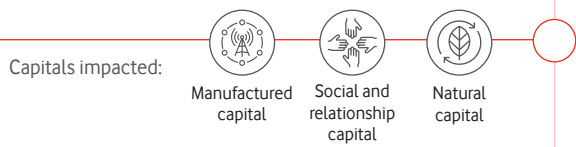


04 Enterprise digitalisation



We partner with enterprises to accelerate their growth and transform their businesses through digital technology.



How enterprise digitalisation supports our purpose

Multiple industries' sustainability depended on how they adopted digital transformation. During the year we collaborated with governments, universities and businesses to connect and work from home cost-effectively, and also assisted the wider industry to enable service continuity. We increased connectivity, thereby ensuring the sustainability of our society and protecting the livelihoods of people during a particularly disruptive time.

2021 at a glance

While the outbreak of COVID-19 significantly changed the socioeconomic landscape in 2020, we continued to ensure our customers were able to operate remotely during the various stages of lockdown in our markets. We believe that the new ways of working adopted over the past year will further accelerate digital transformation. We have adjusted our strategy accordingly to ensure we capture opportunities to grow our business further while supporting our customers.



23.2% contribution to Group Service revenue from enterprise



South Africa Vodacom Business service revenue up **11.3%**



South Africa Vodacom Business IoT underlying revenue increased **32.8%**

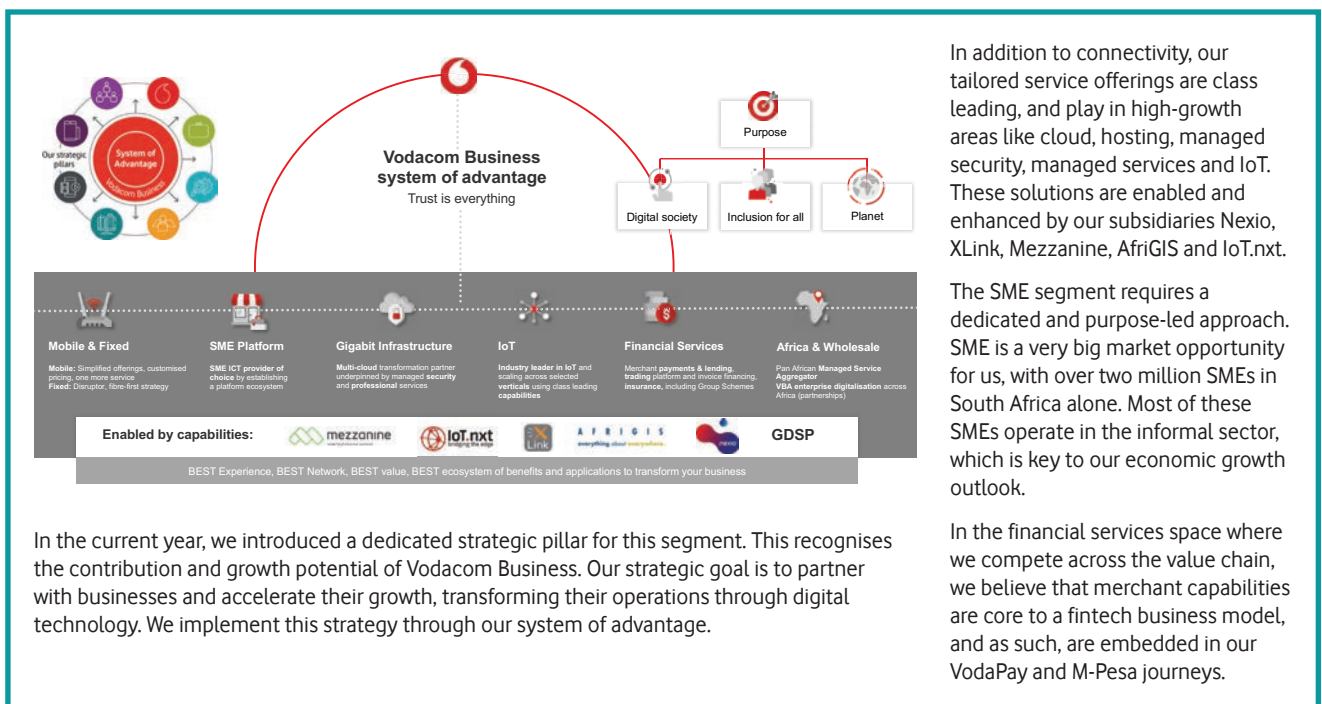


Vodacom Business customers in South Africa were up **11.0%**



South Africa Vodacom Business fixed revenue, excl transit, was up **6.5%**

Vodacom Business system of advantage



In the current year, we introduced a dedicated strategic pillar for this segment. This recognises the contribution and growth potential of Vodacom Business. Our strategic goal is to partner with businesses and accelerate their growth, transforming their operations through digital technology. We implement this strategy through our system of advantage.

In addition to connectivity, our tailored service offerings are class leading, and play in high-growth areas like cloud, hosting, managed security, managed services and IoT. These solutions are enabled and enhanced by our subsidiaries Nexio, XLink, Mezzanine, AfriGIS and IoT.nxt.

The SME segment requires a dedicated and purpose-led approach. SME is a very big market opportunity for us, with over two million SMEs in South Africa alone. Most of these SMEs operate in the informal sector, which is key to our economic growth outlook.

In the financial services space where we compete across the value chain, we believe that merchant capabilities are core to a fintech business model, and as such, are embedded in our VodaPay and M-Pesa journeys.



Examples of enabling South African enterprise growth

✓ We focused on enabling our customers to work from home by extending our mobile broadband and business sustainability solutions, such as access point name (APN), thereby offering enterprise clients a sustainable solution to keep their workforce connected. We also developed solutions to support the rebuilding of customer businesses and implement return-to-workplace solutions that leveraged our IoT capabilities, such as vital signs, thermal screening, social distancing, personal protective equipment monitoring, and employee track and trace.


✓ Our Vodacom Business (VB) team supported the South African government in a number of projects to enable the day-to-day management of COVID-19 challenges. We offered and collaborated on solutions that enhanced sustainability and promoted continuity to protect livelihoods and promote education.

✓ Through a transversal contract (RT15), we could digitise various government-related services. Our collaboration with municipalities centred on internet, APN, security and asset management services, as well as smart metering services.

✓ We collaborated with the South African departments of education and health in their response to the pandemic. We launched an online education platform in partnership with Microsoft to support remote learning at both higher and basic education levels. Looking ahead, we will continue to develop connected education solutions in collaboration with the government. For the next financial year, Vodacom Business will focus on connectivity for users, content accessibility, device availability and funding solutions. These digital solutions support education and ensure inclusion for students who would otherwise have been excluded. In addition to the platform we provided highly discounted offers to universities to enable educate from home options.

✓ Vodacom IoT assisted the South African government by developing the Mpilo app. This patient engagement platform eases communication between patients, doctors and the Department of Health and improves service delivery at provincial health facilities. The mobile app's latest features aim to help healthcare workers trace people who have tested positive for COVID-19. The app has 61 467 active users.

✓ We deployed our pre-existing health app solutions to support the government's fight against COVID-19. Through mVacciNation, more than 95 000 patient records have been created and more than 315 000 immunisations administered, while over 140 000 COVID-19 tests were processed through eLABS in South Africa, Zambia and Nigeria. Through the Stock Visibility Solution (SVS), more than 41 million reports were submitted in South Africa. The AitaHealth platform, which supports government to quantitatively understand the state of healthcare in communities, has registered and screened more than 571 000 households and 1.6 million individuals since its launch in 2014. We also donated data lines and 20 000 devices to community health workers.

 For more information, refer to our 2021 sustainability report.

✓ National Treasury awarded Vodacom Business a five-year transversal contract (RT46) to provide fleet management services relating to drivers, vehicle bookings and traffic fines.

✓ We diversified our client mix by focusing on additional enterprise sectors – including the mining, manufacturing, retail and services industries. To achieve this, we leveraged our IoT.nxt solutions and expanded our geographic reach through Vodafone, rest of Africa and USA markets.

✓ The acquisition of IoT.nxt yielded positive results for our IoT business. MachNation – a leading independent benchmarking firm – recognised IoT.nxt as best-in-class among its peers. IoT.nxt also benefited from revenues earned in the USA and other Vodafone markets, thereby increasing our IoT revenue. We are encouraged by Vodafone's adoption of IoT.nxt as a centre of competence for key IoT end-to-end solutions like smart base stations, smart buildings and energy management. Our COVID-19 solutions were driven through IoT.nxt and Nexio, with health solutions driven through Mezzanine.

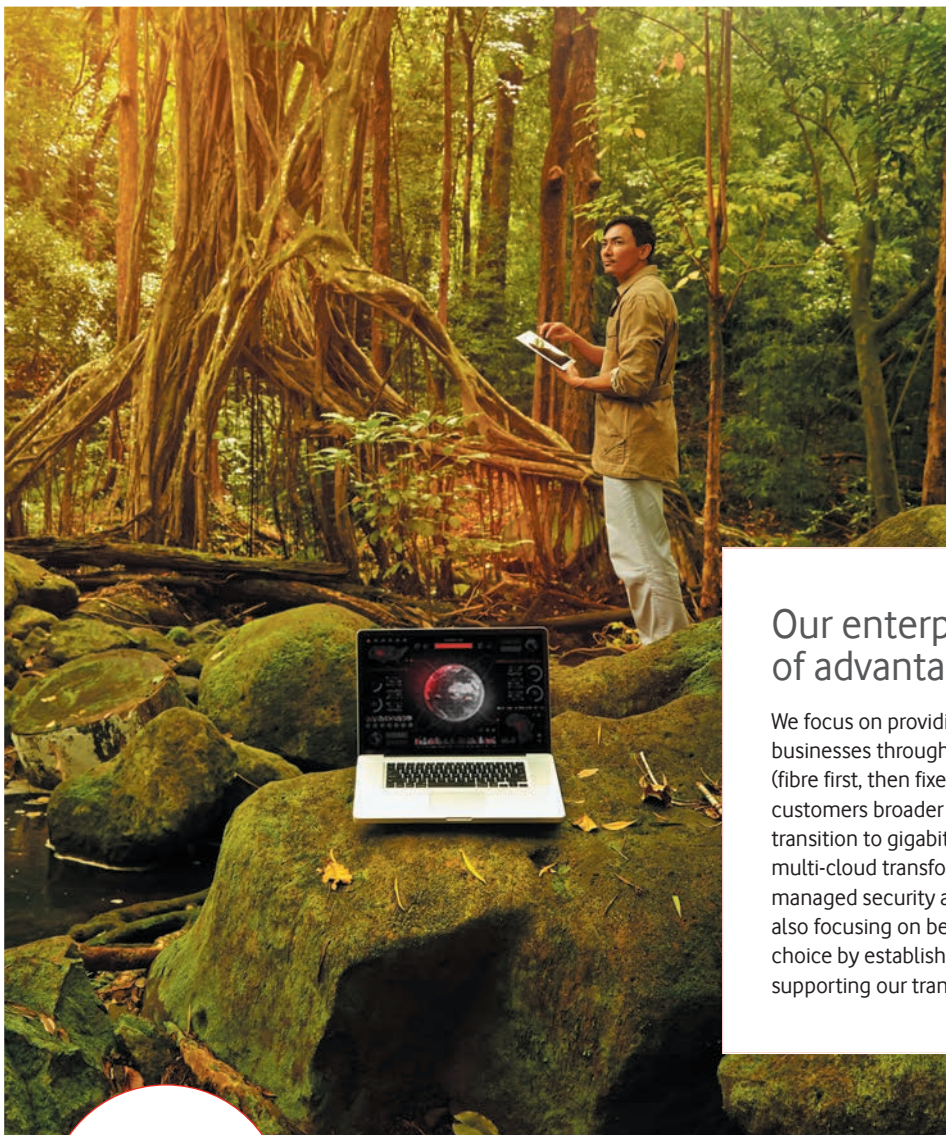
✓ Our partnership with Amazon Web Services (AWS) continues to position VB as a digital transformation partner of choice. It enables us to leverage machine learning (ML), Big Data and AI to provide Fourth Industrial Revolution, digital and data-driven insights to our enterprise and SME customers.

✓ Our managed security services division continues to grow, with our Nexio-led Microsoft business expanding our service offering. During the COVID-19 lockdown, we launched Microsoft Teams and VoIP, which became a key value driver for our Microsoft Virtual Classroom Education offering and work-from-home cloud bundles.

✓ Our Digital Smart Service offering partnerships, launched in collaboration with Accenture, Deloitte, Letsema and Urban, positions VB as a competent digital transformation partner in the market.

✓ We revised our SME segment strategy to enable us to service this market better and unlock further value.

✗ The changing trend to work from home placed additional demand on our network. This challenge has been exacerbated by Eskom's load shedding, and sporadic battery theft and vandalism at our network sites. We are driving investment to mitigate this risk to ensure connectivity for our corporate clients. For example, we spent R1 billion on lithium-ion batteries, which have a longer useful life than lead-acid batteries and are less harmful to the environment.



Our enterprise system of advantage

We focus on providing the best connectivity for businesses through mobile and fixed-line services (fibre first, then fixed wireless). We aim to give our customers broader connectivity capabilities as we transition to gigabit infrastructure, where we are a multi-cloud transformation partner underpinned by managed security and professional services. We are also focusing on becoming the SME ICT provider of choice by establishing a platform ecosystem, further supporting our transition from a telco to a techco.

Vodacom Vision 2025

We will continue to expand our digital enterprise propositions, leveraging our connect, communicate, collaborate and cloud solutions. We will:

- Extend our SME proposition by delivering an online experience through our VodaPay platform;
- Develop customer-centric propositions by leveraging Big Data insights;
- Continue to drive digital transformation to deliver a superior customer experience;
- Scale our fixed network, particularly SD-WAN, to expand our footprint;
- Further build our end-to-end IoT solutions;
- Build our intelligent business and digital transformation capability to unlock cloud and hosting services;
- Extend our mobile virtual network operator offering and roaming facility; and
- Grow our managed services and partnerships to sell with, and sell through, to assist corporates with their digitisation.