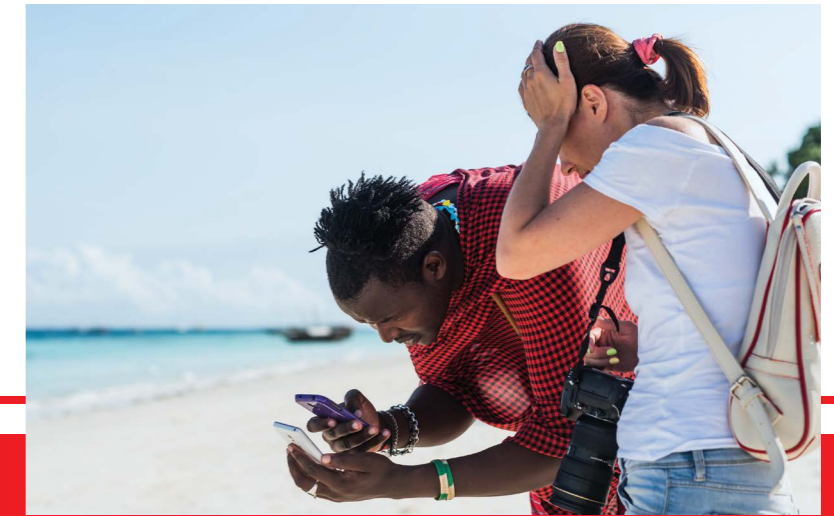


Our trade-offs

Interdependencies exist between the capitals we rely on. The decisions we make, therefore, inevitably result in trade-offs between the capitals which affect our ability to create, preserve and erode value. Trade-offs are carefully considered to manage the availability, quality, and affordability of capitals in the short, medium and long-term.

✓ Value created
✗ Value eroded
⊖ Value sustained



Trade-offs

Prioritising network resilience capital expenditure above network expansion

Using Big Data insights to differentiate our offering

Mitigating supply chain pressures by increasing our stock holding

Implementing a hiring freeze despite the impact on skills and diversity goals

Systematically addressing consumer concerns areas

Growing through partnerships

In South Africa, maintaining network availability despite loadshedding has required significant investment in battery capacity and onsite generation capacity. Vandalism and theft further increase the capital expenditure required. Prioritising capital expenditure to ensure network availability reduces capital expenditure available for network expansion.

We use data to proactively provide customers with tailored offers that deepen customer relationships and support growth. In using customer data to differentiate our offering, we respect our customers' privacy, use data responsibly and prioritise cyber and information security. We adhere to local data privacy laws and General Data Protection Regulation. While potentially lucrative, we do not sell customer data.

In order to mitigate the risk of supply chain disruptions and constraints, we allocated capital toward building stock in key areas. Chipset shortages prompted us to increase the handset and sim card stock, negatively impacting our inventory days, particularly in the first half of the year. In addition, we carried more stock of network equipment through the year. While this has required us to tie up capital that could have been used elsewhere, we have been able to secure the resilience of our networks and also continue to support device penetration.

The war in Ukraine resulted in increased inflationary pressures across food and fuel in particular, adding to existing consumer pressures. This was exacerbated by energy supply challenges in South Africa and necessitated incremental cost containment initiatives in supply chain management and payroll, and in discretionary areas like travel and events. The payroll containment impacted the rate of new hires across the Group and with it, the appointment of new people to transform our business in line with our gender and racial diversity goals. It has also affected our ability to develop scarce skill sets in technology and ESG.

Our multiproduct strategy drives ongoing innovation into new products and services that can support our customers. As we develop new products we also need to streamline the customer journey related to that product and this can take time to mature. Our customer experience boards help us identify opportunities for improvement, and in this financial year incremental focus was put into our fibre journeys.

Connectivity is our business, whether from space, on land or through the airwaves, we connect people across our markets for a better future. Our strict capital allocation framework provides guardrails for this vision, as we do not have sufficient capital to invest in all the opportunities available to us. We are therefore focused on scaling within our existing footprint, and partnering where synergies exist. We see exciting partnership opportunities in fibre and rural connectivity. In the fibre space, we are working on co-investment models to accelerate rollouts across our International markets. We have made inroads utilising innovative new financing models to accelerate our rural penetration. In addition, our satellite partnership with AST SpaceMobile has the potential to support increased rural coverage in the long-term.

Key outcome	Investing in the resilience of our network to retain leadership	Leveraging Big Data for personalisation and growth	Leveraging our supply chain management capabilities	Accelerating skills development	Transforming our customers' experience to a world-class standard	Bridging South Africa's digital divide with a strategic fibre deal
	Page 70	Page 80 Maintaining data security and privacy to maintain technology leadership Page 81	Page 91	Page 103	Page 74	Page 68
Affected stakeholders						
Capitals impacted	✗ FC ✓ MC ⊖ SRC	⊖ FC ⊖ SRC	⊖ FC ✓ SRC	⊖ FC ✗ HC ✗ IC	⊖ SRC ✓ IC	⊖ FC ⊖ SRC
Principal risks and associated opportunities	3 7	1 5 9	3 4	9	9	9
Strategic pillars	1 2 8	5 6 10	5 10	9	5 10	1 2
Material matters	MM 1 MM 2	MM 1 MM 3 MM 7 MM 8	MM 6	MM 4	MM 8	MM 3