

Vodacom Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 1993/005461/06)
(ISIN: ZAE000132577 Share Code: VOD)
(ISIN US92858D2009 ADR Code VDMCY)
("Vodacom" or the "company")

Investment in Ethiopia

1. Introduction

Shareholders are referred to the announcement by the Government of Ethiopia wherein an international consortium named the Global Partnership for Ethiopia ("the Consortium") was awarded a mobile telecommunication license in Ethiopia.

A new operating company in Ethiopia, Safaricom Telecommunications Ethiopia PLC ("Ethiopia Opco") through a holding company in the Netherlands ("Holding Company") has been established to commence with the provision of mobile telecommunications services. The Consortium includes Safaricom PLC; Vodacom; Vodafone Group Plc; Sumitomo Corporation, one of the largest international trading and business investment companies in Japan; and CDC Group, a United Kingdom based development finance institution and impact investor ("Consortium Members").

Vodacom, through its wholly-owned subsidiary Vodacom International Holdings (Proprietary) Limited has entered into definitive unconditional agreements together with the other Consortium Members on 10 September 2021 to fund Ethiopia Opco. Vodacom's commitment to fund Ethiopia Opco is limited to its pro rata beneficial shareholding of 6.2% which is not expected to be material. Safaricom, as the lead member of the Consortium, intends to provide additional disclosure on the funding of the Ethiopia Opco in the coming months. Vodacom will also provide strategic operational support for the Ethiopia Opco.

2. Shareholding percentages in Ethiopia Opco

The beneficial shareholding percentages in the Ethiopia Opco as at the current date is outlined in the table below:

Consortium Member	Beneficial shareholding
Safaricom	55.7%
Sumitomo Corporation	27.2%
CDC Group	10.9%
Vodacom	6.2%
Vodafone	(nominal)

3. Strategic rationale

The license unlocks a unique opportunity for the Consortium to build out world-class services in Africa's second largest country by population, providing a compelling long-term growth vector for Vodacom and Safaricom. Furthermore, the investment in Ethiopia enhances Vodacom and Safaricom's geographic diversification.

Vodacom, excluding its indirect interest via its shareholding in Safaricom, has an effective interest of 6.2% in the Consortium. In addition, Vodacom has indirect exposure through Safaricom's 55.7% effective interest in the Consortium. Vodacom intends to account for both its 6.2% stake and indirect exposure through Safaricom on an equity accounted basis. The Ethiopia Opco has not traded to date and so does not have any material assets, revenue or net profit.

4. Vodacom obligations under the transaction agreements

As part of the transaction agreements, Vodacom has granted a put option on the shares held by the CDC Group in the Holding Company to facilitate CDC Group's potential exit in the investment. CDC Group can only put the shares at fair market value (the total exposure of the put option is capped at US\$1,740 million, representing 10% of Vodacom's current market capitalization) from year 8 to year 10 from the year of commencement of commercial operations of the Ethiopia Opco.

The transaction agreements, more fully described above, constitute a category 2 transaction in terms of paragraph 9.5(c) and 9.15 of the JSE Listings Requirements.

Midrand
13 September 2021

Sponsor: UBS South Africa (Pty) Limited