

PUBLIC ANNOUNCEMENT

UNDER REGULATIONS 9(5) and (6) OF THE CAPITAL MARKETS AND SECURITIES (SUBSTANTIAL ACQUISITIONS, TAKEOVERS AND MERGERS) REGULATIONS, 2006 (THE "REGULATIONS")



VODACOM TANZANIA PLC
(Incorporated in United Republic of Tanzania)
(Registration Number 38501)
("VTPLC" or "Acquirer")

FOR THE ATTENTION OF THE SHAREHOLDERS OF SMILE COMMUNICATION TANZANIA LIMITED [APPROVED BY THE CAPITAL MARKETS AND SECURITIES AUTHORITY]

Voluntary Offer by Vodacom Tanzania PLC ("VTPLC" or "Acquirer") to shareholders of Smile Communication Tanzania Limited ("Smile" or "Target Company") to acquire a single block of 284,984,314,284 ordinary shares in Smile pursuant to and in accordance with regulations 9(5), 9(6), 11(3), 15(4), 15(5) and the Fourth Schedule of the Capital Markets and Securities (Substantial Acquisitions, Takeovers and Mergers) Regulations, 2006 ("the Regulations") (hereafter referred to as the "Offer").

Transaction Details.

- 1. Acquirer:** Vodacom Tanzania PLC, with registration number 38501, incorporated in and under the laws of United Republic of Tanzania.
 - 2. Size:** This offer was made by the Acquirer for the acquisition of a single block of 284,984,314,284 ordinary shares of the Target Company, having a nominal value of Tanzania Shilling (TZS) 1 each, representing 100% of the issued share capital of the Target Company.
 - 3. Price/Consideration:** TZS 0.24144 per ordinary share, subject to adjustment as detailed in paragraph 8 of this Public Announcement.
 - 4. Mode of payment:** Cash
 - 5. Smile Share Capital:** The issued and fully paid shared capital of Smile is TZS 284,984,314,284 comprised of 284,984,314,284 ordinary shares of TZS 1 each.
 - 6. Existing VTPLC stake in Smile and dealings of VTPLC:** VTPLC does not currently hold any Shares in Smile and no director of VTPLC holds any Shares in Smile or has had any dealings in Smile's Shares during the period beginning 6 months before the date of the Offer Document. Further, no concert party arrangement exists between VTPLC and any other person in relation to the Acquisition, and no formal or informal arrangement between VTPLC and any other person exists in relation to an indemnity or option, which arrangement might be an inducement to deal or refrain from dealing in Shares of Smile.
 - 7. Salient features of the Offer:** The terms of the proposed transaction are set out below.
 - (a) VTPLC intends to acquire 284,984,314,284 shares in Smile as a single block trade from Smile Telecoms Holding Limited and Smile Telecoms IP Limited ("Eligible shareholders"), as agreed between the Acquirer and the Eligible Shareholders ("Acquisition") and through the Voluntary Offer constituted in the Offer Document ("Offer Document")
 - (b) The purchase shall only be completed if all the ordinary shares referred to in 7(a) above are sold simultaneously in a single block.
 - (c) Eligible shareholders should contact the Lead Transactional Advisor who is a CMSA authorized Investment Advisors or VTPLC for a copy of the Offer Document and detailed instructions on the process.
 - (d) The Acquisition was subject to the fulfilment of a number of conditions precedent (the "Conditions") on or before 31 March 2024, which was the Longstop Date. The Conditions included, amongst others:
 - i. Approval by the Fair Competition Commission of Tanzania for the sale of the Offered Shares as agreed between the Acquirer and Eligible Shareholder, such approval has been duly granted.
 - ii. Approval by the Tanzania Communication Regulatory Authority for sale of the Offered Shares as agreed between the Acquirer and Eligible Shareholder, such approval has been duly granted.
 - iii. Approval by the shareholders of Smile and VTPLC for the sale and purchase respectively of the Offered Shares as agreed between the Acquirer and Eligible Shareholder, by way of special resolution passed at a duly convened extraordinary meeting, pursuant to the Companies Act, such approvals have been duly granted.
 - iv. Approval by the Capital Markets and Securities Authority that the Acquisition is in the best interest of VTPLC listed securities and the market, such approval has been duly granted.
 - 8. Consideration:** The indicative purchase price payable by VTPLC in terms of the Acquisition is TZS 0.24144 per ordinary share (amounting to an aggregate consideration of TZS 68,808 million), calculated at an exchange rate of US\$ 1/ TZS 2507.0272 applicable on 27 November 2023, on a debt free cash free basis.
 - 9. Firm Arrangement of Financial Resources:** VTPLC has arranged all necessary funds to implement the Acquisition. The proposed transaction is financed through various sources including internally generated cash flows and reserves through the Receiving Banks provided under the Offer Document. VTPLC has confirmed and the Financial Advisor is of the opinion that there are adequate sources and availability of funds for the proposed transaction and attendant arrangements for the same.
 - 10. Objects and Purpose of the Acquisition:**

The Acquisition necessitates access to a combination of both coverage (sub-1GHz bands) and capacity bands (mid bands) for 4G and 5G by VTPLC to better roll-out a competitive 4G network service in Tanzania and ensure a best-in class customer service.
 - 11. Timetable:** The Acquisition was implemented on 3 April 2024.
 - (a) The date for determining the names of shareholders to whom the Offer Document will be delivered has been determined since the Target is a private company with two shareholders.
 - (b) For purposes of the CMSA Application, the dates of the opening and closing of the Acquisition Offer were:
 - i. Opening Date: 19 January 2024
 - ii. Closing Date: 23 January 2024
 - (c) The manner in which and date by which the eligible shareholder must confirm its acceptance of the Offer is detailed in the Offer Document.
 - (d) The date by which payment will be paid to the Eligible Shareholders by VTPLC in respect of the Offer is as agreed between VTPLC and the Eligible Shareholders in the Share Purchase Agreement executed on 20 July 2023, as amended from time to time.
 - 12. Statutory Approvals:** VTPLC operates in the Telecommunication sector. The status of relevant regulatory approvals is as follows:
 - (a) The Fair Competition Commission in Tanzania (FCC) has approved the Acquisition and the Conditions under the FCC approval have all been fulfilled.
 - (b) The Tanzania Communication Regulatory Authority has approved the Acquisition subject to fulfilling the transfer of shares with BRELA.
 - (c) The parties undertake to register the transfer of the ordinary shares in Smile at BRELA, in accordance with the Companies Act No.12 of 2002.
- All transaction conditions and statutory approvals in paragraph 12(a) and 12(b) above have been fulfilled or obtained.
Statutory approval in paragraph 12(c) above shall be obtained within a reasonable time after the date of implementation of the Acquisition. The Acquisition was implemented on 3 April 2024.
- 13. Type of Transaction:** The Capital Markets and Securities Authority of Tanzania ("CMSA"), has approved the proposed transaction to be executed.
 - 14. Competitive Bid:** This is not a competitive bid.

About Vodacom Tanzania PLC (VTPLC)

The Acquirer is a public limited company and a Tanzanian leading mobile network operator providing a wide range of services for consumers and enterprise including voice, data, messaging, financial services, and enterprise solutions. The Acquirer is owned 75% by Vodacom Group Limited a company registered in the Republic of South Africa and 25% by the public through the Dar es Salaam Stock Exchange PLC ("DSE").

About Smile (the "Target")

The Target is a private company incorporated in Tanzania. It operates a 4G LTE mobile broadband networks in the 800MHz band in Tanzania, offering nationwide Super-Fast mobile broadband services to its customers. The Target is owned by Smile Telecoms Holdings Limited (99% holding) and Smile Telecoms IP Limited (1% holding) both entities validly existing under the laws of the Republic of Mauritius.