Trading update for the quarter ended 31 December 2020

1 February 2021

Salient features

- Gained 213,000 customers during the quarter to reach 15.2 million customers.
- Added 139,000 data customers during the quarter, driven by our strong commercial execution.
- Increased data penetration to 51.9%, achieved through sustained network investment, targeted data campaigns and enhanced data experience for customers.
- We continue to pioneer the mobile money industry, with new M-Pesa services like Songesha and international money transfers supporting financial inclusion.

Key Indicator review

<table>
<thead>
<tr>
<th>Indicator</th>
<th>31-Dec 2020</th>
<th>30-Sep 2020</th>
<th>31-Dec 2019</th>
<th>YoY % change</th>
<th>Quarterly % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers' (thousand)</td>
<td>15,171</td>
<td>14,958</td>
<td>15,598</td>
<td>(2.7)%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Data customers' (thousand)</td>
<td>7,881</td>
<td>7,742</td>
<td>8,369</td>
<td>(5.8)%</td>
<td>1.8%</td>
</tr>
<tr>
<td>M-Pesa customers' (thousand)</td>
<td>7,447</td>
<td>7,449</td>
<td>7,477</td>
<td>(0.4)%</td>
<td>0.0%</td>
</tr>
<tr>
<td>MOU per month</td>
<td>213</td>
<td>234</td>
<td>169</td>
<td>26.0%</td>
<td>(9.0)%</td>
</tr>
<tr>
<td>Total ARPU (shillings per month)</td>
<td>5,467</td>
<td>5,437</td>
<td>5,826</td>
<td>(6.2)%</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

We delivered a strong commercial performance in the quarter on the back of the continued success of our personalised bundles offering to customers through our innovative ‘Just 4 You’ platform. This resulted in a healthy increase in customers in the quarter as we continue to claw back customers barred in January 2020 by heightened regulatory requirements. While the barring of 2.9 million customers continues to weigh on our year-on-year growth rate, we continue to deliver value to customers focussing on segmented offers using our CVM platform and expanded M-Pesa services. This improved the ARPU performance compared with the previous quarter despite intense competition and the suspension of maintenance fees on dormant accounts, in-line with the consumer protection regulation.

M-Pesa customers reached 7.4 million, representing 49.1% of our customer base, an improvement of 1.2pp. Through ongoing enhancements, we continue to lead the mobile money industry with the customer market share of 40.9%. Our lending product, Songesha, continued to perform well in facilitating seamless completion of transactions, with a strong growth recorded during the quarter. Our international money transfer business continued to play an important role in facilitating financial inclusion with growth of more than 300% in receipts to over TZS 130 billion and remittances exceeding TZS 17 billion, an increase of over 30%.

Impacted by the barring of 600,000 customers in January 2020, data customers declined 5.8% to 7.9 million year-on-year. Quarterly trends are encouraging with 139,000 additional data customers using the Vodacom network. Data services remain a key growth driver and are central to our commitment of connecting Tanzanians to a better future. Our sustained investment programme, aimed at delivering a better data experience for customers, continues to yield results and is evidenced by the 59.7% increase in data usage per customer reaching 1.4GB per month.

1 Customers are based on the total number of mobile customers using any service during the last three months. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active whilst roaming.
2 Data customers are based on the number of unique users generating billable data traffic during the month. Also included are users on integrated tariff plans, or who have access to corporate APNs, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the month.
3 M-Pesa customers are based on the number of unique customers who have generated revenue related to M-Pesa during the last month. There were 12.3 million customers who generated billable transactions in the last three months.
4 Minutes of use (MOU) per month is calculated by dividing the average monthly minutes (traffic) during the month by the average monthly customers during the period.
5 Total ARPU is calculated by dividing the average monthly service revenue during the period by the average monthly customers.
6 Tanzania Communication Regulatory Authority quarterly statistics report as at September 2020.

*All growth rates quoted are on a year on year basis for the quarter ended 31 December unless otherwise stated.*
Regulatory matters

SIM Card Registration
On 1 May 2019, the Tanzania Communication Regulatory Authority (‘TCRA’) issued new customer registration guidelines, directing the biometric registration of SIM cards using the National Identification Number (‘NIN’) issued by the National Identification Authority (‘NIDA’), as the only accepted identification.

On 7 February 2020, the new Electronic & Postal Communications (SIM Card Registration) Regulations 2020 were published. The Regulations provide for a biometric registration of SIM cards using the National ID, as the sole means of registering SIM cards in the United Republic of Tanzania.

On 1 July 2020, the TCRA issued a public release that required customers who biometrically registered more than one SIM card per service provider to verify their SIM cards ownership through their mobile phones. Furthermore, TCRA and mobile network operators have implemented an approval process that allows customers to request for additional SIM cards by visiting service providers’ retail outlets or an automated process through Unstructured Supplementary Service Data (USSD). Customers are allowed up to 5 SIM cards if they follow the correct approval process. We continue to discuss with the TCRA on improvement of SIM card approval process.

During the quarter NIDA entered into agreements with all mobile network operators to charge TZS 500, effective from 1 August 2020, for the use of NIDA database information for subscriber verification, in line with Registration and Identification of Persons Regulations 2014. We continue to engage with all stakeholders as an industry, with the aim to manage the cost of implementing this requirement.

Historical key indicators

* All growth rates quoted are on a year on year basis for the quarter ended 31 December unless otherwise stated.
## Trading update for the quarter ended 31 December 2020

*All growth rates quoted are on a year on year basis for the quarter ended 31 December unless otherwise stated.*

<table>
<thead>
<tr>
<th></th>
<th>31-Dec 2020</th>
<th>30-Sep 2020</th>
<th>30-Jun 2020</th>
<th>31-Mar 2020</th>
<th>31-Dec 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers (thousand)</td>
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<td>15,513</td>
<td>15,598</td>
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<td>7,742</td>
<td>7,714</td>
<td>7,687</td>
<td>8,369</td>
</tr>
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<td>M-Pesa customers (thousand)</td>
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<td>7,449</td>
<td>7,124</td>
<td>6,685</td>
<td>7,477</td>
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<td>5,437</td>
<td>4,978</td>
<td>4,755</td>
<td>5,826</td>
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</table>
Vodacom Tanzania Public Limited Company

Trading update for the quarter ended 31 December 2020

Trademarks

Vodafone, the Vodafone logo, Vodafone Mobile Broadband, Vodafone WebBox, Vodafone Passport, Vodafone live!, Power to You, Vodacom, Vodacom 4 Less and Vodacom Change the World are trademarks of Vodafone Group Plc (or have applications pending). M-Fundi, M-Shamba, M-Pawa and Vodacom Faraja are trademarks of Vodacom Tanzania Public Limited Company (or have applications pending). Other product and company names mentioned herein may be the trademarks of their respective owners.

Forward-looking statements

This update which sets out the quarterly results for Vodacom Tanzania Public Limited Company for the three months ended 31 December 2020, contains 'forward-looking statements', which have not been reviewed or reported on by the Group’s auditors, with respect to the Group’s financial condition, results of operations and businesses and certain of the Group’s plans and objectives. In particular, such forward-looking statements include statements relating to: the Group’s future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group’s businesses by governments in the countries in which it operates; the Group’s expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'will', 'anticipates', 'aims', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans' or 'targets'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or its industry to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group’s present and future business strategies and the environments in which it operates now and in the future.

All subsequent oral or written forward-looking statements attributable to the Group or any member thereof or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above and below. Vodacom expressly disclaims any liability in respect of the content of any forward looking statement and also expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based.

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