

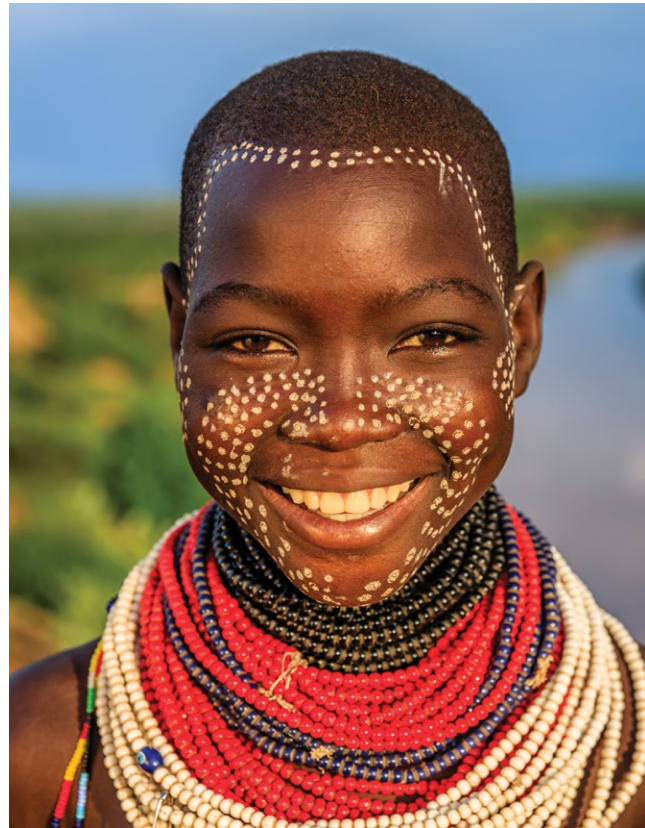
The Board's support of value creation

To our investors, shareholders and other interested stakeholders

Our integrated report demonstrates how our purpose – to connect for a better future – drives our strategy, guides our integrated approach to value creation and informs how we engage with stakeholders within our operating context. The report also provides insights into the Group's outlook and articulates why we believe Vodacom is a sound long-term investment.

This integrated report was prepared under the supervision of senior and executive management, and subject to a robust internal and external review process. However, as the Board, we are committed to ensuring the integrity of this report and, accordingly, interrogated the content thereof to ensure it materially complies with the Integrated Reporting Framework. In our opinion, this report addresses all material matters and presents a balanced and fair account of the Group's performance in FY2023. It also includes material events between year end and the date on which this report was approved, being 12 June 2023. We are confident that it is a reasonable reflection of Vodacom's strategic commitments for the short (less than one year), medium (one to three years) and long term (beyond three years).

Guided by the Audit, Risk and Compliance Committee (ARCC), the Board approved the FY2023 integrated report and consolidated financial statements on 12 June 2023.



Saki

Sakumzi Macozoma
(Chairman)

Shameel

Shameel Joosub
(CEO)

Raisibe

Raisibe Morathi
(CFO)

Khumo

Khumo Shuenyane
(Lead independent non-executive director)

Phuthi

Phuthi Mahanyele-Dabengwa
(Independent non-executive director)

Nomkhita

Nomkhita Nqweni
(Independent non-executive director)

Clive

Clive Thomson
(Independent non-executive director)

Sunil

Sunil Sood
(Non-executive director)

Pierre

Pierre Klotz
(Non-executive director)

Anna

Anna Dimitrova
(Non-executive director)

John

John Otty
(Non-executive director)

Leanne

Leanne Wood
(Non-executive director)

Connect with us

We welcome and encourage our stakeholders to hold us accountable and share their views on our integrated report, performance and roadmap for delivering sustainable value.



For quick and easy feedback, scan the QR code on your smartphone.



You can also send any feedback to vodacomir@vodacom.co.za.

About our report

Driving value creation through integrated thinking

Our commitment to our purpose is fundamental to how we manage our business, develop and deliver on our strategy – the **System of Advantage** – and create sustainable value for our stakeholders. With this in mind, and by embracing integrated thinking as a central tenet of our strategy and purpose-led business model, we can manage the effects of our business activities on the six capitals, as referred to in the Integrated Reporting Framework.

As we connect for a better future our purpose-led strategy is designed to positively influence our operating context and meaningfully contribute to the United Nations Sustainable Development Goals (UN SDGs).

Reporting boundary and scope

Through our FY2023 integrated report, we aim to provide concise communication about Vodacom's approach to value creation (page 24). This is provided in the context of our material matters (page 06) addressed through our purpose (page 22), strategy (page 25) and as informed by our key relationships (page 84), principal risks and associated opportunities (page 36), hot topics (page 42) and trade-offs (page 50). We also provide a succinct overview of our governance practices (page 14), business model (page 48) and capitals performance (page 52) for the financial year.

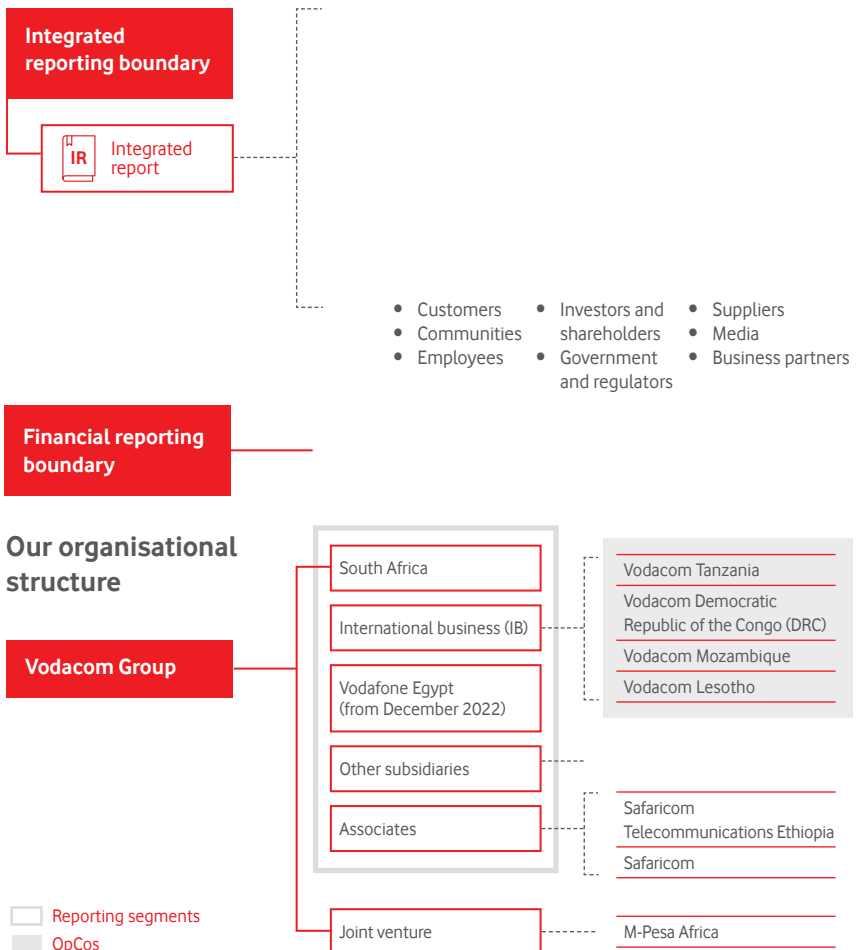
The information included in this report relates to our activities at a Group level, but also includes disclosure relating to our operating companies (OpCos). We consolidate both the financial and non-financial data of our OpCos. Where only data for Vodacom South Africa is available – which represents 64.1% (FY2022: 73.2%) of service revenue and

72.1% (FY2022: 78.9%) of earnings before interest, tax, depreciation and amortisation (EBITDA) – we indicate this with #.

We use * to indicate normalised growth, which represents performance on a comparable basis. This adjusts for trading foreign exchange and foreign currency fluctuation on a constant currency basis (using the current year as a base). It excludes the impact of mergers and acquisitions (M&A) and disposal activities, at a constant currency basis where applicable, to show a like-for-like comparison of results.

Vodafone Egypt Telecommunications SAE (Vodafone Egypt) was consolidated from 8 December 2022, representing the effective date of the transaction. No comparative information or growth rates are provided for Vodafone Egypt. We use ^ to indicate the Group's growth performance excluding Vodafone Egypt.

All growth rates quoted are year on year and refer to the year ended 31 March 2023 compared with 31 March 2022, unless stated otherwise.



Navigate our report

Throughout the report, we use the following icons to indicate the elements of our business model in terms of the integrated reporting framework:

Capitals impacted

FC Financial capital	SRC Social and relationship capital
MC Manufactured capital	IC Intellectual capital
HC Human capital	NC Natural capital

The six capitals have been defined from Page 52 of our capitals performance.

Stakeholder groups

Customers	Communities	Employees
Investors and shareholders	Government and regulators	Suppliers
Media	Business partners	

Strategic pillars

- 1 Footprint strengthened
- 2 Secure leadership in mobile and fixed
- 3 Scale financial and digital services
- 4 Digital partner of choice for enterprises
- 5 World-class loyalty and customer experience
- 6 Personalisation through customer value management (CVM) and Big Data
- 7 Optimise assets through sharing
- 8 Technology leadership in network and information technology (IT)
- 9 TechCo organisation and culture
- 10 Trusted brand and reputation

Material matters

- | | |
|-------------|---|
| MM 1 | Financial and digital inclusion |
| MM 2 | Network resilience and climate impact |
| MM 3 | Accelerating growth while enhancing returns |
| MM 4 | Our people |
| MM 5 | Governance, ethics and transparency |
| MM 6 | Economic and political landscape |
| MM 7 | Complex regulatory environment |
| MM 8 | Competitive environment |

Value created	Value eroded	Value sustained
---------------	--------------	-----------------



Materiality

The topics discussed in this report reflect the issues that could impact the role we play in society, as well as how our business deals with evolving market dynamics and allocates resources to ensure we deliver on our **System of Advantage**. In FY2023, we conducted a review of the material matters that could, in our judgement, significantly impact the value we create for our stakeholders. The content of this report is based on the outcome of this assessment.

Reporting frameworks and process

The Group's integrated reporting process is owned by the Executive Committee (ExCo), and the content and commitments are approved by executive management. The reporting suite is reviewed in detail by the Audit, Risk and Compliance Committee (ARCC), and ultimately signed off by our Board of Directors.

We align with best reporting practices and are guided by the principles and requirements in the International Financial Reporting Standards (IFRS); the Integrated Reporting Framework; King IV Report on Corporate Governance™ for South Africa, 2016 (King IV)¹; the JSE Limited (JSE) Listings Requirements; the Companies Act No 71 of 2008, as amended (the Companies Act); and the Global Reporting Initiative's Sustainability Reporting Standards. We also provide extracts from the condensed consolidated financial statements in this report. Vodacom's Social and Ethics Committee (SEC) fulfilled its mandate as prescribed by the regulations of the Companies Act, and there are no instances of material non-compliance to disclose.

The complete set of consolidated financial statements and our suite of additional reports are available online or can be requested from investor relations.

Combined assurance

We use a combined assurance model for assurance from internal and external providers. Ernst & Young Inc audited our FY2023 consolidated financial statements and issued an unmodified opinion thereon. While sections of our consolidated financial statements included in this report were extracted from audited information, such sections are not audited herein.

We extended the independent assurance of ESG metrics to encompass South Africa, Egypt², Tanzania, Democratic Republic of Congo (DRC), Mozambique, Lesotho and Kenya³ and have included additional metrics in scope. KPMG Inc. conducted limited assurance on selected ESG metrics and the information relating to the scope and conclusions are in the independent limited assurance report in our ESG addendum available on our Group website at www.vodacom.com.

The Group's internal audit function assesses financial, operating, compliance and risk management controls, which are overseen by the ARCC.

Outlook

Throughout this report, we provide readers with forward-looking information on the challenges we are likely to face and opportunities we intend to pursue as part of our strategy. Where possible we articulate the implications thereof on our expected performance. It is, however, important to note that forward-looking statements are inherently predictive and speculative, and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

For more information, refer to Pages 11, 20 and 55.

1. Copyright and trademarks are owned by the Institute of Directors South Africa NPC and all of its rights are reserved.
 2. Excluding carbon emissions which will be in scope from FY2024.
 3. Number of financial inclusion customers only.

Who we are

Vodacom is a leading and purpose-driven African connectivity, digital and FinTech operator. Including Safaricom, the Group serves 185.8 million customers across consumer and enterprise segments.

Driven by our commitment to digital and financial inclusion, we offer a wide range of services, including telecommunications, IT, digital, Internet of Things (IoT) and financial services. From our South African roots, we have grown our business to include operations in Tanzania, the DRC, Mozambique, Lesotho and Kenya. In FY2023, our operations expanded as we acquired a 55% controlling stake in Vodafone Egypt and launched commercial operations in Ethiopia through a Safaricom-led consortium.

We are listed on the JSE.

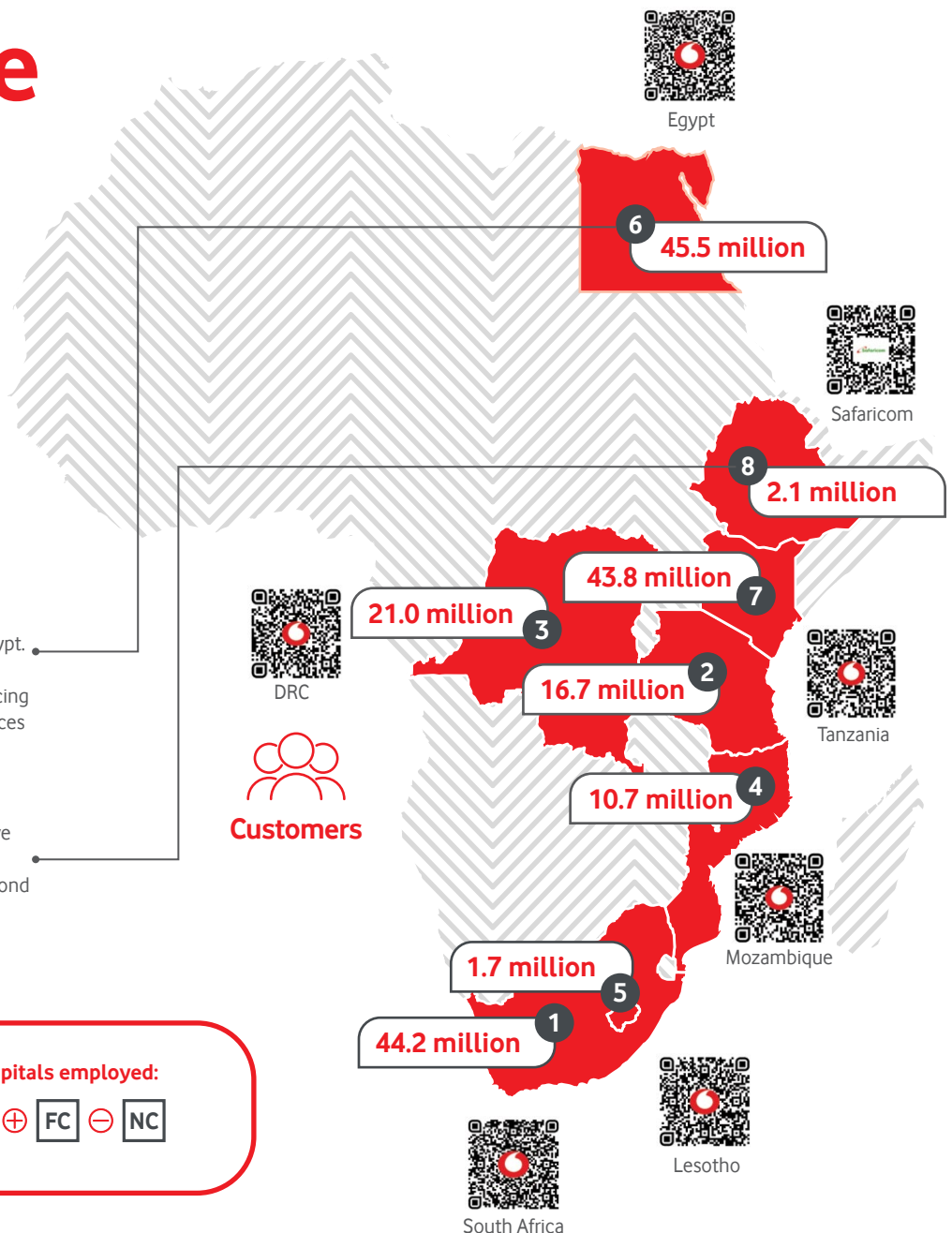
Our population reach across our markets exceeds **500 million people** (including Safaricom at 100%).

Where we operate

The completion of Vodafone Egypt's acquisition and launch of commercial operations in Ethiopia increased our population reach across the continent to over half a billion people and more than 40% of Africa's gross domestic product (GDP).

In December 2022, we completed the acquisition of a 55% interest in Vodafone Egypt. This transaction further cements Vodacom's position as Africa's leading TechCo by advancing our strategic connectivity and financial services ambitions on the continent.

Through a Safaricom-led consortium, we have taken the opportunity to expand and build world-class services in Ethiopia – Africa's second largest country by population. Safaricom Ethiopia launched commercial operations in October 2022.



Net impact of finalised M&A on capitals employed:

HC ⊕ IC ⊕ SRC ⊕ MC ⊕ FC ⊖ NC

Our market value is

R253.6 billion

as at 31 March 2023.

We offer business-managed services to enterprises in

47 countries

in Africa through Vodacom Business Africa.

Vodafone – one of the world's largest communications companies in terms of revenue – has

65.1%

shareholding

in Vodacom.

Customers			Revenue (entity local currency)			Revenue (rand equivalent)		
million	FY2023	FY2022	million	FY2023	FY2022	Rm	FY2023	FY2022
South Africa	44.2	45.4	South Africa (R)	84 715	80 828	South Africa	84 715	80 828
Tanzania	16.7	15.4	Tanzania (TZS)	1 073 018	971 025	Tanzania	7 838	6 229
DRC	21.0	15.5	DRC (US\$)	619	561	DRC	10 531	8 341
Mozambique	10.7	9.0	Mozambique (MZN)	26 368	27 992	Mozambique	7 012	6 612
Lesotho	1.7	1.9	Lesotho (LSL)	1 204	1 244	Lesotho	1 204	1 244
Egypt*	45.5	–	Egypt* (EGP)	13 463	–	Egypt*	8 252	–
Safaricom ¹	43.8	42.4	Safaricom ¹ (KES)	310 685	298 024	Other	(382)	(518)
Ethiopia ⁹	2.1	–				Total	119 170	102 736
Total	185.8	129.6				Safaricom ¹	43 607	39 985

	1	2	3	4	5	6	7	8	
	South Africa	Tanzania	DRC	Mozambique	Lesotho	Egypt	Kenya (Safaricom)	Ethiopia ⁹ (Safaricom)	
Ownership	100%	75%	51%	85%	80%	55%	34.94% ¹	6.2% ² (direct)	
Population³ (estimate)	60.4 million	67.4 million	102.3 million	33.9 million	2.3 million	112.7 million	55.1 million	126.5 million	
GDP growth³ (estimate)	0.5%	5.7%	5.7%	6.5%	2.1%	3.2%	5.1%	6.4%	
ARPU⁴ (local currency per month)	R93 (FY2022: R90)	TZS5 328 (FY2022: TZS5 132)	US\$2.8 (FY2022: US\$2.8)	MZN199 (FY2022: MZN249)	LSL51 (FY2022: LSL52)	EGP68 (FY2022: EGP57)	KES572 (FY2022: KES562) ⁵		
ARPU US\$	5.2	2.2	2.8	3.0	2.9	2.2	4.3		
Licence expiry period	2029	2031	2039 2032/2038 ⁶	2038	2036	2031	2032/2024 2026 ⁷	2036	
Coverage	2G	99.8%	93.0%	57.8%	77.8%	96.7%	99.3%	97.0%	22.0%
	3G	99.4%	85.0%	41.2%	78.7%	98.0%	98.8%	96.0%	22.0%
	4G	98.5%	56.2%	33.7%	80.0%	94.0%	97.5%	95.0%	22.0%
	5G	17.9%	–	–	–	–	–	–	–
Data customers (thousand)	25 519	8 748	7 209	5 696	832	26 264	25 220	920	
Total sites	15 297	3 448	2 771	2 286	398	10 825	6 325	1 300	
Smartphone penetration	64.5%	35.3%	19.4%	51.6%	66.3%	67.9%	43.5%		
Net Promoter Score (NPS)	2nd	1st	1st	2nd	1st	1st	2nd		
Network NPS	1st	1st	1st	1st	Co-lead	1st	1st		
Number of employees⁸	5 401	581	534	785	280	5 659	5 361	909	

* Consolidated from 8 December 2022.

- The Group's effective interest of 34.94% in Safaricom is accounted for as an investment in associate. Results represent 100% of Safaricom and are for illustrative purposes only.
- The Group, excluding its indirect interest via its shareholding in Safaricom, has an effective interest of 6.2% in Safaricom Telecommunications Ethiopia Plc. In addition, the Group has indirect exposure through Safaricom's 55.7%. This implies an overall look-through stake of 25.7%.
- The Bureau for Economic Research and Fitch Solutions for all other countries (extraction date: April 2023).

- Total average revenue per user (ARPU) is calculated by dividing the average monthly service revenue by the average number of monthly customers during the period.
- Total ARPU is calculated by converting rand value ARPU to USD ARPU based on forex as at 31 March 2023.
- 2039 (2G licence), 2032 (3G licence), 2038 (4G licence).
- 2032 (3G licence), 2024 (2G licence) and 2026 (4G licence).
- South Africa's number of employees also includes headcount for other holding companies and Vodacom consolidated adjustments.
- Safaricom Ethiopia is a start up that obtained a licence in May 2021, and began operations in 2022.

Our material matters

Vodacom conducts an annual materiality review of the matters that could potentially affect the value we create over time and our ability to deliver on our purpose to connect for a better future. This approach identifies and prioritises our material matters based on their impact on Vodacom's ability to create value (inward-focused), as well as their impact on society, communities and the environment (outward-focused), also referred to as a double materiality. The outcome of this process guided the content of both our integrated and ESG reports.

Below, we provide an overview of the assessment we conducted in FY2023 to identify our material matters.



Our materiality determination process

- Step 1** **Board analysis and deliberation**
of principal risks and associated opportunities
- Step 2** **Identifying and assessing**
trends impacting our business context and external environment
- Step 3** **Reviewing**
stakeholder engagement reports
- Step 4** **Compiling**
a list of material matters with the potential to impact our ability to create sustainable value for stakeholders
- Step 5** **Receiving feedback**
from internal and external stakeholders through an online survey to evaluate the importance of each potential material matter
- Step 6** **Interviewing**
our SLT during report preparation to ensure the reporting suite content covers the identified material matters
- Step 7** **Reviewing and approving**
the material matters as included in our integrated report at executive management level
- Step 8** **Validation**
of material matters as included in our integrated report by the ARCC

Following this process, we identified and ranked the following material matters from highest to lowest based on their impact on Vodacom:

Financial and digital inclusion MM 1

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84

Why this is important: Driven by technology and connectivity, financial and digital inclusion can create a more equitable society. We recognise that reducing the cost of information and communication technology (ICT) services and providing affordable and accessible data is critical to addressing societal challenges in the countries we operate in. Through our commitment to our purpose and our Social Contract with stakeholders, we can connect people and things to the internet and facilitate a digital future that is accessible to everyone.

For more information, refer to our ESG report.

Network resilience and climate impact MM 2

Capitals impacted: **FC** Pg 52 **HC** Pg 100 **MC** Pg 66 **NC** Pg 94

Why this is important: Vodacom's ability to maintain quality of service, increase the capacity of networks and reduce network disruptions plays a critical role in our growth strategy. We must also consider the impact of the energy supply challenges and the increasing occurrence of extreme weather events, such as heavy rainfalls and flooding, on the continuity of our services. Accordingly, we focus on preserving our natural resource base, investing in climate-smart, energy-efficient networks and solutions, developing water-wise practices and minimising waste across the value chain. In addition, given the nature of our industry, we face increased cyber security threats. Cyber resilience is essential to prevent interruption to our service or the breach of confidential customer data. We also need to manage ongoing global supply chain disruptions, while ensuring we invest responsibly.

Our principal risks and associated opportunities **Page 36**. "Hot topics" in our macroeconomic environment and industry **Page 42**. For more information, refer to our ESG report.

Accelerating growth while enhancing returns MM 3

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84

Why this is important: As Vodacom transitions from a traditional telecommunications company (TelCo) to a fully fledged digital TechCo, we must deliver on our multiproduct strategy – the **System of Advantage** – to provide differentiated offerings to customers. As we combine our geographic expansion and product diversification with Big Data analytics, machine learning and world-class technology, we can distinguish ourselves from competitors and provide superior growth and returns to shareholders.

Our approach to value creation **Page 24**.

Our people MM 4

Capitals impacted: **HC** Pg 100 **IC** Pg 72

Why this is important: To build an organisation of the future, we need appropriately skilled and capable leaders and employees who embrace the **Spirit of Vodacom**. We focus on fostering an agile, diverse and inclusive working environment to facilitate innovation and enable a digitally connected society. We prioritise the health, safety and well-being of our people to ensure they are able to do their best work.

For more information, refer to our ESG report.

Governance, ethics and transparency MM 5

Capitals impacted: **FC** Pg 52 **HC** Pg 100 **IC** Pg 72 **MC** Pg 66 **NC** Pg 94 **SRC** Pg 84

Why this is important: Vodacom must operate ethically and transparently through appropriate governance structures to maintain stakeholder trust and ensure legitimacy. As custodians of Group corporate governance, the Board must lead ethically and have the appropriate composition of skills and experience. Topical issues such as the governance of technology and social impact are top of mind for the Board and the Board supports industry advocacy to drive change at an industry level. The Board provides oversight of Vodacom's transparent disclosures related to the material matters set out in the reporting suite.

Our governance **Page 10**.

Full governance report

Economic and political landscape MM 6

Capitals impacted: **FC** Pg 52 **SRC** Pg 84

Why this is important: High inflation and interest rates, currency volatility and lacklustre economic growth are constraints across our markets amid global socio-economic uncertainty. Unforeseen global shocks such as the COVID-19 pandemic and the war in Ukraine continue to impact economic development in Africa and increases concerns of future shocks. The erosion of social cohesion, social unrest, and high rates of unemployment across our markets increases pressure on all our stakeholders. As governments come under economic pressure taxation risks increase. The changing economic and political landscape further impacts Vodacom's ability to generate revenue and contain operating costs and capital expenditure (CAPEX).

Our principal risks and associated opportunities **Page 38**. "Hot topics" impacting our operating context **Page 42**.

Complex regulatory environment MM 7

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84

Why this is important: We operate in an environment characterised by complex regulatory and compliance requirements. Regulatory risks are driven by specific challenges in each market but could impact the Group's ability to generate profit and grow, scale and deliver quality services. Regulations related to data privacy and security, for example, are new and require appropriate implementation.

Our principal risks and associated opportunities **Page 39**. "Hot topics" impacting our operating context **Page 46**.

Competitive environment MM 8

Capitals impacted: **FC** Pg 52 **IC** Pg 72 **SRC** Pg 84 **MC** Pg 66

Why this is important: As we grow our business, our competitive landscape follows suit. We face competition from new entrants and competitors as we enter new markets or industries, all competing for market share amid reductions in disposable income and growth of over-the-top (OTT) and other non-traditional players. Within a complex operating environment, we must effectively manage customer experience and satisfaction by providing products and services that meet their needs.

"Hot topics" impacting our operating context **Page 45**.

Our value creation in practice

Our commitment to being a purpose-led organisation that **connects for a better future** continues to drive our performance. In FY2023, our continued focus on our customers' experience across new and existing markets strengthened our performance across all six capitals and our transition to a pan-African TechCo.

FC

Financial capital

Group service revenue growth of

17.2%

(7.2%^, 3.5%*)

Headline earnings per share (HEPS)

948cps

(FY2022: 1 013cps)

Group revenue of

R119.2 billion

was up 16.0% (8.0%^, 4.9%*), (FY2022: R102.7 billion)

Operating profit

R29.3 billion

(FY2022: R28.2 billion)

Ordinary dividend per share

670cps

(FY2022: 850cps)

Distributed

R14.1 billion

in dividends to equity shareholders (FY2022: R15.2 billion)

Debt served

R5.6 billion

paid in interest to debt funders (FY2022: R4.2 billion)

Free cash flow up

18.3%

HC

Human capital

Paid

R7.7 billion

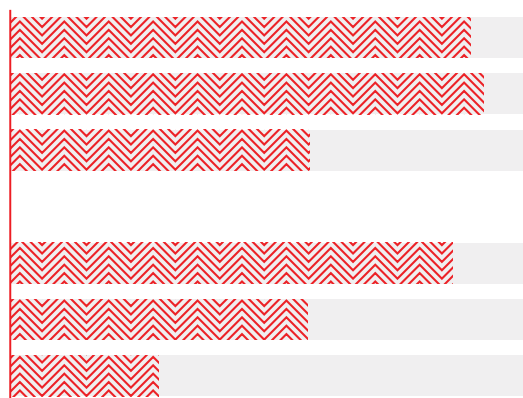
to 7 946 employees (FY2022: R7.3 billion to 8 132 employees)

Invested

R553 million

in employee skills development across our markets (excluding Vodafone Egypt) (FY2022: R493 million)

Encouraging diversity in South Africa



Vodacom South Africa

79% of our employees are black (FY2022: 78%)

80% of our board members are black (FY2022: 80%)

50% black female representation on the board (FY2022: 50%)

Vodacom South Africa including subsidiaries

75% of our employees are black (FY2022: 75%)

50% of our board members are black (FY2022: 42%)

25% black female representation on the board (FY2022: 17%)

Intellectual capital IC

Served a combined
185.8 million
customers across the Group, including Safaricom (FY2022: 129.6 million)

Served
70.6 million
financial services customers through VodaPay and M-Pesa (FY2022: 60.6 million)

Supported
9.4 million
IoT connections (FY2022: 6.8 million)

Number 1
in four of our OpCos in terms of NPS

Acquired 110MHz of spectrum in Tanzania and finalised the purchase of additional spectrum in Mozambique

Digitised our service channels with MyVodacom and TOBi

Manufactured capital MC

Acquired a majority share in Vodafone Egypt

Launched commercial operations in Ethiopia, through a Safaricom-led consortium

Vodacom Group sites added			
5G sites: 1 150 (FY2022: 434)	4G sites: 2 352 (FY2022: 1 410)	3G sites: 1 136 (FY2022: 519)	2G sites: 1 037 (FY2022: 441)

Number of deep rural network sites in South Africa
731

Vodacom Fibre passed
165 000
homes and enterprises in South Africa (FY2022: 155 903)

Connected
6 996
rural sites, with 384 rural sites added in the year (FY2022: 6 612)

R16.5 billion

capital investment in network capacity and resilience (FY2022: R14.6 billion)

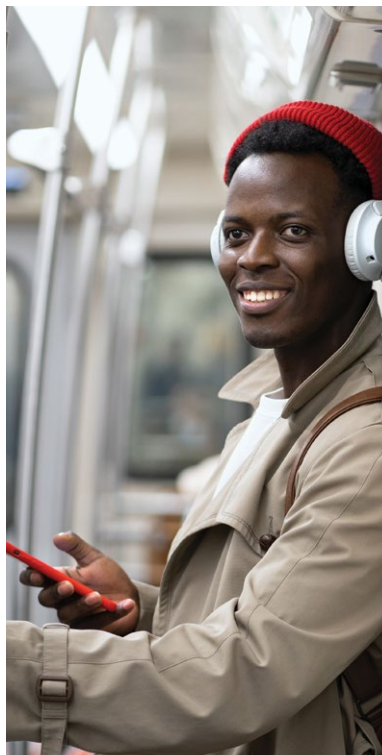
Natural capital NC

16%
reduction in scope 1 & scope 2 market-based GHG emissions

100%
of network waste reused or recycled (FY2022: 96%)

Total energy consumption remained flat

39%
reduction in greenhouse gas (GHG) emissions per terabyte of data (FY2022: 15% reduction)



Social and relationship capital SRC

Social and relationship capital

Enhanced public finances

R25.4 billion

tax paid¹ as our total economic contribution to public finance (FY2022: R22.1 billion)

Launched the National Relay Service (NRS) to drive digital inclusion for persons with disabilities

Promoted digital inclusion with over

29 million

users on our zero-rated ConnectU platform (FY2022: 22 million)

Contributed to transformation in South Africa

Level 1

Broad-based black economic empowerment (B-BBEE) contributor status (FY2022: Level 1)

Supported data access and affordability

through initiatives like Just4You, Just4YouTown and Vodacom NXT LVL

Spent

R57 billion

on suppliers with a Level 4 B-BBEE rating and higher (FY2022: R41 billion)

1. Total taxes borne, taxes collected on behalf of governments, and other payments to government