

CEO's statement

Shameel Joosub



As I reflect on our journey over the past 30 years, I am filled with a profound sense of gratitude to have been part of Vodacom's growth journey and the positive impact we have had on communities where we operate. From our humble beginnings in South Africa, providing network connectivity for calls and SMS, we now reach more than 200 million customers across eight countries through innovative digital and financial services with the power to make a difference. While I reflect proudly on the milestones we have achieved over the past three decades, it is our ongoing purpose to connect for a better future and drive inclusion that fuels my passion to lead this company.

Our growth journey has not been without challenges. We operate in markets with high levels of unemployment, gender inequality, income disparity and limited access to education, healthcare and basic services. Extreme weather events, such as flooding and droughts, are negatively impacting economies and people. The global macroeconomic environment is also undeniably precarious, characterised by ongoing geopolitical tensions, supply chain disruptions, high inflation and interest rates, energy uncertainty and foreign exchange rate volatility. This challenging operating context informs our purpose and drives our strategy. As a growth-oriented company, we navigate adversities with resilience and adaptability, reimagining problems to create inclusive opportunities enabled by digital connectivity. This mindset is a key enabler to our success.

Refining our purpose

In FY2024, we reviewed our purpose ambitions, affirming Vodacom's commitment to supporting an inclusive, sustainable and trusted digital society where individuals and businesses can thrive. We updated our purpose pillars to focus on empowering people and protecting the planet. We believe connectivity is a force for good. It is an essential part of our lives. If we use technology for the things that really matter, it can improve our lives and the world around us. Our ambition is to empower people, help protect the planet, and maintain and enhance trust with our stakeholders through our connectivity and technology.

Vodacom has made substantial progress in empowering people through our connectivity, digital and financial services products. With connectivity at our core, and supported by innovative new rural funding partnerships, we remain committed to investing in infrastructure to increase our 4G coverage by an additional 70 million people across our footprint, as part of the International Telecommunication Union's Partner2Connect Digital Coalition. In FY2024, we rolled out an additional 2 306 4G base stations across our markets.

To empower people, we actively explore new ways to increase smartphone penetration and tailor connectivity services to promote digital inclusion. These initiatives include 4G prepaid device subsidies of R250 million, our Good as New-certified refurbished devices and groundbreaking prepaid device financing bundles. Once a consumer is empowered with a data-enabled device, we support data affordability through personalised offers. Targeted initiatives focus on specific geographies and market segments through initiatives like Just4You, Just4YouTown, and NXT LVL. Our ConnectU portal provides zero-rated access to basic internet and essential services for 14.4 million users.



The Group's financial services foster inclusion by creating an ecosystem that empowers consumers and merchants with products that include e-Commerce, payments, savings, investments, lending and insurance services. As key drivers of this ecosystem, our super-apps – VodaPay, Vodafone Cash and M-Pesa – integrate our products and services with our partners' best offerings. Vodacom's expanding financial services ecosystem connects 78.9 million customers and facilitates US\$1.1 billion a day in mobile money transaction value, demonstrating the Group's impact on financial inclusion and clear leadership in the African FinTech space.

Beyond our efforts to close the digital divide and drive financial inclusion, we aim to impact communities positively in the areas in which we operate, focusing on youth, the underserved, marginalised people and victims of natural disasters. We leverage the power of connectivity, our foundations and partnerships with global aid agencies to expand access to high-quality education, support jobseekers, and assist people living with disabilities or experiencing abuse.

We scaled our Code like a Girl programme, bringing the total number of young women in Africa empowered through technological inclusion to almost 16 000. We promoted the digital inclusion of people with disabilities through tailored commercial propositions and supported infrastructure such as the National Relay Service in South Africa, a call centre for deaf customers in Egypt, and dedicated help desks for blind customers and sign language interpreters in Tanzania. In DRC, through Je Suis Cap (I Am Capable), we established 1 450 women with disabilities as M-Pesa agents, and our Insight Centre in Lesotho provides visually impaired people with equal access to information. We also continue to support the government-led, technology-based, affordable emergency transport system known as m-mama, in partnership with the USAID and Vodafone Foundation. This programme is now expanding beyond Tanzania.

We show our commitment to protecting the planet by operating responsibly, preserving our natural resource base and ensuring our success does not come at a cost to society or the environment. This commitment ensures that we reimagine problems to create opportunities. Our landmark virtual wheeling agreement with Eskom in South Africa is testament to our commitment to working with others and driving innovative solutions. In addition to offsetting up to 30% of our electricity consumption with renewable power, the solution provides a blueprint for other South African corporates and new private-sector investment opportunities in renewable energy generation. In Egypt, our agreement with the New and Renewable Energy Authority supplies us with electricity from renewable projects that powers the majority of our operations in the market.

Across the Group, we invest in climate-smart networks and solutions to reduce GHG emissions through increased efficiency. In FY2024, we achieved ISO 50001 certification across all our OpCos. We completed our largest on-site solar project at our Midrand campus in South Africa. This project has an installed capacity of 6MWp, producing up to 10.8GWh per annum and saving an estimated 10 908tCO₂e annually. We are working on additional power purchase agreements, and are exploring innovative hydrogen cell solutions to increase the amount of energy from renewable sources in other locations. These combined efforts and the purchase of renewable energy certificates resulted in a 28% reduction in GHG emissions in FY2024.

Pleasingly, our progress and reporting on purpose and ESG were again recognised by leading rating agencies in FY2024, including Sustainalytics, which considers Vodacom a low ESG risk. We retained our ESG leader AAA rating from MSCI and improved our International Shareholder Services rating to Prime. We are also proud that Vodacom was recognised for leadership in addressing climate change and was awarded an A- rating in the latest CDP (formerly the Carbon Disclosure Project) climate change assessment, recognising our progress in assessing and managing our environmental impact, risk and opportunities.

As we near the conclusion of **Vision 2025**, we are excited to continue our strategic evolution. Anchored in four strategic imperatives, our medium-term path is focused on sustained growth, ensuring our business remains agile and resilient in the face of challenges and opportunities while remaining true to our purpose.

A leading African TechCo

- Africa's leading communications company
- Diversify and differentiate with our digital ecosystem
- Optimised, future-ready TechCo



2021 – 2025

The next phase of our strategy we will focus on sustained growth through:

- 1 Amplifying our commitment to purpose and customers
- 2 Strengthening the fundamentals
- 3 Innovating for growth, as we continue to scale our new services beyond mobile
- 4 Embracing digital transformation

2027

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Powered by the System of Advantage



Partnering with platforms that promote inclusion

We partner with governments and other stakeholders across our markets to provide innovative solutions enabled by technology. Our Tech for Good solutions are key enablers of inclusion and address challenges across critical industries, including healthcare, education and agriculture.

The Group's digital education solutions and partnerships facilitate access to educational resources for 2.6 million learners. Each initiative focuses on in-country needs. These include the e-learning platform in South Africa, Ta3limy in Egypt, VodaEduc in DRC, Vodacom Faz Crescer in Mozambique and Instant Network Schools in multiple countries in partnership with the UN Refugee Agency. These initiatives illustrate the power of connectivity and technology to enhance education.

Technological innovations also improve efficiencies and productivity for healthcare service providers and promote access to quality facilities. Notable initiatives range from our stock visibility services in South Africa, to m-mama for maternal and neonatal emergencies in Tanzania and Lesotho, to digitalising Universal Health Insurance (UHI) in Egypt. We are working with the Vodafone Foundation, USAID and local governments to expand m-mama to more African countries. In Egypt, our partnership with the government to digitalise the country's healthcare system through UHI and the Egyptian University Hospitals programmes reaches 309 hospitals and serves 6.3 million people.

Agricultural productivity is vital for Africa's economic future, and enhancing productivity and competitiveness is key to unlocking this potential. We partner with our subsidiaries, Mezzanine, M-Pesa and IoT.nxt, to provide various agriculture digitisation tools and platforms that enable the efficient distribution and use of inputs, provide access to insurance and funding, unlock markets, and facilitate payments and subsidies. Mezzanine's eVuna, MYFARMWEB™ and e-Vouchering solutions reach over 6.4 million beneficiaries. In Tanzania, the M-Kulima agricultural platform, which is integrated with M-Pesa, has 3.2 million registered farmers.

ESG For more information on our Tech for Good solutions, refer to our **ESG report**

On track for a strong finish to Vision 2025

Vision 2025, informed by the System of Advantage, has been fundamental to the Group's success, driving our transition from a traditional TelCo to a leading African TechCo. The System of Advantage is underpinned by three strategic ambitions and supported by 10 strategic pillars.

For more information on our strategic ambitions and pillars, refer to **Page 29**

Ambition 1: Africa's leading communications company

Our customer base, including Safaricom, reached 203.1 million in FY2024, up 9.3%, as we added 17.3 million customers across the Group. Our efforts to foster inclusion and positively influence our operating context was reflected in the scale of our data and smartphone customer bases, which reached 106.4 million and 97.3 million, respectively. By leveraging partnerships and innovative financing models, we expect to support smartphone adoption, 4G coverage and digital inclusion over the medium term.

Our mobile market leadership across our OpCos positions us as the partner of choice for consumer and enterprise customers. We are expanding our mobile coverage and fixed offering to provide network connectivity that matches the increase in data adoption and volumes in both customer segments. We also acquired additional spectrum in DRC and Tanzania in the year, adding to spectrum acquired in Mozambique and Tanzania in FY2023 and South Africa in FY2022. Combined with our focus on empowering people through digital inclusion, pioneering handset financing and rural coverage models, we expect further meaningful connectivity growth opportunities across our markets.

In FY2024, we invested R20.4 billion (FY2023: R16.5 billion) in increasing network reach, resilience and capacity. Group 4G sites increased 7.4%, with the majority of these new sites added in our International business. Including Safaricom, network sites increased to over 46 000, making us one of Africa's largest tower owners. Having completed the Vodafone Egypt transaction in the prior financial year, we further strengthened our footprint in FY2024 by rolling out network connectivity to 4.4 million people in Ethiopia as part of a Safaricom-led consortium.



Energy availability proved an incremental challenge to network resilience in FY2024. Inconsistent grid availability in South Africa was compounded by emerging pressures in other key markets like Egypt and Kenya. We deployed Group best practice energy resilience initiatives to manage this headwind, with our leading networks testament to a best-in-class execution when challenges arise.

Ambition 2: Diversify and differentiate with our digital ecosystem

We made excellent progress on diversifying our revenue beyond mobile, by scaling our new services, which include fixed, IoT, digital and financial services. The contribution of new services to Group service revenue reached 20.0% in FY2024, moving closer to our 25% to 30% medium-term target. A key drive of this ambition is financial services, which grew 19.9%[^] in the year, having added 8.3 million customers.

Vodacom's digital ecosystem uses Big Data to accelerate our capabilities across CVM, loyalty and financial services, diversifying our offerings and driving inclusion. Powered by Big Data, we assess more than 10 000 attributes to create a 360-degree customer view that enables us to develop digital and data-driven solutions with improved price competitiveness and tailored customer value propositions. Looking ahead, we plan to further enhance our loyalty programme with a new Group-wide platform developed by Egypt. This is expected to enhance customer loyalty and drive NPS leadership.

Our one-app strategy advanced significantly in FY2024 when we began merging our telecommunication apps into our super-apps. Combining the strength in connectivity with financial and digital services creates a rich ecosystem that promotes digital and financial inclusion, and opens up new marketplace opportunities such as e-Commerce. Egypt is a case study for the one-app approach, as we accelerated financial inclusion by leveraging the scale of our connectivity business. Our Vodafone Cash users increased by 52% to over 8.2 million – an important Group growth lever for the longer term.

Our enterprise solutions support large enterprises, SMEs, governments and universities through mobile and fixed connectivity as well as our complementary digital and financial services. Our progress in transforming enterprise through digital technology was reflected in the growth of our cloud, hosting and security revenue, which was up 30.7% in FY2024, while our Tech for Good solutions are driving the digitalisation of healthcare, agriculture and energy. We believe partnerships, like our recent strategic partnership with Microsoft, will accelerate our IoT, cloud and SME offerings. This will enable us to support livelihoods and help society connect for a better future.

Ambition 3: Optimised, future-ready TechCo

Our Spirit of Vodacom initiatives aim to keep employees engaged, boost morale and create a progressive and conducive organisational culture. We are particularly proud that Vodacom's human capital initiatives have been acknowledged with certification as Africa's Top Employer by the Top Employer Institute. This reflects the hard work of cementing the Spirit of Vodacom across our footprint. We also recognise that our employees, much like our customers, face elevated cost of living pressures. This necessitated out of cycle salary reviews and hardship allowances during FY2024, in certain cases.

With a focus on developing digital skills to drive the Group's transition from a TelCo to a TechCo, we invest in employee development and training to ensure we achieve our strategic goals while helping

employees grow. In FY2024, we invested R0.5 billion in skills development and training (FY2023: R0.5 billion) and implemented our Grow my Impact people performance management system to align individual performance with Group strategic goals. As an evolution of our talent management framework, the system refines our measurement and differentiation of individual potential.

As part of our focus on optimising our ROCE, we leverage best practice, sharing models and partnerships to scale solutions that deliver customer value. To maximise on this approach we introduced a new ExCo role in the year, Group's Chief Officer: Strategy and Commercial, which is accountable for the development and implementation of the Group's strategy through the coordination and alignment of all strategic programmes, in collaboration with all our markets across our African footprint.

The Group remains committed to establishing FibreCos and TowerCos across each of our markets as we continue to optimise our assets. In FY2024, we finalised the separation of our South African tower portfolio into a standalone TowerCo business called Mast Services. Additionally, our planned strategic investment with CIVH to acquire up to 40% joint control of assets in Maziv remains under review by the competition authorities. We believe it has tremendous potential to scale our fibre offerings in South Africa, foster economic development and help bridge South Africa's digital divide in some of the most vulnerable parts of society.

Appreciation and outlook

My heartfelt gratitude goes to Vodacom's leadership and employees for their tireless commitment to the Group and our shared purpose. I would also like to thank our business partners, shareholders and other stakeholders for their unwavering support.

In the year ahead, we will focus on finishing strong to meet our Vision 2025 targets and developing the Group's next strategic phase to support our TechCo transition. Over the medium term, we will focus on four major imperatives to position the business for sustained growth: amplifying our commitment to purpose and customers, excelling at simplicity, innovating for growth and continuing our TechCo transition. Core to this strategy will be accelerating mobile and fixed connectivity, scaling handset financing and the rollout of our innovative digital and financial services in all our markets. We also intend to expand our partnerships across Africa to power Vodacom's growth, drive infrastructure sharing to increase rural and fibre connectivity and expand the reach of our Tech for Good platforms.

As our strategy evolves into its next stage, we are steadfastly focused on our purpose of connecting people for a better future, which we will fulfil by providing access to a smartphone, financial services, healthcare and education to every person across our markets.

Shameel Joosub
CEO
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