

## Condensed consolidated income statement for the year ended 31 March

Rm	2023 <sup>1</sup>	2022
<b>Revenue</b>	<b>119 170</b>	102 736
Direct expenses	(45 942)	(38 624)
Staff expenses	(7 746)	(7 266)
Publicity expenses	(1 936)	(1 886)
Net credit losses on financial assets	(864)	(704)
Other operating expenses	(18 069)	(14 419)
Depreciation and amortisation	(17 968)	(14 657)
Net profit from associates and joint ventures	2 607	3 056
<b>Operating profit</b>	<b>29 252</b>	28 236
Net gain on disposal of subsidiaries	4	–
Finance income	857	554
Finance costs	(5 569)	(4 229)
Net gain on remeasurement and disposal of financial instruments	464	2
<b>Profit before tax</b>	<b>25 008</b>	24 563
Taxation	(6 897)	(6 829)
<b>Net profit</b>	<b>18 111</b>	17 734
<b>Attributable to:</b>		
Equity shareholders	16 767	17 163
Non-controlling interests	1 344	571
	<b>18 111</b>	17 734

**Note:**

1. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022. Acquisition-related costs of R260 million were recognised in other operating expenses.

Cents	2023	2022
Basic earnings per share	948	1 013
Diluted earnings per share	921	984

Group service revenue grew 17.2% to R93.7 billion, positively impacted by the acquisition of Vodafone Egypt and rand depreciation against our basket of International currencies. Excluding Vodafone Egypt, service revenue growth of 7.2% (3.5%\*) was underpinned by mobile prepaid revenue in South Africa, data revenue across our International markets and Group growth in new services.

Total Group expenses increased 18.5% to R74.6 billion. Excluding Vodafone Egypt, Group total expenses increased 9.9% (6.5 %\*). In South Africa, expenses increased 6.3% to R52.2 billion, reflecting higher equipment costs of sales associated with the higher equipment revenue. International expenses increased 19.4% (5.2%\*) to R17.2 billion, as incremental cost initiatives were implemented to manage costs below the rates of inflation.

Net profit from associates and joint ventures declined by 14.7% to R2.6 billion, negatively impacted by start-up costs related to Ethiopia and the foreign exchange translation headwinds.

Net finance charges increased 15.7% to R4.2 billion, as a result of higher net debt and higher average cost of debt associated a sharp increase in South Africa Reserve Bank interest rates. In addition to investment in spectrum, 20% of the Vodafone Egypt consideration was settled through new debt, contributing to a 37.3% net debt increase.

The tax expense of R6.9 billion was 1.0% higher than the prior year due to higher taxable profits. The effective tax rate was 27.6%, slightly lower than the prior year due to the recognition of a deferred tax asset in Tanzania.

## Condensed consolidated statement of comprehensive income

for the year ended 31 March

Rm	2023 <sup>1</sup>	2022
<b>Net profit</b>	<b>18 111</b>	17 734
<b>Other comprehensive income</b>		
Foreign currency translation differences, net of tax <sup>2,3</sup>	<b>2 985</b>	(3 025)
Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method <sup>2,3</sup>	<b>565</b>	(343)
Mark-to-market of financial assets held at fair value through other comprehensive income, net of tax <sup>2</sup>	<b>216</b>	271
Mark-to-market gains recognised through profit or loss on disposal of financial assets held at fair value through other comprehensive income, net of tax <sup>2</sup>	<b>(276)</b>	(271)
<b>Total comprehensive income</b>	<b>21 601</b>	14 366
<b>Attributable to:</b>		
Equity shareholders	<b>21 207</b>	14 167
Non-controlling interests	<b>394</b>	199
	<b>21 601</b>	14 366

**Notes:**

1. The results of Vodafone Egypt have been consolidated from the acquisition date of 8 December 2022.
2. Other comprehensive income can subsequently be recognised in profit or loss on the disposal of foreign operations or financial assets held at fair value through other comprehensive income.
3. Share of foreign currency translation differences, net of tax, of associates and joint ventures accounted for using the equity method line item previously reported as part of foreign currency translation differences, net of tax line item are now being reported separately. The reclassification had no impact on any reported totals, HEPS or on any amounts presented in the statement of financial position.

## Condensed consolidated statement of financial position

as at 31 March

Rm	2023 <sup>1</sup>	2022
<b>Assets</b>		
<b>Non-current assets</b>	<b>162 527</b>	127 448
Property, plant and equipment	74 241	59 273
Intangible assets	27 643	14 054
Financial assets	800	783
Investment in associates and joint ventures	52 573	47 429
Trade and other receivables	3 700	2 763
Finance receivables	2 348	2 374
Tax receivable	674	647
Deferred tax	548	125
<b>Current assets</b>	<b>65 788</b>	50 519
Financial assets	958	612
Mobile financial deposits	9 832	6 386
Inventory	2 156	1 787
Trade and other receivables	27 992	21 230
Finance receivables	2 508	2 554
Tax receivable	288	234
Bank and cash balances	22 054	17 716
<b>Total assets</b>	<b>228 315</b>	177 967
<b>Equity and liabilities</b>		
Fully paid share capital	89 918	57 073
Treasury shares	(17 055)	(17 019)
Retained earnings	43 524	39 885
Other reserves	(30 441)	(502)
Equity attributable to owners of the parent	85 946	79 437
Non-controlling interests	11 481	6 029
<b>Total equity</b>	<b>97 427</b>	85 466
<b>Non-current liabilities</b>	<b>66 502</b>	34 834
Borrowings	60 687	29 347
Trade and other payables	552	541
Provisions	1 406	1 581
Deferred tax	3 857	3 365
<b>Current liabilities</b>	<b>64 386</b>	57 667
Borrowings	8 327	22 061
Trade and other payables	41 392	26 632
Mobile financial payables	9 832	6 386
Provisions	830	341
Tax payable	2 665	1 178
Dividends payable	17	11
Bank overdraft	1 323	1 058
<b>Total equity and liabilities</b>	<b>228 315</b>	177 967

PPE increased R15.0 billion to R74.2 billion and intangible assets increased R13.6 billion to R27.6 billion. The consolidation of Vodafone Egypt accounted for R12.1 billion of the increase in property, plant and equipment and R10.9 billion of the increase in intangibles, respectively.

Safaricom profits were impacted by start-up losses in Ethiopia. Our proportionate investment into the mobile licence in Ethiopia and our attributable share of Safaricom profits were offset by dividends received and foreign currency translation difference movements related to Safaricom.

The movement largely relates to the acquisition of a controlling stake in Vodafone Egypt and a resultant common control reserve.

Higher net debt of R48.3 billion reflects the R10.7 billion debt funding component for the Vodafone Egypt transaction and spectrum costs. Our reported net debt to EBITDA ratio increased to 1.1 times, as a result of the timing of the Vodafone Egypt transaction. On a pro-forma basis, with Vodafone Egypt consolidated for the full financial year, net debt to EBITDA was 0.8 times.

Current borrowings decreased as a result of successful refinancing.

**Note:**

1. Vodafone Egypt has been consolidated from the acquisition date of 8 December 2022.

## Condensed consolidated statement of changes in equity

for the year ended 31 March

Rm	Equity attributable to owners of the parent	Non-controlling interests	Total equity
<b>31 March 2022</b>	<b>79 437</b>	<b>6 029</b>	<b>85 466</b>
Adoption of IAS 29 by associate entity	1 953	212	2 165
<b>1 April 2022</b>	<b>81 390</b>	<b>6 241</b>	<b>87 631</b>
Total comprehensive income	21 207	394	21 601
Dividends	(13 127)	(569)	(13 696)
Shares issued on acquisition of subsidiary <sup>1</sup>	32 845	–	32 845
Acquisition of subsidiary under common control	(36 137)	5 105	(31 032)
Repurchase and sale of shares	(377)	–	(377)
Share-based payments	438	–	438
Proceeds on subsidiary share issue <sup>2</sup>	–	242	242
Changes in subsidiary holdings <sup>3</sup>	(293)	68	(225)
<b>31 March 2023</b>	<b>85 946</b>	<b>11 481</b>	<b>97 427</b>
<b>31 March 2021</b>	<b>79 370</b>	<b>6 320</b>	<b>85 690</b>
Total comprehensive income	14 167	199	14 366
Dividends	(14 162)	(502)	(14 664)
Repurchase and sale of shares	(433)	–	(433)
Share-based payments	495	–	495
Changes in subsidiary holdings	–	12	12
<b>31 March 2022</b>	<b>79 437</b>	<b>6 029</b>	<b>85 466</b>

**Notes:**

1. Net of share issue costs of R3 million.
2. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.
3. Changes in subsidiary holdings includes the acquisition of an additional 14% equity interest in each of IoT.next B.V and 10T Holdings (Pty) Limited, increasing the Group's effective shareholding in each of the subsidiary entities to 65%, as well as the unwinding of the B-BBEE deal for Storage Technology Services (Pty) Limited trading as Nexio (Stortech), a subsidiary of the Group. The unwinding of the B-BBEE deal led to the Group's effective interest in Stortech reducing from 95% to 51%. Also included is the buy-out of certain minority shareholders subsequent to the acquisition of Vodafone Egypt.

## Condensed consolidated statement of cash flows

for the year ended 31 March

Rm	2023	2022
<b>Cash flows from operating activities</b>		
Cash generated from operations	48 312	41 152
Tax paid	(7 361)	(7 124)
<b>Net cash flows from operating activities</b>	<b>40 951</b>	<b>34 028</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment and intangible assets	(20 175)	(13 843)
Proceeds from disposal of property, plant and equipment and intangible assets	89	61
Acquisition of subsidiary (net of cash and cash equivalents acquired)	(9 221)	–
Acquisition of associate	(321)	(874)
Loan to joint venture	(116)	(234)
Dividends received from associate	4 390	2 911
Finance income received	871	545
Net movement in mobile financial deposits <sup>1</sup>	(2 353)	(500)
Other investing activities <sup>1</sup>	132	(30)
<b>Net cash flows utilised in investing activities</b>	<b>(26 704)</b>	<b>(11 964)</b>
<b>Cash flows from financing activities</b>		
Borrowings incurred	19 662	8 570
Borrowings repaid	(11 935)	(9 717)
Finance costs paid	(5 341)	(4 312)
Dividends paid – equity shareholders	(13 136)	(14 170)
Dividends paid – non-controlling interests	(569)	(502)
Repurchase of shares	(510)	(517)
Proceeds on sale of shares	133	84
Proceeds on subsidiary share issue <sup>2</sup>	242	–
Changes in subsidiary holdings <sup>3</sup>	(273)	–
<b>Net cash flows utilised in financing activities</b>	<b>(11 727)</b>	<b>(20 564)</b>
<b>Net increase in cash and cash equivalents</b>	<b>2 520</b>	<b>1 500</b>
Cash and cash equivalents at the beginning of the year	16 658	15 209
Effect of foreign exchange rate changes	1 553	(51)
<b>Cash and cash equivalents at the end of the year</b>	<b>20 731</b>	<b>16 658</b>

**Notes:**

1. Net movements in restricted cash deposits from M-Pesa customers previously reported as part of other investing activities are now being reported separately. The reclassification had no impact on any reported totals, HEPS or on any amounts presented in the statement of financial position.
2. Non-controlling interests' share of proportionate additional share capital contributions into 10T Holdings (Pty) Limited.
3. Cash consideration of R258 million for the acquisition of an additional 14% equity interest in two subsidiary entities, being IoT.next B.V and 10T Holdings (Pty) Limited, increasing the Group's effective shareholding in each of the subsidiary entities to 65%, and cash consideration paid for the buy-out of certain minorities subsequent to the acquisition of Vodafone Egypt of R15 million.