily bundles, 3-day, 7-day, 14-day, 30-day bundles and time-based billing.

The data bundles are deferred on purchase and recognised as revenue on the earlier of usage or expiry.

The validity of purchased but unutilised data bundles is extended upon additional purchase of the same data bundles and the Group prompts the subscriber in advance before unutilised bundles expire and are consequently unavailable for use.

The Group introduced no expiry data bundles dubbed Neo data that allows customers to buy data for any amount they wish. As a result, customers have the option of purchasing data packs with set expiry and higher value, or non-expiry packs.

The Group has in place, My Data Manager, a tool that gives subscribers power to control data bundle usage and allows them to restrict browsing out of bundle which enables them to take control of their browsing and internet usage.

The Group has rolled out its own home fibre to connect both households and businesses through Fibre to the Home (FTTH) and Fibre to the Building (FTTB) services that enable fast, reliable and unlimited internet access from the comfort of a customer's home/premises. This service is open and available to all customers residing within areas that have Safaricom fibre infrastructure ready and have applied to have their homes / premises connected to the Safaricom fibre grid.

The price charged is based on the bandwidth and speed contracted by the customer. The price is charged upfront for a standard period of 7 days and/or 30 days and the customer can renew the subscription by making a payment. The amount charged is deferred and recognised as revenue proportionately over the subscription period.

2 Summary of material accounting policies (continued)

(f) Revenue recognition (continued)

Integrated bundles

An integrated bundle is a one-stop package that offers subscribers freedom to choose their preferred resources in the form of voice minutes, SMS bundles and mobile data bundles.

The Group has in place All in One monthly bundles, Tunukiwa tariff, S-Hook, Postpay packs and Make Your bundle.

All in One monthly bundles are available to all Safaricom customers (prepay, postpaid and hybrid) and they have a simplified journey that seeks to offer the consumer the best choice for maximizing their purchase, including free WhatsApp access once the customer exhausts their mobile data bundle and the expiry date has not yet elapsed. Customers can access these bundles on USSD *544#, *100#, *200# and *456#, select the amount they wish to spend and then view all data and integrated products and resources at the respective amounts. All in one monthly bundles have a validity of 30 days with the possibility of rolling over resources if the customer purchases the same bundle before expiry.

Tunukiwa tariff is a personalised offer that is based on an individual customer usage, network utilisation, capacity availability, device type and general location. Daily, upon dialing *444# from their Safaricom line, customers access a list of custom-made options being number and value of voice minutes, SMS bundles and mobile data bundles, to choose from. The customers can purchase multiple options of the personalised package depending on their preferences. The personalised options are subject to the validity as specified in the USSD (*444#) before purchase.

S-Hook is a platform that empowers the youth using mobile phones and targets the fast growing 16- to 24-year-old demographic group. The platform offers access to custom-made tariffs and product offerings that leverage Safaricom's extensive mobile network.

Make Your Bundle is an integrated proposition that allows customers across all segments to access voice and data propositions while choosing their preferred validity from hourly to monthly as well as choosing the amount of money/airtime they wish to spend for the pack. This gives flexibility to customers wishing to purchase an integrated pack that's shorter than 30-days in validity and allows them to access both products with their preferred product mix.

The price charged on these bundles is deferred on purchase and recognised as revenue on utilization by the customers or on expiry in line with the validity period. Revenue from integrated bundles is recognised under the respective revenue stream i.e., voice, SMS and/ or mobile data revenue streams.

M-PESA revenue

M-PESA is a mobile money transaction service allowing customers to deposit, transfer and withdraw money or pay for goods and services (Lipa na M-PESA) using a mobile phone. M-PESA is available to all Safaricom subscribers (Prepay and Postpay). Registration is free and available at any M-PESA agent countrywide. The M-PESA application is installed on the sim-card and works on all makes of handsets.

Payment Products and Services

Revenue from the payment services is earned at a point in time and is largely from transfer and withdrawal transactions performed by customers. A graduated tariff depending on the funds being transacted is applied on all transactions which are cumulatively reported as M-PESA transaction revenue.

The Group has in place an M-PESA tariff dubbed 'M-PESA Kadogo' where transaction charges for single transaction amounts that are up to Shs 100 were waived. This allows subscribers to send as little as Shs 1 on the M-PESA platform with nil charges.

Lipa na M-PESA enables merchants to accept cashless payments for goods and services from customers. Revenue is earned on all the transactions based on a graduated tariff applied on the transacted values. Revenue is recognized at a point in time when the transactions occur.

Pochi La Biashara' is a micro merchant service that allows small business owners such as food vendors, small kiosk owners, boda-boda operators, secondhand clothes dealers, etc., to receive and separate business funds from personal funds on their M-PESA line. A graduated tariff depending on the funds being transacted is applied on all transactions which are cumulatively reported as M-PESA transaction revenue.

The M-PESA Kadogo tariff has also been extended to merchant services where commission charges for single transaction amounts that are up to Shs 200 were waived for merchants. This allows for merchants to accept payments as little as Shs 1 on the M-PESA platform with nil charges.

Remittance Products and Services

Safaricom Plc through its fully owned subsidiary, Safaricom Money Transfer Services Limited (SMTSL), operates the remittance services that allows customers to send and receive money to a beneficiary through registered mobile phone numbers in partnership with third party International Money Remittance (IMT) Providers. Revenues is earned from transaction fees charged to customers for international money transfers (inbound and outbound). The revenue is recognised at a point in time.

2 Summary of material accounting policies (continued)

(f) Revenue recognition (continued)

Global Payment Products and Services

In partnership with VISA the group operates a visa virtual card dubbed 'M-PESA GlobalPay' that is powering the ecommerce opportunities for M-PESA customers and make it easier for Kenyans when travelling abroad. The virtual card is linked to the M-PESA wallet and enables one to make payments to international online sites for goods and services through Visa's global network. Safaricom earns a proportion of the fee based on a prescribed revenue share matrix. The revenue is recognized at a point in time.

Digital Financial Services

In partnership with Kenya lenders, NCBA Bank Kenya Limited and KCB Bank Kenya Limited, consumers and businesses can access digital saving and lending products and services.

An Overdraft (OD) facility dubbed 'Fuliza', enables customers to access unsecured line of credit by overdrawing on M-PESA to cover short-term cash-flow shortfalls subject to an applicable pre-determined limit.

Fuliza is underwritten by Kenyan lenders, NCBA Bank Kenya Limited and KCB Bank Kenya Limited. Customers who 'opt in' on Fuliza are charged a one-off access fee and daily maintenance fees on unpaid loan amounts based on a pre-determined matrix. Safaricom earns a proportion of the fee based on a pre-determined revenue share matrix. The revenue is recognised at a point in time.

In line with the financial inclusion strategy savings and loan services enables M-PESA customers to borrow money in times of need or to complement their savings dubbed M-shwari and KCB M-PESA. The services enable customers to save as little as Shs 1 (USD 0.008) and get loans from Shs 50 (USD 0.37) to Shs 1 million (USD 7,491). M-shwari loan is underwritten by Kenyan Lender NCBA Bank Kenya Limited while KCB M-PESA loan is underwritten by KCB Bank Kenya Limited. Customers who opt-in to the services are charged a predetermined one-time access fee. Safaricom earns a proportion of the fee based on a pre-determined revenue share matrix. The revenue is recognised at a point in time.

This has enabled more subscribers to get access to mobile banking services. There are no application forms, ledger fees, limits on the frequency of withdrawal and minimum operating. M-Shwari lock box product enables customers to make fixed deposit savings at a higher interest rate.

The Group in partnership with KCB Bank Kenya limited launched a merchant value preposition dubbed 'boost ya biashara' which is an overdraft business credit line for M-PESA Merchants. The facility allows business owners to complete transactions, by overdrawing their accounts, when they have insufficient funds in their M-PESA business tills. Boost ya Biashara is underwritten by a Kenyan Lender KCB Bank Kenya Limited and customers who opt-in are charged an access fee for every disbursement with a predetermined tiered matrix daily maintenance fee. Safaricom earns a proportion of the fee based on a prescribed revenue share matrix. The revenue is recognized at a point in time.

Super Apps, Mini Apps & Application Programming Interface (API)s

M-PESA APIs & Super Apps powers Integrations & partnerships as M-PESA has evolved into an ecosystem technology platform. The Super App and Mini App ecosystem seamlessly connect to third party services to offer more value to customers while the API economy is reshaping the financial services sector by enabling more open, integrated, and customer-centric services. It provides opportunities for financial institutions to innovate, collaborate, and create new business models, making it a key driver of digital transformation in the sector. Safaricom earns subscription-based fees from the ecosystem partners. The revenue is recognized at a point in time.

Other service revenue

This includes access fees charged on emergency top up service when a customer borrows airtime (Okoa Jahazi) and data bundles (Okoa Data) with the debt being repayable within five days.

Contract related costs

Connection commissions paid to dealers and SIM activation costs are recognised as costs to fulfill a contract in the statement of financial position when the related payment obligation is extinguished through payments.

Deferred SIM costs are incurred prior to connecting customers to the network and are recognised as costs to obtain a contract in the statement of financial position when the SIM card is sold to the dealer. Contract cost are then amortised over the customer life as determined by the Group.

2 Summary of material accounting policies (continued)

(f) Revenue recognition (continued)

Handset and acquisitions revenue

These includes revenue on sale of mobile phone handsets, decoders, starter packs, SIM swaps and other accessories sold through dealers and own-retail centres spread across the country. Starter packs consist of a SIM card and information brochures. Handsets, SIM Swaps and accessories have no right of return and revenue is recognised on sale.

However, income from sale of SIM cards is deferred and recognised as revenue over the determined customer life when the customer activates the line through initial top up.

Other revenue

This includes, among others, site rentals. Site rental revenue is billed monthly and is based on the number of sites and equipment hosted per site. Revenue is recognised systematically over the lease period. Please refer to accounting policy 2(k) Accounting for leases, for the Group's lessor accounting policy in this regard.

Construction and managed service contract

The Company has a construction contract for the construction of a national secure communication network and surveillance system for the National Police Service. A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions, or their ultimate purpose or use.

The Group is responsible for the overall development of the project and identifies various goods and services to be provided, including design work, procurement of materials, site preparation and foundation pouring, framing and plastering, mechanical and electrical work, installation of fixtures and finishing work. In such contracts, the Group determined that the goods and services are not distinct and generally accounts for them as a single performance obligation. As per the terms of construction contract, the Group has determined that control is transferred over time. As such revenues from construction is recognized over time.

Construction costs incurred are accumulated under inventory work in progress until when they are billed.

Miscellaneous income

Miscellaneous income includes among others cash discounts received from vendors, donations from third parties utilised to fund Safaricom Foundation activities, and gains on disposal of property and equipment.

(g) Property and equipment

All categories of property and equipment are initially recorded at cost. Following initial recognition, property and equipment are carried at cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life as follows:

Network infrastructure: 5 - 20 years

Equipment and motor vehicles: 4 - 10 years

Fibre: 25 years

Leasehold improvements: Shorter of life of lease or useful life of the asset

Network maintenance spares: 4 – 10 years

Freehold buildings: 50 years

Depreciation relating to the property and equipment of Safaricom Telecommunications Ethiopia Plc is based on the restated amounts, which have been adjusted for the effects of hyperinflation.

Spare parts, standby equipment and servicing equipment are recognised as property and equipment when they meet the definition of property, plant and equipment.

The assets residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each period end. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property and equipment acquired in exchange for non-monetary assets, or a combination of monetary and non-monetary assets are measured at fair value of the new asset. If the fair value of the newly acquired asset cannot be determined reliably, then the newly acquired asset is measured at the carrying amount of the asset given up.

2 Summary of material accounting policies (continued)

(g) Property and equipment (continued)

The carrying amount of an item of property and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognised. The gain or loss from the derecognition is calculated as the net disposal proceeds (usually income from sale of item) less the carrying amount of the item.

As the functional currency of Safaricom Telecommunication Ethiopia Plc is currency of hyperinflationary economies, property and equipment relating to the subsidiary are restated by applying the change in the consumer price indices from the date of acquisition to the current reporting date. Depreciation relating to property and equipment of Safaricom Telecommunication Ethiopia Plc is based on the restated amounts which have been adjusted for the effects of hyperinflation.

Asset Retirement Obligations (ARO)

The Group accounts for the costs associated with dismantling and removing network infrastructure assets and returning a network infrastructure site to its original condition upon termination of the network infrastructure site.

A restoration provision is recorded based on the best estimate of the average restoration costs (being the future costs relating to dismantling and removing property and equipment and restoring each site) multiplied by the number of sites for which the Company has a restoration obligation.

The best estimate of average restoration costs per site is determined using historical and current experience, adjusted where necessary for known factors which will impact the future. In the absence of such experience, the best estimate is based on quotations obtained from relevant suppliers or an equally rigorous internal costing process.

Upon recognition of a provision, a corresponding amount is recognised as part of the cost of the asset and depreciated over its useful life, which would normally be the period to the removal of the network infrastructure from the site. This period should not exceed the remaining lease term.

Where the impact is material, the provision, as originally established, should be discounted using the appropriate pre-tax discount rate. This discount should be unwound through the finance cost in the statement of profit or loss over the period to the lease termination date.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. The changes and adjustments to the provisions are made directly against the underlying asset to which the provision relates.

(h) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise. The Group reassess the fair value of its investment property annually.

An investment property is de-recognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

(i) Intangible assets – network licenses

Separately acquired trademarks and licenses are measured on initial recognition at cost. Following initial recognition, they are carried at cost, net of accumulated amortisation and accumulated impairment losses, if any. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses that have a finite useful life are carried at cost less accumulated amortisation and assessed for impairment whenever there is indication that the licence may be impaired. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of 10 to 15 years.

As the functional currency of Safaricom Telecommunication Ethiopia Plc is currency of hyperinflationary economies, intangible assets relating to the subsidiary are restated by applying the change in the consumer price indices from the date of acquisition to the current reporting date.

A telecommunication license is a requirement of the Communications Authority of Kenya (CA) for mobile telephone companies. The licence is renewable for an additional period upon its expiry. Currently Safaricom Plc is licenced under the Unified Licence Framework which is technology and service neutral.

2 Summary of material accounting policies (continued)

(i) Intangible assets – network licenses (continued)

Telecommunication license fees are capitalised at cost and amortised over the period of the license using the straight-line method from commencement of the service of the network.

Safaricom has the following licences:

- Network Facilities Provider licence Tier 1 (NFP) licence;
- Applications Services Provider (ASP) licence;
- Content Service Provider (CSP) licence;
- International Gateway Systems and service (IGSS) licence;

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Amortisation relating to Safaricom Telecommunication Ethiopia Plc is based on the restated amounts, which have been adjusted for the effects of hyperinflation.

There are annual network licence fees associated with these licences which are expensed each year.

The following licences are also in place for subsidiaries.

- Subscription Broadcasting Licence issued by Communication Authority of Kenya on 16 July 2019 to Comtec Integration Systems Limited valid for 10 years.
- Unified Telecommunications Services License issued by Ethiopian Communications Authority (ECA) on 9 July 2021 to Safaricom Telecommunications Ethiopia Plc valid for 15 years.
- Payment Instrument issuer (PII) license for subsidiary MPESA launched in 15 August 2023 for a period of 14 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

(j) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's revenue generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2 Summary of material accounting policies (continued)

(j) Impairment of non-financial assets (continued)

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Accounting for leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, being the present value of the lease payments paid or payable at or before the commencement date, plus any initial direct costs incurred in entering the lease and dismantling & restoration costs, less any lease incentives received less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are also subject to impairment. Refer to Note 22(a).

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the lease liability include fixed payments and in-substance fixed payments during the term of the lease less any lease incentives receivable, variable lease payments that depend on an index or a rate, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease and amounts expected to be payable by the lessee under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The Group lease liabilities are shown in Note 22(b).

The Group is the lessor - operating leases

An operating lease is a lease in which substantially all of the risks and rewards of the leased assets remain with the lessor. Where the Group is the lessor, lease income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate. The Group recognises leased assets on the statement of financial position as right-of-use assets. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

The Group acts as lessor of sites. These leases have an average life of between five and ten years with renewal options included in the contracts. There are no restrictions placed upon the lessee by entering into these leases. Rental income recognised by the Group during the year is Shs 3,432.8 million (2024: Shs 3,215.4 million, 2023: Shs 2,557.5 million, 2022: Shs 2,193.3 million and 2021: Shs 2,069.2 million).

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of sites, shops, facilities and secondees/expatriates houses (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of sites, shops, facilities and secondees/expatriates houses that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2 Summary of material accounting policies (continued)

(I) Financial assets

Initial recognition

Financial instruments are recognised when, and only when, the Group becomes party to the contractual provisions of the instrument. All financial assets are recognised initially using the trade date accounting which is the date the Group commits itself to the purchase or sale.

Initial measurement

On initial recognition

- Trade receivables are measured at their transaction price.
- All other financial assets are initially measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument, except for financial assets measured at fair value for which the directly attributable transaction costs are expensed in profit or loss.

Classification

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.

Financial assets held during the year were classified as follows:

- Trade and other receivables, loan to subsidiary, loans and receivables due from related parties, cash and cash equivalents were classified as at amortised cost.
- Restricted cash was classified as amortised cost.

Subsequent measurement

After initial recognition, financial assets are measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Impairment

The Group recognises a loss allowance for expected credit losses on debt instruments that are measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial assets for which:

- (a) the credit risk has increased significantly since initial recognition; or
- (b) there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For receivables, due from related parties and bank balances, the Group and Company applies a simplified approach in calculating ECLs. Therefore, the Group recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, and assessed forward-looking factors specific to the debtors, banks and the economic environment.

The Group considers a financial asset to be in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default and credit impaired when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

2 Summary of material accounting policies (continued)

(l) Financial assets (continued)

Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the reporting date, those which directors has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

As the functional currency of Safaricom Telecommunications Ethiopia Plc is of hyperinflationary economy prepayments relating to this subsidiary are restated by applying the change in the general price indices from the date of payment to the current reporting date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Write-off

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. During the year, receivables that are still subject to enforcement activities of Shs 983 million (2024: Shs 2,499.6 million, 2023: Shs 1,278.9 million, 2022: Shs 942.7 million and 2021: Shs 481 million) at Group and Shs 1,214.6 million (2024: Shs 2,219.2 million, 2023: Shs 1,204.7 million, 2022: Shs 942.7 million and 2021: Shs 481.0 million) were written off.

(m) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost (loans and borrowings and payables).

2 Summary of material accounting policies (continued)

(m) Financial liabilities (continued)

Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Trade and other payables excluding deferred revenue as well as dividends payable are not interest bearing and are subsequently stated at their nominal values.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. No such arrangements were in place in the year under review.

(n) Indefeasible rights of use

The Group enters into long-term fibre contracts under which it purchases capacity from fibre networks. The purchase involves making prepayments to acquire indefeasible right of use (IRU) for a fixed period. The prepayment is amortised and recognised in the profit or loss on a straight-line basis over the life of the contract.

Provider	Inception	Contract period
The East African Marine Systems Limited (TEAMS)	1 May 2011	25 years
Kenya Power and Lighting Company (KPLC)	1 Feb 2010	20 years
SEACOM	1 July 2008	20 years

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of inventories comprises purchase price and other costs incurred in bringing each product to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Provisions for saleable inventories are made based on aged listing for items older than 180 days, damaged and unusable stocks. As the functional currency of Safaricom Telecommunications Ethiopia Plc is of hyperinflationary economy, inventories relating to this subsidiary are measured at the lower of the restated cost and net realisable value.

(p) Payable and accrued expenses

Payables and accrued expenses are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables and accrued expenses are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables and accrued expenses are recognised initially at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Payables and accrued expenses are derecognised when the obligation under the liability is discharged or cancelled or expires or when an existing financial liability is replaced by another from the same lender on substantially different terms.

2 Summary of material accounting policies (continued)

(q) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value (Shs 0.05) of the shares is classified as 'share premium' in equity.

Ordinary shares represent the residual economic value of a Company. They carry rights to distribution of profits through dividend, to the surplus assets of a Company on a winding up and to votes at general meetings of the Company.

There are no differences in the voting rights of the ordinary shares held by the shareholders of the Company.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(s) Restricted cash

Restricted cash and cash equivalent balances are those which meet the definition of cash and cash equivalents but are not available for use by the group.

Restricted cash relates to deposits held with Housing Finance Group Limited, NCBA Bank Kenya Limited and KCB Bank Kenya Limited. The cash is used as a backup for the staff mortgage loans and its withdrawal is restricted, up to the point when the mortgage has been repaid.

The restricted cash is initially measured at fair value using discounted cash flow method. The discount rate used is based on 70% of the Central Bank of Kenya Rate (CBR). Subsequently, the restricted cash is measured at amortised cost. The difference between the actual cash held as deposits and the determined value (i.e. the deferred restricted cash asset) is amortised over the term of the deposit.

(t) Employees benefits

Retirement benefit obligation

The Group has a defined contribution plan for its employees. The Group and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense when they are due.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Other entitlements

The estimated monetary liability for employees accrued annual leave entitlement at the statement of financial position date is recognised as an expense accrual.

Short-term benefits

Short-term benefits consist of salaries, bonuses and any non-monetary benefits such as medical aid contributions and free services. They exclude equity-based benefits and termination benefits. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2 Summary of material accounting policies (continued)

(t) Employees benefits (continued)

Share-based payments

The Group operates an Employee Performance Share Award Plan (EPSAP) under which senior management and other qualifying staff are entitled to receive a predetermined number of shares at a predetermined price, subject to fulfilment of the vesting conditions.

The process of EPSAP includes the Group purchasing shares from the market pro-rata to vesting period and then issuing the same to eligible employees after a 3-year vesting period at no cost. The shares are purchased through a Trust and held until the end of the vesting period. The cost of purchase is charged to profit or loss statement.

(u) Taxes

The income tax expense for the year comprises current and deferred tax. Income tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the income tax is also recognised in other comprehensive income or directly in equity respectively.

Income tax expense

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated and separate financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Generally, the Group is unable to control the reversal of the temporary difference for associates except where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

As the functional currency of Safaricom Telecommunications Ethiopia Plc is of hyperinflationary economy, deferred tax relating to this subsidiary is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their restated carrying amounts.

Value added tax

Expenses and assets are recognised net of the amount of Value Added Tax (VAT) except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2 Summary of material accounting policies (continued)

(v) Borrowings

Borrowings are recognised initially at fair value net of directly attributable transaction costs and subsequently stated at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Any differences between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings. Borrowings are derecognised when the obligation under the liability is discharged or cancelled or expires or when an existing financial liability is replaced by another from the same lender on substantially different terms.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates and accounted for as "finance cost within profit or loss. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after year end.

Capitalisation of borrowing cost

The Group from time to time capitalises borrowing costs as provided under IAS 23. In line with the standard, borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, will be capitalized. A qualifying asset is one which necessarily takes more than six months to get ready for its intended use or sale. A qualifying asset can either be tangible or intangible in nature.

Examples of qualifying assets include core network equipment, transmission and radio equipment for base station sites and computer software development. The rate used to determine the amount of borrowing costs eligible for capitalisation is the EIR of the specific borrowing. There were no borrowing costs capitalised during the year.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

(w) Dividend distribution

Dividend payable to the shareholders are recognised as a liability in the Group's financial statements in the period in which the dividend is approved by the Company's shareholders. Proposed dividend is shown as a separate component of equity until approved.

(x) Provisions

Provisions are recognised when:

- The Group has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. The details on specific provisions are outlined under Note 29(b).

(y) Dividend income

Dividend income is recognised when the Group's and Company's right to receive payment is established.

(z) Mobile financial deposits and payables

The M-PESA service allows users to deposit money into an account stored to their cell phone number, to send balances using PIN-secured SMS text messages to other users, including sellers of goods and services, and to redeem deposits for regular money.

Mobile financial deposits are the deposits made by all customers in exchange for electronic mobile money and the unrestricted interest earned on the funds, which will be utilised upon approval if required. This cash is held in restricted accounts with reputable financial institutions and measured at amortised cost.

Upon recognition of the mobile financial deposits, the Group recognises a corresponding current liability, owed to the mobile financial customers for the deposits made. Mobile financial payables due to customers are primarily composed of saving deposits and amounts payable on demand.

(aa) Comparatives

Where necessary, for purposes of the 5 year compilation, comparative figures have been adjusted to conform with changes in presentation in the current year.

3 Significant accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Significant accounting estimates and assumptions

Hyperinflation

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint ventures is the currency of a hyperinflationary economy.

The directors have made judgements in the process of applying accounting policies that would have significant effects on the amounts recognized in the consolidated financial statements. Judgement was made in determining whether the economy of Ethiopia in which Safaricom Telecommunications Ethiopia Plc operates was hyper inflationary as at 31 March 2025 and 31 March 2024.

Income taxes

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (Note 12 and 17).

Property and equipment

Critical estimates are made by directors in determining depreciation rates and timing of capitalization of the assets. The depreciation rates used are set out in Note 2 (g) above and Note 18.

IFRS 16 leases

The key areas where estimates and judgement were applied included the interpretation of the requirements to determine the contracts containing leases and separating the lease and the non-lease components of a contract, the determination of the incremental rate of borrowing and the decision to exercise the extension or termination options while determining the lease term. See further details under Note 2 (k), Note 22(a), and Note 22 (b).

Valuation of Bonga points

The price attributed to the awarded Bonga points is determined by historical redemption information. The length of historical period used to determine the price is set by directors and is based on previous redemptions rates on airtime, data, SMS or merchandise. These balances have been included under contract liabilities, Note 30(b).

Expected credit losses (ECL)

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type, customer type and rating, and coverage by letters of credit). The Group also considers forward- looking information at a customer level based on macroeconomics and microeconomics variables around the customer and level of effort utilised to collect the debt.

This estimate is therefore based on factors not in control by the Group and included in the financial statements (Note 6(b)).

Provisions

The Group faces exposure to claims and other liabilities arising from normal course of business. These claims and other liabilities normally take time to be determined and therefore significant judgement is required in assessing the likely outcome and the potential liability for such matters. Management in consultation with the legal, tax and other advisers estimates a provision based on exposure, precedents, and industry best practice. Further details can be found in Note 29(b).

Impairment of non-financial assets including subsidiaries

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

The value in use calculation is based on a Discounting Cash Flow (DCF) model. The cash flows are derived from the budget for the next five or 10 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to impairment assessment of the subsidiaries by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 2(j).

3 Significant accounting estimates and judgements (continued)

(ii) Significant judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, directors has made judgements in determining:

- The classification of financial assets, contract costs and liabilities.
- Whether assets are impaired.
- The average customer life; Customer life is based on the average churn period of the customers from the network;
- Assessment of IFRS 16 – Leases;
- Assessment of IFRS 9 - Financial instruments
- Income taxes- Significant judgement is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.
- Assessment of significant influence over an associate - The Group considers that it has significant influence over Circle Gas Limited though it owns less than 20% of the voting rights of the company because of the following reasons:
 - (i) The Group has one non-executive directors' slot in Circle Gas board where Safaricom Plc has one reserved board seat so long as a Trademark Licence and Brand Management Co-operation Agreement made remains in force and Safaricom Plc remains a holder of ordinary shares.
 - (ii) The associate uses Safaricom Plc's trademarks as per agreement in return for a royalty fee agreement and interchange of managerial personnel between the entities.
 - (iii) The associate is riding on Safaricom's network to guarantee connectivity to its smart meters.

(iii) Significant judgement on going concern

The Group's current liabilities exceed its current assets by Shs 71.0 billion (2024 net current liabilities position: Shs 85.3 billion, 2023 net current liabilities position: Shs 67.9 billion, 2022 net current liabilities position: Shs 32.9 billion, 2021 net current liabilities position: Shs 19.5 billion) at the statement of financial position. For items that significantly impact the net working capital refer to Notes 24 to 30.

This net current liability position is expected to remain in the near future as a result of the nature of the Group's business. A significant portion of creditors relate to network infrastructure investments rather than on-going trading hence net working capital is typically a negative amount due to the mismatch of the financing (short term) and the investment (long term). Other significant portion of current liabilities is a result of how revenue is recognised. The related liabilities are all held in the statement of financial position and are explained below:

- Unused airtime and data bundles by prepaid customers of Shs 2.5 billion (2024: Shs 2.6 billion, 2023: Shs 2.6 billion, 2022: Shs 2.3 billion, 2021: Shs 2.6 billion). Prepaid airtime when sold to customers is held as a liability in the statement of financial position (deferred revenue) until the customer uses it, at which point revenue is recognised by reducing the liability and reporting revenue. Based on its nature, there are no expected cash outflow since its reduction is based on usage rather than actual cash outflow.
- Loyalty points earned by customers (Bonga points) of Shs 3.6 billion (2024: Shs 3.3 billion, 2023: Shs 3 billion, 2022: Shs 4.5 billion, 2021: Shs 4.2 billion). Loyalty points are earned when a customer uses a Safaricom service including use of airtime, data or M-PESA. These points are valued and accumulated into the customer account until such a time when the customer opts to redeem the points against merchandise (devices including handsets, accessories, and merchandise from appointed Bonga everywhere outlets) or non-merchandise (free airtime and data bundles). Based on its nature, there are no expected cash outflow since its reduction is based on usage rather than actual cash outflow.
- Unutilised resources by the customers of Shs 6.9 billion (2024: Shs 7.0 billion, 2023: Shs 3.7 billion, 2022: Shs 2.9 billion, 2021: Shs 3.1 billion). The Group applies IFRS 15 — Revenue from Contracts with Customers in accounting for bundled resources. The value of unutilized resources (customer balances) is reported as subscriber liability until the customers use the resources. Based on its nature, there are no expected cash outflow since its reduction is based on usage rather than actual cash settlement.

3 Significant accounting estimates and judgements (continued)

(iii) Significant judgement on going concern (continued)

These amounts are included under contract liabilities in the statement of financial position. Management has assessed each of the items above and does not anticipate any cash outflow.

Further, the Group uses a broad mix of long-term and short debt to finance its operations. In the year ended 31 March 2025, the Group borrowed Shs 38.0 billion and repaid Shs 26.3 billion. See note 16 for borrowing movements for all the years presented. Of the outstanding loan amount of Shs 107.4 billion as at 31 March 2025, Shs 43.1 billion is short-term working capital. Management is confident that sufficient funds will be available and accessible to meet all obligations as they fall due.

(iv) Significant judgement on hyperinflation

The Group applies IAS 29 in accounting for entities in hyperinflationary economies. The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint ventures is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- the general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency.
- prices are quoted in a relatively stable foreign currency.
- sales or purchase prices take expected losses of purchasing power during a short credit period into account.
- interest rates, wages and prices are linked to a price index; and
- the cumulative inflation rate over three years is approaching, or exceeds, 100%.

For the year ended 31 March 2025, the International Monetary Fund (IMF) World Economic Outlook (WEO), IMF WEO, reported a 3-year cumulative rate of inflation of 114% as of December 2022. In the WEO report issued in January 2025 shows that three-year cumulative inflation is expected to decrease significantly, from 125% in 2023/24 to 102% in 2024/25, and to 79% in 2025/26. Local data shows a decreasing year-on-year inflation trend. However, three-year cumulative inflation is still above 100%.

For the year ended 31 March 2024, the International Monetary Fund (IMF) World Economic Outlook (WEO), IMF WEO, reported a 3-year cumulative rate of inflation of 114% as of December 2022. For 2023, the IMF WEO forecasts an annual rate of inflation of 25% (2024: 19%) and a 3-year cumulative rate of inflation of 125% (2024: 97%). The Ethiopian National Statistics Office reported cumulative rate of inflation of 116% and 29%, respectively, as of June 2023.

Therefore, directors believe that Ethiopia continues to be hyperinflationary as at 31 March 2025 and 31 March 2024. Following directors' assessment, the Group's subsidiary, Safaricom Telecommunication Ethiopia Plc, and its operating company Safaricom M-PESA Mobile Financial Services Plc have been accounted for as entities operating in hyperinflationary economies.

The results, cash flows and financial positions of Safaricom Telecommunication Ethiopia Plc and Safaricom M-PESA Mobile Financial Services Plc have been expressed in terms of the measuring units current at the reporting date. Refer to Note 36.

4 Risk Management

Financial Risk Management

The Group's activities expose it to a variety of financial risks that include: - market risks (including foreign exchange risks, interest rate risks, and price risk), credit risks and liquidity risks.

Financial risk management is carried out by the Group Treasury section in the Finance division of the Group under policies approved by the Board of Directors. The Group Treasury section identifies, evaluates, and manages financial risks.

The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and non-derivative financial instruments and investing excess liquidity. Financial assets and financial liabilities have been carried at amortised cost.

Market risks

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily, with respect to the US dollar and the Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Group manages foreign exchange risk arising from future commercial transactions by holding adequate foreign currency reserves to meet future cash flow requirements.

The Group does not have any derivative instruments/equity.

4 Risk Management (continued)

Financial Risk Management (continued)

Market risks (continued)

(i) Foreign exchange risks (continued)

2024-2025

If there was a 20% change in the shilling against the US dollar during the year (2024: 20% change), with all other variables held constant, the consolidated pre- and post-tax profit/equity for the Group would change by Shs 2,111.7 million and Shs 1,478.2 million respectively (2024: Shs 1,564.5 million and Shs 1,095.2 million) and Shs 1,805.6 million and Shs 1,263.9 million respectively for Company (2024: Shs 1,473.3 million and Shs 1,031.3 million), mainly as a result of US dollar denominated cash and bank balances, borrowings, receivables and payables.

If there was a 20% change in the shilling against the Euro during the year (2024: 20% change), with all other variables held constant, the consolidated pre and post-tax profit/equity would change by Shs 1,743.7 million and Shs 1,220.6 million respectively for Group (2024: Shs 272.0 million and Shs 190.4 million) and Shs 1,734.5 million and Shs 1,214.2 million for Company respectively (2024: Shs 96.3 million and Shs 67.4 million), mainly as a result of increased Euro denominated creditors balances and bank balances.

The sensitivity of 20% applied in the current year has been informed by the changes in foreign currency during the year. As per IFRS 7 – Financial Instruments Disclosures, the exposure to foreign exchange risk for Ethiopia has not been aggregated in the Group analysis as Ethiopia has been consolidated in a hyperinflationary economy as at 31 March 2025 and 31 March 2024.

2021-2023

If there was a 10% change in the shilling against the US dollar in 2023, with all other variables held constant, the pre and post-tax profit for the year ended 31 March 2023 would change by Shs 1,249.9 million and Shs 874.9 million for Group (2022: Shs 209.5 million and Shs 146.6 million, 2021: Shs 126 million and Shs 88 million) and Shs 879.6 million and Shs 615.7 million respectively for Company (2022: Shs 614.7 million and 430.3 million, 2021: Shs 5.9 million and Shs 4.1 million), mainly as a result of US dollar denominated cash and bank balances, borrowings, receivables and payables.

If there was a 10% change in the shilling against the Euro in 2023 with all other variables held constant, consolidated pre and post-tax profit for the year ended 31 March 2023 would change by Shs 2,714.5 million and Shs 1,900.1 million for Group (2022: Shs 454.1 million and Shs 317.9 million, 2021: Shs 33 million and Shs 23.8 million) respectively for Company Shs 514.2 million and Shs 359.9 million (2022: Shs 211.9 million and Shs 148.4 million, 2021: Shs 33 million and Shs 23.8 million), mainly as a result of increased Euro denominated creditors balances and bank balances. There is no significant difference between Group and Company Euro sensitivity.

The Group's exposure to foreign currency changes for all other currencies is not material.

(ii) Interest rate risk

Interest rate risk arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. The Group regularly monitor financing options available to ensure optimum interest rates are obtained.

A 100-basis points fluctuation in interest during 2025 (2024: 100 basis points, 2023: 100 basis points, 2022: 100 basis points, 2021: 100 basis points,) would have resulted in a net decrease/increase in Group's pre- and post-tax profit / equity of Shs 621.0 million and Shs 434.7 million respectively (2024: Shs 829.4 million and Shs 580.6 million, 2023: Shs 469.7 million and Shs 328.8 million, 2022: Shs 175.2 million and Shs 122.3 million, 2021: Shs 153.2 million and Shs 107.3 million). This sensitivity is a fair and reasonable reflection of the Group and Company's pre- and post-tax profit / equity.

The exposure to interest rate risk for Ethiopia has not been aggregated in the Group analysis as Ethiopia has been consolidated in a hyperinflationary economy as at 31 March 2025 and 31 March 2024.

(iii) Price risk

The Group and Company do not hold any financial instruments subject to price risk (2024 - 2021:None).

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, other financial instruments, loans receivable from related parties, trade receivables, related parties' receivables, loans to subsidiaries and other receivables. The Group has no significant concentrations of credit risk. The Group assesses the expected credit losses for all financial assets and all changes in loss allowance are recognised in profit or loss as impairment gains or losses (expected credit losses (ECL) on financial instruments).

4 Risk Management (continued)

Financial Risk Management (continued)

Credit risk (continued)

Cash at bank, government securities and deposits with financial institutions

For banks and financial institutions, only reputable well-established investment grade financial institutions are used, which are considered to have a low credit risk. The following table represents the cash and short-term fixed deposits held in financial institutions per category. Category 1 is made up of counterparties with international presence; Category 2 are counterparties who are subsidiaries of parents that have an international presence; Category 3 counterparties are local banks that are categorised as tiers 1 and 2 by the Central Bank of Kenya. These categories are reflective of the credit risks rating of the financial institutions.

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Category 1	3,385.7	7,653.8	4,042.1	12,618.4	15,864.7
Category 2	17,051.0	11,393.5	8,493.2	9,891.1	9,043.7
Category 3	9,587.9	3,830.0	9,573.2	8,284.7	1,832.4
Allowance for expected credit losses	(28.9)	(9.2)	(10.4)	(14.6)	(4.7)
	29,995.7	22,868.2	22,098.1	30,779.6	26,736.1

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Category 1	3,369.3	7,638.6	4,013.4	12,618.4	15,864.7
Category 2	6,770.4	9,670.6	4,645.0	6,923.9	8,852.9
Category 3	5,772.9	1,766.0	9,404.8	6,029.4	1,321.5
Allowance for expected credit losses	(4.3)	(3.1)	(1.3)	(11.1)	(3.2)
	15,908.3	19,072.1	18,061.9	25,560.6	26,035.9

The Group has used the general approach for measuring the loss allowance for cash at bank, government securities and deposits with financial institutions. No collateral is held on any of the cash at bank, government securities and deposits with financial institutions.

Management has assessed the expected credit losses on cash at bank, government securities and deposits with financial institutions. The loss allowance is shown in Note 26(a). The ECL allowance calculated reflects the lifetime losses associated with events of default that are expected to occur within 12 months of the reporting date (12-month ECL). There has been no significant increase in credit risk within these financial assets.

Other receivables

Management has assessed the expected credit losses on the other receivables. The loss allowance as at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021 are shown in Note 25.

The Group has used the simplified approach where applicable for measuring the loss allowance for other receivables. The Group has established a provision matrix that is based on its historical credit loss experience.

No collateral is held on any of the other receivables. The ECL allowance calculated reflects the lifetime losses associated with events of default that are expected to occur over the life of these receivables from the reporting date.

Amounts due from related parties

The Group has used the simplified approach where applicable for measuring the loss allowance for balances due from related parties. In the simplified approach, the Group has established a provision matrix that is based on its historical credit loss experience. The ECL allowance calculated reflects the lifetime losses associated with events of default that are expected to occur over the life of these receivables from the reporting date. No collateral is held on any of the receivables from related parties. The loss allowance are disclosed in Note 25 and Note 32.

4 Risk Management (continued)

Financial Risk Management (continued)

Credit risk (continued)

Trade receivables

For trade receivables, depending on the type of customer, the Group Credit Controller assesses the credit quality of each customer, taking into account their financial position, past experience and other factors including information from credit reference bureau to set individual risk limits. The utilisation of credit limits is regularly monitored.

The dealer channel comprises the largest distribution network for the Group. Dealers operate either on a cash basis or on credit following successful application of the credit facility. All credit limits are supported by a bank guarantee.

Postpay debtors comprise individuals as well as corporate customers. Postpay debtors have a 15-day credit period after which individual customers must pay within 10 days after due date, while business accounts have up to 30 days. The auto-bar feature ensures that once the limit has been reached the customer account is barred. This minimises the credit risk associated with these customers.

The Group has signed international roaming agreements. The roaming strategy is to have preferential partners in countries which historically have had the most visitors to Kenya, including United Kingdom, Italy, Spain, Sweden, South Africa, and Kenya's neighboring countries. Roaming partners have entered into an agreement with the Group to terminate their calls on the Group's network for visitors travelling into Kenya. Amounts due from the contracted roaming partners are settled within 60 days unless a dispute arises. Disputes are handled by Comfone Financial Clearing, the current roaming clearing house.

The Group has also signed interconnect agreements with partners to terminate calls to and from other networks on the Group's network. Amounts due from interconnect partners are settled within 30 days of invoice unless a dispute arises. Disputes are handled in the first instance by the Regulatory Department of the Group. The Group's maximum exposure to credit risk is approximated by the carrying amounts.

The Group has a defined aging system for monitoring its receivables. Dealers' transactions and credit positions are closely monitored in line with existing credit policy.

Collateral is held for select trade receivables in the form of bank guarantees and deposits.

The Group applies the simplified approach to determine the expected credit losses (ECL) for trade receivables. This results in calculating lifetime expected credit losses (ECL) for these trade receivables. ECL for trade receivables is calculated using a provision matrix.

The Group segregates the trade receivables based on the aging of the receivables. The Group determines the expected loss rate per the categories based on a historical 24-month roll over model. The loss rate is computed based on the rate movement of the outstanding balances between categories and the recovery rate of past debtors for the respective debt categories.

The loss allowance as at year end was determined as shown below for trade receivables.

Group	0-30 days Shs'm	31-90 days Shs'm	Over 91 days Shs'm	Total Shs'm
At 31 March 2025				
Trade receivables	21,845.1	4,478.1	20,392.1	46,715.3
Expected credit loss rate	7.6%	54.3%	97.0%	-
Loss allowance	1,667.3	2,432.8	19,773.1	23,873.2
At 31 March 2024				
Trade receivables	19,967.4	2,405.8	20,517.3	42,890.5
Expected credit loss rate	5.9%	61.3%	53.8%	-
Loss allowance	1,187.5	1,473.6	11,037.9	13,699.0

4 Risk Management (continued)
Financial Risk Management (continued)
Credit risk (continued)

Group	0-30 days Shs'm	31-90 days Shs'm	Over 91 days Shs'm	Total Shs'm
At 31 March 2023				
Trade receivables	12,774.2	3,667.3	8,441.8	24,883.3
Expected credit loss rate	6.1%	40.1%	96.7%	-
Loss allowance	776.9	1,469.8	8,164.5	10,411.2
At 31 March 2022				
Trade receivables	10,551.2	2,126.0	5,696.7	18,373.9
Expected credit loss rate	7.1%	32.3%	96.3%	-
Loss allowance	743.9	686.9	5,486.1	6,916.9
At 31 March 2021				
Trade receivables	10,596.2	1,086.3	4,822.3	16,504.8
Expected credit loss rate	3.6%	54.3%	90.2%	-
Loss allowance	378.4	589.9	4,347.4	5,315.7

Company	0-30 days Shs'm	31-90 days Shs'm	Over 91 days Shs'm	Total Shs'm
At 31 March 2025				
Trade receivables	16,778.6	4,419.3	19,662.4	40,860.3
Expected credit loss rate	9.1%	55.0%	97.4%	-
Loss allowance	1,533.4	2,432.8	19,142.2	23,108.4
At 31 March 2024				
Trade receivables	16,661.4	2,400.1	12,068.9	31,130.3
Expected credit loss rate	5.8%	61.3%	91.5%	-
Loss allowance	969.1	1,470.1	11,043.3	13,482.5
At 31 March 2023				
Trade receivables	10,470.5	3,669.6	8,529.5	22,669.6
Expected credit loss rate	5.8%	40.1%	92.6%	-
Loss allowance	607.7	1,469.7	7,894.2	9,971.6
At 31 March 2022				
Trade receivables	10,517.3	2,143.5	5,516.5	18,177.3
Expected credit loss rate	7.1%	32.0%	96.1%	-
Loss allowance	743.9	686.9	5,299.1	6,729.9
At 31 March 2021				
Trade receivables	9,043.0	1,077.6	4,706.0	14,826.6
Expected credit loss rate	3.9%	54.1%	89.8%	-
Loss allowance	351.6	583.4	4,225.0	5,160.0

4 Risk Management (continued)

Financial Risk Management (continued)

Credit risk (continued)

A detailed assessment of the trade receivables as shown below;

Group	Gross carrying amount Shs'm	Expected credit loss Shs'm	Net carrying amount Shs'm
At 31 March 2025			
Dealers	227.8	(22.6)	205.2
Post-pay	4,610.2	(1,544.8)	3,065.4
Roaming and interconnect	3,825.9	(1,898.0)	1,927.9
Other trade receivables*	38,051.4	(20,407.8)	17,643.6
Total trade receivables	46,715.3	(23,873.2)	22,842.1
At 31 March 2024			
Dealers	171.4	(10.1)	161.3
Post-pay	5,004.2	(1,234.4)	3,769.8
Roaming and interconnect	3,766.7	(1,991.8)	1,774.9
Other trade receivables*	33,948.2	(10,462.7)	23,485.5
Total trade receivables	42,890.5	(13,699.0)	29,191.5
At 31 March 2023			
Dealers	21.1	(14.0)	7.1
Post-pay	4,264.1	(1,326.4)	2,937.7
Roaming and interconnect	3,286.5	(1,583.1)	1,703.4
Other trade receivables*	17,311.6	(7,487.7)	9,823.9
Total trade receivables	24,883.3	(10,411.2)	14,472.1
At 31 March 2022			
Dealers	165.0	(25.3)	139.7
Post-pay	3,333.1	(1,128.9)	2,204.2
Roaming and interconnect	3,838.6	(1,344.5)	2,494.1
Other trade receivables*	11,037.2	(4,418.2)	6,619.0
Total trade receivables	18,373.9	(6,916.9)	11,457.0
At 31 March 2021			
Dealers	179.7	(5.7)	174.0
Post-pay	3,144.8	(1,078.6)	2,066.2
Roaming and interconnect	2,954.7	(1,312.0)	1,642.7
Other trade receivables*	8,547.4	(2,763.7)	5,783.7
Total trade receivables	14,826.6	(5,160.0)	9,666.6

4 Risk Management (continued)
Financial Risk Management (continued)
Credit risk (continued)

Company	Gross carrying amount Shs'm	Expected credit loss Shs'm	Net carrying amount Shs'm
At 31 March 2025			
Dealers	165.1	(22.6)	142.5
Post-pay	4,557.9	(1,535.0)	3,022.9
Roaming and interconnect	3,675.4	(1,858.9)	1,816.5
Other trade receivables*	32,461.9	(19,691.9)	12,770.0
Total trade receivables	40,860.3	(23,108.4)	17,751.9
At 31 March 2024			
Dealers	153.4	(10.1)	143.3
Post-pay	4,992.9	(1,234.4)	3,758.5
Roaming and interconnect	3,664.5	(1,991.8)	1,672.7
Other trade receivables*	22,319.6	(10,246.2)	12,073.4
Total trade receivables	31,130.4	(13,482.5)	17,647.9
At 31 March 2023			
Dealers	20.4	(14.0)	6.4
Post-pay	4,263.9	(1,326.4)	2,937.5
Roaming and interconnect	3,273.6	(1,583.1)	1,690.5
Other trade receivables*	15,111.7	(7,048.1)	8,063.6
Total trade receivables	22,669.6	(9,971.6)	12,698.0
At 31 March 2022			
Dealers	165.0	(25.3)	139.7
Post-pay	3,333.1	(1,128.9)	2,204.2
Roaming and interconnect	3,845.0	(1,344.5)	2,500.5
Other trade receivables*	10,834.2	(4,231.2)	6,603.0
Total trade receivables	18,177.3	(6,729.9)	11,447.4
At 31 March 2021			
Dealers	179.7	(5.7)	174.0
Post-pay	3,144.8	(1,078.6)	2,066.2
Roaming and interconnect	2,954.7	(1,312.0)	1,642.7
Other trade receivables*	8,547.4	(2,763.7)	5,783.7
Total trade receivables	14,826.6	(5,160.0)	9,666.6

*Other trade receivables mainly comprise of co-location receivables, commissions receivables, device financing receivables and sundry debtors.

Collateral held by the Group on the trade receivables as at 31 March 2025 is Shs 155.7 million. (2024: Shs 273.9 million, 2023: Shs 165.2 million, 2022: Shs 195.4 million and 2021: Shs 219.2 million). The collateral relates to bank guarantees issued by dealers on dealer receivables. There is no concentration risk on trade receivables or revenue.

4 Risk Management (continued)

Financial Risk Management (continued)

Credit risk (continued)

Maximum credit exposure

The amounts on the statement of financial position represent the maximum credit exposure for financial assets not subject to credit risk and financial assets that are subject to credit risk. Below is a summary of the maximum credit exposure.

Group	Gross carrying amount Shs'm	Expected credit loss Shs'm	Net carrying amount Shs'm
At 31 March 2025			
Cash at bank and deposits with financial institutions	30,024.6	(28.9)	29,995.7
Trade receivables	46,715.3	(23,873.2)	22,842.1
Due from related parties	248.6	(6.5)	242.1
Other receivables	9,307.4	(63.5)	9,243.9
Total	86,295.9	(23,972.1)	62,323.8
At 31 March 2024			
Cash at bank and deposits with financial institutions	22,877.4	(9.2)	22,868.2
Trade receivables	42,890.5	(13,699.0)	29,191.5
Due from related parties	307.9	(34.4)	273.5
Other receivables	7,487.1	(68.3)	7,418.8
Loans receivable from joint venture	2,663.7	(2.4)	2,661.3
Total	76,226.6	(13,813.3)	62,413.3
At 31 March 2023			
Cash at bank and deposits with financial institutions	22,108.5	(10.4)	22,098.1
Trade receivables	24,883.3	(10,411.2)	14,472.1
Due from related parties	1,599.3	(12.0)	1,587.3
Other receivables	13,296.0	(71.7)	13,224.3
Total	61,887.1	(10,505.3)	51,381.8
At 31 March 2022			
Cash at bank and deposits with financial institutions	30,794.2	(14.6)	30,779.6
Trade receivables	18,373.9	(6,916.9)	11,457.0
Due from related parties	1,801.2	(6.7)	1,794.5
Other receivables	6,628.0	(117.5)	6,510.5
Total	57,597.3	(7,055.7)	50,541.6
At 31 March 2021			
Cash at bank and deposits with financial institutions	26,740.8	(4.7)	26,736.1
Trade receivables	16,504.8	(5,315.7)	11,189.1
Due from related parties	2,475.4	(17.4)	2,458.0
Other receivables	4,087.5	(30.4)	4,057.1
Total	49,808.5	(5,368.2)	44,440.3

4 Risk Management (continued)
Financial Risk Management (continued)
Credit risk (continued)
Maximum credit exposure (continued)

Company	Gross carrying amount Shs'm	Expected credit loss Shs'm	Net carrying amount Shs'm
At 31 March 2025			
Cash at bank and deposits with financial institutions	15,912.6	(4.3)	15,908.3
Trade receivables	40,860.3	(23,108.4)	17,751.9
Due from related parties	5,104.1	(1,785.7)	3,318.4
Other receivables	6,571.3	(63.5)	6,507.8
Loan receivable from subsidiary	959.3	(383.7)	575.6
Total	69,407.6	(25,345.6)	44,062.0
At 31 March 2024			
Cash at bank and deposits with financial institutions	19,075.2	(3.1)	19,072.1
Trade receivables	31,130.4	(13,482.5)	17,647.9
Due from related parties	3,573.5	(1,593.1)	1,980.4
Other receivables	4,312.3	(68.3)	4,244.0
Loans receivable from joint venture	2,663.7	(2.4)	2,661.3
Loan receivable from subsidiary	869.2	(383.7)	485.5
Total	61,624.3	(15,533.1)	46,091.2
At 31 March 2023			
Cash at bank and deposits with financial institutions	18,063.2	(1.3)	18,061.9
Trade receivables	22,669.6	(9,971.6)	12,698.0
Due from related parties	4,580.5	(1,413.6)	3,166.9
Other receivables	5,146.0	(71.7)	5,074.3
Total	50,459.3	(11,458.2)	39,001.1
At 31 March 2022			
Cash at bank and deposits with financial institutions	25,571.7	(11.1)	25,560.6
Trade receivables	18,177.3	(6,729.9)	11,447.4
Due from related parties	3,834.7	(1,096.3)	2,738.4
Other receivables	4,989.7	(117.5)	4,872.2
Total	52,573.4	(7,954.8)	44,618.6
At 31 March 2021			
Cash at bank and deposits with financial institutions	26,039.1	(3.2)	26,035.9
Trade receivables	14,826.6	(5,160.0)	9,666.6
Due from related parties	2,874.3	(911.7)	1,962.6
Other receivables	3,973.8	(21.1)	3,952.7
Total	47,713.8	(6,096.0)	41,617.8

4 Risk Management (continued)

Financial Risk Management (continued)

Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Finance. Group Treasury Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

Such forecasting takes into consideration the entity's debt financing plans, prudent liquidity risk management includes maintaining sufficient cash, and the availability of funding from an adequate amount of committed credit facilities. (See Note 16 for undrawn bank facilities), covenant compliance, compliance with internal statement of financial position ratio targets. Surplus cash held by the entity over and above the amounts required for working capital management are invested in interest bearing current accounts and fixed deposit accounts and marketable securities.

The Group's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, without incurring unacceptable losses or risking damage to the Group's reputation.

Due to the dynamic nature of the underlying businesses, Group Treasury section maintains flexibility in funding by maintaining availability under committed credit lines. Liquidity position is monitored through daily cash position as well as monthly cash forecast that monitors debt structure and expected cash position.

The tables below analyse the Group's and the Company's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the tables below are the contractual undiscounted cash flows.

The table below summarises the maturity profile of the undiscounted cashflows of the Group's financial assets and liabilities as at 31 March 2025.

Group	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	29,995.7	-	-	-	-	29,995.7
Trade and other receivables	56,271.3	-	-	-	-	56,271.3
Other assets*	-	-	2,382.3	456.9	-	2,839.2
Total non-derivative financial assets	86,267.0	-	2,382.3	456.9	-	89,106.2
Non-derivative financial liabilities						
Payables and accrued expenses	4,081.0	73,539.6	-	20,464.5	-	98,085.1
Borrowings	-	28,475.5	15,250.3	29,444.5	77,497.2	150,667.5
Shareholder loan	-	404.0	-	-	-	404.0
Lease liabilities	-	-	10,528.2	-	61,056.6	71,584.8
Other liabilities**	-	569.1	-	-	-	569.1
Total non-derivative financial liabilities	4,081.0	102,988.2	25,778.5	49,909.0	138,553.8	321,310.5
Liquidity gap at 31 March 2025	82,186.0	(102,988.2)	(23,396.2)	(49,452.1)	(138,553.8)	(232,204.3)

Guarantees amounting to Shs 557.6 million (2024: Shs 557.6 million) have been issued by the banks to various suppliers for services provided to the Group (Note 34).

There are also undrawn bank facilities amounting to Shs 12.2 billion (2024: Shs 12.2 billion) that would be utilised to settle obligations as they fall due.

Other assets* includes restricted cash, deferred restricted cash assets, restricted cash-letter of credit and mobile financial deposit.

Other liabilities** includes mobile financial payable.

4 Risk Management (continued)

Financial Risk Management (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Group's financial assets and liabilities as at 31 March 2024.

Group	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	22,868.2	-	-	-	-	22,868.2
Trade and other receivables	50,685.3	-	-	-	-	50,685.3
Loans receivable from joint venture	-	-	-	-	2,663.7	2,663.7
Other assets*	-	-	2,599.2	1,563.4	-	4,162.6
Total non-derivative financial assets	73,553.5	-	2,599.2	1,563.4	2,663.7	80,379.8
Non-derivative financial liabilities						
Payables and accrued expenses	3,324.5	11,018.0	-	75,853.9	10,800.6	100,997.0
Borrowings	2,342.1	14,044.6	33,765.7	4,452.0	82,829.3	137,433.7
Lease liabilities	-	-	10,769.8	-	63,570.1	74,339.9
Other liabilities**	-	216.7	-	-	-	216.7
Total non-derivative financial liabilities	5,666.6	25,279.3	44,535.5	80,305.9	157,200.0	312,987.3
Liquidity gap at 31 March 2024	67,886.9	(25,279.3)	(41,936.3)	(78,742.5)	(154,536.3)	(232,607.4)

Other assets* includes restricted cash deferred restricted cash assets, restricted cash-letter of credit and mobile financial deposit.

Other liabilities** includes financial guarantee and dividend payable.

4 Risk Management (continued)

Financial Risk Management (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Group's financial assets and liabilities as at 31 March 2023.

Group	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	22,098.1	-	-	-	-	22,098.1
Receivables and prepayments	12,774.2	3,667.3	8,441.8	15,908.2	-	40,791.5
Loans and receivable from related companies	-	-	-	-	1,588.4	1,588.4
Other assets*	-	28.6	5,752.1	278.2	-	6,058.9
Total non-derivative financial assets	34,872.3	3,695.9	14,193.9	16,186.4	1,588.4	70,536.9
Non-derivative financial liabilities						
Payables and accrued expenses	-	-	67,092.4	27,359.3	-	94,451.7
Borrowings	8,081.4	36,154.6	4,590.6	35,352.4	3,516.4	87,695.4
Lease liabilities (Note 22(c))	-	-	5,800.9	-	43,516.4	49,317.3
Other liabilities**	6,307.1	-	4,462.8	-	-	10,769.9
Total non-derivative financial liabilities	14,388.5	36,154.6	81,946.7	62,711.7	47,032.8	242,234.3
Liquidity gap at 31 March 2023	20,483.8	(32,458.7)	(67,752.8)	(46,525.3)	(45,444.4)	(171,697.4)

Guarantees amounting to Shs 292.3 million (2022: Shs 258.9 million) have been issued by the banks to various suppliers for services provided to the Group (note 33).

There are also undrawn bank facilities amounting to Shs 25.9 billion (2022: Shs 21.9 billion) that would be utilized to settle its obligations as they fall due.

Other assets* includes restricted cash, deferred restricted cash assets, inventories, restricted cash-letter of credit and other financial assets.

Other liabilities** includes provision for liabilities financial guarantee for liabilities and dividend payable.

4 Risk Management (continued)

Financial Risk Management (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Group's financial assets and liabilities as at 31 March 2022.

Group	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	30,779.6	-	-	-	-	30,779.6
Receivables and prepayments	10,551.2	2,126.0	5,696.7	7,545.3	-	25,919.2
Loans and receivable from related companies	-	-	1,285.0	-	-	1,285.0
Other assets*	7.9	-	6,058.8	407.9	-	6,474.6
Total non-derivative financial assets	41,338.7	2,126.0	13,040.5	7,953.2	-	64,458.4
Non-derivative financial liabilities						
Payables and accrued expenses	-	-	33,994.2	4,330.6	-	38,324.8
Borrowings	-	25,769.7	1,380.0	29,706.5	12,444.3	69,300.5
Lease liabilities (Note 22(c))	-	-	5,641.9	-	21,495.6	27,137.5
Other liabilities**	15,427.7	-	3,183.3	-	-	18,611.0
Total non-derivative financial liabilities	15,427.7	25,769.7	44,199.4	34,037.1	33,939.9	153,373.8
Liquidity gap at 31 March 2022	25,911.0	(23,643.7)	(31,158.9)	(26,083.9)	(33,939.9)	(88,915.4)

Other assets* includes restricted cash, deferred restricted cash assets, inventories, restricted cash-letter of credit and other financial assets

Other liabilities** includes provision for liabilities financial guarantee for liabilities and dividend payable.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

Group	Less than 1 year Shs'm	Over 1 year Shs'm	Total Shs'm
At 31 March 2021:			
- payables and accrued expenses	27,981.8	-	27,981.8
- lease liabilities note 22(c)	4,252.0	14,661.1	18,913.1
- borrowings	14,772.0	-	14,772.0
Total financial liabilities	47,005.8	14,661.1	61,666.9

4 Risk Management (continued)
Financial Risk Management (continued)
Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Company's financial assets and liabilities as at 31 March 2025.

Company	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	15,908.3	-	-	-	-	15,908.3
Trade and other receivables	52,535.7	-	-	-	-	52,535.7
Loans and receivable from related companies	-	-	-	-	575.5	575.5
Other assets*	-	-	1,813.2	-	-	1,813.2
Total non-derivative financial assets	68,444.0	-	1,813.2	-	575.5	70,832.7
Non-derivative financial liabilities						
Payables and accrued expenses	4,080.5	38,103.8	-	2,878.5	-	45,062.8
Borrowings	0.9	27,498.1	13,000.0	15,540.1	57,089.8	113,128.9
Lease liabilities	-	-	5,915.3	-	28,541.7	34,457.0
Other liabilities**	-	11,091.3	-	-	-	11,091.3
Total non-derivative financial liabilities	4,081.4	76,693.2	18,915.3	18,418.6	85,631.5	203,740.0
Liquidity gap at 31 March 2025	64,362.6	(76,693.2)	(17,102.1)	(18,418.6)	(85,056.0)	(132,907.3)

Other assets* includes restricted cash and deferred restricted cash assets.
Other liabilities** includes financial guarantee and dividend payable.

4 Risk Management (continued)
Financial Risk Management (continued)
Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Company's financial assets and liabilities as at 31 March 2024.

Company	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	19,072.1	-	-	-	-	19,072.1
Trade and other receivables	39,034.3	-	-	-	-	39,034.3
Loans and receivable from related companies	-	-	-	-	3,312.0	3,312.0
Other assets*	-	-	2,335.9	-	-	2,335.9
Total non-derivative financial assets	58,106.4	-	2,335.9	-	3,312.0	63,754.3
Non-derivative financial liabilities						
Payables and accrued expenses	3,230.1	11,326.9	-	8,385.4	6,540.7	29,483.1
Borrowings	-	13,581.3	27,974.5	-	58,864.4	100,420.2
Lease liabilities	-	-	5,292.4	-	25,164.4	30,456.8
Other liabilities**	-	20,412.2	-	-	-	20,412.2
Total non-derivative financial liabilities	3,230.1	45,320.4	33,266.9	8,385.4	90,569.5	180,772.3
Liquidity gap at 31 March 2024	54,876.3	(45,320.4)	(30,930.9)	(8,385.4)	(87,257.5)	(117,018.0)

Other assets* includes restricted cash and deferred restricted cash assets.

Other liabilities** includes financial guarantee and dividend payable.

4 Risk Management (continued)
Financial Risk Management (continued)
Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Company's financial assets and liabilities as at 31 March 2023.

Company	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	18,061.9	-	-	-	-	18,061.9
Receivables and prepayments	10,470.5	3,669.6	8,529.5	1,192.4	-	23,862.0
Loans and receivable from related companies	-	-	-	2,153.8	-	2,153.8
Other assets*	-	-	3,712.8	278.2	-	3,991.0
Total non-derivative financial assets	28,532.4	3,669.6	12,242.3	3,624.4	-	48,068.7
Non-derivative financial liabilities						
Payables and accrued expenses	-	-	38,905.9	-	-	38,905.9
Borrowings	-	36,154.6	4,590.6	35,352.4	-	76,097.6
Lease liabilities (Note 22(c))	-	-	4,498.3	-	23,521.5	28,019.8
Other liabilities**	6,307.1	-	3,410.7	-	10,647.9	20,365.7
Total non-derivative financial liabilities	6,307.1	36,154.6	51,405.5	35,352.4	34,169.4	163,389.0
Liquidity gap at 31 March 2023	22,225.3	(32,485.0)	(39,163.2)	(31,728.0)	(34,169.4)	(115,320.3)

Other assets* includes restricted cash, deferred restricted cash assets, inventories, restricted cash-letter of credit and other financial assets
Other liabilities** includes provision for liabilities financial guarantee for liabilities and dividend payable

4 Risk Management (continued)
Financial Risk Management (continued)
Liquidity risk (continued)

The table below summarises the maturity profile of the undiscounted cashflows of the Company's financial assets and liabilities as at 31 March 2022.

Company	Maturing within 1 month Shs'm	Maturing after one month but within 6 months Shs'm	Maturing after 6 months but within 12 months Shs'm	Maturing after 12 months but within 5 years Shs'm	Maturing after 5 years Shs'm	Total
Non-derivative financial assets						
Cash and bank balances	30,779.6	-	-	-	-	30,779.6
Receivables and prepayments	10,517.3	2,143.5	13,258.4	-	-	25,919.2
Loans to subsidiaries	-	-	-	-	666.1	666.1
Loans and receivable from related companies	-	-	-	-	1,285.0	1,285.0
Other assets*	-	-	6,066.7	407.9		6,474.6
Total non-derivative financial assets	41,296.9	2,143.5	19,325.1	407.9	1,951.1	65,124.5
Non-derivative financial liabilities						
Payables and accrued expenses	-	-	41,204.1	-	-	41,204.1
Borrowings	-	22,938.0	1,380.0	29,706.5	12,444.3	66,468.8
Lease liabilities (Note 22(c))	-	-	5,570.6	-	20,602.7	26,173.3
Other liabilities**	15,427.7	-	3,183.3	-	10,210.6	28,821.6
Total non-derivative financial liabilities	15,427.7	22,938.0	51,338.0	29,706.5	43,257.6	162,667.8
Liquidity gap at 31 March 2022	25,869.2	(20,794.5)	(32,012.9)	(29,298.6)	(41,306.5)	(97,543.3)

Other assets* includes restricted cash, deferred restricted cash assets, inventories, restricted cash-letter of credit and other financial assets
Other liabilities** includes provision for liabilities financial guarantee for liabilities and dividend payable

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances as the impact of discounting is not significant.

Company	Less than 1 year Shs'm	Over 1 year Shs'm	Total Shs'm
At 31 March 2021:			
- payables and accrued expenses	27,991.0	-	27,991.0
- lease liabilities note 22(c)	4,252.0	14,661.1	18,913.1
- borrowings	14,772.0	-	14,772.0
Total financial liabilities	47,015.0	14,661.1	61,676.1

4. Risk Management (continued)

Capital risk management

The Group and Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital levels, the Group may adjust the amount of dividend paid to shareholders.

The Group has a dividend policy that permits dividend to be paid if the Board of Directors finds that the payments are sustainable, after taking into account the sufficiency of distributable reserves and liquidity in order to ensure the Group's operational needs and/or business growth are not limited by the unavailability of funds, as well as the Company's known contingencies and compliance with any funding facility covenants. The Group maintains to operate a progressive distribution policy based on what it assesses to be sustainable levels of dividend payments.

The first priority of the Group is to maintain sufficient liquidity to ensure that operational needs and / or business growth are not limited by the unavailability of funds and also that facilities are available to cover all known contingencies. There are no externally imposed capital requirements at end of year.

The Group's focus is to minimize funds tied up in working capital, whilst ensuring that it has sufficient financial ability to meet its liabilities as and when they fall due. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The Group aims to maintain the gearing ratios within the industry standards with the optimal debt equity mix as demonstrated by the position below:

Gearing ratio					
Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Net debt - Note 31 (b)	129,772.8	140,154.7	100,846.2	55,782.4	4,700.9
Total equity	224,021.1	335,747.9	263,366.0	179,700.9	137,635.3
Total capital	353,793.9	475,902.6	364,212.2	235,483.3	142,336.2
Gearing ratio	36.7%	29.5%	27.7%	23.7%	3.3%
Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Net debt - Note 31 (b)	91,213.1	82,163.6	79,481.5	60,424.7	5,401.1
Total equity	248,761.9	201,886.3	166,109.1	144,456.4	135,169.1
Total capital	339,975.0	284,049.9	245,590.6	204,881.1	140,570.2
Gearing ratio	26.8%	28.9%	32.4%	29.5%	3.8%

4 Risk management (continued)

Fair value estimation

Financial instruments measured at fair value are measured using the following levels of fair value measurement hierarchy:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily NSE equity investments classified as trading securities.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The carrying amounts of borrowings, loans to subsidiaries, cash and cash equivalents, trade and other receivables, loans receivable from related parties, restricted and deferred restricted cash asset, other financial assets, payables, and accrued expenses approximate their fair values due to the nature of these instruments. Investment properties are carried at fair value as disclosed in Note 20 to the financial statements.

5 Revenue

(a) Revenue from contracts with customers

Group	31 March 2025			31 March 2024			31 March 2023		
	Shs'm At a point in time	Shs'm Over time	Shs'm Total	Shs'm At a point in time	Shs'm Over time	Shs'm Total	Shs'm At a point in time	Shs'm At a point in time	Shs'm Total
M-PESA revenue	161,131.2	-	161,131.2	140,006.7	-	140,006.7	117,192.2	-	117,192.2
Voice revenue	-	81,958.9	81,958.9	-	80,541.1	80,541.1	-	81,053.9	81,053.9
Mobile data revenue	-	78,521.4	78,521.4	-	67,404.3	67,404.3	-	53,952.4	53,952.4
Fixed data revenue	-	16,798.7	16,798.7	-	14,962.2	14,962.2	-	13,458.0	13,458.0
Messaging revenue	-	12,559.4	12,559.4	-	12,319.2	12,319.2	-	11,375.6	11,375.6
Interconnect revenue	-	4,703.1	4,703.1	-	5,106.2	5,106.2	-	5,303.5	5,303.5
Mobile incoming	-	3,433.7	3,433.7	-	3,461.4	3,461.4	-	2,805.9	2,805.9
Other services revenues*	-	12,309.0	12,309.0	-	11,552.0	11,552.0	-	10,550.8	10,550.8
Service revenue	161,131.2	210,284.2	371,415.4	140,006.7	195,346.4	335,353.1	117,192.2	178,500.1	295,692.3
									-
Handset revenue	11,001.5	-	11,001.5	8,453.6	-	8,453.6	10,468.9	-	10,468.9
Connection revenue	-	2,016.5	2,016.5	-	2,086.7	2,086.7	-	980.9	980.9
Total revenue	172,132.7	212,300.7	384,433.4	148,460.3	197,433.1	345,893.4	127,661.1	179,481.0	307,142.1

*Other services revenues include Okoa Jahazi fees, roaming revenues and bulk SMS service revenue.

5 Revenue (continued)

(a) Revenue from contracts with customers (continued)

Group	31 March 2022			31 March 2021		
	Shs'm At a point in time	Shs'm Over time	Shs'm Total	Shs'm At a point in time	Shs'm Over time	Shs'm Total
M-PESA revenue	107,691.8	-	107,691.8	82,647.4	-	82,647.4
Voice revenue	-	83,211.8	83,211.8	-	82,552.0	82,552.0
Mobile data revenue	-	48,441.0	48,441.0	-	44,793.2	44,793.2
Fixed data revenue	-	11,242.5	11,242.5	-	9,507.2	9,507.2
Messaging revenue	-	10,876.7	10,876.7	-	13,602.4	13,602.4
Interconnect revenue	-	6,840.6	6,840.6	-	6,175.2	6,175.2
Mobile incoming	-	3,007.6	3,007.6	-	3,295.2	3,295.2
Other services revenues*	-	9,795.3	9,795.3	-	7,779.2	7,779.2
Service revenue	107,691.8	173,415.5	281,107.3	82,647.4	167,704.4	250,351.8
Handset revenue	12,334.7	-	12,334.7	8,511.7	-	8,511.7
Connection revenue	-	1,999.4	1,999.4	-	1,761.1	1,761.1
Construction revenue	-	-	-	-	837.7	837.7
Total revenue	120,026.5	175,414.9	295,441.4	91,159.1	170,303.2	261,462.3

*Other services revenues include Okoa Jahazi fees, roaming revenues, bulk SMS, and digital agriculture revenues.

5 Revenue (continued)

(a) Revenue from contracts with customers (continued)

The Group has two reportable operating segments whose revenue is presented below:

At 31 March 2025

Group	Kenya			Ethiopia			Eliminations Shs'm Total	Consolidated Shs'm Sub Total
	Shs'm At a point in time	Shs'm Over time	Shs'm Sub Total	Shs'm At a point in time	Shs'm Over time	Shs'm Sub Total		
Service revenue	161,118.6	203,164.1	364,282.7	12.5	7,169.1	7,181.6	(48.9)	371,415.4
Handset revenue	10,700.2	-	10,700.2	301.3	-	301.3	-	11,001.5
Connection revenue	-	1,934.9	1,934.9	-	81.6	81.6	-	2,016.5
Total revenue	171,818.8	205,099.0	376,917.8	313.8	7,250.7	7,564.5	(48.9)	384,433.4

At 31 March 2024

Group	Kenya			Ethiopia			Eliminations Shs'm Total	Consolidated Shs'm Sub Total
	Shs'm At a point in time	Shs'm Over time	Shs'm Sub Total	Shs'm At a point in time	Shs'm Over time	Shs'm Sub Total		
Service revenue	139,914.8	189,890.7	329,805.5	91.9	5,486.3	5,578.2	(30.7)	335,353.0
Handset revenue	6,780.1	-	6,780.1	1,673.5	-	1,673.5	-	8,453.6
Connection revenue	-	1,986.2	1,986.2	-	100.6	100.6	-	2,086.8
Total revenue	146,694.9	191,876.9	338,571.8	1,765.4	5,586.9	7,352.3	(30.7)	345,893.4

At 31 March 2023

Group	Kenya			Ethiopia			Eliminations Shs'm Total	Consolidated Shs'm Sub Total
	Shs'm At a point in time	Shs'm Over time	Shs'm Sub Total	Shs'm At a point in time	Shs'm Over time	Shs'm Sub Total		
Service revenue	117,117.9	178,063.4	295,181.3	-	518.9	518.9	(7.9)	295,692.3
Handset revenue	9,796.9	-	9,796.9	672.0	-	672.0	-	10,468.9
Connection revenue	-	976.2	976.2	-	4.7	4.7	-	980.9
Total revenue	126,914.8	179,039.6	305,954.4	672.0	523.6	1,195.6	(7.9)	307,142.1

*The Group had no reportable operating segments in 2022 and 2021, as the Ethiopia operations were at an early stage and not material for separate presentation in accordance with IFRS 8 Operating Segments.

5 Revenue (continued)

(a) Revenue from contracts with customers (continued)

Company	31 March 2025			31 March 2024			31 March 2023		
	Shs'm At a point in time	Shs'm Over time	Shs'm Total	Shs'm At a point in time	Shs'm Over time	Shs'm Total	Shs'm At a point in time	Shs'm Over time	Shs'm Total
M-PESA revenue	157,736.0	-	157,736.0	136,686.9	-	136,686.9	114,359.7	-	114,359.7
Voice revenue	-	80,784.7	80,784.7	-	79,511.7	79,511.7	-	80,918.2	80,918.2
Mobile data revenue	-	72,863.2	72,863.2	-	63,236.2	63,236.2	-	53,596.0	53,596.0
Fixed data revenue	-	17,065.0	17,065.0	-	15,111.3	15,111.3	-	13,496.6	13,496.6
Messaging revenue	-	12,477.4	12,477.4	-	12,277.0	12,277.0	-	11,371.7	11,371.7
Interconnect revenue	-	4,696.7	4,696.7	-	5,094.6	5,094.6	-	5,302.2	5,302.2
Mobile incoming	-	3,159.8	3,159.8	-	3,158.0	3,158.0	-	2,753.8	2,753.8
Other services revenues*	-	12,074.6	12,074.6	-	11,488.9	11,488.9	-	10,008.2	10,008.2
Service revenue	157,736.0	203,121.4	360,857.4	136,686.9	189,877.7	326,564.6	114,359.7	177,446.7	291,806.4
Handset revenue	10,700.2	-	10,700.2	6,780.1	-	6,780.1	9,796.9	-	9,796.9
Connection revenue	-	1,934.9	1,934.9	-	1,986.1	1,986.1	-	976.1	976.1
Total revenue	168,436.2	205,056.3	373,492.5	143,467.0	191,863.8	335,330.8	124,156.6	178,422.8	302,579.4

Company	31 March 2022			31 March 2021		
	Shs'm At a point in time	Shs'm Over time	Shs'm Total	Shs'm At a point in time	Shs'm Over time	Shs'm Total
M-PESA revenue	105,218.1	-	105,218.1	80,635.8	-	80,635.8
Voice revenue	-	83,211.8	83,211.8	-	82,552.0	82,552.0
Mobile data revenue	-	48,441.0	48,441.0	-	44,793.2	44,793.2
Fixed data revenue	-	11,242.5	11,242.5	-	9,507.2	9,507.2
Messaging revenue	-	10,876.7	10,876.7	-	13,602.4	13,602.4
Interconnect revenue	-	6,840.6	6,840.6	-	6,175.2	6,175.2
Mobile incoming	-	3,007.6	3,007.6	-	3,295.2	3,295.2
Other services revenues*	-	9,383.8	9,383.8	-	7,624.8	7,624.8
Service revenue	105,218.1	173,004.0	278,222.1	80,635.8	167,550.0	248,185.8
Handset revenue	12,334.7	-	12,334.7	8,511.7	-	8,511.7
Connection revenue	-	1,999.4	1,999.4	-	1,761.1	1,761.1
Construction revenue	-	-	-	-	837.7	837.7
Total revenue	117,552.8	175,003.4	292,556.2	89,147.5	170,148.8	259,296.3

*Other services revenues include Okoa Jahazi fees, roaming revenues and bulk SMS service revenues.

5 Revenue (continued)

(b) Revenue from other sources

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Site rental revenue	3,432.8	3,215.4	2,557.5	2,193.3	2,043.7
Other income:					
-Gain on disposal of property and equipment	23.0	268.4	34.6	47.1	38.0
-Dividend income	-	-	-	-	-
-Miscellaneous income*	799.7	70.0	1,170.6	396.1	482.5
	4,255.5	3,553.8	3,762.7	2,636.5	2,564.2

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Site rental revenue	3,432.8	3,215.4	2,557.5	2,193.3	2,069.2
Other income:					
-Gain on disposal of property and equipment	35.7	250.4	34.6	47.1	38.0
-Dividend income	2,251.3	-	4,200.0	-	-
-Miscellaneous income*	1,266.0	920.7	1,108.3	1,049.3	1,046.2
	6,985.8	4,386.5	7,900.4	3,289.7	3,153.4

*Miscellaneous income includes cash discounts received from vendors and non-recurring revenue from partnership agreements.

6(a) Direct costs

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
M-PESA commissions	(37,277.7)	(37,823.4)	(35,599.2)	(32,546.8)	(28,205.6)
Airtime commissions	(8,103.1)	(8,243.8)	(8,281.7)	(9,420.7)	(9,674.7)
License fees	(14,787.2)	(12,487.7)	(10,986.3)	(10,463.5)	(9,609.2)
Interconnect and roaming costs	(7,764.9)	(8,987.6)	(7,581.7)	(8,681.3)	(7,681.7)
Handset costs	(10,892.1)	(8,347.3)	(10,929.3)	(12,392.5)	(8,624.2)
Customer acquisition and retention	(13,208.9)	(14,048.1)	(11,203.2)	(10,590.2)	(10,057.2)
Promotions and value-added services costs (voice and SMS)	(6,868.8)	(5,982.6)	(5,387.8)	(5,210.0)	(4,879.4)
Other direct costs	(2,178.6)	(1,126.4)	(2,262.9)	(2,162.8)	(1,283.1)
Constructions costs	-	-	-	-	(837.7)
	(101,081.3)	(97,046.9)	(92,232.1)	(91,467.8)	(80,852.8)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
M-PESA commissions	(36,745.1)	(37,283.1)	(35,191.0)	(32,302.5)	(28,001.5)
Airtime commissions	(6,495.9)	(6,657.6)	(8,104.9)	(9,420.7)	(9,674.7)
License fees	(14,604.4)	(12,255.0)	(10,854.7)	(10,363.3)	(9,538.5)
Interconnect and roaming costs	(6,595.7)	(7,344.6)	(7,350.7)	(8,681.3)	(7,862.7)
Handset costs	(10,595.0)	(6,615.5)	(10,097.8)	(12,392.5)	(8,624.2)
Customer acquisition and retention	(11,653.3)	(12,042.5)	(10,699.9)	(10,590.2)	(10,057.2)
Promotions and value-added services costs (voice and SMS)	(6,858.4)	(5,947.7)	(5,363.1)	(5,210.0)	(4,879.4)
Other direct costs	(2,168.4)	(1,115.9)	(1,701.3)	(1,653.1)	(858.2)
Constructions costs	-	-	-	-	(837.7)
	(95,716.2)	(89,261.9)	(89,363.4)	(90,613.6)	(80,334.1)

6(b) Expected credit losses on financial assets

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Trade and other receivables (Note 25)	(11,124.8)	(5,806.5)	(4,732.5)	(2,348.5)	(3,004.1)
Loan receivables from related parties	2.4	(2.1)	3.4	(2.8)	(0.9)
Cash and cash equivalents	(23.6)	1.2	3.8	(9.9)	(4.7)
	(11,146.0)	(5,807.4)	(4,725.3)	(2,361.2)	(3,009.7)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Trade and other receivables (Note 25)	(11,028.3)	(5,906.3)	(4,717.9)	(2,521.8)	(3,855.8)
Loan receivables from related parties	(176.9)	(165.3)	(217.2)	(73.0)	(4.7)
Cash and cash equivalents	(1.2)	(1.8)	9.8	(7.9)	(3.2)
	(11,206.4)	(6,073.4)	(4,925.3)	(2,602.7)	(3,863.7)

7 Other operating expenses

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Repairs and maintenance	(375.4)	(305.4)	(302.1)	(272.3)	(323.2)
Non-lease operating costs – buildings**	(123.8)	(201.4)	(67.2)	(107.4)	(32.7)
Non-lease operating costs – sites **	(3,063.2)	(2,643.1)	(1,247.8)	(760.1)	(604.4)
Inventory storage costs	(343.5)	(417.3)	(319.3)	(325.7)	(362.1)
Employee benefits expense (Note 10)	(29,055.0)	(30,537.0)	(28,334.9)	(22,554.1)	(18,188.1)
Auditor's remuneration***	(80.9)	(83.3)	(125.3)	(62.2)	(55.4)
Sales and advertising	(5,426.7)	(5,756.7)	(5,593.7)	(4,380.5)	(4,083.3)
Consultancy and legal fees	(3,306.7)	(596.1)	(966.7)	(3,036.9)	(1,197.9)
Network operating costs	(24,124.6)	(26,187.2)	(19,699.7)	(14,087.7)	(13,163.4)
Travel and accommodation	(1,085.8)	(1,547.2)	(1,287.9)	(803.5)	(457.6)
Computer maintenance	(5,067.3)	(4,478.9)	(2,968.2)	(2,670.6)	(2,572.4)
Office administration	(927.2)	(836.4)	(669.4)	(482.0)	(481.7)
Net foreign exchange gains/ (losses), other than on borrowings and cash and cash equivalents	(20,871.3)	558.9	(2,162.9)	(434.4)	(610.7)
Other operating expenses*	(10,459.3)	(10,269.2)	(10,339.9)	(5,209.6)	(3,901.9)
	(104,310.7)	(83,300.3)	(74,085.0)	(55,187.0)	(46,034.8)

7 Other operating expenses (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Repairs and maintenance	(361.5)	(293.2)	(274.4)	(258.8)	(321.9)
Non-lease operating costs – buildings**	(45.6)	(74.5)	(40.2)	(64.6)	(32.7)
Non-lease operating costs – sites **	(3,068.3)	(2,635.3)	(1,199.2)	(752.0)	(604.4)
Inventory storage costs	(341.1)	(397.6)	(291.1)	(321.6)	(362.1)
Employee benefits expense (Note 10)	(25,383.2)	(23,727.4)	(21,266.5)	(20,118.2)	(17,957.9)
Auditor's remuneration***	(59.4)	(54.0)	(81.8)	(51.2)	(49.8)
Sales and advertising	(5,298.1)	(4,336.3)	(4,326.8)	(4,469.5)	(4,569.9)
Consultancy and legal fees	(2,943.6)	(239.8)	(75.1)	(1,678.9)	(1,184.2)
Network operating costs	(19,456.4)	(17,497.3)	(14,228.6)	(14,050.7)	(13,072.4)
Travel and accommodation	(722.7)	(602.0)	(462.3)	(457.6)	(432.0)
Computer maintenance	(3,003.8)	(2,492.7)	(2,381.1)	(2,443.0)	(2,546.2)
Office administration	(797.2)	(630.2)	(449.5)	(440.2)	(472.3)
Net foreign exchange gains/(losses), other than on borrowings and cash and cash equivalents	123.7	313.0	(1,073.8)	(392.3)	(648.9)
Other operating expenses*	(7,270.1)	(6,478.8)	(6,968.3)	(4,046.9)	(2,913.9)
	(68,627.3)	(59,146.1)	(53,118.7)	(49,545.5)	(45,168.6)

*Other operating expenses includes Vodafone Group procurement fees (Note 32(ii)), fleet management costs, general staff expenses including training and welfare costs and innovation costs.

**Relates to non-lease components of the lease e.g., services charges and VAT disallowed on lease payments. The cost is excluded from the measurements of the lease liabilities as required by IFRS 16 Leases.

***The breakdown of auditors' remuneration for the year is as follows:

Group					
	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Audit fees	(65.0)	(61.4)	(64.4)	(62.2)	(55.4)
Other fees charged to other affiliates	(15.9)	(21.9)	(6.8)	-	-
	(80.9)	(83.3)	(71.2)	(62.2)	(55.4)

Company					
	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Audit fees	(59.4)	(54.0)	(55.8)	(51.2)	(49.8)
	(59.4)	(54.0)	(55.8)	(51.2)	(49.8)

Audit fees relate to amounts payable for the statutory audit of the financial statements. Other audit fees charged to other affiliates relate to statutory audit services provided to Safaricom Telecommunications Ethiopia Plc and Vodafone Ethiopia Limited.

8. Finance income

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Interest income*	2,384.0	2,467.5	1,563.7	1,227.6	1,523.6
Foreign exchange gain on cash and borrowings	6,836.0	2,962.9	2,503.7	1,206.4	701.8
Amortisation of deferred restricted cash asset	2.1	29.2	7.8	(20.6)	(27.0)
	9,222.1	5,459.6	4,075.2	2,413.4	2,198.4

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Interest income*	1,919.3	2,257.4	1,304.9	1,206.0	1,502.7
Foreign exchange gain on cash and borrowings	420.3	1,001.9	1,091.0	864.7	701.3
Amortisation of deferred restricted cash asset	2.1	29.2	7.8	(20.6)	(27.0)
	2,341.7	3,288.5	2,403.7	2,050.1	2,177.0

* Interest income relates to income earned from fixed deposits and government securities and is calculated using the effective interest method

9 Finance costs

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Interest expense*	(14,089.1)	(12,644.3)	(7,786.6)	(3,165.4)	(1,686.5)
Foreign exchange losses on cash and borrowings	(10,119.5)	(2,872.8)	(152.1)	(2,816.6)	(533.2)
Interest on asset retirement obligation (ARO)	(501.2)	(523.8)	(382.6)	(379.4)	(223.2)
Interest on lease liabilities*	(5,109.1)	(5,820.0)	(2,875.9)	(1,802.9)	(1,717.9)
Financial guarantee	-	-	-	-	-
Origination fee on credit facilities	(312.6)	(240.2)	(1.5)	(724.4)	-
Discounting adjustment on construction contract receivables **	-	-	36.4	36.1	(60.0)
	(30,131.5)	(22,101.1)	(11,162.3)	(8,852.6)	(4,220.8)

Company					
Interest expense*	(11,968.0)	(10,640.4)	(7,320.6)	(2,986.4)	(1,667.8)
Foreign exchange losses on cash and borrowings	(1,567.2)	(2,271.3)	(2,511.5)	(2,961.4)	(736.6)
Interest on asset retirement obligation (ARO)	(442.0)	(411.1)	(382.6)	(379.4)	(223.2)
Interest on lease liabilities*	(3,079.4)	(3,058.8)	(2,238.5)	(1,772.4)	(1,717.9)
Financial guarantee	-	-	-	(120.9)	-
Origination fee on credit facilities	(184.4)	(13.4)	0.8	(710.8)	-
Discounting adjustment on construction contract receivables **	-	-	36.4	36.1	(60.0)
	(17,241.0)	(16,395.0)	(12,416.0)	(8,895.2)	(4,405.5)

* The interest expense included within finance costs is calculated using effective interest method.

** This adjustment is in relation to discounting of construction contract receivable (due from Government of Kenya).

10. Employee benefits expense

The following items are included within employee benefits expense:

Group	2025 Shs 'm'	2024 Shs 'm'	2023 Shs 'm'	2022 Shs 'm'	2021 Shs 'm'
Club membership	(86.2)	(153.4)	(147.4)	(35.6)	(37.1)
Employee other administrative costs	(108.1)	(174.6)	(284.3)	(64.6)	(290.5)
Secondees other administrative costs	(595.2)	(997.6)	(1,173.5)	(803.0)	(90.8)
Employee Performance Share Award Plan	(669.5)	(474.9)	(304.4)	(663.4)	(713.1)
Leave provision	224.5	(109.1)	(10.3)	(77.1)	95.9
National Social security Fund (NSSF)	(157.9)	(79.5)	(25.3)	(12.9)	(12.4)
Defined pension contribution plan	(1,108.8)	(1,086.7)	(886.1)	(743.3)	(725.6)
Salaries	(22,341.5)	(21,572.8)	(19,116.5)	(17,110.5)	(15,024.2)
Secondee salaries	(2,130.2)	(3,751.0)	(4,593.7)	(1,237.6)	(40.1)
Staff medical and life insurance	(2,082.1)	(2,137.4)	(1,793.4)	(1,806.1)	(1,350.2)
	(29,055.0)	(30,537.0)	(28,334.9)	(22,554.1)	(18,188.1)

Number of employees

Group	2025	2024	2023	2022	2021
Permanent employees	6,462	6,425	6,271	4,631	4,457
Fixed-term contract employees	315	227	392	1,221	1,192
	6,777	6,652	6,663	5,852	5,649

Company	2025 Shs 'm'	2024 Shs 'm'	2023 Shs 'm'	2022 Shs 'm'	2021 Shs 'm'
Club membership	(86.0)	(153.4)	(147.2)	(34.6)	(36.8)
Employee other administrative costs	(18.5)	25.2	(15.7)	(64.6)	(290.5)
Secondees other administrative costs	(172.7)	(169.8)	(174.8)	(140.3)	(90.4)
Employee Performance Share Award Plan	(667.9)	(474.0)	(304.3)	(661.4)	(707.5)
Leave provision	226.5	(97.2)	12.1	(57.5)	101.2
National Social security Fund (NSSF)	(157.6)	(79.3)	(25.3)	(12.6)	(12.4)
Defined pension contribution plan	(1,034.0)	(938.8)	(805.2)	(737.7)	(718.1)
Salaries	(21,328.2)	(19,609.4)	(17,895.4)	(16,719.0)	(14,813.1)
Secondee salaries	(157.0)	(373.7)	(224.3)	81.5	(40.1)
Staff medical and life insurance	(1,987.8)	(1,857.0)	(1,686.4)	(1,772.0)	(1,350.2)
	(25,383.2)	(23,727.4)	(21,266.5)	(20,118.2)	(17,957.9)

Number of employees

Company	2025	2024	2023	2022	2021
Permanent employees	5,564	5,547	5,362	4,414	4,431
Fixed-term contract employees	315	227	345	1,088	1,174
	5,879	5,774	5,707	5,502	5,605

11 Employee Performance Share Award Plan

On 1 July 2011, the Group implemented an Employee Performance Share Award Plan (the Trust) where shares are awarded to qualifying staff based on previous years' achieved performance ratings. Under the outright grant scheme, shares are purchased from the market and transferred to eligible staff at no cost after a three-year vesting period. The shares are purchased and held by the Trust until the end of the vesting period.

In 2025, 27.6 million shares were bought by the Trust, at a cost of Shs 445.8 million (2024: 10 million shares at a cost of 163.3 million), million (2023: 12.4 million shares at a cost of 489.4 million), million (2022: 12.4 million shares at a cost of 489.4 million), million (2021: 14.9 million shares at a cost of 440.2 million). Additionally, 15.4 million shares historically valued at Shs 257.0 million (2024: 17.5 million shares valued at 386.8 million), (2023: 15.3 million shares valued at 519.4 million), (2022: 15.3 million shares valued at 519.4 million), (2021: 16.4 million shares valued at 480.7 million), vested and were exercised by eligible staff.

As at 31 March 2025 the Trust currently holds 13.3 million shares at a total cost of Shs 206.8 million (2024: 1.1 million shares at a cost of Shs 18.1 million), (2023: 11.5 million shares at a cost of Shs 416.2 million), (2022: 11.5 million shares at a cost of Shs 416.2 million), (2021: 15.4 million shares at a cost of Shs 446.2 million).

The Trust is an 'equity-settled share-based Payment scheme' as described in IFRS 2 Share Based Payments, as the Company provides money to the Trust to purchase shares which will be distributed to the entitled employees on the vesting date.

The Company has accounted for a receivable from the Trust in relation to shares purchased and payables to employees in these financial statements (Note 25 and note 29 respectively).

12(a) Income tax expense

Group	2025 Shs 'm'	2024 Shs 'm'	2023 Shs 'm'	2022 Shs 'm'	2021 Shs 'm'
Current income tax	(50,166.7)	(43,559.4)	(41,113.5)	(39,146.8)	(29,153.7)
Adjustments in respect of current income tax of previous year	(524.1)	1,222.9	(177.1)	(12.1)	(168.1)
Deferred income tax (Note 17)	3,203.4	1,534.5	5,194.6	4,472.0	4,388.2
Adjustments in respect of deferred income tax of previous year	34.1	(1,227.0)	233.6	(30.4)	(25.7)
Income tax expense	(47,453.3)	(42,029.0)	(35,862.4)	(34,717.3)	(24,959.3)
Profit before income tax	93,210.5	84,687.4	88,345.2	102,213.4	93,635.5
Tax calculated at the applicable income tax rate of 30%, (2021: 9 months – 25%, 3 months – 30%)	(27,963.2)	(25,406.22)	(26,250.3)	(30,664.0)	(24,579.3)
Tax effect of:					
- Income not subject to tax	3,266.4	6,842.6	2,174.2	283.2	1,455.1
- Expenses not deductible for tax purposes	(7,627.5)	(11,673.4)	(4,984.1)	(4,112.6)	(2,098.6)
Adjustments in respect of deferred income tax of previous year	(524.1)	(1,227.0)	233.6	(30.4)	(25.7)
Effect of change in tax rate on deferred tax	-	-	-	-	585.2
Adjustments in respect of current income tax of previous year	34.1	1,222.9	(177.1)	(12.1)	-
Deferred income tax not recognised in the year	(14,639.0)	(11,787.9)	(6,858.7)	(181.4)	(127.6)
Derecognition of prior year deferred tax	-	-	-	-	(168.1)
Minimum tax paid as final tax	-	-	-	-	(0.3)
Income tax expense	(47,453.3)	(42,029.0)	(35,862.4)	(34,717.3)	(24,959.3)

12(a) Income tax expense (continued)

Company	2025 Shs 'm'	2024 Shs 'm'	2023 Shs 'm'	2022 Shs 'm'	2021 Shs 'm'
Current income tax	(49,050.0)	(42,642.4)	(39,422.7)	(38,706.8)	(29,009.8)
Adjustments in respect of current income tax of previous year	(523.9)	1,224.1	(177.1)	(12.1)	-
Deferred income tax (Note 17)	3,242.2	1,494.0	5,195.6	4,473.4	4,554.1
Adjustments in respect of deferred income tax of previous year	34.1	(1,227.0)	233.6	(30.5)	(25.7)
Income tax expense	(46,297.6)	(41,151.3)	(34,170.6)	(34,276.0)	(24,481.4)
Profit before income tax	141,251.7	123,805.1	109,110.2	106,065.3	92,438.0
Tax calculated at the applicable income tax rate of 30%	(42,375.5)	(37,141.5)	(32,733.1)	(31,819.6)	(24,265.0)
Tax effect of:					
- Income not subject to tax	687.1	11.2	3,424.6	1,635.0	1,300.9
- Expenses not deductible for tax purposes	(4,119.4)	(4,018.1)	(4,918.6)	(4,048.8)	(2,060.9)
Adjustments in respect of deferred income tax of previous year	(523.9)	(1,227.0)	233.6	(30.5)	(25.7)
Effect of change in tax rate on deferred tax	-	-	-	-	569.3
Adjustments in respect of current income tax of previous year	34.1	1,224.1	(177.1)	(12.1)	-
Income tax expense	(46,297.6)	(41,151.3)	(34,170.6)	(34,276.0)	(24,481.4)

12(b) Current income tax (payable)/receivable

Group	2025 Shs 'm'	2024 Shs 'm'	2023 Shs 'm'	2022 Shs 'm'	2021 Shs 'm'
At start of year	(193.1)	(1,557.2)	(5,283.3)	(253.1)	147.5
Current income tax (Note 12(a))	(50,166.7)	(43,559.4)	(41,113.5)	(39,146.8)	(29,153.7)
Adjustments in respect of current income tax of previous year (Note 12(a))	(524.1)	1,222.9	(177.1)	(12.1)	(168.1)
Tax paid during the year	48,626.4	43,700.6	45,016.7	34,128.7	28,921.2
At end of year	(2,257.5)	(193.1)	(1,557.2)	(5,283.3)	(253.1)
Current asset	-	-	851.6	7.9	7.2
Current liabilities	(2,257.5)	(193.1)	(2,408.8)	(5,291.2)	(260.3)
At end of year	(2,257.5)	(193.1)	(1,557.2)	(5,283.3)	(253.1)

Company					
At start of year	7.9	(192.2)	(5,086.3)	(151.6)	251.8
Current income tax (Note 12(a))	(49,050.0)	(42,642.4)	(39,422.7)	(38,706.8)	(29,009.8)
Adjustments in respect of current income tax of previous year (Note 12(a))	(523.9)	1,224.1	(177.1)	(12.1)	-
Tax paid during the year	47,524.0	41,618.4	44,493.9	33,784.2	28,606.4
At end of year	(2,042.0)	7.9	(192.2)	(5,086.3)	(151.6)
Current asset	-	7.9	-	-	-
Current liabilities	(2,042.0)	-	(192.2)	(5,086.3)	(151.6)
At end of year	(2,042.0)	7.9	(192.2)	(5,086.3)	(151.6)

13 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

Group	2025	2024	2023	2022	2021
Profit attributable to equity holders of the parent (Shs million)	69,798.7	62,991.7	62,268.9	69,648.1	68,676.2
Total number of ordinary shares in issue (million)	40,065.4	40,065.4	40,065.4	40,065.4	40,065.4
Basic earnings per share (Shs)	1.7	1.6	1.6	1.7	1.7
Diluted earnings per share (Shs)	1.7	1.6	1.6	1.7	1.7

Company	2025	2024	2023	2022	2021
Profit attributable to equity holders of the parent (Shs million)	94,954.1	82,653.8	74,939.6	71,789.3	67,956.6
Total number of ordinary shares in issue (million)	40,065.4	40,065.4	40,065.4	40,065.4	40,065.0
Basic earnings per share (Shs)	2.4	2.1	1.9	1.8	1.7
Diluted earnings per share (Shs)	2.4	2.1	1.9	1.8	1.7

There were no potentially dilutive shares outstanding in the years presented. Diluted earnings per share are therefore the same as basic earnings per share.

14 Share capital and share premium

	Number of shares (million)	Ordinary shares Shs'm	Share premium Shs'm	Total Shs'm
As at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021	40,065.4	2,003.3	2,200.0	4,203.3

The authorised share capital of the Company is Shs 6,000,000,000 divided into 119,999,999,600 ordinary shares of Shs 0.05 each and 5 non-redeemable preference shares of Shs 4 each.

The issued share capital comprises 40,065,428,000 (2024, 2023, 2022: 40,065,428,000) ordinary shares with a par value of Shs 0.05 each. All issued shares are fully paid.

Share premium reserve was established on initial issuance of the Company's ordinary shares at premium.

Holders of ordinary shares are entitled to dividend as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

15 Dividend

Proposed dividends are classified as a separate component of equity in the statement of changes in equity through a transfer from retained earnings. They are transferred to the dividend payable account once approved by shareholders in the annual general meeting.

During 2025, an interim dividend of Shs 0.55 per ordinary share (2024: Shs 0.55, 2023: Shs 0.58, 2022: Shs 0.64, 2021: Shs 0.45) amounting to Shs 22.04 billion (2024: Shs 22.04 billion, 2023: Shs 23.24 billion, 2022: Shs 25.64 billion, 2021: Shs 18.03 billion) was declared. The directors proposed a final dividend in respect of the year ended 31 March 2025 of Shs 0.65 per ordinary share (2024: Shs 0.65, 2023: Shs 0.62, 2022: Shs 0.75, 2021: Shs 0.92) amounting to a total of Shs 26.04 billion (2024: Shs 26.04 billion, 2023: Shs 24.84 billion, 2022: Shs 30.05 billion, 2021: Shs 36.86 billion) for approval at the Annual general Meeting (AGM) held on 25 July 2025.

15 Dividend (continued)

This brings the total dividend for 2025 to Shs 48.08 billion (2024: Shs 48.08 billion, 2023: Shs 48.08 billion, 2022: Shs 55.69 billion, 2021: Shs 54.89 billion) which represents Shs 1.20 per share in respect of the year ended 31 March 2025 (2024: Shs 1.20 per share, 2023: Shs 1.20 per share, 2022: Shs 1.39 per share, 2021: Shs 1.37 per share).

The payment of dividend is subject to withholding tax at the rate of 10% for all non-residents, 5% for Kenyan residents and 0% for resident Kenyan companies with a shareholding of 12.5% or more in the Company. Total dividend payouts for the years presented were as follows:

Movement in the year

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	6,649.2	1,783.0	12,053.9	8,684.1	1,045.1
Final dividend declared	26,042.5	24,840.6	30,049.1	36,860.2	56,091.6
Interim dividend declared	22,036.0	22,036.0	23,237.8	25,641.9	18,029.4
Paid during the year	(53,227.8)	(42,010.4)	(63,557.8)	(59,132.3)	(66,482.0)
At end of year	1,499.9	6,649.2	1,783.0	12,053.9	8,684.1

16 Borrowings

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	108,146.8	87,605.4	66,468.6	15,363.3	8,000.0
Additions	37,567.0	65,841.3	62,238.1	120,564.8	44,970.0
Interest charged	14,089.1	12,644.3	7,786.6	3,165.4	1,686.5
Interest paid	(14,893.5)	(12,776.5)	(6,924.4)	(2,477.9)	(1,154.6)
Repayments	(26,305.2)	(41,103.9)	(42,777.2)	(70,026.0)	(38,198.0)
Revaluation of foreign currency loans	10,493.6	(442.4)	770.6	-	-
Hyperinflation adjustment	491.4	(135.0)	43.1	-	-
Translation differences	(22,158.8)	(3,486.4)	-	(120.9)	59.4
At end of year	107,430.4	108,146.8	87,605.4	66,468.7	15,363.3

Split					
Short term borrowings	39,500.1	39,760.0	36,083.1	20,400.1	14,772.0
Bank overdraft	1,703.0	3,497.8	7,409.2	-	-
Interest payable	1,482.9	1,795.8	2,063.1	1,157.8	591.3
Total short-term borrowings	42,686.0	45,053.6	45,555.4	21,557.9	15,363.3
Long term borrowings	64,744.4	63,093.2	42,050.0	44,910.8	-
At end of year	107,430.4	108,146.8	87,605.4	66,468.6	15,363.3

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	77,666.6	76,096.7	66,468.7	15,363.3	8,059.4
Additions	28,000.0	36,892.5	51,500.0	120,564.8	44,970.0
Interest charged	11,968.0	10,640.3	7,320.6	2,986.4	1,667.8
Interest paid	(12,764.8)	(10,907.6)	(6,415.4)	(2,419.8)	(1,135.9)
Repayments	(24,415.5)	(35,055.3)	(42,777.2)	(70,026.0)	(38,198.0)
Translation differences	-	-	-	-	-
At end of year	80,454.3	77,666.6	76,096.7	66,468.7	15,363.3

16 Borrowings (continued)

Company (continued)	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Split					
Short term borrowings	39,500.0	39,760.0	35,500.0	21,557.9	15,363.3
Bank overdraft	-	-	-	-	-
Interest payable	999.0	1,795.8	2,063.1	-	-
Total short-term borrowings	40,499.0	41,555.8	37,563.1	21,557.9	15,363.3
Long term borrowings	39,955.3	36,110.8	38,533.6	44,910.8	-
At end of year	80,454.3	77,666.6	76,096.7	66,468.7	15,363.3

Under the terms of the loan facilities, the Group is required to comply with certain covenants. The Group had complied with all the covenants as at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021.

The Company loan facilities are with Kenyan banks are at an average interest rate of 16.3% (2024: average interest rate of 13.6%, 2023: 8% - 13%, 2022: 8% - 13%, 2021: 6% - 9%) whilst those at the Group include loan facilities at Safaricom Telecommunications Ethiopia Plc which are at an average interest rate of 10.0% (2024: average interest rate of 10.1%).

Long-term facilities repayment period is seven years for the Kenya shilling denominated loans, five years for the United States dollar and three to five years for the Ethiopian Birr denominated term loans.

There are also undrawn bank facilities amounting to Shs 12.2 billion (2024: Shs 12.2 billion, 2023: Shs 25.9 billion, 2022: Shs 21.9 billion and 2021: Shs 27.0 billion) that would be utilised to settle obligations as they fall due.

17 Deferred income tax

Group

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
– Deferred income tax assets	31,819.7	29,654.8	21,144.4	15,152.9	9,906.7
– Deferred income tax liability	(12,937.7)	(14,010.3)	(5,807.4)	(5,244.1)	(4,439.5)
Net deferred income tax asset	18,882.0	15,644.5	15,337.0	9,908.8	5,467.2

Deferred income tax is calculated using an income tax rate of 30%

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	15,644.5	15,337.0	9,908.8	5,467.2	1,104.7
Credit to statement of profit or loss (Note 12)	3,203.4	1,534.5	5,194.6	4,472.0	4,388.2
Adjustments in respect of deferred income tax of previous year (Note 12)	34.1	(1,227.0)	233.6	(30.4)	(25.7)
At end of year	18,882.0	15,644.5	15,337.0	9,908.8	5,467.2

Consolidated deferred income tax assets and liabilities and deferred income tax credit/ (charge) in the statement of profit or loss and other comprehensive income (SOI) are attributable to the following items:

17 Deferred income tax (continued)
Group (continued)

Year ended 31 March 2025	01-Apr-24 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-25 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(1,624.0)	(3,934.0)	(5,558.0)
Right of use assets	(12,386.3)	5,006.6	(7,379.7)
	(14,010.3)	1,072.6	(12,937.7)
Deferred income tax assets			
Unrealised foreign exchange losses	324.8	7,983.9	8,308.7
Tax losses	19,700.4	3,418.4	23,118.8
Property and equipment	6,739.3	97.4	6,836.7
Lease liabilities	13,239.6	762.9	14,002.5
Other temporary differences*	8,774.4	4,541.3	13,315.7
	48,778.5	16,803.9	65,582.4
Deferred tax asset not recognised	(19,123.7)	(14,639.0)	(33,762.7)
Net deferred income tax asset	15,644.5	3,237.5	18,882.0
Year ended 31 March 2024	01-Apr-23 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-24 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(502.4)	(1,121.6)	(1,624.0)
Right of use assets	(5,307.2)	(7,079.1)	(12,386.3)
	(5,809.6)	(8,200.7)	(14,010.3)
Deferred income tax assets			
Unrealised foreign exchange losses	220.5	104.3	324.8
Tax losses	7,250.2	12,450.2	19,700.4
Property and equipment	7,910.2	(1,170.9)	6,739.3
Lease liabilities	6,434.0	6,805.6	13,239.6
Other temporary differences*	6,667.5	2,106.9	8,774.4
	28,482.4	20,296.1	48,778.5
Deferred tax asset not recognised	(7,335.8)	(11,787.9)	(19,123.7)
Net deferred income tax asset	15,337.0	307.5	15,644.5
Year ended 31 March 2023	01-Apr-22 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-23 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(90.8)	(411.6)	(502.4)
Right of use assets	(5,153.3)	(153.9)	(5,307.2)
	(5,244.1)	(565.5)	(5,809.6)
Deferred income tax assets			
Unrealised foreign exchange losses	119.5	101.0	220.5
Tax losses	391.5	6,858.7	7,250.2
Property and equipment	4,738.8	3,171.4	7,910.2
Lease liabilities	5,855.0	579.0	6,434.0
Other temporary differences*	4,525.2	2,142.3	6,667.5
	15,630.0	12,852.4	28,482.4
Deferred tax asset not recognised	(477.1)	(6,858.7)	(7,335.8)
Net deferred income tax asset	9,908.8	5,428.2	15,337.0

17 Deferred income tax (continued)
Group (continued)

Year ended 31 March 2022	01-Apr-21 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-22 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(10.6)	(80.2)	(90.8)
Right of use assets	(4,428.9)	(724.4)	(5,153.3)
	(4,439.5)	(804.6)	(5,244.1)
Deferred income tax assets			
Unrealised foreign exchange losses	30.1	89.4	119.5
Tax losses	242.8	148.7	391.5
Property and equipment	1,350.8	3,388.0	4,738.8
Lease liabilities	4,822.1	1,032.9	5,855.0
Other temporary differences*	3,756.6	768.6	4,525.2
	10,202.4	5,427.6	15,630.0
Deferred tax asset not recognised	(295.7)	(181.4)	(477.1)
Net deferred income tax asset	5,467.2	4,441.6	9,908.8
Year ended 31 March 2021	01-Apr-20 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-21 Shs'm
Deferred income tax liabilities			
Property and equipment	(2,219.8)	2,219.8	-
Unrealised foreign exchange gains	-	(10.6)	(10.6)
Right of use assets	(4,572.9)	144.0	(4,428.9)
	(6,792.7)	2,353.2	(4,439.5)
Deferred income tax assets			
Unrealised foreign exchange losses	38.6	(8.5)	30.1
Tax losses	130.2	112.6	242.8
Property and equipment	-	1,350.8	1,350.8
Unrealised foreign exchange gains	12.1	(12.1)	-
Lease liabilities	4,567.4	254.7	4,822.1
Other temporary differences*	3,149.1	607.5	3,756.6
	7,897.4	2,305.0	10,202.4
Deferred tax asset not recognised	-	(295.7)	(295.7)
Net deferred income tax asset	1,104.7	4,362.5	5,467.2

*Other temporary differences mainly relate to deferred income tax on expected credit losses on financial assets and provisions for liabilities.

In relation to Ethiopia, Federal Income Tax Proclamation 979/2016 Article 26 allows carry forward of a maximum of two years of losses. According to the proclamation, if the determination of taxable profits results in a loss in a tax period, the loss may base off against a future taxable income, but a taxpayer is not allowed to carry a loss forward for more than 5 tax years after the end of year in which the loss was incurred.

The Group has not recognised deferred income tax asset relating to tax losses carried forward and other deductible temporary differences amounting to Shs 33,762.7 million (2024: Shs 19,123.7 million, 2023: Shs 7,335.8 million, 2022: Shs 477.1 million, 2021: Shs 295.7 million) due to lack of certainty of availability of future taxable profits against which such deductible temporary differences and tax losses could be utilised.

17 Deferred income tax (continued)

Company

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
– Deferred income tax assets	25,217.7	21,858.2	21,686.3	15,152.9	9,906.8
– Deferred income tax liability	(6,336.4)	(6,253.2)	(6,348.3)	(5,244.2)	(4,441.0)
Net deferred income tax asset	18,881.3	15,605.0	15,338.0	9,908.7	5,465.8
Deferred income tax is calculated using an income tax rate of 30%					
	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	15,605.0	15,337.9	9,908.7	5,465.8	937.4
Credit to statement of profit or loss (Note 12)	3,242.2	1,494.1	5,195.6	4,473.4	4,554.1
Adjustments in respect of deferred income tax of previous year (Note 12)	34.1	(1,227.0)	233.7	(30.5)	(25.7)
At end of year	18,881.3	15,605.0	15,338.0	9,908.7	5,465.8

Company deferred income tax assets and liabilities and deferred income tax credit/ (charge) in the statement of profit or loss and other comprehensive income (SOCl) are attributable to the following items:

Year ended 31 March 2025	01-Apr-24 Shs'm	Credit/(charged) to SOCl Shs'm	31-Mar-25 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(562.8)	496.4	(66.4)
Right of use assets	(5,690.4)	(579.6)	(6,270.0)
	(6,253.2)	(83.2)	(6,336.4)
Deferred income tax assets			
Unrealised foreign exchange losses	452.9	(244.6)	208.3
Property and equipment	7,298.7	(1,831.3)	5,467.4
Lease liabilities	7,071.7	929.7	8,001.4
Other temporary differences*	7,034.9	4,505.7	11,540.6
	21,858.2	3,359.5	25,217.7
Net deferred income tax asset	15,605.0	3,276.3	18,881.3

17 Deferred income tax (continued)

Company (continued)

Company deferred income tax assets and liabilities and deferred income tax credit/ (charge) in the statement of profit or loss and other comprehensive income (SOCl) are attributable to the following items:

Year ended 31 March 2024	01-Apr-23 Shs'm	Credit/(charged) to SOCl Shs'm	31-Mar-24 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(190.8)	(372.0)	(562.8)
Right of use assets	(6,157.5)	467.1	(5,690.4)
	(6,348.3)	95.1	(6,253.2)
Deferred income tax assets			
Unrealised foreign exchange losses	(290.1)	743.0	452.9
Property and equipment	7,909.1	(610.4)	7,298.7
Lease liabilities	6,434.1	637.6	7,071.7
Other temporary differences*	7,633.2	(598.2)	7,034.9
	21,686.3	172.0	21,858.2
Net deferred income tax asset	15,338.0	267.1	15,605.0
Year ended 31 March 2023	01-Apr-22 Shs'm	Credit/(charged) to SOCl Shs'm	31-Mar-23 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(90.9)	(99.9)	(190.8)
Right of use assets	(5,153.3)	(1,004.2)	(6,157.5)
	(5,244.2)	(1,104.1)	(6,348.3)
Deferred income tax assets			
Unrealised foreign exchange losses	119.3	(409.4)	(290.1)
Property and equipment	4,741.6	3,167.5	7,909.1
Lease liabilities	5,855.0	579.1	6,434.1
Other temporary differences*	4,437.0	3,196.2	7,633.2
	15,152.9	6,533.4	21,686.3
Net deferred income tax asset	9,908.7	5,429.3	15,338.0

17 Deferred income tax (continued)
Company (continued)

Year ended 31 March 2022	01-Apr-21 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-22 Shs'm
Deferred income tax liabilities			
Unrealised foreign exchange gains	(12.1)	(78.8)	(90.9)
Right of use assets	(4,428.9)	(724.4)	(5,153.3)
	(4,441.0)	(803.2)	(5,244.2)
Deferred income tax assets			
Unrealised foreign exchange losses	30.1	89.2	119.3
Property and equipment	1,350.4	3,391.2	4,741.6
Lease liabilities	4,822.1	1,032.9	5,855.0
Other temporary differences*	3,704.2	732.8	4,437.0
	9,906.8	5,246.1	15,152.9
Net deferred income tax asset	5,465.8	4,442.9	9,908.7
Year ended 31 March 2021	01-Apr-20 Shs'm	Credit/(charged) to SOCI Shs'm	31-Mar-21 Shs'm
Deferred income tax liabilities			
Property and equipment	(2,218.4)	2,218.4	-
Unrealised foreign exchange gains	-	(12.1)	(12.1)
Right of use assets	(4,572.9)	144.0	(4,428.9)
	(6,791.3)	2,350.3	(4,441.0)
Deferred income tax assets			
Unrealised foreign exchange losses	38.6	(8.5)	30.1
Property and equipment	-	1,350.4	1,350.4
Unrealised foreign exchange gains	12.8	(12.8)	-
Lease liabilities	4,567.4	254.7	4,822.1
Other temporary differences*	3,109.9	594.3	3,704.2
	7,728.7	2,178.1	9,906.8
Net deferred income tax asset	937.4	4,528.4	5,465.8

In the opinion of the Directors, the deferred income tax balances are expected to be recoverable against future profits.

*Other temporary differences mainly to deferred tax of expected credit losses on financial assets and provisions.

18 Property and equipment Group

Group	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold Property Shs'm	Total Shs'm
Year ended 31 March 2025								
Opening net carrying amount	121,152.2	62,373.1	310.3	459.3	56,441.9	36,096.9	207.6	277,041.3
Additions	-	79,896.6			311.5			80,208.1
Transfers from CWIP*	36,019.9	(70,609.5)	93.5	215.2	25,766.6	6,649.7	1,864.6	-
Asset retirement obligations (ARO) - adjustment	(847.4)	-	-	-	-	-	-	(847.4)
Disposal – cost	-	-	-	-	(123.4)	-	-	(123.4)
Depreciation on disposals	-	-	-	-	118.1	-	-	118.1
Reclassifications cost	(66.3)	-	-	-	156.2	1.2	(91.1)	-
Depreciation on reclassifications	0.5	-	-	-	0.9	(1.7)	0.3	-
Asset retirement - cost	(4,417.1)	-	-	-	(10,404.0)	-	-	(14,821.1)
Asset retirement - depreciation	4,417.1	-	-	-	10,404.0	-	-	14,821.1
Depreciation charge	(22,196.0)	-	(101.6)	(224.6)	(26,417.0)	(2,042.6)	(18.1)	(50,999.9)
Hyperinflation adjustment	10,976.2	(3,736.6)	-	23.8	4,974.8	110.4	-	12,348.6
Translation differences	(34,773.5)	(26,052.2)	-	(77.8)	(9,213.8)	(427.2)	-	(70,544.5)
Closing net carrying amount	110,265.6	41,871.4	302.2	395.9	52,015.8	40,386.7	1,963.3	247,200.9
At 31 March 2025								
Cost	345,355.4	41,871.4	1,989.5	8,269.0	194,919.7	52,968.8	1,981.1	647,354.9
Accumulated depreciation	(235,089.8)	-	(1,687.3)	(7,873.1)	(142,903.9)	(12,582.1)	(17.8)	(400,154.0)
Net carrying amount	110,265.6	41,871.4	302.2	395.9	52,015.8	40,386.7	1,963.3	247,200.9

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure, equipment and fiber that had not been brought to use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 265,068.6 million (2024: Shs 236,148.6 million) which would have a notional depreciation of Shs 5,422.2 million (2024: Shs 4,271.4 million).

18 Property and equipment (continued)
Group (continued)

Group	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold Property Shs'm	Total Shs'm
Year ended 31 March 2024								
Opening net carrying amount	53,344.0	94,563.6	318.0	583.3	40,810.7	32,160.4	207.6	221,987.6
Additions	-	87,118.4	-	-	368.8	-	-	87,487.2
Transfers from CWIP	22,943.5	(67,714.2)	118.3	72.5	38,834.8	5,745.1	-	-
Asset retirement obligations (ARO) - additions	236.7	-	-	-	-	-	-	236.7
Disposal – cost	(54.1)	-	(33.8)	-	(1,220.0)	-	-	(1,307.9)
Depreciation on disposals	51.6	-	33.0	-	1,201.7	-	-	1,286.3
Reclassifications cost	1,624.7	-	-	-	(1,621.5)	(3.2)	-	-
Depreciation on reclassifications	(319.3)	-	-	-	319.2	0.1	-	-
Asset retirement - cost	(1,022.1)	-	-	-	(5,482.6)	-	-	(6,504.7)
Asset retirement - depreciation	1,022.1	-	-	-	5,482.6	-	-	6,504.7
Depreciation charge	(23,948.3)	-	(125.3)	(277.2)	(28,887.8)	(1,923.7)	-	(55,162.3)
Hyperinflation adjustment	66,509.3	(51,594.7)	0.1	76.0	5,930.0	115.9	-	21,036.6
Translation differences	764.1	-	-	4.7	706.0	2.3	-	1,477.1
Closing net carrying amount	121,152.2	62,373.1	310.3	459.3	56,441.9	36,096.9	207.6	277,041.3
At 31 March 2024								
Cost	343,625.0	62,373.1	1,896.0	8,129.0	186,846.8	46,645.8	207.6	649,723.3
Accumulated depreciation	(222,472.8)	-	(1,585.7)	(7,669.7)	(130,404.9)	(10,548.9)	-	(372,682.0)
Net carrying amount	121,152.2	62,373.1	310.3	459.3	56,441.9	36,096.9	207.6	277,041.3

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure, equipment and fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 236,148.6 million (2023: Shs 202,423.4 million) which would have a notional depreciation of Shs 4,271.4 million (2023: Shs 2,921.0 million).

Included in property and equipment is Shs 5,370.8 million (2023: Shs 4,608.4 million) relating to expenditures recognised in the carrying amount of property and equipment during its construction.

18 Property and equipment (continued)
Group (continued)

Group	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold property Shs'm	Total Shs'm
Year ended 31 March 2023								
Opening carrying amount	57,017.3	25,181.6	360.8	886.9	36,903.4	28,438.7	204.3	148,993.0
Hyperinflation adjustment (Note 35(a))	-	5,285.5	-	-	24.0	-	-	5,312.8
Additions	-	105,981.8	-	-	411.7	-	-	106,393.5
Transfers from CWIP	11,911.1	(41,885.3)	81.6	50.5	24,549.9	5,292.2	-	(0.0)
Disposal – cost	(1,625.7)	-	-	-	(3,149.9)	(2.6)	-	(4,778.2)
Asset retirement - cost	(12,056.7)	-	-	-	(10,271.1)	-	-	(22,327.8)
Asset retirement obligation (ARO) additions	1,052.1	-	-	-	-	-	-	1,052.1
Asset retirement - depreciation	12,056.7	-	-	-	10,271.1	-	-	22,327.8
Depreciation charge	(16,630.8)	-	(124.4)	(354.1)	(21,077.0)	(1,568.2)	-	(39,754.5)
Depreciation on disposals	1,620.0	-	-	-	3,148.6	0.3	-	4,768.9
Closing carrying amount	53,344.0	94,563.6	318.0	583.3	40,810.7	32,160.4	204.3	221,987.6
At 31 March 2023								
Cost	252,588.4	94,563.6	1,811.4	7,986.0	149,808.4	40,787.6	204.3	547,753.0
Accumulated depreciation and impairment	(199,244.4)	-	(1,493.4)	(7,402.7)	(108,997.7)	(8,627.2)	-	(325,765.4)
Net book carrying amount	53,344.0	94,563.6	318.0	583.3	40,810.7	32,160.4	204.3	221,987.6

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure and fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 202,423.4 million (2022: Shs 203,855.1 million) which would have a notional depreciation of Shs 2,921.0 million (2022: Shs 2,557.0 million).

18 Property and equipment (continued)
Group (continued)

Group	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold property Shs'm	Total Shs'm
Year ended 31 March 2022								
Opening net book amount	61,915.0	8,556.7	337.7	1,335.6	34,156.0	27,532.7	-	133,833.7
Additions	-	49,168.0	-	-	406.3	-	204.3	49,778.6
Transfers from CWIP	10,428.8	(32,241.7)	150.1	6.5	19,348.7	2,307.6	-	-
Disposal – cost	(299.5)	-	-	(12.8)	(1,104.7)	-	-	(1,417.0)
Asset retirement obligation (ARO) non cash adjustments	(286.5)	-	-	-	-	-	-	(286.5)
Depreciation charge	(15,042.8)	(144.0)	(127.6)	(453.0)	(16,976.1)	(1,401.7)	-	(34,145.2)
Depreciation on disposals	301.4	-	-	12.8	1,100.7	-	-	1,414.9
Translation differences	-	(157.6)	-	-	(27.9)	-	-	(185.5)
Closing net book amount	57,016.4	25,181.4	360.2	889.1	36,903.0	28,438.6	204.3	148,993.0
At 31 March 2022								
Cost	253,444.8	25,181.4	1,730.4	7,934.4	138,346.4	35,504.1	204.3	462,345.8
Accumulated depreciation and impairment	(196,428.4)	-	(1,370.2)	(7,045.3)	(101,443.4)	(7,065.5)	-	(313,352.8)
Net book amount	57,016.4	25,181.4	360.2	889.1	36,903.0	28,438.6	204.3	148,993.0

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure and fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 203,855.1 million which would have a notional depreciation of Shs 2,921.0 million.

18 Property and equipment (continued)
Group (continued)

Group	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Total Shs'm
At 1 April 2020							
Cost	228,126.2	10,327.1	1,564.5	7,443.2	104,104.7	30,287.9	381,853.6
Accumulated depreciation	(166,126.7)	-	(1,101.1)	(6,029.8)	(74,905.0)	(4,353.8)	(252,516.4)
Net book amount	61,999.5	10,327.1	463.4	1,413.4	29,199.7	25,934.1	129,337.2
Year ended 31 March 2021							
Opening net book amount	61,999.5	10,327.1	463.4	1,413.4	29,199.7	25,934.1	129,337.2
Additions	-	34,935.8	15.8	-	8.6	-	34,960.2
Transfers from CWIP	13,402.7	(36,706.2)	-	497.5	19,897.4	2,908.6	-
Disposal – cost	(134.3)	-	-	-	(43.4)	-	(177.7)
Asset retirement - cost**	-	-	-	-	(4,243.3)	-	(4,243.3)
Asset retirement obligation (ARO) non cash adjustments	2,207.4	-	-	-	-	-	2,207.4
Depreciation charge	(15,649.5)	-	(141.0)	(577.3)	(14,946.5)	(1,310.2)	(32,624.5)
Depreciation reclassification	(3.0)	-	(0.5)	2.0	1.3	0.2	-
Depreciation on disposals	92.2	-	-	-	38.9	-	131.1
Depreciation on retired assets**	-	-	-	-	4,243.3	-	4,243.3
Closing net book amount	61,915.0	8,556.7	337.7	1,335.6	34,156.0	27,532.7	133,833.7
At 31 March 2021							
Cost	243,602.0	8,556.7	1,580.3	7,940.7	119,724.0	33,196.5	414,600.2
Accumulated depreciation	(181,687.0)	-	(1,242.6)	(6,605.1)	(85,568.0)	(5,663.8)	(280,766.5)
Net book amount	61,915.0	8,556.7	337.7	1,335.6	34,156.0	27,532.7	133,833.7

*CWIP largely relates to self-constructed assets not yet completed. These mostly include network infrastructure and fibre that had not been brought into use as at year end.

** During the year ended 31 March 2021, the Company carried out an assessment of the fixed asset register, (FAR). From this assessment, assets worth Shs 4.2 billion were identified to be fully depreciated and not in use. The assets were mainly equipment.

18 Property and equipment (continued)

Company	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold property Shs'm	Total Shs'm
Year ended 31 March 2025								
Opening net carrying amount	58,399.1	15,335.8	310.2	319.1	39,703.9	35,322.5	207.6	149,598.2
Additions	-	51,870.5	-	-	188.3	-	-	52,058.8
Transfers from CWIP*	23,439.7	(53,078.2)	93.6	172.3	21,090.5	6,417.5	1,864.6	-
Asset retirement obligations adjustments	(847.4)	-	-	-	-	-	-	(847.4)
Disposal – cost	-	-	-	-	(123.4)	-	-	(123.4)
Depreciation on disposals	-	-	-	-	118.1	-	-	118.1
Reclassifications cost	(66.3)	-	-	-	156.2	1.2	(91.1)	-
Depreciation on reclassifications	0.5	-	-	-	0.9	(1.7)	0.3	-
Asset retirement - cost	(4,417.1)	-	-	-	(10,404.0)	-	-	(14,821.1)
Asset retirement - depreciation	4,417.1	-	-	-	10,404.0	-	-	14,821.1
Depreciation charge	(16,827.8)	-	(101.6)	(201.2)	(20,843.2)	(2,008.1)	(18.1)	(40,000.0)
Closing net carrying amount	64,097.8	14,128.1	302.2	290.2	40,291.3	39,731.4	1,963.3	160,804.3
At 31 March 2025								
Cost	288,554.4	14,128.1	1,989.5	8,118.3	173,810.0	52,271.4	1,981.1	540,852.8
Accumulated depreciation	(224,456.6)	-	(1,687.3)	(7,828.1)	(133,518.7)	(12,540.0)	(17.8)	(380,048.5)
Net carrying amount	64,097.8	14,128.1	302.2	290.2	40,291.3	39,731.4	1,963.3	160,804.3

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure, equipment and fiber that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 265,032.7 million (2024: Shs 236,148.6 million) which would have a notional depreciation of Shs 5,398.6 million (2024: Shs 4,271.4 million).

Included in property and equipment is Shs 4,225.8 million (2024: Shs 5,370.8 million) relating to expenditures recognised in the carrying amount of property and equipment during its construction.

18 Property and equipment (continued)
Company (continued)

Company	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold property Shs'm	Total Shs'm
Year ended 31 March 2024								
Opening net carrying amount	54,545.8	13,038.7	318.0	586.4	40,946.7	32,160.3	207.6	141,803.5
Additions	-	46,893.4	-	-	368.8	-	-	47,262.2
Transfers from CWIP	18,493.5	(45,008.0)	118.3	(39.9)	21,367.7	5,068.4	-	-
Asset retirement obligations adjustments	(132.6)	-	-	-	-	-	-	(132.6)
Disposal – cost	(54.1)	-	(33.8)	-	(563.4)	-	-	(651.3)
Depreciation on disposals	51.6	-	33.0	-	556.1	-	-	640.7
Reclassifications cost	1,624.7	411.7	-	-	(2,029.7)	(6.7)	-	-
Depreciation on reclassifications	(319.3)	-	-	-	319.2	0.1	-	-
Asset retirement - cost	(1,022.1)	-	-	-	(5,482.6)	-	-	(6,504.7)
Asset retirement - depreciation	1,022.1	-	-	-	5,482.6	-	-	6,504.7
Depreciation charge	(15,810.5)	-	(125.3)	(227.4)	(21,261.5)	(1,899.6)	-	(39,324.3)
Closing net carrying amount	58,399.1	15,335.8	310.2	319.1	39,703.9	35,322.5	207.6	149,598.2
At 31 March 2024								
Cost	270,445.6	15,335.8	1,895.9	7,946.1	162,902.4	45,852.7	207.6	504,586.1
Accumulated depreciation	(212,046.5)	-	(1,585.7)	(7,627.0)	(123,198.5)	(10,530.2)	-	(354,987.9)
Net carrying amount	58,399.1	15,335.8	310.2	319.1	39,703.9	35,322.5	207.6	149,598.2

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure, equipment and fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 236,148.6 million (2023: Shs 202,423.4 million) which would have a notional depreciation of Shs 4,271.4 million (2023: Shs 2,921.0 million).

Included in property and equipment is Shs 5,370.8 million (2023: Shs 4,608.4 million) relating to expenditures recognised in the carrying amount of property and equipment during its construction.

18 Property and equipment (continued)
Company (continued)

Company	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold property Shs'm	Total Shs'm
Year ended 31 March 2023								
Opening net book amount	57,017.3	14,917.7	360.8	886.9	36,677.0	28,438.7	204.3	138,502.7
Additions	-	39,866.7	-	-	411.7	-	3.3	40,281.7
Transfers from CWIP	11,911.1	(41,745.7)	81.6	50.5	24,410.3	5,292.2	-	-
Disposal – cost	(1,625.7)	-	-	-	(3,149.8)	(2.7)	-	(4,778.2)
Asset retirement - cost	(12,056.7)	-	-	-	(10,271.1)	-	-	(22,327.8)
Depreciation charge	(14,376.9)	-	(124.4)	(351.0)	(20,551.3)	(1,568.2)	-	(36,971.8)
Asset retirement - depreciation	12,056.7	-	-	-	10,271.1	-	-	22,327.8
Depreciation on disposals	1,620.0	-	-	-	3,148.8	0.3	-	4,769.1
Closing net book amount	54,545.8	13,038.7	318.0	586.4	40,946.7	32,160.3	207.6	141,803.5
At 31 March 2023								
Cost	251,536.3	13,038.7	1,811.4	7,986.0	149,245.1	40,787.5	207.6	464,612.6
Accumulated depreciation and impairment	(196,990.5)	-	(1,493.4)	(7,399.6)	(108,298.4)	(8,627.2)	-	(322,809.1)
Net book amount	54,545.8	13,038.7	318.0	586.4	40,946.7	32,160.3	207.6	141,803.5

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure and fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 202,423.4 million (2022: Shs 203,855.1 million) which would have a notional depreciation of Shs 2,921.0 million (2022: Shs 2,557.0 million).

18 Property and equipment (continued)
Company (continued)

Company	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Freehold property Shs'm	Total Shs'm
Year ended 31 March 2022								
Opening net book amount	61,914.9	8,413.8	338.3	1,333.5	33,986.0	27,532.8	-	133,519.3
Additions	-	38,583.5	-	-	406.3	-	204.3	39,194.1
Transfer from CWIP	10,428.8	(32,078.7)	150.1	6.5	19,185.7	2,307.6	-	-
Disposal – cost	(299.5)	-	-	(12.8)	(1,104.7)	-	-	(1,417.0)
Asset retirement obligation (ARO) non cash adjustments	(286.5)	-	-	-	-	-	-	(286.5)
Depreciation charge	(15,042.8)	-	(127.6)	(453.0)	(16,897.1)	(1,401.7)	-	(33,922.2)
Depreciation on disposals	301.4	-	-	12.8	1,100.7	-	-	1,414.9
Closing net book amount	57,016.3	14,918.6	360.8	887.0	36,676.9	28,438.7	204.3	138,502.6
At 31 March 2022								
Cost	253,308.2	14,918.6	1,730.4	7,934.4	137,844.4	35,498.0	204.3	451,438.3
Accumulated depreciation	(196,291.9)	-	(1,369.6)	(7,047.4)	(101,167.5)	(7,059.3)	-	(312,935.7)
Net book amount	57,016.3	14,918.6	360.8	887.0	36,676.9	28,438.7	204.3	138,502.6

*Capital work-in-progress largely relates to self-constructed assets not yet completed. These mostly include network infrastructure and fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to Shs 202,423.4 million (2022: Shs 203,855.1 million) which would have a notional depreciation of Shs 2,921.0 million (2022: Shs 2,557.0 million).

18 Property and equipment (continued)
Company (continued)

Company	Network infrastructure Shs'm	Capital work in progress (CWIP)* Shs'm	Network maintenance spares Shs'm	Leasehold improvements Shs'm	Vehicles and equipment Shs'm	Fibre Shs'm	Total Shs'm
At 1 April 2020							
Cost	227,989.6	10,184.2	1,564.5	7,443.2	103,737.8	30,281.8	381,201.1
Accumulated depreciation	(165,990.2)	-	(1,100.5)	(6,031.9)	(74,762.2)	(4,347.6)	(252,232.4)
Net book amount	61,999.4	10,184.2	464.0	1,411.3	28,975.6	25,934.2	128,968.7
Year ended 31 March 2020							
Opening net book amount	61,999.4	10,184.2	464.0	1,411.3	28,975.6	25,934.2	128,968.7
Additions	-	34,935.8	15.8	-	8.6	-	34,960.2
Transfer from CWIP	13,402.7	(36,706.2)	-	497.5	19,897.4	2,908.6	-
Disposal – cost	(134.3)	-	-	-	(43.4)	-	(177.7)
Asset retirement - cost**	-	-	-	-	(4,243.3)	-	(4,243.3)
Asset retirement obligation (ARO) non cash adjustments	2,207.4	-	-	-	-	-	2,207.4
Depreciation charge	(15,649.5)	-	(141.0)	(577.3)	(14,892.4)	(1,310.2)	(32,570.4)
Depreciation reclassification	(3.0)	-	(0.5)	2.0	1.3	0.2	-
Depreciation on disposals	92.2	-	-	-	38.9	-	131.1
Depreciation on retired assets**	-	-	-	-	4,243.3	-	4,243.3
Closing net book amount	61,914.9	8,413.8	338.3	1,333.5	33,986.0	27,532.8	133,519.3
At 31 March 2021							
Cost	243,465.4	8,413.8	1,580.3	7,940.7	119,357.1	33,190.4	413,947.7
Accumulated depreciation	(181,550.5)	-	(1,242.0)	(6,607.2)	(85,371.1)	(5,657.6)	(280,428.4)
Net book amount	61,914.9	8,413.8	338.3	1,333.5	33,986.0	27,532.8	133,519.3

*CWIP largely relates to self-constructed assets not yet completed. These mostly include network infrastructure and fibre that had not been brought into use as at year end.

** During the year ended 31 March 2021, the Company carried out an assessment of the fixed asset register, (FAR). From this assessment, assets worth Shs 4.2 billion were identified to be fully depreciated and not in use. The assets were mainly equipment. The assets have been written off.

19 Indefeasible rights-of-use (IRU)

Group and Company	SEACOM Shs'm	KPLC* Shs'm	TEAMS** Shs'm	SIMBA Gerra Shs'm	ETISALAT Shs'm	TATA Shs'm	EATCL Shs'm	Total Shs'm
Year ended 31 March 2025								
Opening carrying amount	459.8	244.8	1,297.1	-	-	-	-	2,001.7
Additions	-	-	-	1,532.5	-	-	-	1,532.5
Depreciation charge	(76.7)	(41.9)	(162.7)	(42.3)	-	-	-	(323.6)
Net carrying amount	383.1	202.9	1,134.4	1,490.2	-	-	-	3,210.6
At 31 March 2025								
Cost	1,534.9	838.3	3,253.0	1,532.5	-	-	-	7,158.7
Accumulated depreciation	(1,151.8)	(635.4)	(2,118.6)	(42.3)	-	-	-	(3,948.1)
Net carrying amount	383.1	202.9	1,134.4	1,490.2	-	-	-	3,210.6
Year ended 31 March 2024								
Opening carrying amount	536.5	286.7	1,459.8	-	-	-	-	2,283.0
Depreciation charge	(76.7)	(41.9)	(162.7)	-	-	-	-	(281.3)
Net carrying amount	459.8	244.8	1,297.1	-	-	-	-	2,001.7
At 31 March 2024								
Cost	1,535.0	838.4	3,252.8	-	-	-	-	5,626.2
Accumulated depreciation	(1,075.2)	(593.6)	(1,955.7)	-	-	-	-	(3,624.5)
Net carrying amount	459.8	244.8	1,297.1	-	-	-	-	2,001.7
Year ended 31 March 2023								
Opening carrying amount	613.2	328.6	1,622.5	-	-	-	-	2,564.3
Depreciation charge	(76.7)	(41.9)	(162.7)	-	-	-	-	(281.3)
Net carrying amount	536.5	286.7	1,459.8	-	-	-	-	2,283.0
At 31 March 2023								
Cost	1,534.9	838.3	3,253.0	-	-	-	-	5,626.2
Accumulated depreciation	(963.6)	(672.4)	(1,707.2)	-	-	-	-	(3,343.2)
Net carrying amount	571.3	165.9	1,545.8	-	-	-	-	2,283.0
Year ended 31 March 2022								
Opening carrying amount	689.9	370.5	1,785.2	-	-	-	-	2,845.6
Depreciation charge	(76.7)	(41.9)	(162.7)	-	-	-	-	(281.3)
Net carrying amount	613.2	328.6	1,622.5	-	-	-	-	2,564.3
At 31 March 2022								
Cost	1,534.9	838.3	3,253.0	-	111.3	183.9	91.5	6,012.9
Accumulated depreciation	(921.7)	(509.7)	(1,630.5)	-	(111.3)	(183.9)	(91.5)	(3,448.6)
Net carrying amount	613.2	328.6	1,622.5	-	-	-	-	2,564.3

19 Indefeasible rights-of-use (IRU) (continued)

Group and Company	SEACOM Shs'm	KPLC* Shs'm	TEAMS** Shs'm	SIMBA Gerra Shs'm	ETISALAT Shs'm	TATA Shs'm	EATCL Shs'm	Total Shs'm
Year ended 31 March 2021								
Opening carrying amount	766.6	412.4	1,947.9	-	47.1	78.1	-	3,252.1
Depreciation charge	(76.7)	(41.9)	(162.7)	-	(47.1)	(78.1)	-	(406.5)
Net carrying amount	689.9	370.5	1,785.2	-	-	-	-	2,845.6
At 31 March 2021								
Cost	1,534.9	838.3	3,253.0	-	111.3	183.9	91.5	6,012.9
Accumulated depreciation	(845.0)	(467.8)	(1,467.8)	-	(111.3)	(183.9)	(91.5)	(3,167.3)
Net carrying amount	689.9	370.5	1,785.2	-	-	-	-	2,845.6

*KPLC - Kenya Power and Lighting Company.

**TEAMS - The East African Marines Systems Limited

20 Investment properties (Group and Company)

The investment properties relate to vacant parcels of land title No. 164259 and 164260 located in the Nairobi area. This land does not generate any rental income or direct operating costs. There are no restrictions attached to realisability of the investment properties or the remittance of income and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, or enhancements.

Group and company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	935.0	935.0	845.0	845.0	845.0
Net gain from fair value remeasurement	25.0	-	90.0	-	-
At end of year	960.0	935.0	935.0	845.0	845.0

The fair value measurement of the investment property as at 31 March 2025, 2024, 2023, 2022 and 2021 was performed by a registered and independent valuation firm who has valuation experience for similar properties in Kenya. They are members of the Institute of Surveyors of Kenya.

The fair value was determined by reference to market evidence of recent transactions for similar properties. In estimating the fair value of the properties, the highest and best use of those similar properties was assumed.

20 Investment properties (Group and Company) (continued)

Details of the Group's and Company's investment properties and information about fair value hierarchy as at 31 March 2025, 2024, 2023, 2022 and 2021 is as follows:

Non- financial asset	Fair Value as at 31 March					Fair value hierarchy	Valuation technique (s) and key inputs	Significant unobservable inputs
	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm			
Investment properties	960.0	935.0	935.0	845.0	845.0	Level III	Market comparison approach	Recent sale transactions for similar properties in the neighborhood

Sensitivity analysis

If there was a 10% change in the selling prices of similar properties, with all other variables held constant, the fair value of the investment properties would have been Shs 96.0 million lower/higher (2024: Shs 93.5 million, 2023: Shs 93.5, 2022: Shs 84.5 and 2021: Shs 84.5 lower/higher).

21 Intangible assets- Network Licenses

Below is the movement of intangible assets as at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021.

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Opening carrying amount	194,280.7	150,198.8	93,647.2	8,475.5	6,026.2
Additions – cost	12,238.5	30,992.5	5,143.0	96,288.3	4,077.8
Hyperinflation adjustment	10,454.3	38,265.5	52,433.0	-	-
Translation differences	(95,564.3)	(7,371.6)	7,393.4	(9,266.6)	-
Derecognition - cost	-	-	(1,673.8)	(5,077.6)	-
Derecognition - amortisation	-	-	1,673.8	5,077.6	-
Amortisation charge	(9,953.4)	(17,804.5)	(8,417.9)	(1,850.0)	(1,628.5)
Net carrying amount	111,455.8	194,280.7	150,198.8	93,647.2	8,475.5
Cost	146,754.3	229,910.0	168,300.2	105,004.5	23,060.4
Accumulated amortisation	(35,298.5)	(35,629.3)	(18,101.4)	(11,357.3)	(14,584.9)
Closing net carrying amount	111,455.8	194,280.7	150,198.8	93,647.2	8,475.5
Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Opening carrying amount	21,841.4	14,163.0	11,349.6	8,471.5	6,021.8
Additions – cost	12,238.5	10,514.8	5,143.0	4,728.1	4,077.8
Derecognition – cost	-	-	(1,673.8)	(5,077.6)	-
Derecognition – amortisation	-	-	1,673.8	5,077.6	-
Amortisation charge	(2,852.0)	(2,836.4)	(2,329.6)	(1,850.0)	(1,628.1)
Net carrying amount	31,227.9	21,841.4	14,163.0	11,349.6	8,471.5
Cost	48,911.2	36,672.7	26,157.8	22,688.6	23,038.1
Accumulated amortisation	(17,683.3)	(14,831.3)	(11,994.8)	(11,339.0)	(14,566.6)
Closing net carrying amount	31,227.9	21,841.4	14,163.0	11,349.6	8,471.5

Derecognition represents amounts de-recognised upon expiry of license.

22 Leases

(a) Right of use (ROU) asset

Group	Site Shs'm	Co-locat- ion Shs'm	Shops Shs'm	Facilities Shs'm	Sec- ondees houses Shs'm	Total Shs'm
Year ended 31 March 2025						
At start of year	13,985.1	41,402.6	952.8	3,032.2	83.0	59,455.7
Additions	1,090.6	5,322.3	82.8	151.0	-	6,646.7
Terminations and revisions - cost	286.9	(67.9)	(49.6)	0.2	(21.8)	147.8
Depreciation charge	(1,694.7)	(3,974.0)	(294.1)	(842.1)	(19.0)	(6,823.9)
Termination and revisions - depreciation	164.5	(783.5)	21.0	3.9	15.3	(578.8)
Hyperinflation adjustment	609.3	1,573.1	11.4	140.7	3.0	2,337.5
Translation differences	(4,536.2)	(16,524.2)	(97.4)	(1,250.3)	(27.3)	(22,435.4)
Net carrying amount	9,905.5	26,948.4	626.9	1,235.6	33.2	38,749.6
At 31 March 2025						
Cost	17,383.2	40,468.6	2,227.6	5,326.0	859.9	66,282.8
Accumulated depreciation	(7,477.7)	(13,520.2)	(1,600.7)	(4,090.4)	(826.7)	(27,533.2)
Closing net carrying amount	9,905.5	26,948.4	626.9	1,235.6	33.2	38,749.6

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Group	Site Shs'm	Co- location Shs'm	Shops Shs'm	Facilities Shs'm	Seconddees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2024							
At start of year	11,025.8	22,423.0	855.3	2,258.8	321.6	1.0	36,885.5
Additions	3,293.5	17,861.4	394.9	1,656.8	366.2	0.6	23,573.4
Terminations and revisions - cost	30.4	325.2	(31.0)	(366.7)	(241.0)	1.1	(282.0)
Depreciation charge	(2,403.7)	(5,184.8)	(319.7)	(1,218.7)	(570.1)	(2.7)	(9,699.7)
Termination and revisions - depreciation	301.2	937.3	-	148.5	(2.9)	-	1,384.1
Hyperinflation adjustment	2,912.9	6,367.0	86.6	957.2	440.2	-	10,763.9
Translation differences	(1,175.0)	(1,326.5)	(33.3)	(403.7)	(231.0)	-	(3,169.5)
Net carrying amount	13,985.1	41,402.6	952.8	3,032.2	83.0	-	59,455.7
At 31 March 2024							
Cost	20,753.8	51,681.9	2,324.4	6,697.6	1,626.6	17.5	83,101.8
Accumulated depreciation	(6,768.7)	(10,279.3)	(1,371.6)	(3,665.4)	(1,543.6)	(17.5)	(23,646.1)
Closing net carrying amount	13,985.1	41,402.6	952.8	3,032.2	83.0	-	59,455.7

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Group	Site Shs'm	Co- location Shs'm	Shops Shs'm	Facilities Shs'm	Seconddees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2023							
Opening cost	7,082.9	8,270.1	806.7	2,081.5	52.8	7.6	18,301.6
Additions	5,460.5	15,809.7	337.7	1,768.8	1,071.2	-	24,447.9
Termination and revisions cost	71.2	719.9	4.5	(1,397.2)	0.7	-	(600.9)
Armortisation charge	(1,610.3)	(2,372.1)	(293.4)	(1,327.6)	(801.3)	(6.6)	(6,411.3)
Amortisation on termination and revision	23.3	(4.6)	-	1,136.4	-	-	1,155.1
Hyperinflation adjustment	(1.8)	-	(0.2)	(3.1)	(1.8)	-	(6.9)
Closing net book amount	11,025.8	22,423.0	855.3	2,258.8	321.6	1.0	36,885.5
At 31 March 2023							
Cost	15,637.6	28,078.9	1,906.4	4,802.9	1,188.5	15.8	51,630.1
Accumulated amortisation	(4,611.8)	(5,655.9)	(1,051.1)	(2,544.1)	(866.9)	(14.8)	(14,744.6)
Closing net book amount	11,025.8	22,423.0	855.3	2,258.8	321.6	1.0	36,885.5

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Group	Site Shs'm	Co-locat- ion Shs'm	Shops Shs'm	Facilities Shs'm	Seconddees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2022							
Opening cost	6,899.9	4,718.8	915.9	2,208.6	3.4	16.2	14,762.8
Additions	1,136.2	4,058.9	170.9	549.5	65.6	(1.6)	5,979.5
Termination and revision-cost	19.8	811.2	(20.7)	237.2	-	(0.5)	1,047.0
Armortisation charge	(1,041.4)	(1,318.4)	(259.7)	(1,014.4)	(16.3)	(6.6)	(3,656.8)
Translation differences	1.6	-	0.1	1.8	0.1	-	3.6
Amortisation on termination and revision	66.5	-	0.2	98.9	-	-	165.6
Closing net book amount	7,082.6	8,270.5	806.7	2,081.6	52.8	7.5	18,301.7
At 31 March 2022							
Cost	10,078.0	11,549.3	1,564.2	4,431.4	144.1	15.8	27,782.8
Accumulated Depreciation	(2,995.4)	(3,278.8)	(757.5)	(2,349.8)	(91.3)	(8.3)	(9,481.1)
Closing net book amount	7,082.6	8,270.5	806.7	2,081.6	52.8	7.5	18,301.7

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Group	Site Shs'm	Co-location Shs'm	Shops Shs'm	Facilities Shs'm	Secondees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2021							
Opening cost	7,582.8	4,371.0	1,034.1	2,235.0	20.0	-	15,242.9
Additions	560.8	1,160.3	152.2	1,075.5	28.9	18.2	2,995.9
Reclassification-Cost	(168.5)	51.5	(37.0)	42.00	7.1	-	(104.9)
Termination and revision-cost	(144.6)	186.2	12.1	(357.4)	-	(0.3)	(304.0)
Amortisation charge	(1,063.0)	(1,051.9)	(297.0)	(866.5)	(24.7)	(1.7)	(3,304.8)
Reclassification-Amortization	94.8	2.8	39.8	(4.6)	(27.9)	-	104.9
Termination- Amortization and revision	37.6	(1.1)	11.7	84.6	-	-	132.8
Closing net book amount	6,899.9	4,718.8	915.9	2,208.6	3.4	16.2	14,762.8
At March 31 2021							
Cost	8,920.4	6,679.2	1,413.9	3,642.9	78.4	17.9	20,752.7
Amortisation charge	(2,020.5)	(1,960.4)	(498.0)	(1,434.3)	(75.0)	(1.7)	(5,989.9)
Closing net book amount	6,899.9	4,718.8	915.9	2,208.6	3.4	16.2	14,762.8

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Company		Site Shs'm	Co-location Shs'm	Shops Shs'm	Facilities Shs'm	Secondees houses Shs'm	Total Shs'm
Year ended 31 March 2025							
At start of year		5,799.0	11,584.0	776.7	775.0	33.4	18,968.1
Additions		754.4	5,322.3	77.2	2.6	0.0	6,156.5
Terminations and revisions cost		182.1	652.9	(49.6)	0.2	(21.8)	763.8
Depreciation charge		(1,208.2)	(2,388.8)	(270.2)	(528.8)	(9.3)	(4,405.3)
Terminations and revisions - depreciation		163.6	(783.5)	21.20	0.4	15.3	(583.0)
Net carrying amount		5,690.9	14,386.9	555.3	249.4	17.6	20,900.1
At 31 March 2025							
Cost		11,842.4	24,777.8	2,087.3	3,601.3	95.6	42,421.9
Accumulated depreciation		(6,151.5)	(10,390.9)	(1,532.0)	(3,351.9)	(78.0)	(21,521.8)
Closing net carrying amount		5,690.9	14,386.9	555.3	249.4	17.6	20,900.1

Company	Site Shs'm	Co-loc- ation Shs'm	Shops Shs'm	Facilities Shs'm	Secondees houses Shs'm	Equipment	Total Shs'm
Year ended 31 March 2024							
At start of year	6,148.1	10,387.7	712.8	431.5	10.2	1.0	17,691.3
Additions	798.0	2,837.8	358.1	1,414.8	343.9	0.6	5,753.2
Terminations and revisions cost	(122.2)	288.5	(31.1)	(505.9)	(305.6)	1.1	(675.2)
Depreciation charge	(1,268.0)	(2,290.4)	(263.1)	(666.8)	(12.2)	(2.7)	(4,503.2)
Terminations and revisions - depreciation	243.1	360.4	-	101.4	(2.9)	-	702.0
Net carrying amount	5,799.0	11,584.0	776.7	775.0	33.4	-	18,968.1
At 31 March 2024							
Cost	10,905.9	18,802.7	2,059.7	3,598.5	117.3	17.5	35,501.6
Accumulated depreciation	(5,106.9)	(7,218.7)	(1,283.0)	(2,823.5)	(83.9)	(17.5)	(16,533.5)
Closing net carrying amount	5,799.0	11,584.0	776.7	775.0	33.4	-	18,968.1

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Company	Site Shs'm	Co-location Shs'm	Shops Shs'm	Facilities Shs'm	Secondees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2023							
Opening cost	6,630.7	8,270.5	771.6	1,479.4	17.7	7.5	17,177.4
Additions	508.7	3,407.3	199.5	262.3	-	-	4,377.8
Termination and revisions cost	71.9	719.5	4.6	(1,397.3)	0.7	0.1	(600.5)
Armortisation charge	(1,086.1)	(2,005.0)	(262.9)	(1,050.2)	(8.2)	(6.6)	(4,419.0)
Amortisation on termination and revision	22.9	(4.6)	-	1,137.3	-	-	1,155.6
Closing net book amount	6,148.1	10,387.7	712.8	431.5	10.2	1.0	17,691.3
At 31 March 2023							
Cost	10,203.1	15,676.1	1,732.9	2,688.7	106.6	15.9	30,423.3
Accumulated amortisation	(4,055.0)	(5,288.4)	(1,020.1)	(2,257.2)	(96.4)	(14.9)	(12,732.9)
Closing net book amount	6,148.1	10,387.7	712.8	431.5	10.2	1.0	17,691.3

Company	Site Shs'm	Collocation Shs'm	Shops Shs'm	Facilities Shs'm	Secondees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2022							
Opening cost	6,899.9	4,718.8	915.9	2,208.6	3.4	16.2	14,762.8
Additions	685.3	4,058.9	135.6	279.7	27.50	(1.6)	5,185.4
Termination and revisions cost	16.8	811.2	(20.7)	(98.8)	-	(0.5)	708.0
Armortisation charge	(1,037.8)	(1,318.4)	(259.3)	(1,008.9)	(13.2)	(6.6)	(3,644.2)
Amortisation on termination and revision	66.5	-	0.1	98.8	-	-	165.4
Closing net book amount	6,630.7	8,270.5	771.6	1,479.4	17.7	7.5	17,177.4
At 31 March 2022							
Cost	9,622.5	11,549.3	1,528.8	3,823.8	105.9	15.8	26,646.1
Accumulated amortisation	(2,991.8)	(3,278.8)	(757.2)	(2,344.4)	(88.2)	(8.3)	(9,468.7)
Closing net book amount	6,630.7	8,270.5	771.6	1,479.4	17.7	7.5	17,177.4

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Company	Site Shs'm	Co-location Shs'm	Shops Shs'm	Facilities Shs'm	Secondees houses Shs'm	Equipment Shs'm	Total Shs'm
Year ended 31 March 2021							
Opening cost	7,582.8	4,371.0	1,034.1	2,235.0	20.0	-	15,242.9
Additions	560.8	1,160.3	152.2	1,075.5	28.9	18.2	2,995.9
Reclassification-Cost	(168.5)	51.5	(37.0)	42.00	7.1	-	(104.9)
Termination and revision-cost	(144.6)	186.2	12.1	(357.4)	-	(0.3)	(304.0)
Amortisation charge	(1,063.0)	(1,051.9)	(297.0)	(866.5)	(24.7)	(1.7)	(3,304.8)
Reclassification-Amortization	94.8	2.8	39.8	(4.6)	(27.9)	-	104.9
Termination- Amortization and revision	37.6	(1.1)	11.7	84.6	-	-	132.8
Closing net book amount	6,899.9	4,718.8	915.9	2,208.6	3.4	16.2	14,762.8
At March 31 2021							
Cost	8,920.4	6,679.2	1,413.9	3,642.9	78.4	17.9	20,752.7
Amortisation charge	(2,020.5)	(1,960.4)	(498.0)	(1,434.3)	(75.0)	(1.7)	(5,989.9)
Closing net book amount	6,899.9	4,718.8	915.9	2,208.6	3.4	16.2	14,762.8

22 Leases (continued)

(b) Lease liabilities

The lease liabilities balance at the end of the year was as follows:

Group Year ended 31 March	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	54,885.3	35,338.9	20,093.4	16,073.7	15,224.7
Additions	6,646.7	23,712.9	16,771.4	5,978.4	2,995.9
Interest charge	5,109.1	5,820.0	2,875.9	1,802.9	1,717.9
Payments	(11,009.0)	(9,640.8)	(10,117.6)	(5,154.3)	(3,874.6)
Terminations and revisions	(166.6)	(682.2)	4,274.7	1,204.8	(208.6)
Foreign exchange revaluation	18,864.2	1,270.8	731.1	184.7	218.4
Translation differences	(22,366.8)	(934.3)	710.0	3.2	-
At end of year	51,963.0	54,885.3	35,338.9	20,093.4	16,073.7
Presented as:					
Current lease liabilities	6,336.8	6,411.0	5,354.9	5,508.5	4,119.5
Non—current lease liabilities	45,626.2	48,474.3	29,984.0	14,584.9	11,954.2
	51,963.0	54,885.3	35,338.9	20,093.4	16,073.7

Included in the direct costs and reported in the statement of profit or loss in the year is an amount of Shs 2,535.8 million (2024: Shs 2,707.2 million, 2023:1,549.7 million, 2022: Shs 1,828.7million and 2021: Shs 1,726.6 million) for Group and Shs 1,704.7 million (2024: Shs 1,803.3 million, 2023: 1,383.8 million, 2022: Shs 1,725.5 million and Shs 2021 Shs 1,726.6 million) for Company relating to short term leases of less than one year which were not accounted for under IFRS 16.

Company Year ended 31 March	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	23,572.2	21,446.7	19,516.6	16,073.7	15,224.7
Additions	6,156.5	5,753.0	4,377.5	5,185.4	2,995.9
Interest charge	3,079.4	3,058.8	2,238.5	1,772.4	1,717.9
Payments	(6,794.0)	(5,709.1)	(5,736.6)	(4,565.9)	(3,874.6)
Terminations and revisions	767.2	(681.6)	464.5	866.3	(208.6)
Foreign exchange revaluation	(109.9)	(295.6)	586.2	184.7	218.4
Translation differences	-	-	-	-	-
At end of year	26,671.4	23,572.2	21,446.7	19,516.6	16,073.7
Presented as:					
Current lease liabilities	5,780.6	5,163.1	4,376.6	5,437.4	4,119.5
Non—current lease liabilities	20,890.8	18,409.1	17,070.1	14,079.2	11,954.2
	26,671.4	23,572.2	21,446.7	19,516.6	16,073.7

22 Leases (continued)

(b) Lease liabilities (continued)

The lease payment split is as follows:

Payments split

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Repayment of lease liabilities- principal	7,808.6	7,727.1	8,349.1	3,806.4	2,550.6
Repayment of lease liabilities- interest	3,200.4	1,913.7	1,768.5	1,347.9	1,324.0
Total payments	11,009.0	9,640.8	10,117.6	5,154.3	3,874.6

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Repayment of lease liabilities- principal	3,714.6	3,898.1	4,001.3	3,220.5	2,550.6
Repayment of lease liabilities- interest	3,079.4	1,811.0	1,735.3	1,345.4	1,324.0
Total payments	6,794.0	5,709.1	5,736.6	4,565.9	3,874.6

(c) Maturity analysis of undiscounted lease liabilities

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Less than 1 year	10,528.2	10,769.8	5,800.9	5,641.9	4,252.0
Greater than 1 year	61,056.6	63,570.1	43,516.4	21,495.6	14,661.1
Total	71,584.8	74,339.9	49,317.3	27,137.5	18,913.1

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Less than 1 year	5,915.3	5,292.4	4,498.3	5,570.6	4,252.0
Greater than 1 year	28,541.7	25,164.4	23,521.5	20,602.7	14,661.1
Total	34,457.0	30,456.8	28,019.8	26,173.3	18,913.1

23 Investments

From time to time the Group invests in various entities in the form of subsidiaries, associates and joint arrangements and ventures for strategic reasons in order to achieve its overall objective of transforming lives.

(a) Investment in subsidiaries

All subsidiaries are unlisted and have the same year end as the Company except for Safaricom Money Transfer Services Limited and Safaricom Insurance Agency Limited which have a 31 December year-end because of Central Bank of Kenya's reporting guidelines and The Insurance Act respectively. The investments relate to cost of shares held in the subsidiaries.

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	98,779.6	78,012.5	59,057.8	431.3	431.3
Additions – financial guarantees issued in the year	-	-	838.6	-	-
Additional investment:					
- Safaricom Ventures Limited (formerly Instaconnect Limited)*	(0.3)	80.6	-	-	-
- Vodafamily Ethiopia Holding Limited - cash ¹	30,161.4	20,583.3	18,116.1	58,626.5	-
- Vodafamily Ethiopia Holding Limited – non-cash	(448.3)	103.2	-	-	-
- M-PESA Holding Co. Limited ²	-	-	-	-	-
- Safaricom Insurance Agency Limited ³	0.1	-	-	-	-
At end of year	128,492.5	98,779.6	78,012.5	59,057.8	431.3

* On 17 February 2025, the directors of Instaconnect Limited changed the name of the company to Safaricom Ventures Limited.

¹ In April 2021, Safaricom Plc in partnership with Vodacom Group Limited, Sumitomo Corporation, and British International Investment Plc (BII) formerly (CDC Group Plc) partnered to invest in Ethiopia. Safaricom Plc and Vodacom Group through the Vodafamily Ethiopia Holding Company Limited (a private limited company incorporated under the laws of England and Wales, United Kingdom), Sumitomo and British International Investment (BII) formerly (CDC) incorporated the Global Partnership for Ethiopia(GPE) B.V. (a private limited company incorporated in the Netherlands), as the investment vehicle to Ethiopia with the respective shareholding into the company being Vodafamily Ethiopia Holding 61.9% (Safaricom Plc 55.71%, Vodacom Group 6.19%), Sumitomo Corporation 27.2% and British International Investment (BII) formerly (CDC) Group Plc 10.9%. The intention was to bid for one of the telecommunications licenses in Ethiopia.

On 26 April 2021, the Global Partnership for Ethiopia B.V. (the "GPE") submitted a response to the Request for Proposals (the "RFP") by the Government of Ethiopia (the "GoE") that was issued by the Ethiopian Communications Authority (the "ECA"). On 24 May 2021, the ECA formally notified the GPE of its decision to award it one of the two telecommunication licenses that were available in the bid process. License fee paid was USD 850 million to Government of Ethiopia. In addition, a transaction fees of USD 4 Million was paid to International Finance corporation (IFC). The total cost was distributed proportionate to each consortium partner shareholding in GPE.

GPE thereafter incorporated a fully owned subsidiary in Ethiopia- Safaricom Telecommunication Ethiopia Plc (STE) and the certificate of operation was issued on 6th July 2021 as per the requirements of Ethiopia regulation. The indirect shareholding of Safaricom Plc in STE is 55.71%. STE's primary purpose is to hold and operate a full-service telecommunications license granted to GPE by the Federal Republic of Ethiopia. The subsidiary was established within the FY2021 financial reporting period and has been consolidated in the Group's 31 March 2025 financial statements.

In August 2023, International Financial Corporation (IFC), invested 7.25% in Ethiopia through the Global Partnership for Ethiopia (GPE) B.V. This changed the respective shareholdings in Ethiopia to; Vodafamily Ethiopia Holding 57.41% (Safaricom Plc 51.67%, Vodacom Group 5.74%), the Global Partnership for Ethiopia (GPE) B.V. Holding 42.59% (Sumitomo Corporation 25.23%, British International Investment, BII 10.11% and International Financial Corporation (IFC), 7.25%).

During 2025, the Company invested 230.9 million US dollar equivalent to Shs 30,161.4 million (2024: 156.2 million US dollar equivalent to Shs 20,583.3 million), in Vodafamily Ethiopia Holding Limited and in 2024 Shs 80.6 million in Instaconnect Limited (now known as Safaricom Ventures Limited).

23 Investments (continued)

a) Investment in subsidiaries (continued)

² Acquisition of M-PESA Holding Co. Limited

Following the regulatory approvals and ratification by shareholders at the Annual General Meeting held on 28 July 2023, Safaricom Plc acquired the entire issued share capital of M-PESA Holding Co. Limited (MPHCL) from Vodafone International Holdings BV for \$1. The acquisition of MPHCL marks the Safaricom's increased control of the major aspects of the mobile money services which was deemed to be necessary given that it is the licensed payment provider. Safaricom oversees the operations of the Trust, with the overall responsibility of the Trust being held by the appointed directors.

The results of MPHCL have not been consolidated in these financial statements.

³Safaricom Insurance Agency Limited

Following the regulatory approvals in May 2024, Safaricom Plc, was licensed to offer insurance intermediary services via Safaricom Insurance Agency Limited (SIAL). This will allow Safaricom to offer solutions to customers by co-creating insurance products with insurance companies in the market, such as health, motor, business, travel and accident insurance policies.

Below is the contribution for Non-Controlling Interest (NCI) arising from their ownership in GPE and STEP;

At 31 March 2025

Name	Non-controlling Interest (NCI) percentage	At start of year Shs'm	Contribution by NCI shareholders Shs'm	Loss allocated to NCI Shs'm	Other reserves Shs'm	Redistribution of loss after change in shareholding Shs'm	Totals non-controlling interest (NCI) Shs'm
Vodacom Group Limited	5.74%	12,996.5	3,350.7	(2,858.6)	(7,817.7)	-	5,670.9
Sumitomo Corporation	25.23%	57,106.2	13,883.7	(12,548.3)	(34,358.6)	-	24,083.0
British International Investment (formerly CDC Group Plc)	10.11%	22,884.5	5,563.4	(5,028.5)	(13,768.7)	-	9,650.7
International Financial Corporation (IFC)	7.25%	16,411.6	3,989.6	(3,606.1)	(9,873.9)	-	6,921.2
Total	48.33%	109,398.8	26,787.4	(24,041.5)	(65,818.9)	-	46,325.8

At 31 March 2024

Name	Non-controlling Interest (NCI) percentage	At start of year Shs'm	Contribution by NCI shareholders Shs'm	Loss allocated to NCI Shs'm	Other reserves Shs'm	Redistribution of loss after change in shareholding Shs'm	Totals non-controlling interest (NCI) Shs'm
Vodacom Group Limited	5.74%	10,595.3	2,288.3	(2,417.1)	2,530.0	-	12,996.5
Sumitomo Corporation	25.23%	46,557.5	10,055.5	(10,613.2)	11,106.4	-	57,106.2
British International Investment (formerly CDC Group Plc)	10.11%	18,657.2	4,029.6	(4,253.1)	4,450.8	-	22,884.5
International Financial Corporation (IFC)	7.25%	-	13,620.4	(3,049.9)	4,436.7	1,404.4	16,411.6
Total	48.33%	75,810.0	29,993.8	(20,333.3)	22,523.9	1,404.4	109,398.8

23 Investments (continued)

(a) Investment in subsidiaries (continued)

Below is the contribution for Non-Controlling Interest (NCI) arising from their ownership in GPE and STEP;

At March 2023

Name	Non-controlling Interest (NCI) percentage	At start of year Shs'm	Contribution by NCI shareholders Shs'm	Loss allocated to NCI Shs'm	Other reserves Shs'm	Totals non-controlling interest (NCI) Shs'm
Vodacom Group Limited	6.19%	5,622.9	1,995.0	(1,367.7)	4,345.1	10,595.3
Sumitomo Corporation	27.20%	24,708.0	8,766.5	(6,010.0)	19,092.8	46,557.5
British International Investment (formerly CDC Group Plc)	10.90%	9,901.4	3,513.1	(2,408.4)	7,651.3	18,657.3
Total	44.29%	40,232.3	14,274.6	(9,786.1)	31,089.2	75,810.0
At March 2022						
Name	Non-controlling Interest (NCI) percentage	At start of year	Contribution by NCI shareholders	Loss allocated to NCI	Other reserves	Totals non-controlling interest (NCI)
Vodacom Group Limited	6.19%	-	6,514.0	(300.8)	(590.3)	5,622.9
Sumitomo Corporation	27.2%	-	28,623.5	1,321.6)	2,593.8)	24,708.1
CDC Group Plc	10.9%	-	11,470.4	(529.6)	1,039.5)	9,901.3
Total	44.29%	-	46,607.9	2,152.0)	(4,223.6)	40,232.3

23 Investments (continued)

(a) Investment in subsidiaries (continued)

The Company's interest in its subsidiaries was as follows:

	Year end	% Interest held	2025	2024	2023	2022	2021
		Shs'm	Shs'm	Shs'm	Shs'm	Shs'm	Shs'm
One Communications Limited and its subsidiaries ¹	31 March	100	-	-	-	-	-
Digifarm Kenya Limited ²	31 March	100	0.1	0.1	0.1	0.1	0.1
Safaricom Ventures Limited (formerly Instaconnect Limited) ³	31 March	100	491.5	491.7	411.2	411.2	411.2
Vodafamily Ethiopia Holding Limited	31 March	90	127,980.8	98,267.8	77,581.2	58,626.5	-
Safaricom Money Transfer Services Limited	31 December	100	20.0	20.0	20.0	20.0	20.0
East Africa Tower Company Limited ⁴	31 March	100	-	-	-	-	-
M-PESA Holding Co. Limited	31 March	100	-	-	-	-	-
Safaricom Insurance Agency Limited	31 December	100	0.1	-	-	-	-
			128,492.5	98,779.6	78,012.5	59,057.8	431.3

¹The subsidiaries are Comtec Training Management Services Limited, Comtec Integrations System Limited and Flexible Bandwidth Service Limited. The investment in One Communications Limited and its subsidiaries were written down in the year ended 31 Mar 2017.

² In October 2019, Digifarm Kenya Limited was incorporated as a 100% owned subsidiary by Safaricom Plc. The nominal share capital of the Company is Shs 100,000 divided into 1,000 ordinary shares of Shs 100 each. The entity is primarily designed to offer agribusiness technology support services to Kenyan farmers linking the entire production chain by connecting producers to buyers and cushioning farmers from middlemen. Other expected value additions to the Digifarm model will be filling the gaps below:

- Access to financial services – credit and insurance
- Access to quality inputs
- Knowledge on best farming practices through extension services
- Access to market and post-harvest loss management.

³Safaricom Plc repurposed its existing subsidiary, Instaconnect Limited (now known as Safaricom Ventures Limited) to invest in East Africa Device Assembly Kenya Limited (EADAK), a company set up to spearhead mobile phone assembly in Kenya. Together with other shareholders. As at 31 March 2025, Safaricom Ventures Limited shareholding in EADAK is 25% (2024: 25%).

⁴The investment in East Africa Tower Company Limited was written down in the year ended 31 Mar 2017

The summarised financial information of Vodafamily Ethiopia Holding Limited consolidated is provided below. The subsidiary is incorporated in United Kingdom and the principal place of business is London, United Kingdom. This information is based on amounts before inter-company eliminations.

23 Investments (continued)

(a) Investment in subsidiaries (continued)

Vodafamily Ethiopia Holding Limited consolidated summarised statement of profit or loss and other comprehensive income

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Total revenue	7,529.0	7,379.8	1,834.5	-	-
Total expenses	(41,221.1)	(31,079.5)	(22,324.0)	(5,109.2)	-
Loss before interest, tax, depreciation and amortisation	(33,692.1)	(23,699.7)	(20,489.5)	(5,109.2)	-
Depreciation and amortisation	(20,464.1)	(35,895.9)	(10,767.4)	(14.3)	-
Financing costs	(12,703.4)	(5,268.4)	(1,478.0)	(75.9)	-
Finance income	5,863.1	409.1	212.7	340.6	-
Hyperinflationary monetary gain (Note 36)	11,222.3	22,363.2	10,383.1	-	-
Loss after tax	(49,774.2)	(42,091.7)	(22,139.1)	(4,858.8)	-
Other comprehensive loss					-
Exchange differences on translation of foreign operations	(153,790.2)	(7,278.1)	10,260.0	(9,536.3)	-
Total comprehensive loss	(203,564.4)	(49,369.8)	(11,879.1)	(14,395.1)	-
Attributable to non-controlling interests	(98,484.5)	(23,860.4)	(11,879.1)	(5,484.5)	-

Vodafamily Ethiopia Holding Limited consolidated summarised statement of financial position as at 31 March:

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Equity attributable to;					
Equity holders of parent	55,896.4	129,968.8	106,026.4	56,229.6	-
Non-controlling interest	41,463.3	96,409.3	65,260.2	34,609.8	-
Non-current liabilities	70,693.0	77,963.3	44,841.6	4,715.3	-
Total equity and non-current liabilities	168,052.7	304,341.4	216,128.2	95,554.7	-
Non-current assets	185,641.4	340,883.4	235,461.7	93,672.9	-
Current assets					
Cash and cash equivalents	11,534.4	1,561.1	3,806.4	2,687.6	-
Other current assets	10,698.8	22,031.8	11,175.0	3,255.9	-
Total current assets	22,233.2	23,592.9	14,981.4	5,943.5	-
Current liabilities	39,821.9	60,134.9	34,314.9	4,061.7	-
	168,052.7	304,341.4	216,128.2	95,554.7	-

23 Investments (continued)

(a) Investment in subsidiaries (continued)

Vodafamily Ethiopia Holding Limited consolidated summarised cashflow information

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Cash flows from operating activities	(6,074.5)	(11,365.3)	31,104.0	148.4	-
Cash flows from investing activities	(14,860.7)	(59,985.3)	(68,763.6)	(102,002.5)	-
Cash flows from financing activities	70,551.0	67,676.6	38,240.8	104,636.1	-
					-
Net increase/(decrease) in cash and cash equivalents	49,615.8	(3,674.0)	581.2	2,782.0	
					-
Movement in cash and cash equivalents					
At start of year	1,561.1	3,806.4	2,687.6	-	-
Net foreign exchange difference	(4,810.7)	1,923.5	537.6	(94.4)	-
Net monetary (loss)/gain on cash and cash equivalents	(34,831.8)	(494.8)	581.2	2,782.0	-
(Decrease)/increase in cash and cash equivalents	(38,081.4)	5,235.1	3,806.4	2,687.6	-
Closing cash and cash equivalents	11,534.4	1,561.1	4,387.6	5,469.6	-

23 Investments (continued)

(b) Investment in associates and joint ventures - Group and Company

Vodafonefamily Ethiopia Holding Limited consolidated summarised statement of profit or loss and other comprehensive income

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Investment in associates					
The East African Marines Systems Limited (TEAMS)	156.5	143.3	135.6	123.1	118.1
East Africa Device Assembly of Kenya (EADAK)	112.1	80.6	-	-	-
Circles Gas	-	-	-	-	284.8
Total investment in associates	268.6	223.9	135.6	123.1	402.9
Investment in joint venture					
M-PESA Africa Limited*	6,778.1	3,318.6	3,808.3	3,859.0	4,055.3
Total investment in joint venture	6,778.1	3,318.6	3,808.3	3,859.0	4,055.3
Total investment in associates and joint venture	7,046.7	3,542.5	3,943.9	3,982.1	4,458.2
The movement in investment in associates and joint venture is as follows:					
TEAMS					
At start of year TEAMS	143.3	135.6	123.1	118.1	211.2
Share of profit/(loss) from TEAMS	13.2	(2.9)	12.5	5.0	(93.1)
Additional investment in the year	-	10.5	-	-	-
At end of year TEAMS	156.5	143.3	135.6	123.1	118.1
EADAK					
At start of year EADAK	80.6	-	-	-	-
Share of profit/(loss) from EADAK	44.0	-	-	-	-
Additional investment in the year	-	80.6	-	-	-
Dividends received	(12.5)	-	-	-	-
At end of year EADAK	112.1	80.6	-	-	-
Circle Gas					
At start of year Circle Gas	-	-	-	284.8	384.6
Share of profit/(loss) from Circle Gas	-	-	-	(284.8)	(99.8)
At end of year Circle Gas	-	-	-	-	284.8
Total share of profit/(loss) of associates	57.2	(2.9)	12.5	(279.8)	(192.9)
Total (reduction)/additional investment in associates	(12.5)	91.1	-	-	-
MPESA Africa limited					
At start of year M-PESA Africa limited	3,318.6	3,797.8	3,859.1	4,055.3	4,369.3
Share of profit/(loss) from M-PESA	(1,234.7)	(1,376.2)	(50.7)	(196.2)	(314.1)
Additional investment in the year (non-cash)**	2,424.2	-	-	-	-
Additional investment in the year (cash)	2,270.0	897.0	-	-	0.1
At end of year MPESA Africa limited	6,778.1	3,318.6	3,808.3	3,859.1	4,055.3
At end of year – investment in associates and joint venture	7,046.7	3,542.5	3,943.9	3,982.1	4,458.2

23 Investments (continued)

(b) Investment in associates and joint ventures - Group and Company (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Investment in associates					
The East African Marines Systems Limited (TEAMS)	156.5	143.3	135.6	123.1	118.1
Circles Gas	-	-	-	-	284.8
Total investment in associates	156.5	143.3	135.6	123.1	402.9
Investment in joint venture					
M-PESA Africa Limited*	6,778.1	3,318.6	3,808.3	3,859.0	4,055.3
Total investment in joint venture	6,778.1	3,318.6	3,808.3	3,859.0	4,055.3
Total investment in associates and joint venture	6,934.6	3,461.9	3,943.9	3,982.1	4,458.2
The movement in investment in associates and joint venture is as follows:					

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
TEAMS					
At start of year TEAMS	143.3	135.6	123.1	118.1	211.2
Share of profit/(loss) from TEAMS	13.2	(2.9)	12.5	5.0	(93.1)
Additional investment in the year	-	10.5	-	-	-
At end of year TEAMS	156.5	143.3	135.6	123.1	118.1
Circle Gas					
At start of year Circle Gas	-	-	-	284.8	384.6
Share of profit/(loss) from Circle Gas	-	-	-	(284.8)	(99.8)
At end of year Circle Gas	-	-	-	-	284.8
Total share of profit/(loss) of associates	13.2	(2.9)	12.5	(279.8)	(192.9)
Total (reduction)/additional investment in associates	-	10.5	-	-	-
M-PESA Africa Limited					
At start of year M-PESA Africa Limited	3,318.6	3,797.8	3,859.0	4,055.3	4,369.3
Share of loss from M-PESA Africa Limited	(1,234.7)	(1,376.2)	(50.7)	(196.2)	(314.1)
Additional investment in the year (non-cash)**	2,424.2	-	-	-	-
Additional investment in the year (cash)	2,270.0	897.0	-	-	0.1
At end of year M-PESA Africa Limited	6,778.1	3,318.6	3,808.30	3,859.0	4,055.3
At end of year – Investment in associate and joint venture	6,934.6	3,461.9	3,943.9	3,982.1	4,458.2

23 Investments (continued)

(b) Investment in associates and joint ventures – Group and Company (continued)

In December 2019, Safaricom completed a purchase of 18.96% of the issued shares capital of Circle Gas Limited (Shs 385 million), a company incorporated in England. Principal place of business for Circle Gas Limited is London, United Kingdom. Strategically, the investment in Circle Gas Limited solution is a digital service offering leveraging Internet of Things (IoT) and M-PESA, that will drive our ambition to be the leading digital services on Kenya whilst driving financial inclusion through technology by offering customers an affordable, clean energy source for cooking.

In 2022 Circle Gas Limited subsequently issued ordinary shares which were used in settlement of debt. This led to a dilution of the Safaricom's shareholding to 14.648%.

The investment in Circle Gas Limited has been treated as an investment in associate as per IAS 28.6 where the existence of significant influence by an investor is usually evidenced if one or more of the following exists;

- Representation on the board of directors or equivalent governing body of the investee
- Participation in the policy-making process material transactions between the investor and the investee
- Interchange of managerial personnel
- Provision of essential technical information

Circle Gas Limited has a 31 December year end and derives its revenues from the provision of affordable, clean energy source for cooking. Changes in the risk and fluctuation of the results of the associate is not expected to have a significant impact on the results of the Group. Initial Investment on Circle Gas Limited were fully written off by the reported losses.

**On 15 April 2024, the conversion of the shareholder loan to equity was concluded with a total of Shs 2,424.2 million converted to equity and an additional 932 shares issued to Safaricom Plc.

*In the year ended 31 March 2024, Safaricom Plc repurposed its existing subsidiary, Instaconnect Limited (now known as Safaricom Ventures Limited) to invest in East Africa Device Assembly Kenya Limited (EADAK), a company set up to spearhead mobile phone assembly in Kenya.

23 Investments (continued)

(b) Investment in associates and joint ventures – Group and Company (continued)

Circle Gas Limited summarised statement of profit or loss and other comprehensive income

Group and Company	12 months ended 31 December 2023 Shs'm	12 months ended 31 December 2022 Shs'm	6 months ended 30 June 2022 Shs'm	12 months ended 31 December 2021 Shs'm
Revenue	2,566.2	1,092.2	357.6	418.9
Expenses	(9,338.2)	(5,536.7)	(1,578.4)	(2,508.2)
Loss before tax	(6,772.0)	(4,444.5)	(1,220.8)	(2,089.3)
Income tax expense	364.7	18.4	-	-
Loss after tax	(6,407.3)	(4,426.1)	(1,220.8)	(2,089.3)
Share of loss after tax	-	-	-	-
Share of loss of associate- reported	-	-	-	(284.8)
Share of loss of associate- unrec- ognised	(938.7)	(648.4)	(178.8)	(21.2)

Circle Gas Limited summarised statement of financial position

	As at 31 December 2023 Shs'm	As at 31 December 2022 Shs'm	As at 30 June 2022 Shs'm	As at 31 December 2021 Shs'm
Total equity	(14,167.8)	(6,179.3)	(2,713.3)	(514.1)
Current liabilities	7,179.6	2,564.6	1,511.9	103.9
Noncurrent liabilities	18,198.5	13,090.3	10,377.1	7,435.9
Total liabilities & equity	11,210.3	9,475.6	9,175.7	7,025.7
Non-current assets	7,020.9	6,536.4	6,039.7	4,333.9
Current assets	4,189.4	2,939.2	3,136.0	2,691.8
Total assets	11,210.3	9,475.6	9,175.7	7,025.7

The investment in Circle Gas Limited is fully impaired.

Included in the investment in associate is the investment of 32.5% (2024: 32.5%) of the ordinary shares of The East African Marines Systems Limited (TEAMS). TEAMS is a private company and there is no quoted market price available for its shares. TEAMS' place of business and country of incorporation is Kenya. There are no contingent liabilities relating to the Group's interest in the associate.

TEAMS has a 30 June year end and derives its revenues from the provision of submarine fibre optic cable system. Changes in the risk and fluctuation of the results of the associate is not expected to have a significant impact on the results of the Group. As such, the unaudited nine months results for the associate have been incorporated in the Group's financial statements. Set out below is the summarised financial information for TEAMS as at 31 March 2025, which is accounted for using the equity method.

23 Investments (continued)

(b) Investment in associates and joint ventures – Group and Company (continued)

TEAMS summarised statement of financial position as at 31 March

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Total equity	424.3	412.5	415.7	462.2	425.4
Current liabilities	123.1	386.6	386.7	189.9	110.6
Total liabilities & equity	547.4	799.1	802.4	652.1	536.0
Non-current assets	16.9	20.5	24.1	4.3	6.0
Current assets	530.5	778.6	778.3	647.8	530.0
Total assets	547.4	799.1	802.4	652.1	536.0

TEAMS summarised statement of profit or loss and other comprehensive income for the 9 months period ended 31 March

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Revenue	221.9	243.8	49.3	218.7	210.5
Other income	13.0	16.2	16.1	12.6	13.8
Total Income	234.9	260.0	65.4	231.3	224.3
Establishment expenses	(191.6)	(186.6)	(3.7)	(175.5)	(157.0)
Administrative expenses	(27.8)	(39.7)	(7.6)	(27.5)	(84.8)
Total expenses	(219.4)	(226.3)	54.1	28.3	(241.8)
Profit before tax	15.5	33.7	54.1	28.3	(17.5)
Income tax expense	(4.7)	(10.1)	(16.2)	(8.1)	(9.3)
Profit after tax	10.8	23.6	37.9	20.2	(26.8)
Share of profit of associate (32.5%)	3.5	7.6	12.3	6.6	(8.7)
Total share of profit of associate reported in the year	13.2	2.9	0.2	(1.6)	(84.4)
Share of profit overbooked in previous year	(9.7)	(2.0)	12.5	5.0	(93.1)

23 Investments (continued)

(b) Investment in associates and joint ventures – Group and Company (continued)

The information above reflects the amounts presented in the management accounts of the associate and not Safaricom Plc's share of those amounts, adjusted for differences in accounting policies between the Company and associate. The results of TEAMS do not have a material impact on the Group's results.

In March 2020, Safaricom Plc and Vodacom Group Limited completed the acquisition of the M-PESA brand, product development and support services from Vodafone Group Plc through the Joint Venture (JV), M-PESA Africa Limited. The new objective of the JV is to strategically help accelerate M-PESA growth in Africa and giving both Safaricom Plc and Vodacom Group Limited full control of the M-PESA brand in Africa. Safaricom Plc owns 50% of the issued share capital of the JV with Vodacom Group Limited owning the remaining 50%.

The JV is registered in Kenya and has a 100% owned subsidiary, K2019102008 (South Africa) (Proprietary) Limited registered in South Africa.

The joint venture is accounted for using equity method in these consolidated and separate financial statements. Summarised financial information in respect of Safaricom Plc investment in joint venture as at year end is set out below:

There are no significant restrictions on the ability of the JV to transfer funds to Safaricom Plc in the form of a cash dividend or repayment of loans. Decisions by the JV to declare and/or pay any dividend or make any capital distribution to shareholders must have prior written consent of the existing shareholders.

M-PESA Africa Limited summarised statement of financial position as at 31 March

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Total equity	14,399.2	7,636.8	8,597.0	8,756.8	7,636.8
Non-current liabilities					
Deferred income tax	2,458.9	2,312.1	2,741.9	2,909.9	2,312.1
Other non-current financial liabilities	3,654.5	9,761.6	8,473.2	3,922.2	9,761.6
Total non-current liabilities	6,113.4	12,073.7	11,215.1	6,832.1	12,073.7
Total equity and non-current liabilities	20,512.6	19,710.5	19,812.1	15,588.9	19,710.5
Non-current assets	20,636.4	20,981.8	23,110.0	18,623.5	20,981.8
Current assets					
Cash and cash equivalents	1,677.0	792.9	2,029.8	2,431.3	792.9
Other current assets	1,672.5	1,639.2	1,287.1	1,015.2	1,639.2
Total current assets	3,349.5	2,432.1	3,316.9	3,446.5	2,432.1
Current liabilities					
Payables and accrued expenses	2,926.8	3,099.7	6,596.6	3,314.3	3,099.7
Other current financial liabilities	546.5	603.7	18.2	3,166.8	603.7
Total current liabilities	3,473.3	3,703.4	6,614.8	6,481.1	3,703.4
Net current assets	(123.8)	(1,271.3)	(3,297.9)	(3,034.6)	(1,271.3)
	20,512.6	19,710.5	19,812.1	15,588.9	19,710.5

23 Investments (continued)

(b) Investment in associates and joint ventures – Group and Company (continued)

M-PESA Africa Limited summarised statement of financial position as at 31 March

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Revenue	6,695.6	6,369.0	5,576.1	4,269.8	3,180.7
Total expenses	(4,008.3)	(4,139.0)	(3,575.0)	(2,918.2)	(2,585.5)
Profit before interest, tax, depreciation and amortisation	2,687.3	2,230.0	2,001.10	1,351.60	595.2
Depreciation and amortisation	(3,695.0)	(3,844.8)	(1,756.2)	(1,477.4)	(1,115.7)
Financing cost	(721.4)	(1,194.6)	(235.7)	(125.1)	(55.6)
Income tax credit / (expense)	(741.0)	57.1	(110.6)	(141.6)	(92.0)
Loss after tax	(2,470.1)	(2,752.3)	(101.4)	(392.5)	(668.1)
Share of loss from joint venture (50%)	(1,234.7)	(1,376.2)	(50.7)	(196.3)	(334.1)
Under report from prior year					20.0
Share of loss from joint venture (50%)	-	-	-	-	(314.1)

24 Inventories

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Handsets and accessories	3,052.8	3,795.5	2,362.1	3,402.3	2,135.5
Scratch cards	39.3	74.9	53.7	32.6	43.7
Starter packs	583.2	1,088.5	1,648.7	733.1	457.2
Stationery and other stocks	2.8	1.7	124.4	10.3	6.6
Set top boxes	-	-	-	2.0	0.7
Less:					
- Provision for obsolescence	(741.1)	(442.4)	(540.5)	(32.9)	(202.5)
	2,937.0	4,518.2	3,648.4	4,147.4	2,441.2
Farm stocks	-	7.8	7.2	159.4	45.8
	2,937.0	4,526.0	3,655.6	4,306.8	2,487.0

24 Inventories (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Handsets and accessories	2,412.1	2,371.5	1,288.1	3,402.3	2,135.5
Scratch cards	30.1	41.4	19.4	32.6	43.7
Starter packs	431.1	513.8	1,215.9	733.1	457.2
Stationery and other stocks	2.8	1.6	4.4	10.3	6.6
Set top boxes	-	-	-	2.0	0.7
Less:					
- Provision for obsolescence	(668.1)	(289.3)	(296.3)	(32.9)	(202.5)
	2,208.0	2,639.0	2,231.5	4,147.4	2,441.2
Farm stocks	-	-	-	-	-
	2,208.0	2,639.0	2,231.5	4,147.4	2,441.2

The cost of inventories recognised as an expense during 2025 was Shs 12,827.8 million (2024: Shs 10,446.1 million, 2023: Shs 11,261.1 million, 2022: Shs 14.5 million and 2021: Shs 10,315.9 million) reported under direct costs Note 6. The cost of inventories written down during 2025 is Shs 413.9 million (2024: Shs 344.9 million 2023: Shs 60.4 million, 2022: Nil and 2021: Nil). This cost is included under direct costs Note 6.

25 Trade and other receivables

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Current:					
Trade receivables	46,715.3	42,890.5	24,883.3	18,373.9	16,504.8
Less: Allowance for expected credit losses	(23,873.2)	(13,699.0)	(10,411.2)	(6,916.9)	(5,315.7)
	22,842.1	29,191.5	14,472.1	11,457.0	11,189.1
Receivable from related parties (Note 32 (viii))	248.6	307.9	1,599.3	1,801.2	2,475.4
Less: Allowance for expected credit losses	(6.5)	(34.4)	(12.0)	(6.7)	(17.4)
	242.1	273.5	1,587.3	1,794.5	2,458.0
Other receivables*	9,514.2	7,505.1	13,296.0	6,628.0	4,087.5
Less: Allowance for expected credit losses	(63.5)	(68.3)	(71.7)	(117.5)	(30.4)
	9,450.7	7,436.8	13,224.3	6,510.5	4,057.1
Prepayments	11,204.4	11,217.2	11,507.8	6,157.2	3,147.3
Construction and maintenance contract receivable	-	-	-	-	1,568.9
Less: Adjustment on construction contract receivables	-	-	-	-	(72.5)
Net construction and maintenance contract receivable	-	-	-	-	1,496.4
	43,739.3	48,119.0	40,791.5	25,919.2	22,347.9

25 Trade and other receivables (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Current:					
Trade receivables	40,860.3	31,130.4	22,669.6	18,177.3	14,826.6
Less: Allowance for expected credit losses	(23,108.4)	(13,482.5)	(9,971.6)	(6,729.9)	(5,160.0)
	17,751.9	17,647.9	12,698.0	11,447.4	9,666.6
Receivable from related parties (Note 32 (viii))	5,104.1	3,573.5	4,580.5	3,834.7	2,874.3
Less: Allowance for expected credit losses	(1,785.7)	(1,593.1)	(1,413.6)	(1,096.3)	(911.7)
	3,318.4	1,980.4	3,166.9	2,738.4	1,962.6
Other receivables*	6,778.1	4,330.4	5,146.0	4,989.7	3,973.8
Less: Allowance for expected credit losses	(63.5)	(68.3)	(71.7)	(117.5)	(21.1)
	6,714.6	4,262.1	5,074.3	4,872.2	3,952.7
Prepayments	6,134.1	4,189.5	2,922.8	2,945.7	3,147.2
Construction and maintenance contract receivable	-	-	-	-	1,568.9
Less: Adjustment on construction contract receivables	-	-	-	-	(72.5)
Net construction and maintenance contract receivable	-	-	-	-	1,496.4
	33,919.0	28,079.9	23,862.0	22,003.7	20,225.5

* Other receivables include deposit, interest receivable and EPSAP share receivable.

The carrying amounts of the above receivables approximate their fair values.

Movements on the allowance for expected credit losses on trade receivables, other receivables and related parties' receivables are as follows:

25 Trade and other receivables (continued)

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	13,801.7	10,494.9	7,041.1	5,436.0	2,840.4
Allowance for expected credit losses for the year					
– Trade and other receivables	11,969.2	7,340.7	5,150.3	2,874.7	3,547.9
– Related parties	-	-	5.3	9.3	5.7
Release of prior year allowance	(844.4)	(1,534.2)	(423.1)	(535.5)	(549.5)
Provision for expected credit losses	11,124.8	5,806.5	4,732.5	2,348.5	3,004.10
Receivables written off during the year as uncollectible	(983.3)	(2,499.6)	(1,278.9)	(942.7)	(481.0)
Recovered from third parties	-	-	0.2	199.3	-
Allowance for expected credit losses at year end	23,943.2	13,801.7	10,494.9	7,041.1	5,363.5
Provision for trade receivables	23,873.2	13,699.0	10,411.2	6,916.9	5,315.7
Provision for related parties	6.5	34.4	12.0	6.7	17.4
Provision for other receivables	63.5	68.3	71.7	117.5	30.4
Allowance for expected credit losses at year end	23,943.2	13,801.7	10,494.9	7,041.1	5,363.5
Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	15,143.9	11,456.9	7,943.7	6,165.3	2,718.0
Allowance for expected credit losses for the year					
– Trade and other receivables	11,696.9	7,295.9	5,209.3	2,770.0	3,505.3
– Related parties	175.8	162.3	317.3	275.2	900.0
Release of prior year allowance	(844.4)	(1,551.9)	(808.7)	(523.4)	(549.5)
Provision for expected credit losses	11,028.3	5,906.3	4,717.9	2,521.8	3,855.8
Receivables written off during the year as uncollectible	(1,214.6)	(2,219.2)	(1,204.7)	(942.7)	(481.0)
Recovered from third parties		-	-	199.3	-
Allowance for expected credit losses at year end	24,957.6	15,143.9	11,456.9	7,943.7	6,092.8
Provision for trade receivables	23,108.4	13,482.5	9,971.6	6,729.9	5,160.0
Provision for related parties	1,785.7	1,593.1	1,413.6	1,096.3	911.7
Provision for other receivables	63.5	68.3	71.7	117.5	21.1
Allowance for expected credit losses at year end	24,957.6	15,143.9	11,456.9	7,943.7	6,092.8

26 Cash and cash equivalents and restricted cash

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
a) Cash and cash equivalents					
Cash at bank	30,024.6	22,877.4	22,108.5	30,794.2	26,740.8
Allowance for expected credit losses	(32.8)	(9.2)	(10.4)	(14.6)	(4.7)
Hyperinflation adjustment	3.9	-	-	-	-
	29,995.7	22,868.2	22,098.1	30,779.6	26,736.1
b) Restricted cash					
Restricted cash	1,405.9	1,677.9	2,014.8	2,430.8	2,783.1
Discounting adjustment at inception	(407.3)	(658.0)	(533.4)	(670.9)	(801.1)
	998.6	1,019.9	1,481.4	1,759.9	1,982.0

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
a) Cash and cash equivalents					
Cash at bank	15,912.6	19,075.2	18,063.2	25,571.7	26,039.1
Allowance for expected credit losses	(4.3)	(3.1)	(1.3)	(11.1)	(3.2)
	15,908.3	19,072.1	18,061.9	25,560.6	26,035.9
b) Restricted cash					
Restricted cash	1,405.9	1,677.9	2,014.8	2,430.8	2,783.1
Discounting adjustment at inception	(407.3)	(658.0)	(533.4)	(670.9)	(801.1)
	998.6	1,019.9	1,481.4	1,759.9	1,982.0

Group and Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
c) Deferred restricted cash asset					
Discounting adjustment at inception (Note 26(b))	407.3	658.0	533.4	670.9	801.1
Accumulated amortisation	(224.0)	(226.1)	(255.2)	(263.0)	(242.4)
Net deferred restricted cash asset	183.3	431.9	278.2	407.9	558.7
d) Restricted cash asset movement					
At start of year	1,451.8	1,759.6	2,167.8	2,540.7	2,747.8
Staff Mortgage issued	-	-	32.8	50.0	197.9
Repayments	(272.0)	(337.0)	(433.3)	(402.3)	(378.0)
Amortisation of deferred restricted cash asset	2.1	29.2	(7.7)	(20.6)	(27.0)
Net deferred restricted cash asset at end of year	1,181.9	1,451.8	1,759.6	2,167.8	2,540.7

26 Cash and cash equivalents and restricted cash (continued)

d) Deferred restricted cash asset (continued)

Restricted cash relates to deposits held with Housing Finance Group Limited, NCBA Bank Kenya Plc and KCB Bank Kenya Limited. The cash is used as a backup to the staff mortgage loans and its withdrawal is restricted.

The restricted cash has a significant timing difference due to the contractual period of the mortgage loans, therefore the fair value of the restricted cash upon initial recognition includes the effect of discounting taking the impact of time value of money into consideration. The fair value of the restricted cash on initial recognition was determined using the discounted cash flow method. The difference between the actual cash held as deposits and the fair value (i.e., the deferred restricted cash asset) is amortised over the term of the deposit. Subsequently, the restricted cash is carried at amortised cost.

27 Restricted cash – Letter of credit

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	1,563.4	615.1	-	-	-
Restricted cash-letter of credit issued	-	-	615.1	-	-
Foreign exchange differences	(303.6)	184.5	-	-	-
(Repayment)/addition in the year	(802.9)	763.8	-	-	-
At end of year	456.9	1,563.4	615.1	-	-

The restricted cash-letter-of credit balance relates to cash deposited by Group and held by the Bank as security to the letters of guarantee issued by the Bank to external suppliers as a guarantee for payment once goods have been delivered. As at 31 March 2025, a guarantee of Shs 542.0 million for the Group had been issued by the Bank to external suppliers, (2024: Shs 557.6 million, 2023: Shs 615.1 million, 2022: Nil and 2021: Nil).

28 Other financial assets

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	-	28.6	-	-	188.6
Addition in the year	-	-	28.6	-	-
Proceeds in the year	-	(28.6)	-	-	(188.6)
At end of year	-	-	28.6	-	-

Safaricom Foundation invested in Government securities during the year 31 March 2023. There were no investments held in Government securities at end of 31 March 2025.

29 (a) Payables and accrued expenses

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Trade payables	17,062.5	10,617.6	14,299.9	6,636.6	5,636.0
Due to related companies (Note 32 (ix))	4,044.1	3,145.5	2,304.7	1,678.5	884.2
Accrued liabilities:					
- Network infrastructure	57,594.1	57,640.2	53,151.6	11,312.5	3,678.0
- Inventory	565.8	2,672.4	1,165.1	1,892.7	1,197.9
- Other expenses	15,274.2	19,485.4	15,243.5	13,356.4	10,545.8
Other payables:					
- Indirect and other taxes payable	6,950.9	8,010.1	7,416.3	4,330.7	6,039.5
- M-PESA agent accrual	3,152.8	3,324.5	3,023.7	3,107.1	2,803.4
- Other accrued payables*	391.6	9,482.4	1,379.6	2,170.8	2,645.3
Total payables and accrued expenses	105,036.0	114,378.1	97,984.4	44,485.3	33,430.1
Current	84,571.5	94,919.5	70,625.1	40,154.7	33,430.1
Non-current	20,464.5	19,458.6	27,359.3	4,330.6	-
At end of year	105,036.0	114,378.1	97,984.4	44,485.3	33,430.1

* Other accrued payables include accruals for items such as dealer commissions, roaming, signaling and data clearing.

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Trade payables	15,191.7	7,807.8	12,567.1	7,264.8	5,627.8
Due to related companies (Note 32 (ix))	1,656.5	1,396.6	817.3	630.9	1,179.4
Accrued liabilities:					
- Network infrastructure	9,285.2	6,540.7	6,312.0	6,711.4	3,656.1
- Inventory	460.1	2,122.3	683.3	1,817.7	1,197.9
- Other expenses	12,809.1	12,095.8	11,315.0	10,923.1	10,389.3
Other payables:					
- Indirect and other taxes payable	6,777.8	7,488.6	6,733.0	4,321.9	6,077.5
- M-PESA agent accrual	3,152.3	3,230.1	3,023.7	3,107.1	2,803.4
- Other accrued payables*	2,507.9	1,140.6	784.1	2,123.4	2,545.7
Total payables and accrued expenses	51,840.6	41,822.5	42,235.5	36,900.3	33,477.1
Current	48,962.1	41,822.5	42,235.5	36,900.3	33,477.1
Non-current	2,878.5	-	-	-	-
At end of year	51,840.6	41,822.5	42,235.5	36,900.3	33,477.1

29 (b) Provisions

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	8,025.9	8,986.9	6,557.1	5,712.9	4,462.3
Charge for the year	3,107.4	734.9	1,532.9	1,377.4	363.4
Addition / (release) of ARO provision	(844.4)	289.8	926.0	(286.5)	2,207.4
Payments and release for the year	(397.1)	(1,855.8)	(29.1)	(246.7)	(1,320.2)
Translation differences	(778.0)	(121.4)	-	-	-
Hyperinflation adjustment	(19.1)	(8.5)	-	-	-
At end of year	9,094.7	8,025.9	8,986.9	6,557.1	5,712.9
Current	5,220.1	2,938.9	4,524.1	3,373.8	2,561.5
Non-current	3,874.6	5,087.0	4,462.8	3,183.3	3,151.4
At end of year	9,094.7	8,025.9	8,986.9	6,557.1	5,712.9
Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	6,568.6	7,934.8	6,557.1	5,712.9	4,462.3
Charge for the year	3,048.2	622.2	1,532.9	1,377.4	363.4
Addition / (release) of ARO provision	(844.4)	(132.6)	(126.1)	(286.5)	2,207.4
Payments and release for the year	(381.9)	(1,855.8)	(29.1)	(246.7)	(1,320.2)
At end of year	8,390.5	6,568.6	7,934.8	6,557.1	5,712.9
Current	5,220.1	2,938.9	4,524.1	3,373.8	2,561.5
Non-current	3,170.4	3,629.7	3,410.7	3,183.3	3,151.4
At end of year	8,390.5	6,568.6	7,934.8	6,557.1	5,712.9

Legal contingencies

The Group is currently involved in various legal disputes and has, in consultation with its legal advisors, assessed the possible outcomes in these cases and has determined that adequate provision has been made in respect of all these cases as at 31 March 2025.

Due to the nature and uncertainty of the outcomes of the various litigation cases, management exercises judgement to determine the quantum and adequacy of the provision carried. Settlement only happens when a case is closed either through court rulings or out of court agreement between parties involved. The impact of discounting on the provision is not considered to be material.

Tax matters

The Group is subjected to regular compliance audits by Kenya Revenue Authority (KRA) mainly around direct and indirect tax, capital allowances, withholding taxes and transfer pricing. Disputes may arise with tax authorities over the interpretation or application of certain tax rules to the Group's business. To address and manage this tax environment uncertainty, good governance is fundamental to the Group's business sustainability. The Group employs multiple approaches in tax self-assessment in order to arrive at the final Group's tax position. This includes internal reviews and periodic consulting with external tax experts in addition to periodic reviews by our external auditors. Tax decisions are always subject to review by management and are periodically reported to the Board. The Group has considered all tax matters, including ongoing tax audits by KRA within the knowledge of management and has accounted for them appropriately.

29 (b) Provisions (continued)

Asset restoration provision (ARO)

The Group accounts for the costs associated with dismantling and removing network infrastructure assets and returning a network infrastructure site operated under a lease to its original condition upon termination of the network infrastructure site lease. The associated cash outflows are substantially expected to occur at the dates of decommissioning of the assets.

A restoration provision is recorded based on the best estimate of the average restoration costs (being the future costs relating to dismantling and removing property and equipment and restoring each site) multiplied by the number of sites for which the Company has a restoration obligation. This is then discounted to the present value of the obligation using a pre-tax discount rate.

The adjustment in ARO provision is mainly attributed to roll out of the network by Group and Company.

30 (a) Contract assets

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Costs to fulfil a contract:					
Dealer connection commissions	4,144.7	3,178.9	3,894.7	2,541.6	2,258.5
Link lease costs	343.8	246.3	-	-	-
SIM activation cost	1,240.0	1,301.4	1,122.4	548.5	766.9
Other contract costs	715.4	-	-	-	-
	6,443.9	4,726.6	5,017.1	3,090.1	3,025.40
Costs to obtain a contract:					
Deferred SIM cost	2,302.5	1,973.1	1,230.6	1,000.1	1,509.2
Deferred financing cost	152.3	110.2	-	-	-
Total contract cost	2,454.8	2,083.3	1,230.6	1,000.1	1,509.2
Total contract cost	8,898.7	6,809.90	6,247.7	4,090.2	4,534.6
The movement of the contract costs is as below:					
At start of year	6,809.9	6,247.7	4,090.2	4,534.6	3,445.5
Additions in the year	11,151.0	10,047.3	7,524.6	6,066.1	6,320.5
Amortised as costs in the year	(9,062.2)	(9,485.1)	(5,367.1)	(6,510.5)	(5,231.4)
At end of year	8,898.7	6,809.9	6,247.7	4,090.2	4,534.6
Current	6,351.2	5,202.0	4,395.0	2,951.5	3,043.4
Non-current	2,547.5	1,607.9	1,852.7	1,138.7	1,491.2
At end of year	8,898.7	6,809.9	6,247.7	4,090.2	4,534.6

30 (a) Contract assets (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Costs to fulfil a contract:					
Dealer connection commissions	2,992.1	2,776.7	3,844.5	2,541.6	2,258.5
Link lease costs	343.8	246.3	-	-	-
SIM activation cost	1,088.0	1,049.7	917.8	548.5	766.9
Other contract costs	715.4	-	-	-	-
	5,139.3	4,072.7	4,762.3	3,090.1	3025.40
Costs to obtain a contract:					
Deferred SIM cost	2,231.7	1,519.9	1,052.3	1,000.1	1,509.2
Deferred financing cost	152.3	110.2	-	-	-
Total contract cost	2,384.0	1,630.1	1,052.3	1,000.1	1,509.2
Total contract cost	7,523.3	5,702.80	5,814.6	4,090.2	4,534.6
The movement of the contract costs is as below:					
At start of year	5,702.8	5,814.6	4,090.2	4,534.6	3,445.5
Additions in the year	9,714.6	8,355.7	6,801.8	6,066.1	6,320.5
Amortised as costs in the year	(7,894.1)	(8,467.5)	(5,077.4)	(6,510.5)	(5,231.4)
At end of year	7,523.3	5,702.8	5,814.6	4,090.2	4,534.6
Current	6,280.4	4,748.8	4,236.3	2,951.5	3,043.4
Non-current	1,242.9	954.0	1,578.3	1,138.7	1,491.2
At end of year	7,523.3	5,702.8	5,814.6	4,090.2	4,534.6

30 b) Contract Liabilities

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Customer loyalty programs	3,600.5	3,272.9	2,965.1	4,509.1	4,217.0
Deferred airtime revenue	2,486.0	2,646.0	2,598.1	2,335.1	2,601.0
Deferred connection revenue	2,064.8	2,316.7	1,906.0	1,243.3	1,843.8
Deferred integrated products	1,798.4	1,983.3	1,811.8	1,683.3	1,640.1
Deferred neo voice and data	1,208.6	1,472.9	1,349.9	1,138.3	1,179.2
Deferred fixed data	395.6	836.7	717.7	637.5	605.5
Deferred fibre and site rental revenue	291.4	178.0	225.6	274.7	830.8
Deferred bulk SMS	192.4	161.1	152.1	128.7	135.4
Deferred Visa revenues	-	-	-	189.8	360.7
Deferred bundled handset resources	-	3.1	3.1	0.4	16.8
Deferred emergency top up access fee	3.3	4.0	3.9	4.4	2.9
Deferred PRSP Initial set – up fee	-	-	0.4	2.8	3.1
Deferred device financing revenue	967.5	-	-	0.7	9.9
Deferred Karibu postpay	-	-	-	-	23.4
Total contract liabilities	13,008.5	12,874.7	11,733.7	12,148.1	13,469.6

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Customer loyalty programs	3,600.5	3,272.9	2,965.1	4,509.1	4,217.0
Deferred airtime revenue	2,084.9	2,162.4	2,289.1	2,335.1	2,601.0
Deferred connection revenue	1,846.5	2,178.5	1,838.5	1,243.3	1,843.8
Deferred integrated products	1,682.3	1,838.4	1,749.9	1,683.3	1,640.1
Deferred neo voice and data	1,208.6	1,472.9	1,349.9	1,138.3	1,179.2
Deferred fixed data	395.6	791.7	717.7	637.5	605.5
Deferred fibre and site rental revenue	291.4	178.0	225.6	274.7	830.8
Deferred bulk SMS	192.4	161.1	152.1	128.7	135.4
Deferred Visa revenues	-	-	-	189.8	360.7
Deferred bundled handset resources	-	3.1	3.1	0.4	16.8
Deferred emergency top up access fee	3.3	4.0	3.9	4.4	2.9
Deferred PRSP Initial set – up fee	-	-	0.4	2.8	3.1
Deferred device financing revenue	967.5	-	-	0.7	9.9
Deferred Karibu postpay	-	-	-	-	23.4
Total contract liabilities	12,273.0	12,063.0	11,295.3	12,148.1	13,469.6

30 b) Contract Liabilities (continued)

The movement of the contract liabilities is as below:

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	12,874.7	11,733.7	12,148.1	13,469.6	10,394.3
Additions in the year	256,297.0	234,913.0	211,080.3	189,898.3	233,369.2
Recognised as revenue in the year	(256,163.2)	(233,772.0)	(211,494.7)	(191,219.8)	(230,293.9)
At end of year	13,008.5	12,874.7	11,733.7	12,148.1	13,469.6
Current	11,487.4	11,393.5	10,125.9	10,210.6	11,033.5
Non-current	1,521.1	1,481.2	1,607.8	1,937.5	2,436.1
At end of year	13,008.5	12,874.7	11,733.7	12,148.1	13,469.6
Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of year	12,063.0	11,295.3	12,148.1	13,469.6	10,359.3
Additions in the year	244,611.7	220,502.9	210,641.9	189,898.3	233,239.6
Recognised as revenue in the year	(244,401.8)	(219,735.2)	(211,494.7)	(191,219.8)	(230,129.3)
At end of year	12,272.9	12,063.0	11,295.3	12,148.1	13,469.6
Current	10,751.8	10,581.8	9,687.5	10,210.6	11,033.5
Non-current	1,521.1	1,481.2	1,607.8	1,937.5	2,436.1
At end of year	12,272.9	12,063.0	11,295.3	12,148.1	13,469.6

31 (a) Cash generated from operations

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Profit before income tax	93,210.5	84,687.4	88,345.2	102,213.4	93,635.5
Adjustments for:					
Hyperinflationary monetary gain	(11,222.3)	(22,363.2)	(10,383.1)	-	-
Interest income (Note 8)	(2,384.0)	(2,467.5)	(1,563.7)	(1,227.6)	(1,523.6)
Interest expense (Note 9)	14,089.1	12,644.3	7,786.6	3,165.4	1,686.5
Interest on lease liabilities	5,109.1	5,820.0	2,875.9	1,802.9	1,717.9
Depreciation on property and equipment (Note 18)	50,999.9	55,162.3	39,754.5	34,145.2	32,624.5
Depreciation of right of use (ROU) asset (Note 22(a))	6,823.9	9,699.7	6,411.3	3,656.8	3,304.8
Amortisation of intangible assets (Note 21)	9,953.4	17,804.5	8,417.9	1,850.0	1,628.5
Depreciation of indefeasible rights of use (Note 19)	323.6	281.3	281.3	281.3	406.5
Share of (profit)/loss from associate (Note 23 (b))	(57.2)	2.8	(12.5)	279.8	192.9
Share of loss of joint venture (M-PESA Africa Limited) (Note 23 (b))	1,234.7	1,376.2	50.7	196.2	314.1
Fair value adjustment to investment properties (Note 20)	(25.0)	-	(90.0)	-	-
Discounting adjustment on construction contract receivable	-	-	(36.4)	(36.1)	60.0
Gain on disposal of property and equipment (Note 5 (b))	(23.0)	(268.3)	(34.6)	(47.1)	(38.0)
Fair valuation of restricted cash (Note 8)	(2.1)	(29.2)	(7.8)	20.6	27.0
Interest on ARO liability	501.2	523.8	382.6	379.4	223.2
Gain on lease termination	(0.3)	(1,047.8)	(56.1)	(8.9)	(37.4)
Revaluation of lease liabilities	18,864.2	1,270.8	731.1	184.7	218.4
Asset retirement obligations non-cash additions	-	(289.9)	-	-	-
Expected credit loss on receivables and loans	11,122.4	5,808.6	4,725.3	2,351.3	3,005.0
Foreign exchange loss on borrowings	10,487.6	-	-	-	-
Change in operating assets and liabilities:					
-Movement in accrual for other liabilities (Note 29(b))	2,281.2	(943.5)	2,429.8	751.0	(1,180.0)
-Movement in contract liabilities	737.9	1,141	(414.4)	(1,321.5)	3,075.3
-Movement in contract costs	(2,778.8)	(562.2)	(1,946.7)	444.0	(1,089.0)
-Movement in receivables and prepayments	(40,773.5)	(17,926.3)	(10,042.5)	(5,945.3)	(8,264.8)
-Movement in inventories	750.5	(870.4)	651.2	(1,819.8)	(627.6)
-Movement in payables and accrued expenses	14,425.6	14.8	21,341.2	2,258.3	3,192.10
	183,648.6	149,469.2	159,596.8	143,574.7	132,551.8

31 (a) Cash generated from operations (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Profit before income tax	141,251.7	123,805.1	109,110.2	106,065.3	92,438.0
Adjustments for:					
Interest income (Note 8)	(1,919.3)	(2,257.4)	(1,304.9)	(1,206.0)	(1,502.7)
Interest expense (Note 9)	11,968.0	10,640.4	7,320.6	2,986.4	1,667.8
Interest on lease liabilities	3,079.4	3,058.8	2,238.5	1,772.4	1,717.9
Depreciation on property and equipment (Note 18)	40,000.0	39,324.2	36,971.8	33,922.2	32,570.4
Amortisation of financial guarantee	-	-	-	120.9	-
Depreciation of right of use (ROU) asset (Note 22(a))	4,405.3	4,503.2	4,419.0	3,644.2	3,304.8
Amortisation of intangible assets (Note 21)	2,852.0	2,836.4	2,329.6	1,850.0	1,628.1
Depreciation of indefeasible rights of use (Note 19)	323.6	281.3	281.3	281.3	406.5
Share of (profit)/loss from associate (Note 23 (b))	(13.2)	2.8	(12.5)	279.8	192.9
Share of loss of joint venture (M-PESA Africa Limited) (Note 23 (b))	1,234.7	1,376.2	50.7	196.2	314.1
Fair value adjustment to investment properties (Note 20)	(25.0)	-	(90.0)	-	-
Gain on disposal of property and equipment (Note 5 (b))	(35.7)	(250.4)	(34.6)	(47.1)	(38.0)
Fair valuation of restricted cash (Note 8)	(2.1)	(29.2)	(7.8)	20.6	27.0
Discounting adjustment on construction contract receivable	442.0	411.1	(36.4)	(36.1)	60.0
Interest on ARO liability	(14.6)	(986.8)	382.6	379.4	223.2
Gain on lease termination	(109.9)	(18.4)	(90.0)	(7.1)	(37.4)
Revaluation of lease liabilities	-	132.5	586.2	184.7	218.4
Asset retirement obligations non-cash additions	11,205.2	6,071.6	-	-	-
Expected credit loss on receivables and loans	(2,251.3)	-	4,925.3	2,594.8	3,860.5
Dividends from subsidiary	-	-	(4,200.0)	-	-
Change in operating assets and liabilities:					
-Movement in accrual for other liabilities (Note 29(b))	2,281.2	(1,717.7)	995.1	751.3	(1,180.0)
-Movement in contract liabilities	210.0	767.7	(852.9)	(1,321.5)	3,110.3
-Movement in contract costs	(1,820.5)	111.8	(1,724.5)	444.4	(1,089.0)
-Movement in receivables and prepayments	(17,200.9)	(9,880.9)	(6,537.5)	(4,265.5)	(7,383.7)
-Movement in inventories	430.9	(407.5)	1,916.0	(1,706.2)	(648.1)
Movement in payables and accrued expenses	3,723.0	1,164.9	3,627.6	(1,103.4)	3,005.4
Cash generated from operations	200,014.5	178,939.7	160,263.4	145,801.0	132,866.4

As 31 March 2025, other non-cash items included in the finance income (Note 8) were foreign exchange gains on cash and borrowings and amortisation of deferred restricted cash asset of Shs 6,838.1 million and Shs 422.4 million for the Group and Company, respectively (2024:Shs 2,992.1 million and Shs 5,123.0 million for the Group and Company, respectively, 2023:Shs 2,511.50 million and Shs 1,098.80 million for the Group and Company, respectively, 2022:Shs 1,185.8 million and Shs 844.1 million for the Group and Company, respectively, 2021:Shs 674.8 million and Shs 674.3 million for the Group and Company, respectively).

31 (b) Net cash/(debt) reconciliation

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Cash and cash equivalents (Note 26 a)	30,024.6	22,877.4	22,098.1	30,779.6	26,736.1
Shareholder loan (Note 32 (x)(c))	(404.0)	-	-		-
Borrowings (Note 16)	(107,430.4)	(108,146.8)	(87,605.4)	(66,468.7)	(15,363.3)
Lease liabilities (Note 22)	(51,963.0)	(54,885.3)	(35,338.9)	(20,093.4)	(16,073.7)
Net debt	(129,772.8)	(140,154.7)	(100,846.2)	(55,782.5)	(4,700.9)
Cash and cash equivalents (Note 26 a)	30,024.6	22,877.4	22,098.1	30,779.6	26,736.1
Gross debt	(159,797.4)	(163,032.1)	(122,944.3)	(86,562.1)	(31,437.0)
Net debt	(129,772.8)	(140,154.7)	(100,846.2)	(55,782.5)	(4,700.9)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Cash and cash equivalents (Note 26 a)	15,912.6	19,075.2	18,061.9	25,560.6	26,035.9
Shareholder loan (Note 32 (x)(c))	-	-	-	-	-
Borrowings (Note 16)	(80,454.3)	(77,666.6)	(76,096.7)	(66,468.7)	(15,363.3)
Lease liabilities (Note 22)	(26,671.4)	(23,572.2)	(21,446.7)	(19,516.6)	(16,073.7)
Net debt	(91,213.1)	(82,163.6)	(79,481.5)	(60,424.7)	(5,401.1)
Cash and cash equivalents (Note 26 a)	15,912.6	19,075.2	18,061.9	25,560.6	26,035.9
Gross debt	(107,125.7)	(101,238.8)	(97,543.4)	(85,985.3)	(31,437.0)
Net debt	(91,213.1)	(82,163.6)	(79,481.5)	(60,424.7)	(5,401.1)

31 (c) Liabilities from financing activities and net debt

Group Movement in net debt	Borrowings Shs'm	Shareholder loan Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash Shs'm	Net debt Shs'm
At 1 April 2024	(108,146.8)	-	(54,885.3)	(163,032.1)	22,868.2	(140,163.9)
Receipts	(37,567.0)	(404.0)	(6,646.7)	(44,617.7)	11,537.1	(33,080.6)
Payments	26,305.2	-	11,009.0	37,314.2	-	37,314.2
Terminations and revisions	-	-	166.5	166.5	-	166.5
Interest charged	(14,089.1)	-	(5,109.1)	(19,198.2)	-	(19,198.2)
Interest paid	14,893.5	-	-	14,893.5	-	14,893.5
Foreign exchange revaluation	11,665.2	-	(18,864.2)	(7,199.1)	-	(7,199.1)
Translation differences	-	-	22,366.8	22,366.8	(4,409.6)	17,957.2
Hyperinflation adjustment	(491.4)	-	-	(491.4)	-	(491.4)
At 31 March 2025	(107,430.4)	(404.0)	(51,963.0)	(159,797.5)	29,995.7	(129,801.8)
Group Movement in net debt	Borrowings Shs'm	Shareholder loan Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash Shs'm	Net debt Shs'm
At 1 April 2023	(87,605.4)	-	(35,338.9)	(122,944.3)	22,098.1	(100,846.2)
Receipts	(65,841.3)	-	(23,712.9)	(89,554.2)	(1,991.1)	(91,545.3)
Payments	41,103.9	-	7,240.3	48,344.2	-	48,344.2
Terminations and revisions	-	-	682.2	682.2	-	682.2
Interest charged	(12,644.3)	-	(5,820.0)	(18,464.3)	-	(18,464.3)
Interest paid	12,776.5	-	-	12,776.5	-	12,776.5
Foreign exchange revaluation	3,928.8	-	(1,270.8)	2,658.0	-	2,658.0
Translation differences	-	-	3,334.8	3,334.8	1,923.5	5,258.3
Hyperinflation adjustment	135.0	-	-	135.0	837.7	972.7
At 31 March 2024	(108,146.8)	-	(54,885.3)	(163,032.1)	22,868.2	(140,163.9)
Group Movement in net debt	Borrowings Shs'm	Shareholder loan Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash Shs'm	Net debt Shs'm
At 1 April 2022	(66,468.7)	-	(20,093.4)	(86,562.1)	30,779.6	(55,782.5)
Receipts	(62,238.1)	-	(24,447.9)	(86,686.0)	(9,219.1)	(95,905.1)
Payments	42,777.2	-	17,794.1	60,571.3	-	60,571.3
Terminations and revisions	-	-	(4,274.7)	(4,274.7)	-	(4,274.7)
Interest charged	(7,786.6)	-	(2,875.9)	(10,662.5)	-	(10,662.5)
Interest paid	6,924.4	-	-	6,924.4	-	6,924.4
Foreign exchange revaluation	(770.5)	-	(731.1)	(1,501.6)	-	(1,501.6)
Translation differences	-	-	(710.1)	(710.1)	537.6	(172.5)
Hyperinflation adjustment	(43.1)	-	-	(43.1)	-	(43.1)
At 31 March 2023	(87,605.4)	-	(35,339.0)	(122,944.4)	22,098.1	(100,846.3)

31 (c) Liabilities from financing activities and net debt (continued)

Group Movement in net debt	Borrowings Shs'm	Shareholder loan Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash Shs'm	Net debt Shs'm
At 1 April 2021	(15,363.3)	-	(16,073.7)	(31,437.0)	26,736.1	(4,700.9)
Receipts	(120,564.8)	-	-	(120,564.8)	4,137.9	(116,426.9)
Payments	70,026.0	-	5,154.3	75,180.3	-	75,180.3
Terminations and revisions	-	-	(7,183.2)	(7,183.2)	-	(7,183.2)
Interest charged	-	-	(1,802.9)	(1,802.9)	-	(1,802.9)
Foreign exchange revaluation	-	-	(184.7)	(184.7)	-	(184.7)
Translation differences	(566.6)	-	(3.2)	(569.8)	(94.4)	(664.2)
At 31 March 2022	(66,468.7)	-	(20,093.4)	(86,562.1)	30,779.6	(55,782.5)
Group Movement in net debt	Borrowings Shs'm	Shareholder loan Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash Shs'm	Net debt Shs'm
At 1 April 2020	(8,059.4)	-	(15,224.7)	(23,284.1)	26,759.7	3,475.6
Receipts	(44,970.0)	-	-	(44,970.0)	(23.6)	(44,993.6)
Payments	38,198.0	-	3,874.6	42,072.6	-	42,072.6
Terminations and revisions	-	-	(2,787.3)	(2,787.3)	-	(2,787.3)
Interest charged	(531.9)	-	(1,717.9)	(2,249.8)	-	(2,249.8)
Foreign exchange revaluation	-	-	(218.4)	(218.4)	-	(218.4)
Translation differences	-	-	-	-	-	-
At 31 March 2021	(15,363.3)	-	(16,073.7)	(31,437.0)	26,736.1	(4,700.9)

Company Movement in net debt	Borrowings Shs'm	Shareholder loan Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash Shs'm	Net debt Shs'm
At 1 April 2024	(77,666.6)	-	(23,572.2)	(101,238.8)	19,072.1	(82,166.7)
Receipts	(28,000.0)	-	(6,156.5)	(34,156.5)	(3,163.8)	(37,320.3)
Payments	24,415.5	-	6,794.0	31,209.5	-	31,209.5
Terminations and revisions	-	-	(767.2)	(767.2)	-	(767.2)
Interest charged	(11,968.0)	-	(3,079.4)	(15,047.4)	-	(15,047.4)
Interest paid	12,764.8	-	-	12,764.8	-	12,764.8
Foreign exchange revaluation	-	-	109.9	109.9	-	109.9
At 31 March 2025	(80,454.3)	-	(26,671.4)	(107,125.7)	15,908.3	(91,217.4)

31 (c) Liabilities from financing activities and net debt (continued)

Company	Borrowings Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash and cash equivalents Shs'm	Net debt Shs'm
At 1 April 2023	(76,096.7)	(21,446.7)	(97,543.4)	18,061.9	(79,481.5)
Receipts	(36,892.5)	(5,753.0)	(42,645.5)	1,010.2	(41,635.3)
Payments	35,055.3	5,986.3	41,041.6	-	41,041.6
Terminations and revisions	-	681.6	681.6	-	681.6
Interest charged	(10,640.3)	(3,058.8)	(13,699.1)	-	(13,699.1)
Interest paid	10,907.6	-	10,907.6	-	10,907.6
Foreign exchange revaluation	-	18.4	18.4	-	18.4
At 31 March 2024	(77,666.6)	(23,572.2)	(101,238.8)	19,072.1	(82,166.7)
Company	Borrowings Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash and cash equivalents Shs'm	Net debt Shs'm
At 1 April 2022	(66,468.7)	(19,516.6)	(85,985.3)	25,560.6	(60,424.7)
Receipts	(51,500.0)	(4,377.5)	(55,877.5)	(7,498.7)	(63,376.2)
Payments	42,777.2	5,736.6	48,513.8	-	48,513.8
Terminations and revisions	-	(464.5)	(464.5)	-	(464.5)
Interest charged	(7,320.6)	(2,238.5)	(9,559.1)	-	(9,559.1)
Interest paid	6,415.4	-	6,415.4	-	6,415.4
Forex revaluation	-	(586.2)	(586.2)	-	(586.2)
At 31 March 2023	(76,096.7)	(21,446.7)	(97,543.4)	18,061.9	(79,481.5)
Company	Borrowings Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash and cash equivalents Shs'm	Net debt Shs'm
At 1 April 2021	(15,363.3)	(16,073.7)	(31,437.0)	26,035.9	(5,401.1)
Receipts	(120,564.8)	(5,185.3)	(125,750.1)	(475.3)	(126,225.4)
Payments	70,026.0	4,565.9	74,591.9	-	74,591.9
Terminations and revisions	-	(866.4)	(866.4)	-	(866.4)
Interest charged	-	(1,772.4)	(1,772.4)	-	(1,772.4)
Forex revaluation	(566.6)	(184.7)	(751.3)	-	(751.3)
At 31 March 2022	(66,468.7)	(19,516.6)	(85,985.3)	25,560.6	(60,424.7)
Company	Borrowings Shs'm	Lease liabilities Shs'm	Sub total Shs'm	Cash and cash equivalents Shs'm	Net debt Shs'm
At 1 April 2020	(8,059.4)	(15,224.7)	(23,284.1)	25,859.7	2,575.6
Receipts	(44,970.0)	-	(44,970.0)	176.2	(44,793.8)
Payments	38,198.0	3,874.6	42,072.6	-	42,072.6
Terminations and revisions	-	(2,787.3)	(2,787.3)	-	(2,787.3)
Interest charged	(531.9)	(1,717.9)	(2,249.8)	-	(2,249.8)
Forex revaluation	-	(218.4)	(218.4)	-	(218.4)
At 31 March 2021	(15,363.3)	(16,073.7)	(31,437.0)	26,035.9	(5,401.1)

32 Related party transactions

Vodafone Kenya Limited incorporated in Kenya, whose ultimate parent is Vodafone Group Plc, incorporated in the United Kingdom (UK), is the largest single shareholder of the Company. There are other companies in the Vodafone Group that are related to the Company through common shareholdings or common directorships.

In addition, the Government of Kenya is a significant shareholder in the Company, holding a 35% equity interest. There are other government related entities that are related to the Company through common shareholdings or common directorships.

The following are the significant arrangements that exist and form the basis of various transactions within the Group:

- (a) The Group has interconnection and roaming agreements with Vodafone affiliated companies in many countries around the world, including the UK.
- (b) The Group operates the M-PESA business which offers integrated financial services. M-PESA is an innovative mobile payment solution that enables users to complete money transfer transactions and pay for goods and services by use of mobile phone for which the Company earns a commission which is based on the amounts transacted. The Company also uses the M-PESA platform to sell airtime to M-PESA account holders as well as run the M-Shwari and KCB M-PESA products as detailed out in Note 2(f).

M-PESA Africa Limited is a joint venture between Safaricom Plc and Vodacom Group (SA). The Company has entered into a managed services agreement with the Safaricom Plc to provide technical and product-based M-PESA solutions against which a fee is charged monthly. The fee is based on 2% of the M-PESA transaction revenue effective 1 April 2020.

Safaricom Plc acquired the entire issued share capital of M-PESA Holding Co. Limited (MPHCL) from Vodafone International Holdings BV. Safaricom has the overall responsibility for the entire payment service system including operations of the Trust.

MPHCL undertakes and carries on the office and duties of corporate trustee for the funds held in trust for M-PESA account holders in Kenya. The funds held in MPHCL are due to customers and agents and relate to M-PESA units not yet redeemed. MPHCL holds these amounts in cash, deposits, and treasury bills in its bank accounts (Trust accounts).

- (c) The Group has signed an agreement with Vodacom Group for commercial services support. The agreement is effective from April 2023 to March 2026. Under the agreement, Safaricom Plc will have access to Vodacom's support for purposes of access to technology materials and thought leadership, digital marketing acceleration, logistics and warehousing strategy and transformation, big data and data science among others. The contract provides for a fixed participation fee up to a maximum of EUR 3 million payable in two equal installments.
- (d) The Group has signed an agreement with Vodafone Group for participation in the Vodafone procurement company services. The agreement is effective from April 2023 to March 2026. Under the agreement, Safaricom Plc will have access to Vodafone's support for purposes of procurement.
The contract provides for a variable procurement fee at 4.5% calculated as a percentage of the actual purchase order value.
- (e) The Group has employees who are seconded from Vodafone affiliate companies. The payroll cost for the secondees is managed by Vodafone Group Services Limited and recharged (invoiced) to the Company for payment on a monthly basis.
- (f) The Group seconds its staff to other Vodafone affiliate companies. The payroll cost for these secondees is managed by Vodafone Group Enterprises (VGE) and recharged (invoiced) by the Company for payment on a monthly basis.
- (g) The Group has entered into several transactions with various government departments and entities. These transactions primarily relate to the provision of goods and services. The total value of these transactions for the year ended 31 March 2025 is collectively not significant in relation to the Group's total revenues (31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021: Not significant). The following relationships exist within Safaricom Plc:

32 Related party transactions (continued)

Subsidiaries	Held by	March 2025	March 2024	March 2023	March 2022	March 2021
One Communications Limited	Safaricom Plc	100%	100%	100%	100%	100%
Safaricom Ventures Limited (formerly Instaconnect Limited)	Safaricom Plc	100%	100%	100%	100%	100%
Safaricom Money Transfer Services Limited	Safaricom Plc	100%	100%	100%	100%	100%
East Africa Tower Company Limited	Safaricom Plc	100%	100%	100%	100%	100%
Safaricom Foundation*	Safaricom Plc	-	-	-	-	-
Flexible Bandwidth Services Limited	One Communications Limited	100%	100%	100%	100%	100%
Comtec Training and Management Services Limited	One Communications Limited	100%	100%	100%	100%	100%
Comtec Integration Systems Limited	One Communications Limited	100%	100%	100%	100%	100%
Digifarm Kenya Limited	Safaricom Plc	100%	100%	100%	100%	100%
Safaricom Insurance Agency Limited	Safaricom Plc	100%	-	-	-	-
M-PESA Holding Co. Limited	Safaricom Plc	100%	100%	-	-	-
Vodafamily Ethiopia Holding Company Limited	Safaricom Plc	90%-1share	90%-1share	90%-1share	90%-1share	90%-1share
Global Partnership for Ethiopia B.V	Vodafamily Ethiopia Holding Company Limited	57.41% (Safaricom indirectly owns 51.67%)	61.9% (Safaricom indirectly owns 55.71%)	61.9% (Safaricom indirectly owns 55.71%)	61.9% (Safaricom indirectly owns 55.71%)	-
Safaricom Telecommunications Ethiopia Plc (STEP)	Global Partnership for Ethiopia B.V (GPE)	100 % (Safaricom indirectly owns 51.67%)	100 % (Safaricom indirectly owns 55.71%)	100 % (Safaricom indirectly owns 55.71%)	100 % (Safaricom indirectly owns 55.71%)	-

32 Related party transactions (continued)

The following relationships exist within Safaricom Plc:

Associates	Held by	March 2025	March 2024	March 2023	March 2022	March 2021
The East African Marines Systems Limited (TEAMS)	Safaricom Plc	32.50%	32.50%	32.50%	32.50%	32.50%
Circle Gas Limited	Safaricom Plc	14.65%	14.65%	14.65%	14.65%	18.39%
East Africa Device Assembly Kenya Limited (EADAK)	Safaricom Ventures Limited (formerly Instaconnect Limited)	25%	-	-	-	-
Joint venture						
M-PESA Africa Limited	Safaricom Plc	50%	50%	50%	50%	50%

* Safaricom Foundation was established by Safaricom Plc as a public charitable trust by a Declaration of Trust dated 14 August 2003 and is domiciled in Kenya.

(i) Sale of goods and services

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Other related parties					
Vodafone Roaming Services S.à r.l	124.2	139.0	79.7	69.5	87.2
Vodacom Tanzania Public Limited Company	29.0	52.9	40.6	49.6	46.3
Vodacom (Pty) Limited	179.4	436.5	440.8	508.7	-
Vodacom South Africa Limited	-	-	-	-	735.7
Vodafone UK	-	-	-	-	316.9
Vodacom Business (Kenya) Limited	1.1	9.2	16.2	13.5	6.9
Vodafone Egypt Telecom. S.A.E.	1.3	1.3	1.3	10.3	2.9
Vodafone Network PTY Limited	1.3	2.7	1.6	0.6	0.3
Vodafone Sverige AB	0.7	0.5	0.5	0.4	-
Vodafone Qatar Q.S.C.	5.3	35.2	2.2	0.7	-
Vodafone Enterprise Global Limited	146.0	163.6	42.5	-	-
Vodacom Group Limited	84.3	69.6	-	95.7	114.3
Vodafone Sales & Services Limited	-	25.5	-	-	-
Mtc Vodafone Bahrain	0.2	0.1	-	-	-
Vodacom Business Africa Group Services Limited	5.3	9.0	-	-	-
Vodafone Services LLC Oman	-	-	-	-	12.0
Vodafone Malta	-	-	0.4	-	-
Vodafone Enterprise Global Limited	-	-	194.6	292.9	-
Vodafone Ghana	-	-	-	9.2	18.2
Vodafone DRC Congo	-	-	-	0.3	4.6

32 Related party transactions (continued)

(i) Sale of goods and services (continued)

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Vodafone Us Inc.	-	-	8.7	9.2	9.9
Vodacom Group Limited	-	-	118.4	35.7	4.4
Vodafone Sales & Services Limited	-	-	47.9	-	-
M-PESA Foundation	-	-	-	-	-
East Africa Device Assembly Kenya Limited	-	-	-	-	-
Mpesa Holdings Company Limited	-	-	106,362.2	96,826.8	73,389.0
Joint venture					
M-PESA Africa limited	1,209.1	1,092.8	929.4	628.0	172.2
	1,787.2	2,037.9	108,287.0	98,551.1	74,920.8

(i) Sale of goods and services

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Other related parties					
Vodafone Roaming Services S.à r.l	124.3	139.0	79.7	69.5	87.2
Vodacom Tanzania Public Limited Company	29.0	52.9	40.6	49.6	46.3
Vodacom (Pty) Limited	179.4	436.5	440.8	508.7	
Vodacom Business (Kenya) Limited	1.1	9.2	16.2	13.5	6.9
Vodafone Egypt Telecom. S.A.E.	1.3	1.3	1.3	10.3	2.9
Vodafone Network PTY Limited	1.3	2.7	1.6	0.6	0.3
Vodafone Sverige AB	0.7	0.5	0.5	0.4	
Vodacom South Africa Limited	-	-	-	-	735.7
Vodafone UK	-	-	-	-	316.9
Vodafone Qatar Q.S.C.	5.3	35.2	2.2	0.7	-
Vodafone Enterprise Global Limited	146.0	163.6	194.6	292.9	114.3
Vodacom Group Limited	84.3	69.6	42.5	-	-
Vodafone Sales & Services Limited	-	25.5	47.9	-	-
Mtc Vodafone Bahrain	0.2	0.1	-	-	-
Vodacom Business Africa Group Services Limited	5.3	9.0	-	95.7	-
Vodafone Services LLC Oman	-	-	-	-	12.0
Vodafone Malta	-	-	0.4		
Vodafone Ghana	-	-	-	9.2	18.2
Vodafone DRC Congo	-	-	-	0.3	4.6
Vodafone Us Inc.	-	-	8.7	9.2	9.9
Vodacom Group Limited	-	-	118.4	35.7	4.4
M-PESA Foundation	43.6	63.0	-	-	-
East Africa Device Assembly Kenya Limited	0.5	0.2	-	-	-
Mpesa Holdings Company Limited	87.5	2.1	106,361.5	96,826.8	73,389.0
Joint venture					
M-PESA Africa limited	1,209.1	1,092.8	929.4	628.0	172.2
Subsidiaries					
Safaricom Money Transfer Services Limited	571.9	986.9	876.2	810.8	786.2
East Africa Tower Company Limited	0.7	0.3	-	-	-
Digifarm Kenya Limited	117.6	123.2	202.0	251.4	113.0

32 Related party transactions (continued)

(i) Sale of goods and services (continued)

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Safaricom Ventures Limited (formerly Instaconnect Limited)	2.0	1.8	0.1	-	-
Global Partnership for Ethiopia B.V	-	-	60.9	124.6	-
Safaricom Telecommunication Ethiopia Plc	1,771.6	1,898.9	1,435.1	725.7	-
Safaricom Foundation	139.1	120.9	81.0	-	-
Comtec Integration Systems Limited	0.5	0.6	3.2	-	-
One Communications Limited	3.6	3.0	-	-	119.8
	4,525.9	5,238.8	110,944.8	100,463.6	75,939.8

(ii) Purchase of goods and services

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Other related parties					
Vodafone Sales and Services Limited	-	109.60	1,657.40	2,416.90	2,105.90
Vodafone Global Enterprise Limited	107.40	218.80	214.50	-	98.30
Vodafone Roaming Services S.à r.l	223.80	211.80	220.20	151.50	85.40
Vodafone UK	17.00	75.40	195.60	642.30	34.70
Vodacom South Africa Limited	-	-	-	57.10	78.50
Vodacom Tanzania Public Limited Company	45.40	133.20	209.70	217.80	220.00
Vodacom Service Provider Company (Pty) Limited	41.90	106.70	37.30	-	-
Vodafone Sverige AB	-	-	-	-	0.20
Vodafone Egypt Telecom. S.A.E.	0.90	0.80	0.90	2.80	3.90
Vodafone Network PTY Limited	1.30	2.00	2.10	1.60	2.10
Vodafone Qatar Q.S.C.	36.40	44.90	53.00	86.80	65.50
Vodacom Group Limited	1,055.20	584.50	103.20	552.60	117.60
Vodacom International	1,188.20	86.50	146.90	-	64.90
Vodafone IDEA Limited	-	-	-	-	6.10
Vodafone Innovus S.A.	-	76.50	14.10	23.40	19.80
Vodacom Business (Kenya) Limited	0.60	25.50	65.70	28.50	58.90
Vodafone Malta	-	-	0.10	-	-
Telecel Vodafone S.A.	-	-	-	1.60	-
Vodafone Hungary Ltd	-	-	-	1.30	-
Vodafone Telekomunikasyon A.S	-	-	-	1.40	-
Vodafone-Panafon Hellenic Tel.Co	-	-	-	3.10	-
Vodafone Dağıtım	-	-	-	2.30	-
Iot Nxt (Pty) Limited	-	-	2.10	418.30	-
Sendy Office	-	-	14.50	15.30	-
Eneza Education Ltd	-	-	-	67.30	-
Mtc Vodafone Bahrain	1.00	1.30	1.90	-	-
The East African Marine System Limited	100.70	118.80	113.30	103.20	-
Sumitomo Corporation Group	277.60	396.80	368.50	179.00	-
Vodafone Mobile Services Limited	0.40	0.40	0.20	-	-
Vodafone Procurement Company S.A.R.L	246.60	3,245.50	1,765.70	1,152.60	-
Vodafone Group Services Limited	393.30	341.60	747.60	-	-
Vodacom Lesotho Proprietary Limited	12.20	11.60	21.00	-	-
Vodacom Mozambique S.A.	24.10	36.80	46.20	-	-
Vodacom Congo (RDC) S.A.	-	14.70	30.40	-	-
Vodacom Proprietary Limited	41.80	317.00	126.70	-	-
Vodafone Ghana Limited	-	10.80	22.80	-	-
Vodacom Pty Limited	59.80	102.40	-	-	-
Mtc-Vodafone Kuwait	0.70	0.10	-	-	-

32 Related party transactions (continued)

(ii) Purchase of goods and services (continued)

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Vodafone Dağıtım Servis Ve İçerik Hizm. A.S.	-	7.90	-	-	-
East Africa Device Assembly Kenya Limited	-	2,092.40	-	-	-
Mezzanine Ware	188.50	147.40	-	-	-
M-PESA Holding Company Limited	0.40	-	-	-	-
Joint venture					
M-PESA Africa Limited	3,007.80	2,594.30	2,126.90	1,956.40	1,466.50
	7,073.00	11,116.00	8,308.50	8,083.10	4,428.30

(ii) Purchase of goods and services

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Other related parties					
Vodafone Sales and Services Limited	-	109.60	1,657.40	2,416.90	2,105.90
Vodafone Global Enterprise Limited	107.40	218.80	214.50	-	98.30
Vodafone Roaming Services S.à r.l	134.90	187.00	205.20	151.50	85.40
Vodafone UK	17.00	75.40	135.00	148.10	34.70
Vodacom South Africa Limited	-	-	-	57.10	78.50
Vodacom Tanzania Public Limited Company	35.70	100.60	176.20	217.80	220.00
Vodacom Service Provider Company (Pty) Limited	41.90	106.70	37.30	-	-
Vodafone Sverige AB	-	-	-	-	0.20
Vodafone Egypt Telecom. S.A.E.	0.90	0.80	0.90	2.80	3.90
Vodafone Network PTY Limited	1.30	2.00	2.10	1.60	2.10
Vodafone Qatar Q.S.C.	36.40	44.90	53.00	86.80	65.50
Vodacom Group Limited	1,039.70	514.90	-	250.70	117.60
Vodacom International	1,188.20	-	-	-	64.90
Vodafone IDEA Limited	-	-	-	-	6.10
Vodafone Innovus S.A.	-	76.50	14.10	23.40	19.80
Vodacom Business (Kenya) Limited	0.60	21.10	34.10	-	3.20
Telecel Vodafone S.A.	-	-	-	1.60	-
Vodafone Hungary Ltd	-	-	-	1.30	-
Vodafone Telekomunikasyon A.S	-	-	-	1.40	-
Vodafone-Panafon Hellenic Tel.Co	-	-	-	3.10	-
Vodafone Dağıtım	-	-	-	2.30	-
lot Nxt (Pty) Limited	-	-	2.10	418.30	-
Sendy Office	-	-	14.50	15.30	-
Eneza Education Ltd	-	-	-	67.30	-
Vodafone Malta	-	-	0.10	-	-
Mtc Vodafone Bahrain	1.00	1.30	1.90	-	-
The East African Marine System Limited	100.70	118.80	113.30	103.20	-
Sumitomo Corporation Group	-	-	-	-	-
Vodafone Mobile Services Limited	0.40	0.40	0.20	-	-
Vodafone Procurement Company S.A.R.L	20.40	822.90	-	-	-
Vodafone Group Services Limited	51.20	119.60	-	-	-
Vodacom Lesotho Proprietary Limited	12.20	-	-	-	-
Vodafone Ghana Limited	-	-	-	-	-
Vodacom Pty Limited	59.80	102.40	-	-	-
Mtc-Vodafone Kuwait	0.70	0.10	-	-	-
Vodafone Dağıtım Servis Ve İçerik Hizm. A.S.	-	7.90	-	-	-
East Africa Device Assembly Kenya Limited	8,879.90	2,092.40	-	-	-

32 Related party transactions (continued)

(ii) Purchase of goods and services (continued)

Company Other related parties	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Mezzanine Ware	188.50	147.40	-	-	-
M-PESA Holding Company Limited	-	-	-	-	-
Joint venture					
M-PESA Africa Limited	3,007.80	2,594.30	2,126.90	1,956.40	1,466.50
Subsidiary					
Safaricom Foundation			90.00	-	-
Safaricom Money Transfer Services Limited			761.30	459.60	391.10
Digifarm Kenya Limited	-	-	5.90	4.30	17.30
Comtec Integrated Services Limited	-	29.00	-	4.30	-
Safaricom Telecommunication Ethiopia Plc			8.00	-	-
One Communications Limited	48.60	30.80	-	-	180.90
	14,975.20	7,525.60	5,654.0	6,395.1	4,961.9

(iii) Directors' remuneration

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Fees for services as Director	82.4	93.5	90.3	92.4	38.7
Salaries	162.0	153.2	153.2	142.9	162.7
Bonuses	159.9	155.0	235.9	192.7	243.2
Value for non-cash benefits	55.0	48.0	54.6	43.5	22.3
Employee Performance Share Award Plan	52.1	14.2	-	-	2.8
	511.4	463.9	534.0	471.5	469.7

(iv) Key management compensation

	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Salaries and other short-term employment benefits	918.3	975.2	661.4	505.7	822.4
Employee Performance Share Award Plan	73.5	27.9	38.2	109.8	83.9
Pension, housing levy & NSSF contribution	44.7	38.1	26.8	27.0	18.8
Termination benefits	106.3	25.2	47.8	87.0	33.6
	1,142.8	1,066.4	774.2	729.5	958.7

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of the entity.

(v) Loans from shareholders

There are no loans from shareholders outstanding as at 31 March 2025 (2024, 2023, 2022 and 2021: Nil).

(vi) Loans to Directors of the Company

There are no loans to Directors of the Company as at 31 March 2025 (2024, 2023, 2022 and 2021: Nil).

(vii) Donations to Safaricom Foundation

Donations made by the Group during the year amounted to Shs 520.5 million (2024: Shs 548.7 million, 2024: Shs 588 million, 2022: Shs510 million 2021: Shs 510 million). The donations mainly include annual committed funding of Shs 510 million, pass on grant for brand marketing to Faith Kipyegon's Women Empowerment Projects and Shine Kenya Shinda Mamili CSR Project of Shs 2 million and Shs 8.5 million respectively.

32 Related party transactions (continued)

(viii) Outstanding receivable balances arising from sale of goods/services

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Other related parties					
Vodafone Roaming Services S.à r.l	2.6	9.9	11.4	-	10.4
Vodafone Group Enterprises	-	-		45.2	22.7
M-PESA Holding Co. Limited	-	-	1,124.2	1,160.9	2,292.5
Vodacom Tanzania Public Limited Company	2.8	3.9	-	3.1	10.2
Vodacom South Africa Limited	-	-	-	85.7	69.7
Vodacom Business (Kenya) Limited	1.1	3.8	22.8	8.3	3.5
Vodafone Egypt Telecom. S.A.E.	17.4	17.1	16.4	8.6	4.6
Vodafone Group Services Limited	-	-	61.7	1.2	1.2
Vodafone UK	-	-	-	25.7	-
Vodafone DRC Congo	-	-	0.3	0.3	-
Vodafone Malta	-	-	0.1	-	-
Vodafone Ghana	-	-	0.4	0.4	28.9
Vodafone Us Inc.	-	-	0.9	1.6	2.3
Vodafone Qatar Q.S.C.	-	1.9	0.1	-	-
Vodafone Sverige Ab	0.1	0.2	0.2	0.1	0.1
Vodacom Group Limited	17.5	43.0	111.4	37.0	-
Vodacom (Pty) Limited	49.0	16.0	37.2	-	-
Vodafone Network PTY Limited	1.5	1.2	0.2	-	-
Vodafone Sales & Services Limited	4.1	85.1	55.6	-	-
Vodafone Enterprise Global Limited	15.0	27.2	-	-	-
M-PESA Foundation	-	-	-	-	-
Vodacom Business Africa Group Services Limited	1.3	6.2	-	-	-
Telecel Vodafone S.A.	-	-	-	1.5	-
Joint venture					
M-PESA Africa Limited	136.2	92.4	156.4	421.6	29.3
	248.6	307.9	1,599.3	1,801.2	2,475.4

32 Related party transactions (continued)

(viii) Outstanding receivable balances arising from sale of goods/services

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Vodafone Roaming Services S.à r.l	2.6	9.9	11.4	-	10.4
Vodafone Group Enterprises				44.2	22.7
M-PESA Holding Co. Limited	103.9	2.4	1,124.2	990.4	1,622.3
Vodacom Tanzania Public Limited Company	2.8	3.9	-	3.1	10.2
Vodacom South Africa Limited	-	-	-	85.7	69.7
Vodafone Us Inc.	-	-	0.9	1.6	2.3
Vodafone UK	-	-	-	25.7	
Vodacom Business (Kenya) Limited	1.1	3.8	5.1	8.3	3.5
Vodafone Egypt Telecom. S.A.E.	17.4	17.1	16.4	8.6	4.6
Vodafone Group Services Limited	-	-	61.7	1.2	1.2
Vodafone Ghana	-	-	0.4	0.4	28.9
Vodafone Qatar Q.S.C.	-	1.9	0.1	-	
Vodafone Sverige Ab	0.1	0.2	-	0.1	0.1
Vodacom Group Limited	17.5	43.0	111.4	37.0	-
Vodafone DRC Congo	-	-	0.3	0.3	-
Vodafone Malta	-	-	0.1	-	-
Vodacom (Pty) Limited	49.0	16.0	37.2	-	-
Vodafone Network PTY Limited	1.5	1.2	0.2	-	-
Vodafone Sales & Services Limited	4.1	85.1	55.6	-	-
Vodafone Enterprise Global Limited	15.0	27.2	-	-	-
M-PESA Foundation	4.2	19.7	-	-	-
Vodacom Business Africa Group Services Limited	1.3	6.2	-	-	-
Telecel Vodafone S.A.	-	-	-	1.5	-
Joint venture					
M-PESA Africa Limited	136.2	92.4	156.4	421.6	29.3
Subsidiaries					
East African Towers Company Limited	17.0	16.3	16.0	16.0	16.0
One Communications Limited	9.0	5.2	3.2	-	-
Safaricom Ventures Limited (formerly Instaconnect Limited)	93.8	92.0	90.1	90.1	88.4
Safaricom Money Transfer Services Limited	14.2	-	38.1	93.4	116.0
Safaricom Telecommunication Ethiopia Plc	2,922.7	1,577.7	1,486.9	725.7	-
Global Partnership for Ethiopia B.V	-	-	-	124.6	-
Digifarm Kenya Limited	1,653.9	1,516.1	1,363.1	1,153.0	848.7
Safaricom Foundation	-	1.7	1.5	0.9	-
Vodafamily Ethiopia Holding Company Limited	-	-	-	1.3	-
Comtec Integrated Services Limited	36.9	34.5	-	-	-
	5,104.2	3,573.5	4,580.3	3,834.7	2,874.3

The receivables arise mainly from trading, are unsecured and bear no interest. An allowance of Shs 6.5 million and Shs 1,785.7 million for the Group and Company respectively (2024: Shs 34.4 million and Shs 1,593.1 million, 2023: Shs 12.0 million and Shs 1,413.6 million, 2022: Shs 6.7 million and Shs 1,096.3 million and 2021: Shs 911.7 million and Shs 17.4 million for the Group and Company respectively) is held against receivables from related parties as indicated in Note 25.

32 Related party transactions (continued)

(ix) Outstanding payable balances arising from purchases of goods/services

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Vodafone Sales and Services Limited	-	15.3	163.1	151.6	661.4
Vodafone Roaming Services S.à r.l	51.1	13.5	-	28.5	2.0
Vodacom Tanzania Public Limited Company	47.0	46.0	63.0	29.8	14.7
Vodafone Group Services Limited	221.6	169.3	385.1	-	-
Vodacom South Africa Limited	-	-	-	3.1	2.3
Vodafone UK	0.3	11.5	44.7	535.2	-
Vodafone Sverige AB	-	-	-	0.3	0.3
Vodafone Qatar Q.S.C.	3.0	3.0	3.4	7.9	5.4
Vodafone Egypt Telecom. S.A.E.	0.1	0.1	-	0.3	0.2
Vodacom Business (Kenya) Limited	-	-	16.7	18.8	10.4
MTC Vodafone Bahrain	0.1	-	0.1	-	-
M-PESA Holding Co. Limited	3.9	-	3.3	-	-
Vodacom Mozambique S.A.	141.5	41.4	-	-	-
Vodafone Network PTY limited	0.2	-	0.2	1.1	0.2
Vodafone Services LLC Oman	33.9	0.2	-	0.2	-
Vodacom Mocambique S.A.	-	-	68.1	0.1	0.1
Vodafone Innovus S.A.	11.2	12.2	-	17.7	-
Vodacom Group Limited	583.1	394.6	219.1	652.9	-
MTC Vodafone Bahrain	-	-	-	-	0.9
Vodafone India Limited	-	-	-	-	0.8
Vodafone Malta	-	-	-	0.2	-
Vodacom Mobile services Limited	556.5	314.8	-	0.1	-
Sumitomo Corporation Group	-	-	506.2	179.0	-
Vodacom Proprietary Limited	305.2	321.8	188.8	-	-
Vodafone Ghana Limited	-	-	29.4	-	-
Vodafone Hungary Limited	-	-	-	1.2	-
Vodafone Telekomunikasyon A.S	-	-	-	1.3	-
Vodafone-Panafon Hellenic Tel.Co	-	-	-	3.0	-
Vodacom Lesotho Proprietary Limited	6.2	80.0	18.6	-	-
Vodacom International Limited	162.3	41.4	259.9	-	-
Vodacom Service Provider Company (Pty) Limited	1.3	8.7	-	-	-
Vodacom Congo (RDC) S.A.	-	43.6	44.5	-	-
CDC Group	-	-	-	7.8	-
Vodacom Pty Limited	22.1	31.5	-	-	-
Vodafone Global Enterprise Ltd	88.8	23.8	-	-	-
Vodacom Service Provider Company (Pty) Ltd	-	-	4.9	-	-
Sendy Limited	-	-	3.1	-	-
Vodacom Pty Limited South Africa	-	-	37.2	-	-
Vodafone Procurement Company S.A.Rl.	1,457.2	1,245.8	-	-	-
Mtc-Vodafone Kuwait	0.2	-	-	-	-
Mezzanine Ware	26.7	45.0	-	-	-
Joint Ventures					
M-PESA Africa Limited	320.6	282.0	245.3	38.4	185.5
	4,044.10	3,145.50	2,304.70	1,678.50	884.2

32 Related party transactions (continued)

(ix) Outstanding payable balances arising from purchases of goods/services

Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Other related parties					
Vodafone Sales and Services Limited	-	15.3	163.1	151.6	661.4
Vodafone Roaming Services S.à r.l	10.8	13.5	-	28.5	2.0
Vodacom Tanzania Public Limited Company	3.5	4.6	13.4	29.8	14.7
Vodafone Group Services Limited	33.9	3.7	-	-	-
Vodacom South Africa Limited	-	-	-	3.1	2.3
Vodafone UK	0.3	11.5	44.7	40.9	-
Vodafone Sverige AB	-	-	-	0.3	0.3
Vodafone Qatar Q.S.C.	3.0	3.0	3.4	7.9	5.4
Vodafone Egypt Telecom. S.A.E.	0.1	0.1	-	0.3	0.2
MTC Vodafone Bahrain	0.1	-	0.1	-	0.9
M-PESA Holding Co. Limited	1.1	-	-	-	-
Vodafone Network PTY limited	0.2	-	0.2	1.1	0.2
Vodafone Services LLC Oman	33.9	0.2	-	0.2	-
Vodacom Mocambique S.A.	-	-	-	0.1	0.1
Vodafone Innovus S.A.	11.2	12.2	-	17.7	-
Vodacom Group Limited	511.2	348.8	-	-	-
Vodafone India Limited	-	-	-	-	0.8
Vodafone Malta	-	-	-	0.2	-
Vodacom Mobile services Limited	-	-	-	0.1	-
Vodafone Hungary Limited	-	-	-	1.2	-
Vodafone Telekomunikasyon A.S	-	-	-	1.3	-
Vodafone-Panafon Hellenic Tel.Co	-	-	-	3.0	-
Vodacom Service Provider Company (Pty) Limited	1.3	8.7	-	-	-
Vodacom Pty Limited	22.1	31.5	-	-	-
Vodafone Global Enterprise Ltd	88.8	23.8	-	-	-
Vodacom Service Provider Company (Pty) Ltd	-	-	4.9	-	-
Sendy Limited	-	-	3.1	-	-
Vodacom Pty Limited South Africa	-	-	37.2	-	-
Vodafone Procurement Company S.A.Rl.	204.9	185.6	-	-	-
Mtc-Vodafone Kuwait	0.2	-	-	-	-
Mezzanine Ware	26.7	45.0	-	-	-
Joint Ventures					
M-PESA Africa Limited	320.6	282.0	245.3	38.4	185.5
Subsidiaries					
One Communications Limited	316.5	316.5	299.0	299.0	304.3
Safaricom Money Transfer Services Limited	59.2	68.0	-	1.9	0.7
DigiFarm Kenya Limited	1.5	4.3	1.1	-	0.6
Comtec Integrated Services Limited	-	-	-	4.3	-
Safaricom Telecommunication Ethiopia Plc	5.4	18.3	1.8	-	-
	1,656.5	1,396.6	817.3	630.9	1,179.4

The payables arise mainly from trading, are unsecured and bear no interest.

32 Related party transactions (continued)

(x) Loan to related companies

The Group has a 50% shareholding in M-PESA Africa Limited and owns 100% of Digifarm Kenya Limited. During the year under review, the Group issued intragroup loans to the two entities to support their operations as per shareholders agreement and Board approvals.

The Digifarm Kenya Limited loan will be channeled towards financing both operating and capital expenditure activities. The facility has a principal and interest repayment moratorium until the business moves to positive returns.

x (a) Loans receivable from joint venture

Group and Company

M-PESA Africa Limited	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of the year	2,661.3	1,588.4	1,285.0	1,287.8	-
Additions in the year	-	1,075.0	300.0	-	1,288.7
Conversion to equity	(2,424.2)	-	-	-	-
Cash repayment	(239.5)	-	-	-	-
Less: Allowance for expected credit losses in the year	2.4	(2.1)	3.4	(2.8)	(0.9)
At end of year	-	2,661.3	1,588.4	1,285.0	1,287.8

On 15 April 2024, the conversion of the shareholder loan to equity was concluded with a total of Shs 2,424.2 million converted to equity and an additional 932 shares issued to Safaricom Plc.

x (b) Loan receivable from subsidiary (company)

Digifarm Kenya Limited	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of the year	485.4	639.4	666.1	236.2	-
Additions in the year	90.1	9.2	120.0	500.0	240.0
Less: Allowance for expected credit losses in the year	(179.3)	(163.2)	(220.6)	(70.1)	(3.8)
At end of year	396.2	485.4	565.5	666.1	236.2

x (c) Shareholder loan (Group)

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
At start of the year	-	-	-	-	-
Additions in the year	404.0	-	-	-	-
At end of year	404.0	-	-	-	-

The shareholder loan represents the non-controlling interest portion of the financing provided to Global Partnership for Ethiopia B.V. by its shareholders. In February 2025, pursuant to the Shareholders' Agreement, the Company received USD 18 million in funding from its shareholders. Of this amount, the non-controlling interests contributed USD 1.3 million, provided by the International Finance Corporation, and USD 1.8 million, provided by British International Investment Plc.

32 Related party transactions (continued)

(xi) Financial guarantees

The Group has issued parental guarantees to Safaricom Telecommunication Ethiopia Plc vendors (Huawei and Nokia) for the supply of network rollout equipment in Ethiopia on credit terms of up to 24 months from the date of equipment receipt. This enables the parent to spread the funding requirement to the subsidiary over a longer period of time. There are no restrictions on title, property and equipment of the Group.

The fair value of a financial guarantees contract is calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee. The present value is calculated using a risk-free rate calculated from the average of the last 3 two-year Kenyan treasury bonds yield.

As at 31 March 2025, the Company had recognised Shs 614.5 million in relation to parental guarantee (2024: Shs 1,062.7 million, 2023: Shs 960.4 million, 2022: Shs 120.9 million and 2021: Nil).

33 Mobile financial deposits and payables

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Mobile financial deposit	569.1	263.3	-	-	-
Mobile financial payable	(569.1)	(263.3)	-	-	-
At end of year	-	-	-	-	-

The payables arise mainly from trading, are unsecured and bear no interest.

34 Contingent liabilities

The Group has contingent liabilities arising from normal course of business. This includes outstanding matters with Kenya Revenue Authority and various ongoing legal cases from trade and contractual disputes.

As at 31 March 2025, a guarantee of USD 600,000 equivalent to Shs 77.6 million (2024: 79.1 million 2023: Shs 25 million, 2022: Shs 25 million and 2021: Shs 25 million) had been given to Citibank NA against credit cards for use by senior staff during travel and other ordinary business function. The Group has also issued a guarantee of Shs 542.0 million (2024: Shs 557.6 million, 2023: Shs 291.3 million, 2022: Shs 258.9 million and 2021 Shs244.4 million) to various suppliers of goods and services regularly provided by the Company.

The Directors have assessed the status of the contingent liabilities and as a result do not anticipate any additional material liabilities that may have a significant impact on these financial statements.

35 Capital commitments

Capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

Group	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Property and equipment	31,053.1	33,407.3	42,147.0	36,420.4	10,795.7
Company	2025 Shs'm	2024 Shs'm	2023 Shs'm	2022 Shs'm	2021 Shs'm
Property and equipment	19,938.5	13,509.4	11,785.8	9,310.9	10,795.7

36 (a) Gain on monetary position

The consumer price index (CPI) used in the restatement of the balances are indicated on the table below:

Month	Consumer price index
Opening CPI - April 2024	452.8
Closing CPI – March 2025	514.4
Movement	(61.6)
Month	Consumer price index
Opening CPI – April 2022	273.1
Closing CPI – March 2023	358.6
Movement	(85.5)

The financial statements have been adjusted for the effects of inflation for Safaricom Telecommunication Ethiopia Plc as the Ethiopian economy has been declared hyperinflationary on or after 31 December 2022.

The gain in monetary position as a result of translating the financial statements as at 31 March 2025 was Shs 11,222.3 million, (2024: Shs 22,363.2 million and 2023: Shs 10,383.1 million).

Management has restated all balance sheet amounts that are not expressed in terms of the measuring unit current at the balance sheet date. Monetary items were not restated, because they represent money held, to be received or to be paid. Monetary items are therefore already expressed in current purchasing power at the reporting date.

31 March 2025	Monetary *Etb'm	Non-monetary *Etb'm	Total *Etb'm
Assets	31,466.7	180,599.7	212,066.4
Liabilities	(108,035.2)	(712.5)	(108,747.7)
	(76,568.5)	179,887.2	103,318.7
Equity	-	-	186,086.4
Retained earnings	-	-	(93,638.2)
			92,448.2
Net monetary gain (Etb)	-	-	10,870.5
Exchange rate (USD/Shs)	-	-	129.3
Exchange rate (Usd/Etb)	-	-	125.3
Exchange rate (Etb/Shs)	-	-	1.03
Hyperinflationary monetary gain as at 31 March 2025 (Shs million)	-	-	11,222.3

*Ethiopian Birr (Etb) is the national currency of the Federal Democratic Republic of Ethiopia.

36 (a) Gain on monetary position (Continued)

31 March 2024	Monetary *Etb'm	Non-monetary *Etb'm	Total *Etb'm
Assets	20,875.6	148,424.6	169,300.2
Liabilities	(59,046.4)	(350.4)	(59,396.8)
	(38,170.8)	148,074.2	109,903.4
Equity	-	-	139,563.2
Retained earnings	-	-	(38,956.7)
			100,606.5
Net monetary gain (Etb)	-	-	9,296.9
Exchange rate (USD/Shs)	-	-	136.8
Exchange rate (Usd/Etb)	-	-	56.9
Exchange rate (Etb/Shs)	-	-	2.41
Hyperinflationary monetary gain as at 31 March 2024 (Shs million)	-	-	22,363.2
31 March 2023	Monetary	Non-monetary	Total
	*Etb'm	*Etb'm	*Etb'm
Assets	6,449.7	97,254.3	103,704.0
Liabilities	(32,098.0)	(179.2)	(32,277.2)
	(25,648.3)	97,075.1	71,426.8
Equity	-	-	82,454.5
Retained earnings	-	-	(15,272.8)
			67,181.7
Net monetary gain (Etb)	-	-	4,245.1
Exchange rate (USD/Shs)	-	-	132.5
Exchange rate (Usd/Etb)	-	-	54.2
Exchange rate (Etb/Shs)	-	-	2.4459
Hyperinflationary monetary gain as at 31 March 2023 (Shs million)	-	-	10,383.1

Ethiopian Birr (ETB) is the national currency of the Federal Democratic Republic of Ethiopia

b) Impact of initial application of IAS 29

The directors applied IAS 29 Reporting in Hyperinflationary Economies to account for the results of the Company's subsidiary, Safaricom Telecommunication Ethiopia Plc. The resultant impact on the Group's opening total equity and other reserves is as follows:

	Retained earnings	*Other reserves Shs'm	Non-controlling interest Shs'm	Total Shs'm
Balance as at 31 March 2022	110,528.9	(5,312.7)	40,232.3	-
Impact of initial application of IAS 29 attributable to:				
-Intangible assets (Note 21)	-	33,329.3	26,497.2	59,826.5
-Right of use assets (Note 22)	-	(3.8)	(3.1)	(6.9)
-Property and equipment (Note 18)	-	2,959.8	2,353.0	5,312.8
-Retained earnings	(2,895.8)	-	(2,302.2)	(5,198)
Total	(2,895.8)	36,285.30	26,544.9	59,934.4
As restated at 1 April 2022	107,633.1	30,972.60	66,777.2	59,934.4

37 Segment Information

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2025.

	Kenya Shs'm	Ethiopia Shs'm	Total segments Shs'm	Intersegment Shs'm	Consolidated Shs'm
Revenue from contracts with customers	376,917.8	7,564.5	384,482.3	(48.9)	384,433.4
Revenue from other sources	4,278.9	(35.6)	4,243.3	12.2	4,255.5
Total revenue	381,196.7	7,528.9	388,725.6	(36.7)	388,688.9
Direct costs	(96,266.9)	(4,863.3)	(101,130.2)	48.9	(101,081.3)
Expected credit losses on financial assets	(11,059.0)	(147.4)	(11,206.4)	60.4	(11,146.0)
Other expenses	(68,088.3)	(36,210.2)	(104,298.5)	(12.2)	(104,310.7)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	205,782.5	(33,692.0)	172,090.5	60.4	172,150.9
Depreciation - property and equipment	(40,055.8)	(10,944.1)	(50,999.9)	-	(50,999.9)
Amortisation - Indefeasible rights of use (IRUs)	(323.6)	-	(323.6)	-	(323.6)
Amortisation - Intangible assets	(2,852.0)	(7,101.4)	(9,953.4)	-	(9,953.4)
Depreciation - Right-of-use (RoU) assets	(4,405.3)	(2,418.6)	(6,823.9)	-	(6,823.9)
Operating profit/(loss)	158,145.8	(54,156.1)	103,989.7	60.4	104,050.1
Finance income	3,359.0	5,863.1	9,222.1	-	9,222.1
Finance costs	(17,428.1)	(12,703.4)	(30,131.5)	-	(30,131.5)
Fair value gain in investment property	25.0	-	25.0	-	25.0
Share of profit of associates	57.2	-	57.2	-	57.2
Share of loss of joint venture	(1,234.7)	-	(1,234.7)	-	(1,234.7)
Hyperinflationary monetary gain	-	11,222.3	11,222.3	-	11,222.3
Profit/(loss) before income tax	142,924.2	(49,774.1)	93,150.1	60.4	93,210.5
Income tax expense	(47,453.3)	-	(47,453.3)	-	(47,453.3)
Profit/(loss) for the year	95,470.9	(49,774.1)	45,696.8	60.4	45,757.2

There is no single customer with revenue above 10% (2024: None).

Total revenues include M-PESA, voice, mobile data, fixed data, messaging, interconnect, mobile incoming, other service revenue, handset and connection revenue. Refer to Note (5a) for the detailed breakdown on total revenue.

The intersegment is a result of eliminating transactions between the operating segments.

37 Segment Information (continued)

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2024.

	Kenya Shs'm	Ethiopia Shs'm	Total seg- ments Shs'm	Intersegment Shs'm	Consolidated Shs'm
Revenue from contracts with customers	338,571.8	7,352.3	345,924.1	(30.7)	345,893.4
Revenue from other sources	3,526.2	27.6	3,553.8	-	3,553.8
Total revenue	342,098.0	7,379.9	349,477.9	(30.7)	349,447.2
Direct costs	(89,824.9)	(7,252.7)	(97,077.6)	30.7	(97,046.9)
Expected credit losses on financial assets	(5,775.7)	(42.3)	(5,818.0)	10.6	(5,807.4)
Other expenses	(59,515.8)	(23,784.5)	(83,300.3)	-	(83,300.3)
Earnings before interest, taxes, depreciation and amortization (EBITDA)	186,981.6	(23,699.6)	163,282.0	10.6	163,292.6
Depreciation - property and equipment	(39,430.9)	(15,731.4)	(55,162.3)	-	(55,162.3)
Amortisation - Indefeasible rights of use (IRUs)	(281.3)	-	(281.3)	-	(281.3)
Amortisation - Intangible assets	(2,836.4)	(14,968.1)	(17,804.5)	-	(17,804.5)
Depreciation - Right-of-use (RoU) assets	(4,503.2)	(5,196.5)	(9,699.7)	-	(9,699.7)
Operating profit/(loss)	139,929.8	(59,595.6)	80,334.2	10.6	80,344.8
Finance income	5,050.5	409.1	5,459.6	-	5,459.6
Finance costs	(16,832.7)	(5,268.4)	(22,101.1)	-	(22,101.1)
Share of profit of associates	(2.9)	-	(2.9)	-	(2.9)
Share of loss of joint venture	(1,376.2)	-	(1,376.2)	-	(1,376.2)
Hyperinflationary monetary gain	-	22,363.2	22,363.2	-	22,363.2
Profit/(loss) before income tax	126,768.5	(42,091.7)	84,676.8	10.6	84,687.4
Income tax expense	(42,029.0)	-	(42,029.0)	-	(42,029.0)
Profit/(loss) for the year	84,739.5	(42,091.7)	42,647.8	10.6	42,658.4

There is no single customer with revenue above 10% (2024: None).

Total revenues include M-PESA, voice, mobile data, fixed data, messaging, interconnect, mobile incoming, other service revenue, handset and connection revenue. Refer to Note (5a) for the detailed breakdown on total revenue.

The intersegment is a result of eliminating transactions between the operating segments.

37 Segment Information (Continued)

The following tables present revenue and profit information for the Group's operating segments for the period ended 31 March 2023..

	Kenya Shs'm	Ethiopia Shs'm	Total seg- ments Shs'm	Eliminations Shs'm	Consolidated Shs'm
Revenue from contracts with customers	305,954.4	1,195.6	307,150.0	(7.9)	307,142.1
Revenue from other sources	3,167.2	595.5	3,762.7	-	3,762.7
Total revenue	309,121.6	1,791.1	310,912.7	(7.9)	310,904.8
Direct costs	(90,441.6)	(1,798.4)	(92,240.0)	7.9	(92,232.1)
Expected credit losses on financial assets	(4,720.2)	(5.1)	(4,725.3)	-	(4,725.3)
Other expenses	(53,608.0)	(20,477.0)	(74,085.0)	-	(74,085.0)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	160,351.8	(20,489.4)	139,862.4	-	139,862.4
Depreciation - property and equipment	(37,067.7)	(2,686.8)	(39,754.5)	-	(39,754.5)
Amortisation - indefeasible rights of use (IRUs)	(281.3)	-	(281.3)	-	(281.3)
Amortisation - intangible assets	(2,329.6)	(6,088.3)	(8,417.9)	-	(8,417.9)
Amortisation - right-of-use assets (ROU)	(4,419.0)	(1,992.3)	(6,411.3)	-	(6,411.3)
Operating profit/(loss)	116,254.2	(31,256.8)	84,997.4	-	84,997.4
Finance income	3,862.5	212.7	4,075.2	-	4,075.2
Finance costs	(9,805.2)	(1,478.0)	(11,283.2)	120.9	(11,162.3)
Fair value adjustment to investment properties	90.0	-	90.0	-	90.0
Share of profit of associates and joint ventures	12.5	-	12.5	-	12.5
Share of loss of joint venture	(50.7)	-	(50.7)	-	(50.7)
Hyperinflationary monetary gain	-	10,383.1	10,383.1	-	10,383.1
Profit/(loss) before income tax	110,363.3	(22,139.0)	88,224.3	120.9	88,345.2
Income tax expense	(35,862.4)	-	(35,862.4)	-	(35,862.4)
Profit/(loss) for the year	74,500.9	(22,139.0)	52,361.9	120.9	52,482.8

There is no single customer with revenue above 10% (2022: None)

37 Segment Information (continued)

The following tables present revenue and profit information for the Group's operating segments for the period ended 31 March 2022

	Kenya Shs'm	Ethiopia Shs'm	Total seg- ments Shs'm	Elimina- tions Shs'm	Consolidat- ed Shs'm
Revenue from contracts with customers	295,441.4	-	295,441.4	-	295,441.4
Revenue from other sources	2,636.5	-	2,636.5	-	2,636.5
Total revenue	298,077.9	-	298,077.9	-	298,077.9
Direct costs	(91,467.8)	-	(91,467.8)	-	(91,467.8)
Expected credit losses on financial assets	(2,361.2)	-	(2,361.2)	-	(2,361.2)
Other expenses	(50,077.8)	(5,109.2)	(55,187.0)	-	(55,187.0)
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	154,171.1	(5,109.2)	149,061.9	-	149,061.9
Depreciation - property and equipment	(34,143.4)	(1.8)	(34,145.2)	-	(34,145.2)
Amortisation - indefeasible rights of use (IRUs)	(281.3)	-	(281.3)	-	(281.3)
Amortisation - intangible assets	(1,850.0)	-	(1,850.0)	-	(1,850.0)
Amortisation - right-of-use (RoU) assets	(3,644.3)	(12.5)	(3,656.8)	-	(3,656.8)
Operating profit/(loss)	114,252.1	(5,123.5)	109,128.6	-	109,128.6
Finance income	2,072.8	340.6	2,413.4	-	2,413.4
Finance costs	(8,776.7)	(75.9)	(8,852.6)	-	(8,852.6)
Share of loss of associates and joint ventures	(476.0)	-	(476.0)	-	(476.0)
Profit/(loss) before income tax	107,072.2	(4,858.8)	102,213.4	-	102,213.4
Income tax expense	(34,717.3)	-	(34,717.3)	-	(34,717.3)
Profit/(loss) for the year	72,354.9	(4,858.8)	67,496.1	-	67,496.1

The following tables present revenue and profit information for the Group's operating segments for the period ended 31 March 2022.

	Kenya Shs'm	Ethiopia Shs'm	Total seg- ments Shs'm	Eliminations Shs'm	Consolidated Shs'm
Total assets					
31 March 2025	307,829.7	207,874.8	515,704.5	(422.4)	515,282.1
31 March 2024	277,619.2	364,476.3	642,095.5	(931.2)	641,164.3
Total liabilities					
31 March 2025	(181,362.9)	(110,515.0)	(291,877.9)	614.4	(291,263.5)
31 March 2024	(168,380.9)	(138,098.2)	(306,479.1)	1,062.7	(305,416.4)
Equity and reserves					
31 March 2025	(126,466.8)	(97,359.8)	(223,826.6)	(192.0)	(224,018.6)
31 March 2024	(109,238.3)	(226,378.1)	(335,616.4)	(131.5)	(335,747.9)
Total assets					
31 March 2023	261,188.9	250,443.2	511,632.1	(2,425.1)	509,207.0
31 March 2022	306,660.5	99,616.4	406,276.9	(59,478.3)	346,798.6
Total liabilities					
31 March 2023	(169,230.5)	(79,156.6)	(248,387.1)	2,546.0	(245,841.1)
31 March 2022	(159,172.4)	(8,777.0)	(167,949.4)	851.7	(167,097.7)
Equity and reserves					
31 March 2023	(91,958.4)	(171,286.6)	(263,245.0)	(120.9)	(263,365.9)
31 March 2022	(147,488.1)	(90,839.4)	(238,327.5)	58,626.6	(179,700.9)

Group	2025	2024	2023	2022	2021
Earnings before interest and taxes interest cover (times)	5.42	4.35	7.97	21.96	28.25
Cash flows from operations to total debt (%)	47%	35%	47%	66%	113%
Free cash flow to total debt (%)	26%	14%	20%	42%	75%
Total free cash flow to short term obligation (%)	50%	25%	35%	71%	92%
Net profit margin (%)	12%	12%	17%	23%	26%
Post-tax return (before financing on capital employed) (%)	20%	12%	16%	31%	43%
Long term debt to capital employed (%)	38%	29%	29%	28%	11%
Total debt to equity (times)	1.30	0.91	0.93	0.93	0.68

Company	2025	2024	2023	2022	2021
Earnings before interest and taxes interest cover (times)	10.46	10.09	12.46	23.83	28.11
Cash flows from operations to total debt (%)	84%	82%	72%	71%	114%
Free cash flow to total debt (%)	60%	53%	48%	49%	76%
Total free cash flow to short term obligation (%)	95%	83%	78%	83%	93%
Net profit margin (%)	25%	24%	24%	24%	26%
Post-tax return (before financing on capital employed) (%)	35%	37%	37%	38%	44%
Long term debt to capital employed (%)	22%	23%	27%	31%	11%
Total debt to equity (times)	0.74	0.84	0.97	1.10	0.69

***Commentary on the Financial Criteria for Public Offering of Fixed Income Securities and Listing on the Main Fixed Income Securities Market Segment**

1	The issued and fully paid-up share capital of Safaricom PLC was above the minimum required share capital of fifty million shillings as at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021.
2	Safaricom PLC had net assets exceeding the requirement of one hundred million shillings as at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021.
3	Safaricom PLC declared profits before tax attributable to shareholders in each of the past five financial years (years ended 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021).
4	Total liabilities did not exceed four times the level of shareholders' funds as at 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021.

* This commentary provides a factual overview of the financial criteria outlined under the Second Schedule [r. 11(c)] of the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023. It is based solely on historical financial information for the years ended 31 March 2025, 31 March 2024, 31 March 2023, 31 March 2022 and 31 March 2021.



APPENDIX C – FORM OF APPLICATION FORM

SERIAL NUMBER

**SAFARICOM PLC'S MEDIUM TERM NOTE PROGRAMME OF UP TO KENYA SHILLINGS FORTY BILLION
(KES40,000,000,000)**

Issue Number	[insert issue number]
Instrument/Type of Notes	[insert type of Notes]

Applications must be made in accordance with the instructions set out in this document. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult the Placing Agents for guidance.

I/We, the undersigned hereby apply; or as agent on behalf of the applicant (as applicable), I/we confirm that the applicant applies to purchase the amount specified below of the notes (the "Notes") to be issued by Safaricom PLC ("Issuer") upon the terms and conditions set out in this Application Form and the Information Memorandum dated **21 November 2025**.

Date	Placing Agent	PLACING AGENT STAMP						
	Please Tick One <table border="1"> <tr> <td>()</td> <td>SBG Securities Limited/Stanbic Bank Kenya Limited</td> </tr> <tr> <td>()</td> <td>Standard Chartered Bank Kenya Limited</td> </tr> <tr> <td>()</td> <td>Dyer & Blair Investment Bank Limited</td> </tr> </table>	()	SBG Securities Limited/Stanbic Bank Kenya Limited	()	Standard Chartered Bank Kenya Limited	()	Dyer & Blair Investment Bank Limited	
()	SBG Securities Limited/Stanbic Bank Kenya Limited							
()	Standard Chartered Bank Kenya Limited							
()	Dyer & Blair Investment Bank Limited							

1

Application Details																																					
All applications must be for a minimum amount of KES 50,000 and in multiples of KES 10,000 thereafter.																																					
FACE VALUE (KES)																																					
Please credit my/our CDSC Account as detailed below to the extent of the Notes are allotted:																																					
CDSC ACCOUNT DETAILS Investor Pool (Please Tick) <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <th style="width: 15%; text-align: left;">Agent Code e.g. (B01)</th> <th style="width: 30%; text-align: left;">CDSC Account Number</th> <th style="width: 20%; text-align: left;">Individual/Joint</th> <th style="width: 35%; text-align: left;">Corporate</th> </tr> <tr> <td style="border: 1px solid black; height: 40px;"></td> <td style="border: 1px solid black; height: 40px;"></td> <td style="border: 1px solid black; text-align: center;"> LIFIEI </td> <td style="border: 1px solid black; text-align: center;"> LCFCEC </td> </tr> </table> Name (as appears in the CDS Account)																														Agent Code e.g. (B01)	CDSC Account Number	Individual/Joint	Corporate			LIFIEI	LCFCEC
Agent Code e.g. (B01)	CDSC Account Number	Individual/Joint	Corporate																																		
		LIFIEI	LCFCEC																																		

	Email Address	Mobile/Telephone Number
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2		Mode of payment for refund (if any), coupon/interest, and redemption/maturity payments Please tick your preferred option for receiving payment. By providing your preferred payment mode on this form you hereby confirm that these instructions shall be used for all refunds (if any), coupon/interest and redemption/maturity payments unless otherwise changed in writing by yourselves.														
	()	Electronic Funds Transfer (Real Time Gross Settlement, Electronic Funds Transfer and Telegraphic Transfer) to the bank account details below. Note that all amounts exceeding KES 250,000 will be paid by this method and you must indicate your bank account below. All joint holders, companies, SACCOs or other corporate entities must use this payment method. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 30%;">BANK NAME</td><td></td></tr> <tr><td>ACCOUNT NAME</td><td></td></tr> <tr><td>ACCOUNT NUMBER</td><td></td></tr> <tr><td>BRANCH NAME</td><td></td></tr> <tr><td>BANK CODE:</td><td></td></tr> <tr><td>SWIFT CODE</td><td></td></tr> <tr><td>IBAN</td><td></td></tr> </table> Note: If you wish to receive payments by electronic funds transfer, you will need to attach a certified copy of an ATM card or a redacted bank statement dated within 3 months of the date on which you submit your acceptance showing your name and bank account details as confirmation of account details set out in this section.	BANK NAME		ACCOUNT NAME		ACCOUNT NUMBER		BRANCH NAME		BANK CODE:		SWIFT CODE		IBAN	
BANK NAME																
ACCOUNT NAME																
ACCOUNT NUMBER																
BRANCH NAME																
BANK CODE:																
SWIFT CODE																
IBAN																
	()	Mobile Money (M-Pesa, Airtel Money, T-Kash) to the Kenyan mobile number below. Only for amounts up to KES 250,000. Note: This payment option is not applicable to joint holders, companies, SACCOs or other corporate entities. Kenyan Mobile Number <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">+254</td> <td style="width: 10%; text-align: center;">(0)</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> </tr> </table>	+254	(0)												
+254	(0)															
3		DECLARATION By applying for the Notes and signing this Application Form, I/We herein state that: 1. The funds used or to be used in connection with this application are derived from legitimate, lawful sources and are not, directly or indirectly, the proceeds of any criminal, fraudulent, corrupt, or other unlawful activity. The Applicant further acknowledges and accepts that if any statement made by me in this application is found to be false, inaccurate or misleading, this application may be rejected by the Issuer without any liability to the Issuer, or any of its appointed agents. 2. The applicant, or as an agent on behalf of the applicant (as applicable), acknowledges that the Issuer and the Placing Agents are entitled, in their absolute discretion, to accept or reject this application, in whole or in part, in accordance with the terms and conditions set out in the Information Memorandum. 3. The applicant, or as an agent on behalf of the applicant (as applicable), confirms that the applicant has read and understood the Information Memorandum dated 21 November 2025 and that this application is made on the terms set in the Information Memorandum and the applicable Pricing Supplement. 4. The applicant, or as an agent on behalf of the applicant (as applicable), confirms that the applicant agrees to accept the Principal Amount of Notes allocated to the applicant, subject to the terms and conditions set out in the Pricing Supplement. 5. The applicant, or as an agent on behalf of the applicant (as applicable), confirms that the applicant authorises you to enter the applicant's name on the Register of Noteholders of the Notes, for any Notes that may be allotted to the applicant and to register the applicant's address as given below in the Register of Noteholders. 6. The applicant, or as an agent on behalf of the applicant (as applicable), hereby irrevocably undertakes and confirms that the applicant has made this application for subscription of the Notes in accordance with the terms and subject to the conditions set out in the Information Memorandum and the applicable Pricing Supplement. 7. The applicant, or as an agent on behalf of the applicant (as applicable), hereby undertakes to the extent not already paid, to pay to the Issuer the subscription price for the Notes allotted to the applicant in accordance with the terms and subject to the conditions set out in the Information Memorandum and the applicable Pricing Supplement.														

	8. The applicant acknowledges and confirms that, where the Notes are not listed, the applicant is a Sophisticated Investor, as defined in the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023. 9. By signing this Application Form, I/ we (the "Signatory") hereby confirm, represent and warrant as follows: (a) that the Signatory has the full power and authority to sign this Application Form and to make the declarations, consents and instructions in it on behalf of the applicant, (b) if the Signatory is signing as an agent, custodian, bank, nominee or under power of attorney, the Signatory holds a valid authority and mandate to act for the applicant and will provide certified copies of the relevant authorising or mandate documents on request, (c) if this is a joint application, each joint applicant has authorised me sign this Application Form on behalf of all joint applicants, (d) if the applicant is a company, partnership, limited liability partnership, association or other entity, all required internal approvals and authorisations have been properly obtained, and (e) I am authorised to provide the applicant's personal data and other information to the Issuer and its agents for the purposes of processing this application, allotment, registration and the ongoing administration of the Notes, and for related communications. 10. The applicant (and where applicable, the Signatory) represent and warrant that all information provided in or with this Application Form is, to the best of their knowledge and belief after due enquiry, true, accurate and complete in all material respects and that they will promptly notify the Issuer of any material change before allotment of the Notes. 11. The applicant consents to receiving marketing communications about the Issuer's securities and investor updates by Email, Short Message Service (SMS), Phone or Post.	
4	SIGNATURE(S) OF APPLICANT (S) (Note Your completed and signed Application Form must be accompanied by proof of identity)	
	4A: SIGNATURE 1	4B: SIGNATURE 2 (CORPORATE/JOINT)
	DATE:	DATE:
	Designation (Corporate Only)	Designation (Corporate Only)

DETAILED INSTRUCTIONS AND NOTES ON COMPLETING THE APPLICATION FORM AND APPLYING FOR THE NOTES

1. Completing the Application Form

If you are in any doubt as to how to complete this Application Form, please contact the Sponsoring Broker - SBG Securities Limited, the Placing Agents or Image Registrars Limited.

Applications will close at at [*]h00 on [*]

- All alterations to this application form must be authenticated by full signature. All applications must be made without any conditions stated by applicants and all declarations must be ticked.
- Under no circumstances whatsoever may the name of the applicant be changed and if this is done then the Application Form will be invalid.
- Applications are made subject to the provisions of the Information Memorandum, the relevant Pricing Supplement, the Trust Deed and the terms and conditions set out in the Application Form.
- Applications are irrevocable and may not be withdrawn or amended without the written consent of the Issuer
- If you are a custodian, stockbroker, bank, fund manager or investment advisor who acting on behalf of an investor, by submitting this form you confirm that you have: (i) carried out the relevant "Know Your Customer" checks on your client and they are not a sanctioned party under any sanctions list published by the published by United States government (including the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Department of State), the United Kingdom's consolidated list, the European Union's consolidated lists and the United Nation's consolidated list, as each may be amended, supplemented or replaced from time to time.

Submission of Applications

1. Submission through electronic channels can be made via the online portal by accessing <https://safaricombond.e-offer.app> or submission via mobile channel by dialling **USSD Code *483*810#**.
2. Physical submissions of the duly completed and executed Application Form should be submitted by email or physically to any of the Placing Agents at the following addresses:

SBG Securities Limited Stanbic Centre, 58 Westlands Road Tel: +254 20 363 8900/363 8080 Email: sbgs@stanbic.com Web: www.sbgsecurities.co.ke	Standard Chartered Bank Kenya Limited Standard Chartered Bank 48, Westlands Road P.O Box 30003 Chiromo, Nairobi, Kenya Telephone: +254 20 393 900/+254 20 329 3393/4 Email: shujaa-sc@sc.com
OR visit any Stanbic Bank Kenya Limited branch	
Dyer & Blair Investment Bank Limited Goodman Tower, 7th Floor Off Waiyaki Way P.O. Box 45396-00100 Nairobi Tel: +254 (0)709 930 000 Email: shares@dyerandblair.com Website: www.dyerandblair.com	

2. Settlement procedure

Payment of the purchase price for the Notes may be made to the Receiving Bank by no later than **[Closing Date]** and no later than the Issue Date as specified in the Pricing Supplement in the case of Qualified Institutional Investors (QIIs) via the following methods:

- (a) **Electronic Funds Transfers (Real Time Gross Settlement, Electronic Funds Transfer and Telegraphic Transfer) or cash deposit to the bank details below:**

Account Name:	Safaricom DMTN
Account Number:	1112525XXXXXX (XXXXXX - being the 6-digit number on the Application Form)
Bank Name:	Stanbic Bank Kenya Limited
Branch:	Chiromo
Branch Code:	31000
SWIFT Code:	SBICKENX
Narration:	Application Form serial number (6-digit number)

- (b) **Mobile Money (M-Pesa) payment via:**

Pay Bill Number:	8250250
Account Number:	111 2525 XXXXXX (XXXXXX- being the 6-digit number on the Application Form)

3. If the Application Form is signed under a power of attorney

The completed Application Form should be returned to accompanied by a certified true copy of the power of attorney (or a notarised copy).

4. Validity of acceptance of the application

Without prejudice to the provisions of the Information Memorandum, Safaricom Plc reserves the right to treat as valid in whole or in part any Application Form that is not entirely in order or which is not accompanied by the relevant supporting documentation or reject it in its entirety.

5. Your personal information

- (a) We will only collect the personal information needed to assess and process your application. This may include identification and contact details, tax registration, nationality and residency, signature and specimen signatures, CDSC Account details, mobile money details, and bank account details. If you do not provide required information or if it is inaccurate, we may not be able to process your application or maintain your investment. All personal information that you include in this Application Form is collected, stored, retained and processed in accordance with the Issuer's Privacy Statement available at: <https://www.safaricom.co.ke/dataprivacystatement/> and Image Registrar Limited's Privacy Notice available at https://www.image.co.ke/privacy_policy. This paragraph 5 of the Application Form should be read and interpreted together with the Issuer's Privacy Statement. Where there is a conflict, the Issuer's Privacy Statement will prevail. It is important that you read this Safaricom's Privacy Statement and Image Registrar's Privacy Notice which contains more detailed information about data processing. We rely on your consent for limited processing activities. Withdrawal of consent does not affect processing carried out before withdrawal or processing based on other lawful bases. The Issuer's data protection officer (DPO) can be contacted at dpo@safaricom.co.ke P.O Box 66827, 00800 Nairobi Tel: +254 722 00 4524/4260 www.safaricom.co.ke. Image Registrar Limited's DPO can be contacted at: Abdulhaleem Mohamed, dpo@image.co.ke, P.O. Box 9287-00100, Nairobi, 0709 170 000, should you have any queries regarding your personal information, or in case you wish to exercise your data subject access rights.
- (b) We collect your personal information directly from you and your advisers. We may also obtain data from third parties for verification and compliance purposes, such as credit reference agencies, screening providers, government databases, tax authorities, regulators, and publicly available sources.
- (c) We may use automated tools for identity verification and fraud prevention. These checks may affect our ability to accept your application. You can request human review of any decision that is based solely on automated processing, express your point of view, and contest the decision.
- (d) We apply the appropriate technical and organizational measures designed to protect your personal information against loss, misuse, unauthorized access, alteration or disclosure. We require third parties and our service providers to implement appropriate security measures when handling your personal information on our behalf.
- (e) We will not send you marketing communications without your prior consent in accordance with this Application Form. You may change your preferences or withdraw consent at any time by contacting the DPOs using the details provided above.
- (f) In submitting the completed Application Form you agree and understand that your personal information will be shared by Image Registrars Limited with Safaricom Plc, the Joint Lead Arrangers, the Placing Agents, the Fiscal Agent and Calculation Agent, the Registrar, the Settlement Bank, the Capital Markets Authority and all such parties that require access to your information for the purposes of meeting their obligations under this Application Form, the Pricing Supplement or the Information Memorandum. Such parties will safeguard your personal information and use it only for the permitted purposes.
- (g) Where you submit the Application Form on behalf of a third party, you confirm that you have all necessary consents and authorisations from the relevant investor. By signing the Application Form, you confirm that (i) you have read and understood these data protection provisions; (ii) the information you provide is accurate; and (iii) where you provide data about another person (such as an Investor, joint applicant or authorised signatory), you have informed them of these provisions and obtained any and all relevant consent(s) required by law.
- (h) All collection and processing of personal information will be carried out in accordance with the Data Protection Act and the regulations issued thereunder. We may update these data protection provisions to reflect changes in law or our practices. We will communicate material changes where required.

6. General

The Information Memorandum and any contracts resulting from an acceptance of an application for the Notes shall be governed and construed in accordance with Kenyan law.

APPENDIX D – FORM OF PRICING

DRAFT PRICING SUPPLEMENT ISSUE OF UP TO [●] FIXED/FLOATING RATE NOTES UNDER THE UP TO KES 40,000,000,000 DOMESTIC MEDIUM TERM NOTE PROGRAMME

This document constitutes the applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall have the same meaning ascribed to them in the Offering memorandum dated [●], as updated and amended from time to time.

This applicable Pricing Supplement must be read in conjunction with the Offering memorandum. To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Offering memorandum, the provisions of this Pricing Supplement shall prevail.

1. Description of the Notes	
1.1 Issuer	Safaricom PLC
1.2 Arrangers	SBG Securities Limited, Stanbic Bank Kenya Limited and Standard Chartered Bank Kenya Limited
1.3 Status of the Notes	[Senior, unsecured]
1.4 Issue:	
a) Tranche Number	[●]
b) Series number*	[●]
* explanation of the Series number	
1.5 Redemption/Payment Basis	[●]
1.6 Principal Amount	[●]
1.7 Use of Proceeds	[●]
1.8 Form of Notes	Book-entry
1.9 Issue Date	[●]
1.10 Trade Date	[●]
1.11 Business Centre	Nairobi
1.12 Specified Denomination of the Notes	[●]
1.13 Issue Price	Par
1.14 Interest Commencement Date	[●]
1.15 Interest Termination Date	[●]
1.16 Redemption Date	[●]
1.17 Specified Currency	Kenya Shillings
1.18 Applicable Business Day convention	[●]
1.19 Fiscal Agent and Registrar	[●]
1.20 Specified office of Receiving Bank, the Fiscal	Agent and Registrar
1.21 Final Redemption Amount	[●]
1.22 Record Date	[●]
2. Provisions relating to Interest Payable	
2.1 Fixed Rate Note Provisions	
i. Fixed Rate of Interest	[●]
ii. Interest Payment Dates	[●]
iii. Default Rate	[●]
iv. Other terms relating to the method of calculating interest for the Fixed Rate Notes	[●]

3 Provisions regarding Redemption

3.1 Redemption at the option of the Issuer	Applicable
If applicable,	
a. Optional Redemption Dates	[●]
b. Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	[●]
3.2 Minimum period of notice (if different from Condition 6 (Redemption and Purchase)	[●]
a. If redeemable in part	
i. Minimum Redemption Amount	[●]
ii. Higher Redemption Amount	[●]
b. Other terms applicable on Redemption	None

GENERAL

1. Other terms or special conditions	Not applicable
2. Board approval for issuance of the Notes	[●]
3. Additional Selling Restrictions	None
4. Allotment policy	[●]
5. Settlement Procedures and Settlement Instructions	[●]
8. Details of bank account(s) to which payments are to be made in respect of the Notes	[●]
9. Last Day to Register, which shall mean that the "books closed period" (during which the Register will be closed) will be from each Last Day to Register to the applicable Payment Day until the date of redemption	[●]
10. Method of Distribution	[●]
11. Total Notes in issue (excluding the current issue)	[●]
12. Rights of Cancellation	[●]
13. Tax	[●]
14. Material Change	[●]
15. Responsibility Statement	[●]

ADDITIONAL INFORMATION

16.
Additional steps that may be taken following approval of the Extraordinary Resolution (in accordance with the Conditions)

[●]

17.
Specify Agents and Specified Offices if new or other Agents appointed

[●]

Salient Dates

Offer Opens

[●]

Offer Closes

[●]

Allotment Date

[●]

Notification Date (via email/telephone)

[●]

Payment Date (for qualified institutional investors only)

[●]

Issue Date

[●]

CDS Account upload date

[●]

Listing Date

[●]

Responsibility

The Issuer and its Board of Directors accepts responsibility for the information contained in this pricing supplement, which, when read together with the Information Memorandum, contains all information that is material in the context of the issue if the Notes.

Signature:

Signature:

Name:

Name:

Title:

Title:

APPENDIX E - TRANSACTION ADVISORS

JOINT LEAD ARRANGERS

Stanbic Bank Kenya Limited
Stanbic Bank Centre
Westlands Road
P.O Box 30550-00100
Chiromo,
Nairobi, Kenya



Standard Chartered Bank Kenya Limited
Standard Chartered Bank
48, Westlands Road
P.O Box 30003
Chiromo,
Nairobi, Kenya



SBG Securities Limited
Stanbic Bank Centre
Westlands Road
P.O Box 47198-00100
Chiromo,
Nairobi, Kenya



PLACING AGENTS

SBG Securities Limited
Stanbic Bank Centre
Westlands Road
P.O Box 47198-00100
Chiromo,
Nairobi, Kenya



Dyer and Blair Investment Bank
Limited
7th Floor, Goodman Tower, Off Waiya-
ki Way
P.O.Box 45396-00100
Nairobi
Kenya
Tel: +254(0)709930000
Email: shares@dyerandblair.com



Standard Chartered Bank Kenya
Limited
Standard Chartered Bank
48, Westlands Road
P.O Box 30003
Chiromo,
Nairobi, Kenya



TRANSACTION LEGAL COUNSEL

Coulson Harney LLP (Bowmans Kenya)
5th Floor, West Wing, ICEA Lion Centre
Riverside Park, Chiromo Road, Nairobi
P.O Box 10643-00100
Nairobi, Kenya



AUDITORS

Ernst & Young LLP Kenya Re Towers
Upper Hill
P.O. Box 44286-00100
Nairobi, Kenya



REPORTING ACCOUNTANT

PricewaterhouseCoopers LLP
PwC Tower,
Waiyaki Way/Chiromo Road, Westlands
P.O. Box 43963 – 00100
Nairobi, Kenya.



FISCAL AGENT, CALCULATION AGENT AND REGISTRAR

5th Floor, Absa Towers, Loita Street
P.O.Box 9287- 00100 GPO, Nairobi, Kenya
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NOTE TRUSTEE

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