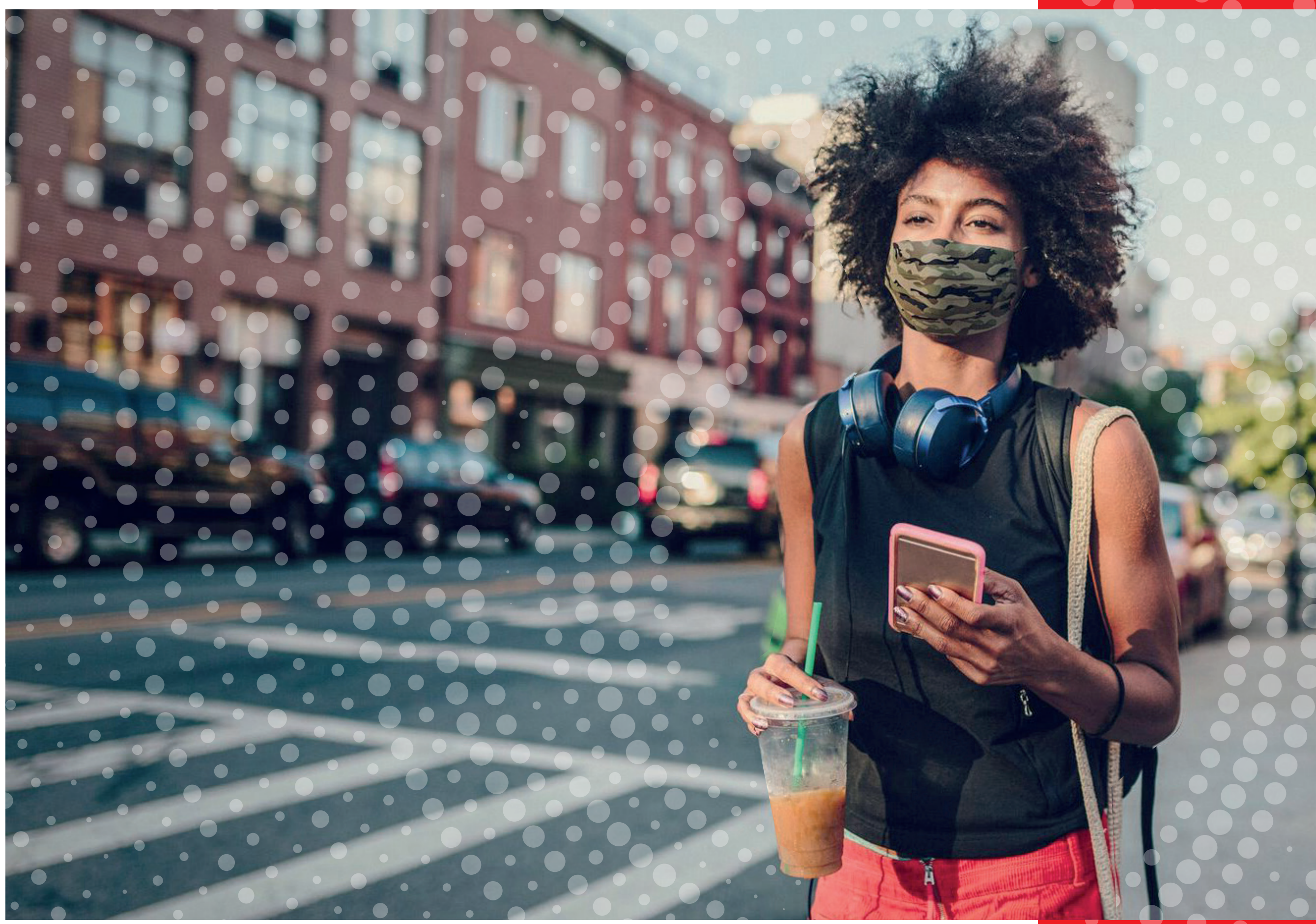

YEBOYETHU

Now more than ever, it's your Vodacom

Overview – understanding the performance of your investment.

YeboYethu (RF) Limited (YeboYethu) was established as part of Vodacom's Broad-based Black Economic Empowerment (BBBEE) transaction for the sole purpose of acquiring an interest in Vodacom Group Limited (Vodacom or Vodacom Group). The financial success of YeboYethu is therefore fundamentally linked to the performance of Vodacom.

Vodacom is a leading and purpose-led African connectivity and financial services company. Vodacom Group, including Safaricom, serves 129.9 million customers spanning across the consumer and enterprise segments. Vodacom offers a wide range of services, including; telecommunication, information technology (IT), digital and financial services.

YeboYethu and its wholly owned subsidiary, YeboYethu Investment Company (RF) Proprietary Limited, is referred to as the YeboYethu Group. This announcement reviews Vodacom's salient highlights affecting its performance for the six months ended 30 September 2021. It also explains the performance of YeboYethu Group and provides important information relating to the affairs of YeboYethu Group. Shareholders are advised to visit the YeboYethu website for any information awareness on **www.yeboyethu.co.za**

Vodacom Group

Performance summary

- Vodacom Group revenue of R49.9 billion was up 4.2%, as strong normalised growth of 7.9%* was partially offset by rand appreciation.
- Normalised Vodacom Group service revenue and Vodacom Group operating profit growth of 5.4%* and 5.7%* respectively, is in line with its medium-term targets.
- Net profit from associate and joint ventures declined 36.1% (+11.9%*) to R1.6 billion, negatively impacted by an R805 million one-off deferred tax rate adjustment in the prior period and foreign exchange translation headwinds.
- Added 6.2 million customers, to serve a combined 129.9 million customers across the Vodacom Group, including Safaricom on a 100% basis.
- Vodacom's M-Pesa platform, including Safaricom, processed US$301.9 billion in transaction value over the last twelve months, with transaction value up 31.2% in the second quarter.
- Headline earnings per share declined 5.1%, but when adjusted for the one-off deferred tax rate adjustment in the prior period, grew 3.0%.
- Interim dividend of 420cps up 1.2%.
- Announced two material M&A transactions to accelerate its growth and returns profile.

* Normalised growth, which presents performance on a comparable basis. This excludes tax related adjustment where applicable and adjusting for trading foreign exchange, foreign currency fluctuation on a constant currency basis (using the current year as base) to show a like-for-like comparison of results.

YeboYethu Group

Performance summary

Some of the salient features of YeboYethu Group's results for the six months ended 30 September 2021 are as follows:

- Dividends received from Vodacom of R469.3 million;
- Gain on remeasurement on financial instrument of 2 034.9 million for the period resulting from the Vodacom share price increasing from R126.26 as at 31 March 2021 to R144.04 as at 30 September 2021;
- Finance costs of R225.1 million incurred during the current financial period;
- Reduction in debt of R411.0 million with R411.6 million planned subsequent to period end from the dividend distribution from Vodacom;
- Basic earnings per share of 3 429 cents;
- Declared an interim dividend of 113 cents per share.

Other matters

YeboYethu hosted its thirteenth annual general meeting (AGM) on 27 July 2021, where shareholders adopted the audited consolidated financial statements for the year ended 31 March 2021, voted on the election of directors, appointed Ernst & Young Inc., appointed the members of the audit committee and approved non-executive directors fees. Prior to the AGM, shareholders were invited to an information session that clarified the financial information presented. The results of the AGM are available on **www.yeboyethu.co.za**

Dividends

Dividends are declared and paid bi-annually as per the dividend policy. A final dividend of R59.8 million for the period ended 30 September 2021, was declared on 26 November 2021, payable on 20 December 2021 to shareholders recorded in the register at the close of business on 17 December 2021. The net dividend is 90.40000 cents per share after taking into account the dividend withholding tax of 22.60000 cents per share for those shareholders not exempt from dividend withholding tax.

Administration

YeboYethu (RF) limited

(Incorporated in the Republic of South Africa) **Registration number:** 2008/014734/06
Share code: YYLBEE **ISIN:** ZAE000218483 **Directors:** Thabo Mokgatlha (Chairman), Adele Hall, Matimba Mbungela, Katlego Kobue, Udo Lucht, B Silwanyana, A Conrad, O Fuchs, F Roji-Maplanka
Registered office: Vodacom Corporate Park 082 Vodacom Boulevard, Midrand 1685
Company secretary: Vodacom Group Limited
Transfer secretaries: JSE Investor Services Proprietary Limited
(Registration number 2000/007239/07)
Physical address: 13th Floor, 19 Ameshoff Street, Braamfontein 2001
Postal address: PO Box 4844, Johannesburg, 2000
Sponsor: UBS South Africa Proprietary Limited

YeboYethu (RF) Limited's

Condensed consolidated interim financial statements

for the period ended 30 September 2021

Condensed consolidated statement of comprehensive income

	Notes	Six months ended 30 September 2021 Reviewed R000	2020 Reviewed R000	Year ended 31 March 2021 Audited R000
Income		**469 250**	463 527	938 500
Expenditure	2	**(9 074)**	(8 594)	(16 381)
Operating profit		**460 176**	454 933	922 119
Finance income		**212**	313	629
Finance cost	3	**(225 112)**	(246 620)	(473 858)
Gain on remeasurement of financial instrument	4	**2 034 942**	716 464	1 058 673
Profit before tax		**2 270 218**	925 090	1 507 563
Taxation	5	**(455 887)**	(160 576)	(237 319)
Net profit		**1 814 331**	764 514	1 270 244
Total comprehensive income		**1 814 331**	764 514	1 270 244
		Cents	Cents	Cents
Basic/diluted earnings per share	6	**3 429**	1 445	2 400

Condensed consolidated statement of financial position

	Notes	As at 30 September 2021 Reviewed R000	2020 Reviewed R000	As at 31 March 2021 Audited R000
Assets				
Non-current assets		**16 485 548**	14 108 845	14 450 606
Financial assets	7	**16 485 548**	14 108 397	14 450 606
Tax receivable		**–**	448	–
Current assets		**12 433**	22 659	15 428
Account receivable		**6 070**	18 469	8 879
Tax receivable		**457**	–	457
Restricted cash		**313**	313	313
Cash and cash equivalents	8	**5 593**	3 877	5 779
Total assets		**16 497 981**	14 131 504	14 466 034
Equity and liabilities				
Share capital	9	**4 193 265**	4 193 265	4 193 265
Ordinary share premium		**359 883**	359 883	359 883
Retained earnings/(losses)		**850 878**	(1 357 530)	(910 537)
Total equity		**5 404 026**	3 195 618	3 642 611
Non-current liabilities		**11 088 041**	10 930 413	10 818 070
Borrowings	10	**9 202 530**	9 577 384	9 388 386
Deferred tax	5	**1 885 511**	1 353 029	1 429 684
Current liabilities		**5 914**	5 473	5 353
Accounts payable		**4 358**	3 610	3 622
Tax payable		**–**	11	–
Dividends payable		**1 556**	1 852	1 731
Total equity and liabilities		**16 497 981**	14 131 504	14 466 034

Condensed consolidated statement of changes in equity

	Note	Six months ended 30 September 2021 Reviewed R000	2020 Reviewed R000	Year ended 31 March 2021 Audited R000
Share capital	9	**4 193 265**	4 193 265	4 193 265
Ordinary share premium		**359 883**	359 883	359 883
Retained earnings/(losses)		**850 878**	(1 357 530)	(910 537)
Opening balance		**(910 537)**	(2 077 595)	(2 077 595)
Net profit		**1 814 331**	764 514	1 270 244
Dividends		**(52 916)**	(44 449)	(103 186)
Total equity		**5 404 026**	3 195 618	3 642 611

YeboYethu shareholder services

Website: www.yeboyethu.co.za
Email us at: yeboyethu@jseinvestorservices.co.za
Call centre: 011 581 7850 (standard call rates apply) or 082 241 0001 (Toll-free from your Vodacom cellphone)

Condensed consolidated statement of cash flows

	Note	Six months ended 30 September 2021 Reviewed R000	2020 Reviewed R000	Year ended 31 March 2021 Audited R000
Cash flows from operating activities				
Cash generated from operations		**461 200**	455 475	922 392
Tax paid		**(59)**	(61)	(171)
Dividends paid		**(53 091)**	(44 597)	(103 454)
Net cash flows generated from operating activities		**408 050**	410 817	818 767
Cash flows from investing activities				
Increase in overnight deposit		**(3 681)**	–	(17 055)
Decrease in overnight deposit		**6 206**	–	14 200
Finance income received		**207**	313	629
Net cash flows generated from/(utilised in) investing activities		**2 732**	313	(2 226)
Cash flows from financing activities				
Repayment of borrowings		**(159 107)**	(69 999)	(269 696)
Finance cost paid		**(251 861)**	(328 252)	(544 790)
Overnight deposit movement		**–**	(12 726)	–
Net cash flows utilised in financing activities		**(410 968)**	(410 977)	(814 486)
Net movement in cash and cash equivalents		**(186)**	153	2 055
Cash and cash equivalents at the beginning of the period/year		**5 779**	3 724	3 724
Cash and cash equivalents at the end of the period/year	8	**5 593**	3 877	5 779

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS and in accordance with and containing the information required by IAS 34: Interim Financial Reporting as issued by the IASB, the Financial Reporting Guides as issued by the SAICA Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the Group's functional and presentation currency.

Basis of consolidation

The condensed consolidated interim financial statements incorporate the interim financial statements of YeboYethu (RF) Limited and its wholly owned subsidiary, YeboYethu Investment Company (RF) Proprietary Limited (YeboYethu Investment) which is one reportable segment (the Group) for the period 30 September 2021.

The significant accounting policies are consistent in all material respects with those applied for the year ended 31 March 2021. The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2021, none of which had any material impact on the Group's financial results for the period. Significant accounting policies are available for inspection at the Group's registered office. The interest rate benchmark reform has no impact on the Group as it is not exposed to Interbank offered rate (IBOR) settings.

Full details on changes in accounting policies will be disclosed in the Group's consolidated financial statements for the year ending 31 March 2022.

	Six months ended 30 September 2021 Reviewed R000	2020 Reviewed R000	Year ended 31 March 2021 Audited R000
2. Expenditure			
Administration fees	**(7 559)**	(6 881)	(13 573)
Consulting fees	**(390)**	(72)	(256)
Auditor's remuneration	**(464)**	(921)	(1 215)
Directors' remuneration (Refer Note 14)	**(653)**	(643)	(1 321)
Other	**(8)**	(77)	(16)
	(9 074)	(8 594)	(16 381)

Administration fees mainly comprises:

- share register maintenance fee;
- Annual General Meeting expenses;
- fees associated with costs of trading and security license;
- administration service fees to Vodacom Group;
- general administration and call centre agents cost;
- costs associated with payment of dividends;
- agency fees to Rand Merchant Bank (a division of FirstRand Bank Limited);
- printing and posting of the annual report as well as the typesetting of the interim results.

2. Expenditure continued

Consulting fees comprise of costs associated with valuation services, legal costs and placement fee on recruitment of non-executive directors.

Auditors' remuneration comprises of current period/year costs and an under accrual of prior year audit fees in relation to the period/year being disclosed.

	Six months ended 30 September 2021 Reviewed R000	Six months ended 30 September 2020 Reviewed R000	Year ended 31 March 2021 Audited R000
3. Finance cost			
Interest expense			
Class A preference shares	**(94 582)**	(108 236)	(205 843)
Class B preference shares	**(130 530)**	(138 384)	(268 015)
	(225 112)	(246 620)	(473 858)

All interest expense is incurred from financial liabilities not at fair value through profit or loss.

Interest expense is recognised at a rate of 68% of First National Bank Limited's prime overdraft lending rate ('prime') on the class A preference shares and at a rate of 70% of prime on the class B preference shares. For further details, refer to Note 10.

	Six months ended 30 September 2021 Reviewed R000	Six months ended 30 September 2020 Reviewed R000	Year ended 31 March 2021 Audited R000
4. Gain on remeasurement of financial instruments			
Gain on fair value of Vodacom Group shares	**2 034 942**	716 464	1 058 673

The gain on fair value of Vodacom Group shares in the respective period/year resulted from the increase in the Vodacom Group Limited ('Vodacom Group') share price. Refer Note 7 for detail on the share price.

	Six months ended 30 September 2021 Reviewed R000	Six months ended 30 September 2020 Reviewed R000	Year ended 31 March 2021 Audited R000
5. Taxation			
5.1 Income tax expense			
South African current tax			
Current year	**(60)**	(88)	(176)
South African deferred tax			
Current year	**(455 827)**	(160 488)	(237 143)
	(455 887)	(160 576)	(237 319)
Components of deferred tax charged to profit or loss			
Capital gains tax on fair value gain	**(455 827)**	(160 488)	(237 143)
Factors affecting tax expense for the year			
The table below discloses the differences between the expected income tax expense at the South African statutory tax rate and the Group's total income tax expense:			
Profit before tax	**2 270 218**	925 090	1 507 563
Expected income tax expense on profit before tax at the South African statutory tax rate	**(635 661)**	(259 025)	(422 118)
Non-deductible preference share finance cost	**(63 031)**	(69 054)	(132 680)
Non-deductible operating expenditure	**(2 542)**	(2 407)	(4 587)
Gain on remeasurement of financial instrument (capital gains tax rate difference)	**113 957**	40 122	59 286
Exempt dividend income	**131 390**	129 788	262 780
	(455 887)	(160 576)	(237 319)
The South African statutory tax rate is 28.0%; the Group's effective tax rate is 20.1% (September 2020: 17.4%; March 2021: 15.7%).			
5.2 Deferred tax and components			
Deferred tax liability: Capital gains tax on fair value movement	**1 885 511**	1 353 029	1 429 684
Reconciliation of net deferred tax balance			
Balance at the beginning of the year	**1 429 684**	1 192 541	1 192 541
Charge to profit or loss	**455 827**	160 488	237 143
Balance at the end of the year	**1 885 511**	1 353 029	1 429 684

Deferred tax on the remeasurement of the investment in Vodacom Group is raised at the capital gains tax rate.

The deferred tax on the remeasurement of the investment in Vodacom Group is based on the fair value less the base cost of the investment as rolled over in terms of Section 42 of the Income Tax Act No. 58 of 1962.

	Six months ended 30 September 2021 Reviewed Cents	Six months ended 30 September 2020 Reviewed Cents	Year ended 31 March 2021 Audited Cents
6. Earnings and dividends per share			
Basic earnings per share	**3 429**	1 445	2 400
Dividends per share (Note 6.3)	**100**	84	195

There were no adjustments required to earnings attributable to equity shareholders in the determination of headline earnings. Therefore headline earnings per share is the same as per basic earnings per share disclosed above.

There are no potential ordinary shares that would have a dilutive effect on the earnings per share. Therefore diluted earnings per share and diluted headline earnings per share is the same as per basic earnings per share disclosed above.

Earnings per share calculations are based on earnings and the weighted average number of ordinary shares outstanding as set out below:

	Six months ended 30 September 2021 Reviewed R000	Six months ended 30 September 2020 Reviewed R000	Year ended 31 March 2021 Audited R000
6.1 Earnings and headline earnings			
Earnings and headline earnings attributable to equity shareholders for all earnings per share amounts disclosed above	**1 814 331**	764 514	1 270 244

This disclosure is a requirement of the JSE Limited and is not a recognised measure under IFRS. It has been calculated in accordance with Circular 1/2021 as issued by SAICA.

	Six months ended 30 September 2021 Reviewed	Six months ended 30 September 2020 Reviewed	Year ended 31 March 2021 Audited
6.2 Reconciliation of weighted average number of ordinary shares outstanding			
For basic and headline earnings per share	**52 915 960**	52 915 960	52 915 960

6. Earnings and dividends per share continued

6.3 Dividends per share

Dividends per share of 100 cents per share is based on 52,915,960 shares, paid on 5 July 2021 (September 2020: Dividends per share of 84 cents per share is based on 52,915,960 shares, paid on 6 July 2020; March 2021: Dividends per share of 195 cents per share consist of a final dividend per share of 84 cents based on 52,915,960 shares, paid on 6 July 2020, and an interim dividend per share of 111 cents based on 52,915,960 shares, paid on 14 December 2020).

7. Financial assets

Financial asset at fair value through profit or loss

In September 2018 YeboYethu, through YeboYethu Investment, acquired 6.23% of Vodacom Group issued shares in terms of its second BBBEE transaction.

The above transaction resulted in an exchange of 49,689,995 Vodacom SA shares for Vodacom Group shares on a fair market value basis for R7.1 billion and the purchase of additional 64,761,185 Vodacom Group shares for R7.3 billion. The purchase of the Vodacom Group shares was financed through preference share funding from the external funders as well as from Vodacom Group.

Vodacom Group shares are used as security for the class A preference share funding obtained from the external funders.

	As at 30 September 2021 Reviewed R000	As at 30 September 2020 Reviewed R000	As at 31 March 2021 Audited R000
Investment in Vodacom Group			
Cost	**14 455 817**	14 455 817	14 455 817
Accumulated fair value adjustment (refer Note 4)	**2 029 731**	(347 420)	(5 211)
	16 485 548	14 108 397	14 450 606

The Group holds 114,451,180 shares in Vodacom Group. There was no movement in the shares held from acquisition.

The investment is categorised as level 1 in the fair value hierarchy. Fair value was determined using the JSE listed share price as below:

	As at 30 September 2021 Reviewed	As at 30 September 2020 Reviewed	As at 31 March 2021 Audited
JSE listed closing share price (R)	**144.04**	123.27	126.26

	As at 30 September 2021 Reviewed R000	As at 30 September 2020 Reviewed R000	As at 31 March 2021 Audited R000
8. Cash and cash equivalents			
Bank balances	**3 334**	3 877	3 634
Overnight deposit	**2 259**	—	2 145
	5 593	3 877	5 779
9. Share capital			
Ordinary share capital			
Authorised			
100.0 million authorised ordinary shares at no par value	**–**	–	–
Issued			
52.9 million ordinary shares at no par value	**4 193 265**	4 193 265	4 193 265

There were no changes to the issued ordinary shares in the current financial period.

	As at 30 September 2021 Reviewed R000	As at 30 September 2020 Reviewed R000	As at 31 March 2021 Audited R000
10. Borrowings			
Held at amortised cost			
Class A preference shares	**3 885 397**	4 248 424	4 056 975
Class B preference shares	**5 317 133**	5 328 960	5 331 411
	9 202 530	9 577 384	9 388 386

The carrying amount of Borrowings approximates fair value as this is linked to the prime interest rate.

11. Related parties

All transactions with related parties have been made on terms equivalent to those that prevail in arm's length transactions. Directors' remuneration is disclosed in Note 14.

	As at 30 September 2021 Reviewed R000	As at 30 September 2020 Reviewed R000	As at 31 March 2021 Audited R000
11.1 Balances with related parties			
Accounts receivable			
Vodacom Group Limited	**6 070**	18 461	8 590
Cash and cash equivalents			
Vodacom Group Limited	**2 259**	—	2 145
Accounts payable			
Vodacom Group Limited	**123**	115	228
Borrowings			
Vodacom Group Limited	**5 317 133**	5 328 960	5 331 411

	Six months ended 30 September 2021 Reviewed R000	Six months ended 30 September 2020 Reviewed R000	Year ended 31 March 2021 Audited R000
11.2 Transactions with related parties			
Vodacom Group Limited			
Dividends received	**469 250**	463 527	938 500
Service fee	**(2 527)**	(2 451)	(4 978)
Finance income received	**180**	270	551
Class B preference share interest	**(130 530)**	(138 384)	(268 015)
The Innovator Trust (entity within the Vodacom Group structure)			
Dividends paid	**(1 204)**	(1 007)	(2 344)
Vodacom Siyanda Employee Trust (entity within the Vodacom Group structure)			
Dividends paid	**(11 545)**	(9 293)	(22 108)

12. Fair value

The carrying amounts of accounts receivable, cash and cash equivalents and accounts payable are measured at cost which approximates fair value due to short term maturity thereof.

	As at 30 September 2021 Reviewed R000	As at 30 September 2020 Reviewed R000	As at 31 March 2021 Audited R000
12.1 Fair value hierarchy			
The table below sets out the valuation basis of the financial instrument measured at fair value:			
Level one			
Financial asset at fair value through profit or loss			
Vodacom Group shares	**16 485 548**	14 108 397	14 450 606

The fair value of the level one instrument is determined using the JSE listed share price (refer Note 7).

	As at 30 September 2021 Reviewed R000	As at 30 September 2020 Reviewed R000	As at 31 March 2021 Audited R000
13. Commitments			
Operating commitments	**3 153**	1 061	1 605

The operating commitments will be financed through internal cash generation.

	Six months ended 30 September 2021 Reviewed R	Six months ended 30 September 2020 Reviewed R	Year ended 31 March 2021 Audited R
14. Directors' emoluments			
ZBM Bassa (Chairman)*	**(143 467)**	(206 661)	(421 862)
AM Hall	**(83 519)**	(79 541)	(162 370)
B Silwanyana*	**(124 096)**	(107 738)	(227 686)
A Conrad	**(105 172)**	(100 163)	(204 466)
TV Mokgatlha (Chairman)*	**(161 341)**	(149 067)	(304 293)
F Roji-Maplanka	**(35 637)**	—	—
	(653 232)	(643 170)	(1 320 677)

* Director registered as a VAT vendor therefore amount inclusive of VAT.

Effective 27 July 2021, ZBM Bassa resigned and TV Mokgatlha succeeded as Chairman of the Board.

15. Impact of COVID-19

The Group's financial position and liquidity is solely dependent on its investment in Vodacom Group. Vodacom Group's performance amidst the COVID-19 pandemic is therefore pivotal in the assessment of the company's operations and the continuous flow of dividends. The Group continues to assess the potential impact of COVID-19 on the return from its investment in Vodacom Group, including a wide range of related risks that the pandemic will have on its performance and liquidity in the short to medium term. The going concern assumption, as adopted in the preparation of the condensed consolidated interim financial statements for the Group, remains applicable.

16. Events after reporting period

The board is not aware of any matter or circumstance arising since the end of the financial period, not otherwise dealt with in the condensed consolidated interim financial statements, which significantly affects the financial position of the Group at 30 September 2021 and the results of its operations or cash flows for the financial period ended 30 September 2021.

a. Dividends receivable

Vodacom Group Limited declared a dividend of 420 cents per share on 12 November 2021 payable on 6 December 2021 to shareholders recorded in the register at the close of business on Friday 3 December 2021.

b. Vodacom acquisitions announced after the reporting date

Subsequent to 30 September 2021, Vodacom Group announced two material acquisitions, as follows:

i) Vodafone Egypt Telecommunications SAE ('Vodafone Egypt')

On 10 November 2021, Vodacom Group announced that it had entered into a binding agreement to acquire a 55% shareholding in Vodafone Egypt from Vodafone Group Plc (Vodafone), for an equity purchase consideration of US$2 738 million (circa R41 billion) (subject to adjustments in accordance with the agreement). Eighty percent of this purchase consideration will be settled by the issue of 242.0 million new Vodacom Group Limited shares at an issue price of R135.75 per share, with the remainder to be settled in cash. This cash consideration is subject to change per the principles set out in the agreements. The investment in Vodafone Egypt will be accounted for as a subsidiary of Vodacom Group.

ii) Community Investment Ventures Holdings (Pty) Limited ('CIVH')

On 10 November 2021, Vodacom Group announced an investment into a joint venture that will house the material fibre network assets of both Vodacom Group and CIVH. The material operating companies of CIVH are Dark Fibre Africa (Pty) Limited and Vumatel (Pty) Limited. The transaction is subject to the fulfillment of certain conditions precedent, including obtaining the necessary regulatory approvals from the South African competition authorities and Independent Communications Authority of South Africa ('ICASA'). The investment will be equity accounted as a joint venture. The purchase consideration will be made up of an initial cash consideration of R6 billion, as well as an asset for share swap where Vodacom Group will contribute its fibre-to-the-home, fibre-to-the-business and Business-to-Business transmission access fibre network infrastructure to the joint venture, at a valuation of R4.2 billion. Vodacom Group will acquire further (secondary) shares for cash from CIVH sufficient to increase its shareholding to at least 30% shareholding in the joint venture. The value of this cash consideration is a function of the valuation of the joint venture and cannot be precalculated with certainty. Based on Vodacom Group's current expectations, including the time of closing and the joint venture valuation, the secondary purchase consideration is estimated to be approximately R3 billion.

iii) Change in Vodacom Group's dividend policy

Vodacom Group's current dividend policy is to pay at least 90% of adjusted headline earnings, which excludes the contribution of the attributable net profit or loss from Safaricom and any associated intangible amortisation. In addition, Vodacom Group distributes any dividend it receives from Safaricom, up to a maximum amount of the dividend received, net of withholding tax. Subject to Board approval, this policy will be maintained for the remainder of the current financial year, and until the proposed acquisition of Vodafone Egypt is completed.

On completion of the Vodafone Egypt acquisition, Vodacom Group intends to amend and simplify its dividend policy to at least 75% of Vodacom Group headline earnings.

c. Dividend declared after the reporting date and not recognised as a liability

A dividend of R59.8 million for the period ended 30 September 2021, was declared on 26 November 2021 payable on 20 December 2021 to shareholders recorded in the register at the close of business on 17 December 2021. The net dividend is 90.40000 cents per share after taking into account dividend withholding tax of 22.60000 cents per share for those shareholders not exempt from dividend withholding tax.

d. Redemption of preference shares after the reporting date and not recognised as a reduction in liability nor impact on cash flow

The board resolved to make payment of R171.6 million towards Class A preference shares as well as a payment of R240.0 million towards Class B preference shares on 8 December 2021.