

SAFARICOM PLC INVESTOR DAY

Theme: Driving Purpose-Led Growth

15th February 2023

TUINUANE. Let's Go Beyond.

AGENDA

TUINUANE. Let's Go Beyond.

TIME (EAT)	TOPIC	SPEAKER
7:30 – 8:30	Arrival & Registration	
8:30 – 9:00	Welcome Note, Macros & Strategy Update	Peter Ndegwa - CEO Safaricom PLC
9:00 – 9:30	Embedding Purpose	Karen Basiye - Director Sustainable Business & Social Impact
9:30 – 10:30	Financial Services	Boniface Mungania - Interim Chief Financial Services Officer
10:30 – 11:00	Coffee Break/Networking	
11:00 – 11:15	Q&A Session	Peter, Karen & Boniface
11:15 – 12:10	Enterprise Business	Cynthia Kropac - Chief Enterprise Business Officer
12:10 – 13:00	Technology	Morten Bangsgaard - Chief Technology Information Officer
13:00 – 14:00	Lunch	
14:00 – 14:15	Q&A Session	Cynthia & Morten
14:15 – 14:50	Ethiopia Business Overview & Progress Update	Anwar Soussa - CEO Safaricom Ethiopia PLC
14:50 – 15:55	Q&A Session With Management Team	All speakers
15:55 – 16:00	Vote of Thanks	Stephen Kiptinness – Chief Corporate Affairs Officer
16:00 – 17:30	Speed Networking	All speakers (in-person only)
17:30 – 18:30	Cocktails & Bitings	(In-person only)

CEO BUSINESS OVERVIEW

SAFARICOM INVESTOR DAY

Driving Purpose-Led Growth

TUINUANE. Let's Go Beyond.

THE BOARD OF DIRECTORS



Adil Arshed Khawaja
Chairman



Peter Ndegwa
CEO & Executive Director



Michael Joseph
Non-Executive Director



Rose Ogega
Independent Non-Executive
Director



Winnie Ouko
Independent Non-Executive
Director



Shameel Joosub
Non-Executive Director



Dilip Pai
CFO & Alternate Director
to CEO



Prof Bitange Ndemo
Independent Non-Executive
Director



Linda Watiri
Non-Executive Director



Raisibe Morathi
Non-Executive Director



Francesco Bianco
Non-Executive Director



Eng. Stanley Kamau
Alternate Director to CS
National Treasury & Planning



Kathyryne Maundu
Company Secretary

SAFARICOM PLC SENIOR LEADERSHIP TEAM

SAFARICOM PLC SENIOR LEADERSHIP TEAM

TUINANE. Let's Go Beyond.



Peter Ndegwa
Chief Executive Officer



Dilip Pal
Chief Finance Officer



Fawzia Ali-Kimanthi
Interim Chief Consumer Business
Unit Officer



Stephen Kiptinness
Chief Corporate Affairs Officer



Paul Kasimu
Chief Human Resources Officer



Nicholas Mulila
Chief Corporate
Security Officer



Morten Bangsgaard
Chief Information
Technology Officer



Nicholas Kamunyu
Chief Channels Officer



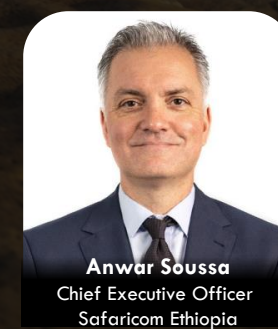
Cynthia Kropac
Chief Enterprise
Business Officer



Michael Mutiga
Chief Business Development &
Strategy Officer



Esther Waititu
Chief Financial
Services Officer



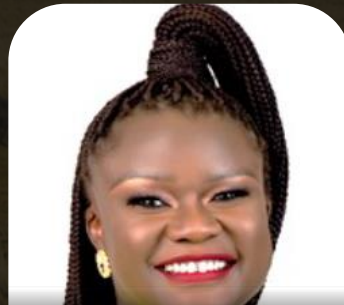
Anwar Soussa
Chief Executive Officer
Safaricom Ethiopia

OTHER MEMBERS OF SENIOR LEADERSHIP TEAM

TUINANE. Let's Go Beyond.



Boniface Mungania
Interim Chief Financial Services Officer
transitioning to Director-Public Sector
Digital Transformation



Zizwe Awuor-Vundla
Director – Brand & Marketing



Denish Osodo
Director – Internal Audit



Lucille Aveva
Director – Customer Obsession

SAFARICOM ETHIOPIA SENIOR LEADERSHIP TEAM

TUINANE. Let's Go Beyond.



Anwar Soussa
Chief Executive Officer



Masahiro Miyashita
Chief Strategy Officer



Charles Wanjohi
Chief Consumer Business
Officer



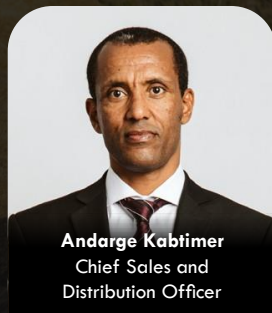
Paul Kavavu
Chief Financial
Services Officer



James Maitai
Chief Technology Officer



Chris Lazarus
Chief Enterprise
Business Officer



Andarge Kabtimer
Chief Sales and
Distribution Officer



Stanley Njoroge
Chief Finance Officer



Mokaya Mokaya
Chief Human Resources Officer



Julie Arndt
Chief Legal and Risk Officer



Koichi Kawase
Director, Project
Management Office

SAFARICOM SPIRIT AND PEOPLE

PURPOSE

- ✓ BELIEF – We transform lives
- ✓ BEHAVIOUR – We are purpose driven
- ✓ LANGUAGE – I am Safaricom

CUSTOMER OBSESSION

- ✓ BELIEF – We are simple, transparent, honest
- ✓ BEHAVIOUR – Ready, Willing and Able (RWA)
- ✓ LANGUAGE – I am notoriously customer obsessed

OUR CULTURE

COLLABORATION

- ✓ BELIEF – We are partners in one ecosystem
- ✓ BEHAVIOUR – We get it done, together
- ✓ LANGUAGE – I own my inch and the collective

INNOVATION

- ✓ BELIEF – We are a market shaper
- ✓ BEHAVIOUR – We experiment and learn fast
- ✓ LANGUAGE – Go Beyond (Twende Tukiuke)

WE HAVE EMBEDDED CUSTOMER OBSESSION AT THE CORE OF OUR BUSINESS

TUINANE. Let's Go Beyond.



...AND FOCUSING ON THREE AREAS ON PEOPLE

TUINANE. Let's Go Beyond.

Agile Operating Model



36% (2,037) of the employees are fully Agile
(in Technology, Fixed Enterprise, Financial Services, Mobile Data, Voice business units)

34 Agile units (**19** Tribes, **15** COEs)

220% increase in digital talent

*Spirit of Safaricom source : People survey (Sema)
Other statistics as at Jan 2023*

Future Ready Talent



#702 Employees upskilled in Fintech craft

#80 Fintech Discover trainees

#617 Industry Digital talent trained

40% Female at senior management level

3.0% PWDs by end of 2023

#404 People leaders upskilled in leadership

Culture



94% of staff understand Spirit of Safaricom pillars

- **94%** Purpose
- **79%** Customer Obsession
- **79%** Collaboration
- **75%** Innovation

79% Employee engagement level

#1 Best place to work (Top Employer)

Zero Harm Culture (Zero fatalities and lost time due to injuries)

Hybrid ways of working

OUR PURPOSE

WE ARE COMMITTED TO OUR PURPOSE OF TRANSFORMING LIVES

TUINANE. Let's Go Beyond.

We are committed to creating shared value guided by:



Our Purpose

Transforming Lives



Our Vision

To be a purpose-led Technology company by 2025



Our Brand Promise

Simple • Transparent • Honest FOR YOU



Our Culture: The spirit of Safaricom

Purpose • Innovation • Customer Obsession • Collaboration

True Value Assessment*



Impact on Society
10.4x more than profit generated

↑ 8%



Economic value added Kes. 393Bn
through operations and taxes

↑ 9%



Social value of M-PESA
Kes. 275Bn

↑ 14%



Environmental externalities
Kes. 1.189Bn

↑ 25%



*For more details on our True Value Assessment, please see our 2022 Sustainability Report available on our website via <https://www.safaricom.co.ke/images/Downloads/2022-Safaricom-Sustainability-Report.pdf>

BUSINESS OVERVIEW

SAFARICOM AT A GLANCE

TUINUANE. Let's Go Beyond.

#1

Telecom operator in Kenya

Market Share

66%

(Q1 CA* Sector Statistics Report Sep 2022)

97%
4G

Population covered by
our network

5G

First to market

43.2Mn

Customers

31.2Mn

M-PESA Customers

~540k

M-PESA Merchants

~263k

M-PESA Agents

~120k

Monthly active
Business Super app users

NPS 64 pts

6,383*

Network Sites

12,500km*

Fibre Optic Footprint

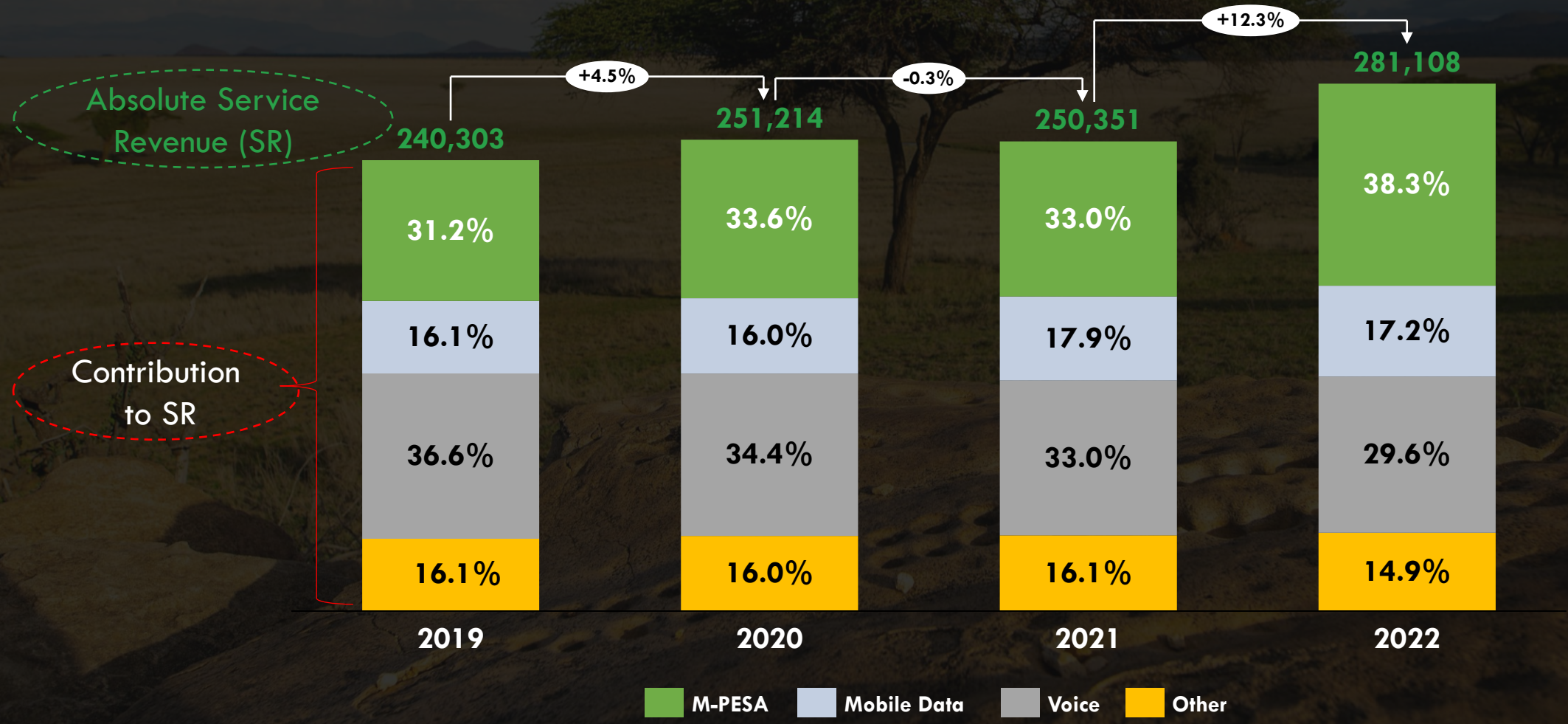
5,368*

Permanent Employees

All numbers are as reported at HY23 unless otherwise specified

*CA- Communications Authority of Kenya & * as at Jan 2023

OUR REVENUE MIX IS CHANGING DRIVEN BY DATA AND M-PESA



Voice

Data

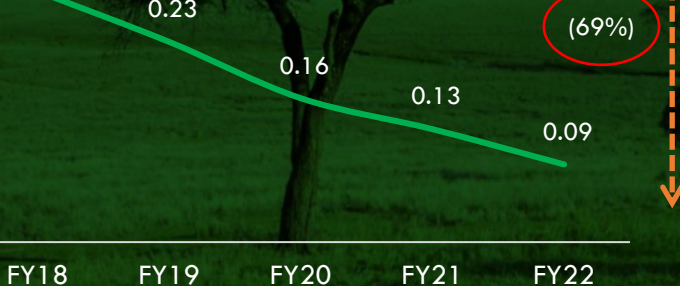
M-PESA

Price

Rate per Min (Kes)

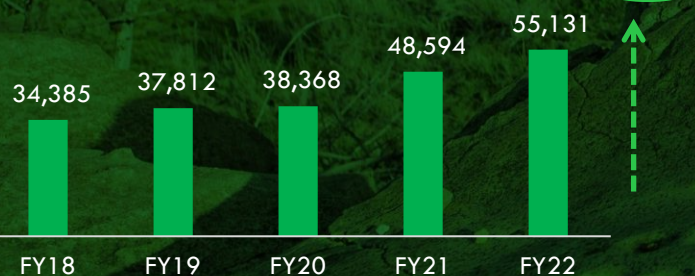


Rate per MB (Kes)



Usage

Voice Traffic, Mins (Mn)



Data Volume (TeraBytes)



Affordable Credit (Fuliza)

- **50%** reduction in cumulative cost of credit
- **Zero interest** for transactions of below 1k for the first three days

Tariff Reduction

- **46%** in P2P charges (2021)
- **47%** in Paybill charges (2023)
- **61%** in B2C charges (2023)
- Zero rated low value transactions

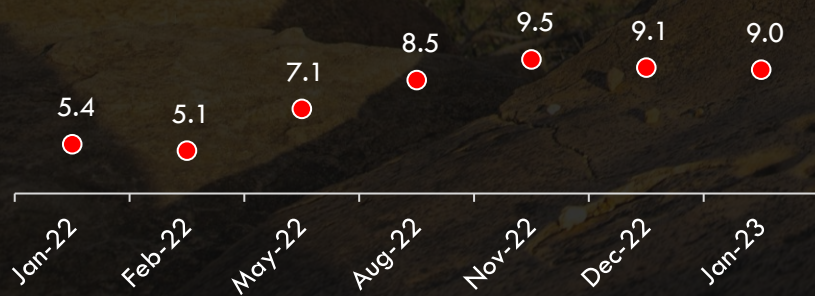
Numbers for Safaricom Plc Kenya (Excl. Ethiopia)

MARKET AND REGULATORY CONTEXT

Macro-Economic

- Slowing GDP
- High inflation (Food, energy)
- Currency depreciation and tight liquidity
- Impact of Russia-Ukraine conflict disrupting supply chain
- Peaceful elections and transition of government

Inflation Rate



Regulatory

- Mobile Termination Rate reduction
- Fiscal pressure (increased taxation)
- Significant market player status
- Regulatory scrutiny
- Return to charging on bank to/from M-PESA transactions

Cyber, Privacy, Resilience Risks

- Increased Cyber threats
- Heightened Anti Money laundering focus
- Data privacy risk

Customer Insights

- Consumer seeking more value
- Government has a strong digital agenda
- Significant SME opportunity
- Data protection for our customers

WE ARE DEVELOPING SUSTAINABLE OPERATIONS

TUINANE. Let's Go Beyond.

DELIVERING MORE VALUE TO CUSTOMERS

- We have continued to make our products more affordable
- Reduction of M-PESA, Mobile Data and Voice pricing



FUNDING NEW GROWTH

- Expanding into Ethiopia and new growth areas
- We are redeploying funds from operational efficiency activities to fund new growth areas



MITIGATING EMERGING RISKS

- Mobile Termination Rate (MTR) reduced from 0.99 to 0.58, rising inflation and depreciating Kenya Shilling
- Savings from operational efficiencies are helping mitigate the risks



PROTECTING MARGINS & PROFITABILITY

- Sustaining good returns is a priority
- Accelerating new growth areas and driving productivity will help sustain a strong franchise



STRATEGY EXECUTION HIGHLIGHTS

OUR STRATEGY

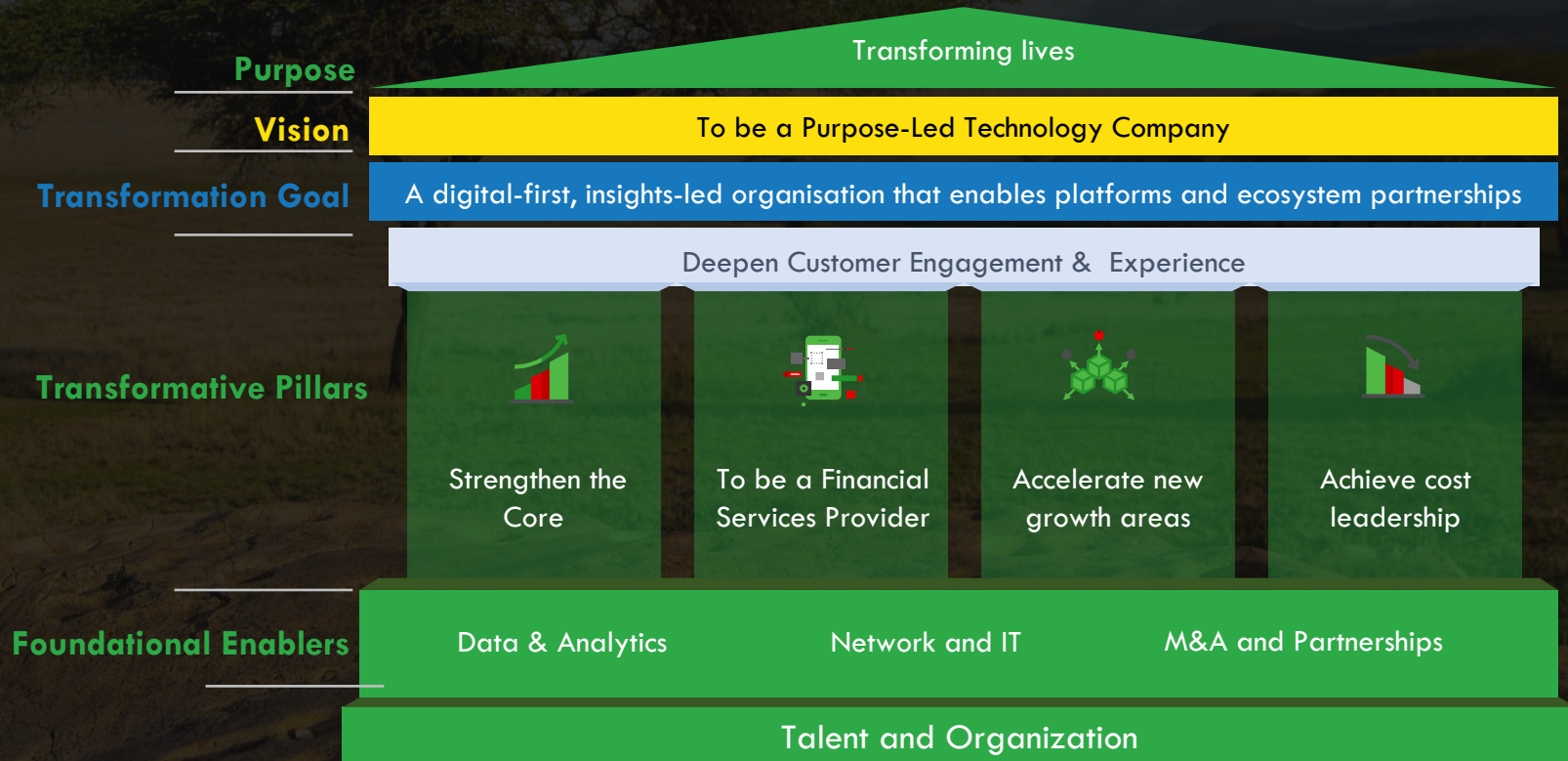
TUINANE. Let's Go Beyond.

FY23 Focus is;

To accelerate new growth Areas delivering superior customer experience by 2023 in order to be a Purpose-Led Technology Company by the end of 2025

FY22 Focus was;

To establish a customer-obsessed, digital-first organisation (delivering double-digit growth) by the end of FY22, in order to be a Purpose-Led Technology Company by the end of 2025



We will exemplify being a Purpose-Led Technology Company by

Applying technology to simplify life, Making life more convenient, Linking People to people, People to knowledge and People to opportunities

SAFARICOM IS UNDERGOING ITS THIRD GROWTH PHASE

TUINUANE. Let's Go Beyond.



What we created

- We built a telco business providing connectivity for 15Mn Kenyans by 2010 (~32Mn as at HY23)
- 60% - 70% market share for mobile voice and data

- We drove financial inclusion for the first time for 25Mn Kenyans by 2020 (~31Mn as at HY23)
- 80%+ market share for mobile money

Where do we win ?

Focus for the future

Defend the core

Evolve and expand M-PESA

- Geographical expansion into Ethiopia
- Transforming to be a purpose-led Technology company – Leveraging on tech solutions to transform lives

Mobile Money market share for 2020: <https://www.ca.go.ke/wp-content/uploads/2020/07/Sector-Statistics-Report-Q3-2019-2020-.pdf>

Mobile Voice & Data market share for 2010: <https://www.ca.go.ke/wp-content/uploads/2018/02/sector-Statistics-Report-Q2-2010-11.pdf>

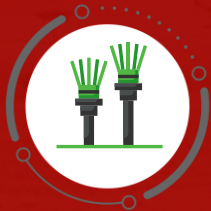
WE ARE ACCELERATING GROWTH OPPORTUNITIES AND DRIVING EXECUTION

TUINANE. Let's Go Beyond.



Financial Services

- **Lending**
- **Wealth**
- Payments
- IMT
- Insurance
- eCommerce



Scale New Growth Areas

- **Ethiopia**
- **Government**
- Acquisitions & Partnerships
- Digifarm
- IoT & ICT
- 5G
- Scale fixed solutions



Mobile Data

- **4G Device penetration**
- **Device Financing**
- **Bulk Data for enterprises**
- **Content aggregation**



People, Organisation and Spirit

- **Agile operating model**
- **Future Ready Talent**
- Spirit of Safaricom in leadership and execution
- Group company structure



Digitization, Big Data and Analytics

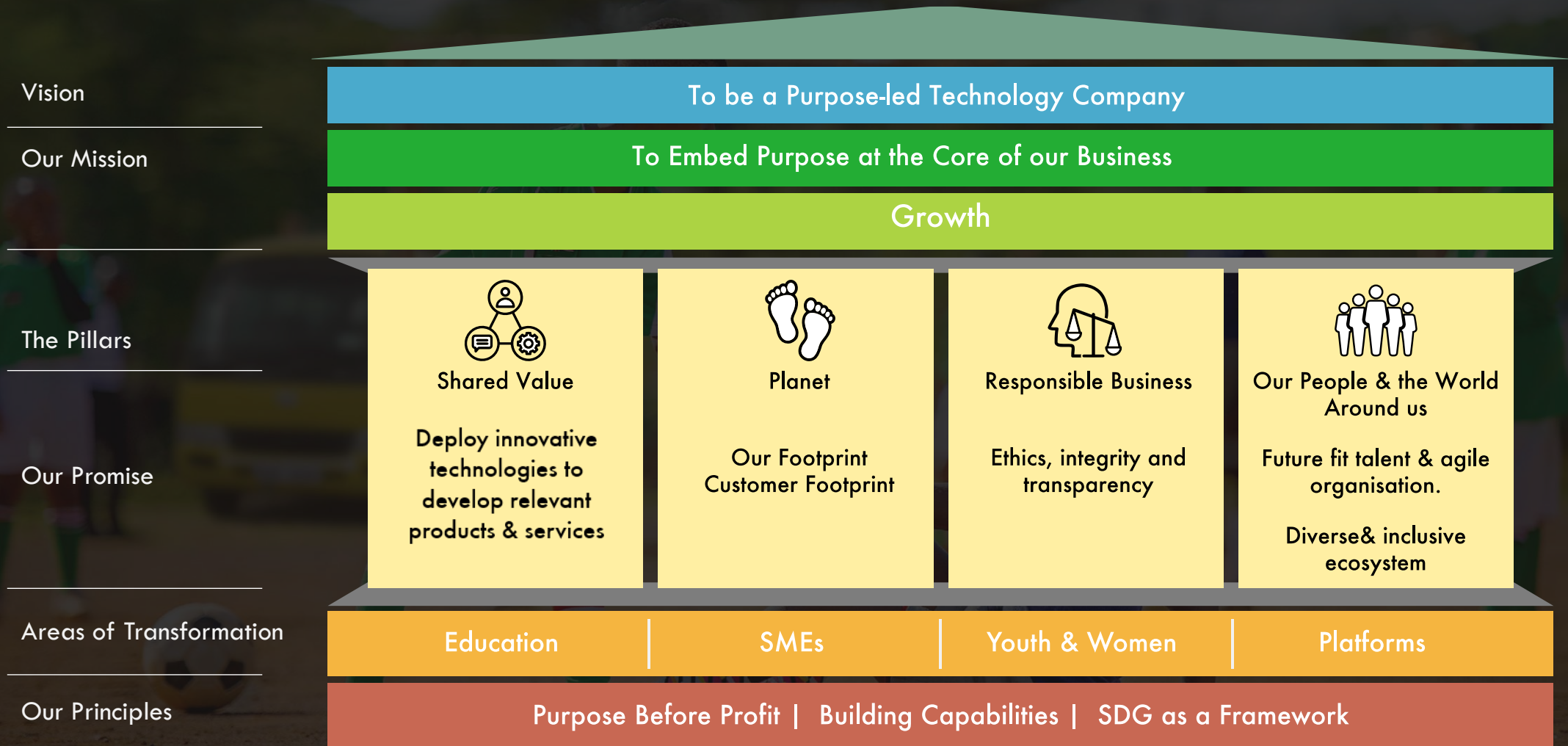
- **Customer Value Management (CVM) beyond GSM**
- **Big data and analytics**
- Enhanced automation through in-house talent
- Digital maturity index

EMBEDDING PURPOSE

Impacting 45 Mn Lives by 2025

Driving Purpose-Led Growth

TUINUANE. Let's Go Beyond.





Creating Shared Value

- Creating digital societies through our products and services
- Creating Sustainable and inclusive growth through the entire value chain
- Inclusive Business Platforms



For the Planet

- Net Zero by 2050
- Building a Circular Economy
- Helping Society to Decarbonise



Operating Responsibly

- Ethics and Integrity
- Anti- bribery and corruption
- Human and Digital Rights for all



Our People & the World Around Us

- Leverage our brand & assets to connect Kenyans to opportunities, knowledge & the world
- Sustainable community investments through Our Foundations
- Best place to work

OUR ENVIRONMENTAL COMMITMENT

TUINANE. Let's Go Beyond.

We recognize that **environmental considerations** are not separate from our core business, but an **integral part of our overall business growth**, sustainability, and success.

We are committed to transforming lives of our customers and stakeholders in an environmentally sound and sustainable manner, through **continuous improvement of our environmental performance**



We manage and **report** our environmental performance in an open and **transparent manner** in line with global and industry best practices.



Circular Economy

Vision: Build a circular economy

- Transforming value chains to create **low-waste** and **restorative systems**
 - Design
 - Sourcing
 - End of use/life
 - Takeback systems
 - Reverse logistics



Climate Change

Vision: To be a **Net Zero Company** by 2050 & to **decarbonize society**

- 100% Renewable energy including solar
- Grow 5Mn trees for carbon offset
- Use of IoT, AI & smart meters
- Optimize, electrify & decarbonize



Environmental Compliance

- 100% conformance to all national and regional environmental laws and regulations.
- ISO 14001 Certified

OUR FOUNDATIONS

OUR FOUNDATIONS

THE FOUNDATIONS

 **Safaricom Foundation**

 **m-pesa Foundation**

KEY Pillars



Education



Health



Environment, Water and
Livelihoods



Economic Empowerment



Disaster Response



IMPACT



7 Mn
people



over 2,000
partners



Footprint:
47 counties

OUR ESG IMPACT/CONTRIBUTION

TUINANE. Let's Go Beyond.



FINANCIAL SERVICES

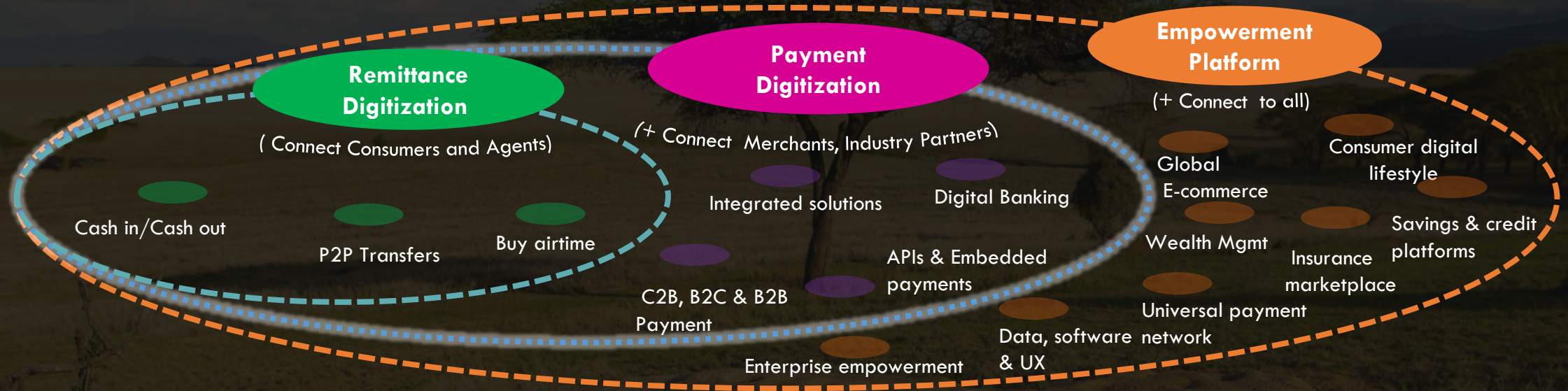
SAFARICOM INVESTOR DAY

Driving Purpose-Led Growth

TUINUANE. Let's Go Beyond.

3 PHASES OF DEEPENING FINANCIAL INCLUSION

TUINUANE. Let's Go Beyond.



Cash to e-Money

- Digitization of remittances
- Customer acquisition and education
- E-value distribution via agents & super agents

Payments

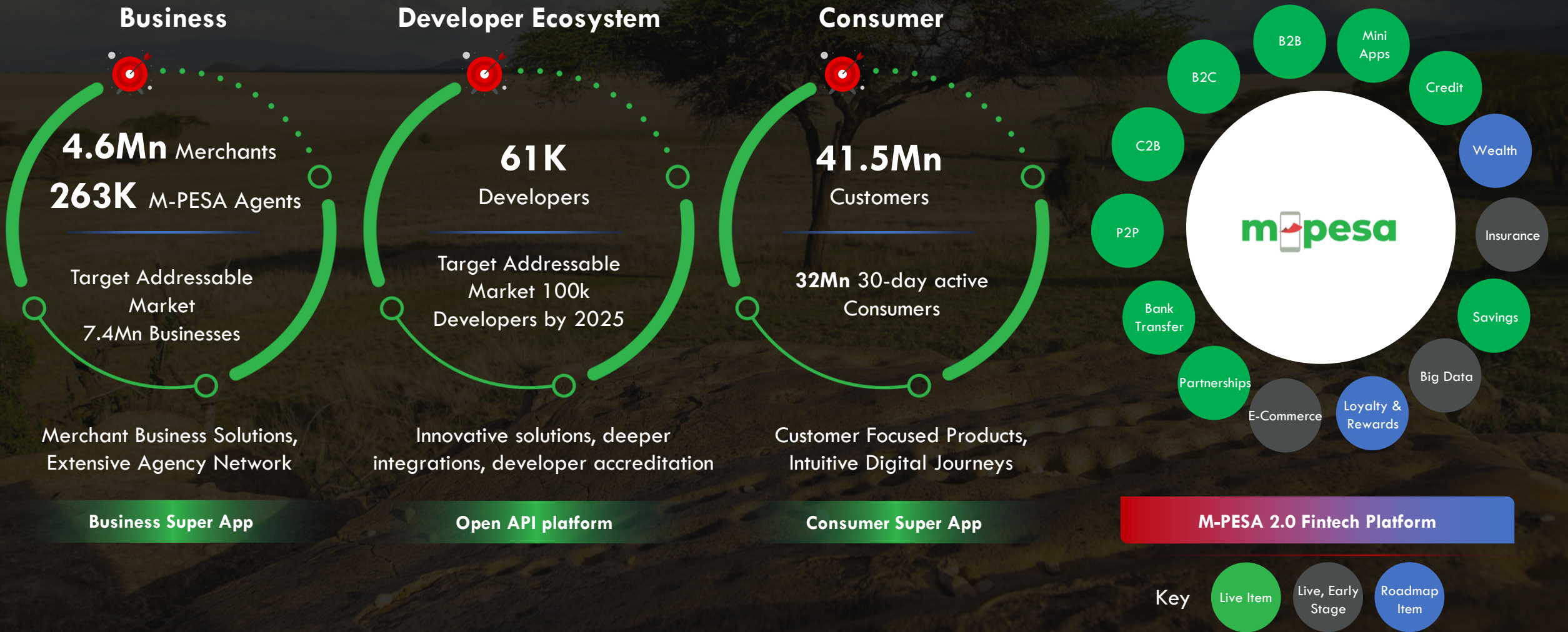
- New payments use cases.
- Integration to 3rd parties
- Credit as a source of E-Value

Ecosystem play

- Financial Service Provider.
- Open platform
- Inverted innovation
- Data, UX & Software

M-PESA HAS EVOLVED INTO A THREE-SIDED ECOSYSTEM POWERED BY A ROBUST FINTECH TECHNOLOGY PLATFORM

TUINUANE. Let's Go Beyond.



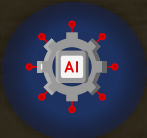
M-PESA VISION: TURBO CHARGE M-PESA GROWTH IN ORDER TO BE THE LARGEST FINTECH PLATFORM AND DIGITAL ECOSYSTEM IN KENYA & AFRICA

TUINUANE. Let's Go Beyond.

Powered by state of the art, common technical platforms



Next Generation Tech



AI, Big Data & AML



Open API

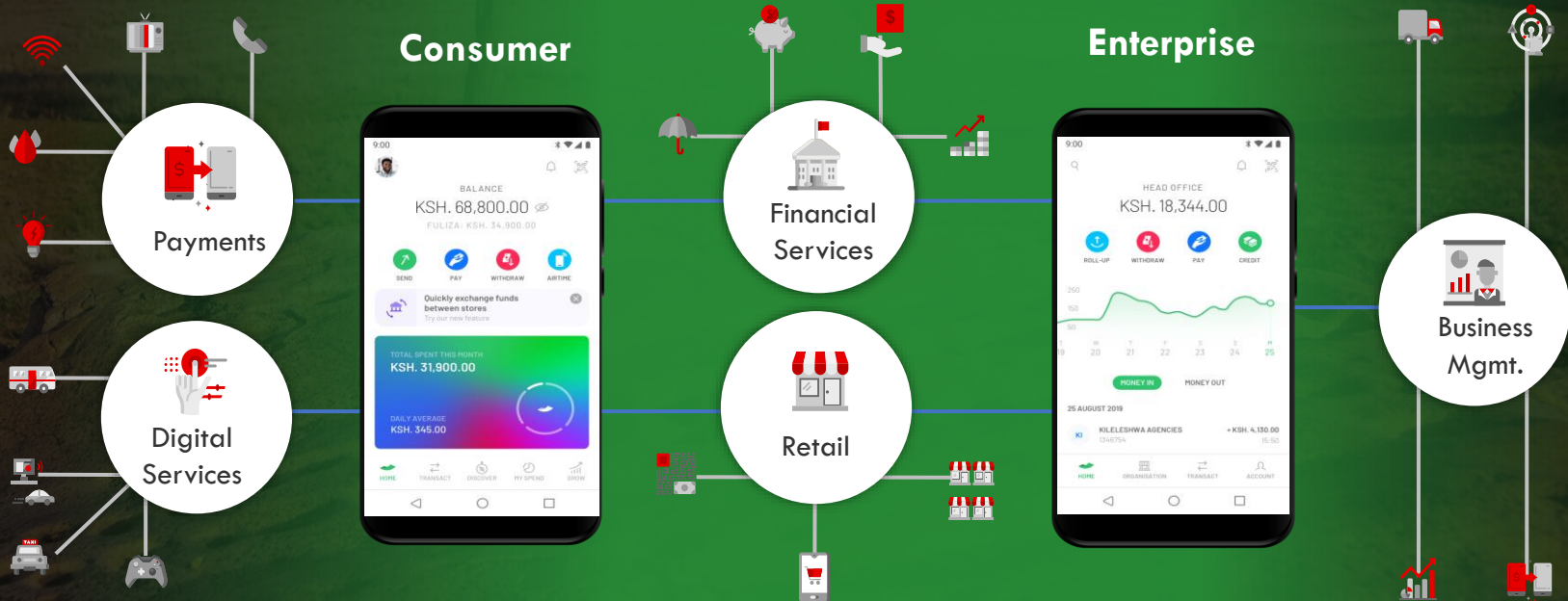


Single Point of Integration



Cloud enabled

We are building a fully-fledged **lifestyle super-app** with mini apps capabilities, exposing the best merchants and partner offers to the broadest customer base



KADOGO

Zero-rated charges for transaction ticket sizes of **100/-** and below for paybill & P2P & up to **200/-** for Buy Goods

30%

of M-PESA transactions

AFFORDABLE CREDIT

50% reduction in Fuliza cost of credit
First 3 days have a waiver on transactions below **1,000/-** on maintenance charge & 50% reduction in daily maintenance tariffs

Cost reduction on

80%

of draw-downs

TARIFF REDUCTION

- **46%** reduction in P2P charges (2021)
- **47%** reduction in paybill charges (2023)
- **61%** reduction in B2C charges (2023)

Average

50%

cost reduction across all transaction bands

Growth

Electronic payments

1



ARPU growth Expansion to new customer demographics such as Gen Z, Pochi; matching value proposition to different demographics; digital super apps

2



Accelerated active merchant acquisition with enhancement of **VAS** (e.g., lending, payroll) and loyalty programs

3



Deployment of existing and new credit offerings (e.g., loans, overdraft, BNPL) through a platform model

4



Introduction of new financial services **product marketplace** for **insurance** and **micro-wealth** management

5



Investment in M&A – Requisite licenses & partnerships

Enhanced technology & platforms

ENTERPRISE BUSINESS

SAFARICOM INVESTOR DAY

Driving Purpose-Led Growth

TUINUANE. Let's Go Beyond.

Enterprise Business Unit Focus:

Accelerate Customer Digital Transformation
in order to Scale Tech Solutions



Kes 36Bn

Safaricom Enterprise Revenue – FY22



27%

3 Year Revenue CAGR



Source: Safaricom Data

OUR CUSTOMERS

TUINUANE. Let's Go Beyond.

Economic Spend

Kes 3.4Bn

Customer Size

Mns

Micro/Small

Segments



Mama Mboga



Architect/Professional Services



Farmer



Merchants



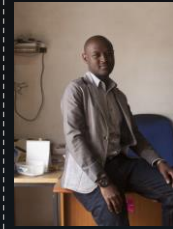
Registered Businesses



MNC



SME



County



National



Agencies



ISP



Resellers



MNO's

Kes 11.4Trn
Tens of Thousands

Medium/Large Enterprise

Kes 2.27Trn

Thousands

Public

Kes 35Bn

Tens

Wholesale

Insights

**Awareness
Access to Technology
Affordability**

**Understated Complexity
Investing for Growth
Advisory Services,
Managed Solutions**

**Low Digital Penetration
Data/Analytics
Managed Services
Cost Efficiencies**

**Scale Network
Cost Efficiencies
Brand**

Needs

**Value for Money
Business Growth**

**Expertise
Efficiency
Business Growth**

**Speed
Accessibility
Expertise**

Business Growth

Source: The Kenya Economic Survey 2022; Research & Market Report

KENYA'S ENTERPRISE SPACE IN THE CUSP OF A DIGITAL EXPLOSION

TUINUANE. Let's Go Beyond.

Government Digital Masterplan



100,000

kms of fibre

5k

digitized government services

20Mn

citizens digital literacy enablement

Infrastructure Growth Hub



121.2%

IP avg growth rate vs 18% globally

2x

data centres in the next 5 years

34%

towers growth

2.6x

growth in fibre customers

Ballooning Security Needs



USD 8.4Trn

cost to the global economy

Kes 400Bn

lost annually in Africa

Kes 54Bn

lost in Kenya from cyber attacks, which grew 221% in 2022

500Mn

cyber attacks detected (2023) vs 0.45B (2022)

The Case for Digital Transformation



58%

Kenyans buy online post pandemic

67%

increase in e-commerce, placing Kenya at 55th globally

15%

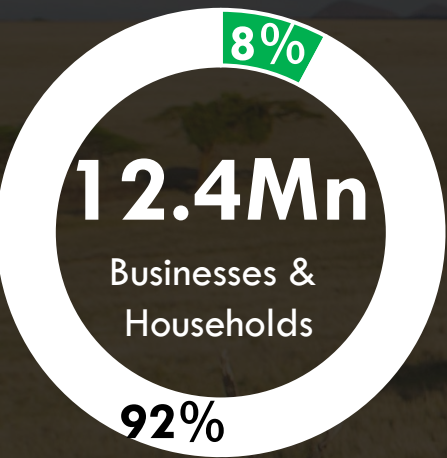
annual growth in mobile money use, maintaining Kenya as no. 1 in Africa

Kes 43Bn

gig economy, growing 33% pa

Source: The Kenya Digital Master Plan 2022-2032, CA Sector Quarterly Reports, CBK 2022, Capital Business, Statista Dec'22, ecommercedb

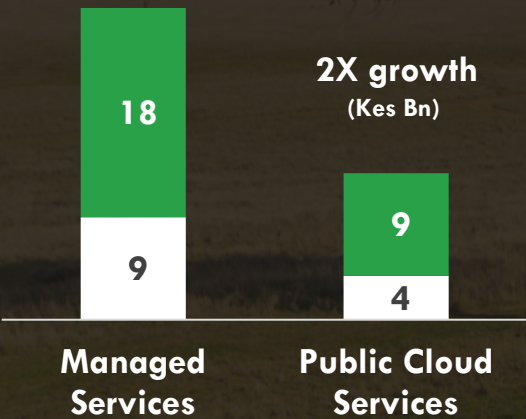
Fibre Penetration



- Households & Business with Fibre
- Households & Business without Fibre

Cloud

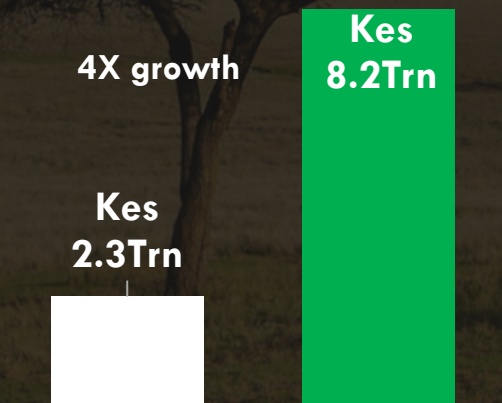
Kenya



FY20 FY25

Cyber Security Spend

Middle East & Africa



2016 2025

Internet of Things



Kenya

Key Focus: Awareness Accessibility & Affordability

Source: CA Sector Reports, James Smith Report Ocean 2022, Xalam: Rise of African Cloud, Mckinsey 2020

1

Digitize

Tech stack

Enablement
Secure Connectivity

Cloud + Apps

Security as Fundamental

2

Empower
for Growth/Transformation

Credit
Market Expansion
Smart Eco-systems
Shared Infra

Fintech

National
Regional
Global

IoT

OTT
Wholesale

3

Investing
for the future

CAPEX → OPEX
Managed Services
Virtualization /AI

SaaS
IaaS
PaaS

Commitment

Drive higher penetration of fiber, 4G & 5G

Shift in revenue mix towards ICT and IoT.



Build the right partnership models to scale

Preferred Enterprise E2E provider for technology, financial services and connectivity.



Success Measures

No. 1 Provider in the Market

Double Digit Revenue Growth.



Healthy EBITDA growth and margins

No. 1 Unparalleled customer experience.



TECHNOLOGY

SAFARICOM INVESTOR DAY

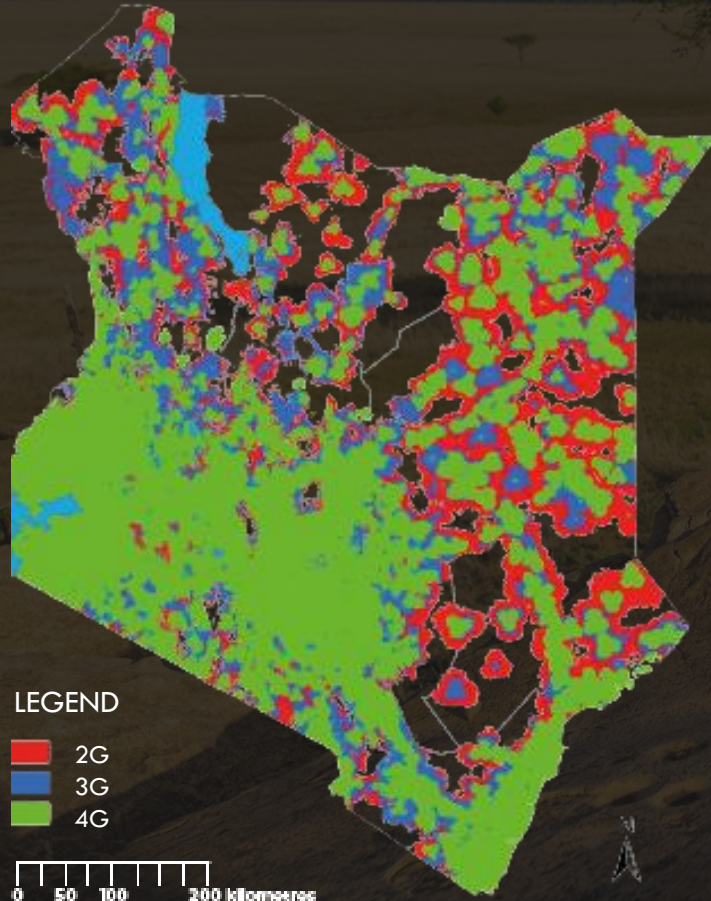
Driving Purpose-Led Growth

TUINUANE. Let's Go Beyond.

SAFARICOM NETWORK AT A GLANCE

TUINUANE. Let's Go Beyond.

Safaricom Network Coverage



Coverage

2G (97% Pop coverage)

3G (97% Pop coverage)

4G (97% Pop coverage)

5G Sites launched in Nairobi, Kisumu, Kisii, Kakamega



Data Centres

4 Tier 3+ **1** under construction

17 Tier 2

M-PESA in 3 data centers



Infrastructure

>12,000 Km of Metro Fiber rolled out in all the 47 counties

75% of sites on Fiber

FTTB: >6,000 Buildings on fiber.

Fixed Data: Leading 36% connection market share

M-PESA: >2,000 Transactions/s

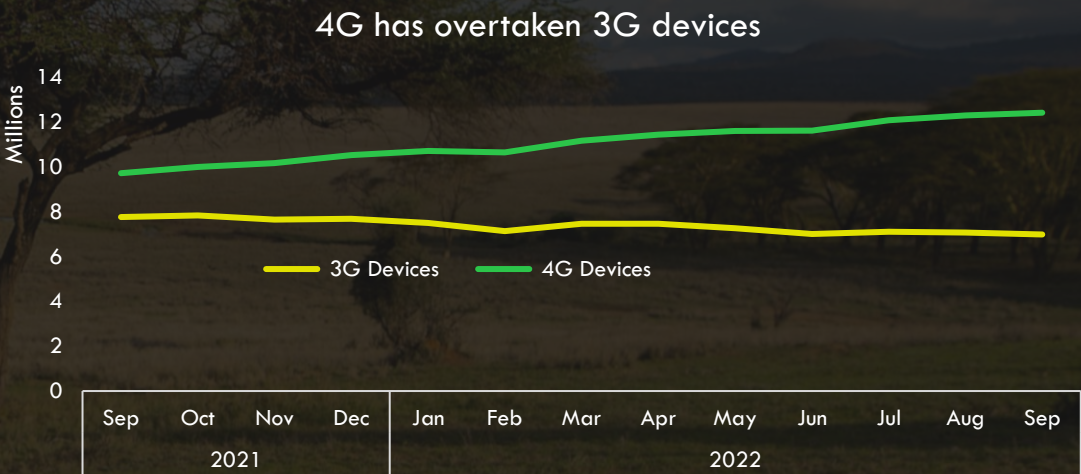
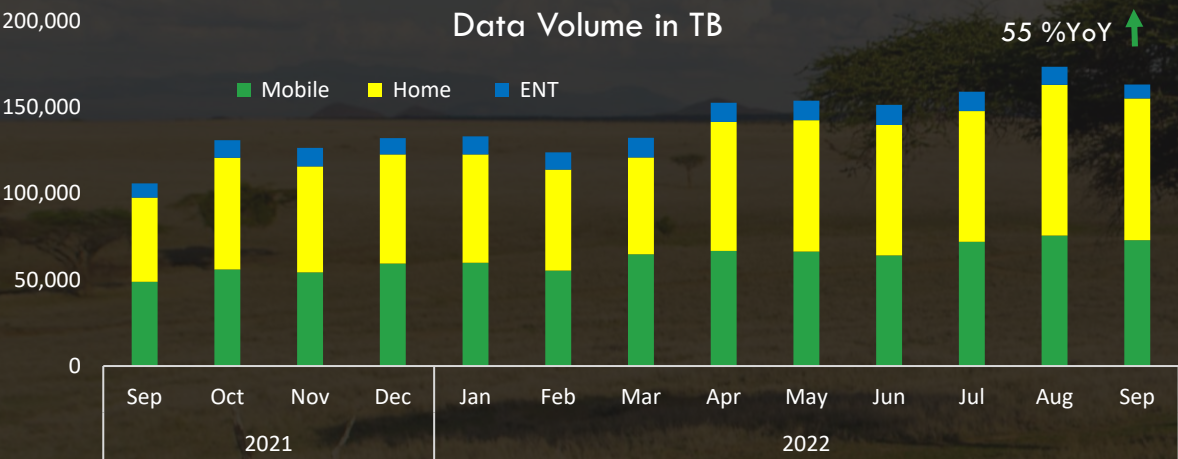


Spectrum

125 MHz TDD (2600 and 3500) and

2x87.5 MHz FDD (800,900,1800,2100)

CUSTOMER DEMAND CONTINUES TO INCREASE



Leading Net Promoter Scores

- 1** Overall Network score, 14-point lead
- 1** Home Network score, 15-point lead
- 1** Enterprise Fixed service score, 26-point lead

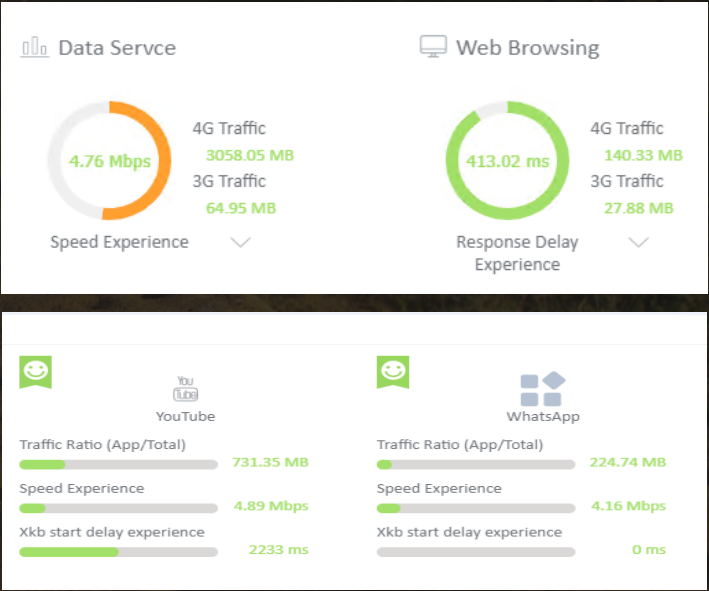
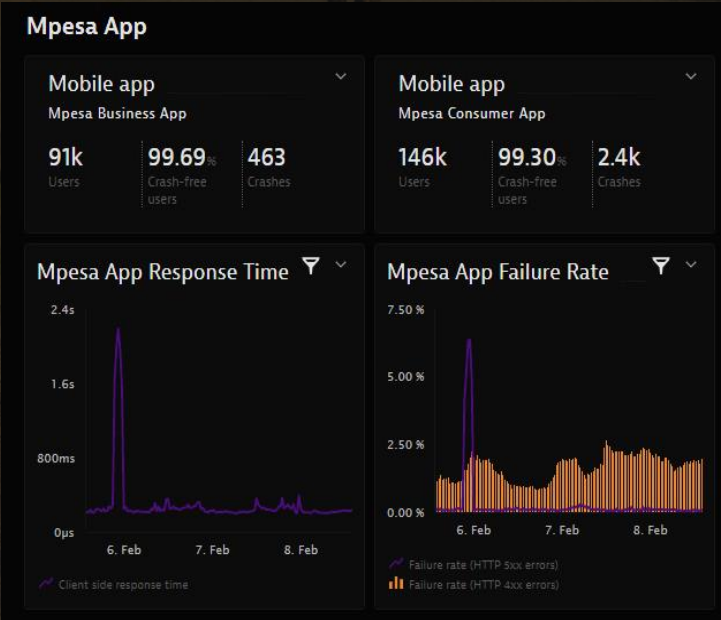
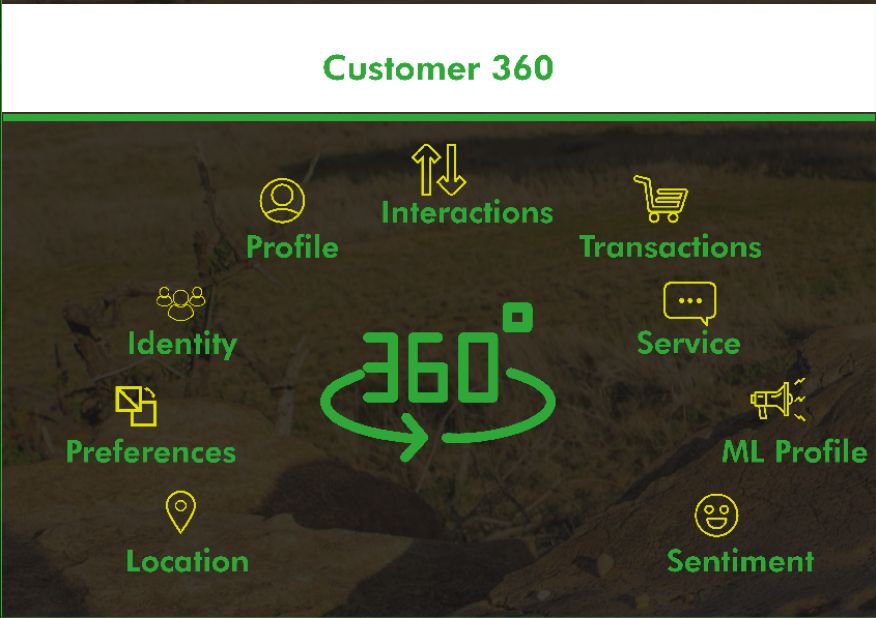
Sources: Kantar

TOWARDS A PURPOSE-LED TECHNOLOGY COMPANY



5,000+ data points about our customers

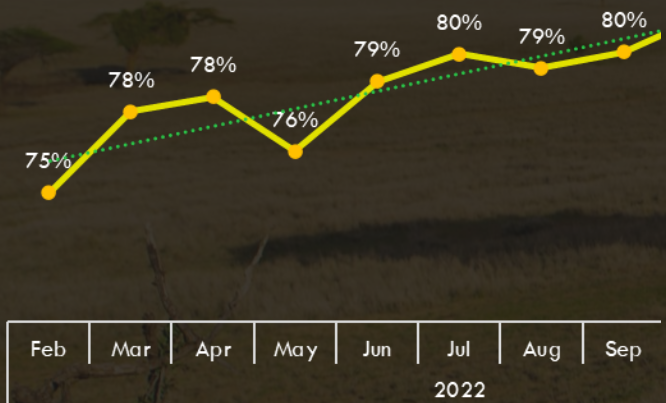
Real-time customer experience measure across all channels and usage



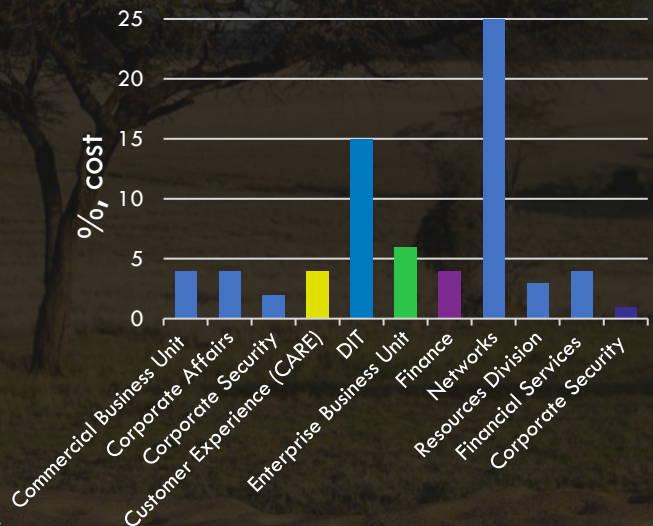
USE SCALE AND TECHNOLOGY TO DRIVE LOWEST COST OF PRODUCTION

TUINUANE. Let's Go Beyond.

DIGITAL CUSTOMER INTERACTIONS



Cost to Serve



Cost to Operate

Robotic Process Automation across the company



Cost to Build

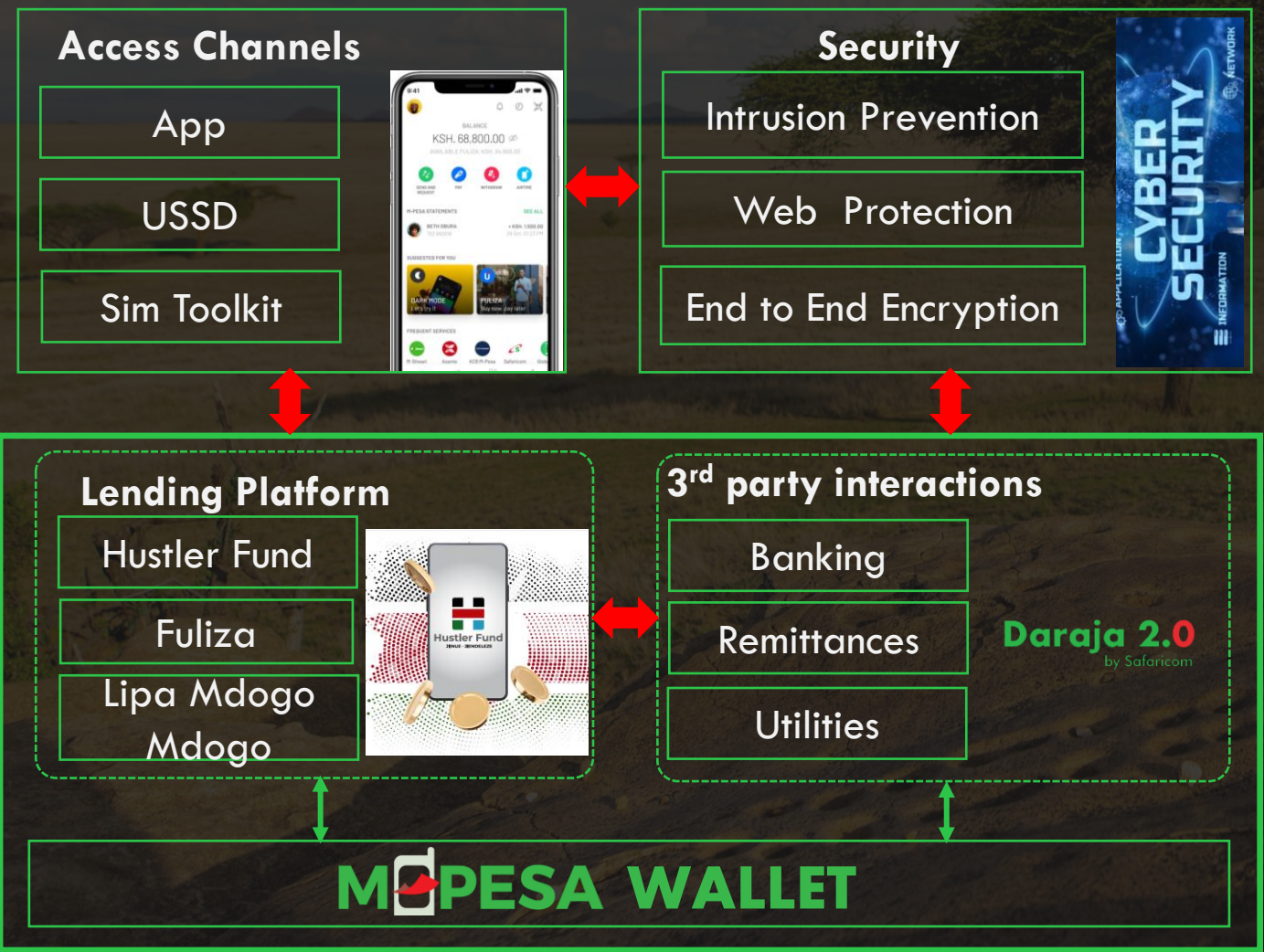
Vodafone Procurement Company Partner



Cost to Run

>1,400 Solar sites, 22% electricity savings

FINANCIAL SERVICES – SYSTEM OF INNOVATION



Innovation and API's integration

700+ APIs to support core system integration

35,000 3rd party Integrations

>50,000 Developers

Zero downtime architecture

COMPLEMENTING TECHNOLOGIES TO DELIVER BROADBAND

4G FWA*: Nationwide coverage, medium usage

4G

5G FWA: High usage and higher speeds

5G



Fiber: High usage and high speeds

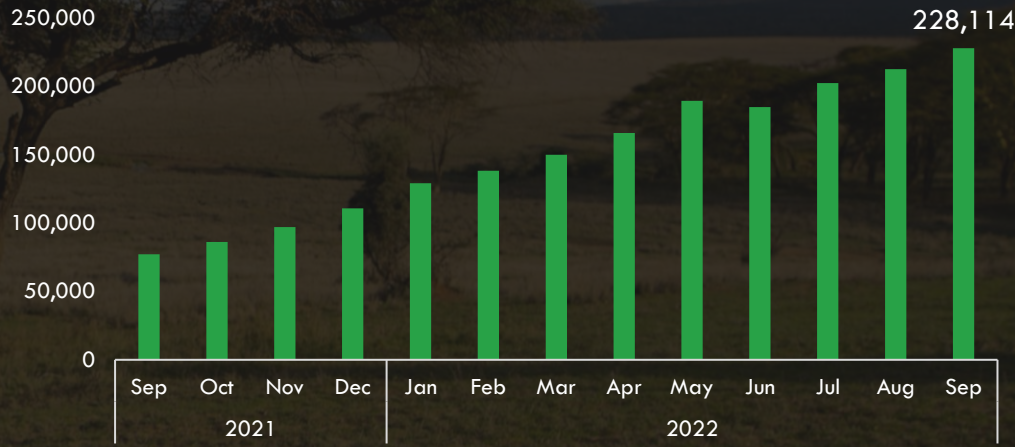


Fixed Wireless: medium usage and speeds, lower cost



*FWA- Fixed Wireless Access

5G Devices



Expanding 5G with our customers

- 1. Areas with no planned fiber coverage
- 2. High fixed LTE Fixed customers & LTE utilization
- 3. Growing 5G device penetration

#1 PLACE TO WORK FOR ENGINEERS

TUINUANE. Let's Go Beyond.



Continue to develop capabilities internally



Customer registration



Safaricom App



Enterprise Sales Force Automation



While focusing on career development and employee experience

300

Developers recruited last 2 years

93%

'My squad/team works together effectively using Agile ways of working.'

92%

'I have good opportunities to learn and grow at Safaricom'



Scale capabilities to enterprise customers

24/7 Cyber Defense Center

Cloud : Public cloud



Internally developed Chatbot



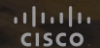
Partnering with technology leaders



Smart water



Office 365



Cisco Umbrella

Cloud security

ETHIOPIA BUSINESS OVERVIEW

SAFARICOM INVESTOR DAY

Driving Purpose-Led Growth

TUINUANE. Let's Go Beyond.

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

Ethiopia is a federal parliamentary republic; the Prime Minister is the head of government, and the President is the head of state but with largely ceremonial powers.

1

Federal Government

9

Autonomous Regional States

2

City Administrations (Addis Ababa & Dire Dawa)

80+

Ethnic Groups

100+

Local Languages

5

Regional Working Languages



GDP

USD

111.27 Bn



Coffee

Top Export item



*Data as reported on Fitch Solutions

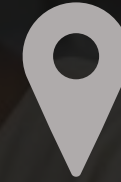
ETHIOPIA - OPPORTUNITIES



Population
119Mn



Opportunity
63Mn (+18yrs)
13.5Mn (14-18yrs)



22%
Urban

78%
Rural

35% **Financially**
Included

57% **Mobile**
Penetration

\$4.2Bn **Annual Inward**
Remittance

10K **Large**
Enterprises

240K **Small & Micro**
Enterprises

Source – Ethiopian Diaspora Agency(Fiscal year 2021/22), <http://www.statsethiopia.gov.et/>, National Bank (nbe.gov.et), <https://addisfortune.news/parliament-pass-foreign-fintechs-to-operate-payment-systems/>, <https://blogs.worldbank.org/africacan/financial-inclusion-in-ethiopia-10-takeaways-from-findex>

Economy

- **GDP** - GDP Growth in 2023 expected to be 6.2% compared to average of 9.1% (2011-2020)
- **Exchange rate** – Liquidity pressure in the market with increasing divergence of the official vs parallel market rates.
- **Inflation** – Inflation has accelerated in the past two years mainly due to the global pressures arising from Covid pandemic, the war in Ukraine, and locally the war in the North region.

Regulatory

- **Ethio telecom Privatization** – 45% of Ethio telecom privatization has been announced in February.
- **Telecom License** – Ethiopian Communication Authority (ECA) is also expected to issue an EOI for the 2nd private telecom entrants.
- **Financial Liberalization** – Government is still keen on liberalizing other industries including opening the mobile financial services and banking sectors.

Political/Security

- An overall stable environment currently
- **Tigray** - Northern Ethiopia Region, Tigray has opened from end Dec 2022 and commercial flights are now operational along with basic services such as banking & telecom.

Transforming Lives for a Digital Future

Loved and Innovative Brand

Further Ahead Together

- Customer Obsessed
- Trust & Respect

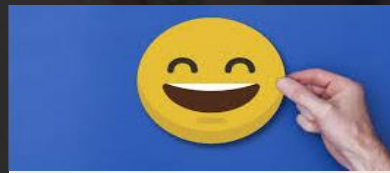
- Speed & Innovation
- Compliance & Integrity

- Earn Customer Loyalty
- Get It Done, Together

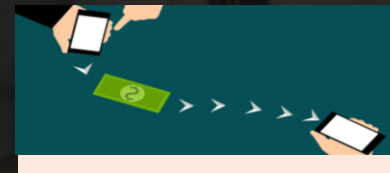
- Create the Future
- Experiment, Learn Fast



Fastest Data Network



Superior Customer Experience



Inclusive Digital Financial Services



Social Contract & ESG

Network & IT

Data & Analytics

Partnerships

Talent & Future Fit Organization

Purpose

Vision

Brand Promise

Values

Culture & Leadership standards

Foundational Pillars

Foundational Enablers

Purpose

Ensure everyone at Safaricom Ethiopia lives the Spirit /Culture Pillars and Values.

Talent & Performance

Guaranteeing diverse talent and critical skills needed now and in future.

Employee experience

Deliver employee experience that unlocks personal growth and business performance.

Future fit organization

Shaping an effective & efficient future fit organization that puts the customer at the center.

As at Jan '23
754
Staff



488



266



170



584



SAFARICOM ETHIOPIA AT A GLANCE

TUINUANE. Let's Go Beyond.

2 Mn

Gross Adds

Population Covered

~11 Mn (10%)

25

Cities

**Mobile Data Customer
Penetration**

64% of Customer Active base

~103

Distributor shops

~5k

Acquisition Agents

~28k

Retailers

Voice Usage

64 mins/customer/month

Data Usage

1.9GB/ customer/Month

847

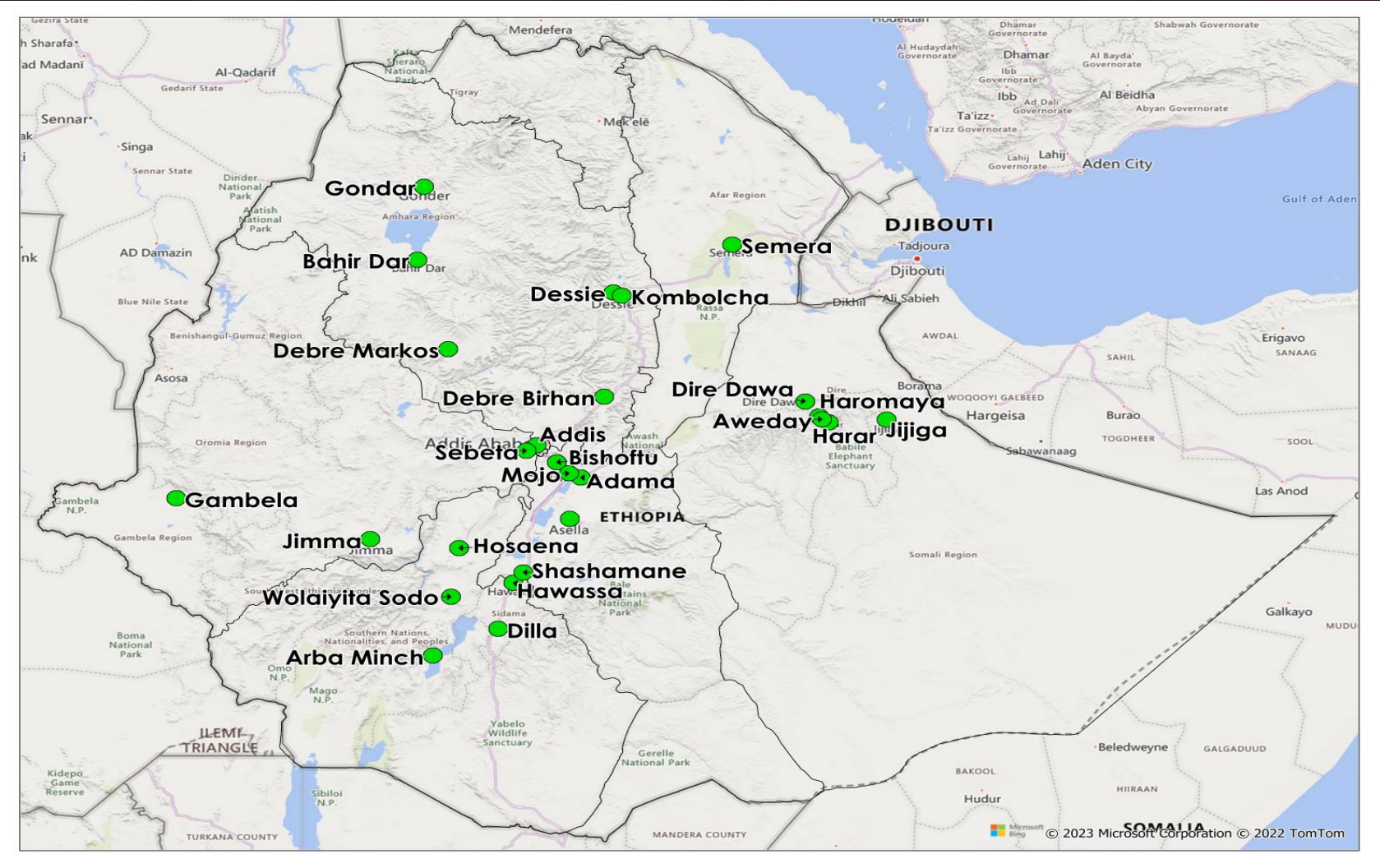
Network Sites

754

Permanent Employees

Numbers reported as at January 2023

ETHIOPIA – CITIES COVERED



847 Sites

In service



Speedtest Award™ Q3-Q4 2022 Trending

- Fastest Mobile Network in Ethiopia
- Fastest Mobile Network in East Africa

Safaricom
Telecommunications
Ethiopia Plc
አፋሪኮም
A member of the Vodacom family



- Ethiopian Parliament enacted the National Payment System legislation for opening the mobile financial services sector to foreign investment on 22nd Dec 2022.
- We are in discussions with the Ministry of Finance (MoF) to agree on the terms and conditions of investing in the financial sector.
- We are finalizing our commercial and technical readiness and we expect to launch operations within the upcoming financial year.

Purpose

Transforming Lives for a digital future

Vision

To build a robust digital platform for inclusive financial services

Mission

To deepen financial inclusion and promote a cash-lite economy to empower customers and businesses

Strategic Pillars



Ubiquitous M-PESA
Ecosystem



Superior Customer
Experience



Digital Payments and
Integrated Solutions



E-Commerce &
Remittances



Next Financial
Services

Enablers

Network & IT

Data & Analytics

Partnerships

Talent & Future Fit Organization



TUINUANE

Let's Go Beyond

Simple • Transparent • Honest
FOR YOU