

A woman with dark skin and curly hair, wearing a green dress, is looking thoughtfully at a screen displaying a grid of data. A hand with a ring on the ring finger is pointing at the screen. The background is a soft-focus green.

SAFARICOM PLC

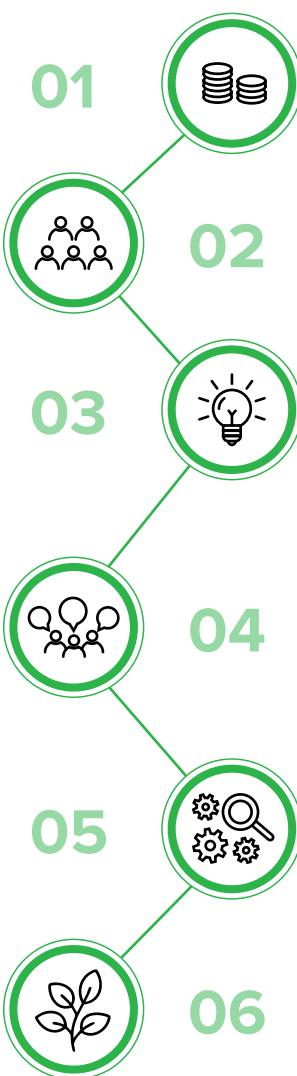
2025
**ANNUAL
REPORT
AND FINANCIAL
STATEMENTS**

The Safaricom logo, featuring a red swoosh followed by the word "Safaricom" in a white, sans-serif font.

Safaricom

NAVIGATIONAL ICONS

OUR SIX CAPITALS



FINANCIAL CAPITAL

The pool of funds and assets that we maintain.

HUMAN CAPITAL

Our employees, and all the competencies, abilities, experience and expertise that they bring to the Group.

INTELLECTUAL CAPITAL

The policies, procedures, intellectual property (IP), and knowledge that exists and is cultivated in our organisation, including our vision, mission, purpose, reputation, and the value of our brand.

SOCIAL AND RELATIONSHIP CAPITAL

The partnerships and relationships that we build and maintain with our stakeholders, including our employees, providers and suppliers, and our communities.

MANUFACTURED CAPITAL

For more on our technology and services, see pages 14 and 18 respectively.

NATURAL CAPITAL

The beneficial projects that help sustain the environment in which we operate.

OUR FOUR STRATEGIC PILLARS

01



PROTECT AND
GROW THE
CORE

02



ACCELERATE
THE
TRANSITION
TO TECHCO

03



BOOST AND
EVOLVE
ETHIOPIA

04



UNLOCK VALUE
THROUGH
INNOVATIVE
DELIVERY
MODELS

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OUR STAKEHOLDERS

-  Governments and regulators
-  Customers
-  Investors and shareholders
-  Employees
-  Suppliers
-  Society and communities
-  Business partners
-  Media

MATERIAL MATTERS

-  Our platforms
-  Environmental stewardship
-  Innovation and partnership
-  Governance, business ethics and risk
-  Our regulatory environment

UN SDGS

-  Good health and wellbeing
-  Quality education
-  Affordable and clean energy
-  Decent work and economic growth
-  Industry, innovation and infrastructure
-  Reduced inequalities
-  Responsible consumption and production
-  Peace, justice and strong institutions
-  Partnerships for the goals

A SNAPSHOT OF SAFARICOM

Key Highlights

SAFARICOM GROUP

M-PESA revenue	Mobile data revenue	Fixed Line and Wholesale revenue	Service revenue
 Grew by 15.1% YoY to KShs 161,131.2 million	 Grew by 16.5% YoY to KShs 78,521.4 million	 Grew by 12.3% to KShs 16,798.7 million	 Grew by 10.8% YoY to KShs 371,415.4 million
Voice revenue	Messaging revenue	Three-month active customers	One-month active customers
 Grew by 1.8% YoY to KShs 81,958.9 billion	 Grew by 1.9% YoY to KShs 12,559.4 million	 Grew by 16.4% YoY to 57.07 million	 Grew by 17.7% YoY to 44.36 million

SAFARICOM KENYA

Service revenue	Mobile data revenue	M-PESA revenue	Voice revenue
 Grew by 10.5% YoY to KShs 364,282.7 million	 Grew by 15.2% YoY to KShs 72,863.2 million	 Grew by 15.2% YoY to KShs 161,118.6 million	 Grew by 1.6% YoY to KShs 80,784.7 million
Messaging revenue	Fixed Line and Wholesale revenue	Active customers	Active M-PESA customers
 Grew by 1.6% YoY to KShs 12,477.4 million	 Grew by 12.9% YoY to KShs 17,065.0 million	 Grew by 7.1% YoY to 37.11 million	 Grew by 10.5% YoY to 35.82 million

SAFARICOM TELECOMMUNICATIONS ETHIOPIA (STE)

Service revenue	Mobile data revenue	Voice revenue
 Grew by 35.3% YoY to KShs 7,548.6 million	 Grew by 35.8% YoY to KShs 5,658.2 million	 Grew by 14.1% YoY to KShs 1,174.3 million
Mobile incoming revenue	Messaging revenue	Three-month active customers
 Grew by 6.2% YoY to KShs 367.0 million	 Grew by 93.9% YoY KShs 82.0 million	 Grew by 103.2% YoY 8.84 million
Three-month active M-PESA customers	M-PESA 30-day M-PESA customers	One-month active customers
 Grew by 68.7% YoY 2.37 million	 Grew by 104.9% YoY to 1.21 million	 Grew by 136.9% YoY 7.25 million

Key Highlights



HUMAN CAPITAL

6,777

Employees (Group)
(2024: 6,661)

49%

Women in workforce
(2024: 49%)

99.5%

Employees with certified 2 + 1 skills
acceleration courses

3.6%

Employees with disabilities
(2024: 3.3%)



SOCIAL AND RELATIONSHIP CAPITAL

48.24 million

Three-month active Safaricom Kenya
customers
(2024: 44.67 million)

37.11 million

One-month active Safaricom Kenya
customers (2024: 34.64 million)

8.84 million

Total Safaricom Ethiopia customers
(2024: 4.35 million)

35.82 million

One-month active M-PESA
customers (Kenya)
(2024: 32.41 million)

298,890

M-PESA agents
(2024: 262,016)

631.3k

Wealth Management customers
KShs 9.6 billion Assets under
Management (AUM) (launched in
the year)

301,451

Fixed home customers
(2024: 248,574)

1,825,449

Total merchants – Lipa na M-PESA
(LNM) and Pochi tills
(2024: 1,265,690)

69,874

Enterprise fixed business customers
(2024: 59,461)



MANUFACTURED CAPITAL

18,300km

Fibre-optic footprint
(2024: 17,000km)

694,289

Homes passed
(2024: 560,261)

97.9%

Proportion of Kenyan population covered by 4G
(2024: 97.3%)

30%

5G coverage



NATURAL CAPITAL*

190.75 tonnes

e-waste generated and recycled
(2024: 290.44 tonnes)

177,446kg

Solid waste collected
(2024: 178,237kg)

98%

Waste recycled
(2024: 98%)

59,204.59 m³

Water consumption
(2024: 66,208 m³)

1,432

Sites using solar and hybrid clean power
(2024: 1,432)

*Assured data will be included in the 2025 Sustainability Report

A SNAPSHOT OF SAFARICOM (continued)

How we created value in the year

FOR OUR CUSTOMERS...

FY2025	FY2024
<ul style="list-style-type: none">4G coverage to 97.9%2G coverage to 98.6%1,700 active 5G sites	<ul style="list-style-type: none">97.3% coverage97.6% coverage803 active 5G sites
We enabled:	
<ul style="list-style-type: none">4,500 Transactions per second- M-PESA Capacity37.15 billion Transactions valued at KShs 38.29 trillion23.36 million 4G+ devices (4G 22.31 million + 5G devices 1.05 million)675,900 Active LNM merchantsLaunched wealth management product with KShs 9.6 billion in Assets Under Management	<ul style="list-style-type: none">3,500 Transactions per second- M-PESA Capacity28.68 billion M-PESA transactions, valued at KShs 37.70 trillion17.52 million 4G+ devices (4G 16.85 million + 5G devices 0.67 million)633,000 active LNM merchantsFull industry P2P interoperability
We added value through:	
<ul style="list-style-type: none">Customer segmentation: Driving meaningful connections, tailored experiences & personalised propositionsEnhanced integrated propositionsDigital content: Driving engagement for home and mobile broadband customersCoverage & Deepening Financial InclusionEnhanced customer experience: Introduced the first ever 1000Mbps and enhanced value for existing packages	<ul style="list-style-type: none">Reduced voice and data ratesReduced price of outgoing rate-per-minute by 12.7% YoY, and incoming rate-per-minute by 16.1% YoYDouble permanent bandwidth to fibre customers99.7% systems-availability and 50% reduction in network incidents

FOR OUR CUSTOMERS...

FY2025	FY2024
Deployed:	
• 18,300km of fibre-optic cable +7.6% YoY	• 17,000km of fibre-optic cable
• 694,289 Homes passed +23.9% YoY	• 560,261 Homes passed
• 69,874 Enterprise fixed business customers	• 59,461 Enterprise fixed business customers
• 301.5k Home fixed customers (+21.3% YoY)	• 248.6k Home fixed customers

FOR OUR SHAREHOLDERS...

We declared:

• KShs 48.08 billion in dividends	• KShs 48.08 billion in dividends
• KShs 0.55 DPS interim dividend	• KShs 0.55 DPS interim dividend
• KShs 0.65 DPS final dividend	• KShs 0.65 DPS final dividend
• KShs 1.20 FY25 Dividend per Share (DPS)	• KShs 1.20 FY24 DPS

We recorded:

• 572% in total shareholder returns (TSR) since listing ($TSR = \{End-of-FY\ Price (IPO + Dividends)\} \div Purchase\ Price (IPO)$)	• 537% in total shareholder returns since listing (TSR) = $\{End-of-FY\ Price (IPO + Dividends)\} \div Purchase\ Price (IPO)$
• 38.92% of total NSE market capitalisation on the NSE ● Closing price of KShs 18.30 as at 31 March 2025	• 46.32% of total NSE market capitalisation on the NSE ● Closing price of KShs 17.75 as at 31 March 2024

A SNAPSHOT OF SAFARICOM (continued)

How we created value in the year (continued)

FOR OUR EMPLOYEES...

FY2025	FY2024
We enabled:	
<ul style="list-style-type: none">Employee engagement index stood at 85%An environment in which 99.9% of all employees obtained certification in an Artificial Intelligence Associate course in addition to two more digital courses relevant to their areas of expertiseA M-F 51-49 gender split	<ul style="list-style-type: none">Employee engagement index stood at 83%An environment in which 75% of our employees completed at least one future skills course in Safaricom Business School and instructor-led training in:<ul style="list-style-type: none">AgileCybersecurityData scienceAnalyticsA M-F 51-49 gender split

FOR OUR SOCIETY...

FY2025	FY2024
We recorded:	
<ul style="list-style-type: none">1.8 million Merchants (Lipa Mdogo Mdogo and Pochi)KShs 8.9 billion invested through Safaricom & M-PESA Foundations, impacting 4.9 million lives	<ul style="list-style-type: none">1.3 million Merchants (Lipa Mdogo Mdogo (LMM) and Pochi)KShs 2.6 billion invested through Safaricom & M-PESA Foundations, impacting 3.9 million lives

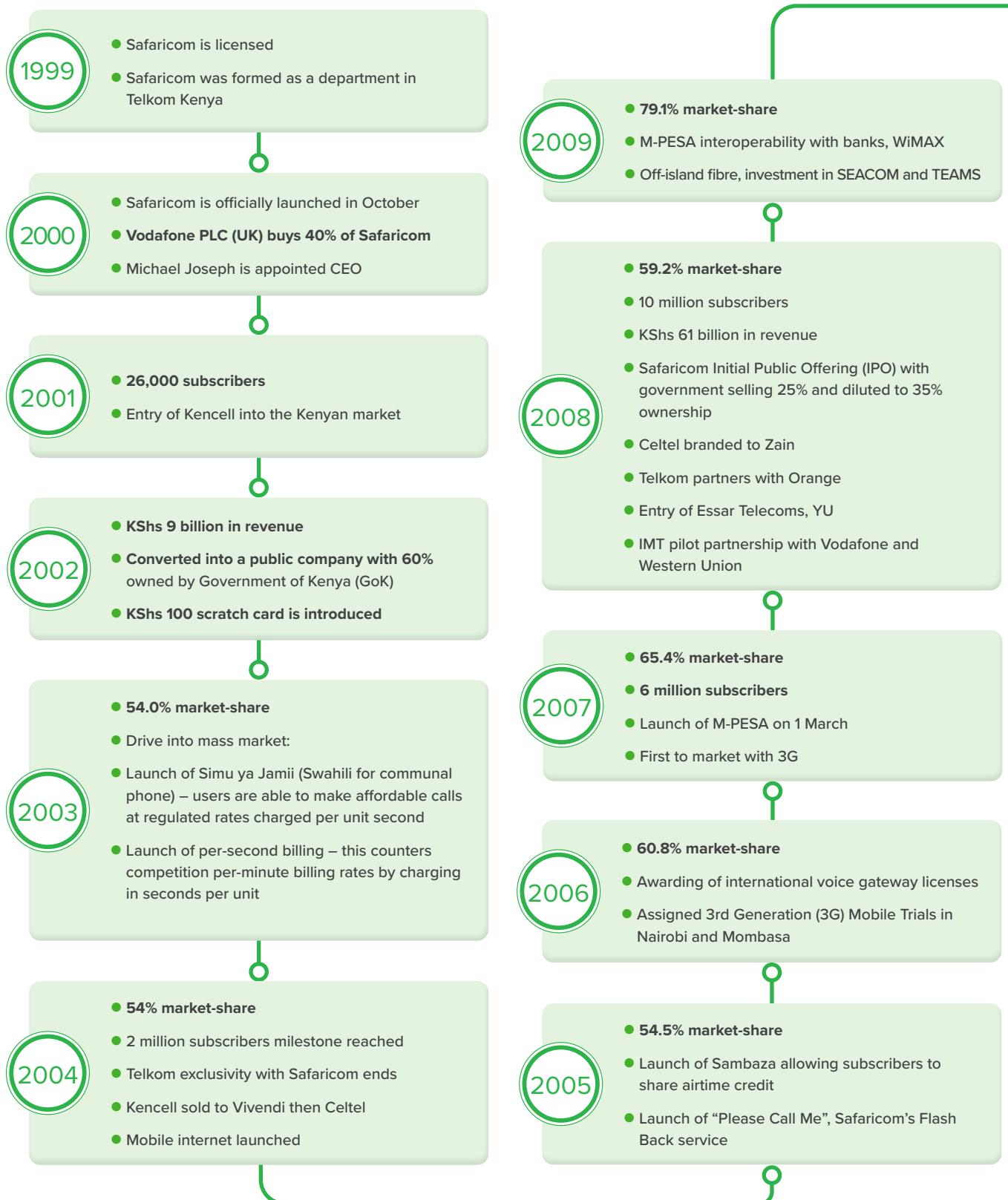
We attained in digitisation and partnerships:

<ul style="list-style-type: none">Public Sector Digital Transformation Enabled Government Revenue Collections, Universal Health Coverage & Deepening Financial InclusionKShs 14.2 million in value disbursed to 20.6 million customers under the Hustler Fund initiative8.5 million bags of fertiliser distributed to 6 million farmers via M-PESA fertiliser distribution	<ul style="list-style-type: none">20,000 government workflows digitised and running on Safaricom infrastructureKShs 49.5 million in value disbursed to 21 million customers under the Hustler Fund initiative8.2 million bags of fertiliser distributed to 5.9 million farmers via M-PESA fertiliser distribution
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We digitised country devolution with:

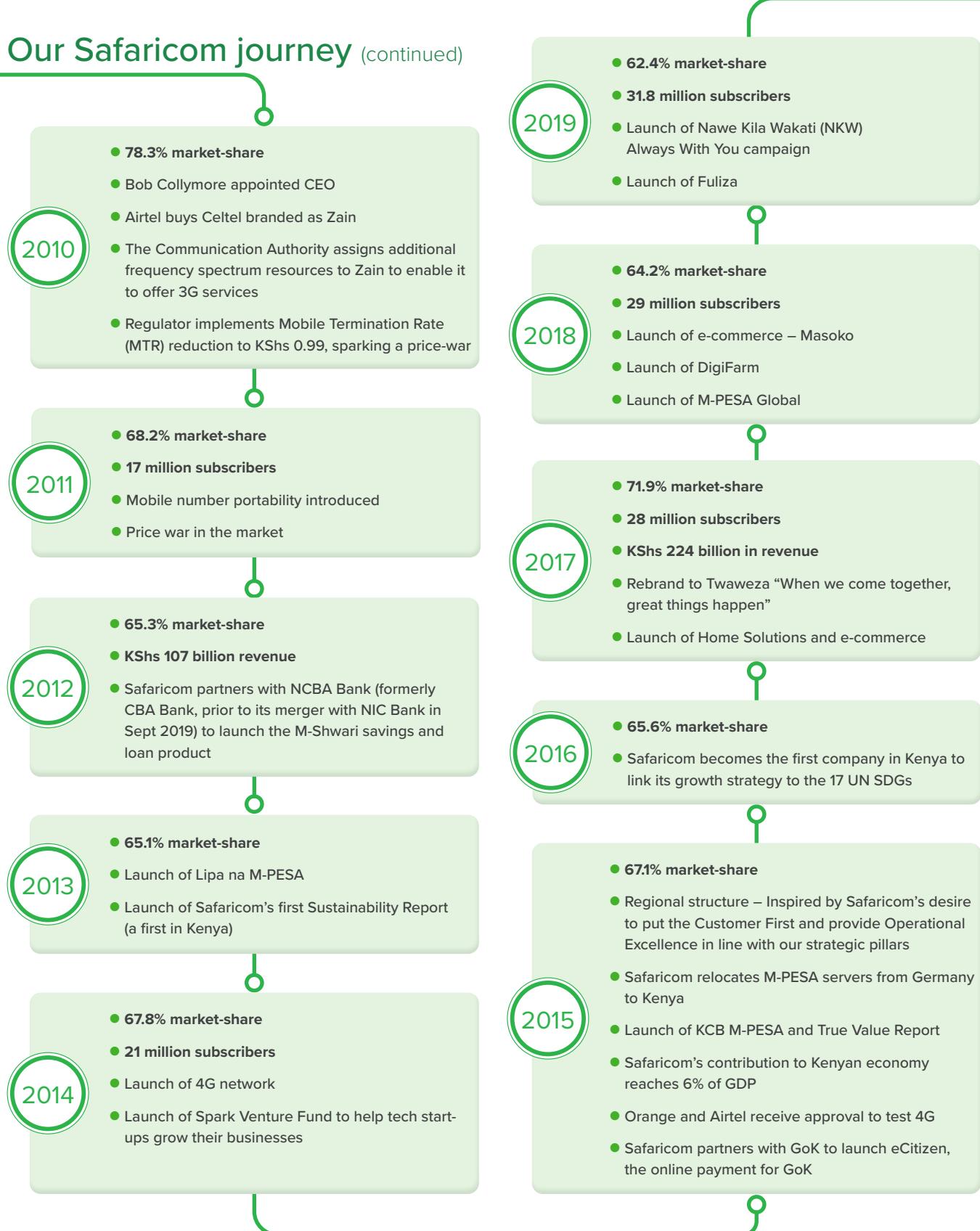
<ul style="list-style-type: none">11 counties on the <i>My County</i> app2 counties on an Integrated County Revenue Management System (CRMS)	<ul style="list-style-type: none">11 counties on the <i>My County</i> app2 counties on the Integrated County Revenue Management System (CRMS)
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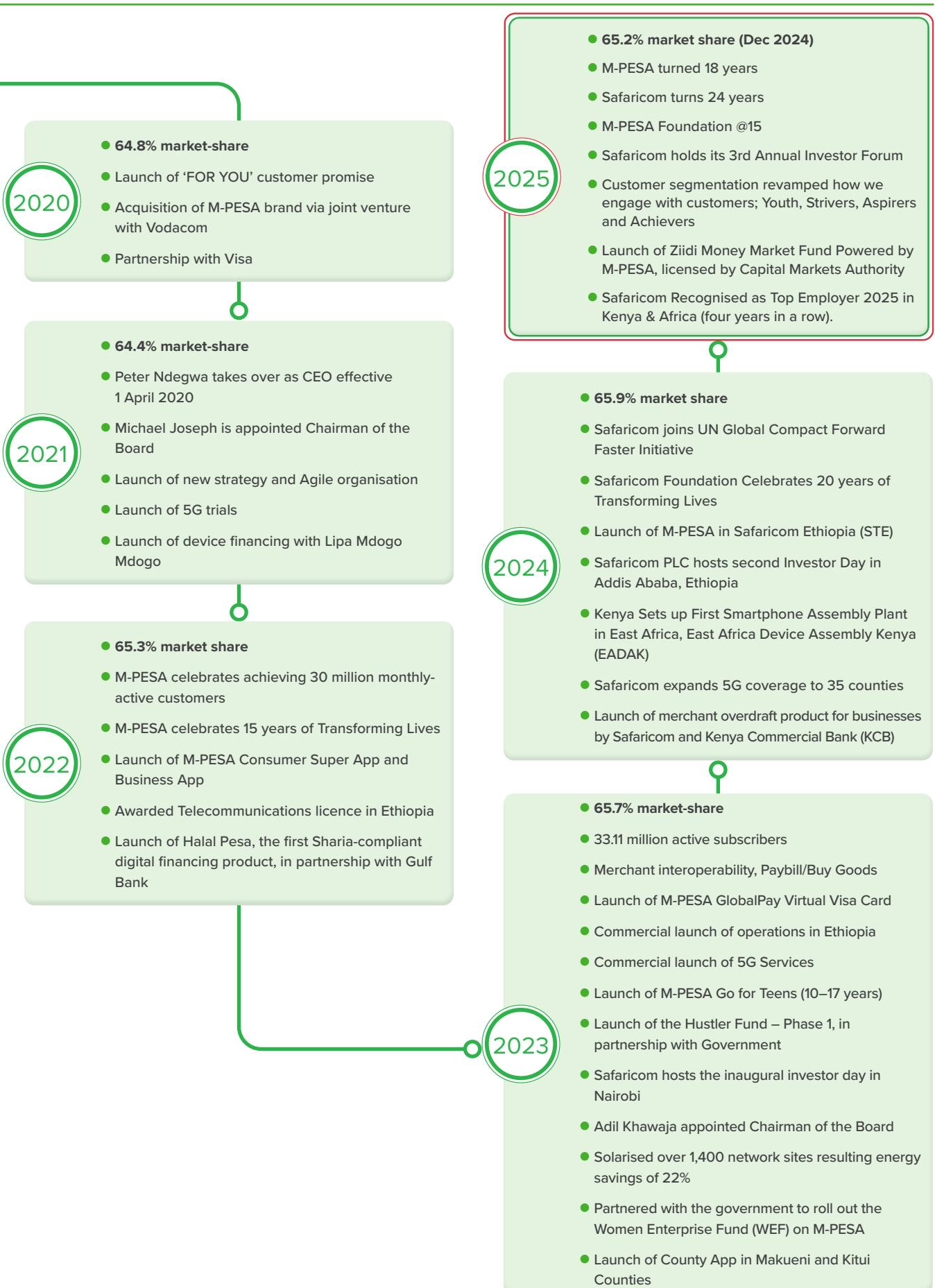
Our Safaricom journey



A SNAPSHOT OF SAFARICOM (continued)

Our Safaricom journey (continued)









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ABOUT OUR REPORT

Our reporting scope and boundary

This Annual Report is the primary report of Safaricom PLC (the Company) and its subsidiaries (together, the Group) to its stakeholders, and is a concise, material and honest assessment, reviewed and authorised by our Board of Directors (the Board) of how we create long-term value and how we deliver on our purpose of Transforming Lives. The report provides an overview, in terms of the six capitals of our strategy and business model, risks and opportunities, operational and governance performance and activities for the financial year 1 April 2024 to 31 March 2025. Our intention in this report is to describe both our financial and non-financial activities and performance during the year.

In compiling the report, we have reflected the integrated thinking that we apply to our business activities, and we have endeavoured to demonstrate our commitment to the principles of integrated reporting as aligned with our ability to create value in the short, medium and long term, which we define as less than twelve months, one to five years, and beyond five years, respectively.

Materiality

We consider material matters to be those issues that could substantively affect our ability to create value over time, and as part of our commitment to understand and provide information on those material matters, we undertake a structured process involving senior decision-makers within the Group to identify and prioritise them.

This process includes a considered review of our business model and strategy, our operating environment, and the interests of our key stakeholders as expressed by them during our normal business engagements with them.

Through research and analysis, and our engagement with stakeholders, we strive to identify and gain insight into the environmental, social and governance issues that present significant risks, and or provide opportunities, to our business, and our ability to create and deliver value for our stakeholders.

In providing the basis for a broader understanding of the risks and opportunities inherent in our business, our process of determining the material matters that pertain to our activities is central in both guiding our decision-making and underpinning our strategy.

Our approach to the preparation of our integrated report

Integrated thinking is intrinsic to how we manage our business, our strategy development and reporting practices. Our strategy, with its four strategic pillars, has been developed to ensure that we manage the key resources and relationships that enable us to create value

over time. Considered assessment of our four strategic pillars informs our strategy and the materiality process used to determine the content and structure of this report, whose drafts, concepts and structure have been systematically reviewed and supported by the ultimate assurance of independent assurance providers.

Our reporting frameworks

This report is prepared in accordance with the International Financial Reporting Standards (IFRS) Framework and the International Integrated Reporting Framework. Our reporting process is guided by the principles and requirements of IFRS, the Nairobi Securities Exchange (NSE) Listings Requirements and the Kenyan Companies Act, 2015 (the Act).

Forward-looking statements

This report contains certain forward-looking statements in respect of our strategy, performance and operations, and refers to certain global, regional and domestic political, social and or macro-economic conditions. By nature, these forward-looking statements involve risk and uncertainty as they relate to future events and circumstances which are difficult to predict, and therefore beyond our control. The conditions described could thus cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Assurance

Both our Board Audit, Risk, Environmental, Social and Governance Committee and our Nominations Committee provide internal assurance to the Board on an annual basis on the execution of our strategic priorities. The Group's financial, operating, compliance and risk management controls are assessed by its internal audit function, which is overseen by the Board Audit, Risk and Compliance Committee. Our annual financial statements are assured by our external auditors, Ernst & Young LLP.

Directors' statement of responsibility

The Board has a statutory duty to provide oversight in promoting the business success of the Group for the benefit of its stakeholders. In fulfilling this duty, the Board has due regard for the long-term implications and consequences of their decisions, as well as the legitimate interests of all the Group's stakeholders and the impact of our operations on the community and the environment. The Board acknowledges its overall responsibility for good corporate governance across the Group and ensures that the Group's governance policies and mechanisms are appropriate to its structure, business and risks.

As a fundamental principle of its commitment to full and transparent compliance with all laws, regulations and standards applicable to it, the Board ensures adherence to the standards and practices of good corporate governance, and to the principles, practices and

recommendations set out under the Code of Corporate Governance for Issuers of Securities in Kenya (the Code) as well as the Act.

The Board has established internal procedures and monitoring systems to promote compliance with applicable laws, regulations and standards, and is supported by qualified legal and compliance professionals.

The Board has applied its collective mind to the contents of this report and believes that it fairly represents the Group's material matters and that it offers a balanced view of our strategy, business model, financial and non-financial activities and value-creation. On the recommendation of the Board Audit, Risk and Compliance Committee and the Nominations and Remuneration Committee, the Board approved the Safaricom PLC Consolidated Audited Financial Statements on 8 May 2025.

Signed on behalf of the Board



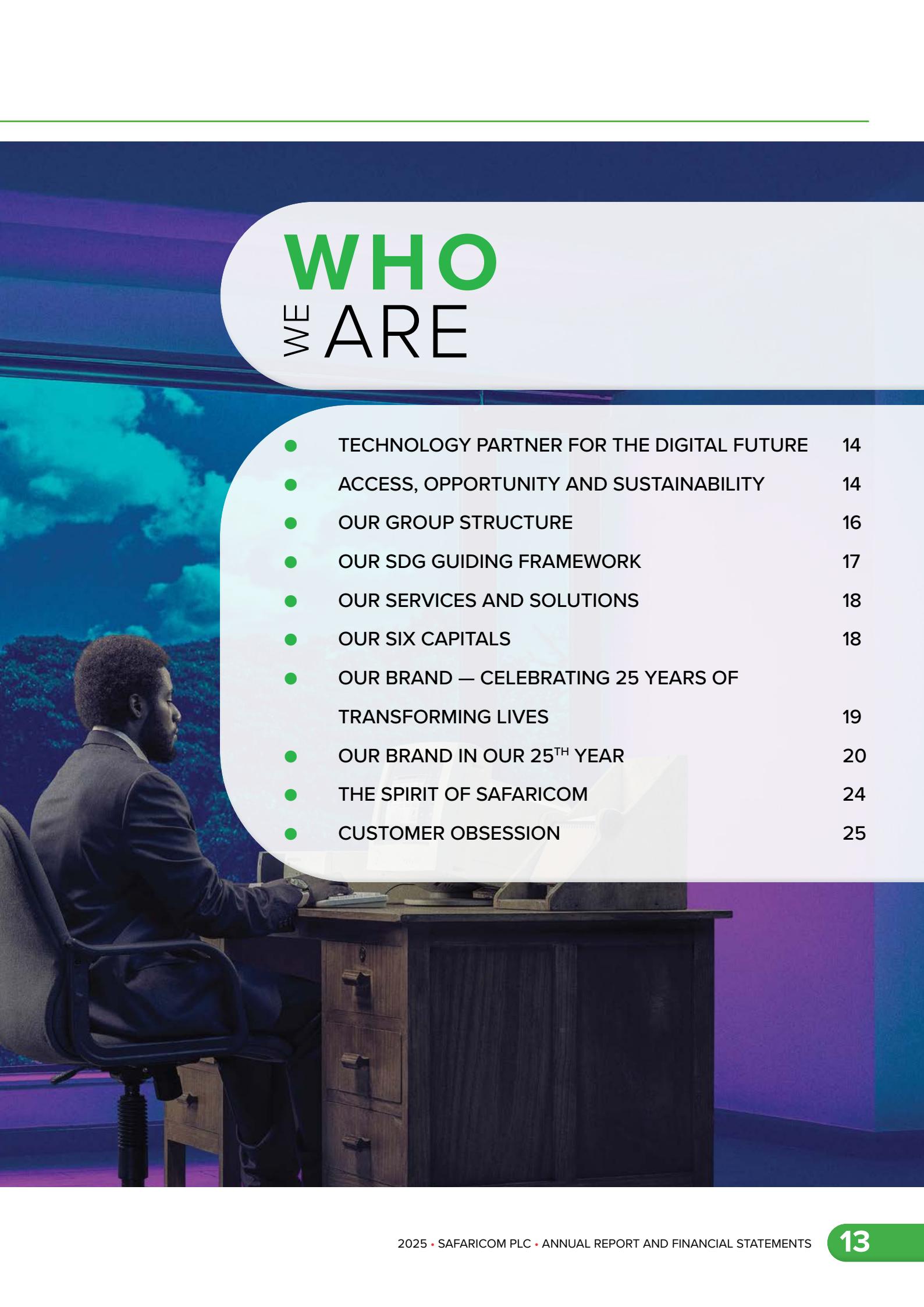
Adil Arshed Khawaja (MGH)
Chairman



Dr. Peter Ndegwa (CBS)
Chief Executive Officer







WHO WE ARE

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WHO WE ARE

As a purpose-led technology company providing a wide range of services and solutions, we are the leading telecommunications company in East Africa with operations in Kenya and Ethiopia. Our product and service offering covers the full range of mobile, data and financial services, and enables business & personal platforms as well as ecosystem partnerships. In providing these products and services, we form an integral part of Kenya and Ethiopia's communication landscape, commerce and society.

We are a purpose-led technology company that uses innovation to drive social and socio-economic empowerment in society. Our purpose is to Transform lives in the communities and societies we serve in, connecting people to people, people to opportunities and people to information. With over 44.36 million active customers (Group), we play a central role in the society in which we operate, supporting over one million jobs both directly and indirectly.

For more on our operating environment, see page 90. 

Safaricom Kenya has 37.1 million one-month active customers, and generated service revenue of KShs 364.3 billion in FY2025 while Safaricom Telecommunications Ethiopia Limited has 7.3 million one-month active customers and generated service revenue of KShs 7.5 billion in Ethiopia. Safaricom PLC is listed on the Nairobi Securities Exchange (NSE).

Technology partner for the digital future

With our culture of customer obsession, and commitment to the communities within which we operate, our vision is to be Africa's leading purpose-led technology company. Our priorities over the next five years are to deliver consumer, enterprise and public sector as well as a growing range of financial services and platforms at a level that meets the aspirations and needs of individuals, businesses of all sizes and government functions, while at the same time acting on our commitment to uplift diversity, equality and inclusion for all.

For more on our strategy, see page 58. 

Access, opportunity and sustainability

We realise our commitment to enabling Kenyans to access quality healthcare, education, skills and sustainable employment, by providing resources, opportunity, hope and dignity to communities through the work of our M-PESA and Safaricom Foundations.

At the same time, as signatories to the UN Global Compact (UNGC) since 2006, we have, since 2012, been reporting on our approach to sustainability and progress. Aligning this approach with the aims of United Nations Sustainable Development Goals (UNSDGs) we have been translating our sustainability ideals into effective and relevant actions that are helping to change the lives of many for the better.

Participation in the UN Global Compact at this level, enhances our ability to take leading role helping to bring about a new era of sustainability by working together with committed companies, relevant experts and stakeholders in meaningful action platforms. In doing so, we have also adopted the principles of nine of the United Nations Sustainable Development Goals, (UNSDGs).

For more on our foundations and sustainability efforts, see pages 139 and 135 respectively. 



Our vision – Where we see ourselves going

Becoming Africa's leading purpose-led technology company by 2030.



Our Culture – How we conduct our journey

Purpose-driven, customer-obsessed, innovative and collaborative.



Our mission – What we aim to accomplish

To accelerate delivery of scalable tech solutions in order to be Africa's leading purpose-led technology company by 2030.



Our Beliefs

- **Purpose:** we transform lives
- **Collaboration:** we are partners in one ecosystem
- **Customer obsession:** we are simple
- **Innovation:** we are a market shaper



Our purpose – Why we exist

Transforming Lives: Safaricom transforms lives by enhancing the ability of people, businesses and society to create an exciting future.



WHO WE ARE (continued)

Our Group Structure

Investment in subsidiaries



Please see Note 23 of the Financial statements for more details.

Investment in associates

The East African Marines Systems Limited (TEAMS)

East Africa Device Assembly of Kenya (EADAK)

Investment in joint venture

M-PESA Africa Limited

Our stakeholders

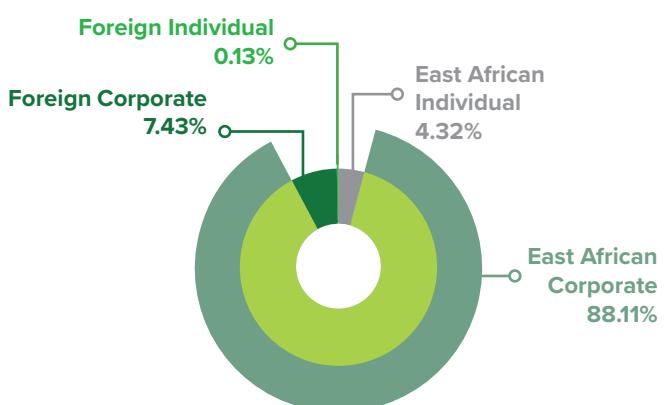
- GR** Governments and regulators
- Cu** Customers
- IS** Investors and shareholders
- E** Employees
- S** Suppliers
- SC** Society and communities
- BP** Business partners
- M** Media

Our principal shareholders

For a list of the 10 largest shareholders in the Company (ordinary shares only) and the respective number of shares held as at 31 March 2025.

Please see Appendix on page 292

Foreign and East African shareholder split



Our SDG guiding framework

We strive to align all our business activities with relevant UNSDGs so that our purpose of Transforming Lives remains the foundational guiding principle of everything we do.

BUSINESS ACTIVITY	SDG ALIGNMENT
Deliver connectivity and innovative products and services to meet the needs of Kenyans	
Enable access through our technologies and partners	 
Explore opportunities in health	
Explore opportunities in education	
Explore opportunities in energy	
Manage our operations responsibly and ethically	 
Stimulate growth and generate value for our company, society and economy	

How we realise our SDG commitment

PARTNER

World Food Programme

Platform
M-PESA

Channel
Chakula Chap Chap

Beneficiaries/Impact

- Thousands of refugees
- Digitised food delivery for over 100,000 households

Various entities together with 60 health care providers

Platform:
Safaricom network

Channel
Relevant voice, data, healthcare solutions

Beneficiaries/Impact

- Over 100,000 Kenyans

Government

Platform
Safaricom network

Channel
Digitisation of primary schools, connecting health centres, streamlining payments to farmers

Beneficiaries/Impact

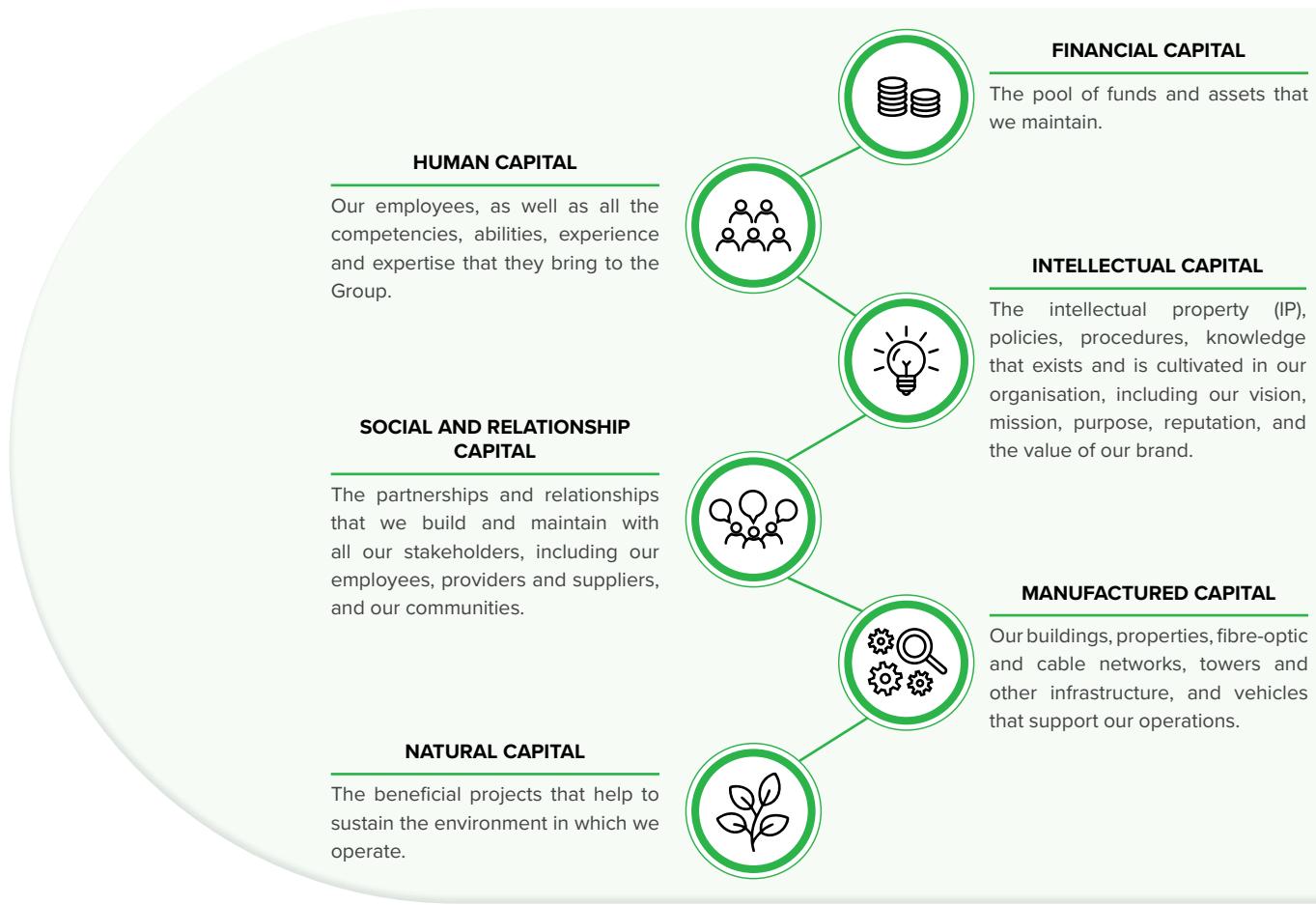
- Learners
- Patients
- Farmers

Societal commitment

Through M-PESA and a range of strategic partnerships we work to bring relevant solutions and a network that will meet both immediate and future needs within our society. To this end, we provide a wide range of connectivity and financial services including voice, mobile data, devices, fixed services, IoT and M-PESA. Our goal is to develop sustainable solutions to some of society's most pressing challenges by establishing ourselves as a digital-first and insights-led organisation.

WHO WE ARE (continued)

Our six capitals



Our services and solutions

As a leading telecommunications company, we provide a wide range of products, services and platforms. These include:

- **Mobile services, including:**

- Voice
- SMS
- Mobile data
- Other connectivity services, embracing capabilities such as internet of things (IoT) and content

- **Financial services (M-PESA), including:**

- Consumer payments
- Business payments
- Global payments
- Withdrawal services
- Credit
- Other solutions including insurance, wealth management, and savings

- **Business solutions, including, among others:**

- Cloud services
- Hosting solutions
- Fixed services
- Kifaru Net

- **Value-added services, including:**

- Skiza Tunes – a ringback tunes service
- Bonga points – a loyalty points programme
- Stori Ibambe – a platform for mobile content creators

- **Devices**

For full details on these and related products and services, please visit our website at <https://www.safaricom.co.ke/personal/all-products>

Our brand - Celebrating 25 Years of Transforming Lives

Safaricom champions Kenya and is committed to enabling Kenyans through superior products and services. We strive to be a force for good and a catalyst of Kenyan progress. We focused on strengthening that position and perception as we entered our 25th anniversary year, and the 18th anniversary of M-PESA.

Prevailing challenging economic conditions are resulting in increases in the prices of essential goods, and we recognise that this results in heightened value-seeking behaviour among consumers. We therefore embarked on several campaigns during the year under review.

The overall aim was to refresh the brand and focus on the positive attributes of our products and services, the benefits and advantages they offer.

In order to accomplish this successfully, we worked to understand the challenges posed by the macro-economic and social environment in which we operate, and within the parameters of the market segmentation that we have established.

Enhancing our customers' trust

Specific to Kenya, the year started on a low with the unprecedented demonstrations that rocked the country in June 2024. This challenged us to reset how we engage with our customers to ensure we sustain customer trust and give reassurance on data privacy.

To reiterate our commitment to customers on data privacy, we prioritise the privacy of our customers and are dedicated to upholding our customers' trust through protecting their privacy. Safaricom safeguards all data in line with our obligations and the law.

During the period, we received various awards such as the Top Employer in Kenya and Africa. M-PESA was also voted as the most loved brand by women, and awarded the Privacy Information Management System Certification by International Organization for Standardization (ISO). These recognitions highlight our dedication to our employees, our goal to be the number-one trusted tech company brand, and our unwavering commitment to preserving our customers' privacy and provide worry-free experiences.

For more on the environment in which we operate, see page 90

Our awards and accolades

PEOPLE



Top Employer in Kenya and Africa for the fourth year running

Awarded by The Top Employers Institute (TEI).

BRAND



Overall Marketing Company of the Year

Awarded by Marketing Society of Kenya

DIVERSITY AND INCLUSION



Most Inclusive Corporate Leader by National Council for Persons with Disabilities (NCPWD)

Best Most Inclusive Listed Company - 5th time in a row awarded by Dalma Trust

REPORTING



FiRe Awards Winner – Integrated Reporting

1st Runner-up

Industrial, Commercial and Services category

Awarded by FiRe Awarded by ICPAK

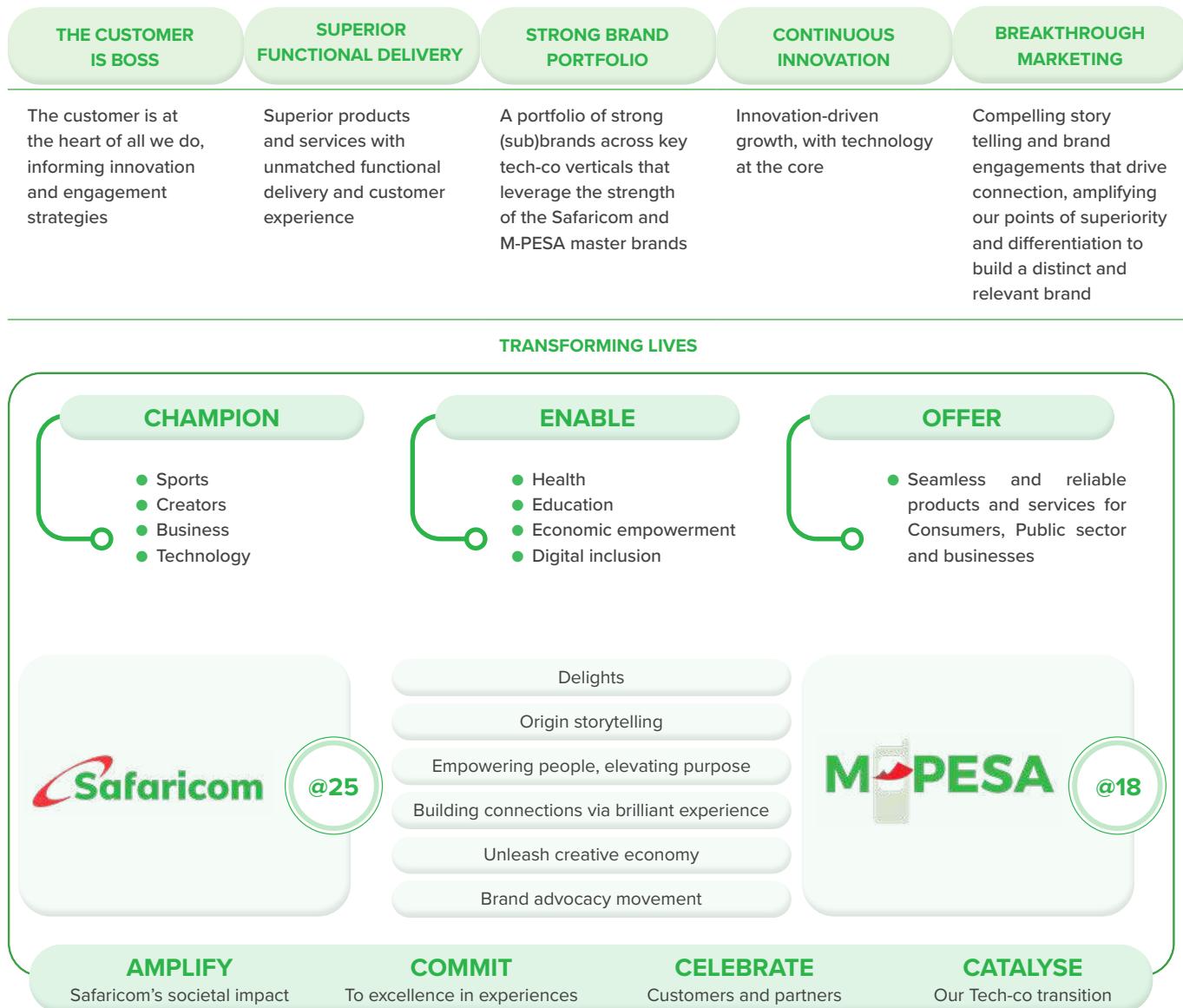
PRIVACY INFORMATION AND SYSTEM MANAGEMENT



Awarded ISO 27701 Privacy Information Management System (PIMS) certificate after comprehensive evaluation by the British Standards Institute (BSI)

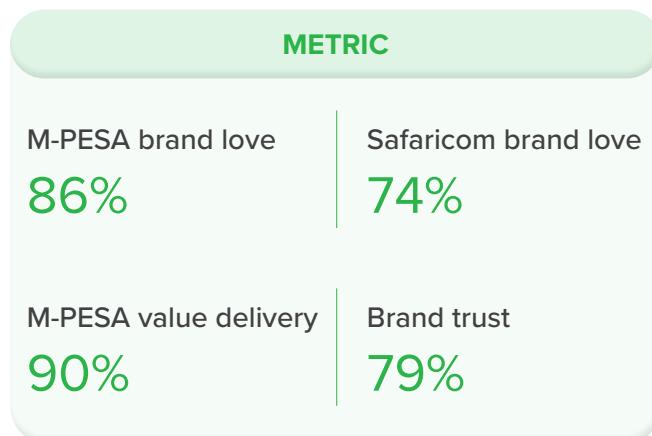
WHO WE ARE (continued)

Our brand in our 25th year Our blueprint for sustained growth...



The strong brand health metrics reflected in our Safaricom Brand Tracker results of March 2025 are a testament to the success of our efforts during the year under review, and of Kenyans' enduring connection with Safaricom, reflecting a high level of trust, loyalty, and a deep market affinity.

Safaricom Brand Tracker



Looking ahead

In the short, medium and long term, we will continue to refine our understanding of our customers, using our segmentation model, and cutting-edge technological tools, including artificial intelligence (AI). In this we will leverage both on our strategic transformation towards become a leading technology company, and on our commitment to the people and communities we serve.

In addition, in the short to medium term, we will maintain our focus on the telling of transformational stories, through innovative lifestyle and aspirational products and services, while maximising the use of social media platforms, as well as the financial and transactional opportunities and benefits that our pioneering platforms offer.



WHO WE ARE (continued)

Our brand in our 25th year

Appreciation from the CEO, Dr. Peter Ndegwa

In October 2024 Safaricom turned 24 years and we kicked off our silver jubilee celebrations with Kenyans across the country through the Sambaza Furaha (translated to “spread happiness” in English) campaign.

As we gear up to celebrate 25 years of connecting Kenyans later this year, I want to extend my heartfelt gratitude to each and every one of our customers, shareholders, dealers, our dedicated staff, our regulators and our key stakeholders for their support and commitment to uphold us true to our purpose all these years.

To all our staff, your passion, hard work, and commitment have made Safaricom what it is today. From connecting Kenyans to empowering communities, your contributions have been invaluable. Your dedication to our customers and your unwavering belief in our mission have inspired us all. Let's continue to innovate, grow and make positive impact on the lives of Kenyans. Asante sana for being part of our Safaricom family.



Celebrations with our customers across various counties during the Sambaza Furaha campaign celebrating 24 years of transforming lives done in October to December 2024.



WHO WE ARE (continued)

The Spirit of Safaricom

The Spirit of Safaricom underpins our culture, providing the framework and reference for our beliefs, behaviours and language. It supports our culture, which in turn determines the way we view and behave with regard to each other within our organisation, and the way that we view and behave with regard to our customers and other stakeholders beyond our organisation. As such, it forms an essential component of our human, intellectual and social and relationship capital.



HUMAN CAPITAL



INTELLECTUAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL

Our guiding beliefs and behaviours



Customer Obsession

Customer Obsession plays a critical strategic role in business planning and execution within our agile environment. It shapes our Customer Experience strategy by aligning customer feedback with the business mission, while also fostering a customer-obsessed culture across the organisation.

Customer Obsession helps prioritise customer experience initiatives and ensures that Agile tribe efforts are consistently anchored in the delivery of superior customer experiences without compromising commercial outcomes. Through a structured cadence, the Customer Obsession team acts as a strategic compass, guiding iterative efforts to stay focused on creating and maximising customer value.

Customer experience

During the year under review, as we continued to drive a Customer Obsessed culture, we also entrenched Customer Obsession as a way of working, by creating non-negotiable standards of experience, which were entrenched in the different teams that impact experience. We introduced a customer experience-ready gate for all products and platforms. We also introduced a framework to help eliminate customer pain emanating from already existing products.



The challenges we faced

CHALLENGE

Customers' perception of value in relation to cost

What it means

Customers are in a tough socio-economic environment, and they demand cheaper products and services and more value.

Safaricom is focused on delivering quality and value to our customers at competitive prices while enhancing affordability.

Increased competition from other players*

What it means

Increased media consumption has the capacity to skew customer perceptions, while AI use requires the provision of consistent ethical reassurance that data and resources are safe with Safaricom, thereby promoting a worry-free experience.

*For more on the environment in which we operate, see page 90

WHO WE ARE (continued)

Our strategic role

Through a structured cadence, the Customer Obsession team acts as a strategic compass, guiding iterative efforts to stay focused on creating and maximising customer value.

Customer Obsession thus plays a critical strategic role in business planning and execution within our agile environment by:

- Shaping customer experience strategy through alignment of customer feedback with the business mission
- Fostering a customer-obsessed culture across the organisation
- Helping to prioritise customer experience initiatives and ensuring that Agile tribe efforts are consistently applied in the delivery of superior customer experiences without compromising commercial outcomes

During the year under review, we introduced several metrics to measure our success:

METRIC	WHAT IT IS
Journey Net Promoter Score (jNPS)	Measures the customer loyalty and satisfaction at key touchpoints with a focus on delivering a frictionless experience
Benchmark NPS (bNPS)	Measures Safaricom with other industry players on various parameters
Touchpoint NPS (tNPS)	Looks at the customer's interaction and experience against various touch points
Journey Management Maturity Index (JMMI)	Measures our capability to design, manage, optimise, and govern customer journeys
Information Technology (IT) for customers	Measures how effectively technology solutions are designed, deployed, and managed to enhance customer experiences

Looking ahead

In the short term, we will continue focusing on resolving the top customer pain issues, while in the medium and long term, we will aim to leverage on technologies to deliver a seamless customer experience, positioning superior customer experience as a key differentiator.







MESSAGE FROM THE CHAIRMAN



MESSAGE FROM THE CHAIRMAN

In a year which marked the culmination of five years of strategic and operational achievement, it is very pleasing to see that the vision that drove our efforts during that period have borne a set of immensely impressive results. The hard work, dedication and commitment that has gone into the implementation of that strategy, and the ultimate outstanding outcomes it has yielded, is a source of great pride in the resilience, strength and solidity of Safaricom.



Since launching our Vision 2025 strategy in FY2021, we have attained a remarkable Group revenue growth of 47.8%, or an 8.1% compounded annual growth rate that has taken us from KShs 251 billion in FY2020 to KShs 371 billion in the year that we are reviewing in this report.

During this five-year period, we invested heavily, with a Group capex of KShs 388.5 billion (FY21 to FY25). Our investment in network infrastructure has enabled us not only to increase capacity but to improve customer experience, a goal which lies at the heart of our purpose of Transforming Lives.

Moreover, during this period, we supported Kenya as the technology partner of choice in delivering major public sector programmes in social protection, health, agriculture, and financial inclusion amongst others.

Resilience in a tough year

While it has been a period not without its challenges, we have successfully navigated through demanding times that included tough macro-economic headwinds and constrained consumer wallets for our customers in the period.

In the last year, the potential reputational damage arising out of the Finance Bill 2024 related protests, as well as the ways we meet

the competitive threat from traditional and emerging players and associated increased regulatory scrutiny, has demonstrated the inherent and enduring strength of our brand, offerings and vision.

Strategy to Vision 2030

As we transition into our new strategic cycle, the Board has full confidence in our management team to implement, execute and deliver on that strategy. The Board reiterates its commitment to providing all the support and guidance required as Safaricom continues to grow in an ever-challenging operating environment.

Delivering value to our shareholders

I am pleased to affirm that the achievements we have recorded during the year under review, enable us to create real value for our shareholders. The Board has proposed a final dividend of KShs 0.65 per ordinary share, to be approved at our annual general meeting (AGM) in July 2025. This means that the total dividend for FY2025 will amount to KShs 1.20, and as such, remains fully aligned with our dividend policy.

It is greatly encouraging to note that we have maintained our dividend payout despite the start-up losses incurred in Ethiopia, and in the wake of the currency reforms that took place in that country during the year.

It is impressive too, that as we close out our Vision 2025 strategy, our shareholders will have received a cumulative KShs 255 billion in dividends over the past five years. I have no doubt that this successful growth trajectory will continue as we set our strategic sights on 2030.

Changes to the Board

As we embark on the focused execution of the new strategy that will take us to our goal of becoming Africa's leading purpose-led technology company by 2030, I would like to honour and appreciate the contribution and dedication of departing Board members Rose Otega, Winnie Ouko, Francesco Bianco and Dr. Karen Kandie for their outstanding service and commitment to the Board. As we say farewell to these three Board members, I would like to acknowledge their outstanding service and commitment, and on behalf of the Board, I wish them every success in their future endeavours.

At the same time, I would like to welcome our new Board members. Mr. Edward Okaro, Ms. Rita Kavashe, Mr. Lawrence Kibet (EBS) and Mr. James Wambugu have joined the Board, subject to approval by shareholders at the AGM. All of them are leaders in their fields and come with impeccable credentials as they join forces with us on our new strategic journey to Vision 2030.

Valuing our stakeholders

We have always placed immense value on the needs, responses and input of our stakeholders. We continue to maintain excellent relationships with them. Both the Board and management continue to engage constructively with policymakers and regulators, as well as with all our stakeholders, to ensure that we can meet our obligations, and, most importantly, diligently serve our customers, who remain at the centre of everything we do.

Supporting Kenya & Ethiopia governments

The Board appreciates the commitment from the governments of both Kenya and Ethiopia to creating an environment that fosters growth and innovation in the telecommunications and technology sectors.

On behalf of the Board and the Group, I would like to express our sincere gratitude to the two governments for their strong and ongoing support.

Indeed, the support extended by both governments has played a pivotal role in enabling us to achieve these results and to be a leading corporate citizen capable of delivering positive change to the lives of millions.

Acknowledgements

I am immensely proud of what we have achieved this year, and I would like to thank all our stakeholders for their support. That support has not only been an essential part of our being able to deliver not only an outstanding financial performance, it has enabled us to make such a strong finish on the strategic journey on which we set out together five years ago.

Finally, I would like to thank our CEO Peter Ndegwa and his management team for their effective, diligent and inspired leadership in executing our strategy and delivering these excellent results.



**Adil Arshed Khawaja (MGH)
Chairman**

UJUMBE KUTOKA KWA MWENYEKITI

**Katika mwaka ambao ulikuwa wa mwisho
katika kipindi cha miaka mitano ya
mafanikio ya kimkakati na uendeshaji
shughuli, inaridhisha kuona kwamba ndoto
kuu iliyoongoza juhudini zetu kipindi
hicho imepata mseto wa mafanikio
mazuri sana. Bidii, uadilifu, na
kujitolea, ambavyo vimekuwepo
kwenye utekelezaji wa mkakati
huo, na matunda ya kuridhisha
ambayo yamezalishwa, ni chanzo
cha fahari kuu katika ukakamavu,
nguvu na uthabiti wa Safaricom.**



Tangu kuzinduliwa kwa mkakati wetu wa Ruwaza ya 2025 katika mwaka wa kifedha (FY) wa 2021, tumeandikisha ukuaji wa kuridhisha sana katika mapato ya Kundi wa 47.8%, au ukuaji ambatani wa 8.1% kila mwaka, ambao umetutoa katika mapato ya KShs 251 bilioni katika FY2020 hadi KShs 371 bilioni katika mwaka tunaouangazia kwenye ripoti hii.

Katika kipindi hiki cha miaka mitano, tuliwekeza sana, ambapo matumizi yetu ya Kundi katika mali, mitambo na teknolojia yaliwa KShs 388.5 bilioni (FY21 hadi FY25). Uwekezaji wetu katika miundo mbinu ya mtandao umetuwezesha sio tu kuongeza uwezo wetu bali pia kuboresha utoaji huduma kwa wateja, lengo ambalo ni la msingi katika lengo letu kuu la Kubadilisha Maisha.

Kadhalika, katika kipindi hicho, tulisaidia Kenya kama mshirika wa kiteknolojia anayependwa zaidi katika utekelezaji wa mipango mingi ya sekta ya umma katika mafao kwa jamii, afya, kilimo na ujumuishaji wa kifedha mionganoni mwa mengine.

Uthabiti katika mwaka mgumu

Wakati imekuwa ni kipindi kisicho na yake changamoto, tumefanikiwa kusogezza kupitia nyakati ngumu ambazo zilizumuisha upopo mgumu wa uchumi mkuu na mikoba ya watumiaji kwa wateja wetu katika kipindi hicho.

Katika mwaka huo uliopita, hatari ya kuharibiwa kwa sifa zetu kutokana na mambo yaliyohusiana na maandamano ya Mswada wa Kifedha wa 2024, pamoja na jinsi tunavyokabiliana na hatari za kiushindani kutoka kwa wahuksika wa zamani na wengine wanaoibuka na pia uangalizi wa karibu zaidi kutoka kwa mamlaka zinazosimamia sekta, ni mambo yaliyodhiihitisha uthabiti na nguvu ya nembo yetu, bidhaa na huduma zetu, na azma yetu kuu.

Mkakati wa Ruwaza ya 2030

Tunapoingia kwenye mzungumko mpya wa kipindi cha mkakati, Bodi ina imani kamili katika uwezo na kujitolea kwa kundi letu la wasimamizi kutekeleza mkakati huo. Bodi inakariri kujitolea kwake kutoa usaidizi na ushauri wote unaohitajika kadiri Safaricom inavyoendelea kukua katika kipindi cha mazingira ya kibiashara yanayoendelea kuwa na changamoto hata zaidi.

Kuhakikisha Thamani kwa Wenyehisa

Nina furaha kukariri kwamba mafanikio tuliyoyapata katika mwaka tunaouangazia yaliituwezesha kuunda thamani halisi kwa wenyehisa wetu. Bodi imependekeza mgawo wa faida wa mwisho wa KShs 0.65 kwa kila hisa ya kawaida, pendekeso la kuidhinishwa katika mukutano mkuu wa kila mwaka (AGM) Julai 2025. Hii ina maana kwamba mgawo wa faida wa jumla kwa FY2025 utakuwa KShs 1.20, na kwa hivyo, utakuwa umeambatana kikamilifu na sera yetu ya mgawo wa faida.

Inatia moyo sana kuona kwamba tumeendelea kulipa mgawo wa faida licha ya hasara ya kuanzisha biashara tulioipata nchini Ethiopia, na mageuzi ya sarafu nchini humo ambayo yalifanyika katika mwaka huo.

Inaridhisha pia, kwamba tunapofunga mkakati wa Ruwaza ya 2025, wenyehisa wetu watakuwa wamepokea kwa jumla kiasi cha KShs 255 bilioni kama mgawo wa faida katika miaka hiyo mitano iliyopita. Sina shaka kwamba mkondo huu wa ukuaji wa kuridhisha utaendelea tunapoangazia malengo yetu ya kimkakati ya 2030.

Mabadiliko kwenye Bodi

Tunapoanza utekelezaji wa mkakati wetu mpya ambao utatuelekeza hadi kwenye lengo letu la kuwa kampuni ya inayoongozwa na malengo ya kitenango inayoongoza Afrika kufikia 2030, ningependa kutoa heshima zangu na shukrani kwa mchango na kujitolea kwa wanachama wa Bodi wanaoondoka Rose Ogega, Winnie Ouko, Francesco Bianco na Dkt. Karen Kandie kwa utumishi wao na kujitolea kwao kwenye Bodi. Tunapowaaga wanachama hawa watatu wa Bodi, ningependa kutambua utumishi wao wa kipekee na kujitolea kwao, na kwa niaba ya Bodi, nawatakia kila la heri katika shughuli zao za baadaye.

Wakati huo huo, ningependa kuwakaribisha wanachama wetu wapya wa Bodi, Bw. Edward Okaro, Bi. Rita Kavashe, Bw. Lawrence Kibet (EBS) na Bw. James Wambugu ambao wamejiunga na Bodi, wakisubiri kuidhinishwa na wenyehisa katika Mukutano Mkuu wa Kila Mwaka (AGM). Wote ni viongozi kwenye fani zao na wanaleta sifa, ujuzi na uzoefu usio na doa wanapoijunga nasi katika safari yetu mpya ya kimkakati ya kuelekea kwenye Ruwaza ya 2030.

Kuwathamini Wadau

Daima tumekuwa tukithamini sana mahitaji, majibu na mchango wa wadau wetu. Tumeendelea kudumisha uhusiano mzuri sana nao. Bodi na wasimamizi wameendelea kushauriana kwa njia ya maana na watunzi wa sera na mamlaka zinazosimamia sekta yetu, Pamoja na wadau wengine wote, kuhakikisha tunatimiza wajibu wetu ipasavyo, na muhimu kabisa, kuwashumia kwa uadilifu wateja wetu, ambao tumewaweka kwenye mstari wa mbele katika kila tulifanyalo.

Kuzisaidia Serikali za Kenya na Ethiopia

Bodi linathamini sana kujitolea kwa serikali za Kenya na Ethiopia kuunda mazingira ambayo yanachochea ukuaji na uvumbuzi na ubunifu katika sekta za teknolojia na mawasiliano.

Kwa niaba ya Bodi na Kundi, ningependa kutoa shukrani zetu za dhati kwa serikali za mataifa hayo mawili kwa uungaji mkono wa imara na unaoendelea.

Kwa kweli, uungaji mkono kutoka kwa serikali zote mbili umetekeliza mchango muhimu katika kutuwezesha kupata matokeo haya mazuri na kuwa raia shirika anayehongoza na anayeweza kuhakikisha mabadiliko ya manufaa kwenye maisha ya mamiloni ya watu.

Shukrani

Ninajivunia sana yale tuliyofanikiwa kuyatimiza katika mwaka huu, na ningependa kuwashukuru sana wadau wote kwa usaidizi na uungaji mkono wao. Uungaji mkono huo sio tu kwamba umekuwa kiungo muhimu katika kutuwezesha kupata matokeo mazuri sana ya kifedha, bali pia umetuwezesha kumaliza vyema safari ya kimkakati tulioianza kwa pamoja miaka mitano iliyopita.

Nikihitimisha, ningependa kumshukuru Afisa Mkuu Mtendaji wetu Peter Ndegwa na kundi lake la wasimamizi kwa uongozi wao bora, wa uadilifu na wa kujitolea na kutia moyo katika utekelezaji wa mkakati wetu na kuhakikisha matokeo haya mazuri sana.



Adil Arshed Khawaja (MGH)
Mwenyekiti



MESSAGE FROM THE GROUP CEO



MESSAGE FROM THE GROUP CEO

The year ended 31 March 2025 marks the final year of our five-year strategy cycle and was also the foundational year for the Vision 2030 strategy cycle. Despite a challenging environment, we delivered robust performance, with results from Kenya and Ethiopia within the guidance previously provided.

The financial year on which we are reporting marked significant milestones in Safaricom's journey. As we entered the year-long countdown to our silver jubilee, we celebrated 24 years of serving our customers and communities. M-PESA, which turned 18 in March 2025, continued to solidify its role in financial inclusion and economic empowerment, and the M-PESA Foundation marked 15 years of transforming lives.

Adapting to our operating environment in Kenya

In a year of heightened geopolitical tensions that included wars in Ukraine and the Middle East, and other related geopolitical pressures continued to exert pressure on African economies. As we entered the new year, the potential for further impact arising from the imposition of trade tariffs made itself felt.

Domestically, the reduction of Mobile Termination Rates (MTRs) and fixed termination rates (FTRs) to KShs 0.41 per minute, that came into force from 1 March 2024, had direct implications for our business. The Central Bank of Kenya launched the National Payments Strategy 2022-2025 in February 2022, which is currently under implementation and is aimed at enhancing the country's payments journey, participation of the industry in both the regional and global levels and realising the vision of a secure, fast, efficient and collaborative payments system that supports financial inclusion and innovations that benefit Kenyans. We continue to support this industry wide-strategy that will supplement the efforts we have made through M-PESA in driving financial inclusion to date.



Within what fundamentally remained a relatively stable macro-economic environment, however, we maintained our market leadership, despite intensifying competition from both emerging and traditional players.

Meeting our strategic goals in Kenya

The culminating year of our Vision 2025 strategy yielded a strong performance in line with our strategic goals. We saw M-PESA revenue growing by 15.2% YoY with increased usage and growth in customers. Distribution via our micro and MSME merchant ecosystem showed our agent network expanding by 14.1% YoY. Moreover, we empowered more than 55,000 businesses through OpenAPI to assist with bill payments and other collection services while enabling our digital economy through 106,000 developers.

In addition, we saw impressive growth in customers and merchants, by over 10.5% and 6.8% respectively, while our M-PESA Super App grew not only in performance, but in adoption, and engagement as well. With 1.6 million revenue-generating customers, we recorded a total of KShs 2.3 trillion transaction value via the app across 896.2 billion transactions. Revenue generated via the app amounted to KShs 6.0 billion.

Our Business App achieved notable growth and performance in active incremental users, downloads, agents and merchants evenly balanced. In the area of savings and investments, we successfully launched Ziidi, with Mali also recording impressive results.

On the consumer side, we grew mobile data by driving penetration of 4G+ devices to 23.4 million, a 33.3% increase YoY, while, 5G devices saw an increase in adoption by 57.0% YoY, with the number of smartphones rising by 19.4% YoY to 27.4 million.

In our Fixed Business we enhanced Home Internet speeds and introduced a new ultra-fast 1000Mbps (1 GB) per second Platinum plan, at KShs 20,000 monthly, making Safaricom the first to deliver home internet at giga speed, ideal for gamers, content creators and virtual reality applications, among others.

Finally, in addition to revolutionising digital experience with 5G internet for business, we launched new Business Fibre plans for Small and Micro Enterprises (SMEs).

Resilient Group Performance in FY2025

Our FY2025 results reflect the resilience of our business. Our double digit topline growth is a clear indication of the quality and relevance of the products we have built up over time, and which demonstrate the effectiveness of our imperative of customer obsession, mediated through the Spirit of Safaricom.

For more on customer obsession and the Spirit of Safaricom, see pages 25 and 24 respectively 

Our Kenya business remains robust, with our voice business healthy and stable even when compared to global declines. We are encouraged by the uptake we saw during the year of 4G devices, with over 23 million customers now using that platform, and the increase of devices on our network.

We also continued to invest in our network coverage, working to transition customers from 2G to 4G devices, while accelerating 5G, fixed wireless and fibre rollout. We continued to expand our extensive M-PESA reach through our 300,000-strong agent network across the country.

At Group level, we did not merely grow – we accelerated, with double-digit growth in both revenue and net income. It is extremely gratifying to note a growth of 10.8% YoY in service revenue, and an increase in total revenue of 11.2% YoY to KShs 388.7 billion. Moreover, our Ethiopia business gathered momentum, contributing 9.3% of our Group revenue growth.

Digitisation Partner of Choice for Enterprises and the Public Sector in Kenya

One of the objectives of our Vision 2030 strategy is to become the digitisation and financial services partner of choice for enterprises and the public sector for our Kenyan operations. To this end, we have expanded our cybersecurity solutions and strengthened the Safaricom Business brand. In the year, we launched “Grow with Safaricom Business” initiative, focused on empowering SMEs with affordable, technology-driven solutions. Over 5,000 SMEs have joined our knowledge-building forums. We also opened the first-ever Safaricom Business Retail Shop in Eastleigh town in Nairobi County, specifically targeting SMEs.

We continue to work to enable national and county governments to collect and disburse funds efficiently, to advance financial inclusion, and to make citizen services more accessible. Through the Inua Jamii Programme for Government Cash Transfers to elderly citizens, we supported in disbursement of KShs 4.3 billion to 1.7 million beneficiaries.

MESSAGE FROM THE GROUP CEO (continued)

Digitising the health ecosystem in Kenya

In partnership with other industry players, we have led the public sector in digitising the healthcare ecosystem in Kenya and in the year, we commenced the development of an Integrated Healthcare Information Technology System (IHIS System) to support digitisation of public health facilities. This will enhance universal care access to deepen access to health financing and digitisation of health commodities in supply chain effectively improving drugs safety and availability. It will also drive point of care digitisation and health systems interoperability to enable health data portability.

Safaricom Ethiopia

In Ethiopia, our focus during the year remained on overcoming obstacles and leveraging opportunities to enhance our service offerings, market presence in order to stay on track to break even in FY2027. With over 3,100 sites, we now cover 50% of the country's population, of whom almost 9 million are actively using our services.

We have been encouraged by market adjustments to Ethiopia's foreign exchange reforms, and by the country's resilient Gross Domestic Product (GDP), supported by economic reforms, stability, and sectoral growth. The steps taken by the authorities, including regulator licensing of the first two investment banks and the Ethiopian Securities Exchange launch in January 2025, bode well for the effectiveness of our strategic approach by boosting investor confidence, enhancing liquidity, and creating value for issuers and investors.

Nevertheless, we have had to manage the impact of Birr depreciation in the year and have taken measures to mitigate the short- and medium-term impact of the foreign exchange reforms.

Other challenges included ongoing increases in fuel prices as the government reduced subsidies, and continuing security concerns in some parts of the country affecting sites and access to power connections.

Nevertheless, we remain focused on sustainable growth in Ethiopia, leveraging the country's youthful population and the opportunities represented by low penetration of connectivity and fintech.

To this end, we are building strong relationships across the industry and micro, MSMEs with the view of coming together to provide value to Ethiopians. We are committed to improving financial inclusion amongst various communities through our engagements in agriculture and health.

Celebrating 25 Years of Transforming Lives in Kenya

We marked 24 years of transforming lives in the Kenyan society this year and we celebrated this with Kenyans across the country through some elevated brand campaigns. We made a concerted effort to bring our brand closer to our customers with meaningful interactions and events following the Finance Bill 2024 protests. We also developed a comprehensive customer education and awareness programme targeting all segments, but especially the youth and achievers, to reaffirm our commitment to data privacy, which was a key concern amongst our customers during and after the protests.

Importantly, we were awarded the ISO 27701 Privacy Information Management System certificate following a rigorous review undertaken by the British Standards Institute.

We were also recertified in and awarded the highest level of the Payment Card Industry Data Security Standard (PCI DSS), a strong endorsement that cements our commitment to customer data privacy.

Customer segmentation in Kenya

FY2025 also saw us broadening our understanding of customers by segmenting our market, the better to gain insights into their needs and aspirations. In reaching out to our customers during the year, we focused on:

- Humanising our brand through physical engagements;
- Localised relevance through region-based activations;
- Community impact by strengthening authenticity and brand affinity;
- Demonstrating our appreciation of our partners through engagements with our agents

Working for the good of our people and communities

By aligning business goals with community needs, and driven by our Environmental, Social, and Governance (ESG) principles, we believe that we contribute towards the acceleration of sustainable growth. Working as a force for good is central to our ethos, values and purpose of Transforming Lives. This is at the heart of our mission and is expressed in an unwavering commitment that fuels every decision we make.

During our now concluded five-year strategy cycle, our M-PESA and Safaricom Foundations have invested over KShs 18 billion into transforming more than 13 million lives. This is done through various programmes in education, health, environment and economic empowerment, and during the year under review, I am proud to note that this proactive approach continued with great success.

Identifying opportunities for the Group as we look ahead

In the short term, we will be focusing on the following strategic priority areas in FY2026.

- Driving delivery adoption and commercial scale of technology solutions
- Delivering frictionless, safe, and secure digital first customer experiences
- Accelerating path to profitability in Ethiopia
- Enhancing our culture and brand
- Defending and growing core market share in Global System for Mobile Communications (GSM) business, mobile money and broadband
- Living our Safaricom Spirit including zero harm culture

In the medium to long term, we will focus on our Vision 2030 strategy cycle, as we work to protect and grow the core business, accelerate our transition into a technology company, boost and evolve our Ethiopia business and unlock value through innovative delivery models. Our customers, whom we view as 'a segment of one' will remain at the centre of everything we do, with the delivery of superior experience being our key differentiator.

We will seek to develop more use cases for M-PESA in Ethiopia where we are emphatically on a path to profitability and a sustainable funding model. As we grow our private enterprise and public sector business, our aim will be to become Africa's leading purpose-led technology company by 2030.

Acknowledgements

We have delivered outstanding results in FY2025, an achievement that is a testament not just to the way we work, but to the collaboration, respect and engagement of all our stakeholders.

To our customers – we greatly value your continued support as we celebrate 25 years of being part of your lives. I would like to thank you for your loyalty and embracing our brand, and we look forward to reaching many more milestones together with you, as we strive to deliver on our value propositions.

I would also like to thank our stakeholders and partners. We remain committed to collaborating to deliver value, safeguard and digitise our products and services. We always have the customer at the forefront, and with enhanced customer experience and engagement.

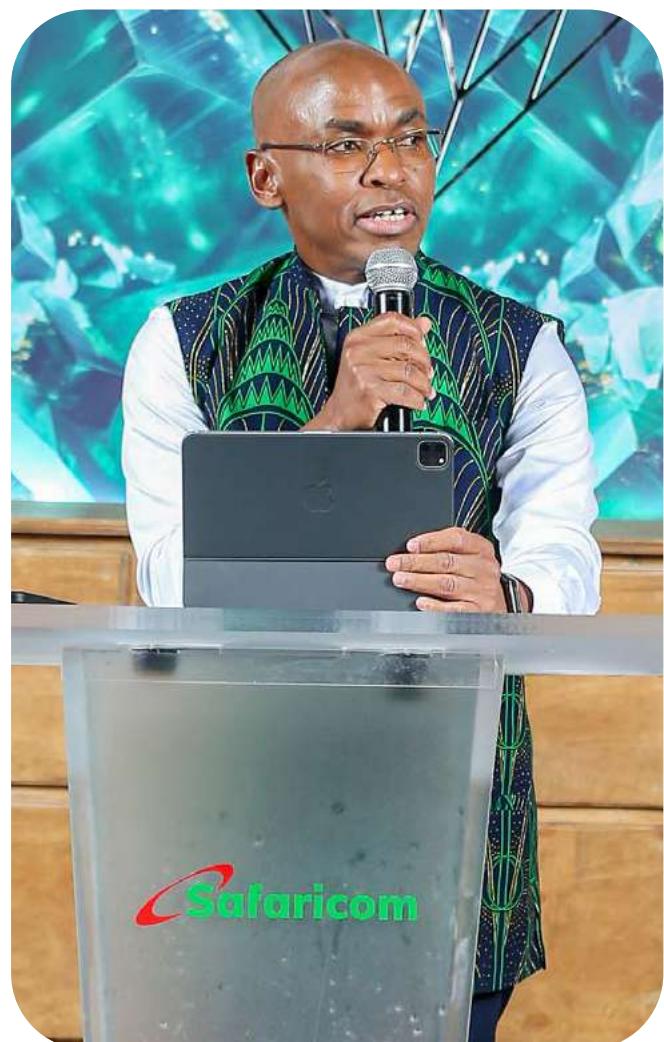
I would also like to express my gratitude to all our shareholders. We appreciate your trust, and as we enter a new strategic cycle, we commit to securing your investment as we scale our business.

I would like to thank our Board members for their wise and capable leadership. Their unwavering support and guidance throughout the year is greatly appreciated. Their input and insights have played a key role in steering the Company towards achieving its strategic goals and driving meaningful change.

I am also grateful to the Governments of Kenya and Ethiopia who have enabled us to continue providing services that transform our communities. Their support throughout the years has been an essential component of our achievements.

Lastly, but by no means least, I would like to thank our employees. Their diligence, talent and commitment are at the centre of our success. I know that with their ongoing commitment, we will remain true to our purpose of Transforming Lives through our belief and behaviour, as we work together towards achieving our Vision 2030 strategy to be Africa's leading purpose-led technology company by 2030.

Dr. Peter Ndegwa (CBS)
Chief Executive Officer



UJUMBE KUTOKA KWA AFISA MKUU MTENDAJI WA KUNDI

Mwaka uliokamilika 31 Machi 2025 ulikuwa mwaka wa mwisho kwenye mzunguko wetu wa mkakati wa miaka mitano na ulikuwa pia mwaka wa kuweka msingi kwa mzunguko wa mkakati wa Ruwaza ya 2030. Licha ya mazingira magumu, tuliandikisha matokeo mazuri, ambapo matokeo yetu kutoka Kenya na Ethiopia yaliambatana na makadirio yaliyokuwa yametolewa awali.

Mwaka wa kifedha tunaouangazia ni mwaka ambao Safaricom ilipiga hatua kubwa na muhimu katika safari yake. Tulipoingia kwenye kipindi cha mwaka mmoja cha kujandaa kuadhimisha miaka 25 tangu kuanzishwa kwetu, tulisherehekea miaka 24 ya kuwashudumia wateja wetu na jamii. M-PESA, ambayo ilitimiza miaka 18 mwezi Machi 2025 iliendelea kuimarisha mchango wake katika ujumuishaji wa kifedha na uwezeshaji wa kiuchumi, na wakfu wa M-PESA Foundation uliadhimisha miaka 15 ya kubadilisha maisha.

Kubadilika na mazingira ya uendeshaji shughuli nchini Kenya

Katika mwaka wa kiwango cha juu cha wasiwasni na mivutano ya kisiasa kimataifa, ambao ni pamoja na vita Ukraine na Mashariki ya Kati, na shinikizo nydingine husika, haya yote yaliendelea kutoa shinikizo kwa Uchumi katika mataifa ya Afrika. Tulipoingia katika mwaka mpya, athari zaidi kutokana na kuongezwa kwa ushuru wa uagizaji bidhaa za nje ya nchi zilianza kudhihirika.

Ndani ya nchi, kupunguzwa kwa ada inayotozwa na mitandao ya simu kwa simu zinazopigwa kutoka mtandao mwingine kwa kutumia simu za rununu na kwa simu za kutumia nyaya hadi KShs 0.41 kwa kila dakika, ambayo ilianza kutekelezwa 1 Machi 2024, kuliathiri biashara yetu moja kwa moja. Benki Kuu ya Kenya ilizindua Mkakati wa Kitaifa wa Malipo 2022-2025 mnamo Februari 2022, ambao unatekelezwa kwa sasa na unalenga kuimarisha safari ya malipo nchini ili kuimarisha ushiriki katika ngazi za kikanda na kimataifa kwa lengo la kutimiza maono ya mfumo wa malipo salama, wa haraka, bora na shirkishi ambao unasaidia ujumuishaji wa



kifedha katika Kenya. Tunaendelea kuunga mkono mkakati mpana wa tasnia hii ambao utaongeza juhudui tulizofanya kupitia M-PESA katika kuendesha ujumuishaji wa kifedha hadi sasa.

Katika mazingira pana ya kiuchumi ambayo kwa kiwango kikubwa yalikuwa thabiti, tulidumisha uongozi wetu sokoni licha ya kuongezeka kwa ushindani kutoka kwa wadau wanaoibuka na wale wa zamani.

Kutimiza malengo yetu ya kimkakati nchini Kenya

Mwaka huo wa mwisho wa mkakati wa Ruwaza ya 2025 uliandikisha matokeo mazuri kuambatana na malengo yetu ya kimkakati. Mapato kutoka kwa M-PESA yaliongezeka 15.2% mwaka baada ya mwaka kutokana na ongezeko la matumizi na wateja pia. Usambazaji kupitia mfumo wetu wa wafanyabiashara wa biashara ndogo zaidi, na biashara ndogo ndogo na za wastani (MSME) uliwezesha mtandao wetu wa maajenti kuongezeka kwa 14.1% mwaka baada ya mwaka. Isitoshe, tuliwezesha zaidi ya baishara 55,000 kupitia OpenAPI kusaidia katika malipo ya bili na huduma nyingine za kupokea malipo, huku pia tukiwezesha uchumi wa dijitali kupitia watengenezaji wa mifumo ya kompyuta na simu 106,000.

Kadhalika, tulishuhudia ukuaji mkubwa katika idadi ya wateja na wafanyabiashara, kwa zaidi ya 10.5% na 6.8% mtawalia. M-PESA Super App nayo ilikua, sio tu kwa utendaji kazi wake bali pia katika idadi ya wanaoitumia na wanavyoitumia. Tulikuwa na wateja 1.6 milioni wenye kutuleteau mapato walioitumia, na miamala ya thamani ya KShs 2.3 trilioni ilifanya kupitia programu tumishi hiyo, hii ikiwa ni miamala 896.2 bilioni. Mapato yaliyozaishwa na programu tumishi hiyo yalifiki KShs 6.0 bilioni.

Programu tumishi yetu ya Business App nayo ilipata ukuaji mkubwa ambapo inaridhisha katika idadi ya wanaoitumia, wanaoipakua, maajenti na wafanyabiashara. Katika uwekaji akiba na uwekezaji, tulifanya uzinduzi wa kufana wa Ziidi. Mali pia iliandikisha matokeo mazuri.

Kwa upande wa watumiaji, tulikuza data ya simu kwa kuendelea kupenya kwa Vifaa vya 4G+ hadi milioni 23.4, ongezeko la 33.3% kutoka mwaka uliopita, huku vifaa vya 5G vilionekana ongezeko la kupitishwa kwa 57.0% mwaka baada ya mwaka, pamoja na idadi ya simu mahiri kupanda kwa 19.4% mwakani hadi milioni 27.4.

Katika biashara yetu ya kutoa huduma za mtandao kupitia nyaya, tuliongeza kasi katika huduma ya Home Internet, na pia kuanzisha huduma mpya ya kasi zaidi ya Platinum yenye kasi ya 1000Mbps (1GB) kwa kila sekunde, kwa bei ya KShs 20,000 kila mwezi. Hii imeifanya Safaricom kuwa ya kwanza kutoa huduma za mtandao manyumbani kwa kasi ya giga. Hii inawafaa sana wanaoshiriki michezo ya kompyuta mtandaoni, watengenezaji maudhui na wenye kutumia program za uhalisia bandia yaani virtual reality, mionganii mwa wengine.

Mwisho kabisa, kando na kufanya mageuzi makubwa katika matumizi ya dijitali kupitia huduma ya mtandao ya 5G kwa ajili ya biashara, tulianzisha huduma mpya za Business Fibre kwa ajili ya biashara ndogo (SMEs)

Utendaji wa Kikundi Ustahimilivu nchini Kenya

Matokeo ya mwaka wa kifedha wa 2025 ni kiashiria cha uthabiti wetu. Ukuaji wetu wa zaidi ya asilimia kumi katika jumla ya mapato ni thibitisho la ubora na ufaafu wa huduma na bidhaa zetu ambazo tumeziandaa kwa miaka mingi na ambazo zinadhihirisha nguzo yetu ya kuangazia mteja katika kila jambo, tukiongozwa na Moyo wa Safaricom. Kwa maelezo zaidi kuhusu kuangazia mteja na Moyo wa Safaricom.

Biashara yetu nchini Kenya bado ni imara, ambapo biashara ya upigaji simu inanawiri na ni imara hata zaidi ukilinganisha na kushuka kwake kimataifa. Tumetiwa moyo na kukumbatiwa kwa vifaa vinavyotumia 4G ambako tulishuhudia mwaka huo, ambapo kwa sasa zaidi ya wateja 23 milioni sasa wanatumia teknolojia hiyo. Kumekuwa pia na ongezeko la vifaa kwenye mtandao wetu.

Tuliendelea pia kuwekeza katika mtandao wetu, ambapo tunajaribu kuwahamisha wateja kutoka kwenye vifaa vya 2G hadi vifaa vya 4G. Vilevile, tunaongeza kasi uwekaji wa mtandao wa 5G, huduma ya mtandao wa intaneti inayotumia mawimbi ya radio na faiba. Tuliendelea kupanua upatikanaji wa huduma za M-PESA kupitia maajenti wetu 300,000 kote nchini.

Katika ngazi ya Kundi, sio tu kwamba tulikuwa – bali tuliongeza kasi ya ukuaji, ambapo mapato na mapato halisi vyote viwili viliongezeka kwa zaidi ya asilimia kumi. Inaridhisha sana kuona kwamba tulipata ukuaji wa 10.8% mwaka baada ya mwaka katika mapato kutoka kwa huduma, na ongezeko la 11.2% mwaka baada ya mwaka hadi KShs 388.7 bilioni kwenye jumla ya mapato. Aidha, biashara yetu nchini Ethiopia ilishika kasi na kuchangia 9.3% ya ukuaji wa mapato ya Kundi.

Mshirika wa Dijitali Anayependwa na Biashara na Sekta ya Umma Nchini Kenya

Mojawapo ya malengo katika mkakati wetu wa Ruwaza ya 2030 ni kuwa mshirika wa dijitali na kifedha anayependwa zaidi na biashara na sekta ya umma nchini Kenya. Ili kutimiza hili, tumepanua huduma zetu za usalama wa mtandaoni na pia kuimarisha nembo yetu ya Safaricom Business. Katika mwaka huo, tulizindua mkakati wa “Kua na Safaricom Business” unaoangazia kutoa huduma nafuu za kiteknolojia kwa SMEs. Zaidi ya SMEs 5,000 zimejiunga katika majukwaa yetu ya kustawisha ujuzi. Tulifungua pia duka letu la kwanza kabisa la rejareja la Safaricom Business katika mtaa Eastleigh, Kaunti ya Nairobi, kwa lengo maalum la kuangazia SMEs.

UJUMBE KUTOKA KWA AFISA MKUU MTENDAJI WA KUNDI (mwendelezo)

Mshirika wa Dijitali Anayependwa na Biashara na Sekta ya Umma Nchini Kenya

(mwendelezo)

Tumeendelea kuwezesha serikali ya kitaifa na serikali za kaunti kukusanya na kusambaza fedha kwa njia bora zaidi, kuimarisha ujumuishaji wa kifedha na kufanya huduma kwa raia kufikika kwa njia rahisi. Kupitia mpango wa serikali wa kutoa pesa kwa wazee wa Inua Jamii, tulisaidia kusambazwa kwa KShs 4.3 bilioni kwa wanufaika zaidi ya 1.7 milioni.

Kufanya Dijitali Mfumo wa Afya Kenya

Kwa ushirikiano na wadau wengine, tumeongoza sekta ya umma katika kufanya dijitali mfumo ikolojia wa huduma za afya Kenya na katika mwaka huo tulianza kuunda Mfumo Kamilifu wa Habari na Teknolojia wa Huduma za Afya (IHTS System) wa kusaidia kufanywa dijitali kwa huduma katika vituo vya afya vya serikali. Hii itawezesha huduma kufikia watu wengi na pia kuongeza upatikana wa ufadhilli wa afya na kufanywa dijitali kwa huduma za afya katika mfumo wa usambazaji. Hii itaboresha usalama wa dawa na upatikanaji wake. Kadhalika, itachochaea kufanya dijitali kwa huduma vituoni na kuwezesha upatikanaji wa habari na maelezo kutoka kituo cha afya hadi kingine.

Safaricom Ethiopia

Nchini Ethiopia, kipaumbele chetu katika mwaka huo kilisalia kukiuka vizuizi na kutumia fursa kuboresha huduma zetu na uwepo wetu sokoni ili kutuwezesha kuendelea na safari yetu ya kutaka kuanza kutengeneza faida FY2027. Tuna zaidi ya vituo 3,100 vya mitambo ya mawasiliano, na tunafikia zaidi ya 50% ya raia nchini humo. Katil ya hao, karibu 9 milioni wanatumia huduma zetu mara kwa mara.

Tumetiwa moyo na mabadiliko sokoni kutokana na mageuzi kuhusu sarafu za kigeni nchini Ethiopia, na uthabiti wa ukuaji wa Pato la Taifa (GDP) nchini humo, ukisaidiwa na mageuzi ya kiuchumi, uthabiti, na ukuaji wa sekta. Hatua zilizochukuliwa na mamlaka, ikiwa ni Pamoja na utoaji lesenei kwa benki za kwanza mbili za uwekezaji na uzinduzi wa Soko la Hisa la Ethiopia Januari 2025, zinaendana vyema na azma yetu ya kimkakati kwa kuinua imani ya wawekezaji, kuongeza mtiririko wa fedha, na kuunda thamani kwa wawekezaji.

Licha ya hayo, tumelazimika kudhibiti athari za kushuka kwa thamani ya Birr katika mwaka na tumeweza kuchukuliwa hatua za kupunguza athari za muda mfupi na wa kati za mageuzi ya fedha za kigeni.

Changamoto nyingine ziliwa ni pamoja na kupanda kwa bei ya mafuta ambako kunaendelea. Hii ni baada ya serikali kupunguza ruzuku. Pia, kuna changamoto ya usalama katika baadhi ya maeneo nchini humo. Usafiri maeneo hayo umeathirika, ufkiaji wa mitambo ya mawasiliano kuwa wa changamoto, na pia upatikanaji salama wa nguvu za umeme kuwa tatizo.

Hata hivyo, bado tunaangazia kupata ukuaji endelevu nchini Ethiopia, kwa kutumia idadi kubwa ya kizazi changa nchini humo na fursa zinazotokana na upenyaji wa chini wa huduma za mawasiliano na mtandao na pia huduma za kifedha kupitia teknolojia.

Ili kutimiza hili, tunajenga uhusiano na ushirikiano imara kote katika sekta yote na pia uhusiano na biashara ndogo ndogo na za wastani (MSMEs) kwa lengo la kuja pamoja na kutoa thamani kwa Waethiopia. Tumejitolea kuimarisha ujumuisha wa kifedha katika jamii mbalimbali kupitia uhusiano wetu nao katika kilimo na afya.

Kuadhimisha Miaka 25 ya Kubadilisha Maisha Nchini Kenya

Tuliadhimisha miaka 24 ya kubadilisha maisha katika jamii ya Wakenya mwaka huu na tulishereheke hili na Wakenya kote nchini kupitia kampeni za chapa bora. Tulifanya juhudu kubwa kuleta chapa yetu karibu na wateja wetu kwa mwingilio na matukio muhimu kufuatia maandamano ya Muswada wa Fedha wa 2024. Pia tulitengeneza a mpango wa kina wa elimu na uhamashaji kwa wateja ikilenga makundi yote, lakini hasa vijana na waliofaulu, ili kuthibitisha kujitolea kwetu kwa faragha ya data, ambayo ilikuwa jambo la msingi mionganoni mwa wateja wetu wakati na baada ya maandamano.

Muhimu zaidi, tulitunukiwa Taarifa ya Faragha ya ISO 27701 Cheti cha Mfumo wa Usimamizi kufuatia ukaguzi mkali iliyofanywa na Taasisi ya Viwango ya Uingereza.

Pia tuliiidhinishwa na kutunukiwa kiwango cha juu zaidi cha Kiwango cha Usalama wa Data katika Sekta ya Kadi ya Malipo (PCI DSS), hatua inayounga mkono kujitolea kwetu kuweka fragha ya wateja.

Mtazamo wetu wa kuangazia makundi

Mwaka wa kifedha 2025 pia tulipanua ufahamu wetu wa wateja kwa kugawa soko katika makundi ili kupata ufahamu wa kina kuhusu mahitaji na matamano yao. Katika kujaribu kuwafahamu vyema wateja mwaka huo, tuliangazia:

- Kuongeza utu kwenye nembo yetu kupitia kukutana moja kwa moja;
- Ufaafu wa kimaeneo kupitia hafla za kutangaza huduma na bidhaa za kuangazia kanda;
- Manufaa kwenye jamii kupitia kuongeza nguvu uhalisia wetu na mvuto wa nembo, na
- Kudhihirisha shukrani kwa washirika wetu kupitia kushiriki pamoja na maajenti wetu

Kufanya kazi kwa manufaa wa watu wetu na jamii

Kwa kuambatanisha malengo ya biashara na mahitaji ya jamii, na kwa kuongozwa na maadili ya Mazingira, Jamii, na Utawala (ESG), tunaamini kwamba tunachangia katika kuongeza kasi ukuaji endelevu. Kufanya kazi kuhakikisha mema ni nguzo kuu katika maadili yetu na lengo letu la Kubadilisha Maisha. Hili limo katika kiini cha lengo letu kuu na hudhihirishwa katika kujitolea kwetu ambako huongoza kila maamuzi tunayoyafanya.

Wakati wa mzungumo wa mkakati wa miaka mitano ambao umemalizika sasa, kwa pamoja Wakfu wa M-PESA na Wakfu wa Safaricom uliwekeza KShs 18 bilioni katika kubadilisha maisha ya watu 13 milioni. Hii ni kipitia mipango mbalimbali katika elimu, afya, mazingira na uweshehaji wa kiuchumi, na katika mwaka tunaouangazia, nina fahari kueleza kuwa mtazamo huu wetu umeendelea kuwa na mafanikio makubwa.

Kutambua fursa tunapotazama mbele

Katika kipindi kifupi, tutakuwa tukiangazia maeneo yafuatayo ya kupewa kipaumbele kimkakati mwaka wa kifedha wa 2026;

- Kuongeza usambazaji, ukumbatiaji na matumizi makubwa ya suluhu za kiteknolojia
- Kuhakikisha huduma laini na salama za dijitali zinazoangazia mteja kwanza
- Kuongeza kasi safari yetu ya kuanza kupata faida Ethiopia
- Kuimarisha utamaduni wetu na nembo yetu
- Kuhifadhi na kuongeza udhibiti wetu sokoni wa matumizi ya mawasiliano ya simu za kawaida (GSM), huduma za pesa kwa njia ya simu na utoaji wa huduma za mtandao wa intaneti
- Kuishi kwa kutekeleza Moyo wa Safaricom, pamoja na utamaduni wa kutosababisha madhara kamwe

Katika kipindi cha wastani na kipindi kirefu tutaangazia kutekeleza mzunguko wetu wa mkakati wa Dira ya 2030, tunapofanya kazi ya kulinda na kukuza biashara kuu, kuongeza kasi yetu. mpito katika kampuni ya teknolojia, kukuza na kuendeleza biashara yetu ya Ethiopia na kufungua thamani kipitia miundo bunifu ya uwasilishaji. Wateja wetu, ambao tunawaona kama 'sehemu ya mtu mmoja' watasalia katikati ya kila kitu tunachofanya, na uwasilishaji wa uzoefu wa hali ya juu. kuwa tofauti yetu kuu.

Tutajizatiti kuandaa sababu za na matumizi zaidi ya huduma ya M-PESA nchini Ethiopia, ambako tunafanya juhudzi za kupata faida na kuwa na muundo endelevu wa ufadhili wa shughuli zetu. Lengo letu kuu ni kuwa kampuni inayoongoza barani Afrika ya teknolojia inayoongozwa na malengo ya kuunganisha watu ifikapo 2030.

Shukrani

Tumeandikisha matokeo mazuri FY2025, na ni mafanikio yanayodhihirisha sio tu jinsi tunavyofanya kazi, bali pia ushirikiano, heshima na uhusiano wetu na wadau wetu wote.

Kwa wateja wetu – tunathamini sana kuendelea kwenu kutuunga mkono tunaposhereheke maika 25 ya kuwa sehemu ya Maisha yenu. Ningependa kuwashukuru sana kwa uaminifu wetu na kwa kukumbatia nembo yetu. Tunatazamia kufikia mengi makuu tukiwa pamoja nanyi, tunapojizatiti kutimiza ahadi yetu.

Ningependa pia kuwashukuru wadau wetu na washirika wetu. Tutaendelea kushirikiana nanyi kuhakikisha thamani, na kulinda na kufanya dijitali huduma na bidhaa, mteja akiwa mstari wa mbele kila wakati na tukiboresha utoaji huduma na uhusiano wetu naye.

Ningependa pia kueleza shukrani zangu kwa wenyehiswa. Tunathamini sana imani yenu kwetu, na tunapoingia katika mzunguko mwingine wa mkakati, tunaahidi kulinda uwekezaji wenu tunapopanua na kukuza biashara yetu.

Nataka pia kuwashukuru wanachama wa Bodi kwa uongozi wao wa busara na hekima. Uungaji mkono wao na ushauri kipindi chote cha mwaka umetufaa sana. Mchango wao na ushauri wao vimechangia pakubwa katika kuongoza Kampuni kuelekea kutimiza malengo yake ya kimkakati na kuongoza mabadiliko ya manufaa.

Nazishukuru pia Serikali za Kenya na Ethiopia kwa kutuwezesha kuendelea kutoa huduma zinazobadilisha Maisha ya jamii zetu. Uungaji mkono wao wa miaka mingi umekuwa kiungo muhimu katika mafanikio yetu.

Nikitamatisha, ningetaka kuwashukuru wafanyakazi wetu. Bidii yao, vipaji na kujitolea kwa ndivyo vilivyochangia ufanisi wetu. Ninafahamu kuwa kipitia kuendelea kujitolea kwa, tutaendelea kutekeleza lengo letu kuu la Kubadilisha Maisha kipitia imani na tabia zetu, tunapofanya kazi kwa pamoja kutimiza mkakati wetu wa Ruwaza ya 2030 na kuwa kampuni ya kuongozwa na malengo ya kiteknolojia inayoongoza Afrika ifikapo mwaka 2030.



Dkt. Peter Ndegwa (CBS)
Afisa Mkuu Mtendaji

2025 INVESTOR FORUM IN MOMBASA, KENYA

Theme: Becoming Africa's leading purpose-led technology company by 2030

The 2025 Investor Forum was held in Mombasa on 13th and 14th February 2025, for analysts and investors, hosted by Safaricom PLC to provide an update on the Group's Vision 2030 of becoming Africa's purpose-led technology Company. Combining showcases and storytelling, we provided a deep-dive on how we are delivering value adding and personalised digital services enabled by big data and AI that simplify and improve the daily lives of our customers and society.

We had a total of over **160 attendees, including 67 Investors & Analysts**, Safaricom PLC Board, Exco and Safaricom Ethiopia management team representatives. Majority of the 67 investors and analysts were 30 Kenyan based fund managers & analysts, 8 from the United States, 9 from South Africa, 4 from UK and 6 invited guests from the Central Bank of Kenya and 2 macro note speakers from Stanbic Bank and Standard Bank. Other countries represented were Singapore, Turkey, Malta, Mauritius, Tanzania and UAE.

Dr. Kamau Thugge, Central Bank Governor opened the session with a keynote address on recent market developments and outlook for the country followed by the ICT PS Eng. John Tanui who gave an address on the government's position on the ICT sector.

Main activities during the two days included presentations (delivered by Safaricom Plc CEO, Exco leaders from Brand, Public Sector, Enterprise, Financial Services, Consumer, Fixed Business, CFO and Safaricom Ethiopia CEO on the progress of Safaricom Ethiopia, business strategy and the outlook), experiential booths from Enterprise, Public Sector, Consumer, Financial Services, Technology Divisions and Safaricom Ethiopia.

LOOKING FORWARD | Transition to Vision 2030

We have set an ambitious vision clearly articulating what we will be known for in 2030

Africa's leading purpose-led technology company

1

...delivering value adding and personalised digital services enabled by big data and AI that simplify and improve the daily live of our customers and society... as well as...

2

...becoming the digitisation and financial service partner of choice for enterprises and public sector through cutting edge and secure technology solution.

Our Vision 2030

Safaricom aims to become Africa's leading purpose-led technology company by 2030. This vision includes delivering personalised digital services enabled by big data and AI to improve the daily lives of customers and society, as well as becoming the preferred partner for digitisation and financial services for enterprises and the public sector.

Our Vision 2030 includes a strong focus on sustainability and social impact, with initiatives in climate action, circular economy, conservation, digital and financial inclusion, diversity, equity, and inclusion, and sustainable community investments.



The six big bets for Vision 2030

These are strategic initiatives that we believe will drive significant growth and transformation.

CONSUMER  <ul style="list-style-type: none">● 4G device acceleration● Always-on safe secure● Grow segmented and integrated propositions with embedded loyalty● Scale content and digital platforms	FS/M-PESA  <ul style="list-style-type: none">● Super app acceleration-intuitive AI driven● Innovation payments-credit/savings/insurance● Enable enterprise and public sector	FIXED  <ul style="list-style-type: none">● 1 million homes and businesses connected● Always-on broadband (fibre, wireless, satellite)	ENTERPRISE  <ul style="list-style-type: none">● Beyond connectivity● Segmented execution	PUBLIC SECTOR  <ul style="list-style-type: none">● Digitisation partner of choice for public sector● 3-4 large sectors fully digitised	ETHIOPIA  <ul style="list-style-type: none">● Establish M-PESA use cases● Scale business (customers, coverage)● Sustainable funding● EBITDA positive by FY27
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What success will look like

#1 Customer and network NPS	90% 4G penetration	#1 Trusted Tech-co brand
Double digit Topline growth	Level 5 Agile and digital Maturity	#1 Place to work
80% Sustainability index	70 million+ Consumers at group level	100% Secure licenses



Safaricom Enterprise team members Kenneth Muthama and Cynthia Kropac at the Enterprise My Sacco App showcase booth





OUR STRATEGIC APPROACH

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OUR STRATEGIC APPROACH

Our material matters

Our material matters are those economic, governance, social and environmental issues that have the potential to impact the long-term sustainability of our business, and that may underlie certain risks, challenges and opportunities that we identify. Determining and assessing these material matters is therefore key both to our strategic approach, and to the way in which we implement our strategy. It therefore forms an important part of our intellectual capital, as well as helping to guide our relationships with our stakeholders.



INTELLECTUAL CAPITAL



SOCIAL AND RELATIONSHIP

In determining the internal and external factors that inform and influence our ability to create and deliver value, we follow a rigorous and ongoing assessment process, which includes consideration of the UN SDGs, as well as the concerns and insights arising from our interactions with our stakeholders.

For more on the UN SDGs, see page 17. 



How we classify and manage our material matters

1 OUR PLATFORMS

Why it is important

Our platforms – networks, stations and digital ecosystems – are the core foundation of our business, facilitating inclusive, sustainable economic development and innovation to transform lives.

In keeping with our Customer Obsession focus, which means putting our customers first in everything we do, we monitor the critical components of our network – quality, availability and coverage – to ensure that we provide our customers with the best overall experience.

Our response

Our platforms reflect the value provided to the customer, as Safaricom is more than just a network.

Our network enables our platforms such as M-PESA and DigiFarm which we are constantly refining and enhancing in order to add new functionalities and capabilities with the overall aim of transforming our customers' experience and adding economic value.

We continue to roll out our Agile culture to ensure that we incorporate our customers' perspective as we respond to their rapidly-evolving needs.

This approach is aligned with our customer obsession principle as we transition from a telco to a technology company.

SDG alignment

 The focus remains to leverage on 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 Foundations will continue with programmes in maternal and child health.



The focus is to continue expanding access to education through innovation solutions and leveraging on our network and through partnerships such as Shupavu 291, connectivity for schools and our various programmes under the Elimu pillar.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The quality of the service we provide enables decent work and economic growth.



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.



We work to reduce inequalities and promote financial inclusion across all sectors while promoting digital and gender inclusion.

The focus is to reduce inequalities by enabling equal access to opportunities for everyone, especially to vulnerable groups, using Safaricom leadership, network, solutions and technology.

Future focus areas

- Expand the number of 5G sites
- Connect one million homes with FTTH in the medium to long term
- Continue with public Wi-Fi provision
- Drive financial health, complementing the financial inclusion milestones so far achieved
- Drive the adoption of digital mobile financial solutions to consumers and merchants
- Further develop, in the long term, digitisation of the transport sector through a cashless parking solution with contactless vehicle verification



OUR STRATEGIC APPROACH (continued)

Our material matters (continued)

How we classify and manage our material matters (continued)

2 ENVIRONMENTAL STEWARDSHIP

Why it is important

The way in which we live and work in the environment underpins our strategic focus on customers, colleagues, community and company.

As one of the major players in Kenya's economy, we have a particular responsibility not only to manage and minimise our impact on the environment, but to demonstrate best practice in the ways in which we achieve, as well as in reporting our environmental performance openly and transparently.

Aligned with our net-zero commitment, we manage our operations responsibly and work with our stakeholders to achieve this.

Our response

We pay careful attention to energy usage, and the carbon footprint of both our Group and our wider industry. We also endeavour to provide solutions to help other sectors reduce their emissions through digitisation.

We track greenhouse gas (GHG) emissions, energy efficiency, consumption and cost, waste and e-waste and emission reduction, constantly monitoring our progress.

We also make use of environmental impact assessments and audits, together with international third-party standards such as ISO 14001 environmental and ISO 50001 energy management systems in order to establish both negative and positive impacts and implement mitigation measures where required.

We collaborate with regulators to significantly increase access to information and communications technology (SDG9), while ensuring sustainable consumption and production patterns both within our own organisation and amongst our stakeholders (SDG12).

SDG alignment



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



98% recycling of solid waste from our facilities.



We partner with licensed mini-grid providers in remote regions or grid-power-deficient areas where we are the anchor tenant.

Achievements

- 2,340,600 trees planted in 22,340.6ha with 4,416 Community Forest Associations engaged and 22,080 livelihoods impacted since project inception.
- E-waste: 190.753 tonnes of e-waste collected and recycled
- School regreening programme: 41 schools in Laikipia and Nyandarua counties benefited from Safaricom school regreening programme
- Recognition award by Sustainable inclusive business as a leading digital disruptor in circular economy

Future focus areas

- Review and update of science - based targets
- Revamp tree growing project to grow 1 million trees
- Attain CDP score of A
- Develop a clear climate transition plan
- 100% compliance to environmental regulatory requirements
- 1,500 sites transitioned to solar in FY26
- Grow e-waste collection and recycling by 20%

3 INNOVATION AND PARTNERSHIPS

3

Why it is important

As a purpose-led technology company, we consider innovation to be central to achieving our strategic objectives, retaining our competitive edge, ensuring that we continue to grow.

For us, innovation is not just about product innovation, but extends also to innovation related to financing, partnerships and engagement – solutions throughout the value chain that transform lives in many different ways.

Constant innovation is an important aspect of ensuring our continued success and resilience.

Our response

While each of our teams has specialised areas of expertise, they all share the understanding that the digital economy will be built not just by connecting individuals and businesses to technology, but to solutions, to solve societal challenges.

These insights, together with ongoing training, are complemented by predictive models to drive smarter business decisions and actions.

SDG alignment



We transform lives in the areas of healthcare (SDG3) and education (SDG 4) through co-creation of innovative solutions (SDG9) by leveraging our expertise, technology and partnerships (SDG17) in order to reduce inequalities (SDG10) as we transform lives.

We are in a partnership in the licence which will assist in stimulating economic growth in Ethiopia.

Future focus areas

- Identify, develop and scale solutions through shared value partnerships
- Implementation of MSME marketplace
- Work to build a digital healthcare service for Kenya
- Develop capacity in user-interface (UI) and experience

4 GOVERNANCE, BUSINESS ETHICS AND RISK

4

Why it is important

Good corporate governance practices are essential to the delivery of long-term, sustainable stakeholder and shareholder value. The ability to generate long-term value is based on good corporate governance, which helps to regulate risk.

As a responsible corporate citizen, the implementation of strong governance structures, including a governance code, an ethical culture, and a robust risk management framework, is foremost in our minds.

Our response

Our focused adherence to governance and ethics underpins our risk management framework.

We work beyond our own business to stand together with society and drive behavioural change through effective collective action initiatives.

We include our business partners in ethics training, and play an active role in collaborative advocacy action that promotes ethics and integrity through quarterly fraud forums for financial institutions.

Our governance, business ethics and risk priorities for the year were:

- Further embedding a positive risk culture across our organisation
- Customer Obsession
- Data privacy and protection
- Cyber security
- Managing risks and uncertainties facing the business

SDG alignment



Promotes sustained, inclusive economic growth

We work to realise these goals through use of innovative digital technologies

 Creating strong, accountable institutions underpins a just society

 Strategic partnerships with the broader business community and regulatory authorities

Future focus areas

- Work at national level to mitigate the risks of cyber-attacks.
- Continue to implement safeguarding measures to ensure customers' data is protected in line with data protection laws in Kenya

OUR STRATEGIC APPROACH (continued)

Our material matters (continued)

How we classify and manage our material matters (continued)

5 REGULATORY ENVIRONMENT

Why it is important

The regulatory environment plays a significant role in Safaricom's ability to operate effectively, as we reflect and respond to change in the socio-economic environment.

These two environments together have the capacity to impact our strategy, its expression in our business model, and consequently our decision-making.

Our response

We continuously and regularly identify and assess changes and monitor expectations to ensure that our decision-making is compliant, responsible, transparent and value-creating.

We worked with the Communication Authority (CA), who extended usage of the COVID-19 spectrum and secured 5G in order to reduce stress on the network caused by the spike in demand for data during the lockdown period.

This enabled us to continue serving our customers during a time when the country was transitioning to virtual services.

During the year under review, we maintained our focus on compliance, and this translated to minimal non-conformance, resulting in zero penalties or non-monetary sanctions.

SDG alignment



We were awarded part of the tender for the Universal Service Fund. We have 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, providing mobile connectivity to 204,181 people in underserved areas.

Future focus areas

Secure our social license to operate through:

- Maintaining and retaining 100% operating resources and licences
- 100% regulatory compliance to various laws, regulations.
- Continue with implementation of USF projects



Tree Planting Exercise by Safaricom Staff

Managing risk

We view the management of risk as fundamental to the long-term sustainability of our business. The identification and prioritisation of the risks we face is therefore a key part of our intellectual and financial capital.



INTELLECTUAL CAPITAL



FINANCIAL CAPITAL

Our Enterprise Risk Management (ERM) process

The Board has overall responsibility and oversight of our ERM process, which takes into account the fact that the market within which we operate brings with it certain important risk implications relating to, among others, privacy, connectivity and rapidly advancing technology.

The ERMF is continuously reviewed to ensure maximal diligence and effectiveness in the process of identifying, treating, reporting, monitoring, reviewing and continual improvement.

For more on our operating environment, see page 90. 

Our ERM enables us to drive a proactive and positive risk awareness culture across our organisation, and as such, is aligned to the ISO 31000 Enterprise Risk Management Standard. Our Enterprise Risk Management Framework, (ERMF) enables informed decision-making by management, which is enabled through a clear line-of-sight over risk.

Our ERM process is founded on:

- Establishing the risk context and scope
- Identifying risks
- Measuring risks
- Managing risks
- Monitoring and reporting risks

ESTABLISHING THE CONTEXT

We begin by defining the external and internal parameters to be taken into account when managing risk and setting the scope and risk criteria for the risk management policy.

External context includes our external stakeholders, our local, national and international operating environment and other external factors that influence our objectives. Internal context includes our internal stakeholders, governance approach, contractual relationships and our capabilities, culture and standards.



IDENTIFY RISK

Risk assessment conducted twice every year, in conjunction with the business units and other stakeholders.

We understand ad hoc risk assessments that are necessitated by the everchanging environment we operate in.



MEASURE RISK

We have a standardised risk scoring and categorisation process that makes references to our risk appetite that had been set by the Board.

The measurement takes into account both the probability of occurrence and potential impact should the risk crystallise.



MANAGING RISK

We manage risk by implementing appropriate mitigations and controls to eliminate the risk or reduce the impact of likelihood of the risk.

Effectiveness of control and oversight tested across the "three lines of defence".



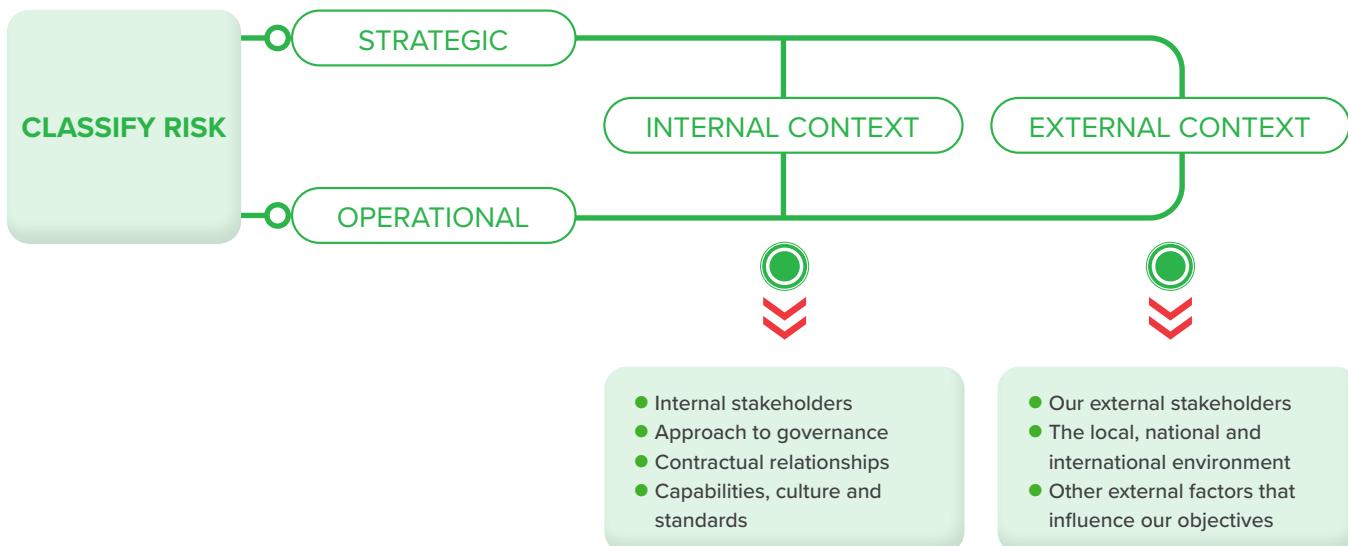
MONITOR AND REPORT

We have adopted a continual and iterative process to monitor risks, effectiveness of controls and provision of continuous reporting to our Board and Executive Committee on how effectively risks are being managed.

OUR STRATEGIC APPROACH (continued)

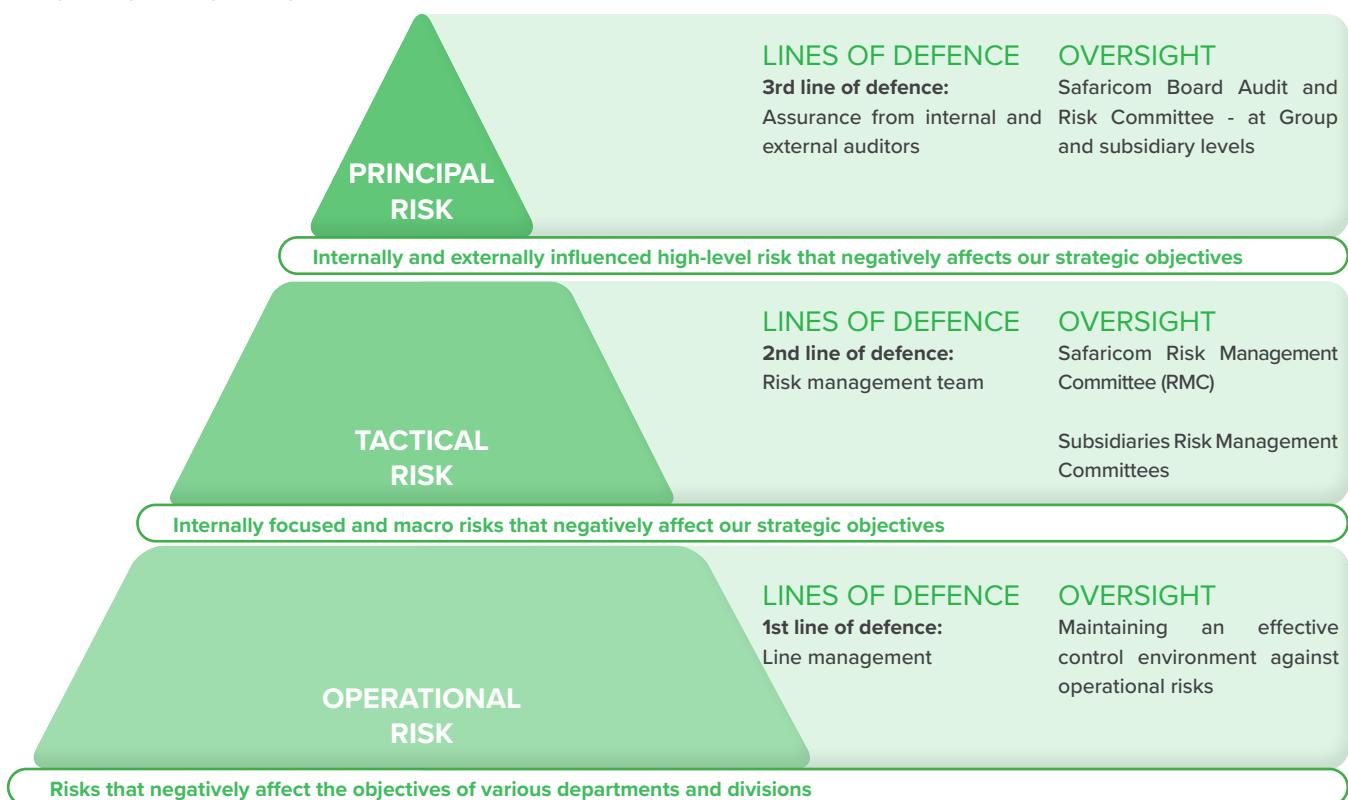
Managing risk (continued)

Establishing the context – categorising, defining and scoping risks



Our Three Lines of Defence (3LoD) system

Our 3LoD system ensures that risk management responsibilities are distributed across the Company. This enhances the ownership of risks, while strengthening and augmenting checks and balances.



Monitoring of risks

The monitoring and review of risks is a planned part of the risk management process. It involves regular checking and surveillance of the risk landscape, with responsibilities clearly defined and an elaborate monitoring and review regime in place.

Our monitoring process ensures that appropriate and timely corrective measures are taken and weaknesses in the processes are addressed. The process involves regular review and update of the respective risk registers based on the existing Key Risk Indicators (KRIs).

The KRIs enable the organisation to respond to threats at an early stage and to take appropriate action. Monitoring and review determine whether:

- Risk measures adopted resulted in what was intended;
- Procedures adopted and information gathered were appropriate;
- Improved knowledge would have helped to reach better decisions, and
- Lessons are learned for the future assessment and management of risks

Our top-10 risks

RANK	RISK	CHANGE	CATEGORY
1	Economic, market, and forex risk	↔ ↔	Strategic
2	Regulatory environment risk	↔ ↔	Strategic
3	Market disruption and competition	↑↑	Strategic
4	Cyber threats, data privacy and reputational risks	↓↓	Operational
5	Supply-chain disruptions/ Geopolitical risk	↑↑	Strategic
6	Fraud and social engineering	↓↓	Operational
7	Money laundering and terror financing (AML/TF) risk	↓↓	Operational
8	Litigation exposure risk	↓↓	Operational
9	Health and safety risk	↔ ↔	Operational
10	General insecurity and terrorism	↓↓	Operational

Key:



No change YoY



Risk decreased YoY

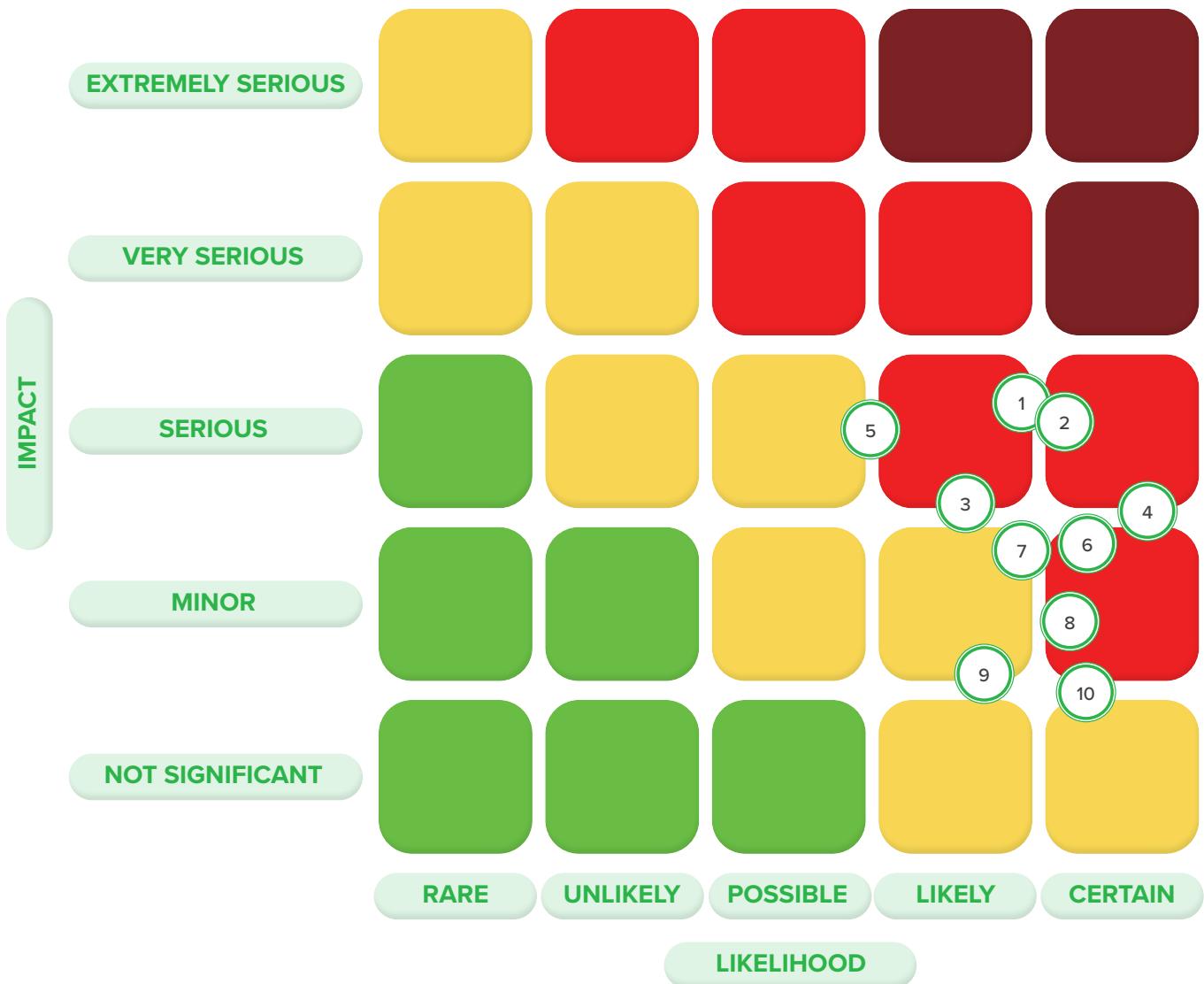


Risk increased YoY

OUR STRATEGIC APPROACH (continued)

Our risk heat map

Our risk heat map sets out the principal risks as identified through the risk management process that covers strategy and operations. It depicts the residual risk rating after mitigating controls have been instituted. The rating is calculated as the relation between the probability of the risk and its impact.



For full details of our risk management, including context, mitigation and associated opportunities, see page 181 in the Directors' Report.

Our risk outlook

LOOKING AHEAD			
 <p>Risk type Regulatory</p> <p>Term: Short term</p> <p>Potential areas of concern: Unsettled policy environment</p> <p>Required responses: Compliance challenges, operational uncertainties</p> <p>Potential areas of concern: Growing public awareness and influence</p> <p>Required responses: Closer scrutiny, safeguarding customer interests, streamline operations</p> <p>Potential areas of concern: Regulatory headwinds</p> <p>Required responses: Monitored as emerging or tactical risks</p> <p>Potential areas of concern: Strategic regulatory positions</p> <p>Required responses: Drive business imperatives towards TechCo, focus on resilience and long-term viability</p>	 <p>Risk type Economic</p> <p>Term: Medium to long term</p> <p>Potential areas of concern: Global economic outlook</p> <p>Outlook: Moderate inflationary pressures into 2025</p> <p>Potential areas of concern: Factors for price hikes</p> <p>Outlook: Rising energy costs, labour shortages, trade disruptions</p> <p>Potential areas of concern: Instability in resources</p> <p>Outlook: Goods and services dependent on raw materials</p> <p>Potential areas of concern: Financial market fluctuations</p> <p>Outlook: Increased borrowing costs for emerging economies, debt sustainability</p> <p>Potential areas of concern: Regulatory/policy changes</p> <p>Outlook: 5.5% growth projection signaled by Central Bank of Kenya (CBK)</p> <p>Potential areas of concern: Challenges related to heightened fiscal and external vulnerabilities manifested in public debt, elevated cost of living, forex volatility and tight financial conditions</p>	 <p>Risk type Competitive</p> <p>Term: Short to medium</p> <p>Potential areas of concern: Low earth orbit (LEO) satellite services</p> <p>What it means: Increased risk competition that may threaten broadband revenue.</p> <p>Potential areas of concern: Regulatory influences</p> <p>What it means: U.S. regulations in satellite and blockchain technologies</p> <p>Potential areas of concern: Over-the-top (OTT) players</p> <p>What it means: Risk to mobile money services</p> <p>Potential areas of concern: Fintech innovators</p> <p>What it means: Flexible, low-cost financial products</p>	 <p>Risk type Technological</p> <p>Term: Medium to long term</p> <p>Outlook: Positive</p> <p>Impact: Beneficial advances in technology</p> <p>Outlook: Negative</p> <p>Impact: Worrying risks in cyber security and data privacy</p> <p>Outlook: Negative and positive</p> <p>Impact: Access to extraordinary breadth of knowledge, new tools of disruption and malware</p>

OUR STRATEGIC APPROACH (continued)

Our strategic framework

Our strategy guides our business in realising our purpose of transforming lives, and as such, it is a fundamental part of our intellectual capital. The year under review marks the transition from our five-year strategy to Vision 2030, aiming to become Africa's leading technology company.

The past five years...

...have seen the successful implementation of a strategy that has delivered notable outcomes in:

● Mobile connectivity¹

- Two times the growth in mobile data revenue
- Stable voice business, with 58.4% growth in usage
- Stable Average Revenue per User (ARPU) growth despite price reductions
- Use of Customer Value Management (CVM) and AI in personalised offers

● M-PESA/Financial Services²

- Value and velocity, with growth to three times transaction value, four times volume, 10.4 times free transactions
- Footprint acceleration, with increases to more than four times merchants, and twice the number of agents
- Expansion to services beyond payments

● Enterprise and public sector³

- Tech partner of choice for the public sector
- Major programmes in healthcare and financial inclusion
- Scoping beyond connectivity

● Fixed⁴

- Twice the number of homes passed and four times the number of homes connected
- Rated #1 on customer share and customer experience
- 4G/5G fixed wireless acceleration
- Double digit growth

● Ethiopia⁵

- Launched a greenfield operation
- Accelerated commercial momentum in Ethiopia

¹ For more on Mobile connectivity, see page 98. 

² For more on M-PESA and Financial Services, see page 109. 

³ For more on Enterprise and public sector, see page 118. 

⁴ For more on Fixed services, see page 101. 

⁵ For more on Ethiopia, see page 125. 



WHAT OUR STRATEGY DELIVERED IN FY2025...



STRONG TOP LINE GROWTH

- Consumer business growth above inflation
- Double-digit growth in Financial Services (FS)



TECHCO CAPABILITIES

- Agile structure ramped up to 75% of our business
- 2+1 skills transformation programme



PURPOSE AND BRAND

- Safaricom @24 years of celebrations
- M-PESA @18
- M-PESA Foundation @15



CUSTOMER FIRST – ENABLED BY AI

- Segment-led execution:
 - Emerald, Shine Kenya Campaign
 - Enterprise
 - Safaricom Hook for the Youth
 - Customer-base acceleration
 - 4G customers
 - 90-day customer base



BIG DATA AND AI

- Scaled AI use cases:
 - Cluster-based pricing
 - Integrated propositions
 - Customer protection against fraud



OUR STRATEGIC APPROACH (continued)

Our strategic framework (continued)

...IS DEMONSTRATED IN THE NUMBERS FOR THE GROUP

	Total revenue	EBIT
Safaricom Kenya	11.4% YoY to KShs 381.2 billion	13.0% YoY to KShs 158.1 billion
Group Performance reported	11.2% YoY to KShs 388.7 billion	29.5% YoY to KShs 104.1 billion



PROVIDING THE OPERATIONAL FOUNDATION FOR...



VISION 2030

In designing our new strategic vision to guide us through the next five years, we considered the macro-economic environment in which we operate, as well our differentiators in the marketplace. In addition, we continued to elicit feedback and input from our customers, framed by our responses and commitment to our society. Our aim in drafting this vision has been to craft a strategic framework to enable our transition to becoming Africa's leading purpose-led technology company by 2030.



AFRICA'S LEADING PURPOSE-LED TECHNOLOGY COMPANY



Protect and grow the Core



Accelerate the transition
to TechCo



Boost and evolve Ethiopia



Unlock value through
innovative delivery models

Build end-to-end device play

Supercharge fixed broadband delivery

Deliver superior customer experience as a key differentiator

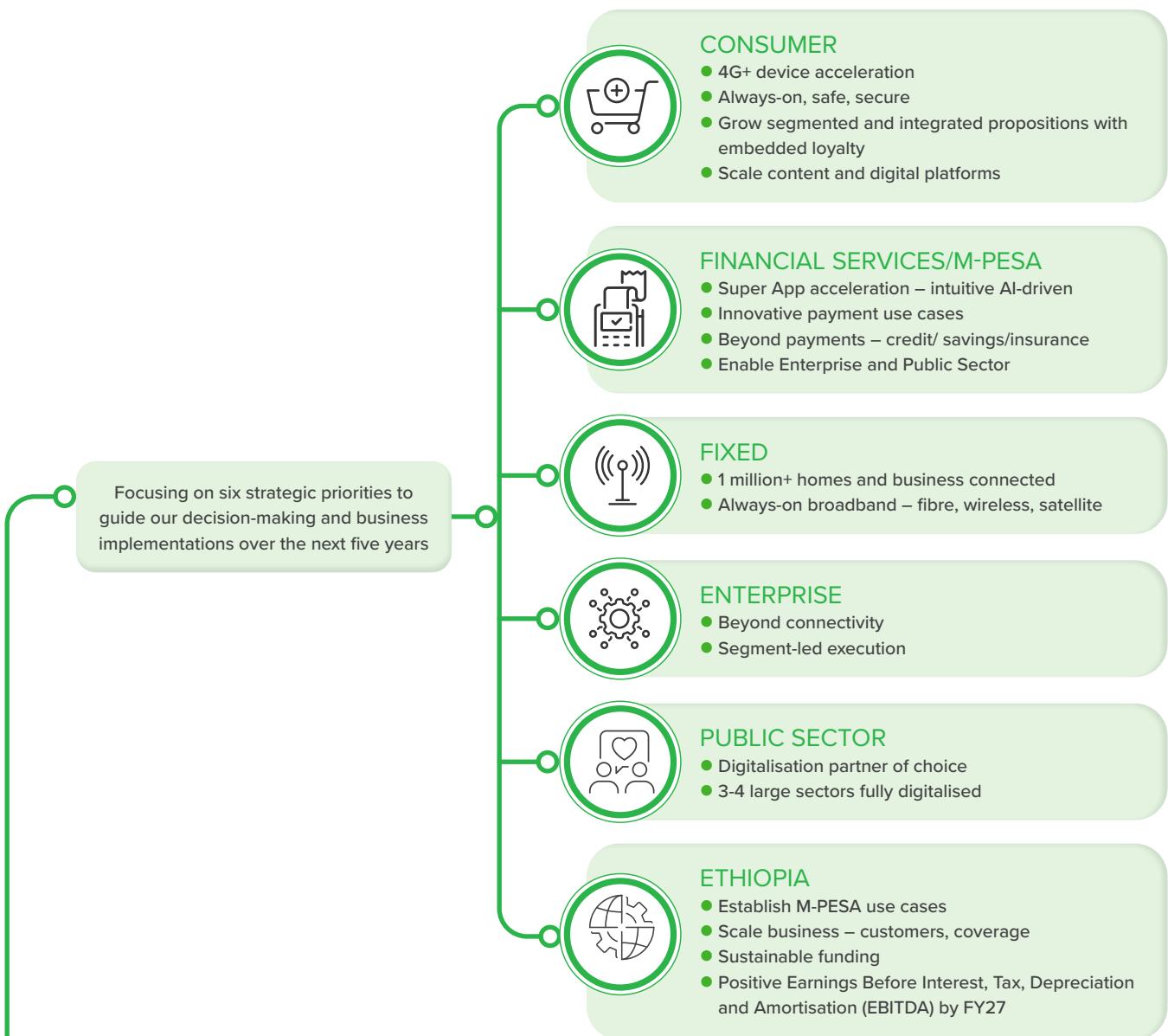
Future Fit Organisation and
Operating model

TechCo Operation
Powered by AI

TechCo Capabilities, People,
Safety and Culture

Collaboration with Community,
Industry and Regulators

** Based on constant currency



OUR STRATEGIC APPROACH (continued)

Our value-creating business model

Our value-creating business model is a fundamental part of our financial and intellectual capitals. It is predicated on the inputs of all our capitals, and founded on the four pillars of our strategy. It describes the way we grow our business sustainably, as well as the way we approach the needs of our customers and create value for all our stakeholders.



PROTECT AND
GROW THE
CORE



ACCELERATE THE
TRANSITION TO
TECHCO



BOOST AND
EVOLVE ETHIOPIA



UNLOCK VALUE
THROUGH
INNOVATIVE
DELIVERY MODELS

OUR STRATEGIC PILLARS

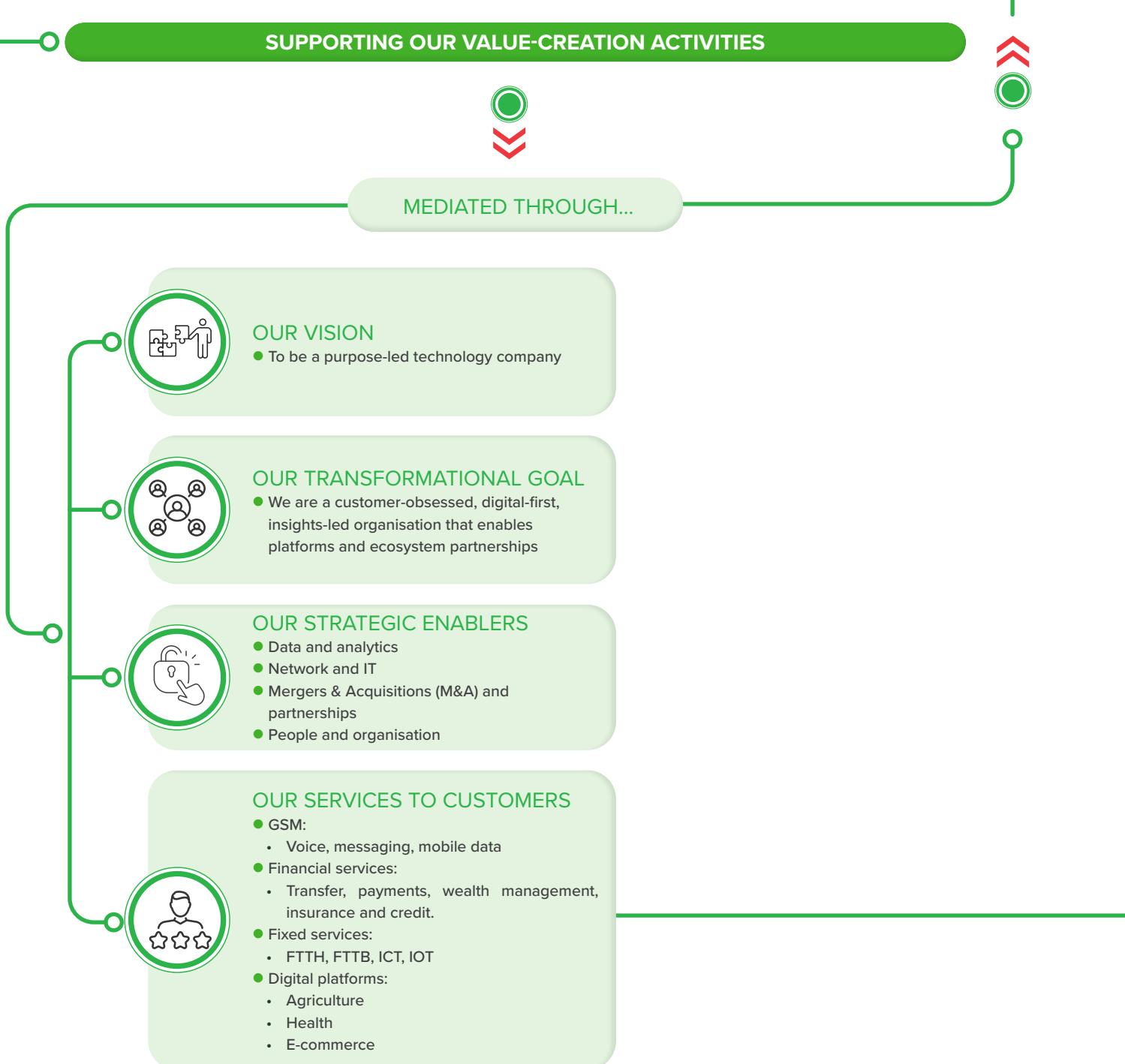
OUR SIX CAPITAL INPUTS

<ul style="list-style-type: none"> ● KShs 0.73 trillion market capitalisation (FY2024: KShs 0.71 trillion) ● KShs 148.9 billion Free cash flow – 15.8% YoY (FY2024 65.82: KShs 76.13 billion) 	<ul style="list-style-type: none"> ● A deliberately shaped Agile culture ● Marketing campaigns and initiatives ● IT systems and enterprise architecture ● Strong balance sheet, diversified portfolio ● Market and data analysis ● Investment in training and development ● Strong corporate governance 	<ul style="list-style-type: none"> ● 5,879 full-time Kenya employees and contractors +1.8% YoY (FY2024: 5,774) ● An experienced and ethical leadership team ● Digital operating model and agile ways of working ● Strong Employee Value Proposition (EVP) and unique reward propositions ● Commitment to equal opportunities, safety and well-being ● Digital leadership upskilling and reskilling 	<ul style="list-style-type: none"> ● 48.24 million customers (FY2024: 44.67 million, 8.0% YoY) ● 35.82 million one-month active M-PESA customers +10.5% YoY (FY2024: 32.41 million) ● 298,890 M-PESA agents +14.1% YoY (FY2024: 262,016) ● Informed engagement with regulators ● Effective brand promise ● Investor confidence ● Long-standing supplier partnerships ● A trustworthy brand that resonates with consumers ● 3.6% employees with disabilities (FY2024: 3.3%) ● KShs 332 million invested in employee training (FY2024: KShs 112 million) 	<ul style="list-style-type: none"> ● 18,300 km fibre footprint, +7.6% YoY (FY2024: 17,000km) ● KShs 91.3 billion capex (Group) -2.4% YoY (FY2024: KShs 93.5 billion) ● 6,973 2G base stations, of which 6,970 are 3G, and 6,937 4G ● Optimised capital allocation and diversification of revenue growth areas ● Neon Ray 2 – Kenya's most affordable 4G smartphone at KShs 7,499 	<ul style="list-style-type: none"> ● 700, 800, 900, 1,800, 2,100, 2,600 and 3,500MHz radio bands ● *260,114.69MWh electricity consumed (FY2024: 244,883,870MWh) ● *59,204.59 m³ water used (FY2024: 66,208m³) ● *10,366,015.23 litres fuel used (FY2024: 9,685,424 litres)
					
FINANCIAL CAPITAL	INTELLECTUAL CAPITAL	HUMAN CAPITAL	SOCIAL AND RELATIONSHIP CAPITAL	MANUFACTURED CAPITAL	NATURAL CAPITAL

* These numbers are not assured and more details on the assured numbers will be available in the 2025 Sustainability report.

OUR STRATEGIC APPROACH (continued)

Our value-creating business model (continued)



DELIVERING OUTPUTS (SAFARICOM KENYA)

- Service revenue KShs 364.3 billion: +10.5% YoY (FY2024: KShs 329.8 billion)
- EBITDA KShs 205.78 billion: +10.1% YoY (FY2024: KShs 163.29 billion)
- Proposed dividend KShs 48.08 billion, 0.0% YoY (FY2024: KShs 48.08 billion)



FINANCIAL CAPITAL

- Better response to changing consumer needs
- Brand reinforcement and market communication
- Accelerated deployment of new technologies
- Agile project management
- Effective controls and processes
- Improved business practices



INTELLECTUAL CAPITAL

- Fair and transparent pay and benefits
- M:F 51:49 workforce ratio (FY2024: 51:49)
- 45% women in senior leadership positions +6.1% (FY2024: 42.4%)
- 27.1% women in technology (FY2024: 27.1%)
- 3.6% employees with disabilities (FY2024: 3.3%)
- KShs 332 million invested in employee training (FY2024: KShs 112 million)



HUMAN CAPITAL

- Kenya's best 4G network covering 98% of the population (FY2024: 97.3%)
- 506,887 homes connected to fibre-optic network +36.3% YoY (FY2024: 371,989)
- 32,807 businesses connected to fibre-optic network: +0.7% YoY (FY2024: 32,580)
- Smartphone penetration grew to 73.7% (FY2024: 66.2%)



MANUFACTURED CAPITAL

- One month active customers grew 7.1% YoY (FY2024: 34.64 million)
- 35.8 million one-month M-PESA customers: 10.5% YoY (FY2024: 32.41 million)
- 4.3% of procurement spend with local suppliers (FY2024: 6.1%)
- KShs 1.20 dividend per share: 0.0% YoY (FY2024: KShs 1.20)



SOCIAL AND RELATIONSHIP

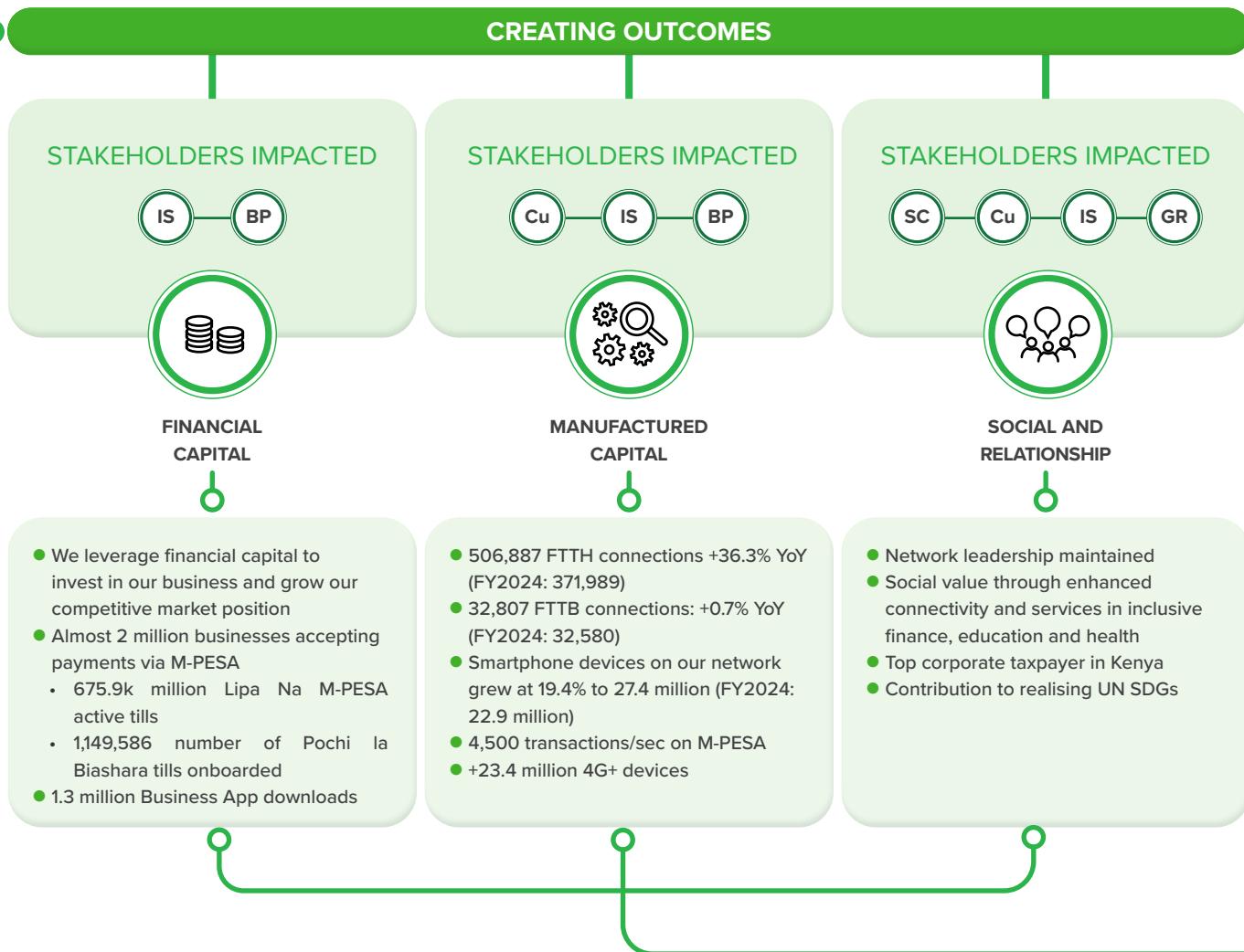
- 260,144 Kwh electricity consumed (FY2024: 234,883 Kwh)
- 59,204. 59 m³ water consumed (FY2024: 66,208m³)
- 10,366,015.23l fuel consumed (FY2024: 9,685,424l)



NATURAL CAPITAL

OUR STRATEGIC APPROACH (continued)

Our value-creating business model (continued)



- IS** Investors and shareholders
- BP** Business partners
- Cu** Our customers
- SC** Society and communities
- GR** Governments and regulators

WITH TRADE-OFFS...

...BETWEEN OUR CAPITALS OR PORTIONS OF THEM

Initiative/Investment

Significant people-related investments and initiatives

Capitals impacted – short term



Capitals positively impacted – long term



Realised benefit

People and capabilities required to deliver our strategy and performance targets

...OVER TIME

Initiative/Investment

Network infrastructure, data centres, distribution infrastructure and software applications – sources of competitive differentiation

Capitals impacted – short term



Capitals positively impacted – long term



Realised benefit

- Business capacity and reputation augmented
- Country's natural capital negatively affected

...BETWEEN OUR CAPITALS AND THOSE OWNED BY OTHERS, OR BY NO OTHER ENTITIES

Initiative/Investment

Use of fossil fuels and related emissions and certain other business activities

Capitals impacted – short term



Capitals positively impacted – long term



Realised benefit

- Business capacity augmented
- Country's natural capital negatively affected

Initiative/Investment

Addition of devices to the network and other physical interventions

Capitals impacted – short term



Capitals positively impacted – long term



Realised benefit

- Negative impact of discarded waste

OUR STRATEGIC APPROACH (continued)

Our approach to stakeholder management

GOVERNMENT AND REGULATORS

Material relationships:

Provide access to spectrum and operating licences, the basis for creating value. Impose regulatory requirements with potential cost implications.

Means of engagement:

Participation in consultations and public forums

- Submission and engagement on draft regulations and bills
- Engagements when submitting regulatory returns
- Publication of policies and research engagement papers
- Partnering on key areas including education, health, and gender-based programmes

Material interests:

Ensuring the wide spectrum of interests is managed as a strategic resource, contributing to national broadband access and the digital economy, especially in underserved and rural markets. Others include:

- Protecting consumer interests on service quality, costs, and privacy
- Regulatory compliance on issues such as mobile termination rates, price, returns, security, safety, health, and environmental sustainability
- Contribution to the tax base

- Promoting opportunities for job creation and socio-economic development

How we engaged

- Proactively advocated for an enabling regulatory environment through submission of outlooks & comments during public participation exercises.
- Implemented effective internal policies and procedures towards ensuring compliance with regulatory obligations.
- A successful engagement with the regulator led to the approval of various products and services currently being sold in the market to meet the needs of customers.
- Participated in the 1st African Preparatory meeting for World Radiocommunication Conference 2027 (WRC-27) in Maseru, Lesotho, where stakeholders gathered to discuss allocation of spectrum for various technologies, while ensuring efficiency and equitable access for all.
- We continue to implement Universal Service Fund (USF) infrastructure projects that aim to provide mobile network coverage in unserved and underserved areas across the country.

CUSTOMERS

Material relationships:

Investing in tools and products that are designed to give our customers variety and control through relevant products and services.

Means of engagement:

- Care Centre, Retail and Franchise outlets
- Digital Channels MySafaricom App, Web (myaccount.safaricom.co.ke), Zuri ChatBot, SMS, IVR and USSD channels
 - Online via Facebook and X platforms
 - Safaricom PLC website www.safaricom.co.ke
 - Journey & Touchpoint Net Promoter Score (NPS) feedback to measure experience and get real time feedback

Material interests:

- Relevant and better value offerings
- Simpler and quicker access to Customer Care
- Easy to use, intuitive DIY and Self-Care services
- Managing the challenge of data-usage transparency by using tools like My Data Manager and Subscription Manager
- Visibility and control on subscribed services

- Secure and trusted digital solutions to enable worry free transactions
- Privacy of information and content protecting our loved ones through parental control and anti-malware protection.
- Feedback on service-related issues via CARE in line with our Customer Obsession agenda

How we engaged

- Digitised and simplified customer journeys on Zuri, App and Web
- Growth in the number of customers interacting with our digital channels
- Automation of Franchise and M-PESA Additional Tills
- Deployed on Partner Portal, eight commercial reports for partners, boosting transparency with partners
- Development of key journeys on the revamped Partner App
- Deployed a solution to enable our partners to swap their M-PESA tills, and automated the process to request additional tills
- Enabled customers to access SIM swap services at our franchise outlets without the need to visit a Safaricom shop or call the Care Centre

INVESTORS AND SHAREHOLDERS

Material relationships:

Provide sustainable financial capital required to grow and feedback to inform our management and reporting practices.

Means of engagement:

- Investor engagements which include roadshows, conferences and meetings
- Annual and interim results announcements
- Annual General Meetings with shareholders to update them on our business strategy
- Investor relations section on the company website

Material interests:

Sound investment to ensure sustainable growth and risk management and to ensure that we take advantage of the opportunities that arise.

Others include:

- Responsible allocation of capital and sustainable investment
- Sound corporate governance practices
- Transparent executive remuneration
- Stable dividend policy

How we engaged

- Held the third Investor Forum on 13-14 Feb 2025 in Mombasa, Kenya
- Continued with the investor engagements aimed at growing the investor portfolio and held the first East Africa roadshow in Dar es Salaam, Tanzania
- Annual Report declared the 2024 FiRe Awards overall winner in Integrated reporting category
- Successfully paid the 2025 interim and 2024 final dividend payment to all bona fide Safaricom shareholders in FY2025, as per the dividend policy.

EMPLOYEES

Material relationships:

Our employees' engagement, determination and skills drive our ability to realise our purpose of 'transforming lives'.

Means of engagement:

- Internal website
- Newsletters, internal magazine and electronic platform communication
- Employee surveys
- Employee hotline
- Leadership coaching and mentorship forums
- CEO mailbox

Material interests:

- Clear career paths through individual development plans and performance reviews to assist in career development

- Improved knowledge sharing across the Company
- Simplicity, agility and engagement
- Building the coaching and mentoring capability of leaders
- Better understanding of reward structures
- Competitive remuneration

Means of engagement:

- 99.9% of staff certified in the 2+1 programme in AI and one digital course in their expertise
- Awarded Top Employer in Kenya and Africa (as part of Vodacom Group) by the Top Employer Institute
- Continuous communication, education and awareness forums for all Staff to support personal and financial development.

OUR STRATEGIC APPROACH (continued)

Our approach to stakeholder management (continued)

SUPPLIERS

Material relationships:

- Impact on our ability to offer quality and cost-effective products and services and to provide cutting-edge technology
- Innovation is one of our key pillars, and it is essential for suppliers to be involved in our innovations.

We encourage them to partner with us in delivering innovative products and services that embrace technology.

Means of engagement:

- Annual Supplier NPS to rate how our suppliers perceive and understand our processes as well as get feedback and address gaps.
- Quarterly Supplier performance feedback sessions
- Supplier Day/supplier forum and Special Interest Group (SIG) Forums
- Virtual forums to share updates on various areas
- Occupational Safety and Health (OSH) quarterly forums for high-risk suppliers
- Feedback to non-successful SIGs on tender outcomes to ensure they know the areas to improve on in future tenders.

Material interests:

- Timely communication on outcomes on various activities such as our tender process
- Remain accessible to partners for feedback and their performance
- Closer relations and frequent engagements with the sourcing team to know the opportunities available, to prepare concise tender documents and submit these on time
- Financial solutions: Support in getting good rates from the banks to enable delivery on contractual obligations and ensure working capital to run their businesses

How we engaged:

- Performance evaluations are still virtual as this offers flexibility and convenience to all parties involved, especially to foreign vendors.
- Sourcing Team engagements with suppliers are also mostly virtual with a few in-person sessions.
- 21 physical visits were made to suppliers' premises for those with contingent workforce, to audit compliance with labour and human rights. Corrective measures were recommended, and support provided where gaps were identified.
- Special Interest Group (SIG) quarterly forums held for SIG suppliers to update them on strategy, SIG performance status, and upcoming opportunities, and to provide an avenue for networking and meeting with the sourcing team, SIG sponsor and other internal stakeholders.
- A hybrid supplier forum was held to share company strategy and focus, communicate important policy changes such as safety rest, and provide opportunities for networking and engagement.
- Special in-person sessions with Tier 1 vendors as well as Original Equipment Manufacturers (OEMs) to share our Special Interest Groups supplier strategy and encourage them to subcontract to this group and support them in attaining accreditation and certification as partners.
- Virtual financial clinics held with six banks with whom we have signed Memorandum of Associations (MoUs), to update suppliers on their products, rates, limits and requirements to access the facilities.

COMMUNITIES

Material relationships:

Transforming lives through sustainable development initiatives that strengthen the socio-economic context in which we operate.

Means of engagement:

- Safaricom Foundation partnering with communities
- M-PESA Foundation investing in projects with corporate social investment
- Public participation in projects and initiatives that give back to society

Material interests:

- Access to digital service platforms, mobile voice and data services
- Access to basic services such as finance, health, education, water and environmental conservation
- Investment in infrastructure
- Responsible expansion of infrastructure

How we engaged

- Continued implementation of our 2023-2026 strategy focusing on health, economic empowerment, education, with an integrated disaster response and access to water and employee engagement
- Participation in the Global Africa Business Initiative (GABI) conversations
- Our Foundations initiated implementation across 389 projects funded through distinct streams, including:
 - 31 strategic regional projects tailored to address regional priorities
 - 45 community-driven initiatives under the Pamoja framework
 - 313 grassroots projects as part of the Ndoto Zetu Phase VI campaign
- Collectively, these projects have contributed to improving access to essential services, creating sustainable livelihoods, and fostering resilience in underserved communities
- In line with our purpose of Transforming Lives through integrated SDGs, in FY2025 we invested KShs 7.9 billion in 47 counties, impacting 4.9 million lives. This investment was made in various projects in:
 - Education: Launched Wezesha Technical and Vocational Education and Training (TVET) programme

- Health: Uzazi Salama programme in Narok and Kilifi counties impacting 709,000 mothers and newborns
- Economic Empowerment: Launched Wezesha Agri III
- Sustainable Philanthropy: Launched phase 6 of Ndoto Zetu initiative investing KShs 100 million
- Environment, water and livelihoods: Continued to implement fencing of Kakamega forest and conserving of the last remaining roan antelope in Ruma National Park
- M-PESA foundation as part of their Humanitarian response allocated KShs 30 million to support 15,000 people affected by devastating floods in Tana River, Nairobi, Nyandarua, and Kisumu Counties, impacting over 3,000 households
- Secured another KShs 15 billion Sustainability Linked Loan in September 2024, bringing the total loan facility to KShs 30 billion, after having announced the closure of a similar amount last year
- This funding will unlock our ability to create more diversified investments, support our investments in innovative technologies and allow us to manage our ESG footprint
- The Safaricom Foundation-funded Digital Skills Programme, launched in partnership with the Ministry of Education, made significant progress in enhancing digital education for teacher trainees. It successfully refurbished ICT labs in eight teacher training colleges, directly benefiting 14,408 people. These upgraded facilities are now fully operational, enabling trainees to access modern digital learning tools
- The initiative, executed in collaboration with the Kenya Institute of Curriculum Development (KICD), Teachers Service Commission (TSC), and the Centre for Mathematics, Science and Technology Education in Africa (CEMASTEA), is set to expand further, with an additional eight colleges slated for ICT infrastructure upgrades in the next phase
- The M-PESA Foundation Academy supported 464 students on campus in FY2025, delivering a transformative learning experience tailored to their potential.

OUR STRATEGIC APPROACH (continued)

Our approach to stakeholder management (continued)

BUSINESS PARTNERS

Material relationships:

A key interface with our customers; they are custodians of our brand and reputation and critical to ensuring our strategy of delivering the best customer experience. They include financial services partnerships, e.g. Visa, M-PESA Global pay, Fuliza and content providers.

Means of engagement:

- One-on-one and virtual business meetings
- Training sessions on new products and services
- Market visits

Material interests:

- Making it simpler and quicker to deal with us
- Fair treatment
- Involvement of top management

How we engaged

- Continuing with market visits to better understand customer needs and issues to enhance our customer experience
- Build Partnerships with Tier 1 contractors and other partners for knowledge enhancement among the women in business (WIB) community
- Continue with strategic partnerships with government to provide digital platforms to Kenyans by enhancing service provisions
- Accelerate the next financial services products in wealth management, insurance and payments.

MEDIA

Material relationships:

Critical role as the contact point with external stakeholders and keeping them informed of the facts, business developments, new products, services and the impact of our business operations.

Means of engagement:

- Media releases and product-related publicity
- Roundtables
- Product launches
- Face-to-face and telephonic engagements
- Interviews with the CEO and key executives

Material interests:

- Updated on key activities and offerings by the business
- Transparency
- Change communication and new products and services

How we engaged

- During FY25, we engaged over 800 media practitioners across the country, ranging from mainstream media to new media and community stations with a focus on shaping the social license to operate
- As part of the Sambaza Furaha Caravan, we hosted six media engagements across the country, specifically in Eldoret, Nyeri, Meru, Bungoma, Kisumu, and Mombasa. Within Nairobi, we hosted three engagements targeting different stakeholders, including an engagement to mark World Radio Day
- Continuous information sharing with local and international media where needed.

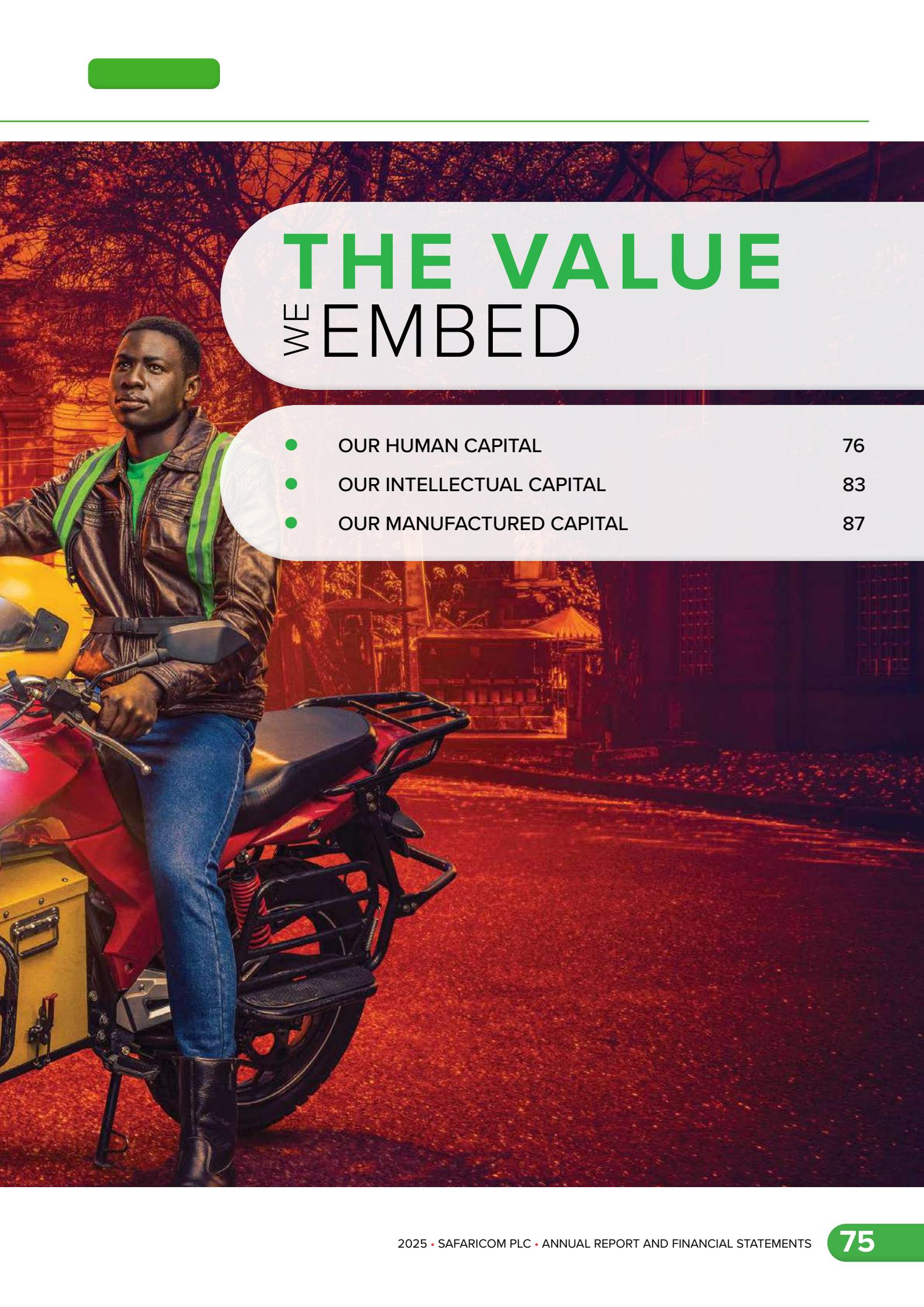


Safaricom @24 celebrations



2025 Investor Forum on 13 February 2025 in Mombasa, Kenya



A photograph of a man in a brown leather jacket and a green safety vest, sitting on a red motorcycle. He is looking off to the side. The background is a blurred industrial or construction site with orange and red lights.

THE VALUE WE EMBED

- OUR HUMAN CAPITAL 76
- OUR INTELLECTUAL CAPITAL 83
- OUR MANUFACTURED CAPITAL 87

THE VALUE WE EMBED

Our human capital

The sustainability of our business depends on our human capital. It is the commitment, diligence and talent of our employees who, working together will deliver our strategic aim of becoming Africa's leading purpose-led technology company by 2030. As such, our human capital also reflects an essential part of our social and relationship capital, by implementing, through the Spirit of Safaricom, our cultural imperative of customer obsession*.



HUMAN CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL

*For more on Spirit of Safaricom and customer obsession, see pages 24 and 25 respectively ➤➤

Our staff complement

	FEMALE		MALE		TOTAL	
	2025	2024	2025	2024	2025	2024
Permanent	2,737	2,723	2,827	2,825	5,564	5,548
Fixed Term Employees + Contractors	—	—	—	—	315	226
Total	2,745	2,735	2,842	2,850	5,879	5,774

*For our employee breakdown at Safaricom Ethiopia, see page 128 ➤➤



Our employee philosophy – The spirit of Safaricom

PRINCIPLES	HOW WE REALISE THEM
Talent	Every person is viewed as talent in an environment where they can grow and develop
Capability	We focus on capability not role
Leadership	Top leadership owns the identification, development, growth and retention of talent
Future leaders	Through proper development, top talent, accelerated talent and successors become future leaders
Diversity and inclusion	We view these as both good for our business and the right thing to do
Impact	This means owning things that matter to drive growth, and to deliver for customers, communities, and teams
Facing challenges	Identifying and working through challenges, assessing options and finding simple ways to move forward
Effectiveness	Being exceptionally effective at achieving impact goals and role-modelling Spirit of Safaricom behaviours
People managers	Trust in empowered managers who motivate, engage, and coach their teams is essential for achieving success.
Depth and breadth through critical experiences	We provide mandatory functional, cross-functional and cross-market moves for talent

Diversity equity and inclusion (DEI)

The year under review saw successes in DEI, driven by collaborative and intentional effort, leadership support and strategic partnerships, and anchored on our four pillars:

- Attraction
- Growth and development
- Retention
- Driving change

We established two DEI focus areas – gender and disability, with targets for both fully achieved:

- Female F+: 45% – (Target: 45%)
- Disability: 3.6% – (Target: 3.5%)

In recognition of our efforts, we received several DEI awards:

- Leading DEI brand in Kenya: *Kantar*
- Most inclusive Corporate Leader: *National Council for Persons with Disabilities (NCPWD)*
- Best PWD Empowerment Programme: *Daima Trust*
- Most Inclusive Employer for Persons with Albinism: *Black Albinism Kenya*
- Best Most Inclusive Listed Company: *Daima Trust (Five years running)*

THE VALUE WE EMBED (continued)

Our human capital (continued) Embedding our culture

Aligned with our strategic priority to Accelerate Future Fit skills, we worked to strengthen leadership capabilities to drive cross-functional collaboration, and create an environment that:

- Promotes psychological safety and authenticity
- Champions customer obsession
- Sharpens employee listening with visible action plans drawn from insights

We undertook this by instituting activities in three categories:

CATEGORY	WHAT IT MEANS
Mindset	<p>Culture transformation initiatives designed to embed the Spirit of Safaricom and foster a purpose-led, reward-driven culture</p> <p>Integration of this thematic approach into all major company-wide staff campaigns and successfully introducing a staff engagement platform to reinforce a purpose-led reward culture</p>
Skillset	<p>Successful completion of Leadership Lab sessions for Exco and 42 Change Makers</p> <p>Ongoing Exco coaching on culture and change management to embed transformational leadership</p> <p>Conducting an Executive Leadership Team (ELT) workshop on leadership shifts</p>
Toolset	<p>Implementing structured listening mechanisms through the SEMA (Swahili word for Speak out) survey to ensure continuous feedback and action planning</p> <p>Successfully rolling out quarterly and annual Spirit of Vodacom and Safaricom CEO awards, thereby strengthening recognition programmes</p> <p>Exco identifying and communicating to all staff our global focus areas:</p> <ul style="list-style-type: none">● Customer● Thrive● Reward● Career Progression <p>Completing 100% of company-wide divisional cascades and action planning. Identifying cluster-specific survey leads to champion SEMA action planning, with ongoing closing/communication of action items</p>

The challenge we faced in the year

CAUSE	MITIGATION
Increased pressure on employees' disposable income	<p>Additional salary taxes and government levies</p> <p>A decision to enhance certain benefits to offer relief and demonstrate the company's ongoing commitment to employee well-being</p>

Gauging employee satisfaction, engagement and experience

During the year under review, we continued to engage with our employees via:

- Talks with the CEO
- Townhall and virtual sessions
- Cluster-level meetings
- Celebrations and recognitions
- Listening platform surveys, including:
 - Annual and Pulse coaching
 - 'Grow my Impact' feedback

In addition, we consolidated all employee communication and engagement in the 'Together We Shine' campaign, which successfully integrated:

- The employee engagement platform
- Safarilypics, Saf@24, and Sambaza Furaha na Safaricom campaigns
- Driving Organisational Success
- Enhancing customer engagement and impact
- 'Doing Good' campaign to embed ethical practices by driving governance policy awareness, reinforcing the code of conduct, and demystifying the disciplinary process through interactive 'Let's Talk' sessions

In our periodical SEMA survey, we have extracted some key insights regarding our employees' experience in the workplace.

Response rate	Engagement	Customer Obsession	Intentional action planning has yielded improvements.
96% (93% - 2023 Annual Survey)	82% (83% in 2023)	87% (80% in 2023)	15/20 comparable questions have significantly improved

Skills development

In pursuit of realising our talent strategy we embarked on companywide TechCo skills assessment to assess our TechCo skills readiness in comparison with established technology companies.

With a total investment of KShs 332 million, our learning philosophy is undertaken through the 70-20-10 approach, with:

- 70% of learning occurring on the job through challenging experiences, projects and assignments
- 20% occurring socially through coaching and mentoring
- 10% occurring through instructor-led learning. Our key focus has been accelerating future fit tech capabilities



THE VALUE WE EMBED (continued)

Our human capital (continued) Employee upskilling initiatives

INITIATIVE	WHAT IT IS	OUTCOME
'2+1' TechCo skills acceleration programme	Certification in an Artificial Intelligence Associate course and two additional digital courses relevant to employee areas of expertise.	<ul style="list-style-type: none"> 99.9% staff got certified in Artificial Intelligence Associate course and two more digital courses.
Digital Academy Cohort 6	A focus on high demand skills areas – Cloud, Solution Architecture, Internet of Things (IoT), Cyber Security, AI and machine learning (ML)	
Safaricom Grow	A critical enabler in upskilling/reskilling and multiskilling our employees on functional and leadership craft areas	<ul style="list-style-type: none"> Over 85% of employees' individual development plan realised
Talent development	Early careers programmes and job rotations	<ul style="list-style-type: none"> Onboarding of 100 Tech Interns 49 Internal 'Discover' graduate trainees 186 employees in internal job rotations
Personal development budget of up to KShs 5,000	Embedding of a culture of continuous learning and creating a workplace where everyone can grow and thrive.	<ul style="list-style-type: none"> Take-up of >500 employees
Comprehensive leadership training programmes	Equipping leaders with the skills and tools they need to guide, inspire, and support the organisation effectively.	<ul style="list-style-type: none"> >900 leaders trained on Leader Lab practices >150 senior leaders trained in four expected behavioural shifts
Amazing Coach programme	Focusing on performance coaching, leading change and building trust	<ul style="list-style-type: none"> 600 participants
Talent reviews	Providing each business unit (BU) an opportunity to review and analyse its talent to put together specific action plans to address talent gaps and shortages, and to retain critical talent	<ul style="list-style-type: none"> 75% successor readiness attained



Agile way of working

Our Agile Contribution Model supports our new ways of working. In addition, we embrace agility through our:

- Contribution-based career model
- Performance management model
- Employment contracts
- Remuneration and incentive model

Measuring our success

All job profiles are linked to specific business KPIs. Each role has a mapped contribution level aligned with Craft, People and Mindset, and Business and Customer. Each employee is assigned objective key results in line with the overall business mission. These are documented and reviewed through:

- Regular weekly retrospect meetings
- Monthly check-ins
- Quarterly business reviews
- 360 Review sessions
- Bi-annual and annual reviews

With our 'Grow My Impact' performance management model now fully adopted, a high-impact performance and learning culture has been unlocked with a shift towards impact and ownership, and feedback and coaching.

During the year under review, we accelerated 360-degree feedback through which over 90% of our employees received regular feedback from their line as well as from managers, peers and key stakeholders.

Our reward cycle

During the year under review, senior managers were able to make recommendations on the Compensation tool, where previously this was only available to Heads of Departments (HoDs). Reward decisions have thus been brought closer to the people manager making reward conversations easier for both employee and line manager.

The system was further enhanced to allow for multiple pay scales to be added to the system in line with the Safaricom philosophy of paying for the craft.

In addition, overtime hours were streamlined and rules around governance introduced to safeguard the wellbeing of employees.

Employee health and wellness

Our health and wellbeing programmes have been pivotal in shaping the Safaricom employee value proposition, (EVP) and in securing recognition of Safaricom as top employer.

During the year under review, various initiatives and events were held to support employees, ranging from fun-days at work for employees' children, a blood donor drive and webinars on various topics, to the issuing of HIV-AIDS self-testing kits, the establishment of a hiking club and stewardship of best-in-class medical and life-insurance schemes.

Employee safety

Employee safety initiatives

INITIATIVE	WHAT IT MEANS FOR EMPLOYEES
Uzima App	Higher adoption, improving hazard documentation and response
Employee road safety	Sustained monitoring and mitigation leveraging existing technology and AI
Annual Fleet Summit	Sponsored by Safety Health and Well-being (SHW), held in all regions, with over 670 authorised Safaricom drivers attending
Road safety communication	Daily communication in the staff bulletin was maintained
Vehicle reflective tapes	These were installed on Safaricom fleet vehicles, and enforced across supplier fleets

With the scaled use of the Uzima app during the year, high-risk work activities and driving continued to be monitored and tracked. Themes emerging from the monitoring of unsafe acts and conditions were understood, tracked and communicated to respective clusters. During the year there were four terminations for drunk driving and Absolute Rules violations.

THE VALUE WE EMBED (continued)

Our human capital (continued)

Events for the promotion of safety

INITIATIVE	WHAT IT MEANS FOR EMPLOYEES
Weeklong commemoration of World Day for Safety and Health at Work	Activations and staff sensitisation sessions
Safety expo	Partners showcased safety products and services
Hybrid Safety Webinar	Theme: 'Effects of Climate Change on Occupational Safety and Health', with over 800 attendees
Stop Work Authority programme	Safety webinar with over 800 participants. 50 instances of work stopped due to imminent risks to safety were registered during the year.
External assurance processes	Safaricom recertified for ISO 45001, demonstrating that the management system in place meets international best practice standards
Building of Operational safety and health (OSH) capabilities and heightening OSH awareness	<ul style="list-style-type: none"> Training for >10,474 attendees (FY2024: 5,087) 4,266 attendees at safety engagement forums
Monthly rad safety webinars	<ul style="list-style-type: none"> 2,971 attendees (FY2024: 2,609)
Other safety sessions	<ul style="list-style-type: none"> 1,295 attendees
Daily road safety messaging	<ul style="list-style-type: none"> 100% presence on Daily Connect Posters and thematic KAA Chonjo messages

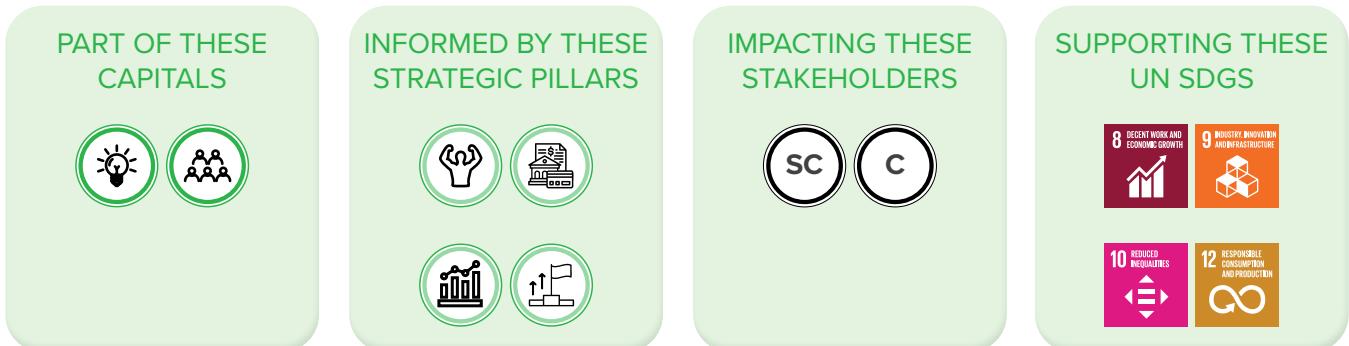
Looking ahead

In the short term we will continue to:

- Reignite employee commitment in order to accelerate the delivery of scalable tech solutions.
- Enhance Employee Value Proposition (EVP) to build internal brand trust
- Continued promotion of skills transformation as an enabler becoming a purpose-led TechCo, with a focus on deepening leadership, tech and commercial skills and AI democratisation
- Deliver a fit-for-purpose future operating structure while further embedding Agile practices across the organisation with a focus on advancing to RUN maturity level
- Radically transform our safety control environment towards zero harm across all operations



Our technology



PERFORMANCE AGAINST OUR TARGETS

ZERO P0* INCIDENTS	50% REDUCTION IN P1** INCIDENTS	5G POPULATION COVERAGE TO 30%	FIXED NETWORK ROLLOUT TO 147,000	CUMULATIVE FIXED NETWORK ROLLOUT TO 700,000
Zero P0 incidents recorded	50% reduction in P1	1,700 5G sites activated, 30% Population coverage	694,289 Homes passed and 506,887 Homes connected	700,000 cumulative rollout recorded

*P0: Network outage affecting critical systems causing major disruptions to millions of users

**P1: Network outage impacting a large number of users. (> 500,000)

RISKS AND CHALLENGES WE FACED

CHALLENGE	MITIGATION
Increasing threat of cyber-attacks poses a significant risk to our technology infrastructure	Implemented robust cybersecurity measures, including anonymising customer data and enhancing fraud prevention and detection controls
Geopolitical risk stemming from American companies being prohibited from selling products containing US-made parts to Chinese telecom equipment manufacturers	Chinese telecom manufacturers we work with have launched product lines for equipment without US components/technology. These products have since been deployed in our environment, including servers, database and operating systems

*For more on risk management, see page 53 

THE VALUE WE EMBED (continued)

Our intellectual capital (continued)

Our technology (continued)

ENHANCING PRIVACY, DATA PROTECTION AND CYBER-RESILIENCE

INTERNAL

- Implementation of a comprehensive Cyber Security Policy to safeguard sensitive information
- Update to our Data Protection Policy to ensure the confidentiality of personal information
- Enhancement of our Laptop Policy to secure portable devices

EXTERNAL

- Cybersecurity strategies aligned with global best practice from the Cyber Resilience Compass report
- Focus on leadership, governance, risk compliance, and robust technical systems to enhance cyber resilience

COLLABORATING WITH OUR STAKEHOLDERS*

INITIATIVE

WHAT IT MEANS

Decode	<ul style="list-style-type: none">Decode serves as a bridge connecting the tech ecosystem, government, and students to various opportunities in technologyThe platform is designed to showcase Safaricom as a leading technology company5,600 in-person attendees, 45,000 virtual participants
Engaging with academia	<ul style="list-style-type: none">10 universities engagedHosting sessions with STEM students
Upskilling	<ul style="list-style-type: none">More than 98% of the technology staff upskilled in AI/ML, coding and automation

*For more on stakeholder management, see page 68 

LOOKING AHEAD

TERM

OUR FOCUS AREAS

Short term	<ul style="list-style-type: none">Investments to address capacity and optimise network infrastructure
	<ul style="list-style-type: none">Deploying 1,500 energy modernised sites, with expected OPEX savings and a 20% reduction in carbon footprint
	<ul style="list-style-type: none">Investing in Limuru Phase II to enhance its data centre capabilities
Medium	<ul style="list-style-type: none">Form partnerships with non-terrestrial network (NTN) providers to expand service offerings and improve network coverageInvest in enhancing network capacity to guarantee at 15Mbps for 95% of mobile data customersConduct a policy review to address existing gaps and ensure compliance with evolving regulatory requirements.Data privacy concerns will be addressed to mitigate general perceptions and enhance customer trust
Long	<ul style="list-style-type: none">Transition to more advanced and efficient technologiesContinue to assess risks associated with partnerships to ensure network security and resilience



Our operational overview

With major investment in M-PESA and a billing platform refresh, we modernised and expanded the mobile and fixed network. Capex investment focused on protecting and growing consumer mobile, deepening the adoption of the Enterprise core, future-proofing the Financial Services core business, delivering superior customer experience and reducing the overall cost to serve.

- 300 sites rolled out
- Ongoing investment in Fintech 2.0 to modernise the M-PESA platform to increase capacity and enhance cloud capabilities
- Investment in Enterprise automation systems and AI tools
- Investment in IT infrastructure to support internal and external business needs

- Investment in security to protect existing revenues and against increased cyber-attack risks such as distributed denial of service (DDOS) attacks
- 147,000 homes passed and 107,000 homes connected, with 700,000 homes and business now cumulatively passed
- Investment in End of Life (EOL) energy and cooling equipment both for sites and data centres
- Launch and operationalisation of the Limuru Data Centre through investment in transmission equipment and IT servers
- Increased upgrades to our 4G network driven by continued growth in usage and operationalisation of the 700 MHz spectrum
- Investment in 1,700 5G sites with 800 having been finalised in FY2024

Our strategic objectives

- Build intelligent open and scalable integration platforms such Customer Billing System (CBS), a digital platform for Financial Services Wealth Management and Revenue Management
- Build AI-enabled models to support hyper-personalised offering for customers
- Scale and modernise core platform to leverage the AI customer journey and Zero Touch Provisioning (ZTP) operations
- Accelerate 5G rollout and fixed wireless access

Our digital channels

OUR OPERATIONAL OVERVIEW

As part of the Channels Division, the Customer Enablement Tribe undertook several specified tasks to:

- Grow APP, web, ZURI (BOT), USSD and monthly-active IVR usage
- Digitise channels organisation
- Implement the 'Single View of Customer' platform

OUR STRATEGIC OBJECTIVES

Our strategic objectives shifted during the year under review from growing digital channel and self-service usage to digitising more of our trade operations and activities, translated into imperatives to:

- Digitise and tool the partner ecosystem to enable an end-to-end frictionless experience
- Enhance unified Partner Portal reports, performance tracking, Dealer Portal and migration experience as the single point of contact for our partner ecosystem

THE VALUE WE EMBED (continued)

Our digital channel (continued)

OUR KEY INITIATIVES

INITIATIVE	WHAT IT MEANS
Demand deflection	<ul style="list-style-type: none">We successfully deployed Zuri Gen Ai with 4 self-services on Safaricom Web to improve accuracy85% of daily customer interactions served via our IVR, USSD and ZURI DIY channels
Partner App	<p>Delivery of 1.5 million new customers monthly via five acquisition modules on the Partner App, including:</p> <ul style="list-style-type: none">Deployment of key journeysAcquisition of new line, fixed wireless access and LNMSIM swap and know your customer (KYC) updateReportsFAQ and escalation tabs
Single view of the customer (SVC)	<ul style="list-style-type: none">Rolled out of SVC to frontline users, delivering cumulative 5,000 SIM swaps.Enabled three AI Models within Single View:<ul style="list-style-type: none">Next best offer (NBO)ChurnNPS Predictor
Partner Portal	<ul style="list-style-type: none">Automation of franchise and M-PESA additional tillsDeployment of eight commercial reports for partners, thereby boosting transparency with themDeployment of the M-PESA Till Swap/PUK feature, enabling swaps via the portal, and resulting in an 18% reduction in call centre demandAutomation of franchise and M-PESA additional tills

RISKS AND CHALLENGES WE FACED*

RISK/CHALLENGE	MITIGATION
Fraud, with increased instances of fraud attempts identified throughout the year	<ul style="list-style-type: none">Enhancing the security of our digital touchpoints and enhanced encryption

*For more on risk management, see page 53 

Our Manufactured Capital

Our manufactured capital is all the hardware, equipment and the sites that house them, that we install and deploy towards serving the people of Kenya and Ethiopia as we act on our commitment to upliftment, diversity, equality and inclusion for all, as we realise our purpose of transforming lives.



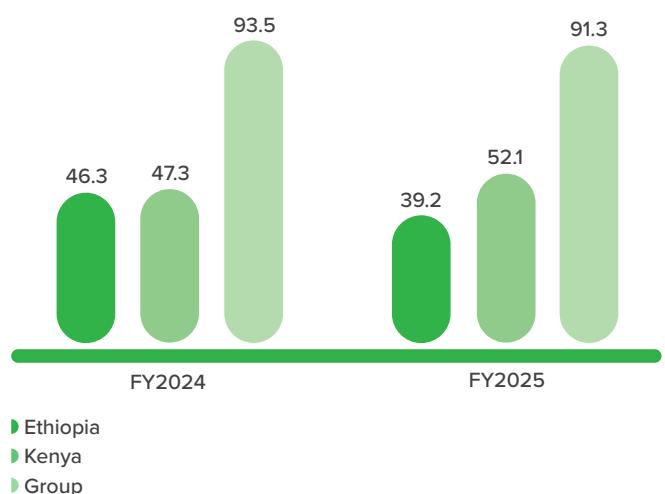
MANUFACTURED CAPITAL

Our network footprint and sites

- Kenya; 98% 4G coverage, 30% 5G population coverage
- 6,973 2G sites of which 6,970-3G and 6,937 4G
- 1,700 5G sites activated
- 50% is 4G population coverage in Ethiopia and 3,141 sites
- 18,300 km Cumulative fibre-optic footprint 21.4% YoY (2024: 17,000 km)
- 694,289 Homes passed 23.9% YoY



Capex investment in Kenya and Ethiopia (KShs Bn)



Building for inclusion

We established a partnership with a consortium of local mobile network operators (MNOs) and international device manufacturers that has the first-of-its-kind smartphone assembly plant in East Africa under State-of-the-art East Africa Device Assembly Kenya Limited, located in Athi River, and launched in October 2023.

PRODUCTION CAPACITY

3 million units annually

PRODUCTS

- 4G-enabled Neon 5, Smarta and 6½ Ultra
- Additional devices to diversify product range over time

BENEFITS

- Job creation
- Affordable smartphones





THE COMMERCIAL WE DELIVER

VALUE

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THE COMMERCIAL VALUE WE DELIVER

Our operating environment in Kenya

The period from April 2024 to March 2025 was marked by gradual economic recovery following earlier disruptions, liquidity pressures, and severe flooding in mid-2024. Despite these challenges, Kenya's economy demonstrated resilience, supported by easing inflation, fiscal consolidation, and a rebound in key sectors.

The Kenyan economy continued to show resilience despite some recent domestic and global shocks. These included a liquidity crunch, Finance Bill-2024 protests and the ongoing fiscal consolidation efforts to manage the fiscal deficit.

The telecommunications industry sustained strong momentum, with growing demand for mobile services, internet connectivity, and digital financial solutions. According to the latest Communications Authority of Kenya (CA) Q3 FY2025 (January – March) report, the sector recorded continued growth in active subscriptions and data usage, underlining its strategic role in Kenya's economic transformation.

Economic Growth

According to the Kenya National Bureau of Statistics (KNBS) Economic Survey 2025, real GDP growth moderated to 4.7% in 2024, down from 5.7% in 2023. The slowdown reflected disruptions caused by Finance Bill 2024 protests, liquidity constraints in early 2024, and flood-related damage to agriculture and infrastructure.

However, momentum improved in the first quarter of 2025 (January–March), with provisional estimates indicating GDP growth of 5.0%, supported by strong recovery in agriculture and agro-processing & resilient performance in transport, ICT, and wholesale and retail trade.

Inflation

During the final months of 2024 there was a significant decrease in inflation, indicating price stabilisation. This was due to favourable conditions in key categories such as housing, water, and fuels.

Inflationary pressures eased significantly over the period, falling from 7.9% in April 2024 to 5.6% in March 2025, approaching the CBK's medium-term target of $5 \pm 2.5\%$ (source: CBK Monetary Policy Statement, May 2025). The key drivers included stabilisation in food prices following favourable weather, lower fuel and energy costs and fiscal consolidation efforts reducing aggregate demand pressures.

For details of the macro tailwinds and headwinds, regulatory and industry indicators see the Group Chief Financial Officer's Review on page 92. 

Our competitive landscape

Telecommunications Sector

The Kenyan telecommunications sector continued to demonstrate resilience and steady growth over the review period, driven by rising smartphone penetration, sustained demand for digital services, and accelerated rollout of network infrastructure.

According to the Communications Authority of Kenya (CA) Sector Statistics Report Q3 FY2024/25 (January – March 2025):

- Active mobile (SIM) subscriptions grew by 6.7% to 76.2 million translating to a penetration rate of 145.3%. This growth is attributed to the various customer win back campaigns run by the operators during the reference period.
- Mobile phone penetration was 143.0% while that of smartphones and feature phones was 80.8% and 62.2%, supported by multi-SIM ownership and expansion of mobile network infrastructure across the country.
- Smartphone adoption continued to rise, driven by more affordable entry-level handsets and rising demand for data-intensive services such as video streaming, social media, and mobile applications.

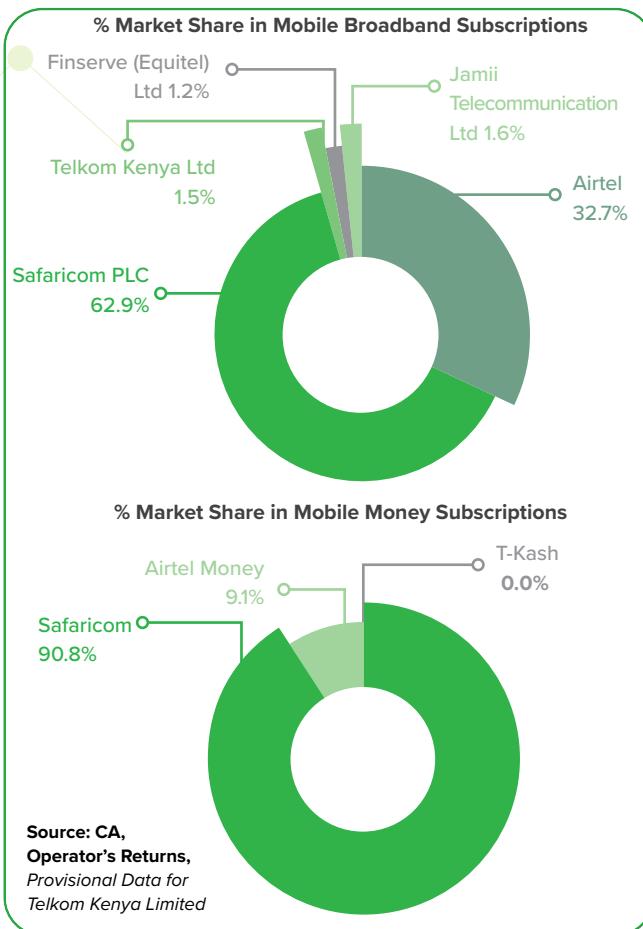
The sector remained highly competitive, characterised by aggressive price-based competition on voice and data bundles, increased investment in 4G and 5G networks, strategic partnerships aimed at content streaming, digital payments, and fintech integration.

We retained market leadership position with 63.3% market share in overall mobile (SIM) subscriptions as at end of March 2025, network reach, and service innovation, but faced increased demand for more value, affordability of our product offerings amidst the prevailing macroeconomic headwinds including constrained disposable incomes facing our customers.

The period also saw further momentum towards 5G rollout, with Safaricom extending its commercial 5G network to more towns and testing new consumer and enterprise use cases, reinforcing our position as a technology leader.

Sources: Communications Authority of Kenya (CA) Sector Statistics Report Q3 FY2024/25 (Jan – March 2025), Central Bank of Kenya Monetary Policy reports

Customer Market Share



Financial Services Sector (Mobile Money & Fintech)

Kenya's mobile financial services ecosystem continued to deepen over the period, supporting national goals on financial inclusion and cashless payments. As per the CA Q3 FY2024/25 report (January – March 2025) mobile money subscriptions grew by 7.3% to 45.4 million translating to a penetration rate of 86.6% during the quarter to March 2025. This growth is synonymous to the increase in active mobile (SIM) subscriptions. Mobile money penetration stood at 86.6% as at end of March 2025.

The mobile money landscape became more dynamic, shaped by;

- Increased product diversification, including small-scale lending by various digital lending providers, savings, and insurance services
- New entrants in the market and collaborations between banks and fintech providers contributed to growing financial innovation in the industry.
- Regulatory focus on consumer protection, interoperability, and transaction charges.

Both telecommunications and financial services sectors remain central to Kenya's Vision 2030 and the government's Digital Superhighway initiative (source), aiming to expand broadband connectivity, digital skills, and cashless payments.

Conclusion

For Safaricom, the competitive landscape in the year was defined by sustained demand for reliable data and digital services, expansion of 5G & fibre infrastructure, deepening financial inclusion through M-PESA innovations, and rising competition, requiring continued product differentiation, pricing innovation, and customer experience leadership.

As Kenya's digital economy matures, Safaricom is well positioned to defend and grow our market leadership through strategic investments, partnerships, and platform expansion.

THE COMMERCIAL VALUE WE DELIVER (continued)

Group Performance Review

by the Group Chief Financial Officer, Dilip Pal

The fiscal year under review has been eventful as the Company marked major growth milestones which were the foundation for the solid performance we attained for the financial year ended 31 March 2025 (FY2025). The Group has demonstrated resilience, even in the face of various external challenges emanating from our operating environment during the year, including economic disruptions, a slowdown in GDP growth, and the impact of foreign exchange regime reforms of the Ethiopian currency. We remain focused on our strategic priorities and are confident in our ability to deliver sustainable growth and value to our stakeholders*.

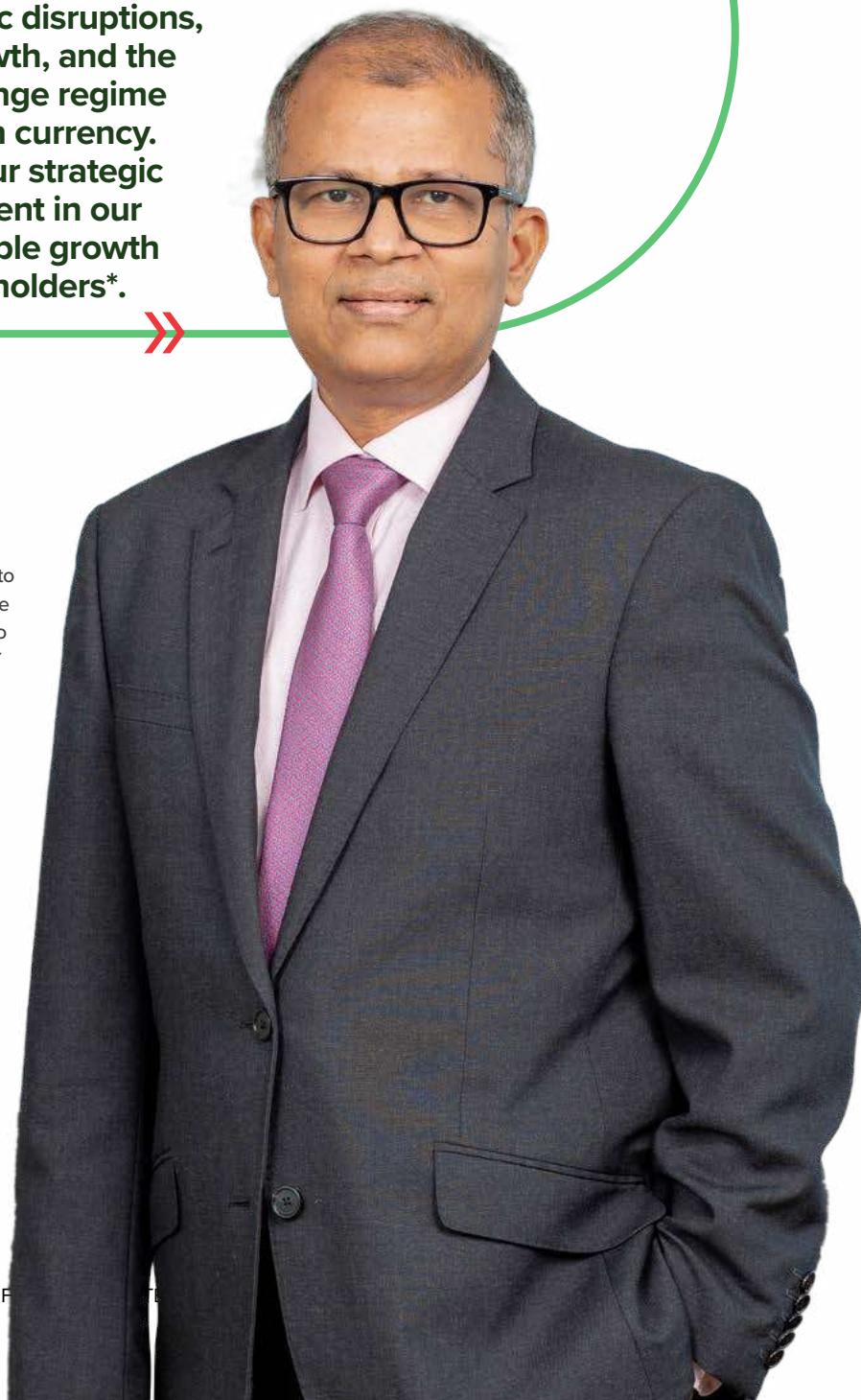
*For more on our operating environment and stakeholder management, see page 90 and 68 respectively 

Outstanding performance for the Group

During the year, our group Service revenue grew 10.8% YoY to KShs 371 billion, mainly supported by growth across most revenue lines. 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.

Our group net income, excluding minority interest, grew 10.8% YoY to KShs 69 billion despite the forex impact in Ethiopia. We have sustained our investment to support expansion in new growth areas, ensuring long-term growth and stability.

Safaricom Kenya's overall customer market share stood at 62.9% as at March 2025. According to the Q3 (Jan – March 2025) sector statistics report by the Communication Authority of Kenya (CA). As of March 2025, the Ethiopian Birr depreciated against the US dollar by 117.1% YoY, from ETB 57.29 in June 2024 to ETB 125.25. This sharp depreciation followed the forex regime reforms announced in July 2025, which aims to liberalise Ethiopia's foreign exchange market. The impact of currency depreciation is incorporated in the consolidated financial statements.



Resilient Group performance

	KENYA	GROUP REPORTED		GROUP CONSTANT CURRENCY
Service revenue	10.5% ↗	H1 FY25 13.1% ↗	H2 FY25 8.7% ↗	FY25 10.8% ↗
EBIT	13.0% ↗	H1 FY25 1.8% ↗	H2 FY25 22.8% ↗	FY25 29.5% ↗
Net Income excluding minority interest	12.7% ↗	H1 FY25 -17.7% ↘	H2 FY25 44.6% ↗	FY25 10.8% ↗

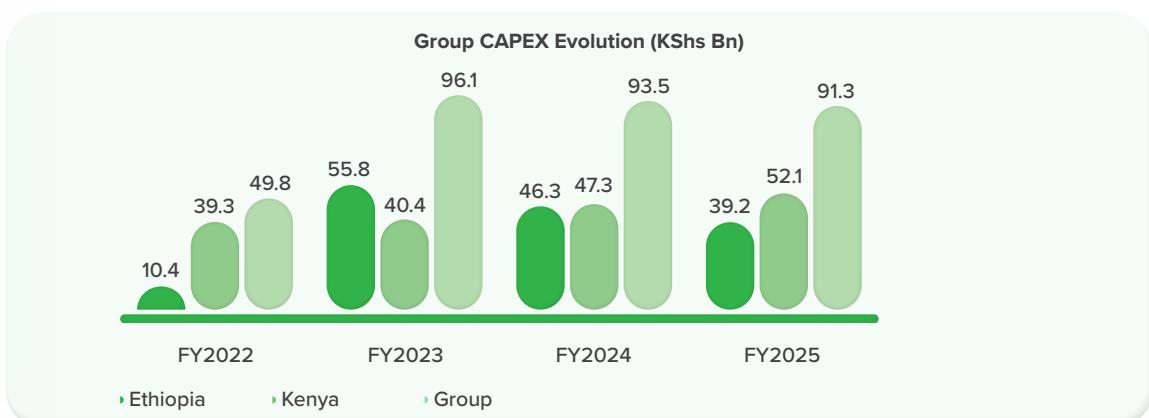
*Group % YoY constant currency excludes IAS 29 & exchange rate reforms impact

On reported and constant currency bases, the Group reported strong double-digit growth in service revenue, Earnings Before Interest and Taxes (EBIT), and net income excluding minority interest.

The Group's net income, excluding minority interest, improved significantly, growing by 10.8% YoY. It improved from a 17.7% decline in the first half of the year to a strong 44.6% growth in the second half. On a constant currency basis, group EBIT grew 16.9% YoY and net income excluding minority interest grew 14.2% YoY.

We have had a strong financial performance for Kenya with impressive double-digit growth across all financial metrics which supported the excellent Group performance. Our Ethiopia business is gaining scale and this will have an overall positive impact on Group performance.

Group capital expenditure (capex) for the year stood at KShs 91.3 billion (-2.4% YoY) with KShs 39.2 billion (-15.3% YoY) being investment in rolling out operations in Ethiopia.



THE COMMERCIAL VALUE WE DELIVER (continued)

Safaricom Kenya Performance Review

Operating context and key macro factors impacting our performance in Kenya

Kenya's macroeconomic stability remains promising, but pressure on disposable income and competition demanded active focus on delivering value-driven customer propositions. Despite GDP growth, there was a notable increase in fiscal pressure, with high interest rates, shrinking private sector credit growth and generally high nonperforming loans for the financial industry.

The economy is projected to pick up in 2025 and 2026 with a projected growth of 5.4- 5.6%, supported by resilience in key service sectors and agriculture, expected recovery in growth of credit to the private sector, and improved exports. This is according to the Central Bank of Kenya (CBK) Monetary Policy Committee release for April 2025.

The Kenya shilling appreciated by 1.9% as at March 2025 to close at KShs 129.37 against the US dollar, compared to KShs 131.8 recorded in March 2024. During the same period, the shilling appreciated by 13.7% and depreciated 5.9% against the UK pound (GBP) and Euro, respectively. The shilling is expected to remain stable supported by foreign inflows and the global weakening of the US dollar in the aftermath of the 50bps rate cut by the Federal Reserve.

Overall macroeconomic activity has been steady with annual inflation rates holding at 3.0-3.6 percentage points. Inflation for the month of March 2025 stood at 3.6%, down from 5.7% in March 2024, and it remained below the mid-point of the target range of 5±2.5 percentage points. Inflation is expected to remain below the mid-point of the target range in the near term, supported by a low core inflation, lower food inflation, stable energy prices inflation, and continued exchange rate stability.

Regulatory and industry dynamics presented both challenges and opportunities. We continued collaborating with;

- Our regulators, the Central Bank of Kenya (CBK), for financial services
- The Communications Authority of Kenya (CA), for our telecommunications business
- The Capital Markets Authority (CMA) for our money market products under M-PESA

One key change impacting our performance during the year was the CA's reduction of Mobile Termination Rates (MTRs) and Fixed Termination Rates (FTRs) to KShs 0.41 per minute, effective 1 March 2024. This impacted our service revenue by KShs 1.6 billion.

Existing regulatory shifts notwithstanding, we continue to strengthen industry collaborations at regulatory and government levels to ensure that important synergies are derived between us and these key industry stakeholders.



For more on our operating environment, see page 90. 

Kenya operating environment | Stable macros with some potential risks

Macro

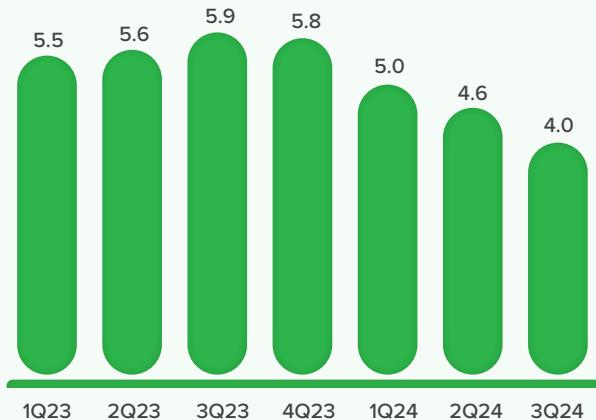
Tailwinds

- GDP growth; +4.8% in 2025 International Monetary Fund (IMF)
- Stable inflation rates 3.6% March 2025
- Stable Kenyan Shilling
- Easing monetary policy

Headwinds

- Increased fiscal pressure
- High interest rates
- Shrinking private sector credit growth, high Non-performing Loans (NPLs)

GDP Growth holds with notable slowdown (%)



Source: Kenya National Bureau of Statistics (KNBS)

Source: Central Bank of Kenya (CBK)

Regulatory & industry

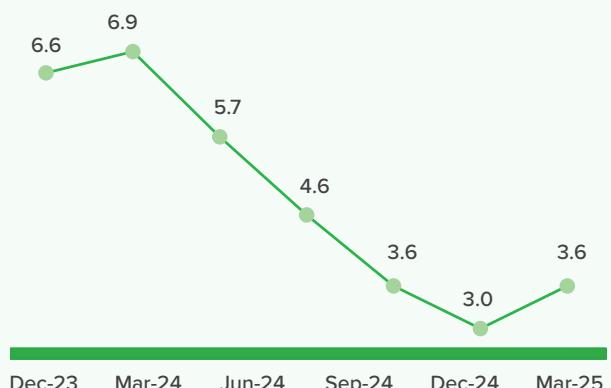
Tailwinds

- Great support & collaboration with the regulators; Central Bank of Kenya (CBK), Communications Authority of Kenya (CA) and the Capital Markets Authority (CMA)

Headwinds

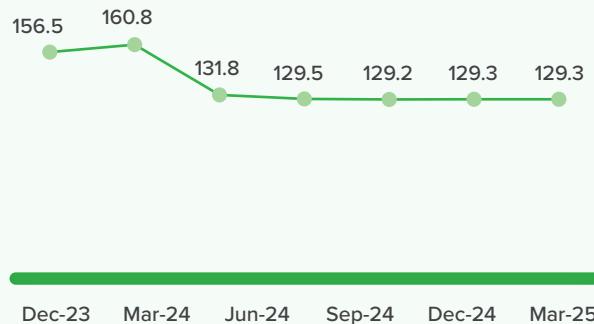
- Regulatory shifts on horizon mobile termination rates (MTR), Infra sharing, satellite, National payment switch, agent interoperability
- Increased regulatory pressure

Stable Inflation Rate (%)



Source: CBK

Stable Kenya Shilling (USD/KES)



Source: CBK

THE COMMERCIAL VALUE WE DELIVER (continued)

Safaricom Kenya Performance Review (continued)

Our Kenyan business recorded strong growth across all business segments

SAFARICOM KENYA PERFORMANCE

Service Revenue

 Grew by
10.5% YoY
to KShs 364,282.7 million

Messaging revenue

 Grew by
1.6% YoY
to 12,477.40 million

M-PESA revenue

 Grew by
15.2% YoY
to KShs 161,118.6 million

Active customers

 Grew by
7.1% YoY
to 37.11 million

Voice revenue

 Grew by
1.6% YoY
to KShs 80,784.70 million

Mobile data revenue

 Grew by
15.2% YoY
to KShs 72,863.20 million

Fixed line and wholesale revenue

 Grew by
12.9% YoY
KShs 17,065.0 million

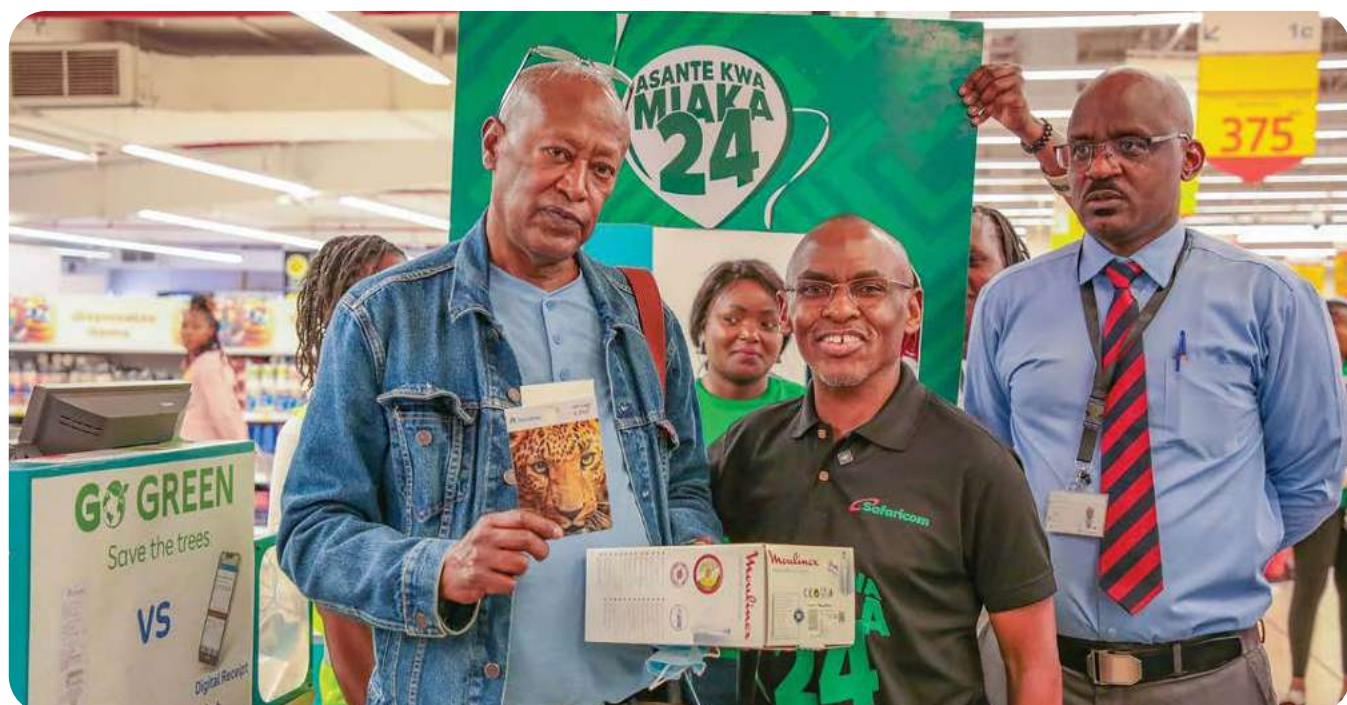
Active M-PESA customers

 Grew by
10.5% YoY
to 35.82 million

Customers

- Our customer base grew significantly across all segments of our business. Overall 30-day active customers grew by 7.1% to 37.1 million, the highest YoY growth in four years.
- One-month active M-PESA customers grew by 3.4 million during the year, a double-digit growth of 10.5% YoY – the highest YoY growth of the last four years and a good recovery from the flat growth trajectory in FY2024.
- Connectivity active customers grew by 7.1% YoY, also the highest YoY growth in the last four years.
- Fixed data customers recorded double-digit growth of 20.5%, with double-digit growth in fixed data customers sustained every year since 2019.

Our exceptional YoY growth across all these categories underscores the unwavering loyalty and trust of our customers.



CUSTOMERS | Growing customer base in all segments

Total customers (Mn)



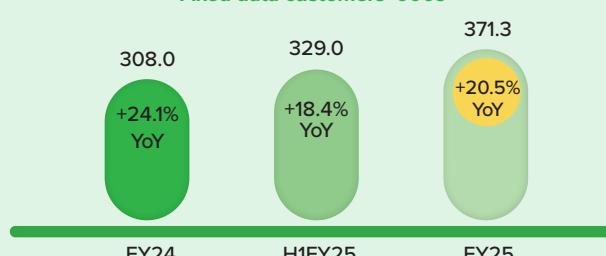
Connectivity customers (Mn)



M-PESA customers (Mn)



Fixed data customers '000s

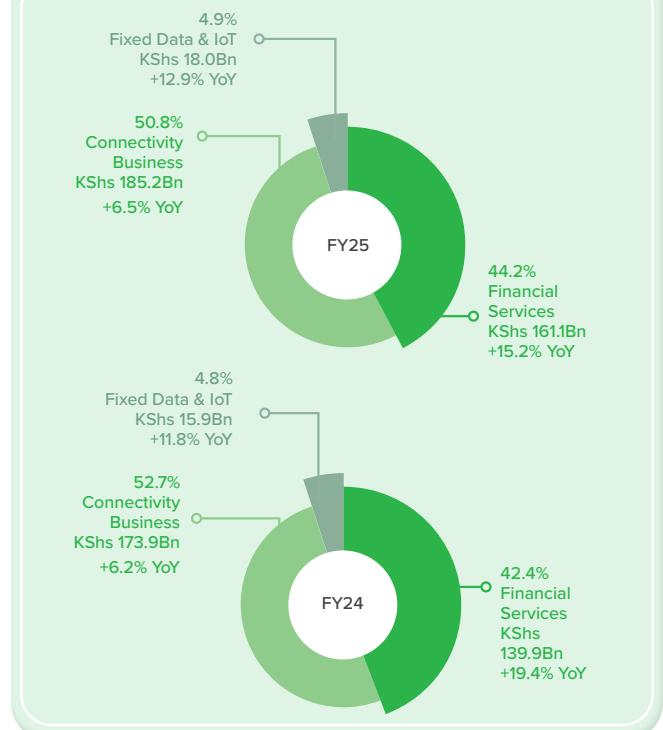


Service revenue

Service revenue in Kenya recorded double-digit growth of 10.5% YoY to KShs 365.9 billion, supported by strong growth in usage and average revenue per user (ARPU). This is the first time we have recorded consecutive double-digit YoY growth in service revenue since 2018, amplifying the success of our strategy towards becoming Africa's purpose-led technology company by 2030.

SERVICE REVENUE | Strong Growth Supported by M-PESA and Mobile Data

Contribution to Service Revenue Profile



*Mobile Termination Rates (MTR) changes from KShs 0.58 to KShs 0.41 effective 1 March 2024.

THE COMMERCIAL VALUE WE DELIVER (continued)

Safaricom Kenya Performance Review (continued)

Customer growth contributed **5.7%** of the 10.5% service revenue growth, while ARPU supported 4.8%. We recorded growth across all segments of revenue including M-PESA, connectivity and the fixed data.

● Connectivity revenue

Connectivity revenue primarily includes voice, mobile data and messaging, and has grown by 6.5% YoY to KShs 185.6 billion, accounting for 34% of the growth in service revenue.

CONNECTIVITY REVENUE CONTRIBUTION	
Voice	Mobile data
43.6% KShs 80.8 billion +1.6% YoY	39.4% KShs 72.9 billion +15.2% YoY
Messaging	Mobile incoming
6.7% KShs 12.5 billion +1.6% YoY	4.2% KShs 7.9 billion -4.8% YoY
Content	Others*
1.3% KShs 2.4 billion +53.3% YoY	4.7% KShs 8.8 billion -3.6% YoY

Customer Value Management (CVM) initiatives and big data and analytics capabilities have significantly improved our ability to provide targeted offerings to our customers. M-PESA grew 15.2% YoY to KShs 161.1 billion (FY2024: 19.4%) contributing 44.2% of service in FY2025 and 61% of the incremental growth in service revenue.

● Voice and messaging

Voice revenue grew 1.6% YoY to KShs 80.78 billion, driven by increased usage and growth in customers. Minutes of use per subscriber grew by 6.0% YoY to 200.89 while one-month active customers rose 6.5% YoY to 30.12 million.

We continue to enhance affordability through our CVM initiatives, with rate per minute declining by 11.4% YoY to KShs 1.11 during the year. This is in line with our strategic shifts in response to the evolving needs of our customers who are seeking more value for the same price points. Messaging revenue rose marginally by 1.6% YoY to KShs 12.48 billion, driven by 16.0% YoY growth in rate per message to KShs 0.31 cents.

Voice and messaging revenue now constitute 25.6% of total service revenue for Kenya.

● Mobile data

Mobile data revenue recorded strong double-digit growth of 15.2% YoY to KShs 72.86 billion, driven by increased data usage per chargeable subscriber which grew by 13.9% YoY to 4.22GB. Rate per MB declined further by 3.3% YoY to 6.19 cents, as we continue to enhance affordability.

Mobile Data ARPU grew by 10.1% YoY to KShs 267.11. One-month active customers also increased by 11.2% YoY to 30.69 million, while data subscribers using more than 1GB grew 18.1% YoY to 11.86 million.

We continued to grow mobile data during the year by driving penetration of 4G+ devices to enhance usage for customers who consume less than 1GB, and by partnering with the open market for devices and our dealer network to drive affordable 4G device supply and uptake in the market.

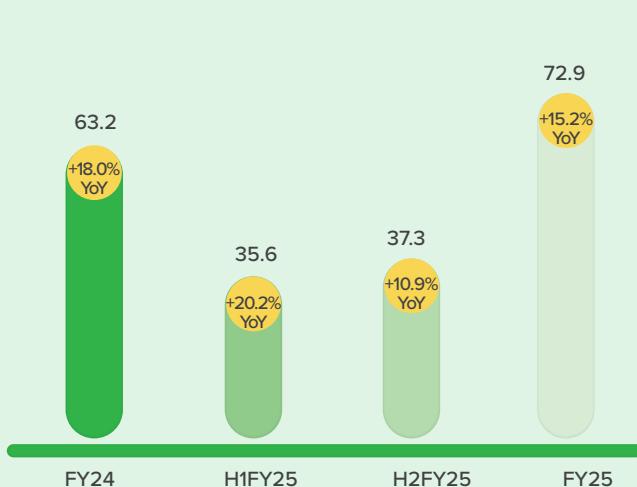
We continue to support customers in acquiring 4G-enabled devices through our affordable device financing offering Lipa Mdogo Mdogo (LMM), having sold about 2.0 million devices to date, with 700,000 sold during the year under review.

The number of smartphones on our network grew by 19.4% YoY to 27.37 million. 4G device numbers rose by 32.4% YoY to 22.31 million, with 49.4% customers using more than 1GB, while 5G devices increased by 57.0% YoY to 1.05 million.

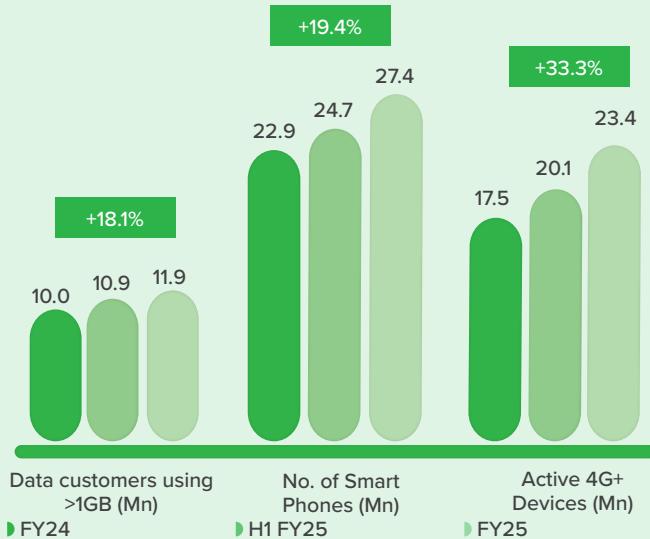
Mobile data now accounts for 20.0% of our service revenue and contributed 27.9% of the growth in service revenue.

MOBILE DATA | Double-digit growth driven by increased usage

Mobile Data Revenue (KShs Bn)



Customers and 4G+ Devices continue to grow



63%

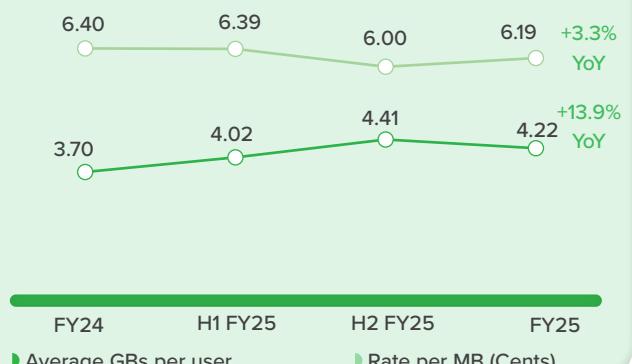
4G+ penetration on overall 30-day base



+20.9%

Integrated bundle revenue contribution

Sustained Usage Growth as Rate Stabilises



● Other Revenue – Other mobile service revenue (SR) and mobile incoming

Other mobile SR which includes SMS wholesale, visitor revenue, Okoa Jahazi (airtime credit), content revenue and internet of things (IoT) among others, grew 5.3% YoY to KShs 7.86 billion, driven by accelerated growth from content revenue which grew 53.3% YoY to KShs 2.42 billion, and IoT revenue which increased 12.0% to KShs 0.94 billion. Content customers increased 26.8% YoY to 3.52 million, while the number of IoT customers grew 8.0% YoY to 1.66 million.

Mobile Incoming declined 4.8% YoY to KShs 7.86 billion, attributed to declining voice incoming.

● M-PESA

M-PESA recently celebrated its 18th anniversary and delivered another year of stellar top line growth. M-PESA revenue grew by 15.2% YoY to KShs 161.1 billion, supported by increased usage

and growth in chargeable transactions per one-month active customers which grew 20.3% YoY to 37.92. M-PESA ARPU rose by 9.4% YoY to KShs 395.22.

The M-PESA revenue profile continues to evolve with increased contributions from new verticals.

Withdrawal revenue was the highest revenue contributor five years ago, standing at 38% with KShs 37.2 billion. In FY25, however, the contribution dropped to 23.1%, signalling containment of velocity within the ecosystem.

Consumer and business payments were the key drivers of growth for M-PESA revenue, contributing 39.1% and 30.2% of the total revenue respectively. Consumer payments grew 19.7% YoY to 63.0 billion, while business payments increased 27.4% YoY to KShs 48.6 billion.

THE COMMERCIAL VALUE WE DELIVER (continued)

Safaricom Kenya Performance Review (continued)

Lipa Na M-PESA active merchants grew 6.8% YoY to 675,860. The business wallet for small businesses, known as Pochi La Biashara in Swahili, also grew significantly over the year with micro-businesses embracing the M-PESA wallet that is dedicated only to businesses, enabling a separation of personal and business funds uses. Pochi tills rose 81.7% YoY to 1.15 million, while merchant overdraft customers stood at 45,150. M-PESA now accounts for 44.2% of service revenue for our Kenyan operations.

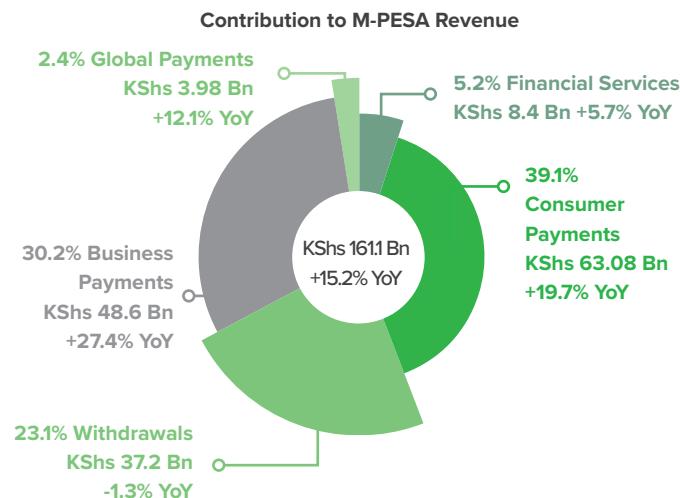
Merchant payments for both Lipa na M-PESA (LNM)-formal merchants and Pochi La Biashara informal merchants, made significant progress with a combined merchant base of 1.8 million, representing a growth of 44.2% YoY.

The number of pochi merchants nearly doubled to 1.1 million, while revenue tripled to KShs 2.2 billion. Overall, revenue from merchant payments increased by 20.5% YoY to KShs 9.8 billion.

Financial services revenue, mainly comprising credit, wealth and insurance, grew 5.2% YoY to KShs 8.4 billion, supported by recovery in Fuliza whose revenue grew 5.6% YoY to KShs 4.1 billion, from KShs 3.9 billion in the prior year. Fuliza customers grew 12.0% YoY to 7.9 million, while the value of Fuliza transactions grew 17.7% YoY to KShs 1.0 trillion. Fuliza revenue makes up 48% of credit revenue growth and has grown by 5.6% compared to FY2024. We enhanced our credit limits as part of our response to customer needs. This drove higher utilisation, with volume increasing by 24.2% YoY to 4.1 billion and values at KShs 1 trillion.

This is an area with great potential for growth as we work together with our partners to meet the needs of our customers.

Global payments which include international money transfers, Alipay, Virtual Card and Google Play Store revenue streams grew 12.1% YoY to KShs 3.89 billion and accounted for 2.4% of total M-PESA revenue.

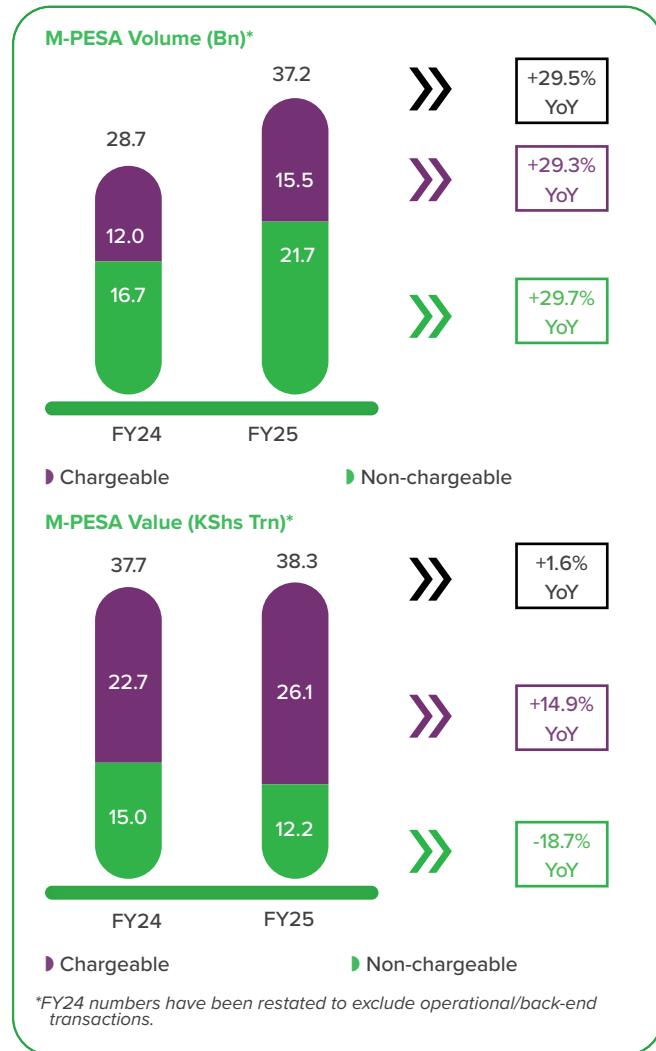


One-month active customers grew by 10.5% YoY to 35.82 million, while the M-PESA Agent network continues to expand as numbers rose by 14.1% YoY to 298,890. (See customer graph above.)

We have sustained growth in usage, with chargeable transactions per one-month active customer growing by 20.3% to close at 37.9, while the take rate on chargeable transactions has remained stable YoY at 0.62bps.

Value and volumes of M-PESA transactions

Total M-PESA transaction value rose 1.6% YoY to KShs 38.29 trillion, while volumes grew by 29.5% YoY to 37.15 billion. Of the total value of M-PESA transactions, chargeable transactions were valued at KShs 26.1 trillion, a growth of 14.9% YoY, while non-chargeable transactions were valued at KShs 12.2 trillion, growing by 31.8%, but declining by 18.7% YoY. The total volume of transactions was 37.2 billion growing 29.5% YoY. Of this 15.5 billion were chargeable, increasing by 29.3% YoY, while 21.7 billion (58.4%) were non-chargeable.



M-PESA consumer and business apps

Our M-PESA super apps play a pivotal role in facilitating digital transition to support consumer lifestyles and business transactions. The super apps are gaining traction with active customers on the consumer app growing by approximately 30%, and active merchants doubling to reach 301k.

The value transacted on the Consumer App grew by 16.1% YoY to KShs 2.3 trillion with the Business App recording KShs 0.9 trillion in value transacted, a growth of 77.3% YoY. Both apps account for 8.4% of M-PESA's total revenue.

We remain focused on enhancing customer awareness of the app to drive better engagement with enhanced experience.

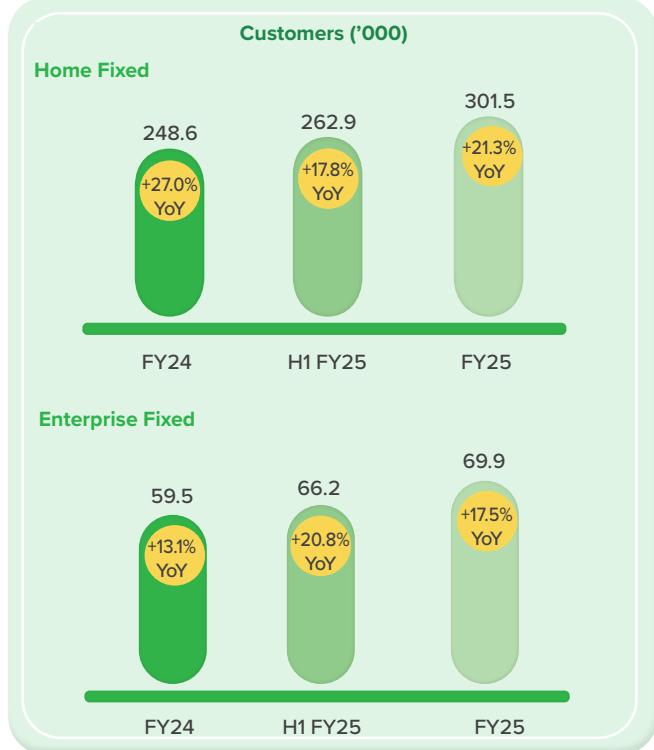
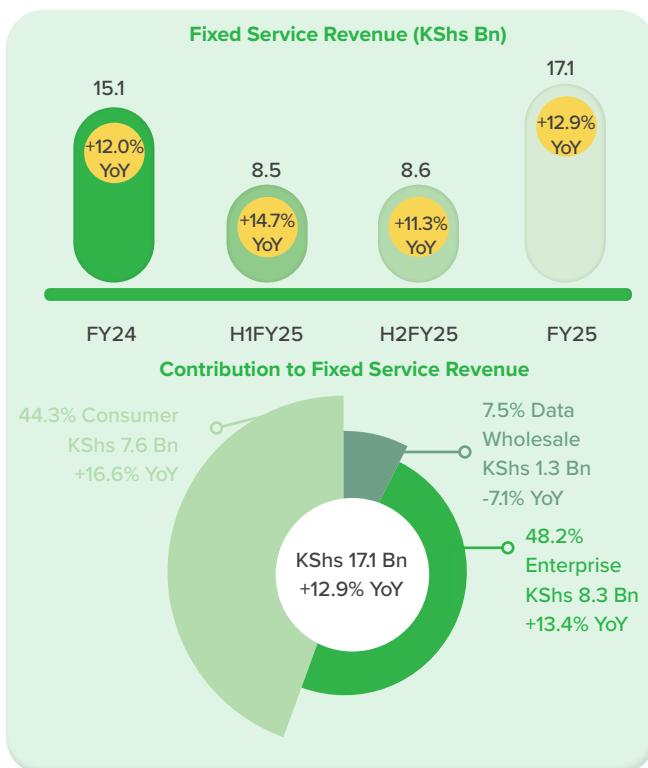
For more on M-PESA@18, see page 116. 

● Fixed data

Our fixed business revenue has recorded 12.9% growth YoY, reaching KShs 17.1 billion, mainly attributable to good momentum on customer growth.

The Fixed business experienced double-digit growth across all segments, with the Home segment, which comprises 44.3% of fixed service revenue, recording growth of 16.6%, and the Enterprise segment growing by 13.4%.

Active home customers have increased by 21.3% to 301,500, while Enterprise fixed customer numbers grew 17.5% to 69,900.



Direct and operating costs

Operating costs grew by 14.4% YoY to KShs 68.1 billion, mainly driven by increased employee costs and network operating costs.

This growth in network operating costs was driven by higher energy consumption due to an increase in sites, with our 5G footprint more than doubling from 800 to 1,700 sites.

Direct costs grew 7.2% YoY to KShs 85.7 billion, driven by increased handset sales from the device financing initiative. Excluding handset costs, direct costs grew modestly by 3.0%.

Our opex intensity remains stable at 17.9%, down from 18.2% in FY2020. Our contribution margin remains healthy at 71.8%.

We continue to look for opportunities to create efficiencies through sustainable initiatives that will lock value into the future as we invest in revenue generation initiatives.

These advancements highlight our commitment to enhancing our

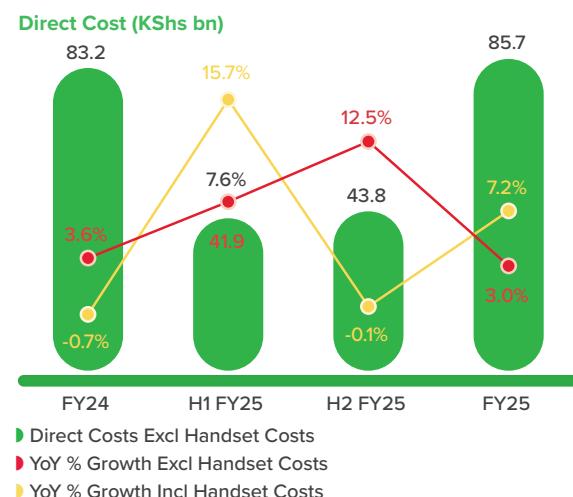
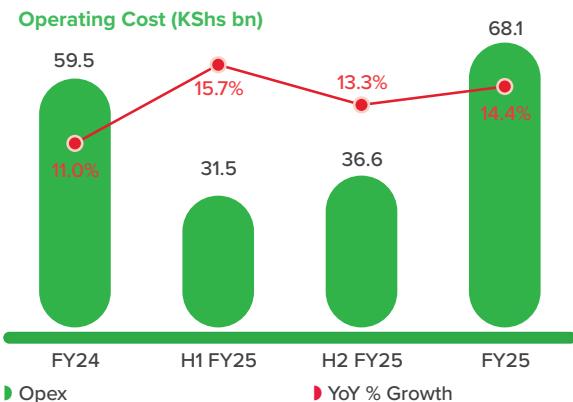
THE COMMERCIAL VALUE WE DELIVER (continued)

Safaricom Kenya Performance Review (continued)

fixed service offers, expanding our customer base, and venturing into promising technological domains.

This is partly due to an additional sustainability linked loan of KShs 15 billion bringing the total to KShs 30 billion, offset by repayments during the year under review.

COSTS | Navigating a complex operating environment with addressable opportunities



Debt levels and free cash flow

Free cash flow grew 18.2% YoY to KShs 89.9 billion, with net debt at KShs 64.5 billion.

Overall, our net debt-to-EBITDA ratio is healthy at 0.31, with the generating adequate cash flows to support its growth.

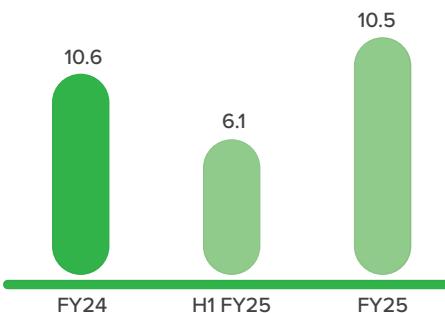
Net Debt (KShs Bn)

	FY24	H1 FY25	FY25
Cash and cash equivalents	21.3	23.0	15.9
Short term borrowings	(39.8)	(34.5)	(39.5)
Long term borrowings	(36.1)	(46.2)	(40.5)
Net Debt	(54.6)	(57.7)	(64.5)
Net debt/EBITDA ratio*	0.29	0.28	0.31

Net debt/EBITDA ratio is calculated on annualised EBITDA

We witnessed a 12.5% growth in finance costs mainly due to an increase in interest rates in the market.

Interest Cost (KShs Bn)

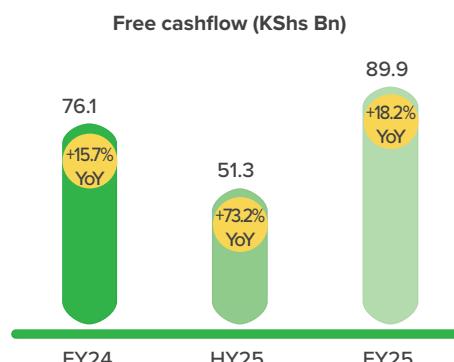


After three-and-a-half years of commercial operations in Ethiopia, Safaricom Ethiopia contributed 9.3% of the growth in Group service revenue. We have made significant progress in expanding network roll-out, customer acquisition and brand immersion since we launched commercial operations on 29 August 2023.

Our goal of playing a central role in the digitalisation of Ethiopia remains our priority, with both infrastructure and usage demonstrating that we are poised for solid growth. Our 4G population coverage stands at 50%.

We are greatly encouraged by the commercial momentum that we have seen in Ethiopia, especially in the context of a tough macro environment and currency reforms.

*For more on our Ethiopia operations, see page 125. ➔



Safaricom Ethiopia Performance Review

Operating environment and factors impacting our performance in Ethiopia

Ethiopia has made progress in addressing external imbalances and improving the business climate. These steps boost investor confidence, enhance liquidity, and create value for investors.

We are encouraged by the market adjustments to the foreign exchange reforms and a resilient GDP, supported by economic reforms, stability, and sectoral growth.

For more on Our Operations in Ethiopia, see page 127. 

Foreign exchange reforms

On 29 July 2024, the National Bank of Ethiopia (NBE) announced a reform of the foreign exchange regime with immediate effect. The Foreign Exchange Directive No. FXD/01/2024 introduced major policy changes, allowing forex rates to be determined through negotiations between banks and customers. This marked a significant shift from prior practice and aimed to consolidate fragmented forex regulations and liberalise the financial sector.

- The currency reforms resulted in a sharp devaluation of the country's currency in the first weeks. Since then, the National Bank of Ethiopia (NBE) has been monitoring market dynamics to enhance FX liquidity and access. This measure will introduce some predictability and stability in the forex market and boost investor confidence. In addition, the Ethiopia EBITDA breakeven date was adjusted by one year to YR5 (FY2027) due to Birr depreciation.
- As of March 2025, the Ethiopian Birr (ETB) depreciated against the US dollar by 117.1% YoY, from ETB 57.29 as at June 2024 to ETB 125.25. This sharp depreciation followed the forex regime reforms announced in July 2024. The impact of currency depreciation is incorporated in the consolidated financial statements.

See our Annual Financial Statements on page 175. 

We have taken measures to cushion the short- and medium-term impact of Birr depreciation. These include renegotiating foreign denominated contracts, onboarding ETB-based vendors for civil/power works, reducing expatriate numbers, and an industry-wide adjustment in pricing. These measures will go a long way towards ensuring the future sustainability of Ethiopia's business performance. Sustaining momentum will require navigating macro-economic shifts, political dynamics, and regulatory changes, and we have received great support from the government of Ethiopia since we obtained the licence in July 2021.

Safaricom Ethiopia key performance highlights

CUSTOMERS		
8.8 million +103.2% YoY 90-day active-total	7.1 million +155.1% YoY 90-day active-data	6.5 GB +53.1% YoY Per mobile data user
M-PESA 2.4 million +68.7% YoY 90-day active-Customer	30 day active 42k unified merchants	KShs 20.6 billion Value and 164.6 million Volume of transactions
NETWORK		
Site split 3,141 Sites	1,718 own built	50% Population coverage
	1,423 collocated	
PEOPLE		
898 Permanent employment	95% Ethiopian	591 Male
	5% Expats	307 Females

Sustained customer acquisition momentum

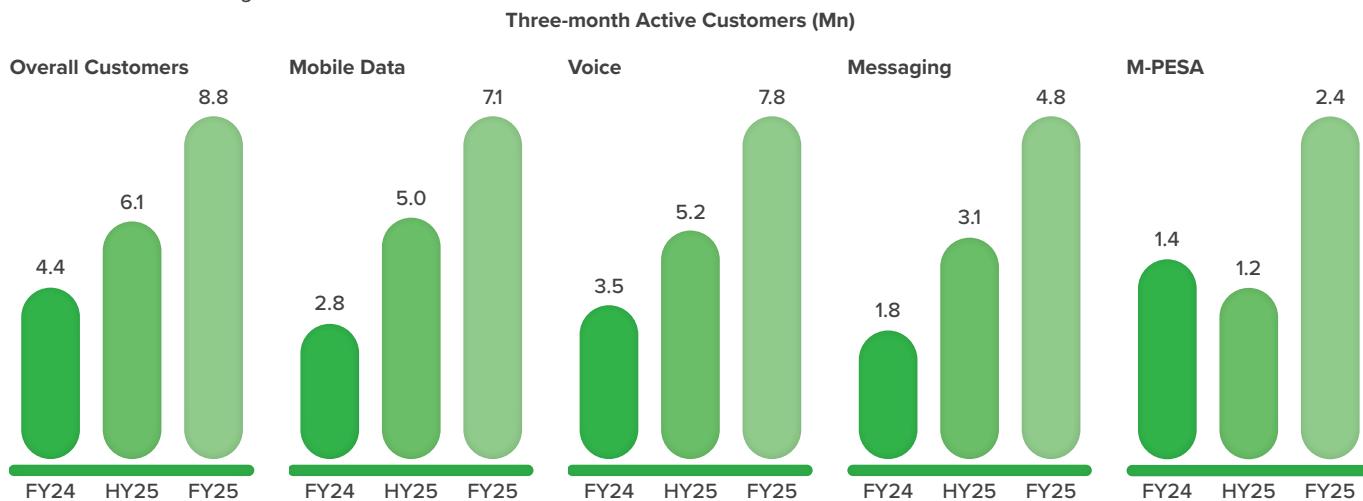
Our 90-day active customers have doubled across all segments, driving usage and consequently, revenue. Ninety-day active customers reached 8.8 million, in line with our guidance of 7-10 million customers. Voice customers more than doubled to 7.8 million. Data customers grew 2.5 times YoY, reaching 7.1 million, and representing a 90% penetration of 90-day active voice customers. M-PESA customers closed at 2.4 million, doubling in the second half of the year. We are encouraged by this progress and are on track to meet

THE COMMERCIAL VALUE WE DELIVER (continued)

Safaricom Ethiopia Performance Review (continued)

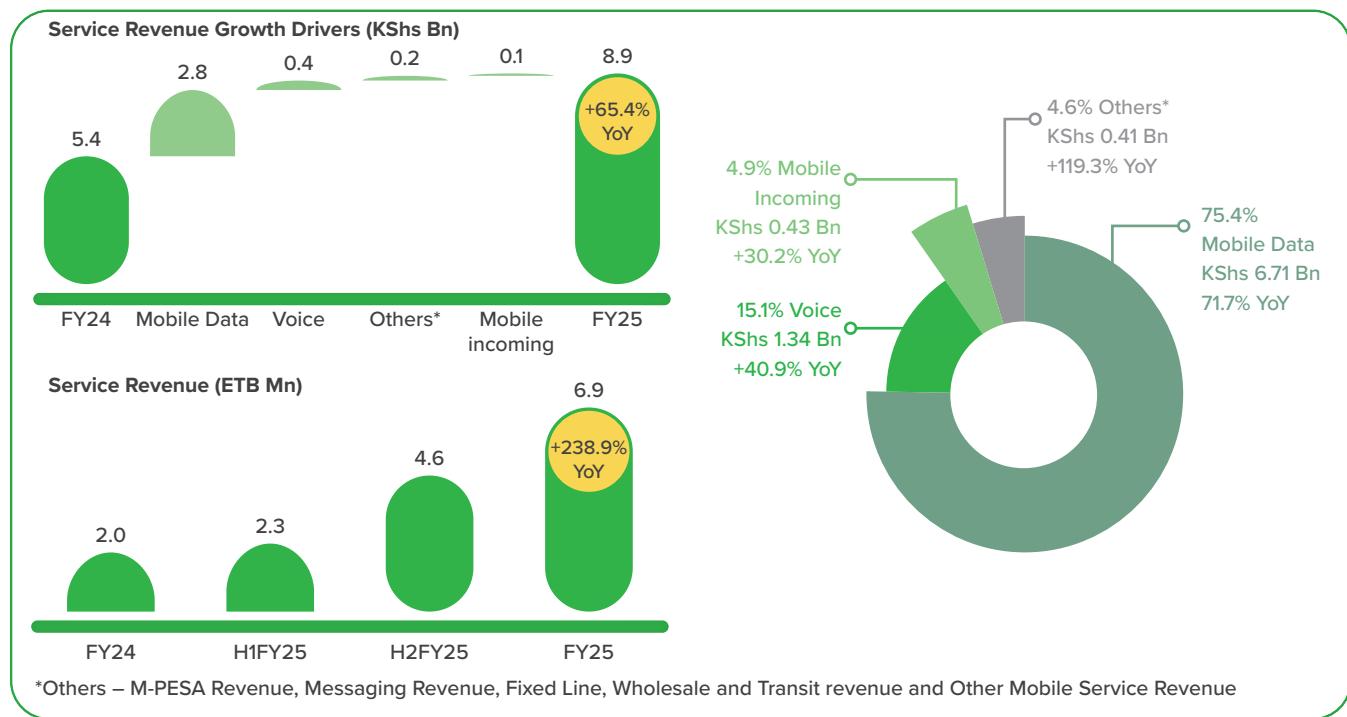
Sustained customer acquisition momentum (continued)

our commercial scale targets.



Service revenue

Safaricom Ethiopia generated KShs 8.90 billion during the year under review, excluding IAS 29 impact (KShs 7.55 billion adjusted for IAS 29) in service revenue, supported by accelerated growth in customers which stood at 8.8 million for three-month active customers. One-month active customers more than doubled to 7.25 million from a base of 3.06 million last year. We are encouraged by the accelerated momentum on customer acquisition in Ethiopia.



In local currency terms, service revenue more than tripled to ETB 6.9 billion.

Voice and messaging

Voice revenue grew by 14.1% YoY to KShs 1.17 billion, driven by increased usage and the growing number of customers as we continue to accelerate rollout and monetise our sites more efficiently. One-month active voice customers more than doubled to 7.82 million while minutes of use per subscriber grew 80.4% YoY to 127.29. Messaging revenue closed the year at KShs 82.0 million, growing 93.9% YoY. One-month active SMS customers more than doubled to 2.98 million, while SMS per subscriber grew 54.0% to 17.9.

Mobile data

Mobile data continues to account for a significant portion of the business at 75.4% of service revenue in Ethiopia, affirming our commitment to build the best data network in Ethiopia.

Mobile data revenue grew by 35.8% to KShs 5.66 billion, supported by sustained high usage levels, customer growth, an affordable mobile data offering and a stable and reliable 4G network coverage of 50% of the population. One-month active customers more than doubled to 5.28 million during the year. Usage per subscriber remains strong and rose 53.1% to 6.46GB while ARPU stood at KShs 156.29.

M-PESA

M-PESA revenue closed the year at KShs 12.5 million, with 2.4 million 90-day active customers. We continue to add more use cases with volume and value transacted closing the period at 164.6 million and KShs 20.65 billion respectively.

Safaricom Ethiopia funding & CAPEX status

The total funding from the consortium at the end of March 2025 stood at USD2.27 billion, an additional USD 410 million having been injected during the year under review. This funding has mostly been through equity, with consortium members' equity funding standing at a total of USD2.1 billion. Safaricom Plc's share at 31 March 2025 was USD1,058 million.

We have invested a total of USD1.2 billion in capex over the past four years, staying within our projected 1.3-billion-dollar cap for the five-year peak investment period.

We continue to assess the funding needs of Safaricom Ethiopia regularly to ensure the business is running smoothly.

Funding Status		
USD million	As at 31 March 2025	As at 31 March 2024
Equity	2,048*	1,626
Local currency debt	105	134
Shareholder loan	18	-
IFC debt	100	100
Total funding	2,270	1,860
Deferred vendor payables	194	301

*Safaricom PLC funding contribution is USD 1,058 million

Shareholders & their respective shareholding of global partnership for Ethiopia B.V (GPE), the investment vehicle to Ethiopia; Safaricom PLC (51.67%), Vodacom Group (5.74%), Sumitomo corporation (25.23%), British international investment (formerly CDC Group PLC) (10.118) and IFC (7.25%)

5Yr CAPEX PLAN

USD 1.0 - 1.3 billion

Spend to FY25
(4yr Capex)

USD 1.2 billion (4Yrs)

Sustained usage and improved monetisation

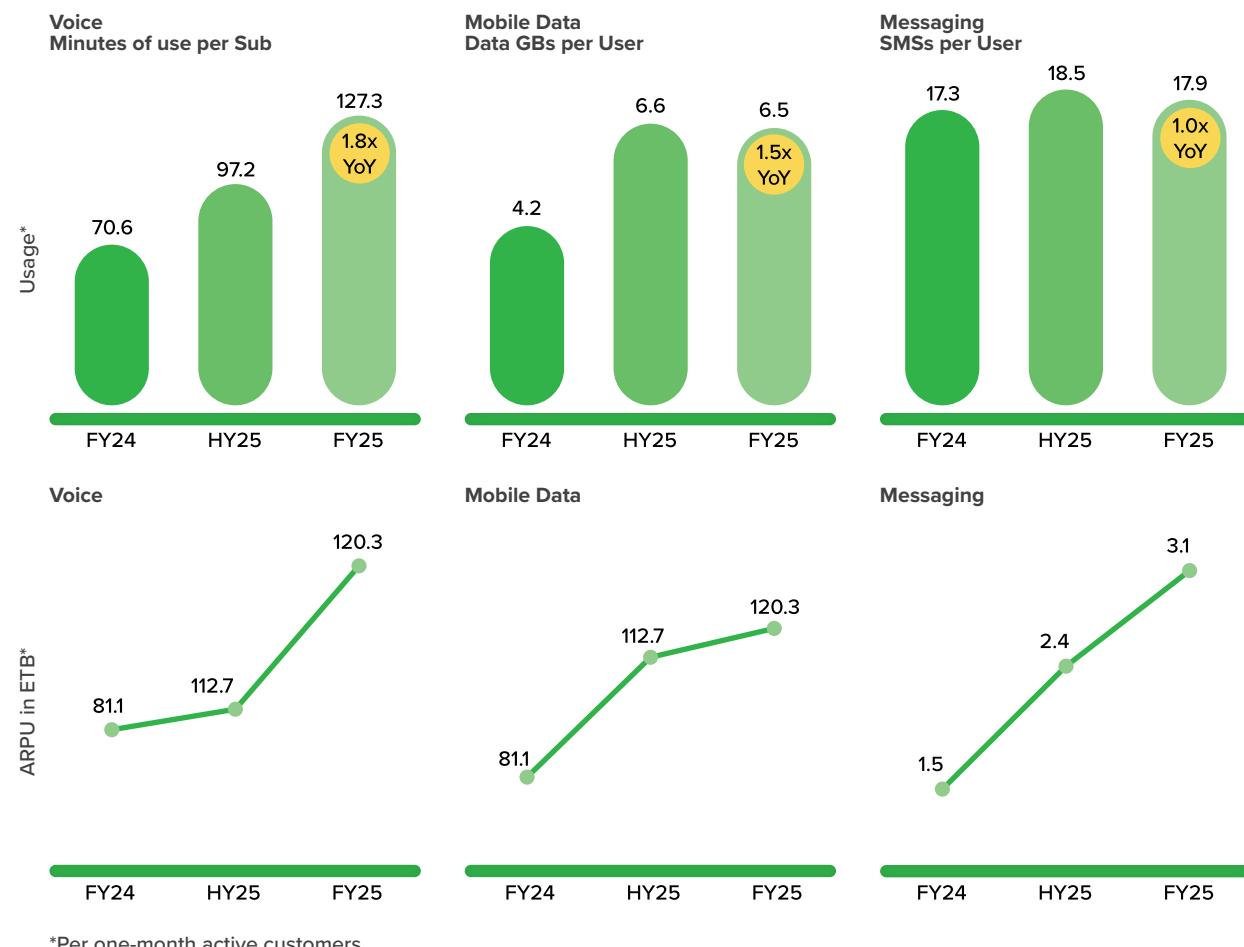
Voice usage grew by 80% to 127.3 minutes per user. Data usage continues to grow, recording an average usage of 6.5GB per chargeable customer per month.

Positive trajectory on ARPUs was recorded, driven by commercial scale and partially by price increases in the second half of the year. Mobile data ARPU doubled YoY to ETB 120.3. Voice ARPU grew by 50% and is starting to grow in line with growth in customers, usage and better monetisation.

THE COMMERCIAL VALUE WE DELIVER (continued)

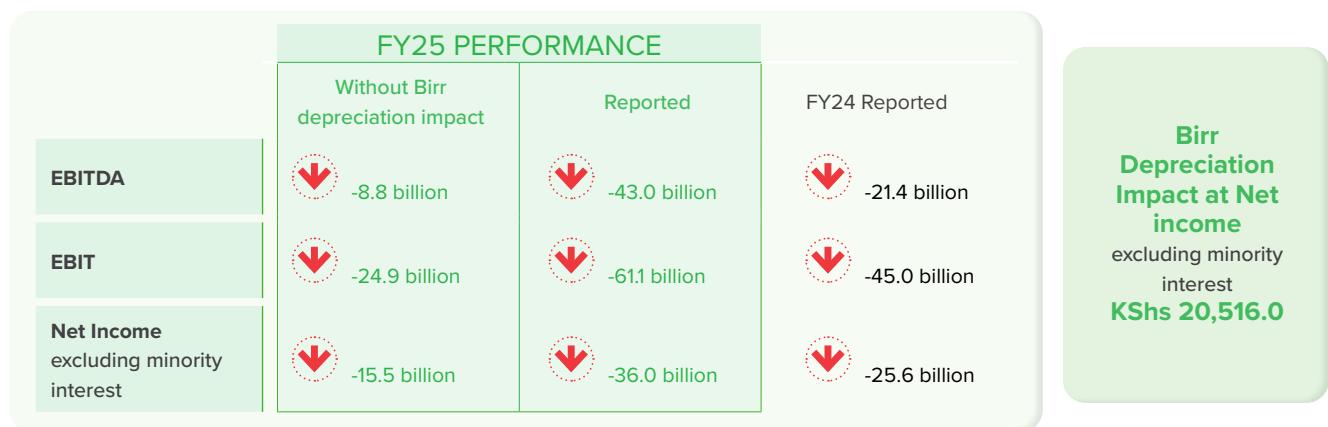
Safaricom Ethiopia Performance Review (continued)

Usage and ARPU - Encouraging usage as we drive higher penetration



Improved underlying performance

We have seen sustained commercial momentum despite Birr depreciation impact, with Safaricom Ethiopia showing resilience amidst the highlighted challenges. The underlying performance excluding Birr depreciation, recorded an improved performance YoY in EBITDA, EBIT and net loss excluding minority interest.



FY2026 guidance

In FY2026, we expect Group EBIT to be in the range of KShs 144-150 billion, and Group capex to be KShs 72-78 billion. EBIT guidance for Kenya is expected to be between KShs 170 and 173 billion, while we expect Ethiopia EBIT loss to be KShs 26 to 23 billion. Capex guidance for Kenya is expected to be in the range of KShs 54-57 billion, while CAPEX guidance for Ethiopia is expected to be between KShs 18 and 21 billion.

FY26 GUIDANCE			
	KENYA	ETHIOPIA*	GROUP
EBIT	170-173 billion	(26) - (23) billion	144 - 150 billion
FY25 Actual	158.1 billion	(61.1) billion	97.1 billion
CAPEX	54 - 57 billion	18 - 21 billion	72 - 78 billion
FY25 Actual	97.1 billion	39.2 billion	91.3 billion

***Ethiopia guidance assumptions**

- Mobile customers target of 15 – 17 million three-month active customers
- 3,800 sites targeted in FY26

Looking ahead

We continued to pursue our strategic goal for the year under review, which was to scale technology solutions in order to be Africa's leading purpose-led technology company by 2030.

As part of our strategic goals, we have focused on leveraging technology and driving customer innovation to offer relevant products, services and solutions to meet their needs. We remain committed to protecting shareholder value by achieving a strong performance in Kenya and attaining important milestones in Ethiopia.

Dilip Pal
Group Chief Financial Officer

THE COMMERCIAL VALUE WE DELIVER (continued)

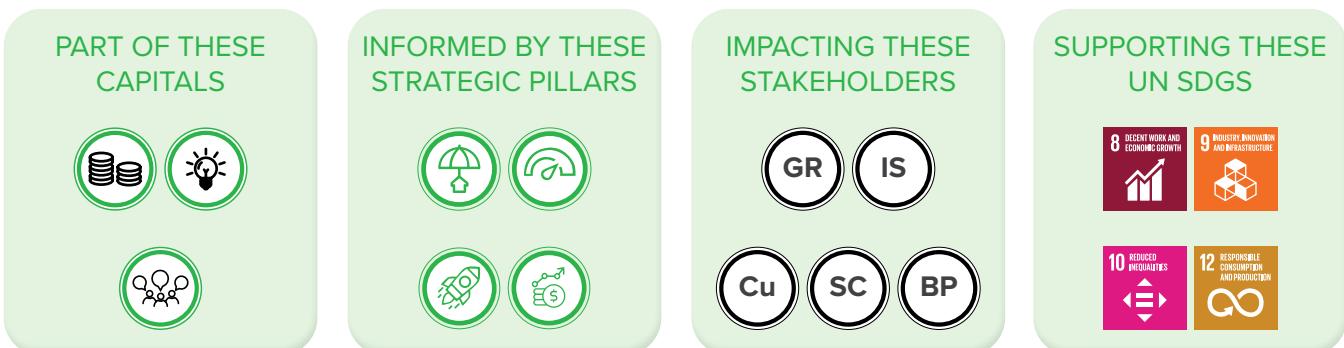
Five-year Group Financial Highlights

KShs Mns	FY25	FY24	FY23	FY22	FY21
Voice Revenue	81,958.9	80,541.1	81,053.9	83,211.8	82,552.0
Messaging Revenue	12,559.4	12,319.2	11,375.6	10,876.7	13,602.4
Mobile Data Revenue	78,521.4	67,404.3	53,952.4	48,441.0	44,793.2
M-PESA Revenue	161,131.2	140,006.7	117,192.2	107,691.8	82,647.4
Mobile Incoming Revenue	8,136.7	8,567.6	8,109.5	9,848.2	9,470.4
Other Mobile Service Revenue	12,309.1	11,552.0	10,550.8	9,795.3	7,779.2
Mobile Service Revenue	354,616.7	320,390.9	282,234.4	269,864.8	240,844.6
Fixed Line and Wholesale Transit Revenue	16,798.7	14,962.2	13,457.9	11,242.5	9,507.2
Service Revenue	371,415.4	335,353.1	295,692.3	281,107.3	250,351.8
Handset revenue and other revenue	13,018.0	10,540.3	11,449.8	14,334.0	12,316.5
Construction revenue	—	—	—	—	837.7
Other Income	4,255.5	3,553.8	3,762.7	2,636.6	520.5
Total Revenue	388,688.9	349,447.3	310,904.8	298,077.9	264,026.5
Direct Costs	(101,081.3)	(97,046.9)	(92,232.1)	(91,467.8)	(80,015.1)
Expected credit losses (ECL) on financial assets	(11,146.0)	(5,807.4)	(4,725.3)	(2,361.2)	(3,009.7)
Construction costs	—	—	—	—	(837.7)
Contribution margin	276,461.6	246,592.9	213,947.3	204,248.9	180,164.0
Operating costs	(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, impairment & amortisation	(68,100.8)	(82,947.8)	(54,865.0)	(39,933.3)	(37,964.3)
Operating profit (EBIT)	104,050.0	80,344.8	84,997.4	109,128.6	96,164.9
Net finance cost	(20,909.4)	(16,641.5)	(7,087.1)	(6,439.2)	(2,022.4)
Share of Associate & Joint Venture loss	(1,177.5)	(1,379.1)	(38.2)	(476.0)	(507.0)
Fair value adjustment to investment properties	25.0	—	90.0	—	—
Hyperinflationary monetary gain	11,222.3	22,363.2	10,383.1	—	—
Profit before income tax	93,210.4	84,687.5	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 after tax	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 and diluted earnings per share (EPS)*	1.74	1.57	1.55	1.74	1.71
Profit for the year	45,757.2	42,658.4	52,482.8	67,496.1	68,676.2
Other comprehensive (loss)/income for the period:					
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)	62,742.8	(9,536.3)	—
Total comprehensive (loss)/income for the 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	67,984.7	64,335.4	68,676.2
Non-controlling interests	(98,364.8)	(23,850.6)	(5,241.9)	(6,375.6)	—
Total comprehensive (loss)/income for year	(108,033.0)	35,380.3	62,742.8	57,959.8	68,676.2
Free cashflow	31,519.7	19,867.3	23,853.0	63,669.7	64,515.6
Ordinary dividend (paid/proposed) KShs Mn	48,078.5	48,078.5	48,078.4	55,691.0	58,896.2

* EPS is calculated by dividing the profit attributable to equity holders of the parent excluding hyperinflationary impact, by the weighted average number of ordinary shares issued in the year

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

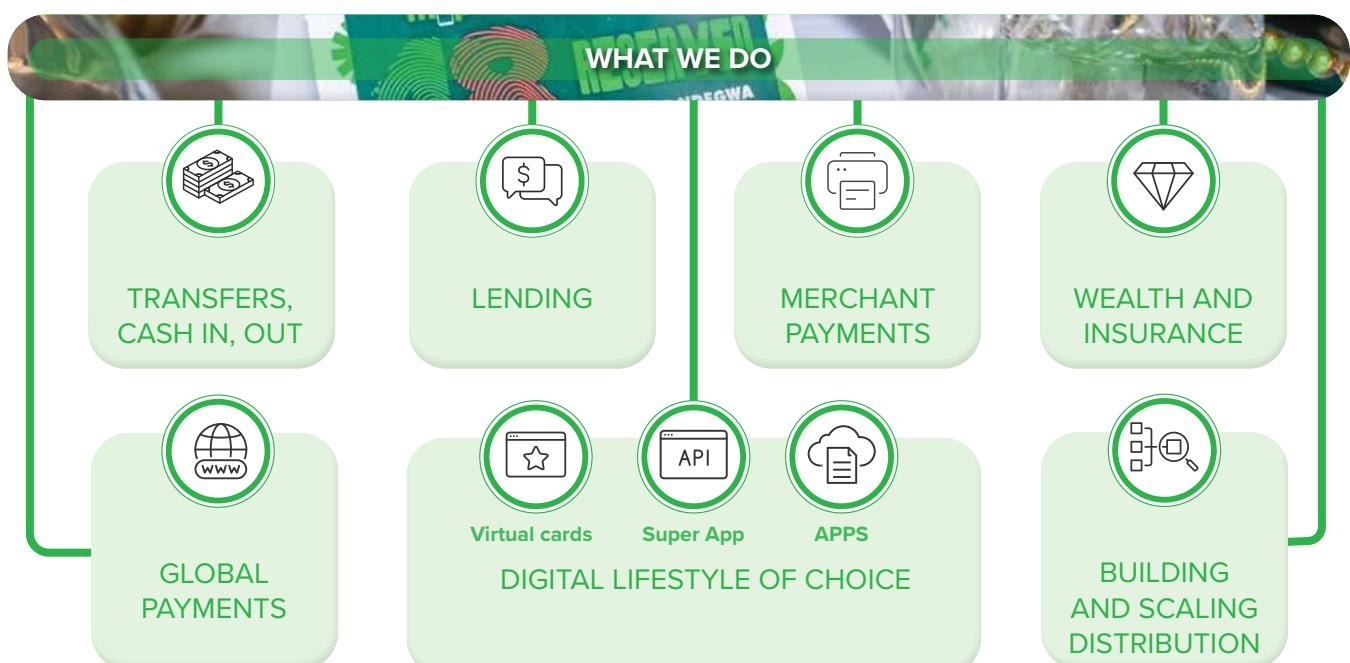
Our financial services – M-PESA



During the year under review, financial services continued to play a central role in Safaricom's ambition to deepen financial inclusion and unlock value for individuals and businesses. To that end we focused on expanding access to formal financial services through innovation, partnerships, ecosystem expansion, and customer education.

Anchored on the always ON, Secure and Reliable M-PESA platforms, the Financial Services business continued to offer core services through payments by facilitating movement of money and enabling businesses to accept money as we continued to support entities in our ecosystem such as banks and insurance companies in their collection of money.

During the year under review, we undertook several initiatives focused on the basics, and solving issues for onboarding journeys for merchant services.



THE COMMERCIAL VALUE WE DELIVER (continued)

Our financial services – M-PESA (continued)

Our focus areas

Focus area	Initiative	Outcomes
Financial inclusion Partners: Agents, Dealers, Banks, Merchants	Enhanced merchant onboarding	Driving scale, speed, and simplicity
	Decoupling bank details	Reduced friction
	Automated onboarding via Partner App	Improved from 52% to >90%
	DIY onboarding success rates	Rose from 6% to 94%
	Manual cases resolution	Within 24 hours
	Kindergarten Programme	Support for new merchants
	Merchant forums	Five hosted, deepening engagement
	Safaricom Grow Caravans	Extended reach, accelerated adoption
	Launched M-RATIBA service/payment	A feature that allows users to set up recurring, or standing order, payments for various purposes, automating payments.
Wealth Management Partners: Various licensed fund managers	Agent ecosystem empowerment	<ul style="list-style-type: none"> By enhancing the commission structure in line with evolution of the wallet size, we re-enforced the loyalty programme Engaging the developer ecosystem through various forums to educate on various Application Programming Interfaces (APIs) and how the Daraja platform can be used to enhance integrations and connect to Safaricom's Decode platform
	Utilising AI for credit and behavioural scoring	<ul style="list-style-type: none"> Limit enhancements for >1 million Fuliza, M-Shwari and KCB M-PESA customers A business credit proof of concept (PoC) focused on small and medium businesses (SMEs) needs A term loan for Pochi and LNM merchants while supporting Fuliza Biashara partners in managing non-performing loans (NPLs) for overdraft
	Launch of Ziidi Money Market Fund	<ul style="list-style-type: none"> A first-of-its-kind money market fund (MMF) with a low barrier to entry of KShs 100, daily interest credit, easy investment and charge-free withdrawals.
Insurance Partner: Sanlam	Operationalisation the Safaricom Insurance Agency Limited	<ul style="list-style-type: none"> Since receipt of the license, we have been engaging our various BUs on embedding insurance in our products and services focusing on embedded device insurance with > 400,000 policies sold.
Financial health	Financial literacy education and online partnerships	<ul style="list-style-type: none"> Financial literacy education for customers, starting with M-PESA Go for young ones where we partnered with Old Mutual and the Kenya Institute of Curriculum Development (KICD) to launch a financial literacy online toolkit for junior and senior school students.
Digital lifestyle	M-PESA Super App and mini apps*	<ul style="list-style-type: none"> Active M-PESA Super App users increased from 3.6 million to 4.7 million, mostly through a digital awareness campaign. The M-PESA Business App also achieved notable growth and performance with users increasing to 301,000 from 142,000 in the prior year, with 50% of that number being agents, and 50% merchants.

Our strategic objectives

Our strategic focus for FY25 was aligned with the broader corporate mission to become Africa's leading purpose-led technology company.

Our four core strategic objectives*

STRATEGIC OBJECTIVE...	...COMPRISING
Deepen ecosystem value	Broader product offerings and new use cases such as wealth, credit and insurance services
Drive customer-centric innovation	A focus on financial health, convenience, and trust
Expanding Distribution	Expansion of the agent ecosystem to previously underserved regions
Becoming a digital lifestyle provider	A reliable platform for mobile money services, to enable services on the Super App with various mini apps and access for businesses

*For more on our strategic approach, see page 48. 

The trends that shaped our strategic approach

TRENDS...	...AND HOW WE UNDERSTAND THEM
Increased demand for micro-investment and passive saving tools	Noted especially among youth and gig workers with thriving fintechs such as Ndovu, and the timely launch of Ziidi, powered by M-PESA
AI and automation	Crucial enablers for fraud detection and customer support
Growing use of fintech super-apps by competitors	An impetus for us to improve in-app experiences on the M-PESA app
Competitor digital offerings	A stimulus for us to continue to review our customer value propositions and offer customer support

Our operating context*

SOCIO-ECONOMIC ASPECT	WHAT IT MEANS
Broader economic environment	Inflation, high interest rates, volatile currency, reduced consumer spending power
Regulatory scrutiny	Increased focus on interoperability for Person to Person (P2P) and merchants, National Switch payment discussion, data protection, consumer transparency
Brand trust and reputation	Critical to continue enhancing customers' trust following the 2024 Finance Bill protests
Consumer pressure	Perception of M-PESA as an expensive platform
Competitive landscape activities	Increased competition in the GSM space and various fintech and payment players growing in the industry
Shift to Digital	Increased smartphone penetration, with a demand for accessible financial solutions

*For more on our operating environment see page 90. 

THE COMMERCIAL VALUE WE DELIVER (continued)

Our financial services – M-PESA (continued)

Our competitive advantage

TECHNOLOGY

Competitive advantage <ul style="list-style-type: none"> Always on 99% uptime Resilient 4,500 of Transactions per Second (TPS) Industry standards - Cyber, card, data privacy 	True North/Size of market <ul style="list-style-type: none"> +99% uptime Micro services-based platforms Higher TPS Streamlined standards 	Unlocking value <ul style="list-style-type: none"> Engine of Progress
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CUSTOMERS

Competitive advantage <ul style="list-style-type: none"> 35.82 million one-month active consumers 1.8 million Business (1.1Mn Pochi & 676k LNM) 	True North/Size of market <ul style="list-style-type: none"> 55 million population in Kenya over 18 forming 56% of the population Target addressable market 7.4 million Businesses 	Unlocking value <ul style="list-style-type: none"> Consumer focused products intuitive Digital Journeys
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CHANNELS

Competitive advantage <ul style="list-style-type: none"> Consumer super App-4.7 million one-month active users Business super App- 301k one-month active businesses 	True North/Size of market <ul style="list-style-type: none"> 22.71 million internet users in Kenya (2024) 	Unlocking value <ul style="list-style-type: none"> Digital lifestyle provider of choice
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DISTRIBUTION

Competitive advantage <ul style="list-style-type: none"> 298,890 Agents Open API platform-55k integrations 	True North/Size of market <ul style="list-style-type: none"> 358k agent network coverage in the country 	Unlocking value <ul style="list-style-type: none"> Ecosystem enabler and builder
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DISTRIBUTION

Competitive advantage <ul style="list-style-type: none"> 106k developers 	True North/Size of market <ul style="list-style-type: none"> The gig economy in Kenya employs about 1.2 million workers 	Unlocking value <ul style="list-style-type: none"> Innovative solutions, deeper integrations, developer accreditation
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The risks and challenges we faced*

Risk/Challenge	How we mitigated threats
Fraud and cybersecurity threats	Investments in AI-powered fraud detection and customer awareness campaigns helped reduce incident rates.
Consumer credit delinquency	Adjusting risk-scoring models with AI by considering behavioural aspects of the customers, offering repayment flexibility for products such as LMM, and enhancing financial literacy to promote responsible borrowing.
Consumer push for affordability	Better communication of the M-PESA value propositions to customers, and market research on customer needs by focusing on a segmented approach.
Currency depreciation	Affecting cross-border services, this challenge was managed through revised forex pricing models and partner negotiations.

*For more on risk management see page 53. 

The opportunities we identified

Opportunity	What it means
AI-Powered Personalisation	Leveraging AI and data analytics to deliver more tailored financial products across customer segments
Wealth products and embedded insurance	Focus on scaling various wealth products and use cases for embedded insurance
Digitisation of government services	Growing demand for secure payment channels, positioning M-PESA as a key enabler
Regional integration through M-PESA	Opportunities to scale interoperable services and partner products across borders
Buy-now-pay-later (BNPL) and embedded credit models	Partnering with merchants and service providers to offer BNPL or instalment-based credit options
Digital financial literacy	Creating a financially healthy population by partnering with like-minded organisations
Smartphone 4G/5G penetration	Support for this growth through the provision of credit facility for device financing
SME needs for working capital	Provision of various funding opportunities and value-added services for SMEs

THE COMMERCIAL VALUE WE DELIVER (continued)

Our financial services – M-PESA (continued)

Strategic partnerships

During the year under review, we continued to focus on existing partners while entering into new partnerships with:

- **Fund Managers SIB and ALA Capital** to launch Ziidi
- **Old Mutual**, to foster financial literacy
- **Sanlam** for insurance offers
- **Terra Pay, Thunes and Visa** to enhance global payments in Ethiopia
- **Tappi**, a digital commerce software as a service (SaaS) startup, to enhance the online presence and visibility of Kenyan SMEs with solutions through the **M-PESA For Business** app, and **Pezesha Partnership** on SME scoring

Our targeted campaigns

During the year under review, we undertook several targeted campaigns to empower customers and promote financial health.

Campaigns...	...and their aims
Ziidi	Introduce customers to wealth creation through low-barrier money market investments
Digital Remittance Awareness	Educate customers on safe, fast, and cost-effective ways to receive money
M-PESA GO Awareness	Educate and provide teens and guardians with tools for budgeting, saving, and spending responsibly
Digital Campaigns for the Mini Apps	Discount awareness
M-PESA @18 Campaign	Celebrate 18 years of transforming lives, via: <ul style="list-style-type: none">● Breakfast Celebration and Ziidi Launch● @18 18 and Over concert● Captains of Industry Partners Dinner
Jiulize Campaign	Safe and Secure awareness during the Sambaza Furaha Christmas campaign
Opposite the editorial pages (OpEds)	Various op-eds on: <ul style="list-style-type: none">● Financial health in digital and physical publications● Financial health and wellness● The importance of financial literacy in sports as part of the @18 campaign

In addition, insights from customer feedback and platform usage informed enhancements in product design — particularly highlighting the need for transparent pricing, tailored reminders, and responsible lending practices.

Looking ahead

As we transition to our Vision 2030 strategy, a key focus will be on financial services and M-PESA to achieve:

- Super app acceleration that is intuitive and AI-driven
- Innovative payment use cases
- Growth beyond payments to credit/ savings/ insurance
- Further enablement of enterprise and the public sector

Sponsorships

We maintained our contribution towards enhancing brand equity through sponsorships during the year under review. These included:

- **NBA Junior Basketball games** – M-PESA Go and NBA partnered to provide basketball development and financial literacy programming to more than 10,000 boys and girls in Nairobi, Mombasa, Eldoret, and Kisumu, including a clinic for 100 local coaches and four regional youth tournaments.
- **Kenya Rugby Union** – A sponsorship intended to:
 - Empower players to succeed globally, grow the fan base and develop a financial future beyond their careers
 - Develop and support the growth of rugby in Kenya, focusing on both elite players and grassroots initiatives

Positioning M-PESA as a lifestyle and business platform of choice

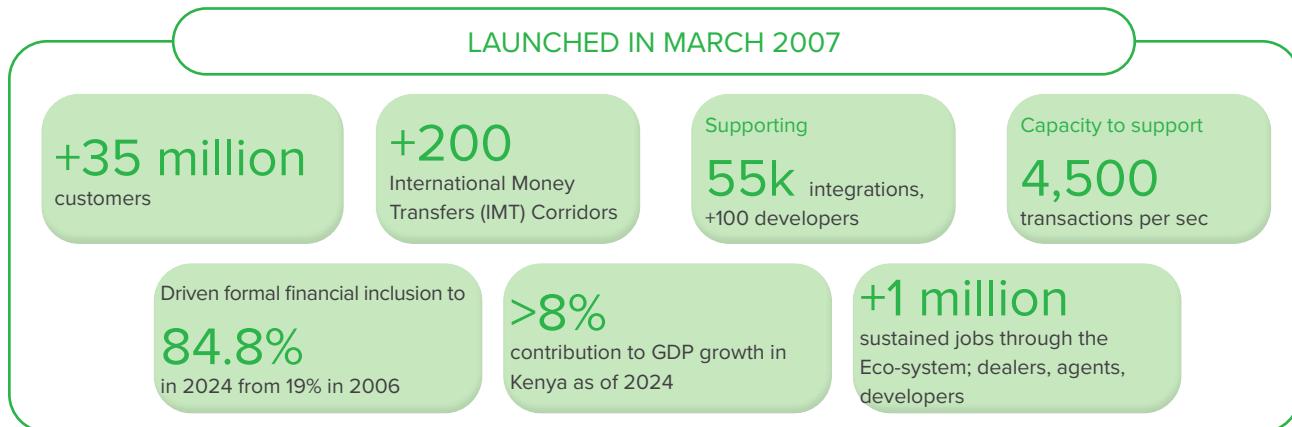
	CONSUMER APP	BUSINESS APP
Downloads	13.7 million	1.3 million
Active	Customers: 4.7 million: >29.5% YoY	Merchants: 301,000 >111.5% YoY
Transaction value	KShs 2.3 trillion >16.1% YoY	KShs 896.28 billion >77.3% YoY

Looking ahead

Term	Focus Areas
Short-term	<ul style="list-style-type: none"> Improving Financial Services ecosystem for merchants, developers, and agents Stabilising new offerings Increasing platform security and improving customer experience Growing savings, micro-insurance, and SME products, including expansion of credit, wealth, and insurance solutions Leveraging AI and data analytics
Medium-term	<ul style="list-style-type: none"> Consolidating gains in merchant acceleration Value-added offerings and strategic partnerships Deepening digital lifestyle capabilities with Super App, Fintech 2.0, Daraja 3.0 Commercial intensity and engagements, particularly among SMEs
Long-term	<ul style="list-style-type: none"> Intelligent, fully integrated digital lifestyle experience Supporting credit, savings, investment, and insurance Purpose-led innovation, enhancing livelihoods and inclusive economic growth Loyalty programmes AI-powered lifecycle management and hyper-personalisation 4G/5G device and Super App adoption Support for the Financial Services ecosystem, and innovative pricing models

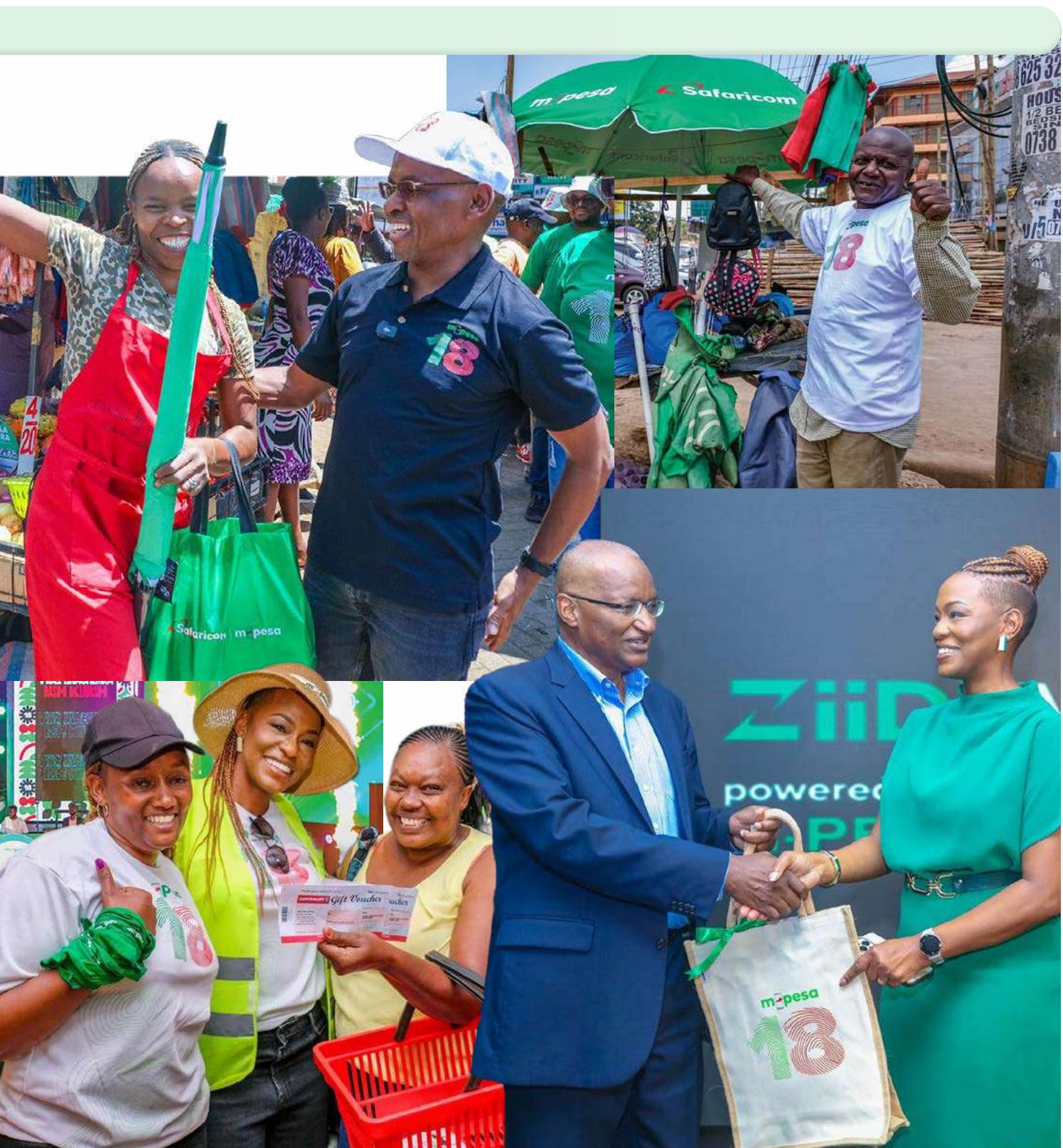
THE COMMERCIAL VALUE WE DELIVER (continued)

M-PESA @18 | Revolutionising Kenya's Financial Landscape



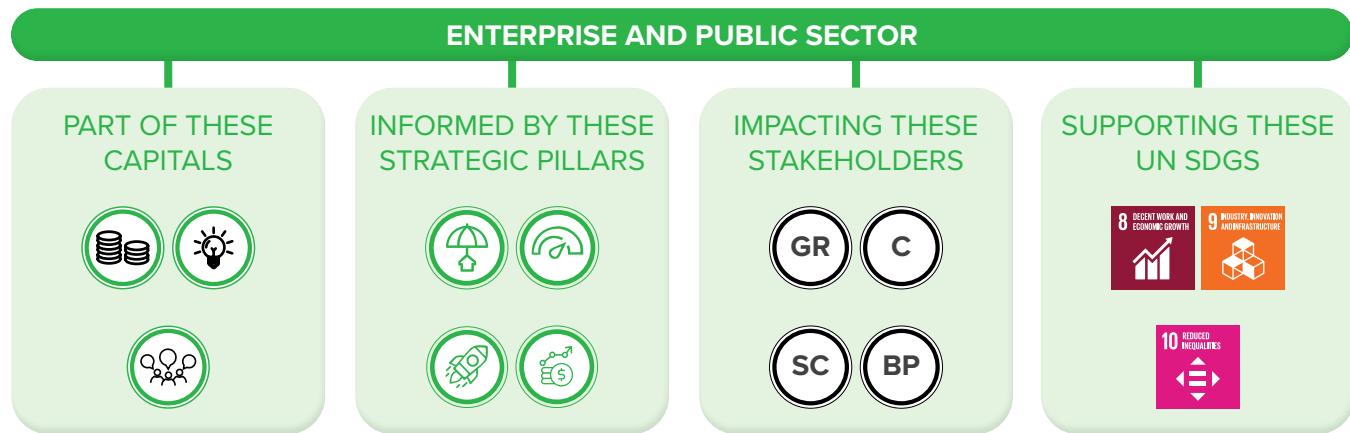
From empowering MSMEs with Pochi la Biashara, to helping farmers access credit and fertiliser subsidies, M-PESA has become an integral part of Kenyan financial inclusion. In March 2024, we marked the 18th anniversary of M-PESA, celebrating and solidifying its role in economic empowerment in our society. These achievements reflect our commitment to innovation and societal progress and constitute proof that purpose-driven solutions create lasting change.





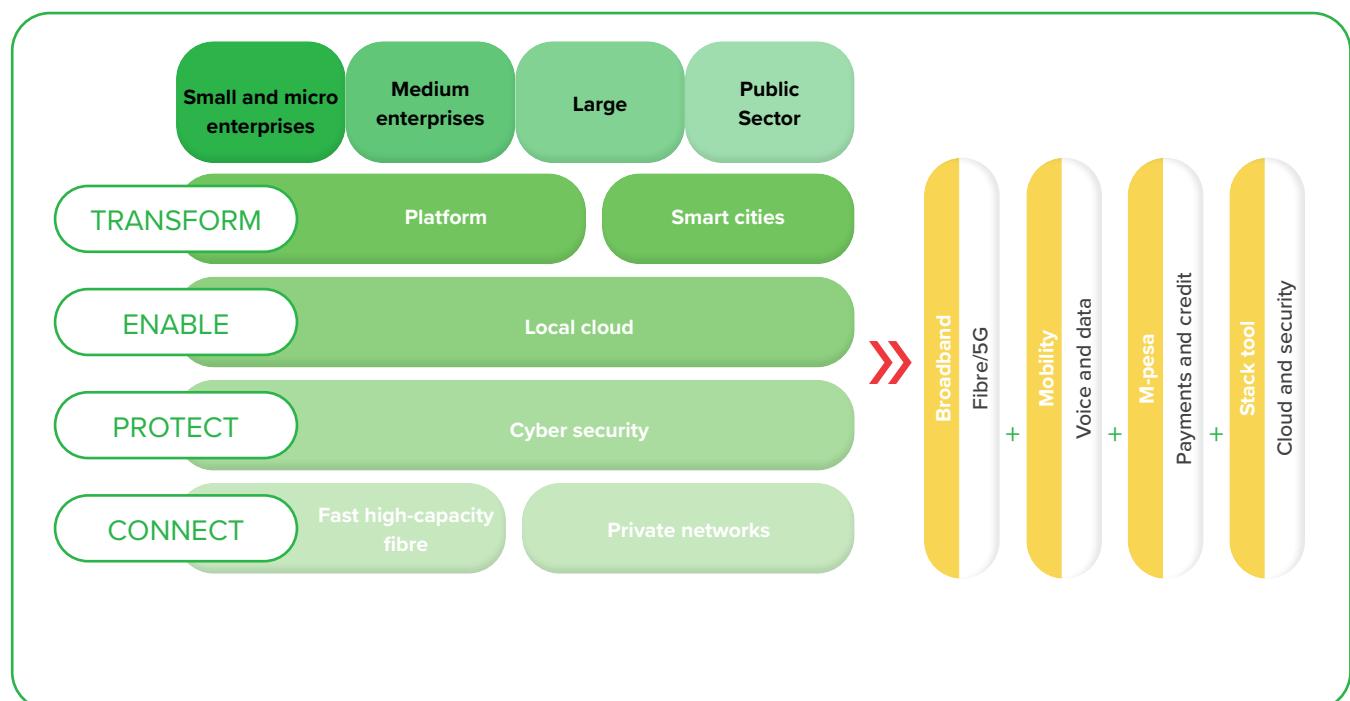
THE COMMERCIAL VALUE WE DELIVER (continued)

Our enterprise and public sector services



Our growth strategy

Our strategy is premised on moving customers up the value chain



Our digital platforms

RATIONALE		
Micro and small enterprises Right digital solutions for every budget	Medium enterprises 3% Digitisation of the universe (10m users)	Country government Drive revenue collection efficiency
IMPACT		
Micro and small enterprises 60%+ of SME base in 5 years	Medium enterprises 60% of saccos (savings and credit cooperatives)	Country government 50% of counties in Kenya
SOLUTION		
Micro and small enterprises Digital marketplace	Medium enterprises MySacco	Country government Revenue management system

SACCOs are **Savings and Credit Cooperative Organisations** and we offer them a cloud based, multi-tenant platform that enables multiple SACCOs in Kenya to efficiently manage their operations and serve their members



THE COMMERCIAL VALUE WE DELIVER (continued)

Our enterprise and public sector services (continued)

During the year under review, we focused on advancing digital transformation initiatives for both national and county governments in Kenya. Our activities included forming strategic partnerships, identifying opportunities for digitisation, and recommending suitable technological solutions to enhance public sector efficiency.

Our key initiatives

Key initiatives involved promoting and overseeing the design, acceptance, and execution of innovative digital programmes, such as integrated county revenue management systems and other e-government services. These efforts aimed to streamline government operations and improve service delivery to citizens in Kenya.



HEALTH

19 million Taifa Care registrations.



AGRICULTURE

14 million + bags of fertiliser disbursed for agricultural initiative.



GOVERNMENT REVENUE

Five digital solutions for tax collection.



FINANCIAL INCLUSION

65 billion disbursed through Hustler Fund.



SOCIAL PROTECTION

1.7 million beneficiaries for Inua Jamii programme for social support.

Our operating context

We operate in a dynamic and evolving context. The Kenyan government is actively pursuing digitisation initiatives to enhance efficiency and service delivery at national and county level. During the year under review, we saw a strong emphasis on integrating technology into public services, driven by:

- The need to improve transparency
- Increase revenue generation
- Accountability
- Good governance
- Citizen engagement

During the year under review, we focused on identifying opportunities for digital transformation, recommending suitable technological solutions, and forming strategic partnerships to support these initiatives. These factors collectively shaped our strategic priorities and activities.

For more on our operating environment, see page 90. ➔

Our strategic objectives

Our strategic objectives during the year under review were aimed at modernising public sector operations and enhancing the overall quality of public services in Kenya, including:

- **Enhancing Digital Transformation:** Accelerating the adoption of digital technologies within the public sector to improve efficiency and service delivery.
- **Building Strategic Partnerships:** Collaborating with national and county governments to identify and implement innovative technological solutions.
- **Promoting e-Government Services:** Developing and deploying integrated systems for revenue management, data processing, and citizen engagement.
- **Ensuring cybersecurity:** Strengthening cybersecurity measures to protect sensitive data and maintain public trust.
- **Supporting sustainable development:** Aligning digital transformation initiatives with relevant UN SDGs to promote economic stability, social equity, and environmental sustainability.

Our key projects

The projects and collaborations we undertook during the year under review were crucial in advancing the country's digital transformation agenda and improving overall public sector service delivery in Kenya.

PROJECT	WHAT IT IS
Hustler Fund	A public-private partnership to provide affordable credit to small businesses and individuals
Women Enterprise Fund	Aimed at empowering women entrepreneurs with access to affordable loans
E-Wallet Fertiliser Subsidy	Support for farmers by providing subsidies through a digital platform
MyCounty App	Streamlining revenue collection and management at county level
Digital Health Solutions	Implementing telemedicine and digital health records to improve healthcare delivery

Our key stakeholders in these endeavours included:

- **National and county governments:** Collaborating to identify needs and implement solutions.
- **Financial institutions:** Partnering to facilitate financial services.
- **Local communities, citizens and SMEs:** Beneficiaries and active participants in the implementation and utilisation of these projects.

For more on our stakeholder management, see page 68. 



THE COMMERCIAL VALUE WE DELIVER (continued)

Our enterprise and public sector services (continued)

The health initiatives we undertook

Initiative	What we accomplished
Devices and connectivity	We provided affordable devices to community health promoters to improve and support primary healthcare.
Digital health records	We introduced digital health records systems, enabling healthcare facilities to manage patient information more efficiently and securely.
AI-powered health solutions	AI technologies were utilised for predictive analytics in healthcare, helping to identify disease patterns and optimise treatment plans.
Mobile health applications	We developed mobile applications to provide health information, appointment scheduling, and medication reminders, enhancing patient engagement and care management.

How we performed

We made significant progress in realising our strategic objectives during the year under review.

Initiative	What we achieved
MyCounty App	Implemented for county revenue collection
Fertiliser subsidy system	Rolled out to 45 counties
Digital health solutions	Provided devices for access
Strategic partnerships	Strengthened strategic partnerships with national and county governments
E-government services	Made important advancements in promoting these services, thereby contributing to transparency and citizen engagement
Cybersecurity	Invested in robust measures to protect sensitive data
UN SDGs	Aligned initiatives supporting economic stability, social equity, and environmental sustainability

Transformational campaigns

In collaboration with the Government of Kenya, we launched several impactful campaigns and initiatives focused on innovations and public sector transformation. These campaigns were aimed at leveraging cutting-edge technologies to improve efficiency, transparency, and citizen engagement in the public sector. Key stakeholders included national and county governments, local communities, and various technology partners.

Initiatives	What they encompassed
AI-driven public services	Implemented AI technologies to enhance public service delivery, including predictive analytics for healthcare and automated systems for revenue management.
Digital inclusion campaigns	Efforts were made to bridge the digital divide by providing access to digital tools and training for underserved communities.
Smart agriculture initiatives and E-Wallet fertiliser subsidy	AI and IoT technologies were used to support farmers with real-time data on weather patterns, soil health, and crop management. E-Voucher systems were deployed to support farmers by providing subsidies through a digital platform.
E-Government services	Expansion of e-government platforms to facilitate easier access to public services, such as online tax filing and digital identity verification.

We continued to play a pivotal role in building public digital infrastructure in Kenya during the year. Our performance was marked by successful project implementations, strong partnerships, and a commitment to sustainable development, positioning Safaricom as a key player in Kenya's digital transformation journey.

The risks and challenges we faced

During the year under review, we faced several risks and challenges.

Risk/Challenge	Mitigation
Regulatory compliance, with potential financial implications and reputational risks	Maintaining proactive and constructive relationships with regulatory authorities
Cybersecurity threats	Investing in robust cybersecurity measures
Technological integration	Partnering with experienced service providers, thorough testing and validation
Financial risks	Implementing cost-effective solutions, seeking strategic partnerships
Public adoption	Conducting extensive awareness campaigns, and providing training to enhance digital literacy

For more on risk management, see page 53. 

Looking ahead

Our goal in the short, medium and long term is to highlight Safaricom's commitment to supporting the digitisation of Kenya through innovative solutions and strategic partnerships.

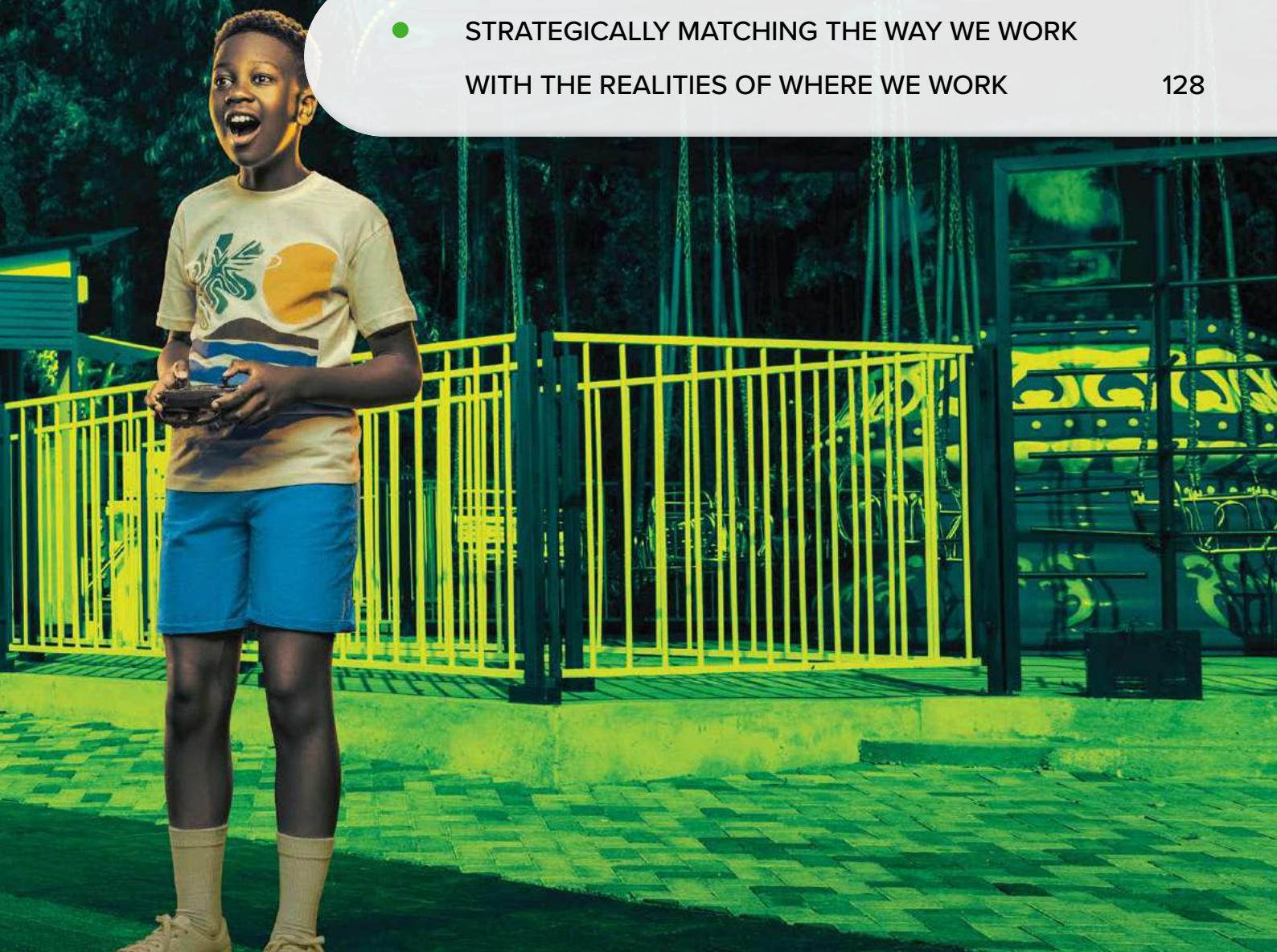
Term	Goals	Key Initiatives	Focus
Short term	Enhance digital infrastructure and services	<ul style="list-style-type: none">● Expanding e-government platforms● Implementing AI-driven solutions● Improving cybersecurity measures	Immediate improvements in service delivery and operational efficiency
Medium term	Deepen involvement in public sector digital transformation	<ul style="list-style-type: none">● Scaling successful projects● Introducing new technologies● Further integration of AI and IoT● Enhancing digital health solutions● Supporting smart agriculture initiatives	Build a more resilient and inclusive digital ecosystem, align with SDGs and economic stability
Long term	Fully digitised public sector with advanced technological capabilities	<ul style="list-style-type: none">● Strategic investments in infrastructure, education, healthcare	Leverage technology to drive economic competitiveness, improve governance, and foster international cooperation



OUR OPERATIONS IN ETHIOPIA

- STRATEGICALLY MATCHING THE WAY WE WORK
WITH THE REALITIES OF WHERE WE WORK

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OUR OPERATIONS IN ETHIOPIA

Our business in Ethiopia is a greenfield operation which now serves 9 million customers, and in the next five years we will continue to evolve it through our innovative delivery models.

Ethiopia demographics

Second-most populated country in Africa with 125 million people, 90% living on 35% of the geography (densely populated)

One federal government and 12 regional governments with high level of regional empowerment and decision making

Very diverse population: Above 80 ethnic groups and languages

Capital city accounting for less than 5% of the total population. 26 other major cities

We have adapted to a regional approach just like other big successful companies in Ethiopia

Unique market dynamics

Having come into the market with a fully-fledged offering, which includes M-PESA, the challenge remains for us to grow our mobile money uptake at the same time as we grow our voice and data base, without having that base as an already existing foundation for our financial services platform.

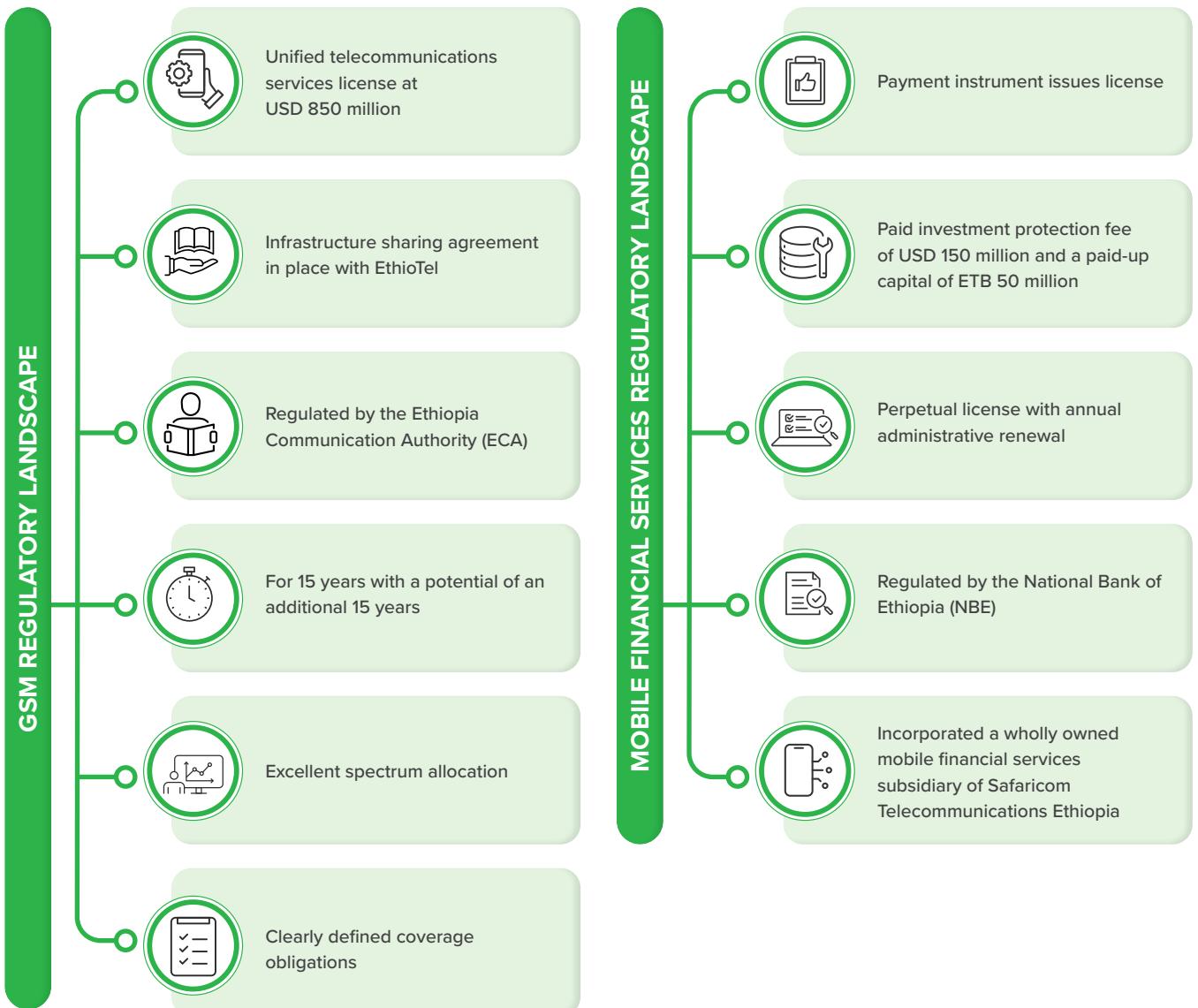
Similarly, with constraints on putting fibre into the ground, we are not investing strongly in FTTH or FTTB, but rather focusing on a microwave point-to-point solution which we call air fibre to address the fixed home and business market.

For more on our operating environment in Ethiopia, see page 127. 



How we are positioned within a dual regulatory landscape

In Ethiopia, we are governed by two regulatory frameworks – GSM and Mobile Financial Services.



OUR OPERATIONS IN ETHIOPIA (continued)

Strategically matching the way we work with the realities of where we work

We understand that strategically, beyond mobile data, we need to be a fully-fledged telco which has voice, SMS and mobile money revenues in addition to corporate customers.

- **Ethiopia is a federal state comprising 12 regional states, and two chartered cities, totaling 14 administrative divisions.** We have thus put in place commercial, technical vertical and external affairs regulatory stakeholder engagement verticals in order to engage effectively with these regional governments.
- **Ethiopia is the second most populated country in Africa** with 125 million people, of whom 90% are living on 35% of the geography, and where 2.5 million Ethiopians turn 18 years old every year. We therefore view the reality of a large, diverse and young demographic as underpinning our strategic approach, as we position our brand to appeal to a youthful market with a population in which:
 - 40% are older than 15 years old
 - 30% are younger than 30 years old
 - 30% are between 15 and 30 years old

Performance against our strategic goals*

The year under review saw our Ethiopian business delivering very good results despite operating in an environment marked by significant currency reforms.

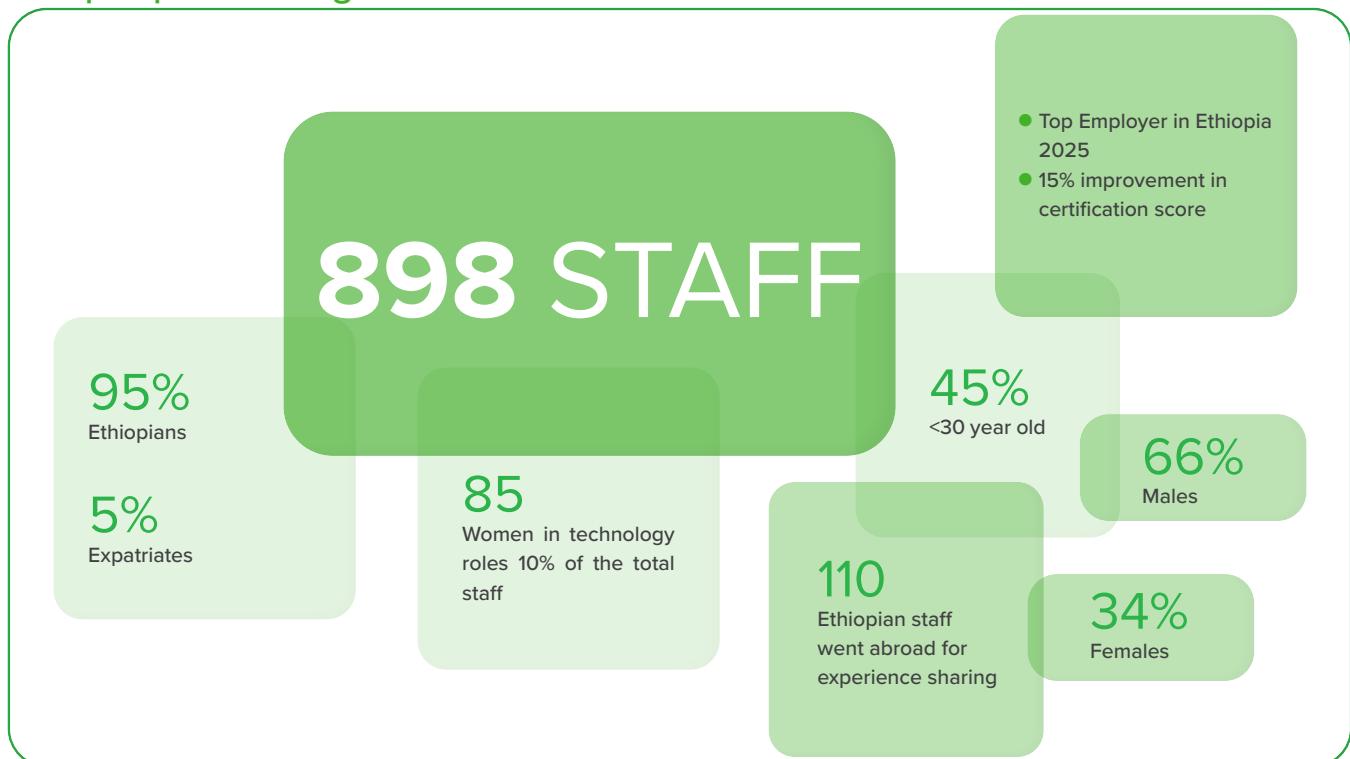
Our achievements include:

- Growing customer base in all market segments
- Encouraging commercial momentum with acceleration in customer acquisition
- Well defined customer segmentation to drive relevant offerings
- Community impact acceleration as we integrate into the fabric of society
- Marked major milestones as we position our transformational impact in the country
- 50% of the population now covered by 4G

With our network expanding, coverage increasing, and a strategy aimed at the younger market segments, we have also significantly increased the number of Ethiopians in our workforce while making strides in gender parity.

* For details of our performance in Ethiopia, see page 128. — 

Our people and organisation*



*For more on HR, see page 76. — 

Minimising costs

Within an unstable currency environment, and in the context of the significant devaluation during the year under review, we pursued a strategy of de-dollarisation and cost-saving.

For more on Managing the Ethiopian Birr depreciation, see page 103. 

- Empowering local communities and SMEs
- Economic empowerment
 - Financial inclusion for small farm owners
 - Health
 - Women's economic empowerment
 - Digital marketplace with 10,000 students

Contributing to Ethiopia's digital future

As part of our social and relationship capital in Ethiopia, we are committed to pursuing positive, proactive and meaningful engagement with the people and communities among which we operate. We see this engagement as involving:

- Education
 - Donating laptops and routers to identified high schools in various city regions and administrations
 - Fostering a digital talent marketplace
 - Building capacity for institutions
- Partnerships
 - Collaboration with government

Looking ahead

In the short term, our aim is to reach the critical mass necessary to break even. We will then be in a position to plan for the next three to five years on the finer details of how to build on that position of strength to reach our medium-term goal of 30%-40% market share.

This will entail coverage of 80%-90% of the population, and an offering all those services that are fully competitive.

In the long term our aim is to grow by 3 million customers a year.

OUR WAY FORWARD

WE SEE THE WAY FORWARD IN ETHIOPIA AS OFFERING:

- The best and most reliable 4G network
- Fixed, air fibre and broadband for homes
- Local content and value-added services (VAS) as differentiators
- Digital payments

ENABLED BY

- Local device financing
- Ongoing building of network

- Partnerships and industry collaboration

- Continuous regulatory engagement

- Enhancing customer experience and community outreach





THE SOCIAL WE CONTRIBUTE

- OUR SOCIAL AND RELATIONSHIP CAPITAL

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THE SOCIAL VALUE WE CONTRIBUTE

Our social and relationship capital

At Safaricom, we acknowledge our obligations as a responsible corporate citizen, to help foster and enhance inclusivity and betterment in society, by creating and supporting opportunities for upliftment through education, wellbeing through health and agricultural initiatives, and economic independence through nurturing financial literacy and technical capacity. In doing so, we strive to align our efforts with the aims and values of the relevant UN SDGs that we embrace.

The mobile industry and the UN SDGs – the global context

In its 2024 Mobile Industry Impact Report: Sustainable Development Goals*, GSMA determined that in 2023, globally the mobile industry achieved 58% of its potential contribution to the SDGs – up from 31% in 2015 – with the highest impact on SDG 9: Industry, Innovation and Infrastructure. The report also notes that by the end of 2023, just 4% of the world's population was living in areas without mobile broadband coverage, while 57% – 4.6 billion people – were using mobile internet.

Moreover, the report indicates, 3 billion people used mobile financial services in 2023. This underscores the impact on multiple SDGs, including SDG 1: No Poverty and SDG 8: Decent Work and Economic Growth.

The report suggests, however, that despite the significant impact of the mobile technology on the SDGs, there is still more work to be done to maximise the industry's contribution ahead of the 2030 deadline.

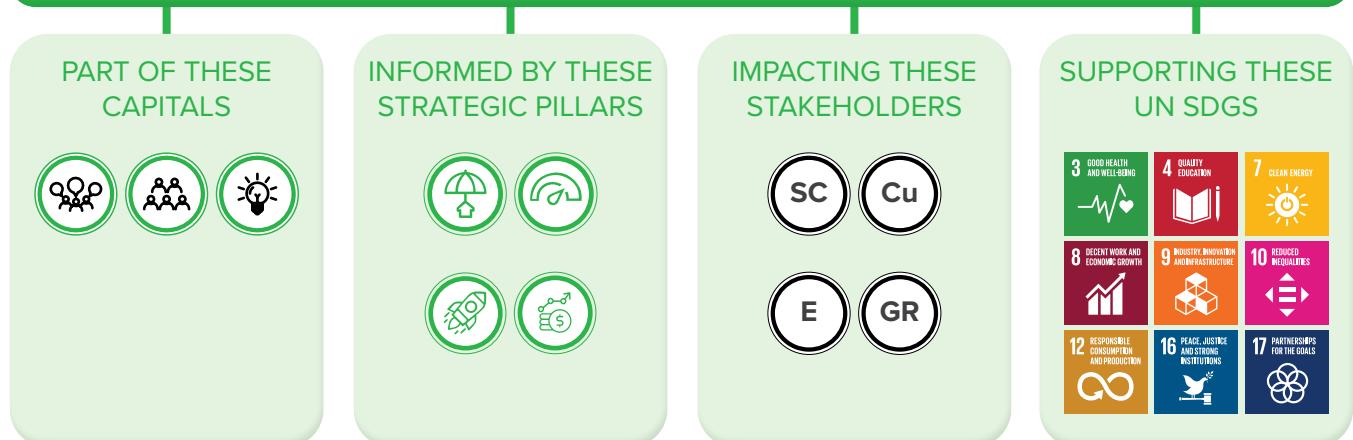
*<https://www.gsma.com/solutions-and-impact/connectivity-for-good/external-affairs/2024-mobile-industry-impact-report-sustainable-development-goals/> ➞



A snapshot of our sustainability achievements

Category	Achievements		
Environment	840,600 trees planted	192,734kg e-waste collected	98% Waste recycled
Digital Inclusion	1.3 million devices	127 schools connected to internet	5,392 Children treated on Daktari Smart
DEI	44.6% Women leaders	KShs 5.5 billion spend on Special Interest Groups (SIG)	3.5% Persons with disabilities (PWD) employment
Community Impact	4.9 million people reached	28 Medical camps, serving 80,291 people	75% Skilled deliveries in Narok

OUR SUSTAINABILITY STRATEGY



We believe that our purpose of Transforming Lives provides us with both the philosophy and strategic basis to innovatively maximise our efforts to making a meaningful, lasting and positive impact on the peoples whose lives are touched by what we do.

During the year under review, in line with the Company's Vision 2030 strategy, we reviewed the intersection of the ideals of our environmental, social and governance (ESG) commitment with our purpose of Transforming Lives. This enabled us to refresh and condense these into the two pillars of Planet and People, enabled by doing the right thing.

THE SOCIAL VALUE WE CONTRIBUTE (continued)

Our social and relationship capital (continued) Cementing our role in societal transformation

OUR STRATEGY IS ANCHORED IN PURPOSE AND AIMS TO CEMENT SAFARICOM'S ROLE AS A CATALYST OF SOCIETAL TRANSFORMATION

Our principles



PURPOSE BEFORE PROFIT



Planet

Catalysing a net positive future

- Climate action
- Circular Economy
- Conservation and restoration of biodiversity and ecosystems

SDGS AS A FRAMEWORK

» 5,000 Sites on sale

5 million+ trees grown

REPUTATION BEFORE REVENUE

9%

Green energy powering network

100,000

total carbon dioxide (tCo₂) Sequestered



People

Investing in/transforming society

- Digital inclusion
- Financial inclusion and health
- Diversity equity and inclusion in ecosystem
- Sustainable community investments

50 million+ Live connected to 4G+

20% MSME credit gap closed

70 million+ People financially included

50:50 gender representation at all levels



Strategic thought leadership

During the year under review we continued our involvement in strategic thought leadership through several events and forums.

Events, forums and sessions

EVENT/FORUM	WHAT IT ENTAILS	IMPACT/GOAL
Kenya 2 Equal initiative	A programme dedicated to closing the gender gap and promoting equal opportunities for women in the labour market	Funded by the Bill and Melinda Gates Foundation, the programme aims to support organisations in making measurable commitments to address gender gaps in their operations and will be implemented over the next three years.
Africa CEO Forum - Kigali	<p>Bringing together leaders from across the continent, highlighting the private sector's pivotal role in driving sustainable development</p> <p><i>Highlights, with Safaricom being:</i></p> <ul style="list-style-type: none"> ● Signatory to the Gender Statement ● Participant in the Global Africa Business Initiative (GABI) conversations ● Participant in the ABLC CEO Roundtable, a high-level session bringing together CEOs, business executives, government representatives, and development finance institutions (DFIs) ● Participant in the Inclusion and Empowerment session hosted by Amahoro Coalition and Mastercard Foundation, where Safaricom's Sustainability Linked Loan (SLL) was acknowledged 	To reinforce the role of public-private collaboration in promoting resilient and prosperous communities across Africa, and the role of the private sector in driving meaningful change, fostering innovation, and ensuring that Africa's private sector remains at the forefront of global sustainable development.
United Nations General Assembly (UNGA) and Unstoppable Africa	<p>The global effort to accelerate progress towards the 17 SDGs</p> <p>Our CEO led Safaricom representatives who took part in various events across the week, through:</p> <ul style="list-style-type: none"> ● Leading discussions in strategic thematic roundtables as panelists ● Hosting a side event ● Bilateral meetings to explore partnerships 	<p>To explore:</p> <ul style="list-style-type: none"> ● The role of technology and digital transformation in advancing progress, improving access to services, sustainability ● Climate change, blended finance and overall funding for the SDGs ● The role of partnerships in accelerating progress to ensure no one is left behind
COP 29	<p>The 29th Global Climate Summit in November 2024 in Baku, Azerbaijan</p> <p>Safaricom was involved in the research of the 2024 Voluntary Climate Report, launched on the COP 29 sidelines. This is an initiative by the Africa Business Leaders Coalition (ABLC), with Safaricom a founding member.</p>	To bring the world together to agree on actions to address climate crisis, such as limiting the global temperature rise to 1.5°C, helping communities adapt to the effects of climate change, and achieving net zero emissions by 2050.

THE SOCIAL VALUE WE CONTRIBUTE (continued)

Our social and relationship capital (continued)

Strategic thought leadership (continued)

EVENT/FORUM	WHAT IT ENTAILS	IMPACT/GOAL
Sustainable Business Report and Technology for Development Strategy launch	<p>In October, we launched our 13th Sustainable Business Report, themed 'Accelerating Digital Inclusion', and the Technology for Development Strategy Report at the Africa Shared Value and ESG summit themed 'Empowering Africa's Future'.</p> <p><i>Report highlights:</i></p> <ul style="list-style-type: none">● The total value Safaricom created for Kenyan society in FY2024 was KShs 983 billion, approximately 16 times greater than the financial profit we made during the year, while reaching over 8 million Kenyans through community initiatives.	To bring participants together from across Africa to chart a path towards Africa's future business growth and societal well-being as interconnected goals.

Catalysing a net positive future for the planet

Through our commitment to energy usage and efficiency, climate change strategy, waste reduction, and biodiversity preservation, we are helping to drive positive change by taking significant steps towards a greener future.

We continue to partner with the Kenya Forest Service (KFS) and local communities to deliver our goal of planting 5 million trees.

During the year under review, we have:

- Planted **840,600** trees in degraded forests in 8 counties, restoring **694.25ha** across the country
- Engaged **4,048 Community Association members**
- Set a target of **5 million trees** planted by the end of FY2030

Investing in, and transforming, society

We have prioritised several key aspects focusing on 'People', towards our goal of transforming society.

To this end, our targets include:

- Achieving gender parity in our overall workforce and at senior leadership
- A responsible and sustainable supply chain
- Fair pay and living wages within our ecosystem
- Sustainable community investments through our Foundations in areas of health, education, economic empowerment, livelihoods and environment
- A zero-harm work environment for our staff and business partners
- Leveraging our technologies and partnerships to provide access to healthcare, education and affordable 4G devices

We recognise that digital inclusion is a critical foundation for shared economic and social progress, and it is important that no community is excluded from digital tools and technologies. We continue to leverage on a multi-stakeholder approach to co-create sustainable products and establish shared value strategic partners within the key areas of:

- Health
- Education
- Humanitarian aid
- Agriculture and essential services



Our main areas of focus

INITIATIVE	PARTNERSHIP	WHAT IT MEANS	IMPACT
Empowering education	UNICEF	Internet school programmes, GIGA	127 schools connected, 73,000 learners, 1,440 teachers empowered
Daktari Smart Telemedicine Programme	Gertrude's Children's Hospital Foundation	Paediatric care for underserved children	8,500 children in 6 counties, 5,392 children treated, 20,488 total beneficiaries
Care Now Pay Later	Zuri Health	Addresses financial barriers to healthcare access	Launched on 5 December on the M-PESA Business App, uptake monitored quarterly
Bonga for Life campaign	UNHCR	Encouraged customers to donate Bonga points	25 million Bonga points donated, benefiting 250,000 households, impacting over 1 million lives
Global Refugee Forum pledges	UNHCR	Support for education and Water, Sanitation & Hygiene (WASH) programme in Dadaab	KShs 300,000 for education, KES 1 million for WASH, impacting over 100,000 households

Diversity, equity and inclusion (DEI)

INITIATIVE	OUTCOME/ACHIEVEMENT
Employment	Safaricom won the Most Inclusive Corporate Leadership Award during the 20 Years of Disability Inclusion celebrations organised by the Government of Kenya and NCPWD. The award recognised Safaricom's efforts to create an inclusive workplace and promote DEI.
DEI	Partnered with Moringa School, to start a Reskilling Program for people with disabilities, focusing on digital skills. The first group, who completed a Software Engineering course, were placed at Safaricom. Due to the programme's success, we've doubled the number of students in the second group and expanded the course offerings.
Supply chain	In FY2025, a spend of KShs 5.9 billion, 4.31% of the total spend of KShs 137.8 billion.

Safaricom and M-PESA Foundations Sustainable community investments

Since April 2024, the Safaricom and M-PESA Foundations have significantly expanded their community impact, reaching 4,465,247 people across Kenya. These efforts span critical areas such as health, economic empowerment, education, environmental conservation, water accessibility, and humanitarian relief.

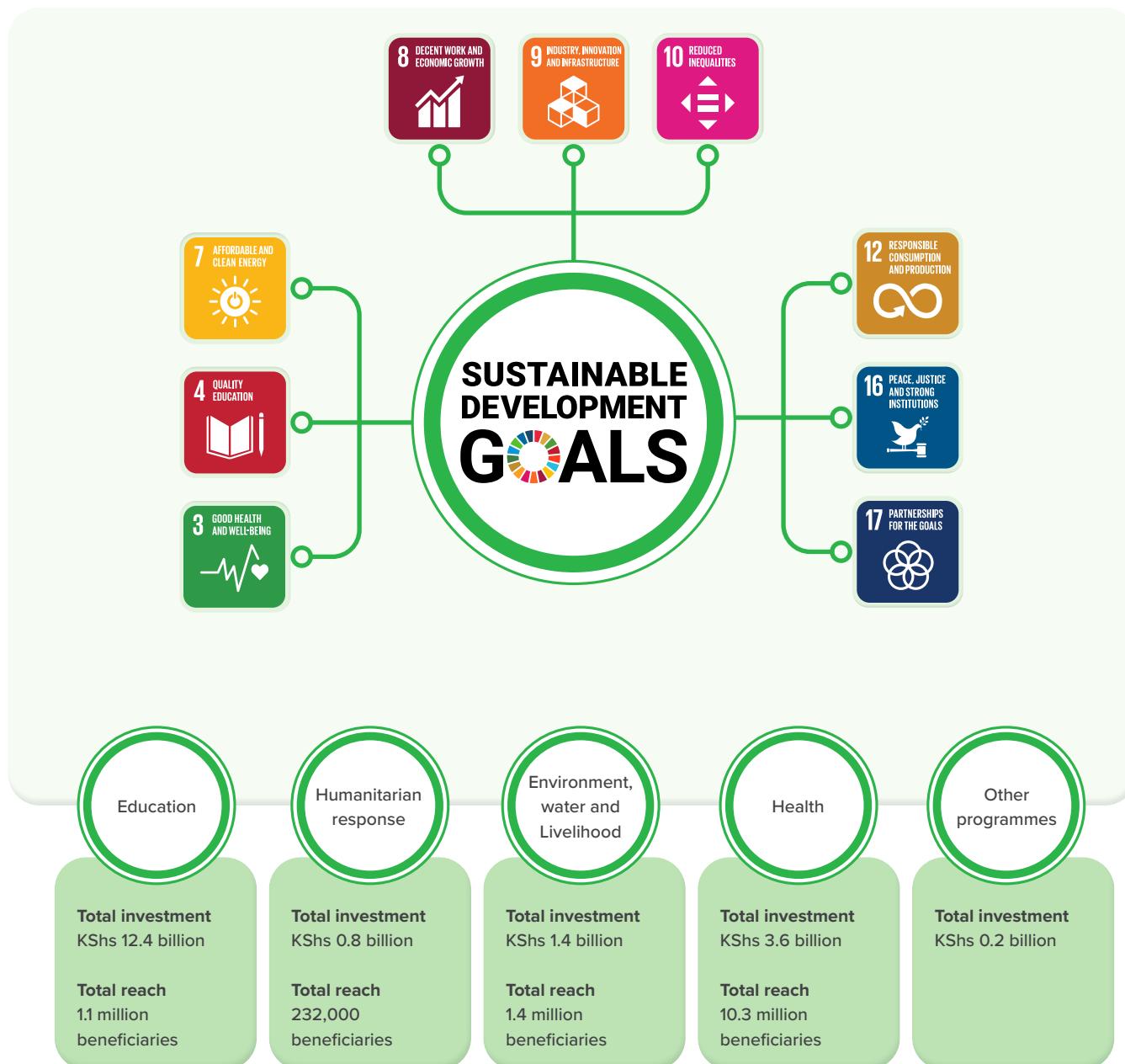
During the year under review, the Foundations initiated implementations for 389 projects funded through distinct streams. These implementations include:

- 31 strategic regional projects tailored to address regional priorities
- 45 community-driven initiatives under the Pamoja framework
- 313 grassroots projects as part of the Ndoto Zetu Phase VI campaign

Collectively, these projects have contributed to improving access to essential services, creating sustainable livelihoods, and fostering resilience in underserved communities.

THE SOCIAL VALUE WE CONTRIBUTE (continued)

Our social and relationship capital (continued)



Safaricom and M-PESA Foundation initiatives in the year

FOCUS AREA	SPEND (KSHS)	INITIATIVE	WHAT IT IS	AIMS/ACHIEVEMENTS
Education	3,413,585,236	Wezesha Vijana TVET Programme	Implemented in Marsabit, Isiolo, and Nairobi counties in partnership with Catholic Relief Services (CRS), enhancing access to quality, equitable, and inclusive skills development for Kenyan youth.	<ul style="list-style-type: none"> 330 students enrolled across 11 TVET institutions in its first year 300 vulnerable youth in its second year with a focus on achieving 50% female participation and 5% PWDs
		Wezesha TVET Scholarship Programme	Launched in collaboration with the University of Embu, providing scholarships to 1,300 youths.	<p>Aims to enroll</p> <ul style="list-style-type: none"> 400 vulnerable youth from 10 counties by May 2025 1,030 youth by mid-2025
		Digital Skills Programme	Launched in partnership with the Ministry of Education, to enhance digital education for teacher trainees.	<ul style="list-style-type: none"> Renovate 35 ICT laboratories and equip 35,000 trainee teachers Successfully refurbished ICT labs in eight teacher training colleges, directly benefiting 14,408 people
			In collaboration with the Kenya Institute of Curriculum Development (KICD), Teachers Service Commission (TSC), and the Centre for Mathematics, Science and Technology Education in Africa (CEMASTEAE), it is set to expand further.	<ul style="list-style-type: none"> 8 colleges slated for ICT infrastructure upgrades in the next phase
		M-PESA Foundation Academy	Providing quality education to talented yet disadvantaged children from across all 47 counties, with a mission to nurture leaders, innovators, and critical thinkers.	<ul style="list-style-type: none"> 464 students on campus 577 alumni from five cohorts pursued tertiary education globally, with: <ul style="list-style-type: none"> 439 in local institutions 138 internationally, including 4 in Australia, 2 in Grenada, 9 in Switzerland, 80 in the UK, and 43 in the USA
		Citizens of the Future	Dedicated to transforming educational infrastructure across Kenya.	<ul style="list-style-type: none"> Commitment of >KShs 2.02 billion
		Kilimanjaro Blind Trust	Advanced by Safaricom Foundation, providing 200 visually impaired learners with access to quality inclusive education and innovative digital assistive technologies.	<ul style="list-style-type: none"> 6th cohort completed employability training in November 2024 Placement underway for internships, 7th cohort set to begin training

THE SOCIAL VALUE WE CONTRIBUTE (continued)

Our social and relationship capital (continued)

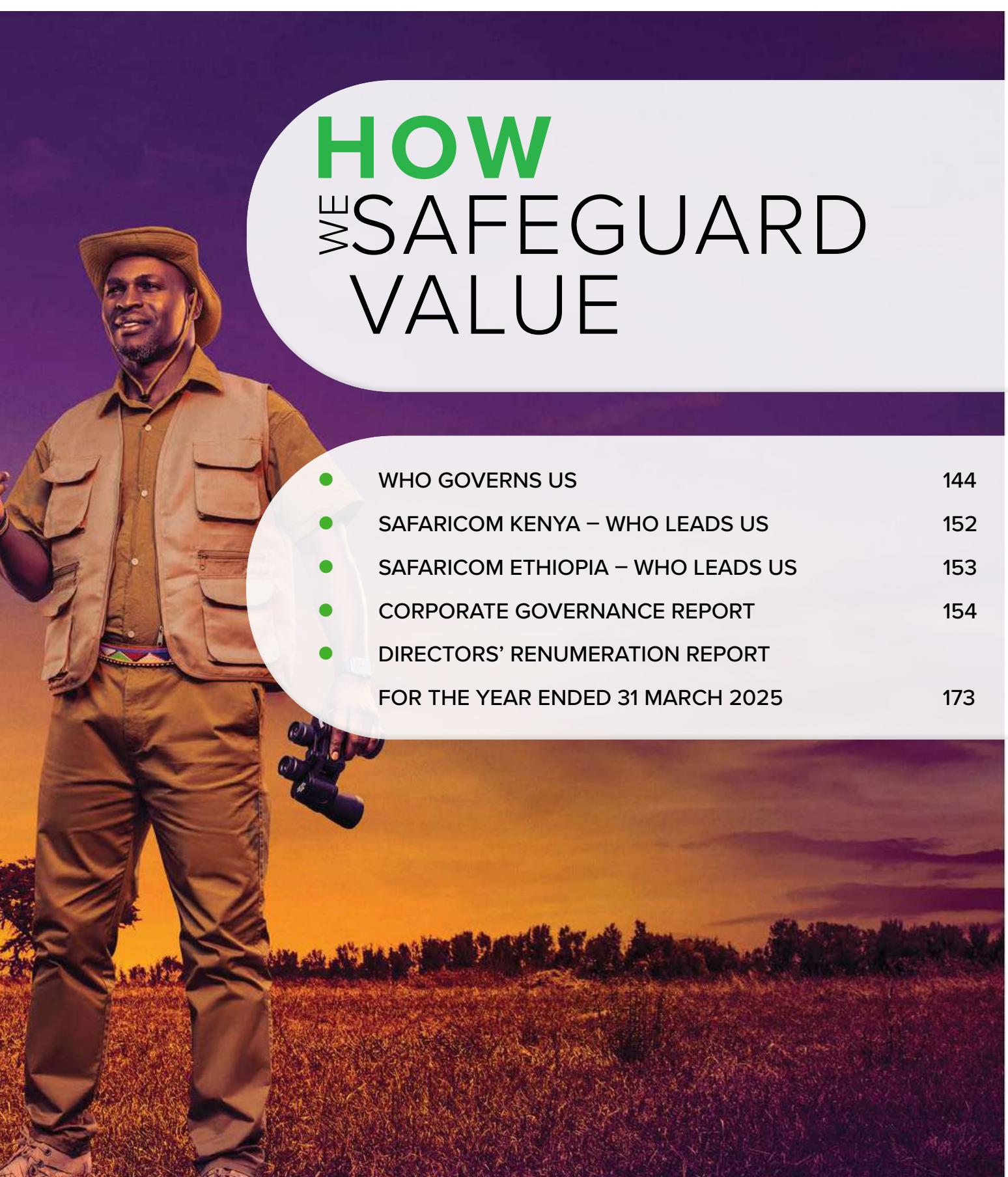
Safaricom and M-PESA Foundation initiatives in the year (continued)

FOCUS AREA	SPEND (KSHS)	INITIATIVE	WHAT IT IS	AIMS/ACHIEVEMENTS
Health	1,615,743,640	Uzazi Salama strategic programme	<p>In Narok County, and now in its second year, with the goal of reducing maternal, neonatal, child, and non-communicable disease morbidities and mortalities</p> <p>Expanded to Isiolo County through co-funding with the Conrad Hilton Foundation, aiming at contributing to improved health outcomes and well-being of newborns and children between 0-3, mothers, adolescents, and young people in 2025.</p>	<ul style="list-style-type: none"> Skilled delivery rate of 75% 84% attendance for the first antenatal clinic (ANC) 96.5%-Narok and 53.7%-Kilifi skilled deliveries
		Uzazi Salama strategic programme	M-PESA Foundation, in partnership with AMREF implemented a programme to benefit ~ 524,449 people through targeted interventions in Magarini and Kilifi South sub-counties	<ul style="list-style-type: none"> Since launch: 917 skilled deliveries 6,247 first ANC visits
		Daktari Smart Telemedicine Programme	With the goal of reaching 23,041 children, the programme has improved healthcare access across Homa Bay, Baringo, Lamu, Samburu, and Narok counties.	<ul style="list-style-type: none"> 14,165 telemedicine sessions during in FY2025 – 62% of total sessions since inception. 22,818 (99%) beneficiaries since inception
		M-PESA Foundation Medical Camps	Established in partnership with Zuri Health, Lions Eye, to address healthcare inequalities by delivering essential medical services to underserved communities, it entered Phase 2 in April 2024	<ul style="list-style-type: none"> 23 medical camps in 21 counties 82,945 clients reached by March 2025
		Kakamega Forest sustainable management, preservation, and protection	Driving environmental conservation efforts in the Kakamega Forest in collaboration with Rhino Ark, through a KShs60 million initiative	<ul style="list-style-type: none"> Phase 2 fence commenced in June 2024 10.2km built and powered by end of November 2024. All works undertaken in Vihiga County Cumulative 25.2km of the estimated final 120km built
		Flood victim aid	KShs 30 million allocated by M-PESA Foundation to support 15,000 people affected by devastating floods in Tana River, Nairobi, Nyandarua, and Kisumu counties	<ul style="list-style-type: none"> > 3,500 households received tailored assistance, including clean water, hygiene kits, and temporary shelter supplies

FOCUS AREA	SPEND (KSHS)	INITIATIVE	WHAT IT IS	AIMS/ACHIEVEMENTS
Economic empowerment	66 million	M-PESA Foundation's Training Women on Business Skills and Microfinance project	12-month programme, funded with KShs 6 million to equip 150 women with business and microfinance skills, increase their business income by 300%, and create a sustainable alumni support network	<ul style="list-style-type: none"> 153 women reached 276.7% average income increase 13 support groups formed Valuable business skills, particularly in bookkeeping, gained
		The Safaricom Foundation's Wezesha Agribusiness Programme	Launched in November 2024 with a funding of KES 60 million, and implemented in partnership with the Lake Basin Authority and USTADI (swahili word for skill) NGO.	<ul style="list-style-type: none"> The programme aims to empower up to 5,000 vulnerable youth with agribusiness training and skills







HOW WE SAFEGUARD VALUE

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HOW WE SAFEGUARD VALUE

Who governs us

The Constitution of the Company's Board as stipulated by its Articles of Association is 11 Directors. There are currently 10 Non-Executive Directors and 1 Executive Director, the Chief Executive Officer.





DR. (ENG.) JOHN KIPNGETICH MOSONIK

NON-EXECUTIVE DIRECTOR
Nationality: Kenyan
Appointed: 23 August 2023
Committees:



MR. JAMES LUDLOW

NON-EXECUTIVE DIRECTOR
Nationality: British
Appointed: 28 August 2024
Committees:



MR. EDWARD OKARO

INDEPENDENT NON-EXECUTIVE DIRECTOR
Nationality: Kenyan
Appointed: 15 January 2025
Committees:



MS. RITA KAVASHE

INDEPENDENT NON-EXECUTIVE DIRECTOR
Nationality: Kenyan
Appointed: 4 April 2025



MR. JAMES WAMBUGU

INDEPENDENT NON-EXECUTIVE DIRECTOR
Nationality: Kenyan
Appointed: 4 April 2025



MR. LAWRENCE KIBET EBS

ALTERNATE DIRECTOR TO THE CABINET SECRETARY, NATIONAL TREASURY AND ECONOMIC PLANNING
Nationality: Kenyan
Appointed: 4 April 2025



MS. LINDA MESA WAMBANI

ACTING COMPANY SECRETARY
Nationality: Kenyan
Appointed: 1 October 2023

Audit Committee:
Risk and ESG Committee:
Nomination Committee:
Human Resource Committee:
Innovations and Investment Committee:
Chair of the Committee:

HOW WE SAFEGUARD VALUE (continued)

Who governs us (continued)



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 the Managing 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.

GROUP CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Peter joined Safaricom on 1 April 2020 and is the Safaricom Plc Group CEO. He is an experienced board-level leader with a wealth of experience in general management, commercial and business strategy, sales and finance operations, having spent over 25 years in various roles within the financial services and fast-moving consumer goods (FMCG) sectors in Africa and Europe.

He holds a Masters in Business Administration from the London Business School and a Bachelor of Commerce degree 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 Chief Executive Officer (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.

Peter served for eight years across a range of senior Executive Director roles at East Africa Breweries Limited (a Diageo subsidiary) based in Nairobi. He served as the Group Chief Financial Officer (CFO), Group Strategy 105 Director, Sales Director, and as an Executive Director on the East African Breweries Limited (EABL) Board. He was part of the team that saw the EABL business more than double in value – and winning the coveted Most Respected Business Award in East Africa for five years in a row.

Peter is credited with the development of an affordable-beer strategy for EABL resulting in the production of new brands such as Senator beer which became one of the of the most successful innovations by Diageo. He started his career at PwC, the global consulting firm, where he worked for 11 years. Peter draws his inspiration in particular from his early upbringing laying the foundations for his strong value set, from his teachers and the legendary Dr. Geoffrey Griffin – the late founder of Starehe Boys Centre – his alma mater, and his parents.



DR. PETER NDEGWA (CBS)



DILIP PAL

GROUP CHIEF FINANCIAL OFFICER 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).

NON-EXECUTIVE DIRECTOR

Shameel is the CEO of Vodacom Group since September 2012. He is the former CEO of Vodafone Spain. He was previously the Managing Director of Vodacom South Africa from March 2005 to March 2011 prior to taking up the position of CEO, Vodafone Spain. Prior to that, he was the Managing Director of Vodacom Service Provider Company from

September 2000 to February 2005, and Managing Director of Vodacom Equipment Company from 1998. Shameel served on the Vodacom Group Board from 2000 until March 2011, when he was seconded to Spain. He was re-appointed to the Vodacom Group Board in September 2012 after his return from Spain.



MOHAMED SHAMEEL AZIZ JOOSUB

HOW WE SAFEGUARD VALUE (continued)

Who governs us (continued)



MS. RAISIBE MORATHI

NON-EXECUTIVE DIRECTOR

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 also a sponsor of Vodacom's Women's Network Forum, demonstrating her commitment to the development of women and young people.

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.

NON-EXECUTIVE DIRECTOR

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.



MS. MURIELLE LORILLOUX

NON-EXECUTIVE DIRECTOR

James was appointed as a Non-executive Director on the board with effect from 23 August 2023.

John 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).

DR. (ENG.) JOHN KIPNGETICH MOSONIK



MR. JAMES LUDLOW

NON-EXECUTIVE DIRECTOR

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 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.

INDEPENDENT NON-EXECUTIVE DIRECTOR

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).



MR. EDWARD OKARO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Rita was appointed as Independent Non-Executive Director of the board on 4 April 2025.

Rita is the Managing Director of Isuzu East Africa Ltd, where she has worked for 27 years. She holds a Bachelor's 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's career in Isuzu East Africa Limited (formerly General Motors or GM) began in 1995 in its East African operations where she has worked for the last 27 years. She 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 organisations both in Kenya and South Africa, and participated in GM sponsored leadership programmes including the Harvard Business School Leadership Program.



MS. RITA KAVASHE

HOW WE SAFEGUARD VALUE (continued)

Who governs us (continued)



MR. JAMES WAMBUGU

INDEPENDENT NON-EXECUTIVE DIRECTOR

James was appointed as an independent non-executive director of the Board on 4 April 2025.

James is a seasoned business professional in the fields of Audit, Transaction Structuring and support, Innovation, Healthcare and Risk Management.

He has previously served as the Group Managing Director, General Insurance, UAP Old Mutual Group in charge of the business in East Africa. Prior to taking over as the Managing Director in 2010, James joined UAP in July 2003 where he was involved in the development of the Company's quality and business management systems, business expansion, brand and strategy development and execution. He oversaw a period of innovation at UAP until 2015 when he took

over the role of Group Managing Director, General Insurance. James previously worked for PricewaterhouseCoopers (PWC) in Kenya and the UK, Lonrho Africa PLC, and Africa Lakes Corporation PLC.

He holds a Master's degree in Business Administration (Finance Option) and a Bachelor of Commerce (Accounting) from the University of Nairobi. James also 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 the IESE Business School (Barcelona, Spain). He is a Certified Public Accountant and a Member of the Institute of Certified Public Accountants of Kenya (ICPAK) and the Institute of Risk Management (IRM) UK.

NON-EXECUTIVE DIRECTOR

Lawrence was appointed as an non-executive director of the board on 4 April 2025 in the capacity of alternate director to the Cabinet Secretary, National Treasury and Economic Planning..

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, Commerce (Finance Option) and Law (LLB), a Master's in 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. LAWRENCE KIBET (EBS)

ACTING COMPANY SECRETARY

Linda is a qualified advocate with over 21 years' experience. She holds a dual role as the Ag Company Secretary and Senior Legal Counsel for Technology. Ms Wambani 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.

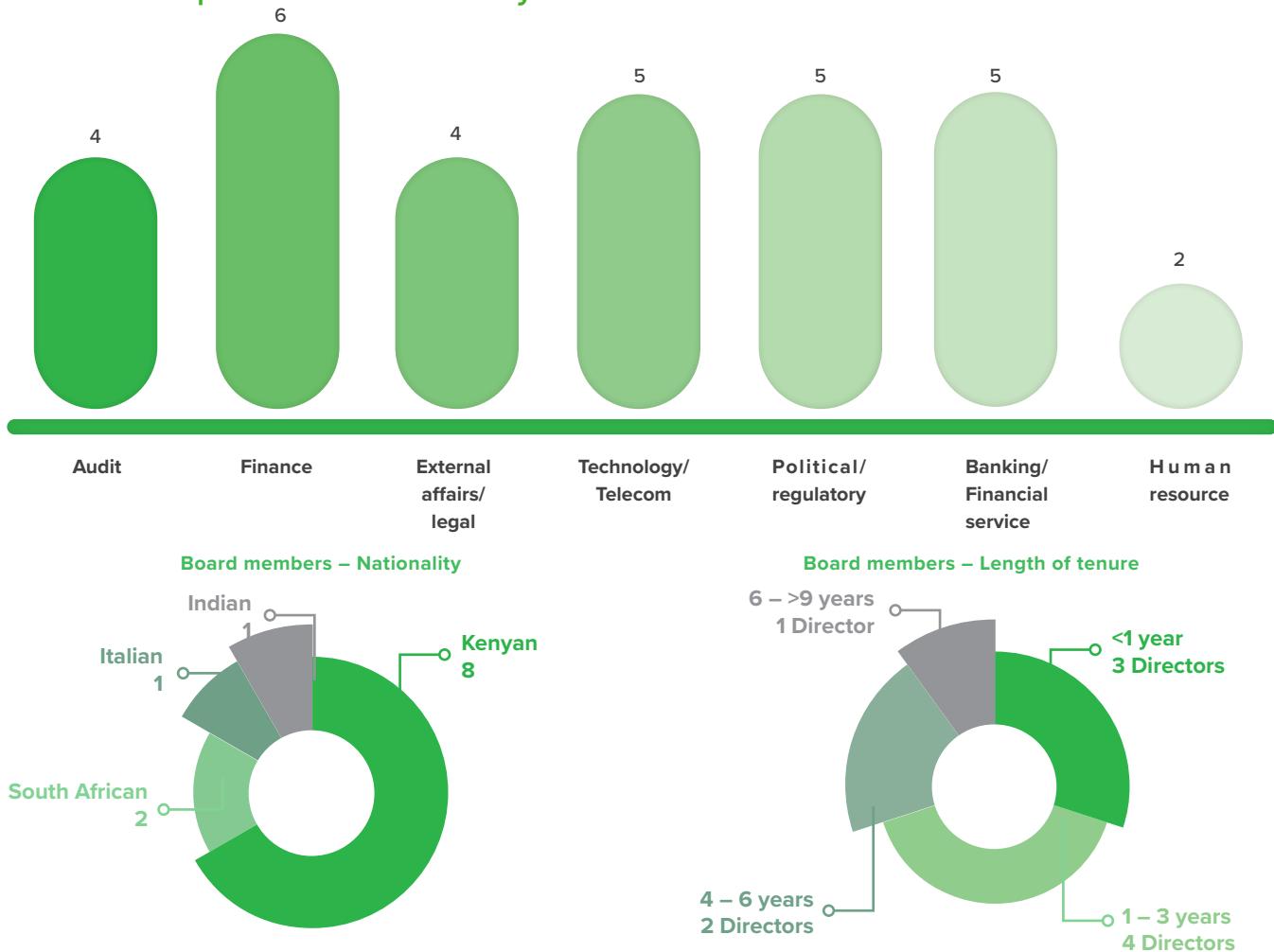
Linda is a Certified Public Secretary and holds a Bachelor of Laws Degree from the University of Nairobi, a Master of Business Administration in Strategic Management from the United States

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 Ms Wambani 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.

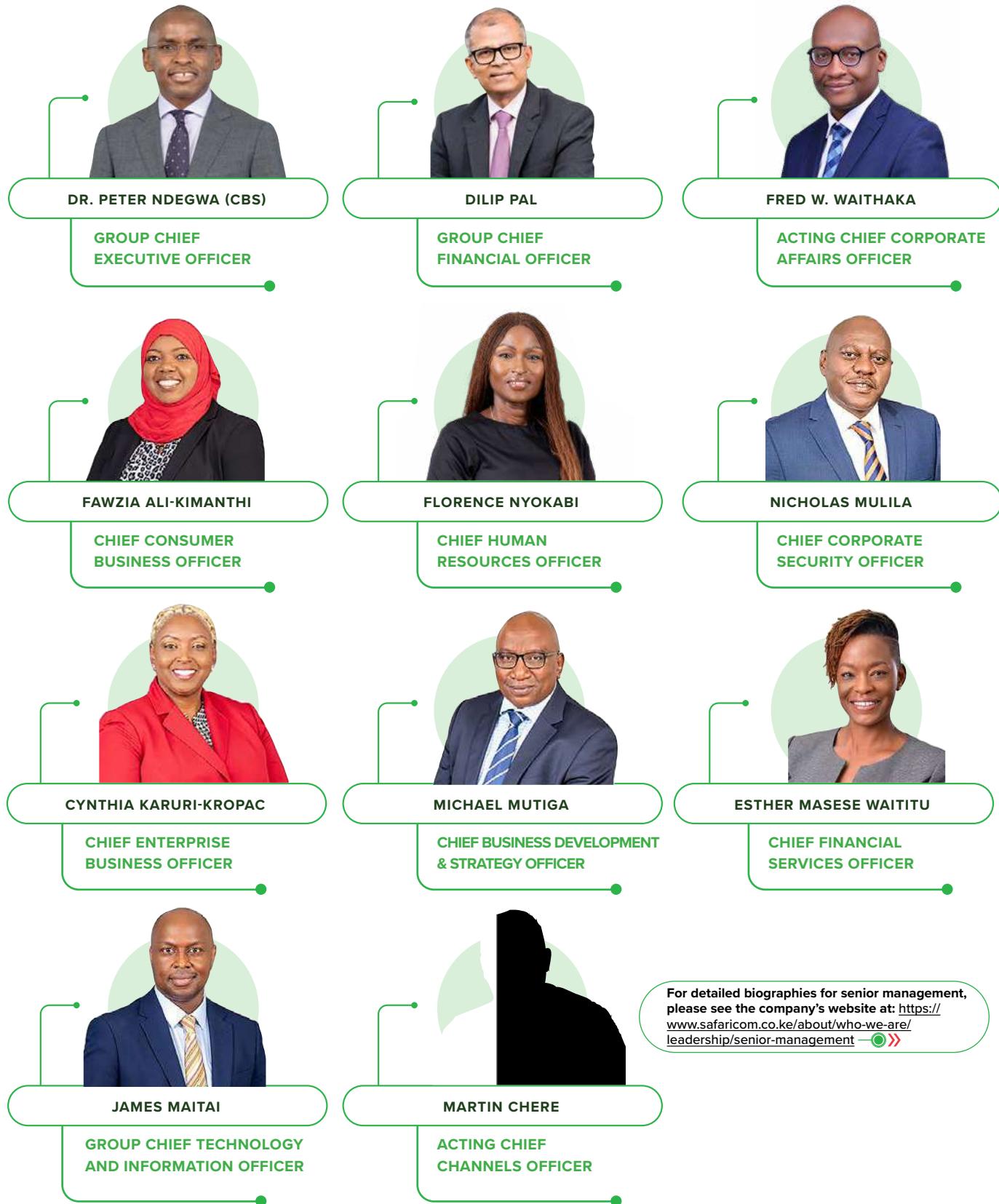
The Constitution of the Company's Board as stipulated by its Articles of Association is 11 Directors. There are currently 10 Non-Executive Directors and 1 Executive Director, the Chief Executive Officer

Skills and expertise and diversity of the non-executive directors



HOW WE SAFEGUARD VALUE (continued)

Safaricom Kenya – Who leads us



Safaricom Ethiopia – Who leads us



HOW WE SAFEGUARD VALUE (continued)

Corporate governance report Our Corporate Governance Statement

Safaricom PLC, 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.

Statement of Responsibilities

The Companies Act, 2015 requires Directors to act in good faith, to promote the success of the Company for the benefit of its stakeholders and to avoid conflict between their personal interests and those of the Company, always acting in the best interest of the Company. Directors must have due regard to the long-term consequences of their decisions, the legitimate interests of employees, the need to foster effective business relationships with suppliers, customers and various stakeholders, the impact of the Company's operations on the community and the environment, and the desire to maintain a reputation for high standards of business conduct.

The Board of Directors of Safaricom are responsible for the governance of the Company. To this end, the Board is committed to ensuring that the Company complies with the laws, regulations, and standards applicable to it. The Directors are responsible for putting in place governance structures and systems that support the practice of good governance. The Board ensures that high standards and practices in Corporate Governance and more specifically the principles, practices and recommendations set out under the *Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015* ("the CMA Code"), as well as the Companies Act, 2015 ("the Act") are adhered to. Safaricom continues to endeavour to comply with the provisions of the CMA Code.

Over and above the annual self-assessment that the Company is expected to complete on its level of compliance of the Code, the Corporate Governance Statement as provided in this Annual Report will highlight to the Company's shareholders and various stakeholders, the performance to date. Safaricom remains committed to the highest standards of corporate governance and business ethics. Good corporate governance practices are essential to the delivery of long term and sustainable stakeholder and shareholder value.

The Company also adheres to other regulations promulgated by the CMA and the Nairobi Securities Exchange, and the ethical standards prescribed in the Company Code of Conduct. In addition, as a law-abiding corporate citizen, Safaricom abides by the tenets of the Constitution of Kenya and all other laws.

We continuously assess our governance operating model to ensure that robust internal governing bodies and proper systems/processes are in place to support the Board and Management to drive change, set strategic direction and formulate high-level goals and policies.

The Directors are committed to fulfilling their fiduciary responsibilities and have instituted various principles necessary to ensure that good governance is practiced with respect to dealings with the Company's shareholders, customers, and other relevant stakeholders in line with the spirit of the Code of Corporate Governance for listed Companies.

Leadership and responsibilities

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 their 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 (CEO) and his Senior Leadership Team.

Throughout the year ended 31 March 2025 and to the date of this document, the Company endeavoured to comply with the Capital Markets Authority (CMA) Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 (the 'Code'). The Board considers that this Annual Report and notably this section, provides the information that shareholders need to evaluate how the Company has applied the principles in the Code. In addition to complying with the Code, the Company has embedded internal rules of engagement to support corporate governance.

The role of the Board

The Board serves as the focal point and custodian of corporate governance in the Company. The Board is collectively responsible for the Company's vision, strategic direction, its values, and governance and 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 behavior 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
- Ensuring that the relevant audits e.g. financial, governance or legal and compliance are conducted

As at the financial year end of 31 March 2025, the Board operated through five principal Board Committees, to which it had delegated certain responsibilities; these committees are: the Board Audit Committee, The Board Risk, Environment and Social Governance Committee, the Board Human Resources Committee and the Board Nominations Committee. The Board also had one standing committee, the Board Innovation and Investments Committee. The roles, membership and activities of these Committees are described in more detail later in this Report. Each Committee has its own terms of reference which are reviewed periodically and updated as appropriate.

The Board devotes considerable attention to corporate governance matters relating to the Company's internal controls and compliance activities. It receives updates from the respective Chairpersons of each committee at the subsequent Board meeting.

Separation of powers and duties of the Chairman and the Chief Executive Officer (CEO)

The Chairperson and the Chief Executive Officer have distinct and clearly defined duties and responsibilities. The separation of the functions of the Chairman (a Non-Executive director) and the CEO (Executive director) supports and ensures the independence of the Board and Management. The balance of power, increased accountability, clear definition of responsibilities and improved decision-making are attained through a clear distinction between the non-executive and executive roles.

A summary of each role can be found below:

The Chairman

- Leads the Board, sets each meeting agenda and ensures the Board receives accurate, timely and clear information to monitor, challenge, guide and take sound decisions
- Promotes a culture of open debate between the Non-Executive Directors and Executive Directors and holds meetings with the Non-Executive Directors, without the Executive Directors present
- Regularly meets with the Chief Executive Officer and other Senior Management to stay informed
- Ensures effective communication on the developments in the Company
- Promotes high standards of corporate governance
- Promotes and safeguards the interests and reputation of the Company; and
- Represents the Company to government, shareholders, regulators, financial institutions, the media, the community, and the public

The Chief Executive Officer

- Is responsible for the day-to-day management of the business of the Company and to oversee the implementation of strategy and policies approved by the Board and serving as the official spokesperson for the Company
- Provides coherent leadership of the Company, including representing the Company to customers, suppliers, governments, shareholders, financial institutions, employees, the media, the community and the public and enhances the Company's reputation
- Leads the Executive Directors and senior management team in running the Company's business, including chairing the Executive Committee
- Develops and implements the Company's objectives in line with the strategy having regard to shareholders and other stakeholders
- Manages the Company's risk profile and ensures appropriate internal controls are in place
- Ensures compliance with legal, regulatory, corporate governance, social, ethical, and environmental requirements, and best practice; and
- Ensures that there are effective processes for engaging with, communicating with, and listening to, employees and others working for the Company.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Separation of powers and duties of the Chairman and the Chief Executive Officer (CEO) (continued)

The Senior Leadership Team

The Leadership Team led by the CEO is responsible for the day-to-day management of the Company and its operating subsidiaries. In so doing, it oversees the implementation of the strategy and policies set by the Board. Profiles of the Senior Leadership Team are set out from page 156 of this Annual Report.

The key responsibilities of the Senior Leadership Team include:

- Developing the Company's business strategy for review and approval by the Board
- Managing business functions and ensuring that functional strategies are effective and aligned with the Company's priorities and objectives
- Monitoring the Company's operating performance
- Reviewing functional budgets and activities and ensuring that they are adequate to achieve their targets
- Developing guidelines for the Company's functional business units
- Overseeing the management and development of talent within the Company
- Ensuring that collective effort and resources are balanced, effective and properly focused
- Making recommendations on matters reserved for Board approval

The Company Secretary

The Company Secretary is a member in good standing with the Institute of Certified Secretaries (ICS). The Company Secretary provides a central source of guidance and advice to the Board on matters of governance, statutory compliance, and compliance with the regulators.

The role of the Company Secretary

- Providing a central source of guidance and advice to the board, and the company, on matters of statutory and regulatory compliance and good governance
- Providing the board and the directors individually with guidance on how their responsibilities should be discharged in the best interests of the company
- Facilitating the induction training of new directors and assisting with the directors' professional development as required. This includes identifying and facilitating continuous board education
- In consultation with the CEO and the Chairman, ensuring effective flow of information within the board and its committees and between senior management and non-executive directors. This includes timely compilation and distribution of board papers and minutes, as well as communication of resolutions from board meetings
- Guiding the company in taking the initiative to not only disclose corporate governance matters as required by law, but also information of material importance to decision-making by shareholders, customers, and other stakeholders
- Coordinating the governance audit process
- Assisting the Board with the evaluation exercise

- Keeping formal records of Board discussions and following up on the timely execution of agreed actions

Board size

The Board determines its size and composition, subject to the Company's Articles of Association, Board Charter, relevant policies, applicable law, and best practices. The Company's Articles of Association provides for a maximum of 11 directors. As at the date of this Annual Report the Board comprised of eleven (11) Directors, ten (10) being non-executive directors and one (1) is an executive director (the CEO). Of the ten non-executive directors, three (3) are independent as defined in the Code. The Board is of the view that its current size is sufficient and enables it to deliver on its mandate.

Board Appointment

In line with the Company's Articles of Association, and their current shareholding, 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 seek re-election (if they choose to) by shareholders in accordance with the Articles of Association.

As part of its mandate, the Board Nominations Committee (BN Committee) is responsible for the selection and appointment of board directors. Prior to any appointment, the BN Committee develops suitable selection criteria for potential candidates, screens and interviews them before they are formally appointed. The 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.

Non-Executive Directors

As at 31 March 2025 and as at the date of this Annual Report, the Board had ten (10) Non-Executive Directors. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business.

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.

Independent Directors and independence

As at the date of this Annual Report, three (3) of the Non-Executive Directors were Independent as defined in the Code and accordingly most of the Board was constituted of Executive Directors. The Company has committed to appoint a fourth independent Non-Executive Director and is in the process of recruitment.

The composition of the Board

The Directors who served during the year to 31 March 2025, and the board changes that took place in the year under review, and up to the date of this report, are set out below:-

	Nationality	Date of appointment as a director	Date of ceasing to be a director
Adil Khawaja (MGH)	Kenyan	22 December 2022	–
Dr. Peter Ndegwa (CBS)	Kenyan	1 April 2020	–
Mohamed Shameel Joosub	South African	31 August 2017	–
Rose Ogega	Kenyan	12 February 2019	29 November 2024
Francesco Bianco	Italian	20 March 2020	1 August 2024
Raisibe Morathi	South African	1 November 2020	–
Winnie Ouko	Kenyan	10 February 2021	4 April 2025
Dr. Karen Kandie	Kenyan	24 February 2023	4 April 2025
Ory Okolloh	Kenyan	24 February 2023	24 July 2024
Jame Ludlow	British	28 August 2024	–
Dr.(Eng) John Mosonik	Kenyan	23 August 2023	–
Murielle Lorilloux	French	23 August 2023	–
Edward Omolo Okaro	South African	31 January 2025	–
Lawrence Kibet	Kenyan	4 April 2025	–
Rita Kavashe	Kenyan	4 April 2025	–
James Wambugu	Kenyan	4 April 2025	–

Board operations

The Safaricom Board meets at least four times a year, and the meetings are structured in a way that allows for open discussions.

The Board is solely responsible for its agenda. It is, however, the responsibility of the Chairman and the Company Secretary, working closely with the Chief Executive Officer, to come up with the annual Board work plan and the agenda for the Board meetings. The Work Plan is designed to enable the Board to drive the Company's strategy forward. The Board work plan for the year 2025 was approved by the Board at its meeting held on 5th November 2024.

The notice, agenda and comprehensive board papers are prepared and circulated to all directors with due notice in line with the Board Charter, prior to the meeting. This allows time for the directors to undertake an appropriate review of the board papers to facilitate full and effective discussions at the meetings. The submissions and notification period may be waived should any urgent and critical matters arise.

Directors are entitled to request for additional information where they consider further information is necessary to support informed decision-making.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Separation of powers and duties of the Chairman and the Chief Executive Officer (CEO) (continued)

Board operations (continued)

Where Directors are unable to attend a meeting, they are advised on the matters to be discussed and given the opportunity to make their views known to the Chairman or the Chief Executive Officer prior to the meeting.

The members of the Senior Leadership Team may be invited to attend the Board and/or Committee meetings if deemed necessary and as appropriate, to make presentations on their areas of responsibility. This serves as an opportunity to give the Directors greater insights into their business areas.

A summary of Board meetings and attendance in the year under review is indicated below:

Board Meetings and Annual General Meeting Attendance from 1 April 2024 to 31 March 2025

	ADIL KHAWAJA (C)	PETER NDEGWA	SHAMEEL JOOSUB	ROSE OGEKA	FRANCESCO BIANCO	RAISIBE MORATHI	WINNIE OUKO	DR. KAREN KANDIE	ORY OKOLLOH	DR (ENG) JOHN MOSONIK	MURIELLE LORILLOUX	JAMES LUDLOW	EDWARD OKARO
7th May 2024	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
22 July 2024 (Board Evaluation Session)	✓	✓	✓	✓	Apology	✓	✓	✓	✓	✓	✓	-	-
24 July 2024	✓	✓	✓	✓	Apology	✓	✓	✓	Apology	✓	✓	-	-
25 July 2024 (AGM)	✓	✓	✓	✓	Apology	✓	✓	✓	Apology	Apology	✓	-	-
30 September 2024 (Special Session)	✓	✓	✓	✓	-	✓	✓	✓	-	✓	✓	By invitation	-
29 October 2024 (Special Session)	✓	✓	✓	✓	-	✓	✓	✓	-	✓	✓	By invitation	-
5th November 2024	✓	✓	✓	✓	-	✓	✓	✓	-	✓	✓	By invitation	-
29th November 2024 (Special Session)	✓	✓	✓	Apology	-	✓	✓	✓	-	✓	✓	By invitation	-
15 January 2025 (Special Session)	✓	✓	✓	-	-	✓	✓	✓	-	✓	✓	By invitation	-
12 February 2025	✓	✓	✓	-	-	✓	✓	✓	-	✓	✓	✓	By invitation

- Ory Okolloh ceased to be a director with effect from 24 July 2024
- Francesco Bianco ceased to be a director with effect from 1 August 2024
- James Ludlow was appointed as a director with effect from 28 August 2024
- Rose Ogeka ceased to be a director with effect from 29 November 2024
- Edward Okaro was appointed as a director with effect from 31st January 2025

During the year under review, the key areas of focus for the Board's activities and topics discussed during meetings were on the following matters:

- Approved the audited financial statements for the year ended 31 March 2025 as well as the guidance, press release and commentary
- Discussed and resolved to make a recommendation to the shareholders on the approval of the final dividend for the year ended 31 March 2025
- The Board further considered and approved the unaudited half year financial statements for the period to 30 September 2024
- Approved the interim dividend for the year ended 31 March 2025 and made a recommendation to the shareholders on the approval of the final dividend for the year under review
- Approved the Audit fees for the external auditor
- Reviewed and agreed the Company's strategy and ensured that the necessary financial and human resources were in place to meet agreed objectives
- The strategic initiatives and financial plans for the year under review and specifically discussed the funding for Ethiopia
- Approved the FY25 budget, Long Range Plan and monitored performance against the approved budget of the Company
- Monitored the political, regulatory and market development trends
- Discussed and improved the Board's understanding of key risks facing the business in Ethiopia including from a political and economic perspective
- Discussed the risks and mitigations thereof that the business was exposed to including cybersecurity threats, changing regulations and reputational risks
- Reviewed and monitored material litigation cases and their liability and reputational risks
- Received a report on the Board Evaluation
- Received regular reports from the deliberations of the Audit Committee, the Human Resources Committee, the Risk, Environmental, Social and Governance Committee, the Innovations and Investment Committee and the Nominations Committee

The effectiveness of the Board in its oversight and leadership role is enhanced by a robust support system. This is facilitated through the following:

The Board recognises and embraces the benefits of diversity and views increasing diversity as an essential element in maintaining a competitive advantage. The Board also recognises the role of diversity in bringing different perspectives into board debates and offers better anticipation of the risks that are inherent in the business and the opportunities that the business pursues.

Safaricom seeks to have a Board that has the right mix of individuals with relevant attributes, skills, knowledge, and experience and who jointly have the overall collective competence to deal with current and emerging issues and effectively guide Management in ensuring the highest performance for the Company. The Non-Executive Directors are expected to have a clear understanding of the strategy of the Company as well as knowledge of the industry in which the Company operates. The aggregate mix of skills and experience of the Directors seeks to challenge Management, ensure robust and constructive debate,

augments and challenges the strategic thinking of the executives thereby adding value to the Company. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The areas of expertise of the current board of directors include legal and governance, business management, telecommunications, finance, electrical engineering, IT, mobile money, corporate communications, economics, marketing, project management, risk management and human resources. Short biographies of the Directors, including details of their nationalities, relevant skills, and experience, are set out on pages 146–150.

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. An acknowledgement that should it come to the attention of a director that a matter concerning the Company may result in a conflict of interest obligates the director to declare the same and exclude himself / herself from any discussion or decision over the matter in question.

The Board has formal procedures for managing conflicts of interest in accordance with the Companies Act 2015 and the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public. Directors are required to give advance notice of any conflict issues to the Chairman or Company Secretary, and these are considered at the next Board or Committee meeting.

Declaration of conflicts of interest is also a standard agenda item which is addressed at the onset of each Board and Committee meeting. 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.

Director induction

On joining the Board, all new Directors receive a detailed induction. The induction programme is initiated by the Chairman of the Board and progressed by the Chief Executive Officer, members of the Senior Leadership Team and the Company Secretary.

The induction programme includes a series of meetings with other Directors, the Chief Executive Officer, and senior executives to enable new Directors to familiarise themselves with the business. This provides an overview of the Company's operating environment and new developments thereof, accounting, and financial reporting developments, as well as any regulatory changes. As part of the induction training, detailed presentations by Management, are factored in, so that the Directors gain a good sense of the Company's operations and central functions. All new directors appointed to the Board have undergone a Board Induction Process.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Separation of powers and duties of the Chairman and the Chief Executive Officer (CEO) (continued)

Board operations (continued)

Training and development

All Directors are expected to maintain the skills required to carry out their obligations. Board members undergo regular training and education to enable them to fulfill their responsibilities. Directors receive functional presentations built into the annual Board Work Plan to gain a good sense of the Company's operations and central functions. The Board and its Committees receive briefings and participates in deep dive sessions on various matters such as risks and their mitigations, legal and regulatory developments that directly impact the operations of the Company. These are facilitated by experts in the fields relevant to the Company's operations as well as the Management team.

During the financial year under review, the Directors engaged in facilitator-led and online training from credible sources. Topics discussed included: Anti Money Laundering, Countering the Financing of Terrorism (CFT), Countering the Proliferation of Terrorism (CPT) and Artificial Intelligence. To better understand the business, in the year under review, the Board also held deep dive sessions on the continuity and resiliency plan for M-PESA and held strategy sessions with the senior leadership team. A two-day investor relations day was held in Mombasa on 13 to 14 February 2025 where the Board engaged with investors. This was also an opportunity for the Board of Directors to engage out of the boardroom and build on stakeholder relationships.

The 2024 Annual General Meeting of the Company was held on 25 July 2024 provided an opportunity for shareholders to participate, ask questions and share their concerns. The robust engagement of shareholders can be evidenced by the questions and responses during the AGM. <https://www.safaricom.co.ke/images/Downloads/2024-Shareholder-Thematic-Questions-and-Answers.pdf>

In the year under review, each of the Directors who served for the full year was able to secure at least twelve (12) hours of training as prescribed by the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public 2015.

Access to independent advice

Pursuant to the Stewardship Code for Institutional Investors the Company undertook the following:

1. Held investor briefings during the year to appraise institutional investors of the Company's performance and respond to questions and comments
2. Engaged institutional investors through its robust and active Investor Relations function such as investor roadshows and forums and via the Company website
3. Made sufficient disclosures about the Company's performance and sustainability performance through its Annual Report, website, social media, AGM and other forums
4. Facilitated effective voting by poll during the Company's 2024 AGM

5. Coordinated with Image Registrars, the Company's Registrars to facilitate efficient flow of information and voting instructions

The Board recognises that there may be occasions when one or more Directors considers it necessary to take independent advice on various matters such as legal or financial advice, at the Company's expense.

To assist the Directors to discharge their duties and responsibilities and to enable them to take informed decisions, the Directors are entitled to obtain independent legal, accounting, or other professional advice at the Company's expense. The Board may conduct or direct any investigation to fulfill its responsibilities and can retain, at the Company's expense, any legal, accounting, or other services that it considers necessary from time to time to fulfill its duties.

This is provided for in the Board Charter, the Terms of Reference of each Committee, and the letter of appointment for each Director.

Governance Audit

The CMA Code provides that issuers of securities to the public are required to undertake periodic governance audits. Following extensive stakeholder consultation to consider the frequency, cycle, cost and scope of governance audits, the Capital Markets Authority (CMA) advised all issuers of a revision in the cycle of governance audits to at least once every two years with the option of CMA increasing or decreasing this frequency on a risk-based approach.

The Company is currently undertaking a governance audit with Dorion Associates LLP an independent governance auditor. The Company will implement the recommendations of the governance audit with quarterly updates to the Board.

Legal and Compliance Audit

In compliance with the CMA Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, an internal Legal and Compliance Audit was carried out for the year ended 31st March 2024 with the objective of ascertaining the level of adherence to applicable laws, regulations, and standards to deliver long term value to stakeholders. The findings from the audit confirmed that the Company was generally in compliance with the applicable laws and regulations.

Board Evaluation

In line with the provisions of the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015, the Board undertook an independent annual evaluation of the performance of the Board for the financial year ended 31 March 2025. This was aimed at enabling the Board, the Committees, and their respective members to gauge their performance and identify areas of improvement. The Board Evaluation was done on 22 July 2024 for the FY 24/25 year. The report is currently under review by the Board.

Corporate Governance Assessment Report

During the year 2024, the Capital Markets Authority assessed the status of implementation of the CMA Code by the Company for the year ended 31 March 2024. The assessment was based on a review of the following areas: commitment to good corporate governance (leadership rating of 90%); board operations and control (leadership rating of 75%); rights of shareholders (leadership rating of 73%); stakeholder relations (leadership rating of 80%); ethics and social responsibility (leadership rating of 96%); accountability, risk management and internal control (leadership rating of 90%); transparency and disclosure (good rating of 94%). The overall rating awarded to the Company was a leadership rating of 85% – a testament to the Board's commitment to sound corporate governance practices.

The Company continues to implement the recommendations received from the Capital Markets Authority to improve its level of implementation of the recommendations under the Capital Markets Authority Code.

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. This statement will be dependent on the shareholding disclosure above.

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

Name of Director	2025	2024
Dr. Peter Ndegwa	8,740,477	6,208,543
Dilip Pal	2,220,207	1,342,105
Winnie Ouko	101,831	101,831
Rose Otega	2,000	2,000

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Board committees membership and meeting attendance

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, Risk Environmental and Social Governance Committee, Human Resources Committee, Innovation and Investments Committee and Nominations Committee. 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.

During the year, the board was in transition as of 31 March 2025 and was hiring new board members.

Audit Committee

Membership

As at 31 March 2025, the Audit Committee consisted of two (2) Independent Directors. The committee continued to report to the Board after every committee meeting. The Committee was chaired by an Independent Non-Executive Director with at least one (1) committee member holding a professional qualification in audit or accounting and in good standing with the relevant professional body.

Members as at 31 March 2025

1. Winnie Ouko (Chairperson)
2. Edward Okaro (By Invitation)
3. Raisibe Morathi
4. Dr Karen Kandie

Secretary of the Committee: Linda Wambani-Anene

Permanent invitees:

5. Dr Peter Ndegwa (CBS) (Chief Executive Officer)
6. Dilip Pal (Group Chief Financial Officer)
7. Nicholas Mulila (Chief Corporate Security Officer)
8. Denish Osodo (Director, Internal Audit)
9. Ernst & Young (External Auditor)

Functions of the Audit Committee

The Audit Committee meets at least four times a year to discuss audit matters. To fulfill 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
- Monitoring the activities and review the effectiveness of the Internal Audit function

The attendance of the Board Audit Committee meetings for 2024/2025

	ROSE OGEZA	WINNIE OUKO	ORY OKOLLOH	RAISIBE MORATHI	DR. KAREN KANDIE	EDWARD OKARO
26 April 2024	✓	✓	✓	Apology	✓	–
16 July 2024	✓	✓	✓	✓	✓	–
31 October 2024	✓	✓	–	✓	✓	–
8 February 2025	–	✓	–	✓	✓	By invitation

- Ory Okolloh ceased to be a member of the Committee with effect from 24 July 2024.
- Rose Ogega ceased to be a member of the Committee with effect from 29 November 2024.
- Edward Okaro became a member of the Committee with effect from 15 January 2025.

Key Audit Committee activities

During the financial year, the Committee substantively discussed the following matters:

- Reviewed the half year results and full year results, audited accounts, and related reports thereof
- Reviewed the interim and final dividend recommendations
- Reviewed the External Auditors Management Letter
- Reviewed the External Auditors' Interim Findings Report
- Discussed and approved the External Audit Service Plan for the year ending 31 March 2025
- Discussed and made recommendation to the Board on the approval of the external auditor's fees
- Conducted a review of the external auditor's effectiveness and independence and made recommendation for the re-appointment of the External Auditor
- Reviewed and approved the Internal Audit plan for the year ended 31 March 2025
- Reviewed the Internal Audit Reports in every quarter and status against the approved internal audit plan
- Undertook an assessment of the Internal Audit Function and received the Feedback of the evaluation
- Reviewed the provisions of the Internal Audit Charter and approved the same
- Discussed the Related Party Transactions and made recommendations to the Board
- Reviewed and approved the Committee's work plan for implementation
- Reviewed the Terms of Reference of the Committee

- In-camera sessions were held with the External and Internal Auditors

Financial and business reporting

The Board is satisfied that it has met its obligation to present a balanced and understandable assessment of the Company's position throughout the Annual Report. It is appropriate to treat this business as a going concern as there is sufficient existing financing available to meet expected requirements in the foreseeable future.

The Committee is assigned to review financial, audit and internal control issues in supporting the Board of Directors which is responsible for the Financial Statements and all information in the Annual Report.

External auditor

Messrs. Ernst & Young are the Company's external auditor. The Audit Committee considers that its relationship with the auditor worked well during the period and was satisfied with their effectiveness. The external auditor is required to rotate the audit partner responsible for the Company's audit at least every five years. The current lead audit partner has been in position since 31 July 2020. In line with the Company's Policy and the Central Bank of Kenya Prudential Guidelines, the Board Audit Committee is currently in the process of rotating the lead audit partner. During the year under review, as guided by the External Auditor Management Policy (EAMP), the Committee and Management had undertaken an appraisal of the external auditor's performance based on their quality-of-service delivery, auditor independence among other aspects. Based on the evaluation results, the Committee was satisfied with the performance of the Company's external auditor and this position was endorsed by the Board.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued) Risk, Environmental, Social and Governance Committee

Membership

As at 31 March 2025, the Risk Environmental, Social and Governance Committee consisted of three Non-Executive Directors. The Committee continued to report to the Board after every committee meeting.

Members as at 31 March 2025

1. Dr. Karen Kandie (Chairperson)
2. James Ludlow (By invitation)
3. Raisibe Morathi

Secretary of the Committee: Linda Wambani-Anene

Permanent invitees:

1. Dr Peter Ndegwa (CBS) (Chief Executive Officer)
2. Dilip Pal (Group Chief Financial Officer)
3. Nicholas Mulila (Chief Corporate Security Officer)
4. Karen Basiye (Director, Sustainable Business and Social Impact)

Functions of the 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 fulfill its oversight responsibility, the committee receives reports from Management.

The role and responsibilities of the Risk, Environmental, Social and Governance Committee include:

- Reviewing and assessing the Company's risk management programmes (Enterprise Risk, Cyber Security, Privacy, Physical Security, AML, Business Assurance, Ethics and Compliance) and the adequacy of the overall control environment including regularly reviewing the nature and extent of the Company's risk appetite as well as monitoring the significant risks that the Company is willing to take in achieving its strategic directives
- 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
- Reviewing and monitoring the effectiveness of the company's resilience and business continuity arrangements and the testing of these from time to time

The attendance of the Board Risk, Environmental, Social and Governance Committee meetings for 2024/2025

A summary of the attendance of the Members of the Risk, Environmental, Social and Governance Committee is shown below:

	JAMES LUDLOW	FRANCESCO BIANCO	ORY OKOLLOH	RAISIBE MORATHI	DR. KAREN KANDIE	ROSE OGEKA
25 April 2024	–	✓	Apology	✓	✓	✓
12 July 2024	–	Apology	✓	✓	✓	✓
15 October 2024	By invitation	–	–	✓	✓	✓
23 January 2025	By invitation	–	–	✓	✓	–

- Ory Okolloh ceased to be a member of the Committee with effect from 24 July 2024.
- Francesco Bianco ceased to be a member of the Committee with effect from 1 August 2024.
- Rose Ogeka ceased to be a member of the Committee with effect from 29 November 2024.
- James Ludlow joined the Committee with effect from 28 August 2024.

- Information on prevailing trends, for example whether a risk is increasing or decreasing over time, is provided in relation to each risk and all identified risks are assessed at five levels (extremely serious/ very serious/ serious/ minor/ not significant) by reference to their impact and likelihood. Mitigation plans are put in place to manage the risks identified and the risk registers are reviewed on a regular basis.
- Safaricom PLC Enterprise Risk Management Framework is aligned to ISO 31000 International Risk Management Standard and the Committee of Sponsoring Organizations (COSO) framework to ensure the best practices in the governance of risk. The risk management process adopts both a bottom up and top down approach to identify and escalate risks across all levels of the organisation.
- The Board, with advice from its Risk, Environmental, Social and Governance Committee, has completed its annual review of the effectiveness of the risk management framework and internal controls for the year under review. No significant failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken, and that progress is monitored.

Key Risk, Environmental, Social and Governance Committee activities

- Reviewed the content of various Policy documents including AML/CFT/CPL Policy
- Discussed in detail the Business Risk Updates including changes in the heat map
- Discussed various reports at the quarterly meetings that covered: Cyber Security Management Updates, AML/CFT programme Updates, Data Privacy programme updates and Business Ethics and Compliance Updates
- Discussed significant litigations cases and liability thereof
- Reviewed the Conflict of Interest Policy, Data Disposal and Retention Policy and Stakeholder Relations Policy

Risk management and internal control

- The Board is responsible for maintaining sound risk management and internal control systems and determining the nature and extent of the risks that the Company is willing to take to achieve its strategic objectives. With the support of the Risk, Environmental, Social and Governance Committee, the Board carries out a regular review of the effectiveness of its risk management framework and internal control systems, covering all material controls including financial, operational and compliance controls.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued) Human Resources Committee

Membership

As at 31 March 2025, the Human Resources Committee consisted of two Independent Directors. The Committee continued to report to the Board after every Committee meeting. The Committee was chaired by an Independent Non-Executive Director.

Members as at 31 March 2025

1. Winnie Ouko (Chairperson)
2. Edward Okaro (By invitation)
3. Dr. (Eng) John Mosonik
4. Shameel Joosub
5. James Ludlow (By invitation)

Secretary of the Committee: Linda Wambani-Anene

Permanent invitees:

1. Dr Peter Ndegwa (CBS) (Chief Executive Officer)
2. Florence Nyokabi (Chief Human Resources Officer)

Functions of the Human Resources Committee

The Human Resources Committee meets at least four times a year.

The purpose of the 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 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
- 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

The attendance of the Human Resources Committee Meetings for 2024/2025

A summary of the Human Resources Committee members attendance is shown below:

	SHAMEEL JOOSUB	WINNIE OUKO	ROSE OGEGA	DR. (ENG) JOHN MOSONIK	ORY OKOLLOH	FRANCESCO BIANCO	JAMES LUDLOW	EDWARD OKARO
29 April 2024	✓	✓	Apology	✓	✓	✓	–	–
3 May 2024 (Special Session)	✓	✓	Apology	✓	✓	✓	–	–
4 September 2024	✓	✓	✓	✓	–	–	By invitation	–
29 October 2024	✓	✓	✓	✓	–	–	By invitation	–
3 February 2025	✓	✓	–	✓	–	–	By invitation	By invitation

- Ory Okolloh ceased to be a member of the Committee with effect from 24 July 2024.
- Francesco Bianco ceased to be a member of the Committee with effect from 1 August 2024.
- Rose Ogega ceased to be a member of the Committee with effect from 29 November 2024.
- James Ludlow joined the Committee with effect from 28 August 2024.
- Edward Okaro joined the Committee with effect from 15 January 2025.

During the financial year, the Committee substantively discussed the following matters:

- Reviewed the performance of the Chief Executive Officer and his remuneration thereof as well as the targets for 2024/2025.
- Discussed and made recommendation to the Board on Employee Compensation and Bonus Review for the year 2024/2025 as well as changes to the bonus framework.
- Discussed and approved the Share Grants Proposal for 2024/2025.
- Reviewed the succession planning for the Senior Leadership Team (SLT).
- Reviewed the results of the interim employee opinion survey.
- Undertook an assessment of the independence of the Independent Directors in line with the provisions of the Code.
- Discussed various HR Thematic Areas including succession planning for the SLT, Culture and Talent: Diversity and retention.
- Reviewed and approved the Committee's work plan for implementation.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Nominations Committee

Membership

As at 31 March 2025, the Nominations Committee consisted of two Non-Executive Directors. The Committee continued to report to the Board after every Committee meeting. The Committee was chaired by two Independent Non-Executive directors.

Members as at 31 March 2025

1. Winnie Ouko (Chairperson)
2. Shameel Joosub
3. Dr. (Eng.) John Mosonik
4. Edward Okaro (By invitation)
5. James Ludlow (By invitation)

Secretary of the Committee: Linda Wambani-Anene

Permanent invitees:

1. Peter Ndegwa (Chief Executive Officer)
2. Florence Nyokabi (Chief Human Resources Officer)

Functions of the Nominations Committee

The Nominations Committee meets at least four times a year. The purpose of the 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.
- Monitoring the size and composition of the Board and its succession plans.
- Recommending individuals for nominations as members of the Board and its committees.
- Reviewing executive appointments, succession and development plans and proposing the remuneration structures of executive and non-executive members of the Board.

A summary of the Nominations Committee meeting members attendance is shown below:

The attendance of the Nominations Committee Meetings for 2024/2025

	SHAMEEL JOOSUB	WINNIE OUKO	DR. (ENG.) JOHN MOSONIK	ORY OKOLLOH	FRANCESCO BIANCO	JAMES LUDLOW
16 July 2024	✓	✓	✓	✓	Apology	–
22 October 2024	✓	✓	✓	–	–	–
15 January 2025	✓	✓	✓	–	–	By invitation

- Ory Okolloh ceased to be a member of the Committee with effect from 24 July 2024.
- Francesco Bianco ceased to be a member of the Committee with effect from 1 August 2024.
- James Ludlow joined the Committee with effect from 15 January 2025.

Key discussions by the Nominations Committee

During the financial year, the Committee substantively discussed the following matters:

- Led the process for identifying and nominating for approval by the Board of Independent Directors
- Discussed the skills matrix for current directors and the talent pool development for the Board
- Received updates on the implementation of the recommendations from the Board evaluation reports
- Reviewed and made recommendation to the Board on the composition of the Board Committees
- Reviewed and approved the Committee's work plan for implementation

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 was formed as a standing committee which reviews key projects and investments for the Company.

As at 31 March 2025, the Investment Committee was chaired by a Non-Executive Director. The Committee continued to report to the Board after every Committee meeting.

Innovation and Investments Committee

Members as at 31 March 2025

1. Dr. (Eng.) John Mosonik (Chairman)
2. Shameel Joosub
3. Raisibe Morathi
4. Murielle Lorilloux

Secretary of the Committee: Linda Wambani-Anene

Permanent invitees:

1. Peter Ndegwa (Chief Executive Officer)
2. Dilip Pal (Group Chief Financial Officer)
3. Michael Mutiga (Chief Business Development and Strategy Officer)

A summary of the attendance of the Investment Committee meetings is shown below:

The attendance of the Investment Committee Meetings for 2024/2025

	SHAMEEL JOOSUB	ORY OKOLLOH	RAISIBE MORATHI	MURIELLE LORILLOUX	DR. (ENG) JOHN MOSONIK
2 May 2024	✓	✓	✓	By invitation	✓
27 May 2024 (Special Session)	✓	✓	✓	By invitation	✓
4 July 2024	✓	✓	Apology	✓	✓
17 October 2024	✓	-	✓	✓	✓
28 January 2025	✓	-	Apology	✓	✓

- Ory Okolloh ceased to be a member of the Committee with effect from 24 July 2024.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Subsequent events

On 15 January 2025, the Board approved the reconstitution of its committee structure and membership. This is to ensure increased focus on the implementation of the mandate of each committee for the benefit of the Company as a whole, to create efficiencies in the reporting structure to the Board and allow for broader participation from all Directors.

The committees and their memberships as at 31 March 2025 was as follows.

In line with best practice, the Chairman of the Board is not a member of any of the committees. The Chief Executive Officer is a permanent invitee to all the Committees.

	Audit Committee	Risk and ESG Committee	Nominations Committee	Human Resources Committee	Innovations and Investment Committee
Shameel Joosub			✓	✓	✓
Raisibe Morathi	✓	✓			✓
James Ludlow		✓	✓	✓	
Dr Karen Kandie	✓	✓			
Edward Okaro	✓		✓	✓	
Winnie Ouko	✓		✓	✓	
John Mosonik			✓	✓	✓
Murielle Lorilloux					✓

Governance policies

Besides complying with the Code and the laws, the Company has committed to embed internal rules of engagement to support corporate governance. These internal guidelines are constituted in various policies and in the Code of Business Conduct to which every employee, supplier and the Board makes a commitment to comply with.

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.

Code of ethics and conduct

The Company pursues ethical decision making and leadership to promote corporate social responsibility, fair business practices, sustainability and the triple bottom line that focuses on the society, the environment and profitability. The Board has implemented a Code of Ethics and Conduct which binds Directors and Employees and is subscribed to by all members of the Company. Initiatives to ensure its application include training, monitoring, mechanisms for whistle blowing, taking disciplinary action, etc. The Code has been integrated into the Company's operations through the development of various policies and reporting mechanisms.

Safaricom Directors and employees are expected to act with honesty, integrity, and fairness in all their dealings with one another and with stakeholders. When joining Safaricom, every employee is provided with a copy of the Code and must commit to abide by its requirements as part of the employment contract with the Company.

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 Board Nominations and Remuneration 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 behavior 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, we have a CSI policy that ensures that we operate our business in a responsible manner at all times for the benefit of our customers, staff, suppliers, and the wider community. We exercise CSI by partnering with and investing in communities to find sustainable solutions. We also encourage our employees to take part in CSI initiatives aimed at improving the standards of living of the communities that they come from. Our CSI activities are disclosed every year in the social impact section of this report, sustainability, and foundation reports.

Procurement policies

We have in place procurement policies that promote a fair and transparent procurement process, with emphasis on value for money and building mutually beneficial relationships with our suppliers. A Management Tender Committee oversees the award of tenders and there is appropriate Risk assurance for procurement activities.

HOW WE SAFEGUARD VALUE (continued)

Corporate governance report (continued)

Governance policies (continued)

Insider trading policy

As a listed company, Safaricom is obliged under the Companies Act 2015 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.

This is especially so in periods leading up to an announcement of financial results. To this end, the Company has a policy on insider trading. Directors and staff are made aware that they ought 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 Companies Act, 2015 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 protected, maintained and discarded at the proper time and in a secure manner if no longer needed by Safaricom or of no value.

We believe that good corporate governance is critical, not only at the corporate level but also at the national level. We require our partners to adhere to the highest level of integrity and business ethics in their dealings with us or with others.

All governance policies are available on the company's website at: [www.safaricom.co.ke > about > who-we-are > our-governance-policies](https://www.safaricom.co.ke/about/who-we-are/our-governance-policies) 

In the financial year under review, we continued to achieve high levels of corporate governance by focusing on the following areas:

- Continuing to implement our strategy for the long-term prosperity of the business
- Timely and relevant disclosures and financial reporting to our shareholders and other stakeholders for a clear understanding of

our business operations and performance

- Ensuring execution of strong audit procedures and audit independence
- Strong internationally recognised accounting principles
- Focus on clearly defined Board and management duties and responsibilities
- Focusing on compliance with relevant laws and upholding the highest levels of integrity in the Company's culture and practice

Safaricom remains committed to relating openly with its shareholders by providing regular as well as ad hoc information on operating and financial performance and addressing any areas of concern. This is achieved through the following:

- Interim and annual results and publication of extracts of its financial performance in the daily newspapers, preparation of annual audited accounts and holding of the annual general meeting
- Copies of the annual reports are made available to shareholders at least 21 days before the date of the AGM and they are free to raise questions to the board during the meeting
- The Company has a well-established culture on shareholder management which is handled by the Internal Investor Relations team, supported by the Company Secretary's office and the Shares Registrars, Image Registrars Limited
- The Safaricom website has a specific webpage [<https://www.safaricom.co.ke/investor-relations>] dedicated to the information requirements of the shareholders, institutional investors and investment analysts
- Investor briefing sessions are held immediately after the announcement of interim and full year results and additionally during the year to appraise institutional investors of the Company's performance and respond to questions and comments
- Local and international investor road shows are held after interim and full year results announcements; representatives of the Company's senior leadership team in collaboration with known stock brokerage firms organise meetings with institutional investors, individual shareholder groups and financial analysts
- The Board of Directors encourages shareholder participation at the Company's annual shareholder meetings and enables effective voting by poll as was done during the Company's 2024 Annual General Meeting
- Safaricom Plc Board in collaboration with the board of its subsidiary Safaricom Telecommunication Ethiopia hosted a two-day investor day in Mombasa on 13 and 14 February 2025

The Company's Annual General Meeting (AGM) is an opportunity for shareholder engagement where the Chairman and the Chief Executive Officer explain the Company's full year performance and receive questions from shareholders.

Directors' renumeration report for the year ended 31 March 2025

The Chairpersons of the Audit, Risk, Environmental Social and Governance Committee, Human Resources Nominations, and Innovation and Investment Committees are normally available at the AGM to take any relevant questions. All other Directors also attend, unless illness or pressing commitments preclude them from doing so. During the investor briefings that were held in the year under review, shareholders and stakeholders were keen to hear more on the macro and regulatory environment, devaluation of the Ethiopian currency, performance, GSM business, the competitive landscape and market share, and the latest developments in industry regulation.

1.1 Introduction

The key objective of the Board Nominations Committee (BNC) 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 members of the Committee during the year are indicated on page 167. The Committee's responsibilities have been set by the Board and are outlined in the Board Charter and the Terms of Reference of the Committee, which are both available on the Company's website.

1.2 Directors' Remuneration Report

1.2.1 Report Preparation

The Directors' Remuneration report has been prepared to enlighten the shareholders on the remuneration payable to both the Executive and Non-executive Directors. It is the view of the Committee and the Board that the Company's reward arrangements best support our business effectiveness by only delivering above target payouts when this is justified through Company performance and the current policy will support the implementation of the Company's short term and long-term objectives.

The Directors' Remuneration Report is unaudited except where otherwise stated.

1.2.2 Regulatory Compliance

In March 2016, the Capital Markets Authority ("CMA") issued the Capital Markets Code for Issuers of Securities ("The Code") which became operational twelve months after its gazettement. The Code outlines various compliance requirements with respect to the remuneration of directors.

The Companies Act, 2015 which was enacted in September 2015 and became operational in June 2016, requires the Company to table a Directors' Remuneration report to its shareholders as part of its audited financial statements. The Committee has prepared this report in accordance with the requirements of the Code and the Companies Act 2015 ("the Act").

1.2.3 Current policy

The Company's current Remuneration policy reflects a commitment to the following principles:

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

1.2.4 Remuneration for Non-Executive Directors

The Company's Non-Executive Directors' (NEDs) 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:

- a. Annual retainer fee for the Chairman and other non-executive directors, which is paid on a quarterly basis.
- b. Sitting allowances for Board and Board Committee meetings.
- c. 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.

The Non-executive Directors remuneration was last reviewed in 2025. The current compensation structure was determined following a benchmarking exercise with comparable entities that was undertaken in 2024 by PricewaterhouseCoopers (PwC) and which was discussed substantively by the Human Resources Committee on 3 February 2025. The Board approved the revised compensation package for the Non-Executive Directors on 12 February 2025.

Details of the fees for the non-executive directors and remuneration of the executive directors paid in the financial year under review are set out on the financial statements part of the annual report.

Going concern

The Board confirms that the financial statements are prepared on a going concern basis and is satisfied that the company has adequate resources to continue in business for the foreseeable future. In making this assessment, the directors consider a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital, and other resources.



FINANCIAL STATEMENTS

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REPORT OF THE DIRECTORS

This Report of the Directors is submitted together with the audited financial statements for the year ended 31 March 2025 which disclose the state of affairs of Safaricom Plc (the “Company” or “Safaricom”) and its subsidiaries (together, the “Group”).

Incorporation

The Company is domiciled in Kenya where it is incorporated as a private Company limited by shares under Kenyan Companies Act, 2015. The address of the registered office is set out on page 301.

Directorate

The directors who held office during the year and to the date of this report are set out on page 186.

Principal activities

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.

Business review

Economic outlook

In the year under review, we operated in an evolving landscape, marked by economic fragility, constrained fiscal space, and global disruptions for both Kenya and Ethiopia.

In Kenya, the economy slowed down in 2024, with real GDP estimated at 4.6% compared to 5.6% in 2023, mainly reflecting deceleration in growth in most sectors of the economy. Nevertheless, leading indicators of economic activity point to improved performance in the first quarter of 2025. With an expectation of real GDP growth projected at 5.4%, supported by resilience of key service sectors and agriculture, expected recovery in growth of credit to the private sector, and improved exports.

In Ethiopia, we have seen some good traction in addressing external imbalances that existed to improve the business environment. Recently, in March 2025 Ethiopia's capital markets regulator licensed the first two investment banks in a move that follows other reforms to liberalise the financial sector, which included the launch of the Ethiopian Securities Exchange (ESX) in January 2025. These are instrumental moves in boosting investor confidence, increase market liquidity and raising instruments that benefit both issuers and investors alike.

The reform of foreign exchange regime in Ethiopia was also a significant development. We are encouraged by the forex stability and as explained during the half year results announcement, taken steps to mitigate against the short-term impact of the currency regime change. Despite the dropping costs of fuel and food, our customers faced increasing financial pressures marked with high interest rates and fiscal pressure prevails. This period was also marked by the entry of broad internet via the low earth orbit satellite marking a new era in connectivity.

The changes in Ethiopia's forex regime eroded the early gains the business had begun to generate. However, the localisation of the majority of our costs, along with pricing adjustments, has helped stabilise the situation, and we remain on track to meet the guidance.

While we continue to strike a balance with our regulators, the period under review faced critical regulatory hurdles. In Ethiopia, we are working with the regulator to achieve parity in the industry in areas such as spectrum access and interconnection fees. In Kenya, we contributed to shaping the industry approach to licensing and managing low-orbit satellite connectivity, aiming to ensure mutual benefits for both the industry and customers.

Yet, we had powerful tailwinds that drove our business. Key among them being our continued network investment in Ethiopia, the expanding digital adoption of the Mobile Financial Services ecosystem in both countries and accelerating data usage fueling growth. As a tech organisation, we continued to leverage and invest in technological solutions to deliver value adding and personalised digital services enabled by big data and AI that simplify and improve the daily lives of our customers and society.

Earning our Customers' Trust

Specific to Kenya, the year started on a low with the unprecedented social unrest that rocked the country in June 2024. The brand faced significant setbacks, leading to a noticeable decline in customer trust. This challenged us to reset how we engage with our customers, review our processes to ensure we earn back customers' trust and give reassurance on data privacy.

REPORT OF THE DIRECTORS (continued)

Business review (continued)

Earning our Customers' Trust (continued)

During this period, we marked key milestones as we celebrate our silver jubilee. M-PESA turned 18 years and M-PESA Foundation marked 15 years of transforming lives. As part of our silver jubilee celebrations, we deepened our customer engagements, through Sambaza Furaha road shows across the country where we celebrated the customers and took time to address their concerns especially on fraud and data privacy. These engagements reinforced our commitment to having the customer at the heart of our operations.

We are marking these milestones as an opportunity to reset on how we interact with our customers, recognising the role of the brand in the country and carrying out the work our foundations do to support Kenya.

To reiterate our commitment to customers on data privacy; we prioritise the privacy of our customers and are dedicated to upholding our customers' trust through protecting their privacy. Safaricom safeguards all data in line with our obligations and the law.

During the period, we received various awards such as the best employer in Africa, M-PESA voted as the most loved brand by women and awarded the Privacy Information Management System Certification by ISO. These recognitions highlight our dedication to our employees, our goal to be the number one trusted TechCo brand, and our unwavering commitment to preserving our customers' privacy and providing worry-free experiences.

Staying True to Purpose

We have remained true to our core of Transforming Lives through our belief, behaviour and language. This has been realised through our various transformative products such as our financial services ecosystem that continues to deliver value to Kenyans, making significant shifts to support our customer needs that keep evolving through various integrated propositions and segmentations, creating opportunities for SMEs, MSMEs and our community social investments through the foundations. Our foundations supported and impacted several community projects and programmes in health, education, environmental impact and humanitarian response. With a footprint in all 47 Counties and beyond, we continue to lead the charge in transforming the lives of the communities in which we operate in.

We leverage on Safaricom's brand assets including technology to improve efficiency and reach. As a testament to being Kenya's biggest supporter through our sponsorships of sports and other culture activities, we sponsored Team Kenya Olympic and Paralympics Team, the Shujaa and Lionesses the Kenya National 7s teams, the World Rally Championship (WRC) as well as partnered with NBA Africa for the M-PESA Junior NBA series. We did this on the backbone of financial literacy allowing the athletes to lead financially healthy lives on and off the courts.

Ethiopia

Ethiopia has made significant progress this year, as evidenced by the various policy changes implemented to address previous imbalances that existed to the external market. These efforts have positively impacted the country as a whole in terms of investment opportunities and our financial performance.

With a diverse population of approximately 120 million people, Ethiopia presents great opportunities for our brand, especially as we target the youthful market (40% < 15 years, 30% between 15-20 years old). As we adopt a regional approach, we are well-positioned to scale and succeed. As we stay committed to this investment for our shareholders, investors, and business, the remarkable progress made in Ethiopia is truly encouraging. Our 4G network now covers 50% of the population with over 3,141 sites established.

We are focused on sustainable growth, leveraging the country's youthful population and a low penetration of connectivity and fintech across the country. With a growth of about 10%, we are encouraged by the very strong commercial momentum in Ethiopia. As such we target doubling the network sites to over 6,000 by year 2030. M-PESA is now getting into payments, with a view of expanding the options to credit, savings and other propositions as the market adopts mobile money. We are pleased that our customers are now able to make payments via M-PESA for critical commodities such as fuel. Our path to profitability remains on target with EBITDA positive expected by year 5 of operations which is FY27.

REPORT OF THE DIRECTORS (continued)

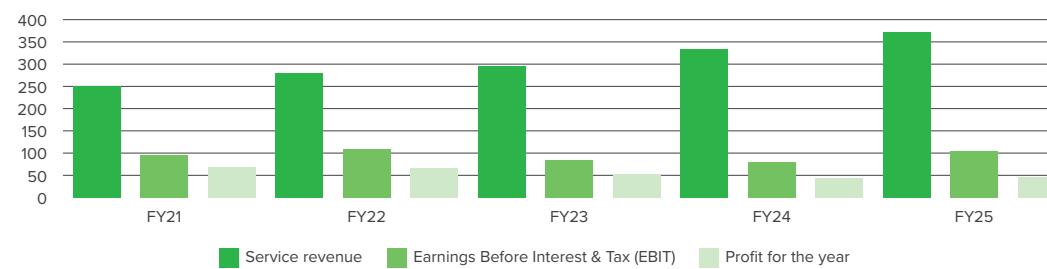
Business review (continued)

Business review – Group

The Group's performance in the financial year ended 31 March 2025 (FY25) was positive, despite various challenges faced during the period due to the operating environment, including economic disruptions, a slowdown in GDP growth, and the impact of foreign exchange regime reforms of the Ethiopian currency. During the year, a Year-on-Year (YoY) growth of 10.8% to KShs 371.42 billion (Bn) in Group Service revenue was recorded, mainly driven by growth across most revenue lines. Overall Group customer numbers increased by 16.4% YoY to 57.08Mn, while one-month active customers grew by 17.7% YoY to 44.36Mn. As of December 2024, Safaricom Kenya's overall market share was 65.2%, according to the quarterly statistics report by the Communication Authority of Kenya.

The business has continued to demonstrate strong growth over the years, as reflected in the five-year trend of key performance indicators shown below.

Key Performance indicators (KShs billions)



In Ethiopia, the Ethiopian Birr depreciated by 130.6% against the US Dollar, falling from 56.9 to 130.0 as of 31 March 2025. The effects of this currency depreciation have been reflected in the consolidated financial statements.

Business Review – Kenya

Voice and Messaging

Voice revenue grew 1.6% YoY to KShs 80.78Bn driven by increased usage and growth in customers. Minutes of use per subscriber grew by 6.0% YoY to 200.9 while one-month active customers rose by 6.5% to 30.12Mn. Affordability continued to improve through the Group's Customer Value Management (CVM) initiatives, resulting in an 11.4% year-on-year decline in the rate per minute to KShs 1.11 during the year. This aligns with strategic shifts aimed at meeting the evolving needs of our customers, who are increasingly seeking more benefits and flexibility without an increase in cost. Messaging revenue rose marginally by 1.6% YoY to KShs 12.48Bn driven by 16.0% YoY growth in rate per message to KShs 0.31 cents. Voice and messaging revenue are now 26% of total service revenue for Kenya.

M-PESA

M-PESA revenue grew by 15.2% YoY to KShs 161.1Bn supported by increased usage and growth in chargeable transactions per one-month active customers which grew 20.3% YoY to 37.92. M-PESA ARPU rose by 9.4% YoY to KShs 395.22. One-month active customers grew by 10.5% YoY to 35.82Mn while the M-PESA Agent network continues to expand as agents rose by 14.1% YoY to 298.89k.

Total M-PESA transaction value rose 1.6% YoY to KShs 38.29Trn while volumes grew by 29.5% YoY to 37.15Bn. Lipa Na M-PESA active merchants grew 6.8% YoY to 675.86k. Pochi tills rose 81.7% YoY to 1.15Mn while merchant overdraft customers stood at 45.15k as at FY25. M-PESA now accounts for 44.2% of service revenue for our Kenyan operations.

REPORT OF THE DIRECTORS (continued)

Business Review – Kenya (continued)

Mobile data

Mobile data revenue recorded strong double-digit growth of 15.2% YoY to KShs 72.86Bn driven by increased data usage per chargeable subscriber which grew by 13.9% YoY to 4.22GBs. The rate per MB was further reduced by 3.3% year-on-year to 6.19 cents, as affordability continued to be enhanced through the CVM initiatives. Mobile data ARPU grew by 10.1% YoY to KShs 267.11. One-month active customers also increased by 11.2% YoY to 30.69Mn while data subscribers using more than 1GB grew 18.15% YoY to 11.86Mn.

During the year, mobile data growth was driven by efforts to increase the penetration of 4G+ devices, aimed at enhancing usage among customers consuming less than 1GB. This was achieved through partnerships with the open market and the dealer network to support the supply and uptake of affordable 4G devices across the industry.

The number of smartphones on the network increased by 19.4% year-on-year to 27.37 million. 4G device adoption rose by 32.4% year-on-year to 22.31 million, with 49.4% of customers using more than 1GB. 5G devices saw a 57.0% year-on-year increase, reaching 1.05 million. Mobile data now accounts for 20% of service revenue in Kenya.

Fixed service and Wholesale transit

Fixed service and wholesale transit revenue recorded a growth of 12.9% YoY to KShs 17.07Bn driven by increased connections. Consumer revenue rose by 16.6% YoY to KShs 7.56Bn while Enterprise & Wholesale revenue grew by 10.2% YoY KShs 9.51Bn.

Fiber to the Home (FTTH) customers grew 21.3% YoY to 301.45k. FTTH penetration rose to 73.0% with homes connected growing by 36.3% YoY to 506.89k while homes passed increased by 23.9% YoY to 694.29k. Fixed enterprise customers grew by 17.5% YoY to 69.87k. FTTH and fixed enterprise now account for 5% of service revenue in Kenya.

Bottom-line performance

Earnings Before Interest Tax, Depreciation and Amortisation (EBITDA) rose by 10.1% YoY to KShs 205.78Bn while Earnings Before Interest Tax (EBIT) grew 13.0% YoY to KShs 158.15Bn during the year.

Net income grew 12.7% YoY to KShs 95.47Bn supported by robust performance across all service lines which has been driven by sustained growth in customers, usage and efficient monetisation. Safaricom Kenya continues to be a strong pillar for the group, supporting our expansion investments efficiently.

Business Review – Ethiopia

Service Revenue

In the year, Safaricom Ethiopia generated KShs 8.90Bn excluding IAS 29 impact (KShs 7.55Bn adjusted for IAS 29) in service revenue supported by accelerated growth in customers which stood at 8.8Mn for 90-day active customers. One-month active customers more than doubled to 7.25Mn from a base of 3.06Mn last year.

Voice and Messaging

Voice revenue grew by 14.1% YoY to KShs 1.17Bn driven by increased usage and growing number of customers as we continue to accelerate rollout in the country and monetise our sites more efficiently. One-month active Voice customers more than doubled to 7.82Mn while minutes of use grew by 80.4% YoY to 127.3. Messaging revenue closed the year at KShs 82.0Mn growing by 93.9% YoY, while one-month active SMS customers more than doubled to 2.98Mn while SMS per subscriber growing 54.0% to 17.9.

Mobile Data

Mobile Data revenue grew by 35.8% to KShs 5.66Bn supported by sustained high-usage levels, customer growth, affordable mobile data offering and a stable & reliable 4G network coverage of the population at 50%. One-month active customers more than doubled to 5.28Mn during the year. Usage per subscriber remains strong and rose by 53.1% to 6.46GB while ARPU stood at KShs 156.29.

M-PESA

M-PESA revenue closed the year at KShs 12.5Mn with 14.15Mn registered customers. Active M-PESA agents nearly doubled to 5.3k while active M-PESA merchants more than doubled to 33.9k. More use cases continue to be added, with the volume and value transacted closing the period at 164.6Mn and KShs 15.78Bn, respectively.

REPORT OF THE DIRECTORS (continued)

Business review (continued)

Looking ahead

We firmly focused on our ambition of being the leading TechCo organisation in Africa. We will achieve this through different innovative propositions and immersive experiences across our ecosystem. Our initiatives include launching cutting-edge products, enhancing customer service, and creating engaging marketing campaigns that resonate with our customers.

We continue to forge strategic partnerships with like-minded organisations to advance our new growth areas. By scaling tech solutions beyond Kenya and the African continent, we are not only expanding our market reach but also supporting and engaging our communities. We are committed to delivering always-on, safe, secure frictionless digital experiences to our customers. As we aim to become the financial services partner of choice for customers, enterprises and the public sector. We are continuously enhancing our digital ecosystem to offer innovative financial services solutions that meet the evolving needs of our customers.

We will continue to drive value for our shareholders and establish a sustainable business on our pathway to be Africa's leading purpose-led technology company by the end of 2030. We thank our Board, management, staff, business partners, regulators and the Governments of Kenya and Ethiopia who enable us to continue providing services that keep the two countries running. We also appreciate our customers who remain at the core of everything we do.

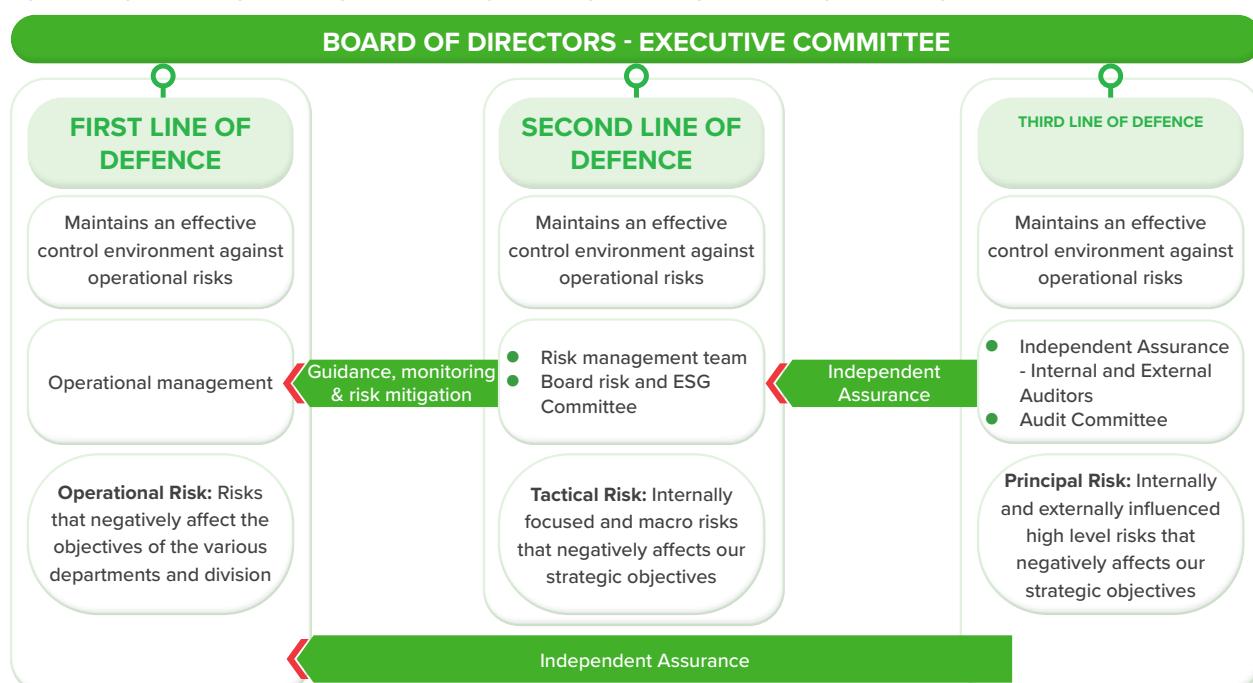
We believe that our business is well positioned to unlock Kenya and Ethiopia's economic growth, solve customer and societal issues as well as deepen financial inclusion in both countries.

Our risk management framework

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.

Our 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 our 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.

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



REPORT OF THE DIRECTORS (continued)

Our Risk Appetite Statement

Safaricom faces a broad range of risks while carrying out its business operations. We recognise that risk is an integral part of creating and preserving value, as such we have developed detailed processes to ensure all critical and major risks are proactively managed.

We recognise that it is not possible to eliminate all the risks inherent in our operations and acceptance of some of the risks is necessary to foster innovation, development of a sustainable business and for maximising shareholders value.

Our risk philosophy is aligned to best risk management practices and is aimed at supporting attainment of our purpose, vision and mission by effectively balancing risk and reward.

Our principal risks and what we are doing about them

Our risk identification and mitigation processes have been designed to be responsive to the ever-changing environment that we operate in. We identify the key risks through our Enterprise Risk Management Framework, which provides the Executive Committee and Board with a robust assessment of the principal risks facing the Company.

An embedded enterprise risk management process supports the identification of these principal risks. The risk appetite for each principal risk is reviewed and approved by the Board to enable informed risk-based decision-making.

The following are the principal risks and related mitigation strategies that receive close management attention:

1. Regulatory environment	
Opportunities Enhanced collaboration with our regulators to ease some regulatory pressures while ensuring that satisfactory measures are taken to safeguard our customers and other stakeholders' interests.	
Context We operate in a complex and highly regulated environment, changes in laws or regulatory requirements could adversely impact our business. A breach of these regulations could expose Safaricom or its subsidiaries to financial penalties, reputational damage and/or suspension of our licenses. Our subsidiary Safaricom Telecommunication Ethiopia Plc (STEP) further expands our regulatory and compliance landscape. Furthermore, the nature of products and services provided require compliance with a wide range of rules and laws from the different regulators.	Mitigation We continue to build and maintain proactive and constructive relationships with the regulators and governments, informed by a shared understanding of the need for inclusive economic development. Participating in industry forums and other policy forums as well as contributing to discussions on emerging legislation and regulations as we prepare to comply with the same. Our products and services are carefully and continuously monitored to ensure they do not contravene any laws and regulations. Strengthened focus placed on ensuring robust governance processes and strong regulatory compliance.

REPORT OF THE DIRECTORS (continued)

Our risk management framework (continued)

Our principal risks and what we are doing about them (continued)

2. Economic, market and forex conditions

Opportunities

The push for business reinvention to combat the dynamic economic environment has resulted in positive innovations that not only cushions against the economic shocks but also create value propositions that meet our customers' evolving needs.

Context

The economic outlook continues to present a complex picture, with inflation pressures easing slightly but core factors still influencing consumer behaviour. Evolving socioeconomic conditions, and environmental factors maintain a degree of uncertainty in growth. While signs of stabilisation and gradual recovery are evident, we remain cognisant of the challenges ahead.

These economic pressures continue to negatively impact the purchasing power of our consumers with our services competing against the shrinking wallet.

Telecommunication companies (Telcos) are regarded as good sources of tax revenue and usually fall within the top taxpayers' category, changes in taxation may have an impact on product pricing and could lead to reduced revenues or increased cost of operations.

Mitigation

We continue to proactively monitor these factors, implement measures to mitigate the effects and cushion the business from adverse effects.

Enhanced value propositions and flexible pricing plans to cater for reduced purchasing power and provide the customer with ability to only spend what they have.

We include contingencies in our business plans to provide for the negative operational impacts that could arise from lower economic growth and changes in interest rates, inflation, and exchange rates.

Compliance with tax obligations and proactive review of our product and services with a key focus on key tax exposures.

3. Market disruption and competition

Opportunities

The competitive and disruptive environment has yielded innovations that will set us apart, allowing us to be agile, drive partnerships and explore new markets while providing our customers with frictionless experience.

Context

In our shift from a conventional telco to a TechCo, we are facing heightened competition for customers and for digital talent from various non-traditional players.

There is increased competition in both product and service offerings, and our recent market entry into Ethiopia as a challenger intensifies this risk.

The dynamic nature of market demands, shifting consumer trends, the entry of new competitors, and the rapid pace of disruptive technologies have heightened competition, with the customer value proposition becoming the key competitive advantage.

Mitigation

Our strategies to manage competition focus on growing and retaining our customers by:

- Continuing to deliver on our customer commitments through quality standards and governance integrated into product development and frictionless customer experience.
- Focusing on new growth areas such as ICT, managed security services and markets (Ethiopia).
- Developing insights using big data into our customers' needs, wants and behaviours and provide competitive proposition.
- Adoption of agile way of working to drive faster innovation and efficiency.
- Continuous investment in network rollout (5G and fibre).

Offering quality services and leveraging on strategic partnerships within different sectors to ensure we provide our customers with relevant products and services.

REPORT OF THE DIRECTORS (continued)

Our risk management framework (continued)

Our principal risks and what we are doing about them (continued)

4. Cyber threats, data privacy, and reputational risks

Opportunities

Protecting our customers' personal data, which is crucial to being a trusted provider, critical organisational information and supporting our enterprise customers by providing managed security services to safeguard their business operations.

Context

Cybercrime continues to evolve in complexity and scale. Cybersecurity incidents, and other tactics designed to gain access to and exploit sensitive information by breaching critical systems are evolving and have been increasing in both sophistication and occurrence.

We continue to see a lot of activities related to Business email compromise, Exploitation of Vulnerabilities, Zero-day exploits, Supply Chain Attacks and Third-Party Breaches, Ransomware, Phishing and Advance Persistent Attacks across the globe.

Additionally, Implementation of the General Data Protection Regulations (GDPR) in 2018 as well as enactment of the Kenya Data protection Act 2019 continues to raise the bar on data protection.

Also, there is a growing need by data subjects to understand and confirm that our practices adequately safeguard their data.

Failure to mitigate these risks would lead to Denial-of-Service attacks, fraud, leakage of confidential and customer data, loss of digital trust, litigations, and penalties and degradation in brand image.

Mitigation

We have implemented robust cyber security tools, systems and controls complemented by the 24/7 Cyber Defense Centre to ensure we safeguard the services that we offer.

We continue to invest in advanced security tools, systems, and technologies, such as AI-driven threat detection and multi-factor authentication, to bolster our defence against these risks.

Creation of a cyber aware ecosystem through collaboration with various stakeholders.

Our networks and infrastructure are built with security in mind with layers of security control applied to all applications and infrastructure.

Our ISO 27001 Information Security Certification, Payment Card Industry Data Security Standard – PCI DSS Certification and Privacy Information system implementation is an independent confirmation to our customers that we have implemented appropriate processes and controls relating to product and services to protect the privacy of their information.

5. Supply chain disruption/geopolitical risks

Opportunities

Supply chain disruptions create opportunities for us to develop more resilient supply chains, leverage on disruptions to innovate and improve our products therefore gaining a competitive advantage over the competition or disruptions.

Context

We depend on various key suppliers and partners to help us achieve our goals. If any of these suppliers and/ or partners fail to meet the agreed upon service level agreements, we could experience disruptions, which could have an adverse effect on our operations.

Additional risks could result from other geopolitical conflicts impacting supply chains, availability of certain components such as chipsets, disruption of logistics/shipping lines and international trade sanctions/conflicts resulting to supply side pressures.

Mitigation

We operate our supply chain with resilience in design by having dual supply partners, strong SLA and partnership framework while proactively monitoring the ongoing geopolitical activities/dynamics and adjusting our business strategies and controls accordingly.

REPORT OF THE DIRECTORS (continued)

Our risk management framework (continued)

Our principal risks and what we are doing about them (continued)

6. Fraud and social engineering

Opportunities

Providing our customers with worry free and safe services is crucial to being a trusted and reliable service provider while ensuring that the products, services, and platforms are not misused and involved in conducting illegal activities. We provide policies, procedures and tools that ensure screening of activities conducted on our platforms as a safety measure.

Context

Due to the wide use of M-PESA services across the country, our M-PESA customers and partners are exposed to M-PESA fraud due to social engineering, fraudulent sim swaps, digital identity theft and Mobile Apps takeover.

Transnational fraud and IMT partners related fraud.

Reputational risk as a result of fraud.

Mitigations

Worry Free Insurance: We established an insurance scheme to help quickly refund customers for fraud caused by failure of our products or processes.

Existant Fraud programmes with continuous review and development of technical controls to minimise social engineering fraud, fraudulent sim swaps and money laundering.

Always-on customer education and awareness through various platforms as well as continuous collaboration and engagement with financial institutions on fraud reduction/prevention initiatives and minimise instances of money laundering and counter terrorist financing activities.

7. Money laundering and terror financing

Opportunities

It is our social responsibility to ensure that the products and platforms we offer are not misused and involved in conducting illegal activities. We provide policies, procedures and tools that ensure screening of activities conducted on our platforms as a safety measure.

Context

The rapid growth in International Money Transfer and increase in unlicensed and unregulated business activities, including unlicensed virtual asset traders, remain an escalating concern for Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) efforts, as an increasing number of payment gateways operate outside the regulatory framework.

Failure to conduct adequate partner and customer due diligence, Ultimate Beneficial Owner (UBO) verification, sanctions screening, transaction monitoring, reporting and regular audits could ultimately result in revocation of our operating license.

Additionally, failure to adhere to Targeted Financial Sanctions (TFS) could result in facilitating terrorist activities and proliferation financing.

Mitigations

Real time sanctions screening is in place for all International Money Transfer (IMT) remittance transactions.

We have optimised the AML monitoring and screening Platform and deployed machine learning models for detection and investigation of suspicious IMT transactions/Activity.

We remain committed to the ensuring compliance to the obligations on collection and verification of Ultimate Beneficial Ownership (UBO) information for all our partners.

We conducted a comprehensive review of our database against the OFAC sanction list.

REPORT OF THE DIRECTORS (continued)

Our risk management framework (continued)

Our principal risks and what we are doing about them (continued)

8. Litigation risk

Opportunities

Continuous customer education through our customer handles and touchpoints.

Context

Due to the nature and scope of our operations, Safaricom is susceptible to litigation risks that extend beyond typical business activities. These risks may arise from incidents such as customer data leaks, fraudulent activities, trade disputes, increasing intellectual property (IP) cases, and failure to comply with regulatory requirements.

Mitigation

Safaricom seeks to keep the exposure to litigation at a minimal as we strive to comply with legal and regulatory requirements, provide safe and worry-free products and services for our clients.

9. Health & safety risk

Opportunities

Our ongoing focus is to provide a safe working environment for everyone working for and on behalf of Safaricom and the communities in which we operate in.

Context

Exposure to health and safety risks to our staff and partners due to the nature of our operations (driving, working at heights/underground, work with electricity and working in terror prone locations).

Exposure to a large ecosystem of partners working within our distribution and network rollout/maintenance and support who are exposed to health and safety risks while executing their duties across the countries.

Mitigation

Entrenching our zero-harm strategy across the business and to our partners and creating a health and safety aware culture across Safaricom, its subsidiaries and the entire ecosystem.

Suppliers' safety management through strengthening supplier oversight and accelerating supplier maturity, through enhanced onboarding and monitoring processes.

10. General Insecurity and Terrorism

Opportunities

Our existing community interactions has embedded our brand creating a sense of ownership and protection. Our collaboration with governments and other agencies to combat crime and insecurity enable us to take part in creating a better environment for all.

Context

There has been an increase in general insecurity due to economic and opportunistic factors, along with ongoing terrorist activities occurring along borders with countries that have volatile security with some of these threats targeting our Base Transmission Station (BTS) assets.

Our expansion into Ethiopia has further exposed us to geopolitical tensions because of continued civil unrest experienced in some of the regions. While there has been relative calm, the political environment remains volatile as restoration of constitutional order is yet to be fully realised.

Mitigation

Security programme in place to support our business and partners in creating a secure and safe environment.

The Ethiopian market offers a great opportunity for us to offer differentiated products and services to markets that has for a long time operated under a closed market. Further, the support accorded by the Ethiopian Government creates an enabling business environment.

REPORT OF THE DIRECTORS (continued)

Directors

The Directors who held office during the year were:

Name	Position	Nationality	Date of Appointment
Adil Arshed Khawaja (MGH)	Chairman and Non-Executive Director	Kenyan	22 December 2022
Dr. Peter Ndegwa (CBS)	Chief Executive Officer (CEO) and Executive Director	Kenyan	1 April 2020
Dilip Pal	Chief Financial Officer and alternate to the CEO	Indian	1 November 2020
Cabinet Secretary (CS), The National Treasury and Economic Planning	Non-Executive Director	Kenyan	5 November 2013
Mohamed Shameel Aziz Joosub	Non-Executive Director	South African	31 August 2017
Raisibe Morathi	Non-Executive Director	South African	1 November 2020
Murielle Lorilloux	Non-Executive Director	French	23 August 2023
Dr. (Eng.) John Kipngetich Mosonik	Non-Executive Director	Kenyan	23 August 2023
Ory Okolloh ¹	Independent Non-Executive Director	Kenyan	24 February 2023
Francesco Bianco ²	Non-Executive Director	Italian	20 March 2020
Rose Otega ³	Independent Non-Executive Director	Kenyan	12 February 2019
Winnie Ouko ⁴	Independent Non-Executive Director	Kenyan	10 February 2021
Dr. Karen Kandie ⁵	Alternate Director to CS, The National Treasury and Economic Planning	Kenyan	24 February 2023
James Ludlow ⁶	Non-Executive Director	British	28 August 2024
Edward Okaro Omolo ⁷	Independent Non-Executive Director	Kenyan	15 January 2025
Lawrence Kibet (EBS) ⁸	Alternate Director to CS, The National Treasury and Economic Planning	Kenyan	4 April 2025
James Wambugu ⁹	Independent Non-Executive Director	Kenyan	4 April 2025
Rita Kavashe ¹⁰	Independent Non-Executive Director	Kenyan	4 April 2025

¹ Ory Okolloh ceased to be an Independent Non-Executive Director in the Board with effect from 24 July 2024.

² Francesco Bianco ceased to be a Non-Executive Director in the Board with effect from 1 August 2024.

³ Rose Otega ceased to be an Independent Non-Executive Director in the Board with effect from 29 November 2024.

⁴ Winnie Ouko ceased to be an Independent Non-Executive Director in the Board with effect from 4 April 2025.

⁵ Dr. Karen Kandie ceased to be a Non-Executive Director in the Board with effect from 4 April 2025.

⁶ James Ludlow was appointed as a Non-Executive Director in the Board with effect from 28 August 2024.

⁷ Edward Okaro was appointed as an Independent Non-Executive Director with effect from 15 January 2025.

The following directors were appointed after the financial year ended on 31 March 2025 and are currently undergoing regulatory approval:

⁸ Lawrence Kibet (EBS) was appointed as a Non-Executive Director with effect from 4 April 2025.

⁹ James Wambugu was appointed as an Independent Non-Executive Director with effect from 4 April 2025.

¹⁰ Rita Kavashe was appointed as an Independent Non-Executive Director with effect from 4 April 2025.

REPORT OF THE DIRECTORS (continued)

Results and dividend

The Group's profit for the year is KShs 45,757.2 million (2024: KShs 42,658.4 million) and has been added to retained earnings.

During the year, an interim dividend of KShs 0.55 per ordinary share (2024: KShs 0.55) was declared. The directors have proposed a final dividend in respect of the year ended 31 March 2025 of KShs 0.65 per ordinary share (2024: KShs 0.65) to be approved at the Annual General Meeting (AGM) to be held on 25 July 2025.

Statement as to disclosure to the Group's and Company's auditor

With respect to each Director at the time this report was approved:

- a. There is, so far as the Director is aware, no relevant audit information of which the Group's and Company's auditor is unaware; and
- b. The Director has taken all the steps that the Director ought to have taken as a Director to be aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

Terms of appointment of the auditor

During the Annual General Meeting (AGM) of the Company that was held on 25 July 2024, the shareholders resolved to re-appoint Messrs Ernst and Young LLP, as the Company's independent Auditors in accordance with the provisions of section 721 of the Kenyan Companies Act, 2015.

The Directors monitor the effectiveness, objectivity and independence of the auditor. The Directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By order of the Board



Linda Mesa Wambani
Acting Company Secretary
8 May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the year ended 31 March 2025

The Kenyan Companies Act, 2015 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of their profit or loss for that year. It also requires the Directors to ensure that the Group and Company keeps proper accounting records that: (a) show and explain the transactions of the Group and Company; (b) disclose, with reasonable accuracy, the financial position of the Group and Company; and (c) enable the Directors to ensure that every financial statement required to be prepared complies with the requirements of the Kenyan Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and the Company, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors accept responsibility for the preparation and presentation of these consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i. Designing, implementing and maintaining internal controls that determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii. Selecting suitable accounting policies and then applying them consistently; and
- iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Group's and Company's ability to continue as a going concern, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's and Company's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the Board of Directors on 8 May 2025 and signed on its behalf by:



Adil Arshed Khawaja (MGH)
Chairman and Non-Executive Director



Dr. Peter Ndegwa (CBS)
Chief Executive Officer

DIRECTORS' REMUNERATION REPORT

For the year ended 31 March 2025

Information not subject to audit

The composition of the Company's Board for the financial year ended 31 March 2025 is outlined below:

Name	Position	Nationality	Date of Appointment
Adil Arshed Khawaja (MGH)	Chairman and Non-Executive Director	Kenyan	22 December 2022
Dr. Peter Ndegwa (CBS)	Chief Executive Officer (CEO) and Executive Director	Kenyan	1 April 2020
Dilip Pal	Group Chief Financial Officer and alternate to the CEO	Indian	1 November 2020
Cabinet Secretary (CS), The National Treasury and Economic Planning	Non-Executive Director	Kenyan	5 November 2013
Mohamed Shameel Aziz Joosub	Non-Executive Director	South African	31 August 2017
Raisibe Morathi	Non-Executive Director	South African	1 November 2020
Murielle Lorilloux	Non-Executive Director	French	23 August 2023
Dr. (Eng.) John Kipngetich Mosonik	Non-Executive Director	Kenyan	23 August 2023
Ory Okolloh	Independent Non-Executive Director	Kenyan	24 February 2023
Francesco Bianco	Non-Executive Director	Italian	20 March 2020
Rose Otega	Independent Non-Executive Director	Kenyan	12 February 2019
Winnie Ouko	Independent Non-Executive Director	Kenyan	10 February 2021
Dr. Karen Kandie	Alternate Director to CS, The National Treasury and Economic Planning	Kenyan	24 February 2023
James Ludlow	Non-Executive Director	British	28 August 2024
Edward Okaro Omolo	Independent Non-Executive Director	Kenyan	15 January 2025

The following directors served in office and resigned during the year.

Name	Position	Nationality	Date of Resignation
Ory Okolloh	Independent Non-Executive Director	Kenyan	24 July 2024
Francesco Bianco	Non-Executive Director	Italian	1 August 2024
Rose Otega	Independent Non-Executive Director	Kenyan	29 November 2024

The following directors served in office and resigned subsequent to the financial year end.

Name	Position	Nationality	Date of Resignation
Winnie Ouko	Independent Non-Executive Director	Kenyan	4 April 2025
Dr. Karen Kandie	Alternate Director to CS, The National Treasury and Economic Planning	Kenyan	4 April 2025

The following directors were appointed after the financial year ended 31 March 2025 and, as a result, were not included in the current year's remuneration.

Name	Position	Nationality	Date of Appointment
Lawrence Kibet (EBS)	Alternate Director to CS, The National Treasury and Economic Planning	Kenyan	4 April 2025
James Wambugu	Independent Non-Executive Director	Kenyan	4 April 2025
Rita Kavashe	Independent Non-Executive Director	Kenyan	4 April 2025

The Board establishes and approves transparent and competitive remuneration policies for the non-executive Board members. These policies clearly stipulate remuneration elements such as Directors' annual fees, sitting allowances per meeting attended and other benefits that are based on proper benchmarking and taking into consideration the prevailing market conditions

DIRECTORS' REMUNERATION REPORT

For the year ended 31 March 2025 (continued)

Information not subject to audit (continued)

Non-executive Directors' remuneration policy

Safaricom Plc seeks to remunerate Non-Executive Directors at least at the 75th percentile. The current remuneration structure is based on a survey commissioned by the Board through its Board Nominations and Remuneration Committee and carried out by PricewaterhouseCoopers (PwC), a consultant, across peer organisations comparable with Safaricom. Remuneration for Non-Executive Directors is reviewed every two years.

The current agreed fees and allowance's structure is as follows:

- Annual Directors fees paid to the Chairman of the Board agreed at KShs 8,500,000 per annum.
- Annual Directors fees paid to each Non-Executive Director agreed at KShs 3,000,000 per annum.
- Sitting allowance payable to the Chairman of the Board retained at KShs 230,000 per meeting.
- Sitting allowance payable to the Chair of a Committee retained at KShs 125,000 per meeting.
- Sitting allowance payable to each Non-Executive Director retained at KShs 110,000 per meeting.

The annual Directors' fees for the director representing The National Treasury and Economic Planning is paid directly to the National Treasury and Economic Planning.

The annual Directors' fees and sitting allowances for the directors representing Vodafone Kenya Limited are paid directly to Vodafone Foundation and Vodacom Group Limited.

The Board members are also entitled to telephone and internet usage allowance.

The Board has in place a formal annual process of reviewing its performance and that of its committees and individual directors. Evaluation of the Board during the year ended 31 March 2025 was facilitated by an independent external consultant.

Executive Director's remuneration

The Executive Director's remuneration is as per the negotiated employment contract and is employed on permanent basis.

Besides the basic salary, the Executive Director is entitled to an annual performance-based bonus and shares, residential accommodation, utility bills payment and club membership.

Statement of voting on the Directors' remuneration report at the previous AGM

During the AGM held on 25 July 2024, voting was done by the ballot to approve the Directors' Remuneration Report.

The results of the vote were as below.

Agenda	Vote	Total Votes	As a percentage of the total votes cast
Directors Remuneration report	For	33,157,637,291	98.1%
	Against	420,826,150	1.2%
	Withheld	222,206,625	0.7%
Total votes casted		33,800,670,066	100.00%

DIRECTORS' REMUNERATION REPORT

For the year ended 31 March 2025 (continued)

Information subject to audit

The following table shows remuneration for the Executive and Non-Executive Directors in respect of qualifying services for the financial year ended 31 March 2025 and comparative figures for the year ended 31 March 2024. The aggregate Directors' emoluments are shown in Note 32(iii).

Directors' remuneration for the year ended 31 March 2025

Name	Salary	Directors' fees	Bonus	Non-cash Benefits	EPSAP	Totals
	KShs'm	KShs'm	KShs'm	KShs'm	KShs'm	KShs'm
Dr. Peter Ndegwa (CBS)	98.7	—	116.7	33.5	45.3	294.2
Dilip Pal	63.3	—	43.2	19.2	6.8	132.5
Total	162.0	—	159.9	52.7	52.1	426.7
Non-executive Directors						
Adil Arshed Khawaja (MGH)	—	23.7	—	0.8	—	24.5
Rose Ogega	—	5.2	—	0.2	—	5.4
Mohamed Joosub	—	7.5	—	—	—	7.5
Cabinet Secretary, The National Treasury and Economic Planning	—	3.2	—	—	—	3.2
Francesco Bianco	—	1.6	—	—	—	1.6
Dr. (Eng.) John Kipngetich Mosonik	—	7.3	—	0.3	—	7.6
Winnie Ouko	—	7.4	—	0.3	—	7.7
Murielle Lorilloux	—	5.2	—	—	—	5.2
Raisibe Morathi	—	5.8	—	—	—	5.8
Ory Okolloh	—	3.2	—	0.3	—	3.5
Dr. Karen Kandie	—	5.2	—	0.4	—	5.6
Edward Okaro	—	3.0	—	—	—	3.0
James Ludlow	—	4.1	—	—	—	4.1
Total	—	82.4	—	2.3	—	84.7
Grand Total	162.0	82.4	159.9	55.0	52.1	511.4

DIRECTORS' REMUNERATION REPORT

For the year ended 31 March 2025 (continued)

Information subject to audit (continued)

Directors' remuneration for the year ended 31 March 2024

Name	Salary KShs'm	Directors' fees KShs'm	Bonus KShs'm	Non-cash Benefits KShs'm	EPSAP KShs'm	Totals KShs'm
Dr. Peter Ndegwa (CBS)	94.3	—	122.1	23.9	12.0	252.3
Dilip Pal	58.9	—	32.9	19.8	2.2	113.8
Total	153.2	—	155.0	43.7	14.2	366.1

Non-executive Directors

Adil Arshed Khawaja (MGH)	—	24.1	—	0.8	—	24.9
Rose Otega	—	9.3	—	0.2	—	9.5
Mohamed Joosub	—	7.1	—	—	—	7.1
Cabinet Secretary, The National Treasury and Economic Planning	—	2.0	—	—	—	2.0
Francesco Bianco	—	6.1	—	—	—	6.1
Dr. (Eng.) John Kipngetich Mosonik	—	3.2	—	0.1	—	3.3
Winnie Ouko	—	8.7	—	0.3	—	9.0
Murielle Lorilloux	—	1.3	—	—	—	1.3
Raisibe Morathi	—	8.3	—	—	—	8.3
Ory Okolloh	—	7.1	—	0.3	—	7.4
Dr. Karen Kandie	—	5.8	—	0.2	—	6.0
Michael Joseph*	—	10.5	—	1.8	—	12.3
Eng. Stanley Kamau*	—	—	—	0.2	—	0.2
John Ngumi*	—	—	—	0.1	—	0.1
Linda Muriuki*	—	—	—	0.2	—	0.2
Bitange Ndemo*	—	—	—	0.1	—	0.1
Total	—	93.5	—	4.3	—	97.8
Grand Total	153.2	93.5	155.0	48.0	14.2	463.9

* Relate to benefits utilised in 2023 but the related payments were settled in financial year ended 31 March 2024.

On behalf of the Board



Dr. (Eng.) John Kipngetich Mosonik
Interim Chairperson, Board Human Resources Committee
8 May 2025

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Safaricom PLC (the "company") and its subsidiaries (together, the "group") set out on pages 197 to 291 which comprise of the consolidated and separate statements of financial position as at 31 March 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 31 March 2025, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the group and company in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) and other independence requirements applicable to performing audits of the financial statements of the group and company and in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the *Audit of the Consolidated and Separate Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

The key audit matters apply equally to the audit of the consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Safaricom PLC (continued)

Report on the audit of the consolidated group and separate company financial statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Revenue recognition – occurrence, completeness and measurement of recorded revenue given the complexity of products, systems and IFRS 15: Revenue from contracts with customers.</p> <p>The occurrence and accuracy of amounts recorded as revenue is an inherent industry risk due to the complexity of the billing systems arising from changes in products and plans – including multiple element arrangements, the number of products sold and the tariff structure changes during the year.</p> <p>The application of the revenue recognition accounting standard IFRS 15: Revenue from contracts with customers, requires the use of complex rating, billing and accounting systems. The complexity is compounded by the significant number of revenue transactions that are accounted for on an annual basis.</p> <p>We therefore considered revenue recognition to be a matter of most significance to our current year audit.</p> <p>The significant accounting policies and detailed disclosures on revenue recognition are included in Note 2(f) – Revenue recognition, Note 5(a) – Revenue from contracts with customers, and Note 30(b) – Contract liabilities disclosures.</p>	<ul style="list-style-type: none">● We understood and tested the design and operating effectiveness of management's controls over the transfer of revenue information between the multiple systems involved in recording revenue;● We tested the controls in place over the authorisation of rate changes and a review of the new products recorded in the billing systems;● We involved our internal IT audit specialists to test the IT general controls of the rating and billing environments, as well as assessed the completeness of the relevant revenue reports utilised for audit purposes;● We tested the end-to-end reconciliation from rating and billing systems to the journals processed in the general ledger;● We performed analytical review procedures over significant revenue streams by identifying the drivers that resulted in changes year on year to establish detailed monthly and annual expectations. Where movement were outside our precision level set, we performed substantive audit procedures;● We performed a three-way correlation between revenue, deferred revenue, trade receivables and cash;● We reviewed the reconciliation of the aggregate of the prepaid and hybrid customers per the charging system to the deferred revenue balance;● We selected and tested a sample of enterprise revenue contracts and assessed, in line with the requirements of IFRS 15: Revenue from contracts with customers, that contracts with customers were valid, that performance obligations were agreed by both parties and that revenue was appropriately recognised;● We tested the standalone selling prices as input into the system and agreed the logic behind the standalone selling prices to the relevant IFRS 15: Revenue from contracts with customers, requirements;● We tested management reconciliations for interconnect/roaming revenue to third party confirmations;● We tested a sample of journal entries, processed in relation to non-standard revenue including manual ERP journals by reviewing supporting documentation to ensure that the journals were supported by an underlying business rationale, were accounted for correctly, in the correct period and appropriately authorised; and● We examined and assessed the accounting policies applied and disclosures in terms of the recognition of revenue for compliance with IFRS 15: Revenue from contracts with customers and industry guidance.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Safaricom PLC (continued)

Report on the audit of the consolidated group and separate company financial statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How the matter was addressed in the audit
<p>Hyperinflation accounting in the subsidiary, Safaricom Telecommunications Ethiopia PLC.</p> <p>As disclosed in Notes 2(e) and 3(iv), the Ethiopian economy, where Safaricom Telecommunications Ethiopia PLC operates, has been classified as hyperinflationary as of 31 December 2022 and thereafter.</p> <p>As a result, the financial statements of Safaricom Telecommunications Ethiopia PLC, have been prepared in accordance with IAS 29; Financial Reporting in Hyperinflationary Economies, and consolidated into the Group Financial statements. IAS 29 requires that the financial statements of an entity that reports in the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date by applying a general price index.</p> <p>We have considered this as a Key Audit Matter due to the complexity and significant judgements relating to the restatement of the Safaricom Telecommunications Ethiopia PLC's financial statements into current measuring units, and the importance of IAS 29 disclosures i.e. Notes 2(e), 3(iv) and 36, to the financial statements.</p>	<p>We performed the following audit procedures in response to this matter:</p> <ul style="list-style-type: none">Obtained the IAS 29 model used by management in the restatement of the Safaricom Telecommunications Ethiopia PLC's financial statements into current measuring units.Assessed whether the underlying assumptions and judgements applied in the model were justifiable in the context of IAS 29.Re-calculated the current measuring units and the hyperinflationary monetary gain in the restated financial statements using management's model.Assessed the adequacy of the financial statement disclosures in accordance with International Financial Reporting Standards.

Other information

The directors are responsible for the other information. The other information comprises of the Directors' Report, as required by the Kenyan Companies Act, 2015, Corporate Information, Statement of Directors' Responsibilities and the Directors' Remuneration Report, other than the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015, as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Kenyan Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

to the shareholders of Safaricom PLC (continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other matters prescribed by the Kenyan Companies Act, 2015

As required by the Kenyan Companies Act, 2015 we report to you, based on our audit, that:

- in our opinion, the information given in the report of the directors on pages 176 to 187 is consistent with the consolidated and separate financial statements.
- in our opinion, the auditable part of directors' remuneration report on pages 189 to 192 has been properly prepared in accordance with the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Allan Gichuhi, Practising Certificate Number 1899.



For and on behalf of Ernst & young LLP
Certified Public Accountants
Nairobi, Kenya
9 May 2025

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Revenue from contracts with customers	5(a)	384,433.4	345,893.4	373,492.5	335,330.8
Revenue from other sources	5(b)	4,255.5	3,553.8	6,985.8	4,386.5
Total revenue		388,688.9	349,447.2	380,478.3	339,717.3
Direct costs	6(a)	(101,081.3)	(97,046.9)	(95,716.2)	(89,261.9)
Expected credit losses on financial assets	6(b)	(11,146.0)	(5,807.4)	(11,206.4)	(6,073.4)
Other operating expenses	7	(104,310.7)	(83,300.3)	(68,627.3)	(59,146.1)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		172,150.9	163,292.6	204,928.4	185,235.9
Depreciation – property and equipment	18	(50,999.9)	(55,162.3)	(40,000.0)	(39,324.3)
Depreciation – indefeasible rights of use (IRUs)	19	(323.6)	(281.3)	(323.6)	(281.3)
Amortisation – intangible assets	21	(9,953.4)	(17,804.5)	(2,852.0)	(2,836.4)
Depreciation – right of use (RoU) assets	22(a)	(6,823.9)	(9,699.7)	(4,405.3)	(4,503.2)
Operating profit (Earnings before interest and tax) (EBIT)		104,050.1	80,344.8	157,347.5	138,290.7
Finance income	8	9,222.1	5,459.6	2,341.7	3,288.5
Finance costs	9	(30,131.5)	(22,101.1)	(17,241.0)	(16,395.0)
Fair value remeasurement on investment properties	20	25.0	–	25.0	–
Share of (loss)/profit of associates	23(b)	57.2	(2.9)	13.2	(2.9)
Share of loss of joint venture	23(b)	(1,234.7)	(1,376.2)	(1,234.7)	(1,376.2)
Hyperinflationary monetary gain	36	11,222.3	22,363.2	–	–
Profit before income tax		93,210.5	84,687.4	141,251.7	123,805.1
Income tax expense	12(a)	(47,453.3)	(42,029.0)	(46,297.6)	(41,151.3)
Profit for the year		45,757.2	42,658.4	94,954.1	82,653.8
Attributable to:					
Equity holders of the parent		69,798.7	62,991.7	94,954.1	82,653.8
Non-controlling interests		(24,041.5)	(20,333.3)	–	–
Profit for the year		45,757.2	42,658.4	94,954.1	82,653.8
Basic earnings per share (KShs per share)	13	1.7	1.6	2.4	2.1
Diluted earnings per share (KShs per share)	13	1.7	1.6	2.4	2.1
Profit for the year		45,757.2	42,658.4	94,954.1	82,653.8
Statement of other comprehensive income					
Items that will subsequently be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations*		(153,790.2)	(7,278.1)	–	–
Other comprehensive loss for the year		(153,790.2)	(7,278.1)	–	–
Total comprehensive (loss)/income for year		(108,033.0)	35,380.3	94,954.1	82,653.8
Attributable to:					
Equity holders of the parent		(9,668.2)	59,230.9	94,954.1	82,653.8
Non-controlling interests		(98,364.8)	(23,850.6)	–	–
Total comprehensive (loss)/income for year		(108,033.0)	35,380.3	94,954.1	82,653.8

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

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Non-current assets					
Deferred income tax	17	18,882.0	15,643.1	18,881.3	15,605.0
Property and equipment	18	247,200.9	277,041.3	160,804.3	149,598.2
Indefeasible rights-of-use	19	3,210.6	2,001.7	3,210.6	2,001.7
Investment properties	20	960.0	935.0	960.0	935.0
Intangible assets	21	111,455.8	194,280.7	31,227.9	21,841.4
Right-of-use assets	22(a)	38,749.6	59,455.7	20,900.1	18,968.1
Investment in subsidiaries	23(a)	—	—	128,492.5	98,779.6
Investment in associates and joint venture	23(b)	7,046.7	3,542.5	6,934.6	3,461.9
Restricted cash	26(b)	998.6	1,019.9	998.6	1,019.9
Deferred restricted cash asset	26(c)	183.3	431.9	183.3	431.9
Contract assets	30(a)	2,547.5	1,607.9	1,242.9	954.0
Loans receivable from joint venture	32(x)(a)	—	2,661.3	—	2,661.3
Loan receivable from subsidiary	32(x)(b)	—	—	396.2	485.4
		431,235.0	558,622.4	374,232.3	316,743.4
Current assets					
Current income tax	12(b)	—	—	—	7.9
Inventories	24	2,937.0	4,526.0	2,208.0	2,639.0
Trade and other receivables	25	43,739.3	48,119.0	33,919.0	28,079.9
Net cash and cash equivalents	26(a)	29,995.7	22,868.2	15,908.3	19,072.1
Restricted cash – letter of credit	27	456.9	1,563.4	—	—
Other financial assets	28	—	—	—	—
Contract assets	30(a)	6,351.2	5,202.0	6,280.4	4,748.8
Mobile financial deposit	33	569.1	263.3	—	—
		84,049.2	82,541.9	58,315.7	54,547.7
Total assets		515,284.2	641,164.3	432,548.0	371,291.1
Equity					
Share capital	14	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
Retained earnings		153,881.8	134,314.0	218,516.1	171,640.5
Other reserves		(6,432.3)	61,789.3	—	—
Proposed dividend	15	26,042.5	26,042.5	26,042.5	26,042.5
Equity attributable to equity holders of the parent		177,695.3	226,349.1	248,761.9	201,886.3
Non-controlling interests	23(a)	46,325.8	109,398.8	—	—
Total equity		224,021.1	335,747.9	248,761.9	201,886.3

STATEMENT OF FINANCIAL POSITION

As at 31 March 2025 (continued)

	Notes	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Non-current liabilities					
Borrowings	16	64,744.4	63,093.2	39,955.3	36,110.8
Lease liabilities	22(b)	45,626.2	48,474.3	20,890.8	18,409.1
Payables and accrued expenses	29(a)	20,464.5	19,458.6	2,878.5	—
Provisions	29(b)	3,874.6	5,087.0	3,170.4	3,629.7
Contract liabilities	30(b)	1,521.1	1,481.2	1,521.1	1,481.2
Financial guarantees liability	32(xi)	—	—	614.5	1,062.7
		136,230.8	137,594.3	69,030.6	60,693.5
Current liabilities					
Current income tax	12(b)	2,257.5	193.1	2,042.0	—
Dividend payable	15	1,499.9	6,649.2	1,499.9	6,649.2
Shareholder loan	32(c)	404.0	—	—	—
Borrowings	16	42,686.0	45,053.6	40,499.0	41,555.8
Lease liabilities	22(b)	6,336.8	6,411.0	5,780.6	5,163.1
Payables and accrued expenses	29(a)	84,571.5	94,919.5	48,962.1	41,822.5
Provisions	29(b)	5,220.1	2,938.9	5,220.1	2,938.9
Mobile financial payable	33	569.1	263.3	—	—
Contract liabilities	30(b)	11,487.4	11,393.5	10,751.8	10,581.8
		155,032.3	167,822.1	114,755.5	108,711.3
Total liabilities		291,263.1	305,416.4	183,786.1	169,404.8
Total equity and liabilities		515,284.2	641,164.3	432,548.0	371,291.1

The financial statements on pages 197 to 291 were approved for issue by the Board of Directors on 8 May 2025 and signed on its behalf by:



Adil Arshed Khawaja (MGH)
Chairman and Non-Executive Director



Dr. Peter Ndegwa (CBS)
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

GROUP									
Attributable to the equity holders of the parent									
Notes	Share capital Note 14 KShs'm	Share premium Note 14 KShs'm	Retained earnings KShs'm	Other reserves** KShs'm	Proposed dividend KShs'm	Total KShs'm	Non-controlling interests KShs'm	Total equity KShs'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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025 (continued)

GROUP									
Notes	Share capital Note 14 KShs'm	Share Note 14 premium KShs'm	Attributable to the equity holders of the parent					Non -controlling interests KShs'm	Total equity KShs'm
			Retained earnings KShs'm	Other reserves** KShs'm	Proposed dividend KShs'm	Total KShs'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 or (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 and adjustment on application of IAS 29 (Note 36).

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

		COMPANY				
	Notes	Share capital KShs'm	Share premium KShs'm	Retained earnings KShs'm	Proposed dividend KShs'm	Total equity KShs'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

STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	GROUP		COMPANY	
		2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Cash flows from operating activities					
Cash generated from operations	31(a)	183,648.6	149,469.2	200,014.5	178,939.7
Interest received		2,671.7	2,155.0	2,252.9	1,940.2
Income tax paid	12(b)	(48,626.4)	(43,700.6)	(47,524.0)	(41,618.4)
Net cash generated from operating activities		137,693.9	107,923.6	154,743.4	139,261.5
Cash flows from investing activities					
Purchase of property and equipment		(60,792.7)	(66,636.1)	(45,162.7)	(48,839.8)
Proceeds from disposal of property and equipment		46.4	290.0	40.8	261.0
Acquisition of intangible assets	21	(12,238.5)	(30,992.5)	(12,238.5)	(10,514.8)
Assets retirement obligations payments		(53.8)	(59.6)	(53.8)	(59.6)
Proceeds/investment in other financial assets	28	—	28.6	—	—
Movement in restricted cash		1,074.9	(796.0)	272.0	336.9
Dividends from subsidiaries		—	—	2,251.3	—
Dividends from associates		12.5	—	—	—
Repayment/(issue) of loans with joint ventures	32(x)(a)	239.5	(1,075.0)	239.5	(1,075.0)
Loans to subsidiaries	32(x)(b)	—	—	(90.1)	(9.2)
Investment in subsidiaries	23(a)	—	—	(30,161.1)	(20,663.9)
Acquisition of intangibles – (IRU)	19	(1,532.5)	—	(1,532.5)	—
Investment in associates and joint ventures	23(b)	(2,270.0)	(977.6)	(2,270.0)	(897.0)
Net cash used in investing activities		(75,514.2)	(100,218.2)	(88,705.1)	(81,461.4)
Cash flows from financing activities					
Dividends paid	15	(53,227.8)	(42,010.4)	(53,227.8)	(42,010.4)
Repayment of lease liabilities – principal	22(b)	(7,808.6)	(7,727.1)	(3,714.6)	(3,898.1)
Repayment of lease liabilities – interest	22(b)	(3,200.4)	(1,913.7)	(3,079.4)	(1,811.0)
Proceeds from shareholder loan		404.0	—	—	—
Interest paid on borrowings		(14,893.5)	(12,776.5)	(12,764.8)	(10,907.6)
Proceeds from borrowings	16	37,567.0	65,841.3	28,000.0	36,892.5
Repayment of borrowings	16	(26,305.2)	(41,103.9)	(24,415.5)	(35,055.3)
Capital contribution from NCI shareholders		26,787.4	29,993.8	—	—
Net cash used in financing activities		(40,677.1)	(9,696.5)	(69,202.1)	(56,789.9)
Increase/(decrease) in cash and cash equivalents		21,502.6	(1,991.1)	(3,163.8)	1,010.2
Movement in cash and cash equivalents:					
At start of year		22,868.2	22,098.1	19,072.1	18,061.9
Net foreign exchange differences		(4,409.6)	1,923.5	—	—
Net monetary (gain)/loss on cash and cash equivalents		(9,965.5)	837.7	—	—
Increase/(decrease) in cash and cash equivalents		21,502.6	(1,991.1)	(3,163.8)	1,010.2
At end of year	26(a)	29,995.7	22,868.2	15,908.3	19,072.1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025

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

The preparation of the financial statements in conformity with IFRS 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.

New and amended standards

The following amendments became effective during the year:

New standards or amendments	Effective for annual period beginning on or after
Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants – Amendments to IAS 1	1 January 2024
Lease Liability in a Sale and Leaseback – IFRS 16	1 January 2024
Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants – Amendments to IAS 1

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(a) Basis of preparation (continued)

New and amended standards (continued)

Classification of Liabilities as Current or Non-current and Non-current Liabilities with covenants – Amendments to IAS (continued)

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.

The amendments have not had a material impact on the classification of the Group's liabilities.

Lease Liability in a Sale and Leaseback – IFRS 16

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.

The amendments had no impact on the Group's financial statements.

Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

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.

The amendments have not had a material impact on the classification of the Group's liabilities.

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 31 March 2025 reporting periods 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(a) Basis of preparation (continued)

New standards and interpretations not yet adopted (continued)

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).

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(b) Basis of consolidation (continued)

(ii) Investment in associates (continued)

- 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.

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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(b) Basis of consolidation (continued)

(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 (KShs), which is the Group's and Company's presentation currency. The Company's functional currency is Kenya Shillings.

(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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(d) Foreign currency translation (continued)

(iii) Translation of foreign operations (continued)

- 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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(f) Revenue recognition (continued)

- 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 centres 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.

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 (Okoja 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 KShs 4.67 per minute during the peak hours (08:00 to 22:00) and KShs 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(f) Revenue recognition (continued)

Voice and SMS revenue (continued)

Customers can send messages for KShs 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 KShs 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 (FTB) 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.

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 maximising 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 16-24-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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(f) Revenue recognition (continued)

Integrated bundles (continued)

The price charged on these bundles is deferred on purchase and recognised as revenue on utilisation 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 KShs 100 were waived. This allows subscribers to send as little as KShs 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 recognised 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, second-hand 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 KShs 200 were waived for merchants. This allows for merchants to accept payments as little as KShs 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.

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 recognised 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(f) Revenue recognition (continued)

Digital Financial Services (continued)

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 KShs 1 (USD 0.008) and get loans from KShs 50 (USD 0.37) to KShs 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 recognised 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.

Revenue from Cloud and Software Services

The Group generates revenue from the provision of cloud computing solutions, including Infrastructure as a Service (IaaS) and Software as a Service (SaaS). Revenue is recognised either over time or at a point in time, depending on the Group's role in the arrangement and the nature of the contract. Where the Group acts as a principal, revenue is recognised over time in line with the delivery of services. Where the Group acts as an agent, typically in transactions involving third-party software services, revenue is recognised at a point in time on a net basis when control passes to the customer.

Loyalty programme

The Groups loyalty programme, 'Bonga Points', was introduced in January 2007 for both Prepay and Post-pay subscribers. Under this scheme, subscribers earn one Bonga point for every KShs 10 spent on voice calls, short messages service (SMS), data and KShs 100 for M-PESA services. These points can be redeemed for airtime, SMS or merchandise such as phones, modems and tablets at Safaricom retail outlets.

The Group has in place the 'Bonga everywhere' scheme where subscribers can utilise their Bonga points in appointed retail outlets e.g., Naivas Limited amongst others to purchase goods and services.

Management defers revenue for every point accumulated and recognises the revenue relating to the points earned on redemption either at a point in time (for merchandise or Bonga everywhere) or overtime based on the usage of acquired resources. Management also recognises revenue on the remaining loyalty points for churned sim cards at the point when the sim cards are churned.

In addition, Enterprise Business customers earn loyalty points upon achievement of their revenue targets and the accumulated amounts are only redeemable after the maturity of the underlying revenue contracts with the Group. Management defers revenue for amounts accumulated guided by a pre-determined matrix and recognises the revenue earned upon redemption.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(f) Revenue recognition (continued)

Contract-related costs

Connection commissions paid to dealers and SIM activation costs are recognised as costs to fulfil 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 costs are then amortised over the customer life as determined by the Group.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(g) Property and equipment (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(i) Intangible assets – network licenses (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of 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 KShs 3,432.8 million (2024: KShs 3,215.4 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(k) Accounting for leases (continued)

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.

(l) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(I) Financial assets (continued)

Classification (continued)

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.

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 KShs 983 million (2024: KShs 2,499.6 million) at Group and KShs 1,214.6 million (2024: KShs 2,219.2 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(m) Financial liabilities (continued)

Initial recognition and measurement (continued)

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).

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(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.

(q) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value (KShs 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

(i) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(t) Employees benefits (continued)

(i) Retirement benefit obligation (continued)

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.

(iii) 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.

(iv) 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.

(u) 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.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(v) Taxes (continued)

Deferred income tax (continued)

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.

(w) 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 capitalised. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

2 Summary of accounting policies (continued)

(x) 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.

(y) 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).

(z) Dividend income

Dividend income is recognised when the Group's and Company's right to receive payment is established.

(aa) 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.

(ab) Comparatives

Where necessary, comparatives have been adjusted to conform to 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.

(i) Significant accounting estimates and assumptions

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.

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 recognised 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

3 Significant accounting estimates and judgements (continued)

(i) Significant accounting estimates and assumptions (continued)

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 capitalisation 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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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 KShs 71.0 billion (2024 net current liabilities position: KShs 85.3 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 KShs 2.5 billion (2024: 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 KShs 3.6 billion (2024: KShs 3.3 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 KShs 6.9 billion (2024: KShs 7.0 billion). The Group applies IFRS 15 – Revenue from Contracts with Customers in accounting for bundled resources. The value of unutilised 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.

These amounts are included under contract liabilities in the statement of financial position. Management has accessed 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 KShs 38.0 billion and repaid KShs 26.3 billion. Of the outstanding loan amount of KShs 107.4 billion, KShs 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

3 Significant accounting estimates and judgements (continued)

(iv) Significant judgement on hyperinflation (continued)

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%.

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%.

Therefore, directors believe that Ethiopia continues to be hyperinflationary as at 31 March 2025. 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

(a) 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.

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 KShs 2,111.7 million and KShs 1,478.2 million respectively (2024: KShs 1,564.5 million and KShs 1,095.2 million) and KShs 1,805.6 million and KShs 1,263.9 million respectively for Company (2024: KShs 1,473.3 million and KShs 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 KShs 1,743.7 million and KShs 1,220.6 million respectively for Group (2024: KShs 272.0 million and KShs 190.4 million) and KShs 1,734.5 million and KShs 1,214.2 million for Company respectively (2024: KShs 96.3 million and KShs 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) Financial Risk Management (continued)

Market risks (continued)

(i) Foreign exchange risk (continued)

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 the year (2024: 100 basis points) would have resulted in a net decrease/increase in Group's pre- and post-tax profit/equity of KShs 621.0 million and KShs 434.7 million respectively (2024: KShs 829.4 million and KShs 580.6 million). This sensitivity is a fair and reasonable reflection of the 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: 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).

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	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Category 1	3,385.7	7,653.8	3,369.3	7,638.6
Category 2	17,051.0	11,393.5	6,770.4	9,670.6
Category 3	9,587.9	3,830.0	5,772.9	1,766.0
Allowance for expected credit losses	(28.9)	(9.2)	(4.3)	(3.1)
	29,995.7	22,868.2	15,908.3	19,072.1

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 as at 31 March 2025 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) Financial Risk Management (continued)

Other receivables

Management has assessed the expected credit losses on the other receivables. The loss allowance as at 31 March 2025 and 31 March 2024 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 as at 31 March 2024 are disclosed in Note 25 and Note 32.

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 neighbouring 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) Financial Risk Management (continued)

Trade receivables (continued)

The loss allowance as at year end was determined as shown below for trade receivables.

	GROUP			
	0-30 days KShs'm	31-90 days KShs'm	Over 91 days KShs'm	Total KShs'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
	GROUP			
	0-30 days KShs'm	31-90 days KShs'm	Over 91 days KShs'm	Total KShs'm
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
	COMPANY			
	0-30 days KShs'm	31-90 days KShs'm	Over 91 days KShs'm	Total KShs'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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) Financial Risk Management (continued)

Trade receivables (continued)

A detailed assessment of the trade receivables as shown below;

	GROUP		
	Gross carrying amount KShs'm	Expected credit loss KShs'm	Net carrying amount KShs'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		
	Gross carrying amount KShs'm	Expected credit loss KShs'm	Net carrying amount KShs'm
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

	COMPANY		
	Gross carrying amount KShs'm	Expected credit loss KShs'm	Net carrying amount KShs'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

* 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 KShs 155.7 million. (2024: KShs 273.9 million). The collaterals relate to bank guarantees issued by dealers on dealer receivables. There is no concentration risk on trade receivables or revenue.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) Financial Risk Management (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 KShs'm	Expected credit loss KShs'm	Net carrying amount KShs'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
		COMPANY		
		Gross carrying amount KShs'm	Expected credit loss KShs'm	Net carrying amount KShs'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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) 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 KShs'm	Maturing within 6 months KShs'm	Maturing within 12 months KShs'm	Maturing within 5 years KShs'm	Maturing within 5 years KShs'm	Total KShs'm
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 KShs 557.6 million (2024: KShs 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 KShs 12.2 billion (2024: KShs 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) 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 KShs'm	Maturing within 6 months KShs'm	Maturing after 6 months but within 12 months KShs'm	Maturing after 12 months but within 5 years KShs'm	Maturing after 5 years KShs'm	Total KShs'm
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.

The table below summarises the maturity profile of the undiscounted cashflows of the Company's financial assets and liabilities as at 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) Financial Risk Management (continued)

Liquidity risk (continued)

	COMPANY					
	Maturing within 1 month KShs'm	Maturing after one month but within 6 months KShs'm	Maturing after 6 months but within 12 months KShs'm	Maturing after 12 months but within 5 years KShs'm	Maturing after 5 years KShs'm	Total KShs'm
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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(a) 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.

	COMPANY					
	Maturing within 1 month KShs'm	Maturing after one month but within 6 months KShs'm	Maturing after 6 months but within 12 months KShs'm	Maturing after 12 months but within 5 years KShs'm	Maturing after 5 years KShs'm	Total KShs'm
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.

(b) 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 minimise 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

4 Risk Management (continued)

(b) Capital risk management (continued)

Liquidity risk (continued)

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		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Net debt – Note 31 (b)	129,772.8	140,154.7	91,213.1	82,163.6
Total equity	224,021.1	335,747.9	248,761.9	201,886.3
Total capital	353,793.9	475,902.6	339,975.0	284,049.9
Gearing ratio	36.7%	29.4%	26.8%	28.9%

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

5 Revenue

(a) Revenue from contracts with customers

	GROUP					
	31 March 2025			31 March 2024		
	At a point in time KShs'm	Over time KShs'm	Total KShs'm	At a point in time KShs'm	Over time KShs'm	Total KShs'm
M-PESA revenue	161,131.2	—	161,131.2	140,006.7	—	140,006.7
Voice revenue	—	81,958.9	81,958.9	—	80,541.1	80,541.1
Mobile data revenue	—	78,521.4	78,521.4	—	67,404.3	67,404.3
Fixed data revenue	—	16,798.7	16,798.7	—	14,962.2	14,962.2
Messaging revenue	—	12,559.4	12,559.4	—	12,319.2	12,319.2
Interconnect revenue	—	4,703.1	4,703.1	—	5,106.2	5,106.2
Mobile incoming	—	3,433.7	3,433.7	—	3,461.4	3,461.4
Other services revenues*	—	12,309.0	12,309.0	—	11,552.0	11,552.0
Service revenue	161,131.2	210,284.2	371,415.4	140,006.7	195,346.4	335,353.1
Handset revenue	11,001.5	—	11,001.5	8,453.6	—	8,453.6
Connection revenue	—	2,016.5	2,016.5	—	2,086.7	2,086.7
Total revenue	172,132.7	212,300.7	384,433.4	148,460.3	197,433.1	345,893.4

*Other services revenues include Okoa Jahazi fees, roaming revenues and bulk SMS service revenue.

The Group has two reportable operating segments whose revenue is presented below:

GROUP								
	At 31 March 2025							
	Kenya			Ethiopia			Eliminations	Consolidated
	At a point in time	Over time	Sub Total	At a point in time	Over time	Sub Total		
	KShs'm	KShs'm	KShs'm	KShs'm	KShs'm	KShs'm	KShs'm	KShs'm
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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

5 Revenue (continued)

(a) Revenue from contracts with customers (continued)

GROUP

	At 31 March 2024						Eliminations KShs'm	Consolidated Sub Total KShs'm		
	Kenya			Ethiopia						
	At a point in time KShs'm	Over time KShs'm	Sub Total KShs'm	At a point in time KShs'm	Over time KShs'm	Sub Total KShs'm				
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		

COMPANY

	31 March 2025			31 March 2024		
	At a point			At a point		
	in time KShs'm	Over time KShs'm	Total KShs'm	in time KShs'm	Over time KShs'm	Total KShs'm
M-PESA revenue	157,736.0	–	157,736.0	136,686.9	–	136,686.9
Voice revenue	–	80,784.7	80,784.7	–	79,511.7	79,511.7
Mobile data revenue	–	72,863.2	72,863.2	–	63,236.2	63,236.2
Fixed data revenue	–	17,065.0	17,065.0	–	15,111.3	15,111.3
Messaging revenue	–	12,477.4	12,477.4	–	12,277.0	12,277.0
Interconnect revenue	–	4,696.7	4,696.7	–	5,094.6	5,094.6
Mobile incoming	–	3,159.8	3,159.8	–	3,158.0	3,158.0
Other services revenues*	–	12,074.6	12,074.6	–	11,488.9	11,488.9
Service revenue	157,736.0	203,121.4	360,857.4	136,686.9	189,877.7	326,564.6
Handset revenue	10,700.2	–	10,700.2	6,780.1	–	6,780.1
Connection revenue	–	1,934.9	1,934.9	–	1,986.1	1,986.1
Total revenue	168,436.2	205,056.3	373,492.5	143,467.0	191,863.8	335,330.8

*Other services revenues include Okoa Jahazi fees, roaming revenues and bulk SMS service revenues.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

5 Revenue (continued)

(b) Revenue from other sources

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Site rental revenue	3,432.8	3,215.4	3,432.8	3,215.4
Other income:				
– Gain on disposal of property and equipment	23.0	268.4	35.7	250.4
– Dividend income	–	–	2,251.3	–
– Miscellaneous income*	799.7	70.0	1,266.0	920.7
	4,255.5	3,553.8	6,985.8	4,386.5

*Miscellaneous income includes cash discounts received from vendors and non-recurring revenue from partnership agreements.

6 (a) Direct costs

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
M-PESA commissions	(37,277.7)	(37,823.4)	(36,745.1)	(37,283.1)
Airtime commissions	(8,103.1)	(8,243.8)	(6,495.9)	(6,657.6)
License fees	(14,787.2)	(12,487.7)	(14,604.4)	(12,255.0)
Interconnect and roaming costs	(7,764.9)	(8,987.6)	(6,595.7)	(7,344.6)
Handset costs	(10,892.1)	(8,347.3)	(10,595.0)	(6,615.5)
Customer acquisition and retention	(13,208.9)	(14,048.1)	(11,653.3)	(12,042.5)
Promotions and value-added services costs (voice and SMS)	(6,868.8)	(5,982.6)	(6,858.4)	(5,947.7)
Other direct costs	(2,178.6)	(1,126.4)	(2,168.4)	(1,115.9)
	(101,081.3)	(97,046.9)	(95,716.2)	(89,261.9)

6 (b) Expected credit losses on financial assets

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Trade and other receivables (Note 25)	(11,124.8)	(5,806.5)	(11,028.3)	(5,906.3)
Loan receivables from related parties	2.4	(2.1)	(176.9)	(165.3)
Cash and cash equivalents	(23.6)	1.2	(1.2)	(1.8)
	(11,146.0)	(5,807.4)	(11,206.4)	(6,073.4)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

7 Other operating expenses

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Repairs and maintenance	(375.4)	(305.4)	(361.5)	(293.2)
Non-lease operating costs – buildings**	(123.8)	(201.4)	(45.6)	(74.5)
Non-lease operating costs – sites **	(3,063.2)	(2,643.1)	(3,068.3)	(2,635.3)
Inventory storage costs	(343.5)	(417.3)	(341.1)	(397.6)
Employee benefits expense (Note 10)	(29,055.0)	(30,537.0)	(25,383.2)	(23,727.4)
Auditor's remuneration***	(80.9)	(83.3)	(59.4)	(54.0)
Sales and advertising	(5,426.7)	(5,756.7)	(5,298.1)	(4,336.3)
Consultancy and legal fees	(3,306.7)	(596.1)	(2,943.6)	(239.8)
Network operating costs	(24,124.6)	(26,187.2)	(19,456.4)	(17,497.3)
Travel and accommodation	(1,085.8)	(1,547.2)	(722.7)	(602.0)
Computer maintenance	(5,067.3)	(4,478.9)	(3,003.8)	(2,492.7)
Office administration	(927.2)	(836.4)	(797.2)	(630.2)
Net foreign exchange gains/(losses), other than on borrowings and cash and cash equivalents	(20,871.3)	558.9	123.7	313.0
Other operating expenses*	(10,459.3)	(10,269.2)	(7,270.1)	(6,478.8)
	(104,310.7)	(83,300.3)	(68,627.3)	(59,146.1)

*Other operating expenses includes Vodafone Group procurement fees (Note 32(iii)), 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	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Audit fees	(65.0)	(61.4)	(59.4)	(54.0)
Other fees charged to other affiliates	(15.9)	(21.9)	–	–
	(80.9)	(83.3)	(59.4)	(54.0)

Audit fees relate to amounts payable for the statutory audit of the financial statements during the year. Other audit fees charged to other affiliates relate to statutory audit services provided to Safaricom Telecommunications Ethiopia Plc and Vodafamily Ethiopia Limited during the same period.

8 Finance income

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Interest income*	2,384.0	2,467.5	1,919.3	2,257.4
Foreign exchange gain on cash and borrowings	6,836.0	2,962.9	420.3	1,001.9
Amortisation of deferred restricted cash asset	2.1	29.2	2.1	29.2
	9,222.1	5,459.6	2,341.7	3,288.5

*Interest income relates to income earned from fixed deposits and government securities and is calculated using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

9 Finance costs

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Interest expense*	(14,089.1)	(12,644.3)	(11,968.0)	(10,640.4)
Foreign exchange losses on cash and borrowings	(10,119.5)	(2,872.8)	(1,567.2)	(2,271.3)
Interest on asset retirement obligation (ARO)	(501.2)	(523.8)	(442.0)	(411.1)
Interest on lease liabilities*	(5,109.1)	(5,820.0)	(3,079.4)	(3,058.8)
Origination fee on credit facilities	(312.6)	(240.2)	(184.4)	(13.4)
	(30,131.5)	(22,101.1)	(17,241.0)	(16,395.0)

*The interest expense included within finance costs is calculated using effective interest method.

10 Employee benefits expense

The following items are included within employee benefits expense:

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Club membership	(86.2)	(153.4)	(86.0)	(153.4)
Employee other administrative costs	(108.1)	(174.6)	(18.5)	25.2
Secondees other administrative costs	(595.2)	(997.6)	(172.7)	(169.8)
Employee Performance Share Award Plan	(669.5)	(474.9)	(667.9)	(474.0)
Leave provision	224.5	(109.1)	226.5	(97.2)
National Social Security Fund (NSSF)	(157.9)	(79.5)	(157.6)	(79.3)
Defined pension contribution plan	(1,108.8)	(1,086.7)	(1,034.0)	(938.8)
Salaries	(22,341.5)	(21,572.8)	(21,328.2)	(19,609.4)
Secondee salaries	(2,130.2)	(3,751.0)	(157.0)	(373.7)
Staff medical and life insurance	(2,082.1)	(2,137.4)	(1,987.8)	(1,857.0)
	(29,055.0)	(30,537.0)	(25,383.2)	(23,727.4)

Number of employees

	GROUP	COMPANY		
	2025	2024	2025	2024
Permanent employees	6,462	6,425	5,564	5,547
Fixed-term contract employees	315	227	315	227
	6,777	6,652	5,879	5,774

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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.

During the year, 27.6 million shares were bought by the Trust, at a cost of KShs 445.8 million (2024: 10 million shares at a cost of 163.3 million). Additionally, 15.4 million shares historically valued at KShs 257.0 million (2024: 17.5 million shares valued at 386.8 million) vested and were exercised by eligible staff.

The Trust currently holds 13.3 million shares at a total cost of KShs 206.8 million (2024: 1.1 million shares at a cost of KShs 18.1 million).

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	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Current income tax	(50,166.7)	(43,559.4)	(49,050.0)	(42,642.4)
Adjustments in respect of current income tax of previous year	(524.1)	1,222.9	(523.9)	1,224.1
Deferred income tax (Note 17)	3,203.4	1,534.5	3,242.2	1,494.0
Adjustments in respect of deferred income tax of previous year	34.1	(1,227.0)	34.1	(1,227.0)
Income tax expense	(47,453.3)	(42,029.0)	(46,297.6)	(41,151.3)
Profit before income tax	93,210.5	84,687.4	141,251.7	123,805.1
Tax calculated at the applicable income tax rate of 30%	(27,963.2)	(25,406.22)	(42,375.5)	(37,141.5)
Tax effect of:				
– Income not subject to tax	3,266.4	6,842.6	687.1	11.2
– Expenses not deductible for tax purposes	(7,627.5)	(11,673.4)	(4,119.4)	(4,018.1)
Adjustments in respect of current income tax of previous year	(524.1)	(1,227.0)	(523.9)	(1,227.0)
Adjustments in respect of deferred income tax of previous year	34.1	1,222.9	34.1	1,224.1
Deferred income tax not recognised in the year	(14,639.0)	(11,787.9)	–	–
Income tax expense	(47,453.3)	(42,029.0)	(46,297.6)	(41,151.3)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

12 (b) Current income tax (payable)/receivable

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
At start of year	(193.1)	(1,557.2)	7.9	(192.2)
Current income tax (Note 12(a))	(50,166.7)	(43,559.4)	(49,050.0)	(42,642.4)
Adjustments in respect of current income tax of previous year (Note 12(a))	(524.1)	1,222.9	(523.9)	1,224.1
Tax paid during the year	48,626.4	43,700.6	47,524.0	41,618.4
At end of year	(2,257.5)	(193.1)	(2,042.0)	7.9
Current asset	—	—	—	7.9
Current liabilities	(2,257.5)	(193.1)	(2,042.0)	—
At end of year	(2,257.5)	(193.1)	(2,042.0)	7.9

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	COMPANY		
	2025	2024	2025	2024
Profit attributable to equity holders of the parent (KShs million)	69,798.7	62,991.7	94,954.1	82,653.8
Total number of ordinary shares in issue (million)	40,065.4	40,065.4	40,065.4	40,065.4
Basic earnings per share (KShs)	1.7	1.6	2.4	2.1
Diluted earnings per share (KShs)	1.7	1.6	2.4	2.1

There were no potentially dilutive shares outstanding as at 31 March 2025 and 31 March 2024. 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 KShs'm	Share premium KShs'm	Total KShs'm
As at 31 March 2025 and 31 March 2024	40,065.4	2,003.3	2,200.0	4,203.3

The authorised share capital of the Company is KShs 6,000,000,000 divided into 119,999,999,600 ordinary shares of KShs 0.05 each and 5 non-redeemable preference shares of KShs 4 each.

The issued share capital comprises 40,065,428,000 (2024: 40,065,428,000) ordinary shares with a par value of KShs 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

15 Dividend (continued)

During the year, an interim dividend of KShs 0.55 per ordinary share (2024: KShs 0.55) amounting to KShs 22.04 billion (2024: KShs 22.04 billion) was declared. The directors have proposed a final dividend in respect of the year ended 31 March 2025 of KShs 0.65 per ordinary share (2024: KShs 0.65) amounting to a total of KShs 26.04 billion (2024: KShs 26.04 billion) to be approved at the Annual general Meeting (AGM) to be held on 25 July 2025. This brings the total dividend for the year to KShs 48.08 billion (2024: KShs 48.08 billion) which represents KShs 1.20 per share in respect of the year ended 31 March 2025 (2024: KShs 1.20 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 in the year were as follows:

Movement in the year

	GROUP AND COMPANY	
	2025 KShs'm	2024 KShs'm
At start of year	6,649.2	1,783.0
Final dividend declared	26,042.5	24,840.6
Interim dividend declared	22,036.0	22,036.0
Paid during the year	(53,227.8)	(42,010.4)
At end of year	1,499.9	6,649.2

16 Borrowings

	GROUP	COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm
At start of year	108,146.8	87,605.4	77,666.6
Additions	37,567.0	65,841.3	28,000.0
Interest charged	14,089.1	12,644.3	11,968.0
Interest paid	(14,893.5)	(12,776.5)	(12,764.8)
Repayments	(26,305.2)	(41,103.9)	(24,415.5)
Revaluation of foreign currency loans	10,493.6	(442.4)	—
Hyperinflation adjustment	491.4	(135.0)	—
Translation differences	(22,158.8)	(3,486.4)	—
At end of year	107,430.4	108,146.8	80,454.3
Split			
Short term borrowings	39,500.1	39,760.0	39,500.0
Bank overdraft	1,703.0	3,497.8	—
Interest payable	1,482.9	1,795.8	999.0
Total short-term borrowings	42,686.0	45,053.6	40,499.0
Long term borrowings	64,744.4	63,093.2	39,955.3
At end of year	107,430.4	108,146.8	80,454.3

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 and 31 March 2024.

The loan facilities are with Kenyan banks at an average interest rate of 16.3% (2024: average interest rate 13.6%).

Long-term facilities repayment period is seven years for the Kenya shilling denominated loans and three to five years for the Ethiopian Birr denominated term loans.

There are also undrawn bank facilities amounting to KShs 12.2 billion (2024: KShs 12.2 billion) that would be utilised to settle obligations as they fall due.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

17 Deferred income tax

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	GROUP	
	2025 KShs'm	2024 KShs'm
– Deferred income tax assets	31,819.7	29,654.8
– Deferred income tax liability	(12,937.7)	(14,010.3)
Net deferred income tax asset	18,882.0	15,644.5

Deferred income tax is calculated using an income tax rate of 30%

	GROUP	
	2025 KShs'm	2024 KShs'm
At start of year	15,644.5	15,337.0
Credit to statement of profit or loss (Note 12)	3,203.4	1,534.5
Adjustments in respect of deferred income tax of previous year (Note 12)	34.1	(1,227.0)
At end of year	18,882.0	15,644.5

Consolidated 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 KShs'm	GROUP	
		Credit/ (charged) to SOCI KShs'm	31-Mar-25 KShs'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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

17 Deferred income tax (continued)

	GROUP		
	01-Apr-23 KShs'm	Credit/ (charged) to SOCI KShs'm	31-Mar-24 KShs'm
Year ended 31 March 2024			
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

*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) due to lack of certainty of availability of future taxable profits against which such deductible temporary differences and tax losses could be utilised.

The analysis of deferred income tax assets and deferred tax liabilities is as follows:

	COMPANY	
	2025 KShs'm	2024 KShs'm
– Deferred income tax assets	25,217.7	21,858.2
– Deferred income tax liability	(6,336.4)	(6,253.2)
Net deferred income tax asset	18,881.3	15,605.0

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

17 Deferred income tax (continued)

Deferred income tax is calculated using an income tax rate of 30%

	COMPANY	
	2025 KShs'm	2024 KShs'm
At start of year	15,605.0	15,337.9
Credit to statement of profit or loss (Note 12)	3,242.2	1,494.1
Adjustments in respect of deferred income tax of previous year (Note 12)	34.1	(1,227.0)
At end of year	18,881.3	15,605.0

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:

	COMPANY		
	01-Apr-24 KShs'm	Credit/ (charged) to SOCI KShs'm	31-Mar-25 KShs'm
Year ended 31 March 2025			
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

*Other temporary differences mainly relate to deferred income tax on expected credit losses on financial assets and provisions for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

17 Deferred income tax (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 (SOCI) are attributable to the following items:

Year ended 31 March 2024	01-Apr-23 KShs'm	COMPANY	
		Credit/ (charged) to SOCI KShs'm	31-Mar-24 KShs'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*	7,633.1	(598.2)	7,034.9
	21,686.2	172.0	21,858.2
Net deferred income tax asset	15,337.9	267.1	15,605.0

*Other temporary differences mainly relate to deferred income tax on expected credit losses on financial assets and provisions for liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

18 Property and equipment

	GROUP							
	Network infrastructure KShs'm	Capital work in progress (CWIP)* KShs'm	Network maintenance spares KShs'm	Leasehold improvements KShs'm	Vehicles and equipment KShs'm	Fibre KShs'm	Freehold Property KShs'm	Total KShs'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 fibre that had not been brought to use as at year end.

Included in property and equipment are fully depreciated assets amounting to KShs 265,068.6 million (2024: KShs 236,148.6 million) which would have a notional depreciation of KShs 5,422.2 million (2024: KShs 4,271.4 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

18 Property and equipment (continued)

	GROUP							
	Network infrastructure KShs'm	Capital work in progress (CWIP)* KShs'm	Network maintenance spares KShs'm	Leasehold improvements KShs'm	Vehicles and equipment KShs'm	Fibre KShs'm	Freehold Property KShs'm	Total KShs'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	–	0.0
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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

18 Property and equipment (continued)

	COMPANY							
	Network infrastructure KShs'm	Capital work in progress (CWIP)* KShs'm	Network maintenance spares KShs'm	Leasehold improvements KShs'm	Vehicles and equipment KShs'm	Fibre KShs'm	Freehold Property KShs'm	Total KShs'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 fibre that had not been brought into use as at year end.

Included in property and equipment are fully depreciated assets amounting to KShs 265,032.7 million (2024: KShs 236,148.6 million) which would have a notional depreciation of KShs 5,398.6 million (2024: KShs 4,271.4 million).

Included in property and equipment is KShs 4,225.8 million (2024: KShs 5,370.8 million) relating to expenditures recognised in the carrying amount of property and equipment during its construction.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

18 Property and equipment (continued)

	COMPANY							
	Network infrastructure KShs'm	Capital work in progress (CWIP)* KShs'm	Network maintenance spares KShs'm	Leasehold improvements KShs'm	Vehicles and equipment KShs'm	Fibre KShs'm	Freehold Property KShs'm	Total KShs'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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

19 Indefeasible rights-of-use (IRU)

GROUP AND COMPANY					
	SEACOM KShs'm	KPLC* KShs'm	TEAMS** KShs'm	SIMBA Gerra	Total KShs'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	1,535.0	838.4	3,252.8	1,532.5	7,158.7
Accumulated depreciation	(1,151.9)	(635.5)	(2,118.4)	(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

*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 KShs'm	2024 KShs'm
At start of year	935.0	935.0
Net gain from fair value remeasurement	25.0	–
At end of year	960.0	935.0

The fair value measurement of the investment property as at 31 March 2025 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

20 Investment properties (Group and Company)

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.

Details of the Group's and Company's investment properties and information about fair value hierarchy as at 31 March 2025 and 31 March 2024 is as follows:

Non- financial asset	Fair Value as at 31 March 2025	Fair Value as at 31 March 2024	Fair value hierarchy	Valuation technique (s) and key inputs	Significant unobservable inputs
	KShs'm	KShs'm			
Investment properties	960.0	935.0	Level III	Market comparison approach	Recent sale transactions for similar properties in the neighbourhood

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 KShs 96.0 million lower/higher (2024: KShs 93.5 million lower/higher)

21 Intangible assets - Network Licenses

The cost of Group intangible assets at end of March 2025 was KShs 146,754.3 million (Company KShs 48,911.2 million) and accumulated amortisation was KShs 35,298.5 million (Company: 17,683.3 million). Below is the movement of intangibles as at 31 March 2025 and 31 March 2024.

	GROUP	
	2025 KShs'm	2024 KShs'm
Opening carrying amount	194,280.7	150,198.8
Additions – cost	12,238.5	30,992.5
Hyperinflation adjustment	10,454.3	38,265.5
Translation differences	(95,564.3)	(7,371.6)
Amortisation charge	(9,953.4)	(17,804.5)
Net carrying amount	111,455.8	194,280.7
Cost	146,754.3	229,910.0
Accumulated amortisation	(35,298.5)	(35,629.3)
Closing net carrying amount	111,455.8	194,280.7

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

21 Intangible assets - Network Licenses (continued)

	COMPANY	
	2025 KShs'm	2024 KShs'm
Opening carrying amount	21,841.4	14,163.0
Additions – cost	12,238.5	10,514.8
Derecognition – cost	–	–
Derecognition – amortisation	–	–
Amortisation charge	(2,852.0)	(2,836.4)
Net carrying amount	31,227.9	21,841.4
Cost	48,911.2	36,672.7
Accumulated amortisation	(17,683.3)	(14,831.3)
Closing net carrying amount	31,227.9	21,841.4

Derecognition represents amounts de-recognised upon expiry of license. There was no de-recognition in the current year.

22 Leases

(a) Right of use (ROU) asset

	GROUP					
	Site KShs'm	Co-location KShs'm	Shops KShs'm	Facilities KShs'm	Secondees houses KShs'm	Total KShs'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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

	GROUP						
	Site KShs'm	Co-location KShs'm	Shops KShs'm	Facilities KShs'm	Secondees		Total KShs'm
					houses KShs'm	Equipment KShs'm	
Year ended 31 March 2024							
At start of year	9,744.0	20,823.7	816.7	1,803.1	38.0	1.0	33,226.5
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	106.8	272.8	5.3	52.0	52.6	–	489.5
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

	COMPANY					
	Site KShs'm	Co-location KShs'm	Shops KShs'm	Facilities KShs'm	houses KShs'm	Total KShs'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	42,404.4
Accumulated depreciation	(6,151.5)	(10,390.9)	(1,532.0)	(3,351.9)	(78.0)	(21,504.3)
Closing net carrying amount	5,690.9	14,386.9	555.3	249.4	17.6	20,900.1

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

	COMPANY						
	Site KShs'm	Co-location KShs'm	Shops KShs'm	Facilities KShs'm	Secondees houses KShs'm	Equipment KShs'm	Total KShs'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

(b) Lease liabilities

The lease liabilities balance at the end of the year was as follows:

	GROUP		
	Current KShs'm	Non-current KShs'm	Total KShs'm
Year ended 31 March 2025			
At start of year	6,411.0	48,474.3	54,885.3
Additions	6,207.6	439.1	6,646.7
Interest charge	5,109.1	–	5,109.1
Payments	(11,009.0)	–	(11,009.0)
Terminations and revisions	(166.5)	–	(166.6)
Foreign exchange revaluation	–	18,864.2	18,864.2
Translation differences	(215.4)	(22,151.4)	(22,366.8)
At end of year	6,336.8	45,626.2	51,963.0
Year ended 31 March 2024			
At start of year	5,354.9	29,984.0	35,338.9
Additions	3,439.3	20,273.6	23,712.9
Interest charge	5,820.0	–	5,820.0
Payments	(7,240.3)	–	(7,240.3)
Terminations and revisions	(682.2)	–	(682.2)
Foreign exchange revaluation	–	1,270.8	1,270.8
Translation differences	(280.7)	(3,054.1)	(3,334.8)
At end of year	6,411.0	48,474.3	54,885.3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

22 Leases (continued)

(a) Right of use (ROU) asset (continued)

Included in the direct costs and reported in the statement of profit or loss in the year is an amount of KShs 2,535.8 million (2024: KShs 2,707.2 million) for Group and KShs 1,704.7 million (2024: KShs 1,803.3 million) for Company relating to short term leases of less than one year which were not accounted for under IFRS 16.

	COMPANY		
	Current KShs'm	Non-current KShs'm	Total KShs'm
Year ended 31 March 2025			
At start of year	5,163.1	18,409.1	23,572.2
Additions	3,564.9	2,591.6	6,156.5
Interest charge	3,079.4	—	3,079.4
Payments	(6,794.0)	—	(6,794.0)
Terminations and revisions	767.2	—	767.2
Foreign exchange revaluation	—	(109.9)	(109.9)
At end of year	5,780.6	20,890.8	26,671.4

	Year ended 31 March 2024		
	Current KShs'm	Non-current KShs'm	Total KShs'm
At start of year			
At start of year	4,376.6	17,070.1	21,446.7
Additions	4,395.6	1,357.4	5,753.0
Interest charge	3,058.8	—	3,058.8
Payments	(5,986.3)	—	(5,986.3)
Terminations and revisions	(681.6)	—	(681.6)
Foreign exchange revaluation	—	(18.4)	(18.4)
At end of year	5,163.1	18,409.1	23,572.2

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Payments split				
Repayment of lease liabilities- principal	7,808.6	5,326.6	3,714.6	4,175.3
Repayment of lease liabilities- interest	3,200.4	1,913.7	3,079.4	1,811.0
Total payments	11,009.0	7,240.3	6,794.0	5,986.3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

22 Leases (continued)

(c) Maturity analysis of undiscounted lease liabilities

The lease payment split is as follows:

	GROUP	COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm
Less than 1 year	10,528.2	10,769.8	5,915.3
Greater than 1 year	61,056.6	63,570.1	28,541.7
Total	71,584.8	74,339.9	34,457.0
			2024 KShs'm

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 KShs'm	2024 KShs'm
At start of year	98,779.6	78,012.5
Additional investment:		
– Safaricom Ventures Limited (formerly Instaconnect Limited)*	(0.3)	80.6
– Vodafamily Ethiopia Holding Limited – cash ¹	30,161.4	20,583.3
– 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

* On 17 February 2025, the directors of Instaconnect Limited changed the name of the company to Safaricom Ventures Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

23 Investments (continued)

(a) Investment in subsidiaries (continued)

¹In 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 the financial year, the Company invested 230.9 million US dollar equivalent to KShs 30,161.4 million (2024: 156.2 million US dollar equivalent to KShs 20,583.3 million), in Vodafamily Ethiopia Holding Limited and in 2024 KShs 80.6 million in Instaconnect Limited (now known as Safaricom Ventures Limited).

²Acquisition 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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;

Name	Non-controlling Interest (NCI) percentage	Contribution		Loss allocated to NCI KShs'm	Other reserves KShs'm	Totals non- controlling interest (NCI) KShs'm
		At start of year KShs'm	by NCI shareholders KShs'm			
At 31 March 2025						
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

Name	Non-controlling Interest (NCI) percentage	Contribution		Loss allocated to NCI KShs'm	Other reserves KShs'm	Redistribution of loss after change in shareholding KShs'm	Totals non- controlling interest (NCI) KShs'm
		At start of year KShs'm	by NCI shareholders KShs'm				
At 31 March 2024							
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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

23 Investments (continued)

(a) Investment in subsidiaries (continued)

The Company's interest in its subsidiaries was as follows:

	COMPANY		2025 KShs'm	2024 KShs'm
	Year end	% Interest held		
One Communications Limited and its subsidiaries ¹	31 March	100	—	—
Digifarm Kenya Limited ²	31 March	100	0.1	0.1
Safaricom Ventures Limited (formerly Instaconnect Limited) ³	31 March	100	491.5	491.7
Vodafamily Ethiopia Holding Limited	31 March	90	127,980.8	98,267.8
Safaricom Money Transfer Services Limited	31 December	100	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

¹ The 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 KShs 100,000 divided into 1,000 ordinary shares of KShs 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.

³ 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. Together with other shareholders. As at 31 March 2025, Safaricom Ventures Limited shareholding in EADAK is 25% (2024: 25%).

⁴ The investment in East Africa Tower Company Limited was written down in the year ended 31 Mar 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

23 Investments (continued)

(a) Investment in subsidiaries (continued)

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.

Vodafamily Ethiopia Holding Limited consolidated summarised statement of profit or loss and other comprehensive income for year ended 31 March 2025 and 31 March 2024:

	2025 KShs'm	2024 KShs'm
Total revenue	7,529.0	7,379.8
Total expenses	(41,221.1)	(31,079.5)
Loss before interest, tax, depreciation and amortisation	(33,692.1)	(23,699.7)
Depreciation and amortisation	(20,464.1)	(35,895.9)
Financing costs	(12,703.4)	(5,268.4)
Finance income	5,863.1	409.1
Hyperinflationary monetary gain (Note 36)	11,222.3	22,363.2
Loss after tax	(49,774.2)	(42,091.7)
Other comprehensive loss		
Exchange differences on translation of foreign operations	(153,790.2)	(7,278.1)
Total comprehensive loss	(203,564.4)	(49,369.8)
Attributable to non-controlling interests	(98,484.5)	(23,860.4)

Vodafamily Ethiopia Holding Limited consolidated summarised statement of financial position as at 31 March

	2025 KShs'm	2024 KShs'm
Equity attributable to:		
Equity holders of parent	55,896.4	129,968.8
Non-controlling interest	41,463.3	96,409.3
Non-current liabilities	70,693.0	77,963.3
Total equity and non-current liabilities	168,052.7	304,341.4
Non-current assets	185,641.4	340,883.4
Current assets		
Cash and cash equivalents	11,534.4	1,561.1
Other current assets	10,698.8	22,031.8
Total current assets	22,233.2	23,592.9
Current liabilities	39,821.9	60,134.9
	168,052.7	304,341.4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

23 Investments (continued)

(a) Investment in subsidiaries (continued)

Vodafamily Ethiopia Holding Limited Consolidated Summarised cashflow information for year ended 31 March

	2025 KShs'm	2024 KShs'm
Cash flows from operating activities	(6,074.5)	(11,365.3)
Cash flows from investing activities	(14,860.7)	(59,985.3)
Cash flows from financing activities	70,551.0	67,676.6
Net increase/(decrease) in cash and cash equivalents	49,615.8	(3,674.0)
Movement in cash and cash equivalents		
At start of year	1,561.1	3,806.4
Net foreign exchange difference	(4,810.7)	1,923.5
Net monetary gain on cash and cash equivalents	(34,831.8)	(494.8)
Decrease in cash and cash equivalents	49,615.8	(3,674.0)
Closing cash and cash equivalents	11,534.4	1,561.1

(b) Investment in associates and joint ventures - Group and Company

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Investment in associates				
The East African Marines Systems Limited (TEAMS)	156.5	143.3	156.5	143.3
East Africa Device Assembly of Kenya (EADAK)	112.1	80.6	—	—
Total investment in associates	268.6	223.9	156.5	143.3
Investment in joint venture				
M-PESA Africa Limited*	6,778.1	3,318.6	6,778.1	3,318.6
Total investment in joint venture	6,778.1	3,318.6	6,778.1	3,318.6
Total investment in associates and joint venture	7,046.7	3,542.5	6,934.6	3,461.9
The movement in investment in associates and joint venture is as follows:				
<u>TEAMS</u>				
At start of year TEAMS	143.3	135.6	143.3	135.6
Share of profit/(loss) from TEAMS	13.2	(2.9)	13.2	(2.9)
Additional investment in the year	—	10.5	—	10.6
At end of year TEAMS	156.5	143.3	156.5	143.3
<u>Circle Gas</u>				
At start of year Circle Gas	—	—	—	—
Share of profit/(loss) from Circle Gas	—	—	—	—
At end of year Circle Gas	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

23 Investments (continued)

(b) Investment in associates and joint ventures – Group and Company (continued)

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
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	–	–
Total share of profit/(loss) of associates	57.2	(2.9)	13.2	(2.9)
Total (reduction)/additional investment in associates	(12.5)	91.1	–	–
M-PESA Africa Limited				
At start of year M-PESA Africa Limited	3,318.6	3,797.8	3,318.6	3,797.8
Share of loss from M-PESA Africa Limited	(1,234.7)	(1,376.2)	(1,234.7)	(1,376.2)
Additional investment in the year (non-cash)**	2,424.2	–	2,424.2	–
Additional investment in the year (cash)	2,270.0	897.0	2,270.0	897.0
At end of year M-PESA Africa Limited	6,778.1	3,318.6	6,778.1	3,318.6
At end of year – investment in associates and joint venture	7,046.7	3,542.5	6,934.6	3,461.9

In December 2019, Safaricom completed a purchase of 18.96% of the issued shares capital of Circle Gas Limited (KShs 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 KShs 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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

	12 months ended 31 December 2023 KShs'm	12 months ended 31 December 2022 KShs'm
Revenue	2,566.2	1,092.2
Expenses	(9,338.2)	(5,536.7)
Loss before tax	(6,772.0)	(4,444.5)
Income tax expense	364.7	18.4
Loss after tax	(6,407.3)	(4,426.1)
Share of loss after tax	–	–
Share of loss of associate- reported	–	–
Share of loss of associate- unrecognised	(938.7)	(648.4)

Circle Gas Limited summarised statement of financial position

	As at 31 December 2023 KShs'm	As at 31 December 2022 KShs'm
Total equity	(14,167.8)	(6,179.3)
Current liabilities	7,179.6	2,564.6
Non-current liabilities	18,198.5	13,090.3
Total liabilities & equity	11,210.3	9,475.6
Non-current assets	7,020.9	6,536.4
Current assets	4,189.4	2,939.2
Total assets	11,210.3	9,475.6

At the time of the report the financial statements for Circle Gas Limited as at 31 March had not been received. The investment 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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 KShs'm	2024 KShs'm
Total equity	424.3	412.5
Current liabilities	123.1	386.6
Non-current liabilities	–	–
Total liabilities & equity	547.4	799.1
Non-current assets	16.9	20.5
Current assets	530.5	778.6
Total assets	547.4	799.1

TEAMS summarised statement of profit or loss and other comprehensive income for the 9 months period ended 31 March

	2025 KShs'm	2024 KShs'm
Revenue	221.9	243.8
Other income	13.0	16.2
Total Income	234.9	260.0
Establishment expenses	(191.6)	(186.6)
Administrative expenses	(27.8)	(39.7)
Total expenses	(219.4)	(226.3)
Profit before tax	15.5	33.7
Income tax expense	(4.7)	(10.1)
Profit after tax	10.8	23.6
Share of profit of associate (32.5%)	3.5	7.6
Total share of profit of associate reported in the year	13.2	2.9
Share of profit overbooked in previous year	(9.7)	(2.0)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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 KShs'm	2024 KShs'm
Total equity	14,399.2	7,636.8
Non-current liabilities		
Deferred income tax	2,458.9	2,312.1
Other non-current financial liabilities	3,654.5	9,761.6
Total non-current liabilities	6,113.4	12,073.7
Total equity and non-current liabilities	20,512.6	19,710.5
Non-current assets	20,636.4	20,981.8
Current assets		
Cash and cash equivalents	1,677.0	792.9
Other current assets	1,672.5	1,639.2
Total current assets	3,349.5	2,432.1
Current liabilities		
Payables and accrued expenses	2,926.8	3,099.7
Other current financial liabilities	546.5	603.7
Total current liabilities	3,473.3	3,703.4
Net current assets	(123.8)	(1,271.3)
	20,512.6	19,710.5

M-PESA Africa Limited summarised statement of profit or loss and other comprehensive income for year ended 31 March

	2025 KShs'm	2024 KShs'm
Revenue	6,695.6	6,369.0
Total expenses	(4,008.3)	(4,139.0)
Profit before interest, tax, depreciation and amortisation	2,687.3	2,230.0
Depreciation and amortisation	(3,695.0)	(3,844.8)
Financing cost	(721.4)	(1,194.6)
Income tax (expense)/credit	(741.0)	57.1
Loss after tax	(2,470.1)	(2,752.3)
Share of loss from joint venture (50%)	(1,234.7)	(1,376.2)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

24 Inventories

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Handsets and accessories	3,052.8	3,795.5	2,412.1	2,371.5
Scratch cards	39.3	74.9	30.1	41.4
Starter packs	583.2	1,088.5	431.1	513.8
Stationery and other stocks	2.8	1.7	2.8	1.6
Less:				
– Provision for obsolescence	(741.1)	(442.4)	(668.1)	(289.3)
	2,937.0	4,518.2	2,208.0	2,639.0
Farm stocks	–	7.8	–	–
	2,937.0	4,526.0	2,208.0	2,639.0

The cost of inventories recognised as an expense during the year was KShs 12,827.8 million (2024: KShs 10,446.1 million) reported under direct costs Note 6. The cost of inventories written down during the year is KShs 413.9 million (2024: KShs 344.9 million). This cost is included under direct costs Note 6.

25 Trade and other receivables

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Current:				
Trade receivables	46,715.3	42,890.5	40,860.3	31,130.4
Less: Allowance for expected credit losses	(23,873.2)	(13,699.0)	(23,108.4)	(13,482.5)
	22,842.1	29,191.5	17,751.9	17,647.9
Receivable from related parties (Note 32 (viii))	248.6	307.9	5,104.1	3,573.5
Less: Allowance for expected credit losses	(6.5)	(34.4)	(1,785.7)	(1,593.1)
	242.1	273.5	3,318.4	1,980.4
Other receivables*	9,514.2	7,505.1	6,778.1	4,330.4
Less: Allowance for expected credit losses	(63.5)	(68.3)	(63.5)	(68.3)
	9,450.7	7,436.8	6,714.6	4,262.1
Prepayments	11,204.4	11,217.2	6,134.1	4,189.5
	43,739.3	48,119.0	33,919.0	28,079.9

* Other receivables include deposit, interest receivable and EPSAP share receivable.

The carrying amounts of the above receivables approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

25 Trade and other receivables (continued)

Movements on the allowance for expected credit losses on trade receivables, other receivables and related parties' receivables are as follows:

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
At start of year	13,801.7	10,494.9	15,143.9	11,456.9
Allowance for expected credit losses for the year				
– Trade and other receivables	11,969.2	7,340.7	11,696.9	7,295.9
– Related parties	–	–	175.8	162.3
Release of prior year allowance	(844.4)	(1,534.2)	(844.4)	(1,551.9)
Provision for expected credit losses	11,124.8	5,806.5	11,028.3	5,906.3
Receivables written off during the year as uncollectible	(983.3)	(2,499.6)	(1,214.6)	(2,219.2)
Recovered from third parties	–	–	–	–
Allowance for expected credit losses at year end	23,943.2	13,801.7	24,957.6	15,143.9
Provision for trade receivables	23,873.2	13,699.0	23,108.4	13,482.5
Provision for related parties	6.5	34.4	1,785.7	1,593.1
Provision for other receivables	63.5	68.3	63.5	68.3
Allowance for expected credit losses at year end	23,943.2	13,801.7	24,957.6	15,143.9

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

26 Cash and cash equivalents and restricted cash

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
(a) Cash and cash equivalents				
Cash at bank	30,024.6	22,877.4	15,912.6	19,075.2
Allowance for expected credit losses	(32.8)	(9.2)	(4.3)	(3.1)
Hyperinflation adjustment	3.9	–	–	–
	29,995.7	22,868.2	15,908.3	19,072.1
(b) Restricted cash				
Restricted cash	1,405.9	1,677.9	1,405.9	1,677.9
Discounting adjustment at inception	(407.3)	(658.0)	(407.3)	(658.0)
	998.6	1,019.9	998.6	1,019.9
(c) Deferred restricted cash asset				
Discounting adjustment at inception (Note 26(b))	407.3	658.0	407.3	658.0
Accumulated amortisation	(224.0)	(226.1)	(224.0)	(226.1)
Net deferred restricted cash asset	183.3	431.9	183.3	431.9
(d) Restricted cash asset movement				
At start of year	1,451.8	1,759.6	1,451.8	1,759.6
Repayments	(272.0)	(337.0)	(272.0)	(337.0)
Amortisation of deferred restricted cash asset	2.1	29.2	2.1	29.2
Net deferred restricted cash asset at end of year	1,181.9	1,451.8	1,181.9	1,451.8

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.

The fair value adjustment at inception is amortised over the period of the staff's mortgage.

27 Restricted cash – letter of credit

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
At start of year	1,563.4	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	–	–

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 KShs 542.0 million for the Group had been issued by the Bank to external suppliers, (2024: KShs 557.6 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

28 Other financial assets

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
At start of year	–	28.6	–	–
Addition in the year	–	–	–	–
Proceeds in the year	–	(28.6)	–	–
At end of year	–	–	–	–

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		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Trade payables	17,062.5	10,617.6	15,191.7	7,807.8
Due to related companies (Note 32 (ix))	4,044.1	3,145.5	1,656.5	1,396.6
Accrued liabilities:				
– Network infrastructure	57,594.1	57,640.2	9,285.2	6,540.7
– Inventory	565.8	2,672.4	460.1	2,122.3
– Other expenses	15,274.2	19,485.4	12,809.1	12,095.8
Other payables:				
– Indirect and other taxes payable	6,950.9	8,010.1	6,777.8	7,488.6
– M-PESA agent accrual	3,152.8	3,324.5	3,152.3	3,230.1
– Other accrued payables*	391.6	9,482.4	2,507.9	1,140.6
Total payables and accrued expenses	105,036.0	114,378.1	51,840.6	41,822.5
Current	84,571.5	94,919.5	48,962.1	41,822.5
Non-current	20,464.5	19,458.6	2,878.5	–
At end of year	105,036.0	114,378.1	51,840.6	41,822.5

* Other accrued payables include accruals for items such as dealer commissions, roaming, signaling and data clearing.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

29 (b) Provisions

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
At start of year	8,025.9	8,986.9	6,568.6	7,934.8
Charge for the year	3,107.4	734.9	3,048.2	622.2
(Release)/addition of ARO provision	(844.4)	289.8	(844.4)	(132.6)
Payments and release for the year	(397.1)	(1,855.8)	(381.9)	(1,855.8)
Translation differences	(778.0)	(121.4)	—	—
Hyperinflation adjustment	(19.1)	(8.5)	—	—
At end of year	9,094.7	8,025.9	8,390.5	6,568.6
Current	5,220.1	2,938.9	5,220.1	2,938.9
Non-current	3,874.6	5,087.0	3,170.4	3,629.7
At end of year	9,094.7	8,025.9	8,390.5	6,568.6

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

30 (a) Contract assets

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Costs to fulfil a contract:				
Dealer connection commissions	4,144.7	3,178.9	2,992.1	2,776.7
Link lease costs	343.8	246.3	343.8	246.3
SIM activation cost	1,240.0	1,301.4	1,088.0	1,049.7
Other contract costs	715.4	—	715.4	—
	6,443.9	4,726.6	5,139.3	4,072.7
Costs to obtain a contract:				
Deferred SIM cost	2,302.5	1,973.1	2,231.7	1,519.9
Deferred financing cost	152.3	110.2	152.3	110.2
	2,454.8	2,083.3	2,384.0	1,630.1
Total contract costs	8,898.7	6,809.9	7,523.3	5,702.8
The movement of the contract costs is as below:				
At start of year	6,809.9	6,247.7	5,702.8	5,814.6
Additions in the year	11,151.0	10,047.3	9,714.6	8,355.7
Amortised as costs in the year	(9,062.2)	(9,485.1)	(7,894.1)	(8,467.5)
At end of year	8,898.7	6,809.9	7,523.3	5,702.8
Current	6,351.2	5,202.0	6,280.4	4,748.8
Non-current	2,547.5	1,607.9	1,242.9	954.0
At end of year	8,898.7	6,809.9	7,523.3	5,702.8

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

30 (b) Contract liabilities

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Customer loyalty programmes	3,600.5	3,272.9	3,600.5	3,272.9
Deferred airtime revenue	2,486.0	2,646.0	2,084.9	2,162.4
Deferred connection revenue	2,064.8	2,316.7	1,846.5	2,178.5
Deferred integrated products	1,798.4	1,983.3	1,682.3	1,838.4
Deferred neo voice and data	1,208.6	1,472.9	1,208.6	1,472.9
Deferred fixed data	395.6	836.7	395.6	791.7
Deferred fibre and site rental revenue	291.4	178.0	291.4	178.0
Deferred bulk SMS	192.4	161.1	192.4	161.1
Deferred bundled handset resources	—	3.1	—	3.1
Deferred emergency top up access fee	3.3	4.0	3.3	4.0
Deferred device financing revenue	967.5	—	967.4	—
Total contract liabilities	13,008.5	12,874.7	12,272.9	12,063.0

The movement of the contract liabilities is as below:

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
At start of year	12,874.7	11,733.7	12,063.0	11,295.3
Additions in the year	256,297.0	234,913.0	244,611.7	220,502.9
Recognised as revenue in the year	(256,163.2)	(233,772.0)	(244,401.8)	(219,735.2)
At end of year	13,008.5	12,874.7	12,272.9	12,063.0
Current	11,487.4	11,393.5	10,751.8	10,581.8
Non-current	1,521.1	1,481.2	1,521.1	1,481.2
At end of year	13,008.5	12,874.7	12,272.9	12,063.0

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

31 (a) Cash generated from operations

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Profit before income tax	93,210.5	84,687.4	141,251.7	123,805.1
Adjustments for:				
Hyperinflationary monetary gain	(11,222.3)	(22,363.2)	—	—
Interest income (Note 8)	(2,384.0)	(2,467.5)	(1,919.3)	(2,257.4)
Interest expense (Note 9)	14,089.1	12,644.3	11,968.0	10,640.4
Interest on lease liabilities	5,109.1	5,820.0	3,079.4	3,058.8
Depreciation on property and equipment (Note 18)	50,999.9	55,162.3	40,000.0	39,324.2
Depreciation of right of use (ROU) asset (Note 22(a))	6,823.9	9,699.7	4,405.3	4,503.2
Amortisation of intangible assets (Note 21)	9,953.4	17,804.5	2,852.0	2,836.4
Depreciation of indefeasible rights of use (Note 19)	323.6	281.3	323.6	281.3
Share of (profit)/loss from associate (Note 23 (b))	(57.2)	2.8	(13.2)	2.8
Share of loss of joint venture (M-PESA Africa Limited) (Note 23 (b))	1,234.7	1,376.2	1,234.7	1,376.2
Fair value adjustment to investment properties (Note 20)	(25.0)	—	(25.0)	—
Gain on disposal of property and equipment (Note 5 (b))	(23.0)	(268.3)	(35.7)	(250.4)
Fair valuation of restricted cash (Note 8)	(2.1)	(29.2)	(2.1)	(29.2)
Interest on ARO liability	501.2	523.8	442.0	411.1
Gain on lease termination	(0.3)	(1,047.8)	(14.6)	(986.8)
Revaluation of lease liabilities	18,864.2	1,270.8	(109.9)	(18.4)
Asset retirement obligations non-cash additions	—	(289.9)	—	132.5
Expected credit loss on receivables and loans	11,122.4	5,808.6	11,205.2	6,071.6
Dividends from subsidiary	—	—	(2,251.3)	—
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)	2,281.2	(1,717.7)
– Movement in contract liabilities	737.9	1,141.0	210.0	767.7
– Movement in contract costs	(2,778.8)	(562.2)	(1,820.5)	111.8
– Movement in receivables and prepayments	(40,773.5)	(17,926.3)	(17,200.9)	(9,880.9)
– Movement in inventories	750.5	(870.4)	430.9	(407.5)
– Movement in payables and accrued expenses	14,425.6	14.8	3,723.0	1,164.9
Cash generated from operations	183,648.6	149,469.2	200,014.5	178,939.7

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 KShs 6,838.1 million and KShs 422.4 million for the Group and Company, respectively (2024:KShs 2,992.1 million and KShs 5,123.0 million for the Group and Company, respectively).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

31 (b) Net cash/(debt) reconciliation

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Cash and cash equivalents (Note 26 a)	30,024.6	22,877.4	15,912.6	19,075.2
Shareholder loan (Note 32 (x)(c))	(404.0)	–	–	–
Borrowings (Note 16)	(107,834.4)	(108,146.8)	(80,454.3)	(77,666.6)
Lease liabilities (Note 22)	(51,963.0)	(54,885.3)	(26,671.4)	(23,572.2)
Net debt	(129,772.8)	(140,154.7)	(91,213.1)	(82,163.6)
Cash and cash equivalents (Note 26 a)	30,024.6	22,877.4	15,912.6	19,075.2
Gross debt	(159,797.4)	(163,032.1)	(107,125.7)	(101,238.8)
Net debt	(129,772.8)	(140,154.7)	(91,213.1)	(82,163.6)

31 (c) Liabilities from financing activities and net debt

	GROUP					
Movement in net debt	Borrowings KShs'm	Shareholder loan KShs'm	Lease liabilities KShs'm	Sub total KShs'm	Cash KShs'm	Net debt KShs'm
At 1 April 2024	(108,146.8)	–	(54,885.3)	(163,032.1)	22,877.4	(140,154.7)
Receipts	(37,567.0)	(404.0)	(6,646.7)	(44,617.7)	11,957.9	(32,659.8)
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	(4,810.7)	17,556.1
Hyperinflation adjustment	(491.4)	–	–	(491.4)	–	(491.4)
At 31 March 2025	(107,834.4)	(404.0)	(51,963.0)	(159,797.4)	30,024.6	(129,772.8)

	GROUP					
Movement in net debt	Borrowings KShs'm	Lease liabilities KShs'm	Sub total KShs'm	Cash KShs'm	Net debt KShs'm	
At 1 April 2023	(87,605.4)	(35,338.9)	(122,944.3)	22,108.5	(100,835.8)	
Receipts	(65,841.3)	(23,712.9)	(89,554.2)	(1,154.6)	(90,708.8)	
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	–	135.0	
At 31 March 2024	(108,146.8)	(54,885.3)	(163,032.1)	22,877.4	(140,154.7)	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

31 (c) Liabilities from financing activities and net debt (continued)

Movement in net debt	COMPANY				
	Borrowings KShs'm	Lease liabilities KShs'm	Sub total KShs'm	Cash KShs'm	Net debt KShs'm
At 1 April 2024	(77,666.6)	(23,572.2)	(101,238.8)	19,075.2	(82,163.6)
Receipts	(28,000.0)	(6,156.5)	(34,156.5)	(3,162.6)	(37,319.1)
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		12,764.80	—	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)	15,912.6	(91,213.1)
At 1 April 2023	(76,096.7)	(21,446.7)	(97,543.4)	18,063.2	(79,480.2)
Receipts	(36,892.5)	(5,753.0)	(42,645.5)	1,012.0	(41,633.5)
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)	19,075.2	(82,163.6)

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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

32 Related party transactions (continued)

- (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 instalments.
- (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: Not significant).

The following relationships exist within Safaricom Plc:

Subsidiaries	Held by	Percentage of interest held as at	
		March 2025	March 2024
One Communications Limited	Safaricom Plc	100%	100%
Safaricom Ventures Limited (formerly Instaconnect Limited)	Safaricom Plc	100%	100%
Safaricom Money Transfer Services Limited	Safaricom Plc	100%	100%
East Africa Tower Company Limited	Safaricom Plc	100%	100%
Safaricom Foundation*	Safaricom Plc	—	—
Flexible Bandwidth Services Limited	One Communications Limited	100%	100%
Comtec Training and Management Services Limited	One Communications Limited	100%	100%
Comtec Integration Systems Limited	One Communications Limited	100%	100%
Digifarm Kenya Limited	Safaricom Plc	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
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%)
Safaricom Telecommunications Ethiopia Plc (STEP)	Global Partnership for Ethiopia B.V (GPE)	100 % (Safaricom indirectly owns 51.67%)	100 % (Safaricom indirectly owns 55.71%)
Associates			
The East African Marines Systems Limited (TEAMS)	Safaricom Plc	32.5%	32.5%
Circle Gas Limited	Safaricom Plc	14.648%	14.648%
East Africa Device Assembly Kenya Limited (EADAK)	Safaricom Ventures Limited (formerly Instaconnect Limited)	25%	—
Joint venture			
M-PESA Africa Limited	Safaricom Plc	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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

32 Related party transactions (continued)

The following transactions were carried out with related parties:

(i) Sale of goods and services

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Other related parties				
Vodafone Roaming Services S.à r.l	124.2	139.0	124.3	139.0
Vodacom Tanzania Public Limited Company	29.0	52.9	29.0	52.9
Vodacom (Pty) Limited	179.4	436.5	179.4	436.5
Vodacom Business (Kenya) Limited	1.1	9.2	1.1	9.2
Vodafone Egypt Telecom. S.A.E.	1.3	1.3	1.3	1.3
Vodafone Network PTY Limited	1.3	2.7	1.3	2.7
Vodafone Sverige AB	0.7	0.5	0.7	0.5
Vodafone Qatar Q.S.C.	5.3	35.2	5.3	35.2
Vodafone Enterprise Global Limited	146.0	163.6	146.0	163.6
Vodacom Group Limited	84.3	69.6	84.3	69.6
Vodafone Sales & Services Limited	–	25.5	–	25.5
Mtc Vodafone Bahrain	0.2	0.1	0.2	0.1
Vodacom Business Africa Group Services Limited	5.3	9.0	5.3	9.0
M-Pesa Foundation	–	–	43.6	63.0
East Africa Device Assembly Kenya Limited	–	–	0.5	0.2
M-Pesa Holdings Company Limited	–	–	87.5	2.1
Joint venture				
M-PESA Africa limited	1,209.1	1,092.8	1,209.1	1,092.8
Subsidiaries				
Safaricom Money Transfer Services Limited	–	–	571.9	986.9
East Africa Tower Company Limited	–	–	0.7	0.3
Digifarm Kenya Limited	–	–	117.6	123.2
Safaricom Ventures Limited (formerly Instaconnect Limited)	–	–	2.0	1.8
Safaricom Telecommunication Ethiopia Plc	–	–	1,771.6	1,898.9
Safaricom Foundation	–	–	139.1	120.9
Comtec Integration Systems Limited	–	–	0.5	0.6
One Communications Limited	–	–	3.6	3.0
	1,787.2	2,037.9	4,525.9	5,238.8

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

32 Related party transactions (continued)

(ii) Purchase of goods and services

	GROUP	COMPANY		
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Other related parties				
Vodafone Sales and Services Limited	—	109.6	—	109.6
Vodafone Global Enterprise Limited	107.4	218.8	107.4	218.8
Vodafone Roaming Services S.à r.l	223.8	211.8	134.9	187.0
Vodafone UK	17.0	75.4	17.0	75.4
Vodacom Tanzania Public Limited Company	45.4	133.2	35.7	100.6
Vodacom Service Provider Company (Pty) Limited	41.9	106.7	41.9	106.7
Vodafone Egypt Telecom. S.A.E.	0.9	0.8	0.9	0.8
Vodafone Network PTY Limited	1.3	2.0	1.3	2.0
Vodafone Qatar Q.S.C.	36.4	44.9	36.4	44.9
Vodacom Group Limited	1,055.2	584.5	1,039.7	514.9
Vodacom International	1,188.2	86.5	1,188.2	—
Vodafone Innovus S.A.	—	76.5	—	76.5
Vodacom Business (Kenya) Limited	0.6	25.5	0.6	21.1
Mtc Vodafone Bahrain	1.0	1.3	1.0	1.3
The East African Marine System Limited	100.7	118.8	100.7	118.8
Sumitomo Corporation Group	277.6	396.8	—	—
Vodafone Mobile Services Limited	0.4	0.4	0.4	0.4
Vodafone Procurement Company S.A.R.L	246.6	3,245.5	20.4	822.9
Vodafone Group Services Limited	393.3	341.6	51.2	119.6
Vodacom Lesotho Proprietary Limited	12.2	11.6	12.2	—
Vodacom Mozambique S.A.	24.1	36.8	—	—
Vodacom Congo (RDC) S.A.	—	14.7	—	—
Vodacom Proprietary Limited	41.8	317.0	—	—
Vodafone Ghana Limited	—	10.8	—	—
Vodacom Pty Limited	59.8	102.4	59.8	102.4
Mtc-Vodafone Kuwait	0.7	0.1	0.7	0.1
Vodafone Dağıtım Servis Ve İcerik Hizm. A.S.	—	7.9	—	7.9
East Africa Device Assembly Kenya Limited	—	2,092.4	8,879.9	2,092.4
Mezzanine Ware	188.5	147.4	188.5	147.4
M-PESA Holding Company Limited	0.4	—	—	—
Joint venture				
M-PESA Africa Limited	3,007.8	2,594.3	3,007.8	2,594.3
Subsidiary				
Safaricom Money Transfer Services Limited	—	—	—	—
Digifarm Kenya Limited	—	—	—	29.0
Safaricom Telecommunication Ethiopia Plc	—	—	48.6	30.8
	7,073.0	11,116.0	14,975.2	7,525.6

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

32 Related party transactions (continued)

(iii) Directors' remuneration

	GROUP AND COMPANY	
	2025 KShs'm	2024 KShs'm
Fees for services as Director	82.4	93.5
Salaries	162.0	153.2
Bonuses	159.9	155.0
Value for non-cash benefits	55.0	48.0
Employee Performance Share Award Plan	52.1	14.2
	511.4	463.9

(iv) Key management compensation

	GROUP AND COMPANY	
	2025 KShs'm	2024 KShs'm
Salaries and other short-term employment benefits	918.3	975.2
Employee Performance Share Award Plan	73.5	27.9
Pension, housing levy & NSSF contribution	44.7	38.1
Termination benefits	106.3	25.2
	1,142.8	1,066.4

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: Nil).

(vi) Loans to Directors of the Company

There are no loans to Directors of the Company as at 31 March 2025 (2024: Nil).

(vii) Donations to Safaricom Foundation

Donations made by the Group during the year amounted to KShs 520.5 million (2024: KShs 548.7 million). The donations mainly include annual committed funding of KShs 510 million, pass on grant for brand marketing to Faith Kipyegon's Women Empowerment Projects and Shine Kenya Shinda Mamili CSR Project of KShs 2 million and KShs 8.5 million respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

32 Related party transactions (continued)

(viii) Outstanding receivable balances arising from sale of goods/services

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Other related parties	2.6	9.9	2.6	9.9
Vodafone Roaming Services S.à r.l	–	–	103.9	2.4
M-PESA Holding Co. Limited	2.8	3.9	2.8	3.9
Vodacom Tanzania Public Limited Company	1.1	3.8	1.1	3.8
Vodacom Business (Kenya) Limited	17.4	17.1	17.4	17.1
Vodafone Egypt Telecom. S.A.E.	–	1.9	–	1.9
Vodafone Qatar Q.S.C.	0.1	0.2	0.1	0.2
Vodafone Sverige Ab	17.5	43.0	17.5	43.0
Vodacom Group Limited	49.0	16.0	49.0	16.0
Vodacom (Pty) Limited	1.5	1.2	1.5	1.2
Vodafone Network PTY Limited	4.1	85.1	4.1	85.1
Vodafone Sales & Services Limited	15.0	27.2	15.0	27.2
Vodafone Enterprise Global Limited	–	–	4.2	19.7
M-pesa Foundation	1.3	6.2	1.3	6.2
Vodacom Business Africa Group Services Limited				
Joint venture				
M-PESA Africa Limited	136.2	92.4	136.2	92.4
Subsidiaries				
East African Towers Company Limited	–	–	17.0	16.3
One Communications Limited	–	–	9.0	5.2
Safaricom Ventures Limited (formerly Instaconnect Limited)	–	–	93.8	92.0
Safaricom Money Transfer Services Limited	–	–	14.2	–
Safaricom Telecommunication Ethiopia Plc	–	–	2,922.7	1,577.7
Digifarm Kenya Limited	–	–	1,653.9	1,516.1
Safaricom Foundation	–	–	–	1.7
Comtec Integrated Services Limited	–	–	36.9	34.5
	248.6	307.9	5,104.2	3,573.5

The receivables arise mainly from trading, are unsecured and bear no interest. An allowance of KShs 6.5 million and KShs 1,785.7 million for the Group and Company respectively (2024: KShs 34.4 million and KShs 1,593.1 million for the Group and Company respectively) is held against receivables from related parties as indicated in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

32 Related party transactions (continued)

(ix) Outstanding payable balances arising from purchases of goods/ services

	GROUP		COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm	2024 KShs'm
Other related parties				
Vodafone Sales and Services Limited	—	15.3	—	15.3
Vodafone Roaming Services S.à r.l	51.1	13.5	10.8	13.5
Vodacom Tanzania Public Limited Company	47.0	46.0	3.5	4.6
Vodafone Group Services Limited	221.6	169.3	33.9	3.7
Vodafone UK	0.3	11.5	0.3	11.5
Vodafone Qatar Q.S.C.	3.0	3.0	3.0	3.0
Vodafone Egypt Telecom. S.A.E.	0.1	0.1	0.1	0.1
Vodacom Business (Kenya) Limited	—	—	—	—
MTC Vodafone Bahrain	0.1	—	0.1	—
M-PESA Holding Co. Limited	3.9	—	1.1	—
Vodacom Mozambique S.A.	141.5	41.4	—	—
Vodafone Network PTY limited	0.2	—	0.2	—
Vodafone Services LLC Oman	33.9	0.2	33.9	0.2
Vodafone Innovus S.A.	11.2	12.2	11.2	12.2
Vodacom Group Limited	583.1	394.6	511.2	348.8
Sumitomo Corporation Group	556.5	314.8	—	—
Vodacom Proprietary Limited	305.2	321.8	—	—
Vodafone Ghana Limited	—	—	—	—
Vodacom Lesotho Proprietary Limited	6.2	80.0	—	—
Vodacom International Limited	162.3	41.4	—	—
Vodacom Service Provider Company (Pty) Limited	1.3	8.7	1.3	8.7
Vodacom Congo (RDC) S.A.	—	43.6	—	—
Vodacom Pty Limited	22.1	31.5	22.1	31.5
Vodafone Global Enterprise Ltd	88.8	23.8	88.8	23.8
Vodafone Procurement Company S.A.R.I.	1,457.2	1,245.8	204.9	185.6
Mtc-Vodafone Kuwait	0.2	—	0.2	—
Mezzanine Ware	26.7	45.0	26.7	45.0
Joint ventures				
M-PESA Africa Limited	320.6	282.0	320.6	282.0
Subsidiaries				
One Communications Limited	—	—	316.5	316.5
Safaricom Money Transfer Services Limited	—	—	59.2	68.0
Digifarm Kenya Limited	—	—	1.5	4.3
Safaricom Telecommunication Ethiopia Plc	—	—	5.4	18.3
	4,044.1	3,145.5	1,656.5	1,396.6

The payables arise mainly from trading, are unsecured and bear no interest.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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 channelled 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		
	2025 KShs'm	2024 KShs'm
M-PESA Africa Limited		
At start of the year	2,661.3	1,588.4
Additions in the year	–	1,075.0
Conversion to equity	(2,424.2)	–
Cash repayment	(239.5)	–
Less: Allowance for expected credit losses in the year	2.4	(2.1)
At end of year	–	2,661.3

On 15 April 2024, the conversion of the shareholder loan to equity was concluded with a total of KShs 2,424.2 million converted to equity and an additional 932 shares issued to Safaricom Plc.

(x)(b) Loan receivable from subsidiary

COMPANY		
	2025 KShs'm	2024 KShs'm
Digifarm Kenya Limited		
At start of the year	485.4	639.4
Additions in the year	90.1	9.2
Less: Allowance for expected credit losses in the year	(179.3)	(163.2)
At end of year	396.2	485.4

(x)(c) Shareholder loan

GROUP		
	2025 KShs'm	2024 KShs'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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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 KShs 614.5 million in relation to parental guarantee (2024: KShs 1,062.7 million).

33 Mobile financial deposits and payables

	GROUP	COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm
Mobile financial deposit	569.1	263.3	—
Mobile financial payable	(569.1)	(263.3)	—
At end of year	—	—	—

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 KShs 77.6 million (2024: 79.1 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 KShs 542.0 million (2024: KShs 557.6 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	COMPANY	
	2025 KShs'm	2024 KShs'm	2025 KShs'm
Property and equipment	31,053.1	33,407.3	19,938.5
			13,509.4

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

36 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)

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 KShs 11,222.3 million, (2024: KShs 22,363.2 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/KShs)			129.3
Exchange rate (USD/Etb)			125.3
Exchange rate (Etb/KShs)			1.03
Hyperinflationary monetary gain as at 31 March 2025 (KShs million)			11,222.3

**Ethiopian Birr (Etb) is the national currency of the Federal Democratic Republic of Ethiopia.*

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/KShs)			136.8
Exchange rate (USD/Etb)			56.9
Exchange rate (Etb/KShs)			2.41
Hyperinflationary monetary gain as at 31 March 2024 (KShs million)			22,363.2

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

37 Segment information

The following tables present revenue and profit information for the Group's operating segments for the year ended 1 March 2025.

	Kenya KShs'm	Ethiopia KShs'm	Total segments KShs'm	Intersegment KShs'm	Consolidated KShs'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 amortisation (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	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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

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 KShs'm	Ethiopia KShs'm	Total segments KShs'm	Intersegment KShs'm	Consolidated KShs'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
			0.0		0.0
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 amortisation (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	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 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2025 (continued)

37 Segment information (continued)

The following tables present asset and liabilities information for the Group's operating segments as at 31 March 2025 and 31 March 2024.

	Kenya KShs'm	Ethiopia KShs'm	Total segments KShs'm	Eliminations KShs'm	Consolidated KShs'm
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
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					
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)

38 Events after the reporting period

The Directors are not aware of any other events (as defined by IAS – 10 Events after the Reporting Period) after the reporting date of 31 March 2025 and the date of authorisation of these consolidated and separate annual report and financial statements.

APPENDIX 1 – PRINCIPAL SHAREHOLDERS

The 10 largest shareholders in the Company (ordinary shares only) and the respective number of shares held as at 31 March 2025 were as follows:

	Name of shareholder	Number of shares
1	VODAFONE KENYA LIMITED	16,000,000,000
2	CABINET SECRETARY TO THE NATIONAL TREASURY	14,022,572,580
3	STANDARD CHARTERED KENYA NOMINEES LTD A/C KE004667	380,658,806
4	KENYA COMMERCIAL BANK NOMINEES LIMITED A/C 1019D	365,227,900
5	KENYA COMMERCIAL BANK NOMINEES LIMITED A/C 915B	345,582,886
6	STANBIC NOMINEES LIMITED NR7522171	245,596,200
7	STANBIC NOMINEES LTD A/C NR1030824	224,513,900
8	STANDARD CHARTERED NOMINEES RESD A/C KE11401	201,930,759
9	STANBIC NOMINEES LIMITED R6631578	188,160,853
10	STANDARD CHARTERED NOMINEES RESD A/C KE11443	163,458,207
11	OTHERS	7,927,725,909
Total		40,065,428,000

Distribution of shareholders

Range (number of shares)	Number of shareholders	Number of shares	% Shareholding
1 to 1,000	351,094	206,218,612	0.51%
1,001 – 10,000	160,420	458,887,987	1.15%
10,001 – 100,000	19,400	502,878,750	1.26%
100,001 – 1,000,000	2,019	546,056,523	1.36%
1,000,001 – 10,000,000	444	1,402,545,075	3.50%
10,000,001 – 100,000,000	158	4,313,223,759	10.77%
100,000,001 – 1,000,000,000	12	2,613,044,714	6.52%
1,000,000,001 – 100,000,000,000	2	30,022,572,580	74.93%
Total	533,549	40,065,428,000	100.00%







OTHER INFORMATION

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NOTICE AND AGENDA OF THE 2025 ANNUAL GENERAL MEETING (AGM)

TO ALL SHAREHOLDERS

NOTICE is hereby given that the Annual General Meeting of Safaricom PLC for the year ended 31 March 2025 will be held via electronic communication on Friday, 25 July 2025 at 11:00 a.m. to conduct the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Financial Statements for the year ended 31 March 2025 together with the Chairman's, Directors' and Auditors' reports thereon.
- 2) Dividend
 - a) To note the payment of an interim dividend of KShs 0.55 per share which was paid to shareholders on or about 31 March 2025.
 - b) To approve a final dividend of KShs 0.65 per share for the Financial Year ended 31 March 2025
- 3) Directors
 - a) To re-appoint Mr. Edward Okaro who retires at this meeting having been appointed in the financial year, and being eligible, offers himself for re-election.
 - b) To re-appoint Ms. Rita Kavashe, who retires at this meeting having been appointed in the financial year, and being eligible, offers herself for re-election.
 - c) To re-appoint Mr. James Wambugu who retires at this meeting having been appointed in the financial year and being eligible, offers himself for re-election.
- 4) In accordance with the provisions of Section 769 of the Companies Act, 2015, the following Directors, being members of the Board Audit Committee be elected to continue to serve as members of the said Committee subject to the re-election of the Directors mentioned in Agenda 3 above:-
 - Mr. Edward Okaro
 - Ms. Rita Kavashe
 - Ms. Raisibe Morathi
 - Mr. Lawrence Kibet (EBS)
- 5) Directors' Remuneration
 - a) To approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report for the year ended 31 March 2025.
 - b) To approve the Directors' Remuneration Report (other than the part relating to the Directors' Remuneration Policy) and the remuneration paid to the Directors, for the year ended 31 March 2025.
- 6) To re-appoint Messrs. Ernst & Young as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Companies Act, 2015 and to authorise the Directors to fix their

remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Companies Act, 2015.

- 7) Any other business of which due notice has been given.

SPECIAL BUSINESS

- 8) Approval of Company Policies
 - To consider and if thought fit, to pass the following resolution as an Ordinary Resolution;
 - To generally authorise the Board to formulate, approve and implement the following Company policies and procedures in accordance with the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, Thirteenth Schedule (r.53) Continuing Obligations Clause 8.21;
 - a) Remuneration Policy
 - b) Stakeholder Communication Policy
 - c) Dispute Resolution Policy
 - d) Corporate Disclosures policies and procedures; and
 - e) Retention and attraction of Board Members policy

By order of the Board



Linda Wambani
Acting Company Secretary
4 July 2025

NOTICE AND AGENDA OF THE 2025 ANNUAL GENERAL MEETING (AGM) (continued)

- 1) Safaricom PLC has convened and is conducting this virtual annual general meeting in line with the provisions of the Company's Articles of Association.
- 2) Shareholders wishing to participate in the meeting should register for the AGM by doing the following: -
 - a) Dialing the numbers below and following the registration prompts; *717# for Safaricom telephone networks, *483*812# for all Kenyan telephone networks, *284*32# for Ugandan telephone networks, *149*46*10# for Tanzania networks, *801*40# for Rwanda networks, *120*2477*10# for South Africa networks *384*12# for Zambia networks, or
 - b) Send an email request to be registered to safaricomshares@image.co.ke
 - c) Shareholders with email addresses will receive a registration link via email through which they can use to register.

To complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance shareholders should either dial the following helpline number: (+254) 709 170 041 from 9:00 a.m. to 3:00 p.m. from Monday to Friday. Any shareholder outside Kenya should dial the helpline number to be assisted to register or send an email as per 2(b) above to be assisted to register.

- 3) Registration for the AGM opens on Friday, 4 July 2025 at 9:00 am and will close on Wednesday 23 July, 2025 at 11:00 am.
- 4) In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website www.safaricom.co.ke
 - i. a copy of this Notice and the proxy form;
 - ii. the Company's audited financial statements for the year ended 31 March 2025.

The reports may also be accessed upon request by dialing the USSD code above and selecting the Reports option. The reports and agenda can also be accessed on the livestream link.

- 5) Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - a) Sending their written questions by email to agmquestions@image.co.ke; or
 - b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialing the USSD code above and selecting the option (ask Question) on the prompts or dial in and ask questions during the AGM by choosing the option (Request to Speak); or
 - c) To the extent possible, physically delivering their written questions with a return physical address or email address to the registered office of the Company at Safaricom House, or

to Image Registrars offices at 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street; or

- d) Sending their written questions with a return physical address or email address by registered post to the Company Registrars address: Image Registrars, P O Box 9287, 00100 Nairobi.

Shareholders must provide full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.

Questions and/or clarifications must reach the Company on or before Wednesday 23 July, 2025 at 11:00 am. Some questions will also be answered at the Annual General Meeting.

Following receipt of the questions and clarifications, the directors of the Company shall provide written responses to the questions received at the return physical address or email address provided by the Shareholder at the general meeting. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 24 hours following conclusion of the Annual General Meeting.

- 6) In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf.
A proxy need not be a member of the Company. If the Proxy appointed is not the Chairman of the AGM, the appointed proxy should have access to a mobile telephone.

A proxy form is available on the Company's website via this link: www.safaricom.co.ke. Physical copies of the proxy form are also available at Safaricom House, Waiyaki Way, Westlands, Nairobi, or from any of the Safaricom Shops countrywide or from Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street.

A proxy must be signed by the appointor or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate.

A completed form of proxy should be emailed to safaricomshares@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, to be received not later than 48 hours before the time of holding the meeting i.e. Wednesday 23 July 2025 at 11:00 a.m. Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Wednesday 23 July 2025 at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Thursday 24 July, 2025 to allow time to address any issues.

NOTICE AND AGENDA OF THE 2025 ANNUAL GENERAL MEETING (AGM) (continued)

- 7) The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate in the general meeting. Duly registered shareholders and proxies will receive a short message service (SMS)prompt on their registered mobile numbers and/or email, 24 hours prior to the AGM acting as a reminder of the AGM and providing a link to the live stream. A second SMS/email prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hour's time and provide a link to the live stream.
- 8) Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform and may access the agenda and the Company's audited financial statements for the year ended 31 March 2025. Duly registered shareholders and proxies may vote (when prompted by the Chairman) either via the USSD platform or on the livestream page by clicking on the Resolutions tab.
- 9) A poll shall be conducted for all the resolutions put forward in the notice.
- 10) Results of the poll shall be published within 48 hours following conclusion of the AGM, in two newspapers of national circulation and on the Company's website.
- 11) The preferred method of paying dividends which are below KShs 250,000/- is through M-PESA. Shareholders who wish to receive their dividend through M-PESA and who have not registered for this mode of payment can opt to receive future dividends via M-PESA when registering for the AGM via the USSD or contact Image Registrars Tel: +254 709 170000/ +254 709 170041, Email: safaricomshares@image.co.ke or Safaricom PLC's Investor Relations Team Email: investorrelations@safaricom.co.ke).
- 12) Shareholders are encouraged to continuously monitor the Company's website www.safaricom.co.ke for updates relating to the AGM.

Shareholders are encouraged to update their contact information, and dividend payment details to switch to receiving payments via either M-PESA or through bank transfers. To do this, shareholders can update their information online via <https://contactsr.azurewebsites.net/>

PROXY

I/WE _____

Share A/c No _____

Of (Address) _____

Being a member (s) of Safaricom PLC, hereby appoint: _____ of mobile no./email _____

Or failing him/her, the duly appointed Chairman of the Meeting, to be my/our proxy, to vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, 25th July 2025 at 11:00 a.m. and at any adjournment thereof.

As witness I/We lay my/our hand (s) this _____ day of _____ 2025.

Signature _____

Signature _____

Please clearly mark the box below to instruct your proxy how to vote

Resolution	For	Against	Abstain
1) To receive, consider and adopt the audited Financial Statements for the year ended 31 March 2025 together with the Chairman's, Directors' and Auditors' reports thereon.			
2) To note the payment of an interim dividend of KShs 0.55 per share which was paid to shareholders on or about 31 March 2025 and approve a final dividend of KShs 0.65 per share for the financial year ended 31 March 2025 as recommended by the Directors. The dividend will be payable on or about 31 August 2025 to the Shareholders on the Register of Members as at the close of business on 31 July 2025.			
3) To re-appoint Mr. Edward Okaro who retires at this meeting having been appointed in the financial year, and being eligible, offers himself for re-election.			
4) To re-appoint Ms. Rita Kavashe, who retires at this meeting having been appointed in the financial year, and being eligible, offers herself for re-election.			
5) To re-appoint Mr. James Wambugu who retires at this meeting having been appointed in the financial year and being eligible offers himself for re-election.			
6) To elect the following Directors, being members of the Board Audit Committee to continue to serve as members of the said Committee: Mr. Edward Okaro, Ms. Rita Kavashe, Ms. Raisibe Morathi and Mr. Lawrence Kibet (EBS)			
7) To approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report for the year ended 31 March 2025.			
8) To approve the Directors' Remuneration Report (other than the part relating to the Directors' Remuneration Policy) and the remuneration paid to the Directors, for the year ended 31 March 2025.			
9) To re-appoint Messrs. Ernst & Young as Auditors of the Company in accordance with the provisions of Section 721 (2) of the Companies Act, 2015 and to authorise the Directors to fix their remuneration for the ensuing financial year in accordance with the provisions of Section 724 (1) of the Companies Act, 2015.			
10) To generally authorise the Board to formulate, approve and implement the following Company policies and procedures in accordance with the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023, Thirteenth Schedule (r.53) Continuing Obligations Clause 8.21; a) Remuneration Policy b) Stakeholder Communication Policy c) Dispute Resolution Policy d) Corporate Disclosures policies and procedures; and e) Retention and attraction of Board Members policy			

ELECTRONIC COMMUNICATIONS CONSENT FORM

Please complete in BLOCK CAPITALS

Full name of Proxy(s): _____

Address: _____

Mobile Number

Date: _____

Signature: _____

Please tick ONE of the boxes below and return to Image Registrars at P.O. Box 9287- 00100 Nairobi
5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street:

Approval of Registration

I/WE approve to register to participate in the virtual Annual General Meeting to be held on Friday, 25th July 2025.

Consent for use of the Mobile Number provided

I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM.

Notes

- 1) If a member is unable to attend personally, this Proxy Form should be completed, signed and delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to reach the Company's share registrar, Image Registrars Limited, 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287, GPO 00100, Nairobi, or via email to safaricomshares@image.co.ke to arrive not later than 11:00 a.m. on Wednesday 23 July, 2025 i.e. 48 hours before the meeting or any adjournment thereof or, in the case of a poll taken subsequent to the date of the meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the meeting or adjourned meeting.
- 2) In case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorised attorney of such body corporate.
- 3) As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not to be a shareholder of the Company.
- 4) Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.
- 5) In the case of a company being a shareholder then this proxy form must be executed under its common seal or signed on its behalf by an officer of that company or an authorised attorney for that company.
- 6) A vote "abstain" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

CORPORATE INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

L.R. No. 209 / 15029
Safaricom House, Waiyaki Way
P.O Box 66827-00800
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

Image Registrars Limited
5th Floor, Absa Plaza, Loita Street
P.O. Box 928-00100, Nairobi
Telephone: +254 709 170 000
Email: Info@image.co.ke
Website: www.image.co.ke

ACTING COMPANY SECRETARY

Linda Mesa Wambani
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

INVESTOR RELATIONS

Safaricom House, Waiyaki Way, Westlands
P.O. Box 66827-00800, Nairobi
Telephone: +254 722 00 6218/4233/4746
Email: investorrelations@safaricom.co.ke
Website: www.safaricom.co.ke/investor-relations



Safaricom