YEBOYETHU
Now more than ever, it's your Vodacom

YEBOYETHU
Now more than ever, it's your Vodacom

# Annual report
for the year ended 31 March 2021

# Contents



YEBOYETHU
Now more than ever, it's your Vodacom

# Key highlights for the FY21

**Investment of** vodacom

6.23%
**in Vodacom Group worth R14.5 billion**
(2020: R13.4 billion)

**Share price**
(Closing price 31 March 2021)

R39.22
per share
(2020: R15.70)

**Borrowings repaid**

R269.7 million
(2020: R160.9 million)

**Number of shareholders**
as at 31 March 2021

83 642
(2020: 84 707)

**Net asset value per share**

R68.84
(2020: R46.78)

**Final dividend per share**

100 cents
(2020: 84 cents)

**Interim dividend per share**

111 cents
(2020: 112 cents)

# Chairman's report

2021 marks the 13th year of YeboYethu and our second year into COVID-19, which has exacerbated existing societal challenges, increasing inequalities and mobility constraints.

These extraordinary times require us to look beyond ourselves to remain committed to supporting our shareholders. Increased investment was made towards tracing shareholders to whom unclaimed dividends are owed in an effort to return value to them in these challenging times. In the spirit of further supporting this commitment, all of the independent non-executive directors contributed 30% of their fees over a three-month period to COVID-19 impacted vulnerable communities.

YeboYethu (RF) Limited's (YeboYethu) significant asset is its 6.23% shareholding in Vodacom Group Limited (Vodacom or Vodacom Group), which is now worth R14 450.6 million and increased in value by R1 058.7 million during the current financial year.

## YeboYethu annual results for the year ended 31 March 2021

Some of the key highlights of YeboYethu's results for the year ended 31 March 2021 are as follows:

- Dividends received from Vodacom Group of R938.5 million (2020: R961.4 million);
- Finance costs of R473.9 million (2020: R676.4 million);
- Increase in the Vodacom Group share price from R117.01 as at 31 March 2020 to R126.26 as at 31 March 2021, resulting in a gain of R1 058.7 million;
- Capital repayment of borrowings of R269.7 million (2020: R160.9 million); and
- Basic earnings per share of 2 400 cents (2020: 1 445 cents).

As a consequence of the increased value of the investment and reduction in borrowings, your net asset value per share has increased from R46.78 per share to R68.84 in FY21.

Since creating the Class A preference shares in September 2018 and up to June 2021, YeboYethu will have repaid a total of R814 million additional contractual capital. This includes an amount of R355 million in additional contractual voluntary repayments that was mainly attributable to favourable dividends received from Vodacom Group over this period.

## Vodacom

Vodacom remains firmly committed to delivering on its Social Contract, which aims to enable the delivery of broad societal value through enhanced customer trust, improved service offerings and increased collaborations with government, regulators and other stakeholders. As social distancing remains part of life to reduce the spread of COVID-19, enhanced connections provide a better future by improving the overall quality of life for all, promoting efficiency and facilitating greater social inclusion.

## Dividend

After taking into account the dividend received from Vodacom Group on 28 June 2021 and operational requirements, I am pleased to announce that the YeboYethu Board declared a dividend that was calculated in accordance with the funding terms of the Broad-Based Black Economic Empowerment (B-BBEE) transaction amounting to a dividend of 100 cents per share (2020: 84 cents per share).

## Unclaimed dividends

Unclaimed dividends by our shareholders remain a key area of focus. During the past year we have made significant progress. We have paid out R10 092 745 in unclaimed dividends since our last annual report was published, reducing the total unclaimed dividends from R73 742 748 to R63 650 003 (14% reduction).

The Board invested in a number of initiatives to trace these shareholders:

- Awareness of unclaimed dividends was raised during the information session at the annual general meeting (AGM) held on 21 August 2020.
- Radio campaigns were run on four national radio stations in three languages over December 2020 and January 2021, alerting shareholders to contact YeboYethu regarding their unclaimed dividends.
- Website enhancements on www.yeboyethu.co.za, allowing shareholders to check if they have unclaimed dividends.
- Forms were redesigned and simplified allowing shareholders to update their banking details more efficiently.
- Related Financial Intelligence Centre Act (FICA) requirements now facilitate self-service options for shareholders.
- Gateways Tracing Services Proprietary Limited has been appointed as a designated provider of tracing services to YeboYethu and is responsible for tracing shareholders who have unclaimed dividends. A dual-layer of verification exists between the tracing agent and the transfer secretary before a shareholder's details are updated and any payments are made.

We are also continuously running outbound call campaigns with dedicated call centre agents to reach out to our shareholders who have unclaimed dividends. However, we still need your help. If you, your family, friends or colleagues are YeboYethu shareholders and have not received your dividends from 2014, we urge you to please contact the call centre on 011 581 7850 (standard call rates apply) or 082 241 0001 (toll-free from your Vodacom cellphone) or email us at yeboyethu@jseinvestorservices.co.za to ensure that your banking details are correct and updated.

## Trading platform migration

Since the last financial year, the Johannesburg Stock Exchange (JSE) acquired JSE Investor Services (JIS) (previously known as Link Market Services). In order to achieve further efficiencies, a decision was taken to appoint a single service provider whereby JIS would assume the services provided by Velocity Trade, including B-BBEE verification, call centre, online trading platform and share trading website.

The migration was carefully managed over a four-month transition period and was successfully completed during May 2021. This was also used as an opportunity to introduce new functionality and simplify processes. Some of the key amendments that were made were as follows:

- Development of a user-friendly trading website that is embedded in www.yeboyethu.co.za – the www.yeboyethushares.co.za website has since been decommissioned.


- Introduction of shareholder satisfaction measures to ensure that shareholders are properly assisted at all times.
- Revision and simplification of all shareholder forms for easier completion that are available on the website.
- FICA checklist was segmented and developed for each shareholder type as well as per transaction type.

A combination of the above amendments will hopefully go a long way in enhancing the shareholder experience. This is a continuous improvement process and we look forward to working with you in this regard. We welcome any suggestions to further improve these processes.

## Virtual AGM

YeboYethu recognises that the health and wellbeing of our shareholders are paramount. In light of imperatives around social distancing and continued restrictions placed on public gatherings, YeboYethu successfully held its first virtual AGM on 21 August 2020. Shareholders were encouraged to attend virtually and were given the opportunity to ask any questions in writing or verbally either prior or during the electronic meeting. An information session was also held just prior to the AGM highlighting the financial results, share trading and other key matters. A recording of the AGM is available on www.yeboyethu.co.za for viewing.

As a consequence of the ongoing impact of COVID-19 and with the health of our shareholders in mind, shareholders will again be provided with an opportunity to participate virtually in the AGM scheduled for 27 July 2021 and cast their votes by way of an electronic platform. Given that South Africa is still under lockdown for COVID-19, in-person attendance and registration for the AGM will not be permitted. We do encourage you to join us electronically as it gives you a valuable opportunity to communicate with the Board.

## Appreciation

This is my last year as Chairman of YeboYethu as I am stepping down at the AGM on 27 July 2021. I have been on the journey with YeboYethu since its inception in 2008, through the birth and maturity of the first deal with Vodacom, and the negotiation and inception of the second B-BBEE deal. It is gratifying to see the progress of YeboYethu and the lives touched at a grassroots level in achieving broad-based black empowerment, both through the annual dividends paid and the payment on the maturity of the first investment at the end of 10 years. It is wonderful to observe some of our shareholders who have been part of this journey from inception as well, who have been active and vocal shareholders, attending our annual AGMs and sharing their views with us. It is this interaction, challenging questioning and support that enables me to conclude that YeboYethu has been achieving what it set out to do with empowerment that is broad-based in every sense, and not just financial.

I would like to welcome Thabo Mokgatlha, who has been on the Board since April 2019, as the new Chairman nominated by the Board. He will take over as Chairman after the AGM. I have complete faith that Thabo and the Board will continue to take YeboYethu in the direction in which it needs to go to ensure value creation for all shareholders. It has been a privilege and honour to have served you.

On 22 April 2021, Thebe Investment Corporation Proprietary Limited (Thebe) disposed of its entire shareholding of 11.33% in YeboYethu to Mineworkers Investment Company (RF) Proprietary Limited, through MIC Investment Holdings Proprietary Limited. I would like to thank Neliswa Booi for her contribution to YeboYethu during her tenure on the Board as a Thebe representative. We also thank Thebe for the role it has played in YeboYethu as shareholders and as partners of YeboYethu through the first deal.

I would also like to extend a special welcome to Oren Fuchs and Fundiswa Roji-Maplanka as members to the Board. Oren represents Mineworkers Investment Company and was appointed to the Board in April 2021 and Fundiswa is being recommended for appointment as an independent non-executive director and member of the Audit Committee, subject to shareholder approval at the AGM.

The need for inclusive and ethical leadership has never been greater and I have been fortunate to have Board members that bring the strong diversity of skills, experience and outlook needed to drive full accountability and to ensure that we fulfil our fiduciary duties. I would like to thank my fellow Board members for their service and dedication during the year.

I extend the Board's appreciation to the team at Vodacom Group for delivering a solid performance and for their resilience in an extremely trying year. To each of our shareholders, thank you for your support and for remaining on this journey over the years. We encourage you to participate in your shares actively and to realise the value and role of your investment in helping drive South Africa's transformation of many previously disadvantaged individuals and groups.

The Board remains committed to managing YeboYethu so that you realise long-term benefits from your investment.

**Zarina Bassa**
Chairman

# Overview of Vodacom's performance

Vodacom is a leading African connectivity and financial services company strongly underpinned by purpose and spirit. The Vodacom Group, including Safaricom, serves 123.7 million customers across consumer and enterprise segments. Vodacom offers a wide range of services, including telecommunication, information technology (IT), digital, Internet of Things (IoT) and financial services.

Since 1994, Vodacom has expanded its mobile network footprint from its roots in South Africa to Tanzania, the Democratic Republic of the Congo, Mozambique, Lesotho and Kenya. Vodafone Group Plc (Vodafone) – one of the world's largest communications companies in terms of revenue – has a 60.5% shareholding in Vodacom.

Vodacom's mobile networks cover **296 million** people (including Safaricom at 100%)

Vodacom offers business-managed services to enterprises in **48 countries** through Vodacom Business Africa (VBA)

Vodacom has **123.7 million** customers across Africa (including Safaricom)

## Financial performance

### Revenue

R98.3 billion

Up 8.3%

(2020: +4.8% to R90.7 billion)

### Headline earnings per share

980 cps

Up 3.7%

(2020: +8.9% to 945cps)

### Ordinary dividend per share

825 cps

Up 5.1%

(2020: ordinary dividend per share of 785cps, total including special dividend was 845cps)

### Capital expenditure

R13.3 billion

Up 0.7%

(2020: +2.0% to R13.2 billion)

## For Vodacom customers

Extended Vodacom network population coverage

**South Africa:**

99.9% 3G (2020: 99.7%)

97.3% 4G (2020: 95.4%)

**Vodacom Group sites added:**

5G sites: **190** in South Africa
4G sites: **1 883** (2020: 2 307)
3G sites: **885** (2020: 845)
2G sites: **787** (2020: 790)

**Number of rural network sites in South Africa**

2 784

(2020: 2 592)

**Vodacom fibre penetration** reached more than

146 401

homes and businesses in South Africa

(2020: 109 536)

R12 billion

airtime advanced to customers in South Africa

(2020: R9.9 billion)

US$24.5 billion

**in M-Pesa transactions**

processed monthly in the fourth quarter, including Safaricom

(monthly equivalent in 4Q20: US$15.0 billion, and for 2020: US$14.7 billion)

- Network promoter score declined in South Africa.
- Free person-to-person transfers impacted revenue growth in Vodacom's International Business.
- Network disruptions in South Africa as a result of load shedding and added network demand.

## In Vodacom's societies

**Enhanced public finances**

R21.6 billion

Tax and total economic contribution to public finance

(2020: R20.4 billion)

**Enabled financial inclusion**

57.7 million

financial services and Safaricom customers

(2020: 53.2 million)

**Promoted digital inclusion**

15.5 million

people accessed the ConnectU platform

(2020: 8.5 million)

**Contributed to transformation in South Africa**

Level 1

B-BBEE contributor status

(2020: Level 1)

R38.0 billion

weighted spend on B-BBEE-status suppliers

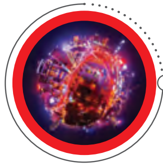
(2020: R35.9 billion)

## Vodacom's purpose

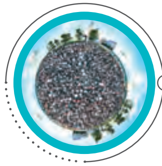
**Why Vodacom exists**

To provide affordable access to the internet for the next 100 million people in Vodacom's markets, and to continue to foster deeper engagements to meet the needs of its existing customers

### Connect for a better future



**Digital society**
Connecting people and things to the internet



**Inclusion for all**
A digital future that is accessible to all

**Planet**
Reducing environmental impact

## The value of Vodacom's Social Contract

The world faced an unprecedented challenge during the year, which exacerbated existing societal challenges and ultimately increased inequalities and mobility constraints. Vodacom's commitment to its purpose and Social Contract – guided by three core principles – trust, fairness and leadership – helped it strategically and systematically mitigate the impact of COVID-19 on Vodacom's stakeholders. Vodacom's overarching objectives were the following:

Connecting **governments and societies** by maintaining network resilience and quality during increased network traffic during the COVID-19 lockdown.

Vodacom pursues digital inclusion through its price transformation strategy by reducing the cost of data and providing access to affordable products and services. On 1 April 2020, Vodacom introduced price cuts on data bundles in South Africa which provided R3 billion benefit to consumers. Vodacom also provided affordable data prices to 2 000 poorest towns in South Africa.

Vodacom provided free peer-to-peer (P2P) M-Pesa transactions to customers in its international markets, which is a benefit of R2 billion to customers. This intervention supported accelerated customer adoption and platform growth. In the fourth quarter, the value of M-Pesa monthly transactions increased 64.5%.

Vodacom have partnered with AUDA-NEPAD to build digital infrastructure to manage the distribution of COVID-19 vaccinations in up to 55 countries, following successful deployments in South Africa, leveraging its mVacciNation platform.

Connected **healthcare providers** to ensure they are digitally equipped to support COVID-19 virtual consultations, data collection and testing.

Alongside the Vodafone Foundation, Vodacom recently announced an R87 million financial pledge to support the rollout of cold-chain technology and provide logistics support to ensure the safe delivery of COVID-19 vaccines through the mVacciNation platform.

Through the ConnectU platform, Vodacom zero-rated access to social media, education, government and employment platforms.

Donated 20 000 smart phones, 100 terabytes of data and 10 million voice call minutes to the South African Department of Health to collect and transmit data for resource planning purposes.

Connected **educational institutions and businesses** to facilitate learning and skills development in a digital world.

Vodacom's e-schools programme has over one million registered learners. Vodacom also provided significant discounts to its Big Data offerings for universities and schools, so that lessons could continue online.

Connected **businesses, particularly small and medium enterprises (SMEs)**, through remote working solutions, advice and best practice information. Vodacom aims to ensure SMEs survive the economic impacts of COVID-19 by facilitating the adoption of safe and secure digital solutions utilising advances in the IoT, artificial intelligence (AI), Big Data analytics and financial services platforms.

Connected **governments and societies** through Big Data capabilities.

Connected **host country governments** to disseminate critical COVID-19-related information to the public.

# Board of directors

## Zarina Bassa

**Independent non-executive director**

Chairman of the Board, member of the Audit Committee and member of the Social and Ethics Committee

Appointed in June 2008

*BAcc, Dip Acc, CA(SA)*

**Zarina** serves as a non-executive director of Woolworths Holdings, where she is the Lead Independent Director, Investec Limited and Investec Plc, where she is the Group Senior Independent Director, the JSE and Oceana Limited. Zarina was previously a Managing Executive Director at Absa Bank, a member of the Absa Group executive committee and Head of the Private Bank. Zarina joined Absa in 2002 as Managing Executive of Retail Banking, prior to which she was a partner at Ernst & Young Inc. where she spent 17 years across the Durban, United Kingdom and Johannesburg offices. She has also previously chaired the Public Accountants' and Auditors' Board and the Auditing Standards Board and has been a member of the Accounting Standards Board, the JSE's GAAP Monitoring Panel, the board of the SA Institute of Chartered Accountants' and Vice President of ABASA. Zarina has also served on the boards of Kumba Iron Ore, Sun International, Mercedes SA, the FSB and Vodacom Proprietary Limited. Zarina was named Top Women in Business and Government in 2007 and Top Business Personality in Financial Services: Banking in 2008.

## Lea (Alethea) Conrad

**Independent non-executive director**

Member of the Audit Committee

Appointed in March 2019

*BA, LLB (Rhodes), Management Advancement Programme (Wits Business School), International Executive Development Programme (London Business School and Wits Business School)*

**Lea** is the Managing Director at Conrad Advisory, a professional advisory firm providing guidance to organisations in strategy development and implementation, strategic project management and execution and public policy analysis. Lea was formerly the Chairman of the board of African Phoenix Investments Limited, Chairman of the Remuneration, Nomination, Transformation and Social and Ethics Committee and a member of the Audit and Risk Committee. She is also the Chairman of the Afrimat BEE Trust. Lea served as an executive director on the board of Oceana Group Limited with her last role being Group Strategic Services Director. She held positions on the Social, Ethics and Transformation Committee and the Risk Committee. Lea was a member of the executive committee for 12 years and held the position of Chairman of the Oceana Empowerment Trust from its inception in 2006. During a 16-year tenure at the Oceana Group, Lea held senior management positions and directorships on various subsidiaries. She previously served as a Member at TSiBA, a private not for profit business school and held legal advisory and strategy positions at Transnet Limited.

## Oren Fuchs

**Non-executive director**

Appointed in April 2021

*BA in Economics and Political Science, MSc Development Planning (Wits), and Finance Certificate (GIBS)*

**Oren** Fuchs is Senior Stakeholder Manager for the Mineworkers Investment Company (MIC), which he joined in 2005. He has extensive experience in development and corporate social investment work, communications and stakeholder management, as well as transformation, having worked in both the public and private sectors. Oren started his career in 1992 at Robin Lee Associates, a consultancy working in the development sector, and subsequently moved to the Johannesburg Metropolitan Council where he worked on urban and regional economic planning. After joining the Gauteng Treasury in 1998, he was appointed to manage setting up Blue IQ, a strategic economic infrastructure agency for the province. In 2002 Oren joined the SABC as Corporate Strategy Manager. Oren represents MIC's interests on various investee boards, trusts and foundations, including MIC Capital Partners, Puregas, FirstRand Empowerment Foundation and the Peermont trusts, as well as heading up the marketing, communications and corporate social responsibility portfolios.

## Adele Hall

**Independent non-executive director**

Member of the Social and Ethics Committee

Appointed in May 2013

*BCompt (Unisa)*

**Adele** has operated at an executive level in various local and international companies for over 20 years, developing her unique set of leadership and transformation skills through the various roles she has held. Adele is the co-owner and director of No Ordinary Corporation, an organisation whose primary purpose is to assist organisations with their human resources and transformation objectives, with a special focus on development of entrepreneurs. Positions previously held included Vice President and Head of Transformation at Saab Grintek Defence, as well as director responsible for B-BBEE, Transformation and Diversity at UTI Africa. Adele is presently the Chairman of Alcon Marepha and a member of the Thandi Foundation. Adele previously held the position as Sales and Marketing director at The Pacific Institute of South Africa. Prior to this, she was an executive director and the majority shareholder of FranklinCovey Southern Africa and has held a number of senior commercial and marketing positions at FranklinCovey since 2001. Prior to this she held financial positions in a re-insurance company.

## Katlego Kobue

**Non-executive director**

Appointed in October 2018

*BCom (majoring in Investments, Corporate Finance and Accounting) University of the Witwatersrand*

**Katlego** represents Royal Bafokeng Holdings (RBH) on the YeboYethu Board. Katlego is a Senior Investment Manager in RBH's investment team and has over 10 years' experience in investments. He was part of the team that developed and executed the company's energy strategy and has specialised in multiple sectors including telecommunications, resources, media, asset management and property. Katlego represents RBH as a director on the boards of Liquid Telecoms Holdings, Liquid Telecoms South Africa, Royal Investment Managers, JCDecaux Sub-Saharan Africa (re-appointed), T-Jet Helicopters and has previously represented RBH on the Boards of Vodacom Proprietary Limited, JCDecaux South Africa, DHL Express SA as well as RMI Investment Managers. Katlego is now the independent Chairman of DHL Express SA.

## Udo Lucht

**Non-executive director**

Appointed in October 2018

*BCom (Honours), CA(SA), CFA*

**Udo** represents RBH on the YeboYethu Board. Udo joined RBH in 2016 and is currently Chief Investment Officer. Prior to joining RBH, he worked at Rand Merchant Bank in its Investment Banking division where he gained extensive debt and equity structuring experience. Udo is a non-executive director of Royal Bafokeng Platinum Limited, Liquid Telecommunications Holdings Limited and RMB Holdings Limited, and an alternate non-executive director at Rand Merchant Investment Holdings Limited.

## Matimba Mbungela

**Non-executive director**

Chairman of the Social and Ethics Committee

Appointed in May 2017

*B Admin (University of Venda), postgraduate diploma in HR (UCT), MBA (UKZN), and also a graduate of the Vodafone Global HR Excellence Programme*

**Matimba** represents the Vodacom Employee Trust (Siyanda) on the YeboYethu Board. He is also a non-executive director for Vodacom Tanzania PLC, Vodacom Mozambique and Vodacom Lesotho. Matimba is the Chief Human Resources Officer at Vodacom Group. Prior to this role, he was Managing Executive: HR for Vodacom South Africa. Matimba has worked within the Vodacom/Vodafone Group since 2003 during which he worked in various roles within HR. He spent three years on secondment to Vodafone as Regional Head of Organisational Effectiveness and Change, and Regional Head of Talent within the Africa, Middle East and Asia Pacific (AMAP) region. Matimba was responsible for Talent Management at Vodacom where he successfully delivered the integration of our talent strategy into the Vodafone global strategy. His previous experience includes key HR roles in BMW South Africa and Unilever. Matimba was appointed to the Unisa GSBL Advisory Board on 1 June 2020.

## Thabo Mokgatlha

**Independent non-executive director**

Chairman of the Audit Committee

Appointed in April 2019

*BCom (North-West University), BCompt (Hons) (Unisa) CA(SA)*

**Thabo** is the CEO of Baphalane Ba Mantserre Investment Holdings Proprietary Limited (BBMIH). He also serves as a non-executive director of Hyprop Investments Limited, SANBS NPC and Baphalane Siyanda Chrome Company Proprietary Limited (BSCC). Thabo was previously the Head of Business and Treasury of the Royal Bafokeng Nation (RBN) and served on numerous boards in the RBN group. He also served as a non-executive director of Rand Merchant Insurance Limited, Impala Platinum Limited, York Timbers Limited, Master Plastics Limited and SA Coal Mines Limited. Thabo was also a senior lecturer (Accounting and taxation) and Finance Manager of the University of Bophuthatswana (now North-West University). He served the Office of the Auditor General as a Centre Manager and the North West Parks and Tourism Board as Finance Manager.

## Fundiswa Roji-Maplanka

**Independent non-executive director**

Member of the Audit Committee

To be appointed in July 2021

*BCom Acc (Hons) BCompt, Postgraduate Diploma in Financial Planning, CA(SA)*

**Fundiswa** (Fundi) Roji-Maplanka is a Chartered Accountant (SA) with professional experience in finance, audit, private equity, black economic empowerment, investment management, investor relations and mergers and acquisitions. She was a senior manager responsible for strategy and investor relations at the Imperial Group until the end of 2014. Prior to joining the Imperial Group, she worked for over a decade at Kagiso Trust Investments, and later at Kagiso Tiso Holdings as a director of investments. Over the last twenty years, she has sat on the Boards of Directors across various industries. She has served boards in various capacities including chairing Audit and Risk Committees, Social and Ethics Committees and participating in Remuneration Committees. In the public and NGO sector, she has served on the boards of Technology Innovation Agency, the Soul City Institute for Social Justice and on the audit committee of the Commission for Gender Equality.

## Busi Silwanyana

**Independent non-executive director**

Member of the Audit Committee

Appointed in February 2019

*BCom (Honours) (University of Cape Town), postgraduate diploma in Accounting (UCT), MBA (University of Durham UK), CA(SA)*

**Busi** qualified as a Chartered Accountant (SA) in 1999 after serving articles at Deloitte & Touche. She is currently serving as an independent non-executive director of Stefanutti Stocks Limited and Finbond Mutual Bank Limited. Busi is the executive director of Acendore LSB Proprietary Limited, a capital and debt advisory firm. She spent 15 years in banking across both Corporate and Investment Banking and Business banking divisions, including Absa Corporate and Investment Banking, and Standard Bank Group's Corporate and Investment Banking. Busi has held a number of senior positions as an executive heading the Lending business, the Mid-Corporate Segment, the Medium-Enterprises Segment, as well as the Franchising Segments. Busi then joined Royal Philips N.V.'s Africa business based in Johannesburg, heading its Philips Capital business covering Africa. Busi has previously served as a member of the SAICA Education Committee and as Director of SAICA's Thuthuka Education Upliftment Bursary Fund.

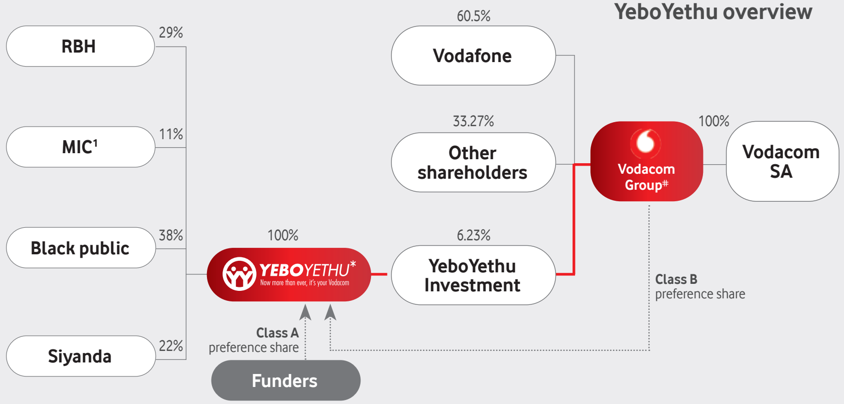
# Report of the directors

## Nature of business

YeboYethu (RF) Limited (YeboYethu) (the Company) was incorporated on 19 June 2008 under the laws of the Republic of South Africa. YeboYethu Investment Company (RF) Proprietary Limited (YeboYethu Investment) was created on 24 April 2018 as a wholly owned subsidiary of YeboYethu (collectively, the Group) for the purpose of holding Vodacom Group Limited (Vodacom Group) shares, which shares are held as security for the borrowings incurred from a consortium of funders (Note 15 to these summarised consolidated financial statements). The principal activities of the Company and the Group as a whole are to:

- carry on business of acquiring and holding shares in Vodacom Group; and
- receive and distribute dividends and other distributions received by it pursuant to its holding in Vodacom Group.

YeboYethu overview




1 On 22 April 2021, Thebe Investment Corporation Proprietary Limited disposed of its entire beneficial interest of 5,995,984 (11.33%) shares in the total issued ordinary share capital of the Group to Mineworkers Investment Company (RF) Proprietary Limited, through MIC Investment Holdings Proprietary Limited.
* YeboYethu is listed on the Empowerment Segment of the JSE.
\# Vodacom Group is listed on the JSE.

## Financial results

Net profit for the year was R1 270 million (2020: R764.6 million).

This was mainly attributable to an increase in the Vodacom Group share price in the current financial year. Refer to Note 9 to the summarised consolidated financial statements for detail of the investment. Information on the performance of Vodacom Group for the year ended 31 March 2021 is available at www.vodacom.com.

Full details on the performance and financial position of the Group are set out in the consolidated financial statements for the year ended 31 March 2021 and are obtainable from the Company's website www.yeboyethu.co.za.



## Dividend distribution

Dividends of R103.2 million (2020: R100.0 million) were declared and paid during the year. Details in respect of the final dividend for the year ended 31 March 2021 are included in Events after the reporting period of the Directors' report.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| Interim dividend for FY21 declared 24 November 2020 and paid 14 December 2020 | 58 737 | – |
| Final dividend for FY20 declared 21 May 2020 and paid 6 July 2020 | 44 449 | – |
| Interim dividend for FY20 declared 22 November 2019 and paid 17 December 2019 | – | 59 266 |
| Final dividend for FY19 declared 7 June 2019 and paid 1 July 2019 | – | 40 745 |
| | 103 186 | 100 011 |

## Dividend policy

The Group's policy is to pay dividends in accordance with the priority of payments as stipulated in the funding agreements. There is, however, no assurance that a dividend will be paid in respect of any financial period and any future dividends is dependent upon the dividend distribution from Vodacom Group and the payments to preference shareholders, as well as the Group's operating results and financial condition.

### Impact of COVID-19

On 11 March 2020, the World Health Organization officially declared the novel coronavirus, COVID-19, a pandemic. The Group's financial position and liquidity is solely dependent on its investment in Vodacom Group. Vodacom Group's performance amidst this pandemic is therefore pivotal in the assessment of the Group's operations and the continuous flow of dividends. The Group has assessed the potential impact of COVID-19 on the return from its investment in Vodacom Group, including a wide range of related risks that the aforementioned will have on its performance and liquidity in the short to medium term. The going concern assumption, as adopted in the preparation of the financial statements for the Group, remains applicable.

### Going concern

The Group's consolidated financial position and its consolidated cash flows are described on pages 21 and 23. In addition, Note 21 to the consolidated financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments, and its exposures to credit and liquidity risk.

The Group generates its revenue from dividends received from its indirect investment in Vodacom Group through YeboYethu Investment.

The Group's total assets exceed its total liabilities by R3 642.6 million (2020: R2 475.6 million) and its current assets exceed its current liabilities by R10.1 million (2020: R5.2 million).

Taking all information into consideration as well as the impact of COVID-19 may have on the Group in the medium term, the directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and accordingly, continue to adopt the going concern basis in preparing the summarised consolidated financial statements.

## Share capital and ordinary share premium

Full details of the share capital and ordinary share premium of the Group are contained in Notes 13 and 14 of these summarised consolidated financial statements.

## Shareholder analysis

The Group's shareholder analysis as at 31 March 2021 was as follows:

| Size of holdings | Number of shareholders | Percentage of shareholders (%) | Number of shares owned | Percentage of shares (%) |
|---|---|---|---|---|
| 1 – 100 shares | 72 630 | 86.83 | 7 098 214 | 13.41 |
| 101 – 1 000 shares | 8 379 | 10.02 | 3 332 442 | 6.29 |
| 1 001 – 10 000 shares | 2 554 | 3.05 | 5 072 248 | 9.59 |
| 10 001 – 50 000 shares | 60 | 0.08 | 1 177 721 | 2.23 |
| More than 50 000 shares | 19 | 0.02 | 36 235 335 | 68.48 |
| | **83 642** | **100** | **52 915 960** | **100** |

| Distribution of shareholders | Number of shareholders | Percentage of shareholders (%) | Number of shares owned | Percentage of shares (%) |
|---|---|---|---|---|
| Individual | 81 956 | 97.98 | 16 925 451 | 31.99 |
| Unincorporated | 1 003 | 1.20 | 192 106 | 0.36 |
| Company | 522 | 0.62 | 22 738 497 | 42.97 |
| Trust | 161 | 0.20 | 13 059 906 | 24.68 |
| | **83 642** | **100** | **52 915 960** | **100** |

## Top 10 shareholders

| Name of shareholder | Number of ordinary shares owned | Percentage holding (%) |
|---|---|---|
| Royal Bafokeng Holdings Limited | 15 115 295 | 28.56 |
| Vodacom Siyanda Employee Trust | 11 544 839 | 21.83 |
| Thebe Investment Corporation Proprietary Limited[1] | 5 995 984 | 11.33 |
| The Innovator Trust | 1 203 757 | 2.27 |
| Jabulani Richard Khethe | 370 686 | 0.70 |
| Overport Brickclay Property CC | 262 377 | 0.50 |
| Fareeda Aboobaker | 241 247 | 0.46 |
| Beagle Investments Proprietary Limited – BEE | 207 315 | 0.39 |
| Royal Bafokeng Nation Platinum Province BBBEE Trust | 200 000 | 0.38 |
| Metro Home Improvements Proprietary Limited | 145 511 | 0.27 |

1 On 22 April 2021, Thebe Investment Corporation Proprietary Limited disposed of its entire beneficial interest of 5 995 984 (11.33%) shares in the total issued ordinary share capital of the Group to Mineworkers Investment Company (RF) Proprietary Limited, through MIC Investment Holdings Proprietary Limited.

## Share price performance

| | |
|---|---|
| Opening price 1 April 2020 | **R15.70** |
| Closing price 31 March 2021 | **R39.22** |
| Closing high for the period (1 April 2020 – 31 March 2021) | **R40.01** |
| Closing low for the period (1 April 2020 – 31 March 2021) | **R15.71** |
| Number of shares in issue | **52 915 960** |
| Volume traded during the period (1 April 2020 – 31 March 2021) | **676 500** |
| Ratio of volume traded to shares issued (1 April 2020 – 31 March 2021) | **1.3%** |
| Rand value of shares traded (1 April 2020 – 31 March 2021) | **R20 982 300** |
| Total deals (1 April 2020 – 31 March 2021) | **2 133** |

## Directors and secretary

Movements in directorate and secretary during the year under review:

| | In office 31/03/2020 | Resignations | Appointments | In office at signature date |
|---|---|---|---|---|
| **Directors** | ZBM Bassa (Chairman)* | | | ZBM Bassa (Chairman)* |
| | AM Hall* | | | AM Hall* |
| | MM Mbungela | | | MM Mbungela |
| | KKD Kobue | | | KKD Kobue |
| | U Lucht | | | U Lucht |
| | N Booi | 22/04/2021 | | |
| | B Silwanyana* | | | B Silwanyana* |
| | A Conrad* | | | A Conrad* |
| | TV Mokgatlha* | | | TV Mokgatlha* |
| | A Mjamekwana (alternate to N Booi) | 22/04/2021 | | |
| | | | 23/04/2021 | O Fuchs |
| **Secretary** | S Khan | 04/03/2021 | | |
| | | | 04/03/2021 | Vodacom Group Limited |

* Independent non-executive directors.

In terms of the Company's memorandum of incorporation, Ms B Silwanyana and Messrs KKD Kobue and U Lucht retire by rotation at the annual general meeting to be held on 27 July 2021. Mr O Fuchs representing Mineworkers Investment Company, having being appointed since the last annual general meeting of the Company, is in accordance with the provisions of the Company's memorandum of incorporation, obliged to retire at the annual general meeting. All retiring directors are eligible and available for re-election.

Ms ZBM Bassa will step down as Chairman of the Board at the forthcoming annual general meeting to be held on 27 July 2021 and will be succeeded by Mr TV Mokgatlha. Mr TV Mokgatlha was first appointed to the Board in April 2019.

The appointment of Ms Fundiswa Roji-Maphlanka as an independent non-executive director and member of the Audit Committee will be put to shareholders at this annual general meeting.

All directors are non-executive. The Board has satisfied itself that all independent non-executive directors can be considered independent.

## Interests of directors

The following director has direct and indirect beneficial interests in YeboYethu ordinary shares, as at 31 March 2021, as a consequence of being employed by Vodacom Group.

| | Units held in Vodacom Siyanda Employee Trust | Direct beneficial percentage interest in YeboYethu | Indirect beneficial percentage interest in YeboYethu |
|---|---|---|---|
| MM Mbungela | 12 384 | 0.009% | 0.023% |

## Address

**Registered office**
Vodacom Corporate Park
082 Vodacom Boulevard
Midrand 1685

**Postal address**
Private Bag X9904
Sandton
2146

## Auditor

Ernst & Young Inc. has been appointed as the auditor for the current financial year and will continue in office until the next annual general meeting in accordance with section 90(1) of the Companies Act of 2008, as amended.

## Social and Ethics Committee report

The Company's Social and Ethics Committee operates within a Board-approved mandate and terms of reference, in line with section 72(4)(a) of the Companies Act, read with Regulation 43.

### Social and economic development

Through the Board, the Company ensures that a sustainable flow of dividend income is distributed to shareholders. It invests in initiatives to locate shareholders with unclaimed dividends to ensure that they receive the benefits of their investment and ensures that the shareholders meet the requirements of the B-BBEE investment criteria through appropriate vetting processes.

### Good corporate citizenship

The Company promotes shareholder education in respect of investing in listed shares, provides user-friendly tools which enhance the shareholder's ability to trade in the Company's shares and suitable platforms for shareholders to engage with the Board at the annual general meeting.

### Environment, health and public safety

The Company seeks to ensure that it promotes environmental, social and governance (ESG) imperatives by supporting digital communication, which reduces its carbon footprint.

### Consumer relationships

While the Company has no customers, it has sought to ensure that its relationships with its suppliers are managed appropriately by conducting due diligence exercises to ensure suppliers have the appropriate ethical formalities and processes in place, particularly with regard to a code of conduct and anti-bribery policies.

### Labour and employment

While the Company has no employees, it ensures to the extent possible that its suppliers maintain requirements prescribed by the International Labour Organisation's Protocol on decent work and working conditions and pursue initiatives to contribute to the educational development of its employees.

The committee comprises at least three directors of the Company, of whom at least one is an independent non-executive director. The committee is chaired by a non-executive Board member who is not the Chairman of the Board. The current members of the committee are M Mbungela (Chairman), Z Bassa and A Hall.

To the extent that it is a key service provider to the Company, the annual sustainability report of Vodacom Group Limited is provided to the Board for review.

## Events after the reporting period

A final dividend of 100 cents per share for the year ended 31 March 2021 was declared on 7 June 2021 and will be paid on 5 July 2021 to shareholders recorded in the register at the close of business on 2 July 2021.

The net dividend is 80.00000 cents per share after taking into account dividend withholding tax of 20.00000 cents per share for those shareholders not exempt from dividend withholding tax.

The Board is not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the consolidated financial statements, which significantly affects the financial position of the Group at 31 March 2021 and the results of its operations or cash flows for the financial year end.

## Consolidated financial statements as at 31 March 2021

For the purpose of this annual report, a summarised set of consolidated financial statements are included which are derived from audited consolidated financial statements of YeboYethu (RF) Limited for the year ended 31 March 2021. This summarised report is extracted from audited information, but is not itself audited. The detailed consolidated financial statements have been audited by the independent auditing firm Ernst & Young Inc. and were approved by the Board of directors on 7 June 2021. The audited consolidated financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the website www.yeboyethu.co.za.

# Audit Committee report

## 1. Mandate and terms of reference

The YeboYethu (RF) Limited's (the Company) Audit Committee operates within a Board-approved mandate and terms of reference (the mandate) in line with the Companies Act of 2008, as amended (the Companies Act). The members of the Audit Committee were appointed at the annual general meeting held on 21 August 2020.

## 2. Statutory duties

In terms of section 94(7)(f) of the Companies Act and the mandate, the Audit Committee discharged all of those functions delegated to it:

- Considered and satisfied itself that the external auditors are independent;
- Assessed the qualification, expertise, resources and effectiveness of the external auditors;
- Nominated the external auditors for appointment for the 2021 financial year;
- Agreed the audit fee for the 2021 financial year;
- Considered and approved all non-audit services performed by the external auditor as applicable;
- Approved the internal audit plan for the year;
- Held separate meetings with management and the external auditors to discuss any reserved matters as applicable;
- Ensured that the Audit Committee complied with the membership criteria as set out in the Act;
- Reviewed the consolidated financial statements of the Group;
- Key audit matters were considered and areas in respect of which the Audit Committee satisfied itself include the valuation of shares and underlying derivatives, compliance with funding and shareholding agreements, compliance with statutory requirements and the JSE Listing requirements; and
- Reviewed the appropriateness of any amendments to accounting policies and internal financial controls.



## 3. Membership

The members of the Audit Committee during the current financial year included the following independent non-executive directors:

TV Mokgatlha (Chairman)
ZBM Bassa
B Silwanyana
A Conrad

The Chief Financial Officer of Vodacom Group Limited, the Managing Executive Group Finance of Vodacom Group Limited, the Executive Head of Internal Audit of Vodacom Group Limited as well as the external auditors attend the Audit Committee meetings by invitation. The primary role of the Audit Committee is to ensure the integrity of the financial reporting, the audit process, and that a sound risk management and internal control system is maintained. In pursuing these objectives the Audit Committee oversees relations with the external auditors and reviews the effectiveness of the internal audit function.

The internal and external auditors have unlimited access to the Chairman of the Audit Committee.

Two Audit Committee meetings are scheduled per calendar year. Additional Audit Committee meetings may be convened when necessary. During the current financial year, three committee meetings were convened and attendance was as follows:

| | 20/05/2020 | 04/09/2020 | 24/11/2020 |
|---|---|---|---|
| TV Mokgatlha (Chairman) | ✓ | ✓ | ✓ |
| ZBM Bassa | ✓ | ✓ | ✓ |
| B Silwanyana | ✓ | ✓ | ✓ |
| A Conrad | ✓ | ✓ | ✓ |

**TV Mokgatlha**
Chairman
Audit Committee

# Summarised consolidated financial statements

## Summarised consolidated statement of comprehensive income

**for the year ended 31 March 2021**

| | Notes | 2021 R000 | 2020 R000 |
|---|---|---|---|
| **Income** | 2 | **938 500** | 961 390 |
| Expenditure | 3 | **(16 381)** | (16 614) |
| **Operating profit** | | **922 119** | 944 776 |
| Finance income | 4 | **629** | 888 |
| Finance cost | 5 | **(473 858)** | (676 351) |
| Gain on remeasurement of financial instrument | 6 | **1 058 673** | 638 638 |
| **Profit before tax** | | **1 507 563** | 907 951 |
| Taxation | 7 | **(237 319)** | (143 303) |
| **Net profit** | | **1 270 244** | 764 648 |
| **Total comprehensive income** | | **1 270 244** | 764 648 |

| | | Cents | Cents |
|---|---|---|---|
| Basic earnings per share | 8 | **2 400** | 1 445 |
| Diluted earnings per share | 8 | **2 400** | 1 445 |

## Summarised consolidated statement of financial position

**As at 31 March 2021**

| | Notes | 2021 R000 | 2020 R000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | **14 450 606** | 13 391 933 |
| Financial assets | 9 | **14 450 606** | 13 391 933 |
| **Current assets** | | **15 428** | 10 517 |
| Account receivable | 10 | **8 879** | 6 017 |
| Tax receivable | | **457** | 463 |
| Restricted cash | 11 | **313** | 313 |
| Cash and cash equivalents | 12 | **5 779** | 3 724 |
| **Total assets** | | **14 466 034** | 13 402 450 |
| **Equity and liabilities** | | | |
| Share capital | 13 | **4 193 265** | 4 193 265 |
| Ordinary share premium | 14 | **359 883** | 359 883 |
| Retained losses | | **(910 537)** | (2 077 595) |
| **Total equity** | | **3 642 611** | 2 475 553 |
| **Non-current liabilities** | | **10 818 070** | 10 921 556 |
| Borrowings | 15 | **9 388 386** | 9 729 015 |
| Deferred tax | 7 | **1 429 684** | 1 192 541 |
| **Current liabilities** | | **5 353** | 5 341 |
| Accounts payable | 16 | **3 622** | 3 342 |
| Dividends payable | | **1 731** | 1 999 |
| **Total equity and liabilities** | | **14 466 034** | 13 402 450 |

## Summarised consolidated statement of changes in equity

**for the year ended 31 March 2021**

| | Notes | Share capital R000 | Ordinary share premium R000 | Retained losses R000 | Total equity R000 |
|---|---|---|---|---|---|
| **Balance at 1 April 2019** | | 4 193 265 | 359 883 | (2 742 232) | 1 810 916 |
| Net profit | | – | – | 764 648 | 764 648 |
| Dividends | | – | – | (100 011) | (100 011) |
| **Balance at 31 March 2020** | 13, 14 | **4 193 265** | **359 883** | **(2 077 595)** | **2 475 553** |
| Net profit | | **–** | **–** | **1 270 244** | **1 270 244** |
| Dividends | | **–** | **–** | **(103 186)** | **(103 186)** |
| **Balance at 31 March 2021** | | **4 193 265** | **359 883** | **(910 537)** | **3 642 611** |

## Summarised consolidated statement of cash flows

**for the year ended 31 March 2021**

| | Notes | 2021 R000 | 2020 R000 |
|---|---|---|---|
| **Cash generated from operations** | | **922 392** | 943 726 |
| Tax paid | | **(171)** | (282) |
| Dividends paid | | **(103 454)** | (100 410) |
| **Net cash flows generated from operating activities** | | **818 767** | 843 034 |
| **Cash flows from investing activities** | | | |
| Increase in overnight deposit | | **(17 055)** | – |
| Decrease in overnight deposit | | **14 200** | – |
| Finance income received | | **629** | 888 |
| **Net cash flows (utilised in)/generated from investing activities** | | **(2 226)** | 888 |
| **Cash flows from financing activities** | | | |
| Repayment of borrowings | | **(269 696)** | (160 909) |
| Finance cost paid | | **(544 790)** | (687 647) |
| Overnight deposit movement | | **–** | 4 563 |
| **Net cash flows utilised in financing activities** | | **(814 486)** | (843 993) |
| **Net movement in cash and cash equivalents** | | **2 055** | (71) |
| Cash and cash equivalents at the beginning of the year | | **3 724** | 3 795 |
| **Cash and cash equivalents at the end of the year** | 12 | **5 779** | 3 724 |

# Notes to the summarised consolidated financial statements

**for the year ended 31 March 2021**

## 1. Basis of preparation

The summarised consolidated financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and in accordance with and containing the information required by IAS 34 as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants (SAICA) 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.

The significant accounting policies, judgements, estimates of amounts and methods of computation are consistent in all material respects with those applied in the consolidated financial statements for the year ended 31 March 2021. The significant accounting policies are available in the notes to the consolidated financial statements for the year ended 31 March 2021 on www.yeboyethu.co.za and for inspection at the Company's registered office.

### Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of YeboYethu (RF) Limited and its wholly owned subsidiary, YeboYethu Investment Company (RF) Proprietary Limited, which is one reportable segment (the Group).

### Summarised consolidated financial statements

For the purpose of this annual report, a summarised set of consolidated financial statements are included which are derived from audited consolidated financial statements of YeboYethu (RF) Limited for the year ended 31 March 2021. This summarised report is extracted from audited information, but is not itself audited. The detailed consolidated financial statements have been audited by the independent auditing firm, Ernst & Young Inc. who expressed an unmodified opinion thereon, and were approved by the Board of directors on 7 June 2021. The audited consolidated financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the website www.yeboyethu.co.za. The directors take full responsibility for the preparation of the summarised consolidated financial statements and the financial information has been correctly extracted from the underlying audited consolidated financial statements.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **2. Income** | | |
| Dividends received – Vodacom Group Limited | **938 500** | 961 390 |

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **3. Expenditure** | | |
| Administration fees | **(13 573)** | (12 715) |
| Consulting fees | **(256)** | (1 566) |
| Auditor's remuneration | **(1 215)** | (1 094) |
| Directors' remuneration (Refer Note 19) | **(1 321)** | (1 223) |
| Other | **(16)** | (16) |
| | **(16 381)** | (16 614) |

Administration fees mainly comprise:

- share register maintenance fee paid of R567 thousand (2020: R556 thousand);
- annual general meeting expenses of R89 thousand (2020: R320 thousand);
- fees associated with costs of trading, security licence and initial listing of R156 thousand (2020: R143 thousand);
- administration service fees to Vodacom Group of R4 978 thousand (2020: R4 801 thousand);
- general administration and call centre agents cost of R5 104 thousand (2020: R5 165 thousand);
- costs associated with payment of dividends of R212 thousand (2020: R220 thousand);
- agency fees to Rand Merchant Bank (a division of FirstRand Bank Limited) of R556 thousand (2020: R531 thousand);
- unclaimed dividend campaign costs of R534 thousand (2020: Rnil); and
- printing and posting of the annual report and interim results of R1 022 thousand (2020: R843 thousand).

Consulting fees comprises fees for valuation services and legal costs whereas in the prior financial year placement fee on recruitment of non-executive directors were also incurred.

Auditors' remuneration comprises of current year costs of R869 thousand and an under accrual of prior year audit fees for R346 thousand. In the prior year R817 thousand was incurred and an under accrual of prior year audit fees of R277 thousand.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **4. Finance income** | | |
| Interest income | | |
| Overnight deposit | **551** | 694 |
| Banks | **78** | 194 |
| | **629** | 888 |

All interest income is earned from financial assets not at fair value through profit or loss.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **5. Finance cost** | | |
| Interest expense | | |
| Class A preference shares | **(205 843)** | (300 696) |
| Class B preference shares | **(268 015)** | (375 655) |
| | **(473 858)** | (676 351) |

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 15.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **6. Gain on remeasurement of financial instruments** | | |
| Gain on fair value of Vodacom Group shares | **1 058 673** | 638 638 |

In the current year, the Vodacom Group share price increased to R126.26 as at 31 March 2021 from a share price of R117.01 as at 31 March 2020 resulting in a gain on remeasurement on the investment in Vodacom Group of R1 058.7 million. In the prior financial year, the Vodacom Group share price increased from R111.43 per share as at 31 March 2019 to the closing price of R117.01 per share as at 31 March 2020, resulting in a gain on remeasurement on the investment in Vodacom Group of R638.6 million. Information on the performance of Vodacom Group for the year ended 31 March 2021 is available at www.vodacom.com

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **7. Taxation** | | |
| **7.1 Income tax expense** | | |
| South African current tax | | |
| Current year | **(176)** | (249) |
| South African deferred tax | | |
| Current year | **(237 143)** | (143 054) |
| | **(237 319)** | (143 303) |
| **Components of deferred tax charged to profit or loss** | | |
| Capital gains tax on fair value gain | **(237 143)** | (143 054) |

| | | 2021 R000 | 2020 R000 |
|---|---|---|---|
| **7.** | **Taxation** continued | | |
| **7.1** | **Income tax expense continued** | | |
| | 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 | **1 507 563** | 907 951 |
| | Expected income tax expense on profit before tax at the South African statutory tax rate | **(422 118)** | (254 226) |
| | Non-deductible preference share finance cost | **(132 680)** | (189 378) |
| | Non-deductible operating expenditure | **(4 587)** | (4 652) |
| | Gain on remeasurement of financial instrument (capital gains tax rate difference) | **59 286** | 35 764 |
| | Exempt dividend income | **262 780** | 269 189 |
| | | **(237 319)** | (143 303) |
| | The South African statutory tax rate is 28.0% (2020: 28.0%); the Group's effective tax rate is 15.7% (2020: 15.8%). | | |
| **7.2** | **Deferred tax and components** | | |
| | Deferred tax liability: Capital gains tax on fair value movement | **1 429 684** | 1 192 541 |
| | Reconciliation of net deferred tax balance | | |
| | Balance at the beginning of the year | **1 192 541** | 1 049 487 |
| | Charge to profit or loss | **237 143** | 143 054 |
| | Balance at the end of the year | **1 429 684** | 1 192 541 |

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.

| | | 2021 Cents | 2020 Cents |
|---|---|---|---|
| **8.** | **Earnings and dividends per share** | | |
| | Basic earnings per share | **2 400** | 1 445 |
| | Dividends per share (refer Note 8.3) | **195** | 189 |

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:

| | | 2021 R000 | 2020 R000 |
|---|---|---|---|
| **8.1** | **Earnings and headline earnings** | | |
| | Earnings and headline earnings attributable to equity shareholders for all earnings per share amounts disclosed above | **1 270 244** | 764 648 |

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 1/2019 as issued by SAICA.

| | | 2021 | 2020 |
|---|---|---|---|
| **8.2** | **Reconciliation of weighted average number of ordinary shares outstanding** | | |
| | For basic and headline earnings per share | **52 915 960** | 52 915 960 |

**8.3 Dividends per share**

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. The prior year's dividends per share of 189 cents per share consist of a final dividend per share of 77 cents based on 52 915 960 shares, paid on 1 July 2019, and an interim dividend per share of 112 cents based on 52 915 960 shares paid 17 December 2019.

## 9. Financial assets

### Financial asset at fair value through profit or loss

In demonstrating its ongoing and continued commitment to transformation and B-BBEE ownership in South Africa, Vodacom Group, together with Vodacom SA entered into a number of agreements during the 2019 financial year in terms of which the original shareholders of YeboYethu, together with Lisinfo Investments 209 Proprietary Limited (RBH) and Main Street 661 Proprietary Limited (Thebe), YeboYethu ESOP and the new Vodacom Siyanda Employee Trust (the Trust), acquired 6.23% of the issued shares in Vodacom Group (post issuance) in terms of a new B-BBEE transaction through YeboYethu and YeboYethu Investment. The transaction entailed a series of interlinked and inter-conditional steps as described below and in Note 15.

- Vodacom SA repurchased 114 744 844 of its shares (31 813 785 from RBH, 13 634 479 from Thebe, 30 298 842 from YeboYethu (as public 'A' shares) and 38 997 738 from YeboYethu (YeboYethu ESOP 'A' shares)) for a nominal consideration (R0.00001 per Vodacom SA 'A' share, and R1 147.45 in aggregate) pursuant to the Vodacom SA notional vendor finance (NVF) transaction terms, upon which the remaining Vodacom SA 'A' shares will rank pari passu with the Vodacom SA ordinary shares in all respects and will be unencumbered.
- The 12 000 000 YeboYethu 'N' shares in issue automatically converted into YeboYethu ordinary shares according to their terms of issue (in respect of which the YeboYethu ESOP was the sole shareholder), and at the same time 3 318 908 of those shares were acquired by YeboYethu for a nominal amount (R0.00001 per share, and R33.19 in aggregate) based on the existing YeboYethu NVF transaction terms.
- RBH and Thebe exchanged their Vodacom SA shares for 21 593 279 new YeboYethu ordinary shares in terms of share-for-share transactions, thereby consolidating all of the Vodacom SA BEE shareholders' interests into a single vehicle, being YeboYethu.
- On 22 August 2018, YeboYethu declared a special dividend of R73.00 per YeboYethu ordinary share, subject to YeboYethu meeting a solvency and liquidity test as contemplated by section 45 of the Companies Act of 2008, as amended.
- Vodacom Group (on behalf of itself and various employer companies within the Vodacom Group) made a contribution of R1 050 million to the Trust to enable it to acquire YeboYethu ordinary shares.
- YeboYethu exchanged its Vodacom SA shares for YeboYethu Investment shares.
- YeboYethu Investment then exchanged its Vodacom SA shares for 49 689 995 new Vodacom Group shares on a fair market value basis of R7.1 billion.
- YeboYethu raised R9.9 billion in subscription proceeds from the issue of the Class A preference shares and Class B preference shares.
- The proceeds received from the new YeboYethu ordinary shares issued to the Trust and the preference shares issued were used to subscribe for 7 332 756 shares in YeboYethu Investment for R7.3 billion, which in turn subscribed for 64 761 185 additional shares in Vodacom Group, and fund the payment of the special dividend and transaction costs associated with the preference share funding.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **9. Financial assets continued** | | |
| **Financial asset at fair value through profit or loss** | | |
| **Investment in Vodacom Group** | | |
| Cost | **14 455 817** | 14 455 817 |
| Accumulated fair value adjustment | **(5 211)** | (1 063 884) |
| | **14 450 606** | 13 391 933 |

The Group holds 114 451 180 (2020: 114 451 180) shares in Vodacom Group.

The investment is categorised as level 1 in the fair value hierarchy. Fair value was determined using the JSE listed closing share price of R126.26 (2020: R117.01).

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **10. Accounts receivable** | | |
| Overnight deposit | **8 590** | 5 735 |
| Prepayments | **289** | 282 |
| Interest receivable | ***** | * |
| | **8 879** | 6 017 |

(*) Less than R500.

Accounts receivable are carried at cost which normally approximates fair value due to the short-term maturity thereof. Interest is earned on overnight deposit at money market rates.

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **11. Restricted cash** | | |
| Restricted cash | **313** | 313 |
| Restricted cash comprises of amounts deposited by potential shareholders for the purchase of YeboYethu ordinary shares on the JSE Empowerment segment. Refer Note 16. | | |
| **12. Cash and cash equivalents** | | |
| Bank balances | **3 634** | 3 724 |
| Overnight deposit | **2 145** | – |
| | **5 779** | 3 724 |

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **13. 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 |
| There were no changes to the issued ordinary shares in the current financial year. | | |
| **14. Ordinary share premium** | | |
| 14.4 million issued ordinary shares at R24.99999 each. | **359 883** | 359 883 |

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **15. Borrowings** | | |
| **Held at amortised cost** | | |
| Class A preference shares | **4 056 975** | 4 360 171 |
| Class B preference shares | **5 331 411** | 5 368 844 |
| | **9 388 386** | 9 729 015 |

During the 2019 financial year, the Group raised funding through the issuance of Class A and Class B preference shares. The funding was used to subscribe for additional shares in Vodacom Group and payment of resultant transactional costs as well as a special dividend. The carrying amount of borrowings approximates fair value as this is linked to the prime interest rate.

### Class A preference shares

The subscribers to the Class A preference shares are Absa Bank Limited, FirstRand Bank Limited and Depfin Investments Proprietary Limited.

Finance cost is recognised at a rate of 68% of prime (non-tax deductible) on the outstanding balance of the Class A preference shares.

The final redemption date for the Class A preference shares is five years from subscription date that is 13 September 2023. Interest on the Class A preference shares accrues daily, capitalised monthly and settled semi-annually, subject to a permitted interest roll up to a maximum of 135%.

The Class A preference shares funding is secured as follows:

- Cession and pledge of YeboYethu's transaction account, proceeds account and redemption reserve account;
- Cession and pledge of any shares or other securities held from time to time by YeboYethu (including its YeboYethu Investment shares);
- Guarantee issued by YeboYethu Investment for the performance and payment of YeboYethu's obligations in respect of the preference shares funding; and
- Cession and pledge of:
  i. any shares or other securities held by YeboYethu Investment from time to time (including its Vodacom Group shares); and
  ii. YeboYethu Investment's bank account.

## 15. Borrowings continued

### Class B preference shares

In September 2018, Vodacom Group Limited subscribed for the Class B preference shares.

Interest expense is recognised at a rate of 70% of prime on the outstanding balance of the Class B preference shares.

The final redemption date for the Class B preference shares is 10 years commencing from subscription date that is 13 September 2028. Class B preference share funding is unsecured.

Interest on the Class B preference shares accrues daily, capitalised monthly and serviced, subject to available cash (taking into account the Class A preference shares and provision for ordinary dividends), within a prescribed number of days after receipt by YeboYethu of distributions from YeboYethu Investment and/or cashflow receipts on account of the disposal of YeboYethu's shares in YeboYethu Investment.

| | **2021 R000** | 2020 R000 |
|---|---|---|
| **16. Accounts payable** | | |
| Supplier accounts payable and accruals | **3 081** | 2 898 |
| Shareholder deposits (Refer Note 11) | **313** | 313 |
| Payables | **228** | 131 |
| | **3 622** | 3 342 |

The average credit period is 30 days. No interest is incurred on accounts payable. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Accounts payable are carried at cost which normally approximates fair value due to short-term maturity.

## 17. 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 19.

| | **2021 R000** | 2020 R000 |
|---|---|---|
| **17.1 Balances with related parties** | | |
| **Accounts receivable** | | |
| Vodacom Group Limited | **8 590** | 5 735 |
| **Cash and cash equivalents** | | |
| Vodacom Group Limited | **2 145** | – |
| **Accounts payable** | | |
| Vodacom Group Limited | **228** | 123 |
| Vodacom Proprietary Limited | **–** | 8 |
| **Borrowings** | | |
| Vodacom Group Limited | **5 331 411** | 5 368 844 |
| **17.2 Transactions with related parties** | | |
| **Vodacom Group Limited** | | |
| Dividends received | **938 500** | 961 390 |
| Service fee | **(4 978)** | (4 801) |
| Finance income received | **551** | 694 |
| Class B preference share interest | **(268 015)** | (375 655) |
| **The Innovator Trust (entity within the Vodacom Group structure)** | | |
| Dividends paid | **(2 344)** | (924) |
| **YeboYethu Employee Participation Trust (entity within the Vodacom Group structure)** | | |
| Dividends paid | **–** | (549) |
| **Vodacom Siyanda Employee Trust (entity within the Vodacom Group structure)** | | |
| Dividends paid | **(22 108)** | (20 900) |

| | 2021 R000 | 2020 R000 |
|---|---|---|
| **18. Financial instruments and risk management** | | |
| **18.1 Net gain on financial instruments** | | |
| **Net gain on financial instruments analysed by category, are as follows:** | | |
| Gain on fair value of financial asset at fair value through profit or loss | **1 058 673** | 638 638 |
| Dividends received | **938 500** | 961 390 |
| Financial assets measured at amortised cost | **629** | 888 |
| Financial liabilities measured at amortised cost | **(473 858)** | (676 351) |
| | **1 523 944** | 924 565 |
| **18.2 Carrying amounts of financial instruments** | | |
| **Carrying amounts of financial instruments analysed by category** | | |
| **Assets** | | |
| Financial asset measured at fair value through profit or loss | **14 450 606** | 13 391 933 |
| Financial asset measured at amortised cost | **14 682** | 9 772 |
| | **14 465 288** | 13 401 705 |
| **Liabilities** | | |
| Financial liabilities measured at amortised cost | **9 393 739** | 9 734 356 |
| **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 | **14 450 606** | 13 391 933 |

The fair value of the level one instrument is determined using the JSE listed share price (Refer Note 9).

| | 2021 R | 2020 R |
|---|---|---|
| **19. Directors' emoluments** | | |
| ZBM Bassa (Chairman)* | **(421 862)** | (401 775) |
| AM Hall | **(162 370)** | (154 638) |
| B Silwanyana* | **(227 686)** | (194 729) |
| A Conrad | **(204 466)** | (194 729) |
| TV Mokgatlha* | **(304 293)** | (277 004) |
| | **(1 320 677)** | (1 222 875) |

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

## 20. Impact of COVID-19

On 11 March 2020, the World Health Organization officially declared the novel coronavirus, COVID-19, a pandemic. The Group's financial position and liquidity is solely dependent on its investment in Vodacom Group. Vodacom Group's performance amidst this pandemic is therefore pivotal in the assessment of the Group's operations and the continuous flow of dividends. The Group has assessed the potential impact of COVID-19 on the return from its investment in Vodacom Group, including a wide range of related risks that the aforementioned will have on its performance and liquidity in the short to medium term. The going concern assumption, as adopted in the preparation of the financial statements for the Group, remains applicable.

## 21. Events after reporting period

The Board is not aware of any matter or circumstance arising since the end of the financial year, not otherwise dealt with in the consolidated financial statements, which significantly affects the financial position of the Group at 31 March 2021 and the results of its operations or cash flows for the financial year end.

### Dividends receivable

Vodacom Group Limited declared a dividend of 410 cents per share on 17 May 2021 payable on 28 June 2021 to shareholders recorded in the register at the close of business on Friday 25 June 2021.

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

A dividend of R52.9 million for the year ended 31 March 2021, was declared on 7 June 2021 payable on 5 July 2021 to shareholders recorded in the register at the close of business on 2 July 2021. The net dividend is 80.00000 cents per share after taking into account dividend withholding tax of 20.00000 for those shareholders not exempt from dividend withholding tax.

### 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 R266.2 million towards Class A preference shares as well as a payment of R144.8 million towards Class B preference shares on 30 June 2021.

# Notice of annual general meeting


**YEBOYETHU (RF) LIMITED**
(Incorporated in the Republic of South Africa)
(Registration number 2008/014734/06)
Share code: YYLBEE
ISIN: ZAE000218483
(YeboYethu or the Company)

Notice is hereby given that the thirteenth annual general meeting of the Company will be held on Tuesday 27 July 2021, by way of an electronic platform at 10:00 to conduct the following business:

## 1. Adoption of audited consolidated financial statements

To receive and consider the audited consolidated financial statements for the year ended 31 March 2021.

### Ordinary resolution number 1

"RESOLVED THAT the audited consolidated financial statements of the Company together with the auditor's, Audit Committee and directors' reports for the year ended 31 March 2021, be and are hereby received and adopted."

Copies of the full audited consolidated financial statements for the year ended 31 March 2021 are obtainable from the Company's website www.yeboyethu.co.za.

## 2. Election of directors

To elect by way of separate resolutions:

2.1 the appointment of Ms F Roji-Maphlanka as a director of the Company with effect from 27 July 2021.

### Ordinary resolution number 2

"RESOLVED THAT Ms F Roji-Maphlanka be and is hereby elected as a director of the Company with effect from 27 July 2021."

2.2 Mr O Fuchs, having being appointed since the last annual general meeting of the Company, is in accordance with the provisions of the Company's memorandum of incorporation, obliged to retire at the annual general meeting and stand for election by shareholders at the annual general meeting.

### Ordinary resolution number 3

"RESOLVED THAT Mr O Fuchs be and is hereby elected as a director of the Company."

2.3 Ms B Silwanyana and Messrs K Kobue and U Lucht are obliged to retire by rotation at this annual general meeting in accordance with the provisions of the Company's memorandum of incorporation. Having so retired, these directors are eligible for re-election.

### Ordinary resolution number 4

"RESOLVED THAT Ms B Silwanyana be and is hereby re-elected as a director of the Company."

### Ordinary resolution number 5

"RESOLVED THAT Mr K Kobue be and is hereby re-elected as a director of the Company."

### Ordinary resolution number 6

"RESOLVED THAT Mr U Lucht be and is hereby re-elected as a director of the Company."

**The profiles of the directors standing for election and re-election appear on pages 8 to 11 of the annual report under the section titled 'Board of directors'.**

## 3. Appointment of Ernst & Young Inc. as auditor of the Company

To appoint Ernst & Young Inc. as nominated by the Company's Audit Committee, as independent auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company. It is noted that the individual registered auditor who will undertake the audit during the financial year ending 31 March 2022 is Mr Imraan Akoodie.

### Ordinary resolution number 7

"RESOLVED THAT Ernst & Young Inc. be and are hereby appointed as the auditor of the Company to hold office until the conclusion of the next annual general meeting."

## 4. Appointment of the members of the Audit Committee

To elect, by way of separate resolutions, the following independent non-executive directors, as members of the Company's Audit Committee:

### Ordinary resolution number 8

"RESOLVED THAT Ms F Roji-Maphlanka be and is hereby elected as a member of the Company's Audit Committee."

### Ordinary resolution number 9

"RESOLVED THAT Ms L Conrad be and is hereby re-elected as a member of the Company's Audit Committee."

### Ordinary resolution number 10

"RESOLVED THAT Ms B Silwanyana be and is hereby re-elected as a member of the Company's Audit Committee."

**The profiles of directors standing for membership appear on pages 8 to 11 of the annual report under the section titled 'Board of directors'.**

## 5. Increase in non-executive directors' fees

### Special resolution number 1

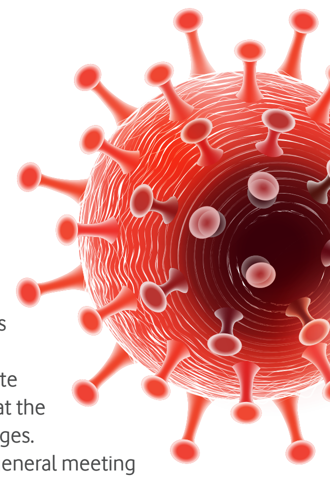
"RESOLVED THAT the level of non-executive directors' fees, excluding VAT, be increased by 5% with effect from 1 September 2021 on the basis set out as follows:

| | Current fees (R) | Proposed fees (R) |
|---|---|---|
| Chairman of the Board | 294 500 | 309 225 |
| Member of the Board | 147 250 | 154 613 |
| Chairman of the Audit Committee | 122 709 | 128 844 |
| Member of the Audit Committee | 61 355 | 64 423 |
| Chairman of the Social and Ethics Committee | 36 813 | 38 654 |
| Member of the Social and Ethics Committee | 18 407 | 19 327 |

## Record date

The record date for shareholders to be registered in the books of the Company for purposes of being entitled to attend, speak and vote at the thirteenth annual general meeting is Friday 16 July 2021.

In accordance with the Companies Act of 2008, as amended (the Companies Act), shareholders attending the annual general meeting will need to present reasonable satisfactory identification such as an identity book, smart identity card, passport or driver's licence.



## Participation by electronic means and COVID-19

As a consequence of the ongoing impact of COVID-19 and with the health of our shareholders in mind, shareholders will be provided with an opportunity to participate in the annual general meeting and cast their votes by way of an electronic platform. The electronic platform provided to shareholders will be held in accordance with section 63(2)(a) of the Companies Act and the Company's memorandum of incorporation. YeboYethu has retained the services of The Meeting Specialist Proprietary Limited (TMS) to host the thirteenth annual general meeting on an interactive electronic platform to facilitate remote participation and voting by shareholders. A language facilitator will be present at the electronic annual general meeting to assist with participation in various languages. Logistical arrangements for shareholders electing to participate in the annual general meeting by way of the electronic platform will be published on Stock Exchange News Services (SENS) prior to the meeting. Gatherings and in-person attendance and registration for the annual general meeting will not be permitted.

Please also note that in order to participate in the annual general meeting, shareholders are required to be granted access to the Platform by TMS and any shareholder who wishes to participate in the annual general meeting is encouraged to contact TMS on **proxy@tmsmeetings.co.za** or +27 11 520 7950/1/2 or alternatively register for the meeting on **https://www.tmsmeetings.co.za/yeboyethurflimited/** as soon as possible, but not later than 14h00pm on Friday, 23 July 2021 to enable TMS to verify the shareholder's identity and thereafter to grant that shareholder access to the Platform. Forms of identification include a valid identity document/driver's licence/passport/Trust Deed/Certificate of Incorporation. Notwithstanding the foregoing, any shareholder who wishes to attend the annual general meeting is entitled to contact TMS at any time prior to the conclusion of the annual general meeting, in order to be verified and provided with access to the Platform. In order to avoid any delays in being provided with access to the Platform shareholders are encouraged to contact TMS at their earliest convenience.

Shareholders will be liable for their own network and data charges. Neither YeboYethu, JSE Investor Services and/or their appointed service provider will be held accountable in the case of the loss of network connectivity or network failure due to insufficient airtime/internet connectivity/power outages/electronic participation channel malfunction which could prevent a shareholder from participating in the electronic annual general meeting.

Shareholders are encouraged to submit any questions concerning the resolutions proposed as set out in this notice of annual general meeting in advance of the annual general meeting by emailing their questions to **yeboyethu@vodacom.co.za** by no later than 10:00 on Monday 26 July 2021. These questions will be addressed via the electronic participation channel at the annual general meeting. The submission of questions in advance will, however, not preclude a shareholder from asking a question at the electronic meeting.

The shareholders of YeboYethu are additionally invited to attend presentations on the JSE Empowerment Segment share trading platform and other items relating to the annual general meeting. This will be held just prior to the thirteenth annual general meeting at 09:00.

## Voting and proxies

Ordinary shareholders are entitled to attend, speak and vote at the annual general meeting.

Ordinary shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company.

In accordance with the Company's memorandum of incorporation, voting shall be by ballot only.

Special resolutions to be adopted at this annual general meeting require approval from 75% of the shares represented in person or by proxy at this meeting. Ordinary resolutions to be adopted only require approval of a simple majority (ie more than 50% of the voting rights exercised) of the shares represented in person or by proxy at this meeting.

Shareholders holding dematerialised shares, but not in their own name must furnish their Central Securities Depositary Participant (CSDP) or broker with their instructions for voting at the annual general meeting. If your CSDP or broker, as the case may be, does not obtain instructions from you, it will be obliged to act in accordance with your mandate furnished to it, or if the mandate is silent in this regard, complete the form of proxy enclosed.

Unless you advise your CSDP or broker, in terms of the agreement between you and your CSDP or broker, by the cut-off time stipulated therein, that you wish to attend the annual general meeting or send a proxy to represent you at this annual general meeting, your CSDP or broker will assume that you do not wish to attend the annual general meeting or send a proxy.

If you wish to attend the annual general meeting or send a proxy, you must request your CSDP or broker to issue the necessary letter of authority to you. Shareholders holding dematerialised shares, and who are unable to attend the annual general meeting and wish to be represented thereat, must complete the form of proxy enclosed in accordance with the instructions therein and lodge it with or mail to the transfer secretaries.

It is recommended that forms of proxy (which form may be found enclosed on page 47) be forwarded to reach the transfer secretaries, JSE Investor Services Proprietary Limited by no later than 10:00 on Monday 26 July 2021.

The completion of the form of proxy does not preclude any shareholder from attending the annual general meeting.

By order of the Board

24 June 2021

## How to participate at the annual general meeting:

| | |
|---|---|
| Participate electronically and vote | proxy@tmsmeetings.co.za |
| Unable to attend but still wish to vote by proxy | yeboyethu@jseinvestorservices.co.za |
| Raise a question at the annual general meeting | yeboyethu@vodacom.co.za |
| Any further queries | yeboyethu@jseinvestorservices.co.za |

# Have you been receiving your YeboYethu dividends?

We need your help in order to pay unclaimed dividends that are owed to YeboYethu shareholders. As a result of contact details not been updated regularly, we are unable to contact these shareholders, notwithstanding significant cost and efforts in trying to trace them.

If you, your friends, colleagues or family are YeboYethu shareholders and should any of your details have changed or you are not receiving your dividends from 2014, please complete the form on page 45 and return to the transfer secretaries.

Shareholders are encouraged to use the following for assistance rather than visiting the Vodacom offices:

## Contact us

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

## Visit us at our walk-in centres

JSE Investor Services Proprietary Limited
13th Floor, 19 Ameshoff Street
Braamfontein
Johannesburg

## What will you need?

**Change of details form** – available on page 45 and can be obtained from the website or walk-in centres.

**Identity document** – a selfie (photo of yourself) holding your green barcoded South African ID book or smartcard ID (both sides) or valid passport (for foreign nationals), alternatively a copy certified by a Commissioner of Oaths.

Please take note of below important guidelines when taking a selfie:

- Take a close-up picture of you holding your ID book/smartcard ID under your chin.
- Images are taken in a well-lit room.
- Images are clear/not blurry.
- Images are high-quality.
- Details are readable on the image.
- The information is fully visible on the document.
- Your ID/passport picture matches your selfie.
- Your ID book or passport is open.
- The image must be of your original ID or passport (no photocopies).

After the image is taken, please check that the image is clear and the details are readable including the ID number.

**Bank account details** – a bank confirmation letter with an e-stamp which is available for download on your banking application; or a bank statement; or a physical bank confirmation letter issued and stamped by the branch (not older than three months).

**Proof of address** – a copy of a service bill not older than three months.



# Change of details form

YEBOYETHU
Now more than ever, it's your Vodacom

JSE Investor Services (Pty) Limited
13th Floor, 19 Ameshoff Street, Braamfontein
P.O. Box 4844, Johannesburg, 2000, South Africa
082 241 0001 (Toll-free) / +27 11 581 7850
Email: yeboyethu@jseinvestorservices.co.za
Website: www.yeboyethu.co.za

## CHANGE OF DETAILS FORM – INDIVIDUALS/MINORS/ESTATE LATE

Please complete this form in full and submit the required FICA documents to YeboYethu by email, or post or delivered by hand.

**Note that in order to trade, your shareholder account must be FICA validated.**

### A SHAREHOLDER DETAILS (MUST BE COMPLETED)

| | |
|---|---|
| Full names: | |
| Surname: | |
| Identity/Passport Number: | |
| Title: | ☐ Mr ☐ Mrs ☐ Ms ☐ Dr ☐ Prof |
| Gender: | ☐ Male ☐ Female ☐ Other |
| Race: | ☐ Black African ☐ Coloured ☐ Indian<br>☐ White (can only be used by former ESOP shareholders) |
| Disabled: | ☐ Yes ☐ No — The term 'disability' is defined in section 18(3) of the Income Tax Act No. 58 of 1962 (Act) as a moderate to severe limitation of a person's ability to function or do daily activities as a result of a physical, sensory, communication, intellectual or mental impairment. |
| Shareholder/Investor Number: | |
| Income Tax Number if Issued: | |

### B CONTACT DETAILS (MUST BE COMPLETED)

Submit with a selfie (photo of yourself) holding your green barcoded South African ID book or smartcard ID (both sides) or a valid passport (for foreign nationals)/alternatively a copy certified by a Commissioner of Oaths.

| | |
|---|---|
| Cell phone number: | |
| Email address: | |
| Home phone number: | |
| Office phone number: | |

### C BANK ACCOUNT DETAILS (MUST BE COMPLETED)

Submit with a bank confirmation letter with an e-stamp which is available for download on your banking application; or a bank statement; or a physical bank confirmation letter issued and stamped by the branch (not older than three months).

| | |
|---|---|
| Name of bank account holder: | |
| Name of South African bank: | |
| Bank branch code: | |
| Bank account number: | |

**Note: We cannot accept banking details in the name of a third party. The bank account provided must be able to accept deposits.**

### D POSTAL ADDRESS (MUST BE COMPLETED)

| | | | |
|---|---|---|---|
| Postal address: | | | |
| | | Postal code: | |

### E RESIDENTIAL ADDRESS (MUST BE COMPLETED)

Submit with a service bill not older than three months.

| | | | |
|---|---|---|---|
| Residential address: | | | |
| | | Postal code: | |

### F COMMUNICATION METHOD (MUST BE COMPLETED)

☐ Email ☐ SMS ☐ Post

### G PROMINENT INFLUENTIAL PERSONS (MUST BE COMPLETED)

Means an individual who holds, including in an acting position, for a period of six months, or has held in any time in the preceding twelve months, a list of positions included in Schedule 3A of the FICA Amendment Act, 2017.

| | |
|---|---|
| Are you a Prominent Influential Person or known associate or family member of a Prominent Influential Person? | ☐ Yes ☐ No |

YEBOYETHU
Now more than ever, it's your Vodacom

| H | DETAILS OF THE SHAREHOLDER'S REPRESENTATIVE (ONLY IF APPLICABLE) |
|---|---|

(If the person is signing this form in a representative capacity (such as a parent/guardian of a minor, an executor of a deceased estate, a curator or a liquidator)). Authorised Representative: a selfie (photo of yourself) holding your green bar coded South African ID book or smartcard ID (both sides) or valid passport (for foreign nationals)/alternatively a copy certified by a Commissioner of Oaths.

| | | | | | | |
|---|---|---|---|---|---|---|
| Capacity: | ☐ Birth parent of minor | ☐ Legal guardian | ☐ Other (please specify): | | | |
| Title: | ☐ Mr | ☐ Mrs | ☐ Ms | ☐ Dr | ☐ Rev | |
| Full names: | | | | | | |
| Identity/Passport Number: | | | | | | |
| Email address: | | | | | | |
| Cell phone number: | | | | | | |
| Office phone number: | | | | | | |
| Home phone number: | | | | | | |
| Residential address: | | | | | | |
| | | | | | Postal code: | |
| Postal address: | | | | | | |
| | | | | | Postal code: | |

| I | SIGNATURE SECTION |
|---|---|

**By signing below, you:**

- **Agree that YeboYethu and its duly authorised verification agent may verify (check) any details provided in the form including supporting documentation**
- **Confirm that you have read and understand the Custody Mandate and Trading Terms and Conditions**
- **By signing this Form you confirm that the details contained in this Form are true and correct**
- **By signing this Form in a Representative Capacity, you provide the warranties and undertakings and acknowledgements set out in this Form**
- **I hereby confirm that I am a "Black Person" as defined in the Broad-Based Black Economic Empowerments Codes of Good Practice gazette from time to time under the Broad-Based Black Economic Empowerment Act, No 53 of 2003, as this definition interpreted by the courts from time to time (Former ESOP shareholders may ignore this statement)**

Name: ______________________ Day ☐☐ Month ☐☐ Year ☐☐☐☐

Signature: ______________________

| | | |
|---|---|---|
| Capacity/office held: | ☐ Authorised Representative: If you are not signing as the Authorised Representative of the Shareholder but in a different capacity, please state this different capacity below. If you do not state this different capacity below, we will treat this as you signing as the Authorised Representative. | ☐ Other capacity (if any): |



# Form of proxy

YEBOYETHU
Now more than ever, it's your Vodacom

**YEBOYETHU (RF) LIMITED**
(Incorporated in the Republic of South Africa)
Share code: YYLBEE
ISIN: ZAE000218483
(Registration number 2008/014734/06)
('YeboYethu' or 'the Company')

For use by certificated and dematerialised shareholders who have 'own name' registration of securities at the annual general meeting to be held by way of an electronic platform at 10:00 on Tuesday 27 July 2021.

I/We (Please print full names) (name in BLOCK LETTERS)

Identity number/registration number

Being holders of shares in the Company do hereby appoint (see Note 1)

1. or failing him/her

2. or failing him/her

the Chairman of the annual general meeting as my/our proxy to attend and speak and vote for me/us on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing the ordinary and special resolutions to be proposed (with or without modification) and at each adjournment of the meeting and to vote for or against the ordinary and special resolutions or to abstain from voting in respect of the shares in the issued capital of the Company registered in my/our name(s), in accordance with the following instructions.

Insert an 'X' or the number of shares (see Note 2)

| | Number of ordinary shares | | |
|---|---|---|---|
| | For | Against | Abstain |
| 1. **Ordinary resolution number 1**<br>Adoption of the audited consolidated annual financial statements | | | |
| 2. **Ordinary resolution number 2**<br>Election of Ms F Roji-Maphlanka as a director of the Company | | | |
| 3. **Ordinary resolution number 3**<br>Election of Mr O Fuchs as a director of the Company | | | |
| 4. **Ordinary resolution number 4**<br>Re-election of Ms B Silwanyana as a director of the Company | | | |
| 5. **Ordinary resolution number 5**<br>Re-election of Mr K Kobue as a director of the Company | | | |
| 6. **Ordinary resolution number 6**<br>Re-election of Mr U Lucht as a director of the Company | | | |
| 7. **Ordinary resolution number 7**<br>Appointment of Ernst & Young Inc. as auditor of the Company | | | |
| 8. **Ordinary resolution number 8**<br>Election of Ms F Roji-Maphlanka as a member of the Audit Committee of the Company | | | |
| 9. **Ordinary resolution number 9**<br>Re-election of Ms L Conrad as a member of the Audit Committee of the Company | | | |
| 10. **Ordinary resolution number 10**<br>Re-election of Ms B Silwanyana as a member of the Audit Committee of the Company | | | |
| 11. **Special resolution number 1**<br>Increase in non-executive directors' fees | | | |

(Indicate with an 'X' or the relevant number of shares, in the applicable space, how you wish your votes to cast). Unless otherwise directed the proxy will vote as he/she thinks fit.

Signed at this day of 2021

Signature assisted by (where applicable)

**It is recommended that the completed forms of proxy be lodged with JSE Investor Services Proprietary Limited by no later than 10:00 on Monday 26 July 2021.**

**Please read the notes on the reverse side of this proxy form.**

# Notes to the form of proxy

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting 'the Chairman of the annual general meeting' but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an 'X' in the relevant space according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the Company insert the number of shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable at the meeting. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by his/her proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. It is recommended that form of proxy be received by the transfer secretaries, JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) or email yeboyethu@jseinvestorservices.co.za by no later than 10:00 on Monday 26 July 2021.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and voting in person at the meeting to the exclusion of any proxy appointed in terms of this form of proxy.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the annual general meeting.
6. Any alterations or corrections made to this form of proxy must be initialled by the signatory(ies).
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries JSE Investor Services Proprietary Limited.
8. The Chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if he is satisfied as to the manner in which the shareholder wishes to vote.

**Transfer secretaries:**
JSE Investor Services Proprietary Limited
13th Floor, 19 Ameshoff Street, Braamfontein 2001
Telephone: 011 581 7850 (standard call rates apply)
or 082 241 0001 (toll-free from your Vodacom cellphone)
Email: yeboyethu@jseinvestorservices.co.za

# Administration

## YEBOYETHU (RF) LIMITED

(Incorporated in the Republic of South Africa)
Share code: YYLBEE
ISIN: ZAE000218483
(Registration number 2008/014734/06)
(YeboYethu)

### YeboYethu shareholder services

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

### Company Secretary and registered office of YeboYethu (RF) Limited

Vodacom Group Limited
(Registration number: 2008/014734/06)
Vodacom Corporate Park
082 Vodacom Boulevard
Midrand 1685
South Africa
(Private Bag X9904, Sandton 2146)

### Transfer Secretaries and BEE verification agent

JSE Investor Services
Proprietary Limited
(Registration number 2000/007239/07)
13th Floor
19 Ameshoff Street
Braamfontein 2001
South Africa
(PO Box 4844, Johannesburg 2000)

### Sponsor

UBS South Africa Proprietary Limited
(Registration number 1995/011140/07)
144 Oxford Road
8th Floor South Wing
Melrose, Johannesburg 2196
South Africa
(PO Box 522194, Saxonwold, Rosebank 2196)

### Auditor

Ernst & Young Incorporated
102 Rivonia Road
Sandton
South Africa
(Private Bag X14, Sandton 2146)