



SAFARICOM PLC

# RESULTS BOOKLET

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

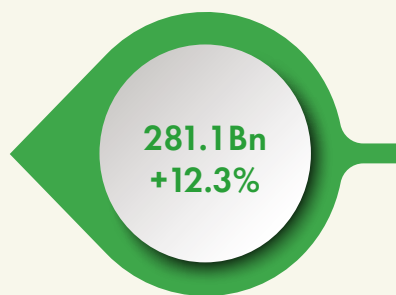
# SAFARICOM PLC AUDITED RESULTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

## Key Highlights

### Strong Group Performance in FY22

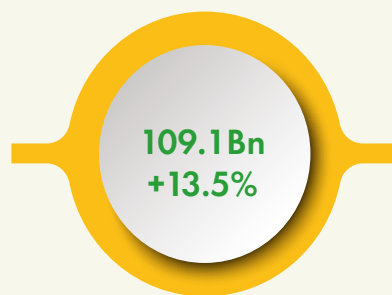


### Service Revenue



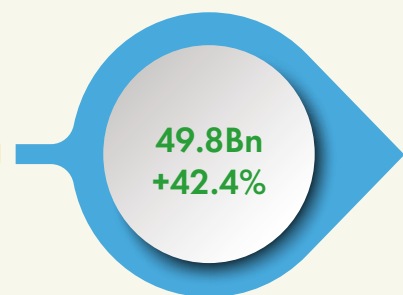
vs FY21  
250.4Bn

### EBIT



vs FY21  
96.2Bn

### Capex



vs FY21  
35.0Bn

## RESETTING THE BASE FOR FUTURE GROWTH

### Peter Ndegwa, Safaricom Plc CEO commented:



Two years into our new strategy, I am proud that our achievements this financial year can directly be attributed to placing the customer at the center of all that we do. In the year under review we executed our strategy in line with our vision of transforming into a purpose-led technology company. Our support to the country remained steadfast as we all recovered from the impact of the COVID-19 pandemic.

Our purpose, Transforming Lives continues to reaffirm our commitment to positively impact social, governance and environmental change, unlock our next growth phase, and support our transition from a telco to a purpose-led technology company. We remain committed to our sustainability agenda, covering key issues such as addressing our impact on the climate and building an inclusive business that meets the needs of our customers and protects the planet for the present and the future.

In the past financial year, our immediate focus was; To be a customer-obsessed, digital-first organisation by the end of FY22 in order to be a purpose-led Technology Company by 2025. We made great strides that delivered double-digit service revenue growth and afforded us valuable lessons to unlock our next growth phase. We embodied our four cardinal virtues of the Spirit of Safaricom during the reporting period in our operations including; customer obsession,

purpose, innovation and collaboration.

#### Customer Obsession

Customer Obsession was our main effort of strategy execution this year. Our focus was to embed customer obsession at the core of our culture in order to deepen customer engagement and deliver superior customer experiences. We are keen to deepen customer engagement and experience by eliminating critical pain points for our customers. We have made efforts to increase transparency especially in data usage and pricing leading to more trust and growth in overall value. Our recent mobile data offering dubbed 'Nyoosha Shilingi' stretches the value of data purchased by up to 100% on select data bundle plans at the same price. This offer also enables customers to extend the expiry date of their current data plans by purchasing another before the expiration date. This has contributed greatly to driving transparency in our pricing structures and affordability of our data bundles and services.

Through innovation, we continue to enhance the digital lifestyle of our customers through the M-PESA Super APP which is powering consumer digital lifestyles. In addition, we continue to leverage on our long track record of technological innovation to promote financial inclusion and drive enhanced access to opportunities for our customers. This would have been impossible without a sound investment in our network infrastructure. A reliable and stable network is the foundation of our service delivery. In the FY, we were ranked top for the best network in Kenya, for the fourth year, for data and calls by global company Umlaut.

In recognition of our contribution toward digital transformation in the mobile industry and pioneer in digital innovation, we were feted with the prestigious Global Mobile Award (GLOMO) for the M-PESA Super App at the 2022 Mobile World Congress in Barcelona. The Super App won under the category of "Best Mobile Innovation for Connected Living", edging out other nominations from across the globe.

#### Agile Transformation

We are evolving our organisation model towards becoming an agile organisation capable of responding to the rapidly changing needs of our customers. Agile is important in delivering our strategy, where innovation and speed will be critical. It is not an easy execution but we are already seeing benefits both in terms of speed and in customer experience and engagement gains. During this FY we rolled out Agile way of working entirely across the organization and have now established four tribes including Payments, Mobile Data, Fixed Data and Digital Channels.

The Agile way of working fosters collaboration across the organisation, speeds up decision-making, and brings us closer to our customers. Our people are the driving force behind the delivery of the strategy. To build a future-fit workforce, we will continue to build capabilities for our people, especially in critical digital skills such as machine learning, Internet of Things (IoT), Artificial Intelligence and Fin-tech.

## Update on Safaricom Telecommunications Ethiopia (STE) Plc

We are encouraged by the positive outlook to the security and political situation in Ethiopia with the international community hailing the government's efforts to foster peace. The security situation is gradually improving in Ethiopia and economic activities are back to normal in most states. The country has been subject to some unforeseen and unprecedented circumstances since the award of the license to the Safaricom-led consortium. We are working to fulfill our commitment to provide world-class services to Ethiopians this year and to build the long-term foundations for our contribution to Ethiopia's digital transformation and inclusion objectives.

Since we were granted the telecommunications license in July 2021, we have made good progress with the support of the Government of Ethiopia and the Ethiopian Communications Authority ("ECA"). This includes; incorporating the company and obtaining approval to capitalize the license fee for accounting purposes, working with the government and authorities to reduce importation and customs process from over 60 days to 16 days enabling importation of USD 390 Million worth of equipment, securing land planning and build approvals for self-build towers. We also built 2 data centers, made our first test call, sent our first SMS, did our first data session and also successfully tested our SIM card registration process.

After a period of negotiations and with support of ECA, we are making progress in terms of establishing a mutually beneficial partnership with Ethio Telecom on the key terms for interconnection, transmission capacity and tower sharing. On 13 April 2022, we reached in principle agreement with Ethio Telecom on the key terms at a meeting convened by the ECA. The companies are now working together on the finalisation of these important agreements and the implementation required for our commercial launch. As envisaged in the bid process, more negotiations are ongoing to conclude these so as to allow us to launch a high quality network that benefits Ethiopians.

We have also signed five-year lease infrastructure agreements with Ethiopian Electric Power (EEP) and Ethiopian Electric Utilities (EEU) for our transmission self-build. These infrastructure sharing partnerships complement Safaricom Ethiopia's self-build of network, and consistent with many other countries where infrastructure sharing is adopted, will enable the company to invest in, deploy, and operate high quality network and services throughout the country, achieving our license obligations.

The Board of Directors and the Executive teams are now fully established, and we have also recruited a strong team of over 305 staff of which 50% is local talent with plans of reaching 1,000 in the next financial year. Our sales and distribution channels set up is progressing well and we have on-boarded 29 distributors, secured 4 retail shops locations and set up our first outsourced call center in Addis. We are working with ECA on the implementation of the Communications Proclamation and regulatory framework in development of our products and services for customers.

We are proud to be investing in Ethiopia and we are grateful to our partners for the support accorded to us by the Government of Ethiopia and the ECA in the initial preparations for the commercial launch.

## FY22 Business Review

### Strong FY22 Performance Driven by M-PESA, Fixed Data and Mobile Data Recovery in H2 FY22

We are pleased with the strong set of results delivered in the year attributed to strong execution of our five-year strategy despite the challenging operating environment, characterised by the global COVID-19 pandemic and heightened regulatory risk for our industry. Service revenue grew 12.3% YoY to KShs 281.1Bn in FY22, supported by M-PESA, Mobile Data recovery and Fixed Data growth. Customer growth slowed down in the period due to the ongoing implementation of changes in subscriber registration acquisition channels in the year. Despite this, overall customers grew 6.4% YoY to 42.44Mn while one month active customers grew 4.3% YoY to 32.81Mn.

We continue to leverage on our purpose-driven business model and products that combines the power of mobile technology and innovation, to Transform Lives. Thanks to our customer offerings, our mobile subscriptions stood at 42Mn as at 31 March 2022 while our Voice traffic share stood at 70.4% as per the December 2021 Communications Authority Industry Statistics quarterly report.

### Voice and Messaging

Voice revenue rose marginally by 0.8% YoY to KShs 83.21Bn attributed to increased Customer Value Management (CVM) initiatives enabling us to offer differentiated value propositions and personalized offers to our customers. Messaging revenue declined 20.0% to KShs 10.88Bn in FY22 in line with global industry trends as customers migrate to newer technologies. Voice and messaging revenue now account for 33.5% of Service Revenue.

## M-PESA

M-PESA rebounded strongly as we celebrated 15 years in the market, recording a 30.3% YoY growth to KShs 107.69Bn. This was supported by resumption to charging of previously zero rated transactions beginning January 2021. Increased usage continues to fuel growth as one month active M-PESA ARPU rose 18.9% YoY to KShs 305.37 while chargeable transactions per month per customer grew 16.6% YoY to 20.25 transactions. One month active M-PESA customers crossed the 30Mn mark in the year growing 7.8% YoY to 30.53Mn.

Velocity in the ecosystem continues to grow driven by our fin-tech solutions including payments, lending & savings and international remittances. Total M-PESA transaction value grew 34.0% YoY to KShs 29.55Trn while volume of transactions grew 34.9% YoY to 15.75Bn. M-PESA wallet to bank and bank to M-PESA wallet transactions continue to be free and these account for 18.9% of the total value of M-PESA transactions and 3.2% of total volumes. M-PESA is now the biggest revenue contributor accounting for 38.3% of service revenue while voice contributed 29.6% in FY22.

During the year, we launched the M-PESA Super App for customers and M-PESA Business App with Mini-Apps functionalities to power digital consumer lifestyles and empower businesses. Downloads for the Super App stood at 5.3Mn while Business App downloads were 462k as at end of FY22.

## Mobile Data

Mobile data revenue recovered strongly in H2 FY22 growing 10.0% YoY to 24.81 Bn, 6.3% in H1 FY22 to KShs 23.63Bn and 8.1% YoY in FY22 to KShs 48.44Bn, supported by our Customer Value Management (CVM) initiatives driving personalised offers to our customers. Data performance in H1 FY22 was weighed down by absorbed excise duty adjustments from August 2021 which slowed down industry momentum and price rationalization. Average rate per MB declined further by 31.2% YoY to 8.88 Cents while usage per chargeable data subscriber grew 60.5% YoY to 2.3GB. Mobile Data ARPU increased 10.4% to KShs 205.73. The launch of "Mwelekeo Ni Internet" campaign launched in November 2021 introduced affordable data offers and new use cases effectively driving affordability and usage.

Active 4G devices on our network rose 29.3% YoY to 10.95Mn of which 51.3% are 4G handsets using more than 1GB. Data customers using more than 1GB in our network grew 26.5% YoY to 7.7Mn. Mobile data now accounts for 17.2% of Service Revenue.

4G population coverage now stands at 97% and smart phones on our network grew 10.2% to 18.5Mn. We remain committed to investing in a superior network quality for our customers and deepening mobile internet penetration through enhancing network coverage, increasing 4G handset penetration and driving affordability of data. CVM initiatives have continued to unlock latent potential in usage and growth as well as drive smartphone penetration through our device financing programme.

## Fixed Line and Wholesale transit

Fixed service and wholesale transit revenue grew 18.3% YoY to KShs 11.24Bn driven by increased activity and penetration of FTTH and growth in Enterprise fixed data revenue. The growth was supported by 16.9% increase in Enterprise revenue to KShs 7.05Bn as well as 20.6% growth in Consumer revenue to KShs 4.19Bn. FTTH customers grew 20.8% YoY to 165.98k. Fixed Enterprise customers grew 24.1% YoY to 48.31k, of which 58.9% account for LTE customers and grew 33.2% YoY to 28.47k. FTTH penetration now stands at 52.9%, homes connected stood at 193.1k while homes passed were 364.98k as at 31 March 2022.

## Outlook and FY23 Guidance

We remain committed to delivering a consistent return to our investors. I believe we are well positioned to deliver on this promise as we pivot into the next phase of growth. We are pleased with the improving macro-economic environment and the economic tailwinds realised in the year supporting the market's recovery and consumer spend. Despite heightened regulatory risk in the year, we are hopeful that the regulatory environment will be predictable and will continue to encourage investment in a critical industry for the benefit of the country and Kenyans. We also remain mindful of the increasing geopolitical risks and the export-import supply chain disruption arising thereof, affecting global oil prices as well as the increasing political risks ahead of the August General Elections in Kenya.

Our focus in FY23 is to accelerate new growth areas by developing scalable businesses in these areas. Safaricom Ethiopia is now preparing to launch operations. In line with our expectations, the OpCo requires significant investment in the first years of operations before turning profitable.

In view of this, we expect Group EBIT in FY23 to be in the range of KShs 87-93Bn and Capex to be in the range of KShs 100-108Bn. For Safaricom Kenya excluding Ethiopia, we expect EBIT to be in the range of KShs 120-123Bn and Capex to fall within KShs 40-43Bn for FY23.

Guidance for Safaricom Plc Kenya (excluding Ethiopia) does not include any changes in the regulatory environment (MTR determination pending the ongoing appeal) and the unforeseen impact from the Russia/Ukraine conflict if it persists.

## 1. Key Performance Indicators

	FY22	FY21	% Change YoY
Total customers (Mn)	42.44	39.90	6.4%
90-day active total customer ARPU*	562.00	551.35	1.9%
One month active customers (Mn)	32.81	31.45	4.3%
One month active customer ARPU*	725.04	689.82	5.1%
Churn (%)	31.86%	32.37%	0.5ppt
<b>Voice</b>			
One month active voice customers (Mn)	28.38	27.52	3.1%
One month active voice customer ARPU*	248.91	257.72	(3.4%)
<b>M-PESA</b>			
Number of M-PESA agents	262,004	247,869	5.7%
One month active M-PESA customers (Mn)	30.53	28.31	7.8%
One month active M-PESA ARPU*	305.37	256.74	18.9%
Chargeable Transactions per one month active customers**	20.25	17.36	16.6%
<b>Mobile Data</b>			
One month active mobile data customers (Mn)	25.22	23.77	6.1%
Distinct Bundle Users (Mn)	17.60	16.71	5.3%
One month active chargeable data ARPU*	205.73	186.28	10.4%
<b>Messaging</b>			
One month active Messaging customers (Mn)	22.27	21.79	2.2%
One month active Messaging customer ARPU*	41.71	52.74	(20.9%)
<b>Fixed Service</b>			
FTTH Home Customers	165,981	137,390	20.8%
FTTH ARPU* <sup>1</sup>	2,300	2,275	1.1%
Activity rate (active customers/homes connected)	86.0%	67.3%	18.7ppt
Fixed Enterprise customers	48,306	38,918	24.1%
of which LTE	28,467	21,364	33.2%
Fixed Enterprise ARPU* <sup>1</sup>	11,059	13,710	(19.3%)
of which LTE <sup>1</sup>	3,882	4,508	(13.9%)
<b>Base Stations</b>			
2G base stations	6,046	5,526	9.4%
3G base stations	6,025	5,500	9.5%
4G base stations	5,920	5,387	9.9%

\* Average Revenue Per User (ARPU) is in KShs.

\*\* M-PESA Chargeable transactions per one month active customers are inclusive of previously zero-rated transactions for a like for like comparison.

<sup>1</sup> FTTH and Fixed Enterprise ARPUs are restated to standardize ARPU calculations across all products.

# Summary Financial Information

## 2. Group Condensed Consolidated Statement of Comprehensive Income

KShs Mn	Notes	FY22	FY21	% Change YoY
Voice Revenue		83,211.8	82,552.0	0.8%
Messaging Revenue		10,876.7	13,602.4	(20.0%)
Mobile Data Revenue		48,441.0	44,793.2	8.1%
M-PESA Revenue		107,691.8	82,647.4	30.3%
Mobile Incoming Revenue		9,848.2	9,470.4	4.0%
Other Mobile Service Revenue		9,795.3	7,779.2	25.9%
<b>Mobile Service Revenue</b>		<b>269,864.8</b>	<b>240,844.6</b>	<b>12.0%</b>
Fixed Line and Wholesale Transit Revenue		11,242.5	9,507.2	18.3%
<b>Service Revenue</b>		<b>281,107.3</b>	<b>250,351.8</b>	<b>12.3%</b>
Handset revenue and other revenue		16,527.3	12,316.5	34.2%
Construction revenue		-	837.7	(100.0%)
Other Income		443.3	520.5	(14.8%)
<b>Total Revenue</b>		<b>298,077.9</b>	<b>264,026.5</b>	<b>12.9%</b>
Direct Costs	5(a)	(91,467.8)	(80,015.1)	14.3%
Provision for expected credit loss (ECL) on receivables		(2,361.2)	(3,009.7)	(21.5%)
Construction costs		-	(837.7)	(100.0%)
<b>Contribution margin</b>		<b>204,248.9</b>	<b>180,164.0</b>	<b>13.4%</b>
<i>Contribution margin %*</i>		68.5%	68.5%	0.0ppt
Total Operating costs	5(b)	(55,187.0)	(46,034.8)	19.9%
<i>Operating costs- % of total revenue</i>		18.5%	17.5%	1.0ppt
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>		<b>149,061.9</b>	<b>134,129.2</b>	<b>11.1%</b>
<i>EBITDA margin %*</i>		50.0%	51.0%	(1.0ppt)
Depreciation, impairment & amortisation		(39,933.3)	(37,964.3)	5.2%
<b>Earnings before Interest and Tax (EBIT)</b>		<b>109,128.6</b>	<b>96,164.9</b>	<b>13.5%</b>
<i>EBIT Margin %*</i>		36.6%	36.5%	0.1ppt
Net finance cost		(6,439.2)	(2,022.4)	>100.0%
Share of loss of Associate & Joint Venture loss		(476.0)	(507.0)	(6.1%)
<b>Profit before income tax</b>		<b>102,213.4</b>	<b>93,635.5</b>	<b>9.2%</b>
Income tax expense		(34,717.3)	(24,959.3)	39.1%
<b>Profit after tax</b>		<b>67,496.1</b>	<b>68,676.2</b>	<b>(1.7%)</b>
<b>Attributable to:</b>				
Equity holders of the parent		69,648.1	68,676.2	1.4%
Non-controlling interests		(2,152.0)	-	100.0%
Other comprehensive income				
Translation reserve **		(9,536.3)	-	100.0%
<b>Profit and total comprehensive income for the year</b>		<b>57,959.8</b>	<b>68,676.2</b>	<b>(15.6%)</b>
<b>Attributable to:</b>				
Equity holders of the parent		64,335.4	68,676.2	(6.3%)
Non-controlling interests		(6,375.6)	-	100.0%
<b>Basic and diluted earnings per share (EPS) ***</b>		<b>1.74</b>	<b>1.71</b>	<b>1.8%</b>

\*All margins are calculated on total revenue excluding construction revenue

\*\*Relates to effects of exchange rates changes on foreign operations

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

## Summary Financial Information

### 3. Group Condensed Consolidated Statement of Financial Position

<b>KShs Mn As at</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>	<b>% Change</b>
<b>Non-current assets</b>	<b>281,548.6</b>	<b>174,719.9</b>	<b>61.1%</b>
<b>Current assets</b>			
Net cash and cash equivalents	30,779.6	26,736.1	15.1%
Receivables and prepayments	25,919.2	22,347.9	16.0%
Inventories	4,306.8	2,487.0	73.2%
Current income tax	7.9	7.2	9.7%
Loans receivable from related parties	1,285.0	1,287.8	(0.2%)
Contract costs	2,951.5	3,043.4	(3.0%)
	<b>65,250.0</b>	<b>55,909.4</b>	<b>16.7%</b>
<b>Total assets</b>	<b>346,798.6</b>	<b>230,629.3</b>	<b>50.4%</b>
<b>Equity</b>			
Share capital	2,003.3	2,003.3	0.0%
Share premium	2,200.0	2,200.0	0.0%
Retained earnings	110,528.9	96,571.8	14.5%
Translation reserve	(5,312.7)	-	100.0%
Proposed dividend	30,049.1	36,860.2	(18.5%)
<b>Equity attributable to equity holders of the parent</b>	<b>139,468.6</b>	<b>137,635.3</b>	<b>1.3%</b>
Non-controlling interests	40,232.3	-	100.0%
<b>Total equity</b>	<b>179,700.9</b>	<b>137,635.3</b>	<b>30.6%</b>
<b>Non current liabilities</b>			
Borrowings	44,910.8	-	100.0%
Contract liabilities	1,937.5	2,436.1	(20.5%)
Provision for liabilities	3,183.3	3,151.4	1.0%
Payables and accrued expenses	4,330.6	-	100.0%
Lease liability	14,584.9	11,954.2	22.0%
	<b>68,947.1</b>	<b>17,541.7</b>	<b>&gt;100.0%</b>
<b>Current Liabilities</b>			
Payables and accrued expenses	41,312.6	34,021.4	21.4%
Current income tax	5,291.2	260.3	>100.0%
Borrowings	20,400.0	14,772.0	38.1%
Dividends Payable	12,053.9	8,684.1	38.8%
Lease Liability	5,508.5	4,119.5	33.7%
Provision for liabilities	3,373.8	2,561.5	31.7%
Contract liabilities	10,210.6	11,033.5	(7.5%)
	<b>98,150.6</b>	<b>75,452.3</b>	<b>30.1%</b>
<b>Total liabilities</b>	<b>167,097.7</b>	<b>92,994.0</b>	<b>79.7%</b>
<b>Total equity and liabilities</b>	<b>346,798.6</b>	<b>230,629.3</b>	<b>50.4%</b>

The presentation structure of the Group statement of financial position has changed from prior year to align with the structure as set out in IAS 1 "Presentation of financial statements", but the change in the structure had no impact on any reported totals or sub-totals presented on the statement of financial position nor any impact on the reported earnings.



## Summary Financial Information

### 4. Group Statement of Cash Flows

KShs Mn	31-Mar-22	31-Mar-21	% Change
<b>Cash flows from operating activities</b>			
Cash generated from operations	143,574.7	132,551.8	8.3%
Interest received	1,254.5	1,566.7	(19.9%)
Income tax paid	(34,128.7)	(28,921.2)	18.0%
<b>Net cash generated from operating activities<sup>1</sup></b>	<b>110,700.5</b>	<b>105,197.3</b>	<b>5.2%</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	(41,058.0)	(35,568.4)	15.4%
Proceeds from disposal of property and equipment	49.2	84.6	(41.8%)
Acquisition of intangible assets	(96,288.3)	(4,077.8)	>100.0%
Proceeds from maturity of other financial assets	-	188.6	(100.0%)
Movement in restricted cash	352.3	180.1	95.6%
Loans to M-PESA Africa (Joint Venture)	-	(1,288.7)	(100.0%)
Investment in associates and joint ventures	-	(0.1)	(100.0%)
<b>Net cash used in investing activities<sup>1,2</sup></b>	<b>(136,944.8)</b>	<b>(40,481.7)</b>	<b>&gt;100.0%</b>
<b>Cash flows from financing activities</b>			
Dividend paid	(59,132.3)	(66,482.0)	(11.1%)
Repayment of lease liabilities- principal	(3,806.4)	(2,550.6)	49.2%
Repayment of lease liabilities- interest	(1,347.9)	(1,324.0)	1.8%
Interest paid on borrowings	(2,477.9)	(1,154.6)	>100.0%
Proceeds from borrowings	120,564.8	44,970.0	>100.0%
Repayments of borrowings	(70,026.0)	(38,198.0)	83.3%
Capital contribution from NCI Shareholders	46,607.9	-	100.0%
<b>Net cash generated/(used in) financing activities<sup>2</sup></b>	<b>30,382.2</b>	<b>(64,739.2)</b>	<b>&gt;(100.0%)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>4,137.9</b>	<b>(23.6)</b>	<b>&gt;(100.0%)</b>
<b>Movement in cash and cash equivalents</b>			
At start of year	26,736.1	26,759.7	(0.1%)
Net foreign exchange difference	(94.4)	-	100.0%
Increase/(decrease) in cash and cash equivalents	4,137.9	(23.6)	>(100.0%)
<b>At end of year</b>	<b>30,779.6</b>	<b>26,736.1</b>	<b>15.1%</b>

<sup>1</sup> The movements in restricted cash has within the current year been reclassified from cash flows from operating activities to cash flows from investing activities. This reclassification had no impact on any reported earnings nor on any totals presented on the statement of financial position.

<sup>2</sup> The loans to subsidiaries has within the current year been reclassified from cash flows from financing activities to cash flows from investing activities. This reclassification had no impact on any reported earnings nor on any totals presented on the statement of financial position.

## Summary Financial Information

### 5 (a) Direct Costs

KShs Mn	FY22	FY21	% Change YoY
M-PESA commissions	(32,546.8)	(28,205.6)	15.4%
Airtime commissions	(9,420.7)	(9,674.7)	(2.6%)
License fees	(10,463.5)	(9,609.2)	8.9%
Interconnect and roaming costs	(8,681.3)	(7,681.7)	13.0%
Handset costs	(12,392.5)	(8,624.2)	43.7%
Customer acquisition and retention	(10,590.2)	(10,057.2)	5.3%
Promotions and Value Added Services costs (Voice & SMS)	(5,210.0)	(4,879.4)	6.8%
Other direct costs	(2,162.8)	(1,283.1)	68.6%
<b>Total</b>	<b>(91,467.8)</b>	<b>(80,015.1)</b>	<b>14.3%</b>

### 5 (b) Operating Costs

KShs Mn	FY22	FY21	% Change YoY
Non-lease operating costs - buildings*	(107.4)	(32.7)	>100.0%
Non-lease operating costs - sites*	(760.1)	(604.4)	25.8%
Auditors remuneration	(62.2)	(55.4)	12.3%
Computer maintenance	(2,670.6)	(2,572.4)	3.8%
Consultancy	(3,036.9)	(1,197.9)	>100.0%
Employee benefits expense	(22,554.1)	(18,188.1)	24.0%
Net foreign exchange gains, other than on borrowings and cash and cash equivalent	(434.4)	(610.7)	(28.9%)
Office administration	(482.0)	(481.7)	0.1%
Other operating expenses**	(5,209.6)	(3,901.9)	33.5%
Repairs and maintenance expenditure on property and equipment	(272.3)	(323.2)	(15.7%)
Sales and advertising	(4,380.5)	(4,083.3)	7.3%
Network operating costs	(14,087.7)	(13,163.4)	7.0%
Travel and accommodation	(803.5)	(457.6)	75.6%
Inventory storage costs	(325.7)	(362.1)	(10.1%)
<b>Total</b>	<b>(55,187.0)</b>	<b>(46,034.8)</b>	<b>19.9%</b>

\* Relates to non-lease components of the lease e.g. services charges and VAT disallowed on payments of leases. The cost is excluded from the measurements of the lease liability as provided for in IFRS 16.

\*\* Other operating expenses includes Vodafone procurement fees, fleet management costs, general staff expenses including training and welfare costs and innovation costs. The Company has signed an agreement with Vodafone for participation in the Vodafone procurement company services and other commercial services support. The agreement is effective from April 2020 to March 2023. Under the agreement, Safaricom PLC will have access to Vodafone's support for purposes of procurement, terminals management, Vodafone technical expertise, best practice systems and processes, Vodafone knowledge bank, benchmarking reports, Vodafone Global Enterprise customers to increase revenues, Vodafone business assurance and business and consumer products and marketing support. The contract provides for a fixed participation fee of EUR 6,747,143 payable in two equal instalments (6 months) in advance and a variable procurement fee at 6.3% calculated as a percentage of the actual purchase order value.

## Summary Financial Information

### 6. Safaricom Plc Group & Safaricom Telecommunications Ethiopia (STE) financial performance

#### i) Condensed Consolidated Statement of Comprehensive Income

<b>FY22</b> <b>KShs Mn</b>	<b>Safaricom Kenya **</b>	<b>Safaricom Ethiopia</b>	<b>Safaricom Plc Group</b>	<b>Safaricom Kenya %YoY</b>	<b>Safaricom Plc Group %YoY</b>
<b>Service Revenue</b>	<b>281,107.3</b>	-	<b>281,107.3</b>	<b>12.3%</b>	<b>12.3%</b>
<b>Total Revenue</b>	<b>298,077.9</b>	-	<b>298,077.9</b>	<b>12.9%</b>	<b>12.9%</b>
<b>Contribution margin</b>	<b>204,248.9</b>	-	<b>204,248.9</b>	<b>13.4%</b>	<b>13.4%</b>
<i>Contribution margin %*</i>	68.5%	0.0%	68.5%	0.0ppt	0.0ppt
Total Operating costs	(50,077.8)	(5,109.2)	(55,187.0)	8.8%	19.9%
<i>Operating costs- % of total revenue</i>	16.8%	0.0%	18.5%	(0.7ppt)	1.0ppt
<b>Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>	<b>154,171.1</b>	<b>(5,109.2)</b>	<b>149,061.9</b>	<b>14.9%</b>	<b>11.1%</b>
<i>EBITDA margin %*</i>	51.7%	0.0%	50.0%	0.7ppt	(1.0ppt)
Depreciation, impairment & amortisation	(39,919.0)	(14.3)	(39,933.3)	5.1%	5.2%
<b>Earnings before Interest and Tax (EBIT)</b>	<b>114,252.1</b>	<b>(5,123.5)</b>	<b>109,128.6</b>	<b>18.8%</b>	<b>13.5%</b>
<i>EBIT Margin %*</i>	38.3%	0.0%	36.6%	1.8ppt	0.1ppt
Net finance income/(cost)	(6,703.9)	264.7	(6,439.2)	>100.0%	>100.0%
Share of associate & Joint Venture loss	(476.0)	-	(476.0)	(6.1%)	(6.1%)
<b>Profit / (loss) before income tax</b>	<b>107,072.2</b>	<b>(4,858.8)</b>	<b>102,213.4</b>	<b>14.4%</b>	<b>9.2%</b>
Income tax expense	(34,717.3)	-	(34,717.3)	39.1%	39.1%
<b>Profit/ (loss) after tax</b>	<b>72,354.9</b>	<b>(4,858.8)</b>	<b>67,496.1</b>	<b>5.4%</b>	<b>(1.7%)</b>

\*All margins are calculated on total revenue excluding construction revenue

\*\*Safaricom Kenya refers to Safaricom Plc Group excluding Safaricom Ethiopia

## ii) Safaricom Telecommunications Ethiopia (STE) Plc Operating Costs

KShs Mn	FY22	FY21	% Change
Non-lease operating costs - buildings	(42.8)	-	100.0%
Non-lease operating costs - sites	(8.0)	-	100.0%
Auditors remuneration	(4.4)	-	100.0%
Computer maintenance	(198.9)	-	100.0%
Consultancy	(1,342.2)	-	100.0%
Employee benefits expense	(2,147.5)	-	100.0%
Net foreign exchange gains, other than on borrowings and cash and cash equivalent	(81.2)	-	100.0%
Office administration	(30.9)	-	100.0%
Other operating expenses	(553.0)	-	100.0%
Repairs and maintenance expenditure on property, plant and equipment	(11.2)	-	100.0%
Sales and advertising	(362.2)	-	100.0%
Network operating costs	(32.1)	-	100.0%
Travel and accommodation	(290.6)	-	100.0%
Inventory storage costs	(4.2)	-	100.0%
<b>Total</b>	<b>(5,109.2)</b>	<b>-</b>	<b>100.0%</b>

## iii) Safaricom Ethiopia Financing costs

KShs Mn	FY22	FY21	% Change
Financing costs	(710.9)	-	100.0%
Interest costs	(1,393.3)	-	100.0%
Forex & Hedge costs	(2,431.1)	-	100.0%
Fair value financial guarantees	(120.9)	-	100.0%
	<b>(4,656.3)</b>	<b>-</b>	<b>100.0%</b>

## 7. Net (Debt)/Cash

KShs Mn As at	31-Mar-22	31-Mar-21	% Change YoY
Cash and cash equivalents	30,779.6	26,736.1	15.1%
<b>Borrowings*</b>			
Short term borrowings	(20,400.0)	(14,772.0)	38.1%
Long term borrowings	(44,910.8)	-	100.0%
<b>Net (Debt)/Cash</b>	<b>(34,531.2)</b>	<b>11,964.1</b>	<b>&lt;(100.0%)</b>

\*To support the payment of license fees for the telecommunications license awarded to the Safaricom-led consortium by the Government of Ethiopia in 2021, we undertook a one-year bridge facility of USD 400Mn to finance this venture. During the year, the bridge facility was converted into a 5-year long term facility of USD 120Mn and a KShs 31.1Bn (USD 280Mn KShs equivalent) 7- year with 2 years moratorium on principal repayment. The new facility was done through a syndication process where both local and international and local banks participated in.

## 8. Group Free cash flow

KShs Mn	FY22	FY21	% Change
<b>EBITDA</b>	<b>149,061.9</b>	<b>134,129.2</b>	<b>11.1%</b>
<b>Net Working Capital Changes</b>	<b>5,439.2</b>	<b>(2,497.3)</b>	<b>&lt;100.0%</b>
<b>Movement in;</b>			
RoU assets and lease liabilities	(4,971.2)	(3,656.2)	36.0%
Gain on lease terminations	(7.3)	(37.4)	(80.5%)
Gain (Loss) on PPE disposal	(47.1)	(38.0)	23.9%
<b>Operating cash flow</b>	<b>145,475.5</b>	<b>127,900.3</b>	<b>16.9%</b>
Capital Additions	(49,778.5)	(34,960.2)	42.4%
Proceeds from disposal of Property, Plant & Equipment	49.3	84.6	(41.8%)
<b>Operating free cash flow</b>	<b>99,746.2</b>	<b>93,024.7</b>	<b>7.2%</b>
Net Interest paid/received	(1,947.9)	412.1	>(100.0%)
Taxation paid	(34,128.7)	(28,921.2)	18.0%
<b>Free cash flow</b>	<b>63,669.7</b>	<b>64,515.6</b>	<b>(1.3%)</b>

## Summary Financial Information

### 9. Supplementary Information

The foregoing information was extracted from the Group's financial statements for the year ended 31 March 2022.

#### a) Basis of preparation

These condensed consolidated financial statements for the year ended 31 March 2022 do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2022.

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRSs) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies.

#### Measurement basis

The measurement basis used is the historical cost basis except for investment property that has been measured at fair value.

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.

#### b) Consolidation; Investment in Safaricom Telecommunications Ethiopia Plc

During the period, Safaricom PLC in partnership with Vodacom Group, Sumitomo and CDC 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 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 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 (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 licences that were available in the bid process. Licence 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 6<sup>th</sup> 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 licence granted to GPE by the Federal Republic of Ethiopia. The subsidiary was established within the current financial reporting period and has been consolidated in the Group's 31<sup>st</sup> March 2022 financial statements.

Below is the contribution for non-controlling interest (NCI) arising from their ownership in GPE and STE;

Name	Non-controlling percentage	Contribution by NCI shareholders	Translation Reserve	Loss allocated to NCI	Totals Non-controlling
		KShs Mn	KShs Mn	KShs Mn	KShs Mn
Vodacom Group Limited	6.19%	6,514.0	(590.3)	(300.8)	5,622.9
Sumitomo Corporation	27.2%	28,623.5	(2,593.8)	(1,321.6)	24,708.1
CDC Group PLC	10.9%	11,470.4	(1,039.5)	(529.6)	9,901.3
<b>Total</b>	<b>44.29%</b>	<b>46,607.9</b>	<b>(4,223.6)</b>	<b>(2,152.0)</b>	<b>40,232.3</b>

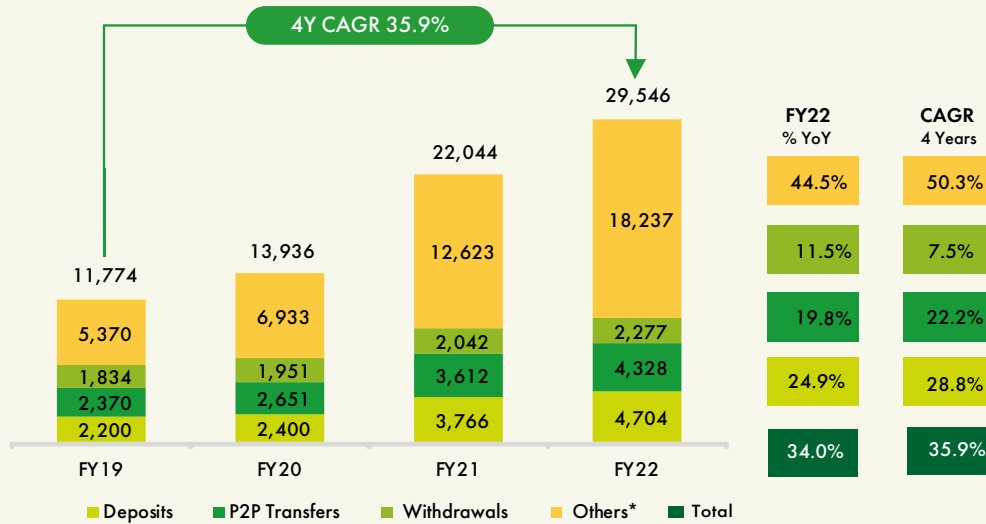
The summarised financial information of Vodafamily Ethiopia Holding Limited consolidated is provided in Section 6 (i). The subsidiary is incorporated in Netherlands and the principal place of business is London, United Kingdom. This information is based on amounts before inter-company eliminations.

# Summary Financial Information

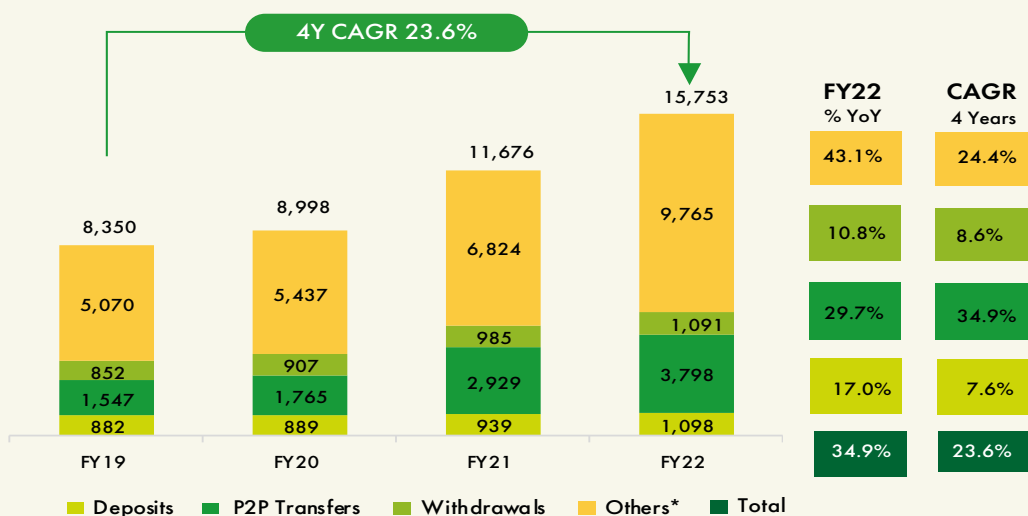
## 10. Additional Information

### Additional M-PESA KPIs

#### i. M-PESA Value of Transactions (KShs Bn)



#### ii. M-PESA Volume of transactions (Mn)



### Sustained velocity in the M-PESA eco-system

M-PESA sustained strong growth momentum in FY22 compared to FY21 slow down attributed to the free fees at the time. Fintech solutions including payments, lending & savings and International Money Transfers (IMT) continue to drive stickiness in the ecosystem. The total value of M-PESA transactions grew 34.0% YoY to KShs 29.5Trn while total volume of M-PESA transactions grew 34.9% YoY to 15.8Bn. M-PESA wallet to Bank and Bank to M-PESA wallet transactions are still zero rated and make up 18.9% of the total M-PESA transactions.

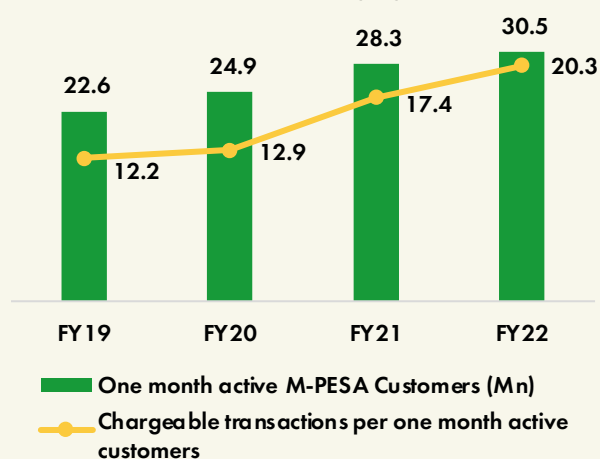
The M-PESA Super and Business Apps are playing a significant role in driving usage and number of transactions per customer per month. From a cohort analysis of 700k active customers on before and after use of the M-PESA App, we have seen a 10% uplift to ARPU for these customers, 23% growth in average transactions per customer per month and 10% growth in average days of using M-PESA in a month. This is a testament to M-PESA powering digital consumer lifestyles and empowering businesses. Overall, chargeable transactions per one month active grew 16.6% to 20.3 transactions per month in FY22 up from 17.4 transactions in FY21.

## Summary Financial Information

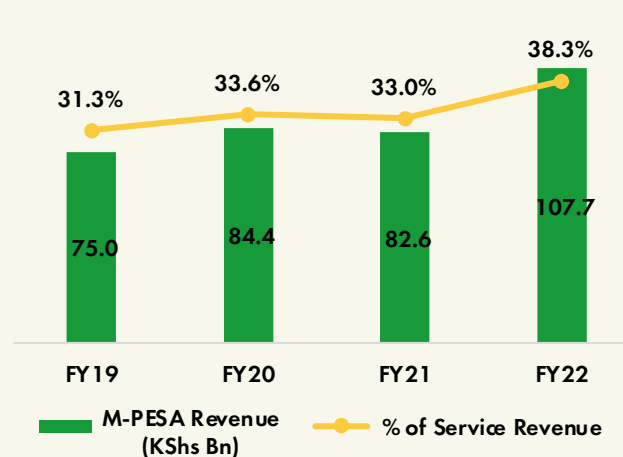
### iii. M-PESA Revenue contribution, profile mix and customer evolution

KShs Bn	FY19	FY20	FY21	FY22	%Change YoY FY22	%Contribution to growth FY22
Personal Payments (Transfers & Withdrawals)	53.93	58.70	55.60	72.44	30.3%	20.4%
Business Payments (C2B, B2C, B2B, LNM)	17.98	18.21	16.96	23.28	37.2%	7.6%
Global Payments (Remittances, AliExpress)	0.86	1.31	2.01	2.48	22.9%	0.6%
Financial Services (Lending and Savings)	2.22	6.22	8.07	9.50	17.7%	1.7%
<b>Total</b>	<b>74.99</b>	<b>84.44</b>	<b>82.65</b>	<b>107.69</b>	<b>30.3%</b>	<b>30.3%</b>

Sustained usage momentum with return to charging



M-PESA as a % of Service Revenue

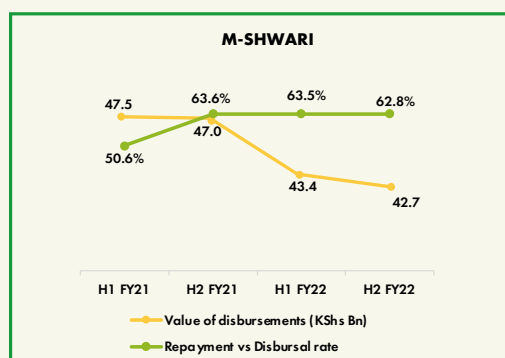
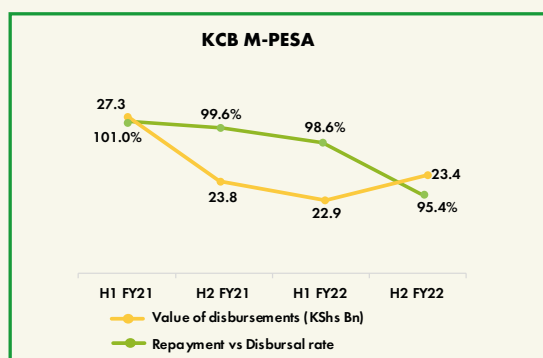
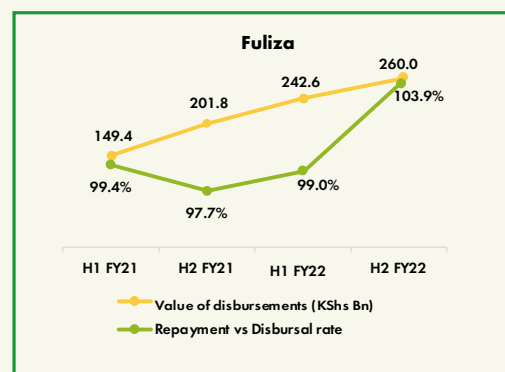
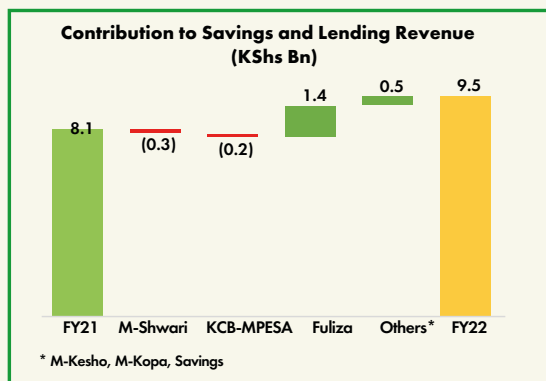




## Summary Financial Information

### iv. Lending value and revenue trends

	FY22	FY21	% Change YoY
<b>Fuliza</b>			
Value of disbursements (KShs Bn)	502.6	351.2	43.1%
Value or Repayment (KShs Bn)	510.3	345.7	47.6%
Repayment vs Disbursal rate	101.5%	98.4%	3.1ppt
Average Ticket Size (KShs)	345.2	446.2	(22.6%)
Revenue (KShs Bn)	5.94	4.54	31.0%
Distinct Customers (Mn)	6.9	5.9	16.4%
<b>KCB M-PESA</b>			
Value of disbursements (KShs Bn)	46.3	51.1	(9.4%)
Value of Repayment (KShs Bn)	44.9	51.3	(12.4%)
Repayment vs Disbursal rate	97.0%	100.3%	(3.3ppt)
Average Loan (KShs)	6,874	8,725	(21.2%)
Revenue (KShs Bn)	0.7	0.8	(18.7%)
One month active KCB M-PESA customers (Mn)	3.8	3.3	16.3%
<b>M-Shwari</b>			
Value of disbursements (KShs Bn)	86.1	94.5	(8.9%)
Value or Repayment (KShs Bn)	54.4	53.9	0.9%
Repayment vs Disbursal rate	63.2%	57.1%	6.1ppt
Average Loan (KShs)	6,172	5,575	10.7%
Revenue (KShs Bn)	1.9	2.2	(13.4%)
One month active M-Shwari customers (Mn)	4.7	4.0	17.5%

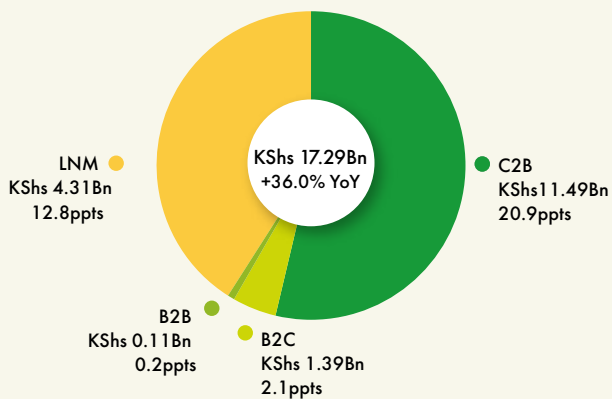


## Summary Financial Information

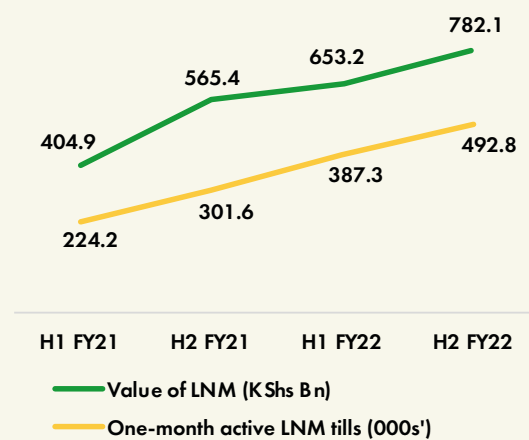
### v. Payments and Betting

Payments	Value (KShs Bn)			Volume (Mn)			Revenue (KShs Bn)			% Contribution to growth
	FY22	FY21	% YoY	FY22	FY21	% YoY	FY22	FY21	% YoY	
<b>C2B</b>	4,759.96	3,159.92	50.6%	1,903.88	1,251.01	51.9%	11.49	8.84	30.0%	15.6%
<b>B2C</b>	3,302.16	2,177.80	51.6%	454.32	288.51	57.5%	1.39	1.12	24.0%	1.6%
<b>B2B</b>	122.43	86.60	41.4%	6.40	4.18	53.1%	0.11	0.08	39.1%	0.2%
<b>LNM</b>	1,435.26	970.23	47.9%	1,338.58	685.73	95.2%	4.31	2.68	60.9%	9.6%
<b>Betting</b>	169.10	136.58	23.8%	732.29	528.31	39.3%	5.98	4.26	40.5%	10.1%
<b>Totals</b>	<b>9,788.91</b>	<b>6,531.41</b>	<b>49.9%</b>	<b>4,435.46</b>	<b>2,757.73</b>	<b>60.8%</b>	<b>23.28</b>	<b>16.97</b>	<b>37.2%</b>	<b>37.2%</b>

#### Contribution to payments revenue growth



#### LNM

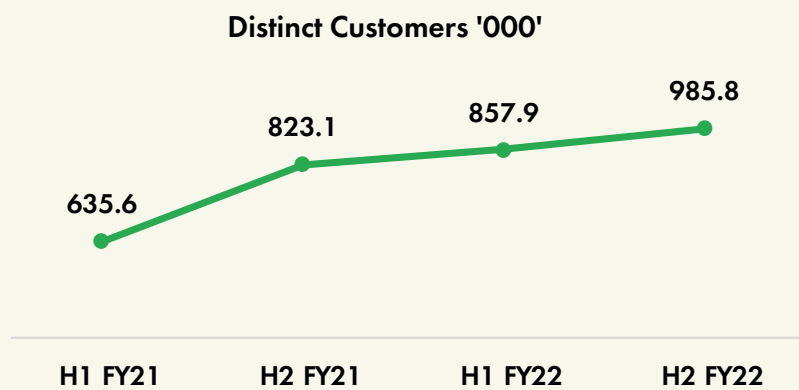


## Summary Financial Information

### vi. M-PESA Global

Launched in FY19, M-PESA Global service enables M-PESA registered customers to send and receive money from countries across the world. M-PESA Global service remittance partnerships include: Western Union, MoneyGram, Ria, WorldRemit, Wave, Remitly among others.

	Value (KShs Bn)			Volume (Mn)			Revenue (KShs Bn)		
	FY22	FY21	% YoY	FY22	FY21	% YoY	FY22	FY21	% YoY
M-PESA Global	395.7	289.69	36.6%	31.04	23.71	30.9%	2.47	2.01	23.0%



Item	Description
<b>Transfers/ P2P/W2W</b>	This represents customer deposits in the M-PESA e-wallet that can be funded by direct cash deposits at agent level or through person to person (P2P) transfers.
<b>M-PESA Agents</b>	M-PESA Agents include Safaricom authorized dealers, operating one or more outlets around Kenya, retailers with a substantial distribution network like petrol stations, distributors, supermarkets, registered SMEs and selected Banks and Micro-Finance Institutions. Their key tasks include; registering M-PESA customers, depositing cash into registered customers' M-PESA wallets, processing cash withdrawals for registered and non-registered M-PESA customers and compliance with Safaricom AML & KYC Policy and business practices.
<b>Withdrawals/ Cash out</b>	Withdrawal is the removal of e-money from M-PESA e-wallet to cash through M-PESA agents.
<b>Deposits/ Cash in</b>	Customers fund their M-PESA e-wallet through M-PESA agents or directly from their bank accounts through a short code.
<b>Payments</b>	
<b>C2B/W2B, B2C/B2W and B2B</b>	Customer to Business (C2B) or Business to Customer (B2C) are mainly customer to bank or business transfers while Business to Business (B2B) is for business transactions. These together with LNM and revenue from betting transactions form the payments channels in the M-PESA ecosystem.
<b>Lipa Na M-PESA (LNM)</b>	LNM is a platform that enables merchants to transact using a till number to collect payments from customers. LNM has two major use cases; <ul style="list-style-type: none"> <li>• Buy Goods - mainly used for one-off payments to merchants, this is done 'on the go', mainly face to face but can also be done remotely.</li> <li>• Billers - This is the paybill option/C2B of LNM which mostly happens remotely/online and is mainly used for repetitive transactions done on utility payments to government agencies, SACCOs, electricity &amp; water providers and hospitals.</li> </ul>
<b>Savings and Lending</b>	
<b>M-Shwari</b>	M-Shwari is a micro-lending/savings product in partnership with NCBA (a tier 1 Kenyan Bank).  The M-Shwari Loan Account is a micro-credit product which allows customers to borrow money or to complement their savings towards an investment or enterprise.  The M-Shwari Deposit Account is a micro-savings product which allows customers to securely store their money for a specific purpose or for unexpected events.
<b>KCB-M-PESA</b>	KCB M-PESA is a savings and loan service in partnership with KCB Bank (a tier 1 Kenyan bank) that enables M-PESA customers to save as little as KShs 1, and access credit from KShs 1,000.  The KCB M-PESA loan account is a micro-credit product which gives customers access to loans for an emergency or to fund a project or an enterprise.

## Glossary

<b>Fuliza</b>	<p>In partnership with Kenyan lenders, NCBA and KCB Bank, the Group operates an Overdraft (OD) facility dubbed 'Fuliza', a product that 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 available to all M-PESA customers, however the awarding of limits will depend on the customer's credit scoring and how long they have been using M-PESA.</p> <p>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.</p>
<b>M-Kesho</b>	<p>In partnership with Equity Bank, M-Kesho Bank Account was launched to enable Safaricom's mobile money clients to directly access their Equity bank accounts. Registration is free and the account has no charges, ledger fees nor minimum account balance requirement.</p>
<b>M-Kopa</b>	<p>M-KOPA provides solar home systems that innovatively integrate machine-to-machine technology (M2M) with a micro-payment solution. The system includes embedded GSM technology for monitoring and metering usage, while its pay-as-you-go service carries the advantage of no large initial cash outlay.</p> <p>After an initial deposit, customers pay daily instalments via a mobile money service (M-PESA) until paying off the balance. Once this repayment is complete, customers own the unit outright. Importantly, this solution is cheaper and healthier than the alternative, kerosene lamps for rural households with no electricity.</p> <p>M-KOPA solar is currently available in 750 outlets nationwide in Kenya through the Safaricom distribution network.</p>
<b>IMT</b>	
<b>International Money Transfer (IMT)</b>	<p>M-PESA Global Safaricom Plc through its fully owned subsidiary, Safaricom Money Transfer Services Limited (SMTSL), operates 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. Revenue is earned from transaction fees charged to customers for international money transfers (inbound and outbound).</p> <p>M-PESA global enables M-PESA registered customers to send and receive money:</p> <ol style="list-style-type: none"> <li>1. To East Africa: Rwanda, Tanzania &amp; Uganda.</li> <li>2. Globally: To millions of Bank accounts and over 500,000 Western Union locations globally.</li> <li>3. Through PayPal: Access funds quickly and shop around the world with PayPal mobile money service with M-PESA.</li> </ol>
<b>AliPay Partnership</b>	<p>Safaricom partnered with AliPay to integrate M-PESA as a payment method on AliExpress e-commerce.</p>
<b>E-Commerce</b>	
<b>Paypal Partnership</b>	<p>Safaricom, PayPal and TransferTo announced a collaboration on 9 April 2018 for a new service that allows movement of funds between M-PESA and PayPal accounts.</p> <p>Qualifying M-PESA customers in Kenya can link their PayPal accounts to their M-PESA wallets, enabling them to easily and securely buy goods and services from merchants around the globe.</p>

Smart Lifestyle Channels	
<b>M-PESA Consumer App</b>	<p>The M-PESA App for consumers delivers the suite of M-PESA solutions to our consumers in a customer centric approach. This has redesigned the M-PESA customer experience journey to reduce demand in Call Centre and simplify multiple payments.</p> <p>It serves as a one stop shop for all SMEs needs including instant Lipa Na M-PESA sign up through the Merchant App, increased access to market to achieve scale through SME Marketplace and integration of third party services through Mini Apps.</p>
<b>M-PESA Business/ Merchants Transacting Till (Buy Goods)</b>	<p>The M-PESA Business till is an enhancement of the existing Lipa Na M-PESA Buy Goods till that enables business owners to collect payments on the till and use the money collected to make other transactions directly from their till.</p> <p>The M-PESA for Business till is ideal for businesses in retail, such as supermarkets, restaurants, hardware, pharmacies, boutiques, salons etc. that collect money from customers regularly as part of their business. The product can be accessed via USSD *234*2# or via app M-PESA for Business App.</p>
<b>M-PESA Business App</b>	<p>M-PESA for Business App allows merchants and businesses to better visualize their payment collections and spend, see full statements and transact directly from their M-PESA Business till using the App. The App provides users a faster and simpler payment experience. Its an alternative to the USSD service *234# Option 2.</p>
<b>M-PESA Bill Manager</b>	<p>This is a service that allows customers to save and pay bills in one transaction, memorizing all paybills and account numbers and better still, a way for them to be reminded of the bill payment due dates. The service is available to all M-PESA registered customers and can be accessed by dialling *234# then selecting M-PESA Products followed by Bill Manager.</p>
<b>Pochi la Biashara</b>	<p>Pochi La Biashara, translated to 'Business Wallet' in English, is a product that allows M-PESA registered customers who own informal businesses such as; food vendors, kiosk owners, boda-boda operators, second hand clothes dealers, etc. to receive and separate business funds from personal funds on their M-PESA line.</p>

# Abbreviations

<b>ARPU</b>	Average revenue per user
<b>Churn</b>	Total gross customer disconnections in the period divided by the average total customers in the period
<b>2G</b>	Second-generation Technology
<b>3G</b>	Third-generation Technology
<b>4G</b>	Fourth-generation Technology
<b>FTTH</b>	Fibre to the Home
<b>Bn</b>	Billion
<b>LNm</b>	Lipa na M-PESA
<b>Mn</b>	Million
<b>MSMEs</b>	Micro Small and Medium Enterprises
<b>IFRS</b>	International Financial Reporting Standards
<b>IoT</b>	Internet of Things
<b>LTE</b>	Long Term Evolution
<b>MB</b>	Megabyte
<b>NCI</b>	Non-controlling Interest
<b>Ppt</b>	Percentage points
<b>SMS</b>	Short Message Service
<b>ROU</b>	Rights of Use
<b>Trn</b>	Trillion
<b>AML</b>	Anti-money Laundering
<b>KYC</b>	Know Your Customer

## Corporate Information

### Safaricom PLC

(Incorporated in the Republic of Kenya)

#### Registered office

Safaricom House, Waiyaki Way, Westlands  
P.O. Box 66827-00800, Nairobi  
Telephone: +254 722 00 3272  
Website: [www.safaricom.co.ke](http://www.safaricom.co.ke)

#### Registrars

Image Registrars Limited  
5<sup>th</sup> Floor, Absa Plaza, Loita Street  
P.O. Box 928-00100, Nairobi  
Telephone: +254 709 170 000  
Email; [Info@image.co.ke](mailto:Info@image.co.ke)  
Website: [www.image.co.ke](http://www.image.co.ke)

#### Auditors

Ernst & Young  
Kenya Re Towers, Off Ragati Road  
P.O. Box 44286-00100, Nairobi  
Telephone: +254 20 2886000

#### 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](mailto:investorrelations@safaricom.co.ke)  
Website: [www.safaricom.co.ke/investor-relations](http://www.safaricom.co.ke/investor-relations)



**Simple • Transparent • Honest**  
**FOR YOU**