

PUBLIC ANNOUNCEMENT SAFARICOM PLC

**The Capital Markets Act (Chapter 485A, Laws of Kenya)
The Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002
AWARD OF A MOBILE TELECOMMUNICATIONS LICENCE IN THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA TO
A CONSORTIUM IN WHICH SAFARICOM PLC HAS A MAJORITY STAKE**

On 26th April 2021, Safaricom PLC, Vodacom Group Ltd (South Africa) (through its subsidiary Vodacom International Holdings (Proprietary) Limited); Vodafone Group PLC (UK) (through its subsidiary Vodafone International Operations Limited), CDC Group PLC and Sumitomo Corporation, (the Consortium) submitted a bid to the Ethiopian Communications Authority (the ECA) for the award of one of two full-service mobile telecommunications licenses (the Ethiopia Telco Licence) in Ethiopia.

The ECA has now assessed the technical and financial proposals of the bidders for the Ethiopia Telco Licence and Safaricom PLC is pleased to announce that the ECA has confirmed that the Consortium's bid which included a financial bid of USD 850 million, was successful and therefore the ECA will award one Ethiopia Telco Licence to the Consortium. Such licence will allow the international Consortium to operate a telecommunications network in Ethiopia, but will not include the licence to operate mobile money. The term of the Ethiopia Telco Licence will be for an initial term of 15 years with the right to apply to the ECA for an additional 15 years.

The Consortium

Safaricom has formed Vodafamily Ethiopia Holding Company Limited (the SPV Company) which is a limited liability company incorporated in England and which is owned 90% by Safaricom, 10% by Vodacom International Limited and 1 share by Vodafone International Operations Limited. It is the intention that, subject to obtaining all relevant regulatory approvals, the SPV Company will move to Kenya under the name SafaricomFamily Ethiopia Holding Company Limited.

The SPV Company will own 61.9% of a new holding company in the Netherlands to be named Global Partnership for Ethiopia B.V. (GPE). The other shareholders of GPE will be Sumitomo Corporation and CDC Group PLC.

GPE will wholly own a newly incorporated operating company in Ethiopia (the Opco).

SPV Company, GPE and Opco are hereby referred to as Consortium Companies.

The Table below shows the relevant beneficial shareholding percentages in the Opco as at the date of submission of the bid.

Shareholder	Shareholding %
Safaricom	55.7%
Vodacom	6.2%
Sumitomo	27.2%
CDC	10.9%

As Safaricom will directly or indirectly hold more than a 50% equity stake in each of the Consortium Companies, each such Consortium Company will become a subsidiary company of Safaricom.

In line with the approval received from the Capital Markets Authority, Safaricom intends to seek ratification from its shareholders on the creation of these subsidiaries at its forthcoming Annual General Meeting scheduled for 30th July 2021.

Operations in Ethiopia

The Consortium will now proceed to form the Opco in Ethiopia which will be issued with the Ethiopia Telco Licence and to fulfill the various conditions in relation to the issuance of the Ethiopia Telco Licence.

The Consortium, through the Opco, intends to commence commercial operations in 2022.

Ethiopia, with an estimated population of approximately 112 million and reported economic growth rate of 8.3% in 2019 (World Bank data), represents an attractive new market for Safaricom to expand into given that Safaricom operates in a neighbouring country and sees the opportunity to deploy similar solutions to help overcome the economic challenges that both countries have in common e.g. in their education, health and agriculture sectors. Safaricom looks forward to growing its business outside Kenya and to providing the Ethiopian consumers the world class services that Safaricom and its operating Consortium Members are renowned for.

Further information will be provided to Safaricom's shareholders at the forthcoming Annual General Meeting.

Safaricom wishes to thank its Board of Directors, Executive team, staff, external advisors and fellow Consortium members for all the hard work in making the Consortium's bid a success.

By order of the Board

Kathryne Maundu, Company Secretary

Date: 25 May 2021

DISCLAIMER: This announcement is for information purposes only. It has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement.

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