

Vodacom Group Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1993/005461/06)  
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(**"Vodacom Group"**)

## **UPDATE ON THE ACQUISITION OF A 30% INTEREST IN MAZIV**

Shareholders are referred to the announcement released on SENS on 10 November 2021 (the **"terms announcement"**) and a further update announcement released on SENS on 15 May 2023, setting out details of Vodacom (Pty) Limited's (**"Vodacom"**) proposed acquisition of a 30% interest in a newly formed entity Maziv Proprietary Limited (**"Maziv"**) that will house all of the material assets owned by Community Investment Ventures Holdings (Pty) Limited (**"CIVH"**), including Vumatel (Pty) Limited and Dark Fibre Africa (Pty) Limited (the **"transaction"**). On completion of the transaction, Vodacom will hold a 30% equity interest in Maziv, as well as certain fibre assets which Vodacom will contribute into Maziv. Vodacom also has an option to acquire an additional 10% equity interest in Maziv to increase its shareholding to 40%.

The transaction remains subject to the approval of the Competition Authorities. To date the Independent Communications Authority of South Africa has granted approval subject to the finalisation of conditions.

Shareholders are now advised that the Competition Commission has announced its recommendation to the Competition Tribunal to prohibit the transaction. Having engaged extensively with the Competition Commission's investigative team since the transaction was announced, Vodacom is surprised and disappointed with the Competition Commission's recommendation given that both Vodacom and CIVH have endeavoured to thoroughly address competition related concerns through a list of remedies and public interest commitments put forward to the Competition Commission.

Though we are disappointed, it is important to note that the Competition Commission's recommendation is not the end of the process. Instead, the next step is for the transaction to be presented to the Competition Tribunal. This would have been the case even if the Competition Commission were to have recommended the transaction for the Competition Tribunal's approval.

The Competition Tribunal is an independent adjudicative body and is one of three independent authorities established in terms of the Competition Act. These are:

- the Competition Commission, which is the investigative and enforcement authority;
- the Competition Tribunal, which adjudicates on matters referred to it by the Competition Commission, and
- the Competition Appeal Court, which considers appeals or reviews against Competition Tribunal decisions.

Looking forward to the process with the Competition Tribunal, Vodacom intends to showcase the strong public interest and pro-competitive advantages that the transaction would have on the fibre market, and the country as a whole. In Vodacom's view, the transaction will in fact help bridge the digital divide and enhance competition in the fibre market as the parties have made a firm commitment to ensuring access to Maziv's fibre assets - including Vodacom's fibre assets contributed as part of the transaction – will be made available through an open access, non-discriminatory pricing model.

The transaction will significantly propel South Africa's social development and would be highly beneficial for the country, the economy and lower income households on a number of fronts, including:

- Maziv committing to invest Capex of at least R10 billion rand over a 5-year period including the commitment to pass at least one million new homes in lower income areas such as Alexandra with fibre infrastructure over a five-year period;
- a commitment to create up to 10,000 new jobs while at the same time providing job security and enhanced benefits for current employees potentially impacted by the transaction;
- prioritising SMME development by establishing a new enterprise and supplier development fund to the tune of R300 million over 3 years, focused on increasing the level of localisation across the value chain; and
- the investment by Vodacom in excess of R13 billion into South Africa through the transaction would come at a time when attracting capital investment is particularly challenging. This level of investment cannot be made by Maziv alone and is over and above Vodacom's pledge at the recent SA Investment Conference to invest R60 billion over 5 years.

We firmly believe that the transaction will deliver substantial benefits to both the South African consumer and the economy. Vodacom's planned investment holds particular significance as a considerable proportion will be focused on developing new fibre infrastructure at a time when attracting capital investment is particularly challenging.

Shareholders are also referred to the Remgro announcement published on SENS today.

Midrand  
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