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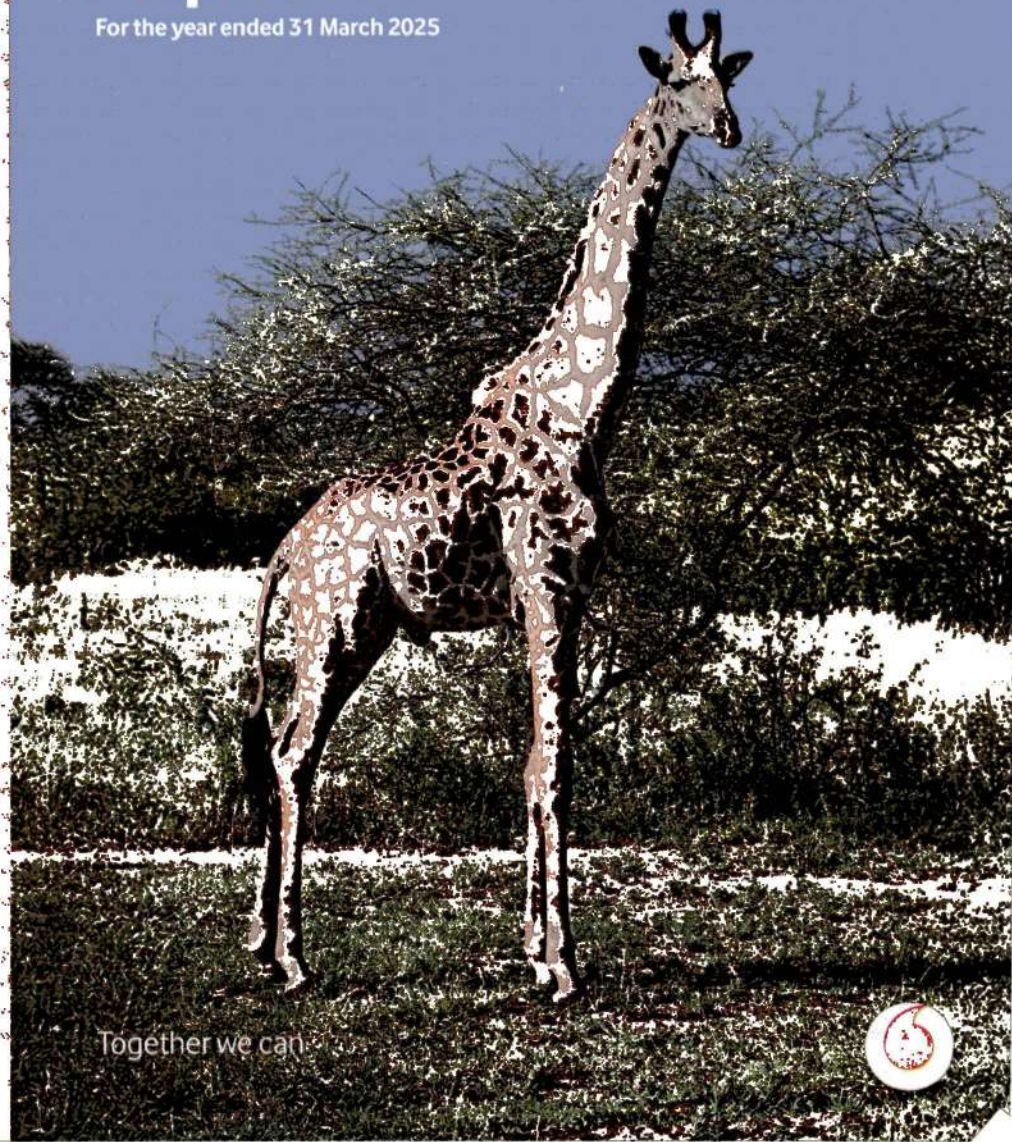


Vodacom Tanzania Public Limited Company
Annual Integrated Report for the year ended 31 March 2025

Vodacom Tanzania Public Limited Company

Annual Integrated Report

For the year ended 31 March 2025



Together we can



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About this report

We are proud to present Vodacom Tanzania's annual integrated report, which showcases how our purpose – to connect for a better future – drives our strategy and supports Tanzania's economic growth and development. The report also provides insights into the Group's outlook and articulates why we believe Vodacom Tanzania represents an attractive long-term investment opportunity.

Reporting boundary and scope

This report covers the performance of Vodacom Tanzania Plc (the company) and its subsidiaries (the Group) for the financial year 1 April 2024 to 31 March 2025. Written primarily for current and prospective investors, the report provides an overview of our business model and operating environment and reviews our strategic, operational and governance performance. This report adopts a financial materiality perspective, providing information on matters likely to influence report users' assessment of the value, timing and certainty of the Group's future cash flows over the short, medium and long term.

Reporting frameworks and process

Our reporting process was guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the Integrated Reporting Framework, the Dar es Salaam Stock Exchange (DSE) Public Limited Company Rules 2022, and the Companies Act, 2002. Ernst & Young (EY) assured our annual financial statements and provided an unmodified opinion thereon (page 89).

Our reporting suite

Our reporting suite aims to meet the diverse information needs of the Group's stakeholders, enabling them to assess our financial and non-financial performance.

Forward-looking information

Throughout this report, we include forward-looking information on the challenges we are likely to face and opportunities we intend to pursue as part of our strategy. Where possible, we articulate how these actions could impact our performance. However, it is important to note that forward-looking statements are inherently predictive and speculative. They involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur.

Delivering social value through our purpose

Vodacom Tanzania is committed to improving the lives of millions of Tanzanians through our purpose to **connect for a better future**. We recognise that to deliver on our purpose, ESG must be integrated in everything we do. Our purpose-led strategy serves as our ESG framework, focusing on:



We review our contribution to our ESG framework throughout this report.

PG Read more about our purpose-driven performance on Pages 54 to 60.

PG Read more about how we deliver social value through our purpose at www.vodacom.co.tz



Where to find more information:

- PG** Find relevant information in this report.
- PG** Read more on our website at www.vodacom.co.tz

Navigate our report

Throughout the report, we use the following icons to indicate the elements of our business model in terms of the Integrated Reporting Framework:

- Value created
- Value eroded
- Value sustained

The Board's support of value creation

The Board of Directors (Board) has applied its collective mind to the information presented in this report. The Board believes that this report addresses all material issues, presents a balanced and fair account of the Group's performance for the reporting period and is an accurate reflection of our core strategic commitments. The directors applied their judgement regarding the disclosure of Vodacom Tanzania's strategic plans and have ensured that these disclosures do not place the company at a competitive disadvantage. The Board approved this annual integrated report on 15 July 2025.

signature D Tarimo Chairman	signature P Basimire Managing Director	signature H Bujiu Finance Director
Independent non-executive directors		
signature K Mutooni	signature M Ikongo	signature T Semane
Non-executive directors		
signature D Gutierrez	signature D Hastelic	signature H Ammar
signature M Mbungela	signature N Nyoka	signature R Morathi

Who we are

Vodacom Tanzania is a leading, purpose-driven communications company. We provide a wide range of services for consumers and enterprises, including voice, data, messaging, financial services and enterprise solutions to over **22.6 million customers**¹.

Vodacom Tanzania was listed on the DSE on 15 August 2017. The Group is majority owned by Vodacom Group Limited, a company registered in South Africa, which is majority owned by Vodafone Group Plc, based in the United Kingdom.

Our purpose Why we exist

To connect for a better future

Our purpose pillars



Empowering people

We aim to close the digital divide and help people benefit from digitalisation



Protecting the planet

We want to help protect the planet and enable our customers to do the same



Maintaining trust

We aim to maintain and enhance trust through responsible business practices

Our vision

Where and who we want to be

To be a **leading digital company** that empowers a connected society

To be the **employer of choice** (the best place to work)

Our way

How we operate

1

Earn customer loyalty

2

Create the future

3

Experiment – learn fast

4

Get it done together

Our strategic priorities

Driving growth through new businesses while protecting the core

- Vigorously grow **mobile**
- Expand and escalate **M-Pesa growth**
- Relentlessly pursue **fixed**

- Innovate and lead **enterprise**
- Extract **wholesale value**
- Leveraging our **brand position**

Digital **care** and **experience**

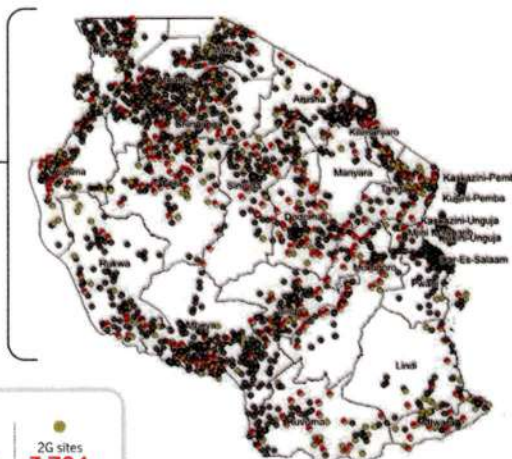
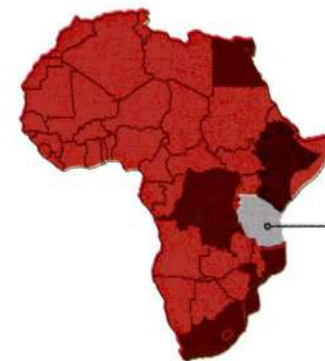
Technology leadership in **network** and **IT**

Retain and develop a **high-performing team**

Improve the **return on capital employed**

¹ In this report, unless otherwise specified, customers are reported in accordance with Vodacom Group definition of customers.

Where we operate



5G sites

370



4G sites

3 275



3G sites

3 554



2G sites

3 704

4 years CAPEX (TZS billions)



90 days customers (millions)¹



Combined 3G and 4G coverage



Total number of sites



Total number of 4G sites



4G population coverage²



¹ In accordance with Vodacom Group definition of customers.

² Measured at the rate of 1Mbps (outdoor).

What we do

We secure access to spectrum, invest in mobile and fixed networks and information technology (IT), develop and distribute a wide range of products and services tailored to our market segments, and offer a broad range of financial services through our M-Pesa ecosystem. Coupled with our excellent customer service and brand programme, these activities enable us to ensure revenue growth and high levels of cash generation, which we use to reinvest in the resources and relationships we rely on to deliver on our purpose to **connect for a better future**.

Our value chain activities

Spectrum, network and IT infrastructure

Most of our communication services rely on access to spectrum. However, the limited availability of radio spectrum is a key challenge facing the sector in Tanzania and globally, particularly in providing 4G services. We strive to secure spectrum access at a competitive price through auctions, proactive engagement with government and regulators, and partnerships with or acquisitions of existing spectrum rights holders.

- Since launch we have invested over TZS4.5 trillion in expanding and upgrading our mobile network and supporting IT infrastructure
- We have a resilient nationwide data network, with 4G coverage across the country and 5G in strategic locations nationwide
- We undertake activities to continuously enhance our customers' network experience
- We are expanding our fixed fibre network
- We acquired spectrum through acquisition of Smile Tanzania limited (page 49)

Procurement activities

We leverage the global purchasing power and responsible procurement practices of the Vodafone Procurement Company. This enables us to purchase responsibly manufactured network equipment, handsets and other services on favourable terms. We balance this benefit with our commitment to promoting economic opportunities in Tanzania by pursuing local procurement when feasible and appropriate.

- We manage a significant supplier landscape, with a total procurement spend in FY2025 of TZS931.2 billion
- This year, we processed 22.2% of purchases (TZS206.7 billion) through Vodafone Procurement Company.
- We executed on our local empowerment agenda, spending TZS717.3 billion on purchases from 327 suppliers in Tanzania

Product and service development

We continually develop innovative products, services and pricing models based on our segmented customer approach. We are deepening our use of machine learning and customer value management (CVM) platforms to deliver personalised customer offers, known as Just4You. We emphasise protecting customer privacy, enhancing cyber security and mitigating the overall risk of data theft or loss.

- We provide targeted product and service offerings to over 22.6 million customers
- We deliver societal value through connectivity and digital services in inclusive finance, education, health and agriculture
- We maintained our recognised cyber security leadership across the Vodafone Group

Customer service

Providing the best customer experience and instilling a customer-first attitude are important sources of market differentiation. We aim to deliver a seamless, personalised, one-channel, digital customer experience, with exceptional customer service as a key strategic priority.

- We listen to our customers, constantly seeking to deepen our understanding of their needs (page 47)

Sales and distribution

We use various sales and distribution channels, including a nationwide network of wholesale distributors, retailers, franchise stores, direct sales partners, independent dealers and agents, street vendors and informal resellers.

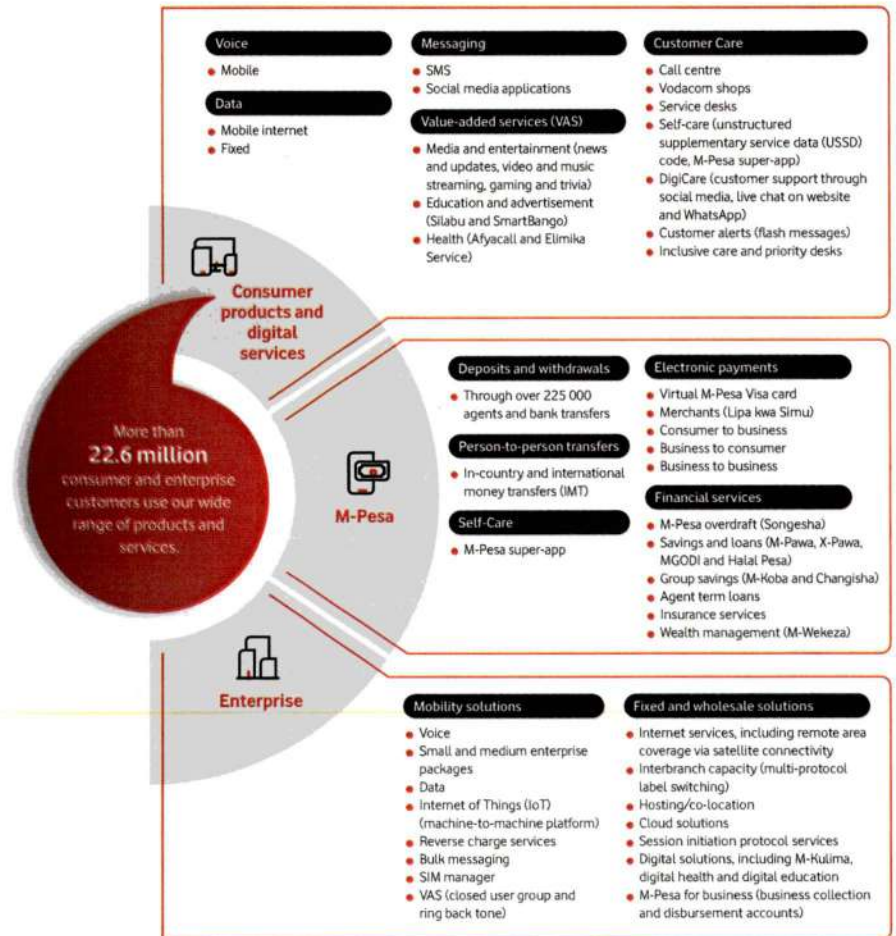
- We have the largest retail footprint in Tanzania, with more than 450 nationwide retail points, more than 40 000 freelance distributors, 225 000 active M-Pesa agents and more than 470 000 merchants accepting payment through M-Pesa

Managing our brand and reputation

We build a purpose-driven brand, leading Tanzania into the digital age and improving lives through digital technology. We maintain our strong brand presence, backed by our marketing and brand strategy, with the iconic Vodacom brand being a key driver of customer purchasing decisions. Vodacom remains one of Tanzania's most trusted brands, consistently recognised in external reputation surveys, Net Promoter Score (NPS) leadership and industry awards.

- Vodacom Tanzania received numerous national and international accolades this year (page 46)
- Once again, our customers rated us as the best in terms of headline NPS, ending the year with a double-digit points lead over our closest competitor

What we offer



Our value creation in practice

Our FY2025 value creation highlights

Customers
22.6 million
Up 15.7%

M-Pesa customers
Up **13.3%**

Data customers
Up **19.0%**

Smartphone users
Up **33.4%**

EBITDA*
TZS493.6 billion
Up 25.2%

* Earnings before interest, taxation, depreciation and amortisation.

Service revenue
TZS1.5 trillion
Up 20.5%

M-Pesa revenue
TZS590.0 billion
Up 29.3%

Mobile data revenue
TZS422.2 billion
Up 21.6%

Profit after tax
TZS90.5 billion
Up 69.4%

CAPEX
TZS175.0 billion
Up 2.9%

11.4%
of revenue

471
new 4G sites



For our customers

Enhanced
connectivity services

Financial inclusion
deepening through
M-Pesa

Opportunity to
invest and earn
income through
M-Wekeza

Dependable services – rated through our leadership in customer Net Promoter Score (NPS)

Enhanced digital inclusivity supported
by sustained investment

4G¹ coverage
72.5%
of population
up 6.1%

3G coverage
86.7%
of population
down 5.3%

2G coverage
95.1%
of population
up 1.1%

¹ Measured at the rate of 1Mbps (outdoor).



For our shareholders

TZS45.3 billion
proposed dividends to equity shareholders

Improving return profile

For our employees

TZS90 billion
spent on employees, including on salaries,
training and skills development
FY2024: TZS75 billion

Provided self-development online training to over
624
employees and contractors
FY2024: 607

47.1%
female representation in management and senior
leadership roles
FY2024: 46.7%

In our community

TZS621 billion
cash contributions to public finances in taxes,
levies, spectrum, and regulatory fees²

422 rural sites
built since year 2013 in supporting the
government's rural coverage programme

TZS717.3 billion
spent on 327 local suppliers and partner
companies in Tanzania

Nearly
TZS3.7 billion
spent on social investment

Indirect employment provided to more than
250 000³
Tanzanians

Social and economic empowerment
through various initiatives in executing
on our purpose

¹ Additional details available in Vodacom Group's tax transparency report available at <https://www.vodacom.com/integrated-reports.php>.

² Includes cash and cash equivalents of the in-kind corporate social investment projects.

³ Including freelancers and M-Pesa agents.

Chairman's review

Justice (rtd) Thomas B Mihayo

Vodacom Tanzania delivered another purpose-led performance this year, underpinned by strong financial and operational results that reflect the quality of its strategy and ability to execute effectively. Pleasingly, profit after tax increased by 69.4% to TZS90.5 billion, enabling the Board to propose a final dividend equivalent to 50% of profit after tax, in accordance with our dividend policy.

The past year was challenging. Geopolitical tensions, supply chain disruptions and escalating trade wars characterised our global environment, while extreme weather events, such as flooding and droughts, negatively impacted economies and people. Fortunately, Tanzania's stable and business-friendly environment helped to offset some of these global headwinds. We were particularly encouraged by the **ongoing regulatory certainty and spirit of collaboration between government and business** to resolve issues affecting the information and communications technology (ICT) sector and pursue inclusive economic growth enabled by digital connectivity.

Remaining focused on our purpose – to connect for a better future – continued to be a key differentiator for the company in an intensely competitive market, especially as we navigate the evolving expectations of an increasingly demanding consumer base. Against this backdrop, it was gratifying to see the company's grit, determination and relentless focus on strategy execution. This resulted in overall customer base growth of 15.7%, and we sustained our market leadership with 31.9%¹.

Notably, **our ambition to empower people through digitalisation continued to take shape**. We expanded our data network, extended connectivity to underserved areas, executed key smartphone acceleration initiatives and enhanced the quality of our mobile data offerings. These efforts supported growth of data traffic, particularly 4G. We deepened financial inclusion by helping the unbanked

population through our M-Pesa ecosystem. This year, close to half of M-Pesa customers used our advanced financial services, including lending, savings and insurance, benefitting from various options of short-term financing, including Songesha and short-term loans. These financial services are key to empowering consumers, strengthening community resilience and enhancing business success.

The company's efforts over the past year delivered a commendable financial performance, supported by our skilled teams. In particular, I would like to acknowledge Vodacom's progress in **fostering diverse talent and future-ready skills**. This includes developing female leaders and contributing to closing the global gender gap by working with government, the private sector and academia to encourage more young women and girls to pursue STEM careers. These efforts promote inclusive growth and create a meaningful talent lever that supports the company's long-term success.

Further, underpinning the execution of our purpose is a **strong culture of ethics and good governance**. As Chairman, I was responsible for ensuring that the Board, through its committees, guided the company's efforts to deliver sustainable growth and financial returns in the best interest of our stakeholders. Our recent independent evaluation of the Board's performance assured me we have the right balance and composition to provide robust oversight of the company's evolving strategic goals. It has also been wonderful to see the Executive Committee under the Board

oversight move the company forward to benefit shareholders and the country, in line with our purpose.

At the end of this financial year, after five years of service, I stepped down from my role as Board Chairman. Reflecting on my tenure, I am filled with a profound sense of gratitude for being part of such a talented and forward-thinking organisation.

I am very pleased with the progress we made in **execution of company's purpose in those five years**. I will mention just a few examples.

Among the impactful initiatives I am fond of is M-Mama, which is transforming the lives of pregnant mothers and the newly-born infants in areas where emergency ambulance transportation is not available. M-Mama, launched in collaboration with our partners the government of Tanzania and the USAID, facilitates transportation to the health centres for the registered expectant mothers using normal taxis, operated by drivers trained and registered in the M-Mama platform. M-Mama is currently playing a critical role in reducing maternal deaths.

In my tenure, we also managed to connect millions more Tanzanians to a better future by evolving and expanding our network, increasing our customer reach. We expanded our 2G network coverage from 89.8% to reach 95.1% population coverage, and our broadband coverage¹ has reached 69.4% from 49.2% in FY2020. Our 4G population coverage which now sits at 72.5% came all the way from 32.6% in FY2020. As we expanded our network, we also advanced access to data services to Tanzanians, by growing our smartphone users from less than four million, to nearly nine million customers, exposing our customers to vast opportunities in the digital economy.

Our proudest accomplishment is the launch of **Tanzania's first-ever 5G network**. This is not just a technological leap; it is a defining moment that signals our unwavering commitment to progress, to excellence, and to the future.

Another memorable achievement is evolution in M-Pesa, which is truly empowering Tanzanians through financial inclusion. Over the past five years, more than TZS400 trillion has been transacted via M-Pesa, transforming millions of lives, not only through basic services like sending and receiving money, but also through unique and transformative services such as Songesha overdrafts, short-term loans, insurance services, communal group savings through M-Koba, and the recently introduced M-Weleza, which facilitates investment in financial assets through fund managers.

M-Pesa has also transformed the way Tanzanians make payments, by facilitating digital payments to businesses through a network of more than 470 000 merchants who accept payments via LIPA kwa Simu service in M-Pesa, as well as more than 800 government collection accounts in M-Pesa platform, which simplify payments processing to the government.

In supporting business growth, the evolving strength of dialogue between the company, the broader business community, our regulators and the government that I have fostered and lived through these five years, is something I am proud of, as it has made a real difference.

I would like to extend my gratitude to the Government and its departments, notably the Ministry of Information, Communication and Technology, the Ministry of Finance, as well as the regulators, the

Tanzania Communications Regulatory Authority (TCRA), the Bank of Tanzania (BoT) and the Tanzania Revenue Authority (TRA). With the same level of importance, **I would also like to acknowledge and thank the office of the Speaker of the National Assembly of Tanzania**, for co-operation we received from the Parliament and its various committees that we frequently engaged with during my tenure.

The Government and the Parliament showed willingness to listen to our concerns and we collaboratively resolved a number of issues. A good example is the reduction of the mobile financial services levy which was introduced in July 2021. This matter is among many others, that over the years, we engaged the country's leadership to reconsider, for the development of our sector and enhancement of its role in bridging the digital divide and promoting financial inclusion.

The readiness of the Government and the Parliament to engage with investors and private sector stakeholders, reflects an exemplary leadership and a commitment to advancing the sector and the country.

These initiatives and efforts were pivotal in restoring the company back to profitability, after a few challenging early years of my Chairmanship. I am very grateful for the guidance and support that my Board exercised in helping the executive team to steer the business back to profitability, and enhance returns to the shareholders.

Looking to the future, we recognise the potential disruption that can arise from operating in a hyper-connected global economy. However, I am optimistic about Tanzania's economic and social outlook. In October 2025, we expect to have a general election for the President and parliamentarians, which I believe will be peaceful. More importantly, I am confident that the company has the right growth-oriented mindset to avoid complacency, navigate uncertainty and solidify its position as Tanzania's leading mobile operator.

In closing, I would like to thank my colleagues on the Board and respective Board committees for their valued support, insight, advice and steadfast commitment to maintaining the highest governance standards. I would also like to thank our Company Secretary for her guidance and expertise. It has been an honour to serve as your Chairman.

My heartfelt gratitude goes to the Group Chairman and Vodacom Group CEO, together with the Vodacom Tanzania's executive team, with a special appreciation to each of the Managing Directors that steered the company during my tenure. Throughout the five years, I have been continually impressed by the depth of knowledge and commitment displayed by the company's leadership team and the employees.

I believe Vodacom Tanzania is a company with unlimited potential. I encourage all our stakeholders to continue holding the company to account, so that we may connect Tanzanians to a better future and positively change lives through technology.

At this moment, I would like to welcome my successor, the incoming Chairman, Mr David Tarimo, and wish him well in further progressing this great, purpose-based company.

Justice (retired) Thomas B Mihayo
Chairman
31 March 2025

¹ TCRA Quarterly Report - March 2025.

¹ Measured at the rate of 1Mbps (Downlink).

Who governs us

Our Board We have a unitary Board with 12 directors, and the majority are non-executive directors. Our Chairman is an independent non-executive director.

Chairman ARCCo RemCo NomCo

Chairman

Thomas B Mihayo (78)
Tanzanian
Appointed in November 2020*

- Legal expertise
- Arbitrator
- Government relations



Chairman

Executive directors

Philip Besimire (49)
Ugandan
Appointed in October 2022

- International leadership and operational experience
- Strategic business transformation
- Commercial execution with an exceptional track record of growing businesses



Managing Director

Hilda Bujiku (46)
Tanzanian
Appointed in January 2022

- Strong financial expertise
- Experience in other emerging markets



Finance Director

Independent non-executive directors

Kanini Mutooni (49)
Kenyan
Appointed in September 2022

- Financial and venture capital expertise
- Board member with international leadership experience



ARCCo

Margaret Ikongo (67)
Tanzanian
Appointed in November 2017

- Financial expertise
- Government relations
- Corporate governance expertise



ARCCo

Thembeke Semane (48)
South African
Appointed in November 2017

- Corporate governance expertise
- Operational and strategy execution experience
- Financial expertise



ARCCo

Non-executive directors

Diego Gutierrez (48)
Bolivian
Appointed in March 2018*

- Commercial strategist
- Extensive telecommunications technology knowledge and emerging market experience
- Strategic leadership expertise



ARCCo

Haytham Ammar (43)
Egyptian
Appointed in June 2024

- Extensive experience in finance within telecommunications
- Strategic business leadership expertise



ARCCo

Matimba Mbungela (53)
South African
Appointed in August 2017

- Extensive talent management knowledge and experience
- Expertise in human resources best practice
- International operational experience



ARCCo

Nkateko Nyoka (61)
South African
Appointed in April 2020

- Law and public policy experience
- Corporate governance expertise
- Leadership and stakeholder management



Dejan Kastelic (47)
Slovenian
Appointed in April 2024

- Extensive telecommunications and ICT sector experience
- Diverse international and emerging market experience
- Operational and strategy execution expertise



Raisibe Morathi (55)
South African
Appointed in April 2020

- Diverse international financial experience
- Strategic leadership expertise
- MSA skills



* Justice Thomas Mihayo resigned on 31 March 2025.

* Diego Gutierrez resigned on 1 May 2025.

The demographics of our Board

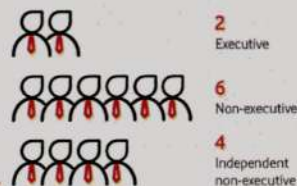
Gender

Female
41.7%

Male
58.3%

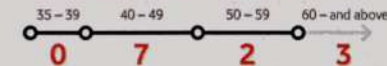
Unitary Board structure

12 members



Board meeting attendance

Age



Tenure



Company Secretary

Caroline Mduma (47)
Appointed in April 2017

- Corporate governance expertise



Who leads us

Our Executive Committee



Philip Besimire (49)
Managing Director
Joined Vodacom in 2022



Hilda Bujiku (46)
Finance Director
Joined Vodacom in 2012



Brigita Shirima (46)
Consumer Business Unit Director
Joined Vodacom in 2012



Epimack Mbeteni (46)
M-Commerce Director
Joined Vodacom in 2014



Athumani Mlinga (57)
Billing and IT Director
Joined Vodacom in 2003



Andrew Lupembe (51)
Network Director
Joined Vodacom in 2007



Olaf Mumburi (48)
Legal and Regulatory Director
Joined Vodacom in 2008



Zuweina Farah (38)
External Affairs Director and
Vodacom Foundation
Joined Vodacom in 2023



Harriet Atweza Lwakatere (47)
Customer Operations Director
Joined Vodacom in 2012



Vivienne Penesis (49)
Human Resources Director
Joined Vodacom in 2018



Nguvu Kamando (50)
Vodacom Business Unit Director
Joined Vodacom in 2002



Tax Agapinus (60)
Risk and Compliance
Director
Joined Vodacom in 2020

The demographics of our Executive Committee

Gender

Female **41.7%**

Male **58.3%**

Age

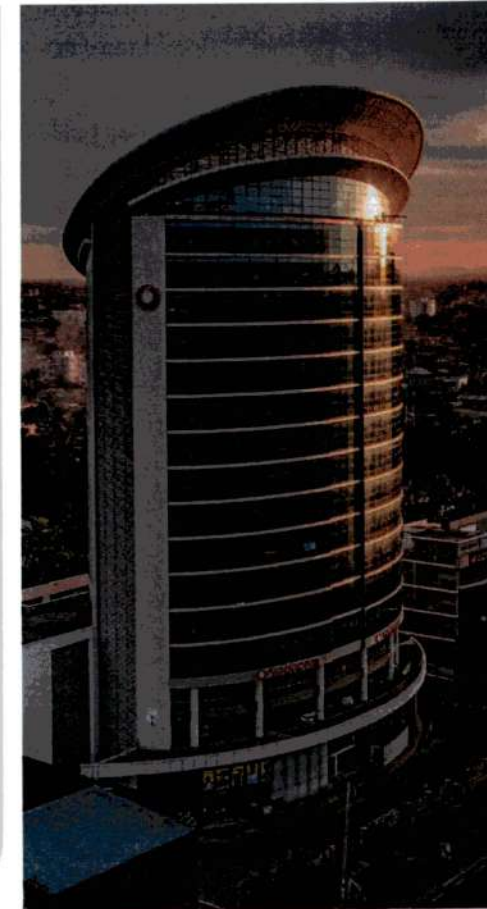


Tenure



Nationality

Tanzanian **11**  Ugandan **1**



Our corporate governance report

Statement of compliance

Vodacom Tanzania Public Limited Company (Vodacom Tanzania) is committed to the highest standards of business integrity, ethics and professionalism.

Corporate governance principles include discipline, independence, responsibility, fairness, social responsibility, transparency and directors' accountability to stakeholders. These principles are entrenched in Vodacom Tanzania's internal controls and policy procedures governing corporate conduct. They are aligned with the Capital Markets and Securities Authority's (CMSA) guidelines on corporate governance practices by public listed companies in Tanzania.

Ethical leadership

The Board accepts collective responsibility for defining how Vodacom Tanzania should implement ethics and ethical behaviour. This includes setting out the conduct for individual Board members to ensure they act with integrity, competence, responsibility, accountability, fairness and transparency. These characteristics set the tone at the top, supporting Vodacom Tanzania's ethical culture.

Board leadership and committees

Board

Vodacom Tanzania has a unitary Board of 12 directors, with four independent non-executive directors (including the Chairman), six non-independent non-executive directors, and two executive directors. The Board is satisfied with the balance of knowledge, skills, experience and diversity.

The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it deems fit. Board meetings are held periodically to review Vodacom Tanzania's strategy and operational and financial performance and provide oversight. Special Board meetings are held as and when required.

The Nomination Committee regularly reviews Board and committee succession to ensure Vodacom Tanzania has the right skills and experience for the future. The Managing Director is responsible for ensuring that key management personnel have the necessary skills, authority and resources to execute Vodacom Tanzania's strategy.

Accountability

The Board takes overall responsibility for Vodacom Tanzania's success. Its role is to exercise leadership and sound judgement in directing Vodacom Tanzania to achieve sustainable growth and act in the best interests of its shareholders.

The following diagram shows Vodacom Tanzania's governance structure as at 31 March 2025



In line with best practice, the Chairman and Managing Director roles are separate. The Chairman is responsible for leading the Board, and the Managing Director is responsible for the operational management of Vodacom Tanzania.

The Board charter details the responsibilities of the Board, which include:

- ➔ Appointing the Managing Director and Finance Director
- ➔ Providing effective oversight of Vodacom Tanzania's strategic direction
- ➔ Approving major capital projects, acquisitions or divestitures
- ➔ Exercising objective judgement on Vodacom Tanzania's business affairs, independent from management
- ➔ Ensuring that appropriate governance structures, policies and procedures are in place
- ➔ Ensuring the effectiveness of Vodacom Tanzania's internal controls
- ➔ Reviewing and evaluating Vodacom Tanzania's risks
- ➔ Approving the annual budget and operating plan
- ➔ Approving the consolidated annual and interim financial results and communications to shareholders, and ensuring appropriate procedures are in place
- ➔ Approving senior management's structure, responsibilities and succession plans
- ➔ Information and technology governance

Directors

Vodacom Tanzania's articles of association specify that all directors are subject to retirement by rotation and re-election by shareholders at least once every three years.

Chairman

The articles of association require the Board to elect the Chairman annually. The Board elected Mr. David Tarimo to serve as Chairman effective April 2025.

Independent advice

The Board recognises that directors may sometimes seek independent professional advice. This is done at Vodacom Tanzania's expense, in accordance with an agreed procedure.

Our corporate governance activities

Vodacom Tanzania Plc

Board meetings

The following table records the attendance of directors at the meetings for the year:

Director	Board		ARCCo		RemCo	NomCo	Total attendance
	Quarterly	Special	Quarterly	Special			
Judge (Rtd) Thomas B Mihayo (Chairman)	4/4	3/3				5/5	12/12
Ms Margaret Ikongo	4/4	3/3	4/4	3/3			14/14
Ms Thembeke Semane	4/4	3/3	4/4	3/3			14/14
Ms Kanini Mutooni	4/4	3/3	4/4	3/3	4/4	5/5	23/23
Ms Raisibe Morathi	4/4	3/3					7/7
Mr Nikateko Nyoka	4/4	2/3					6/7
Mr Diego Gutierrez	3/4	2/3			4/4		9/11
Mr Matimba Mbungela	4/4	3/3			4/4	5/5	23/23
Mr Haytham Ammar	4/4	2/2					6/6
Mr Dejan Kastelic	3/4	3/3					6/7
Mr Philip Besimire	4/4	3/3					7/7
Ms Hilda Bujiku	4/4	3/3					7/7
Total	97.9%	94.3%	100.0%	100.0%	100.0%	100.0%	97.8%



- Sitholizwe Mlalonde resigned as non-executive director effective 1 April 2024
- Dejan Kastelic was appointed as non-executive director effective 1 April 2024
- Suchersan Ramasamy resigned as non-executive director effective 1 April 2024
- Mr Haytham Ammar was appointed as non-executive director effective 1 June 2024

M-Pesa Limited

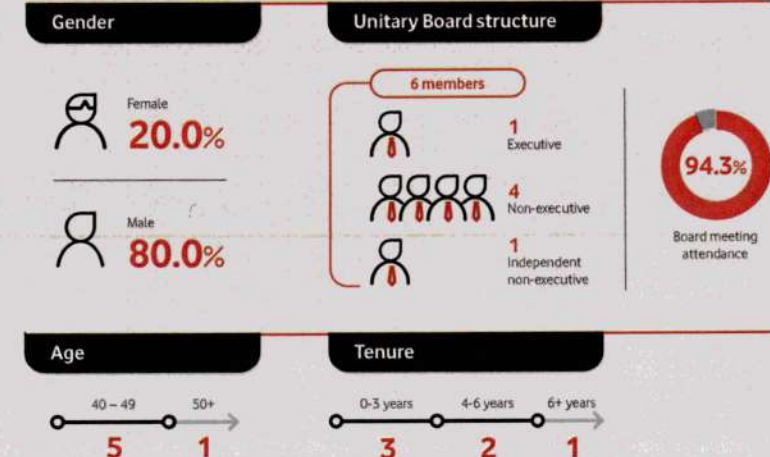
Board meetings

The following table records the attendance of directors at the M-Pesa Limited meetings for the year:

Director	Board		ARCCo		Total attendance
	Quarterly	Special	Quarterly	Special	
Mr Jaffer Machano (Chairman)	1/1	1/1			2/2
Mr Sitoyo Lopokolyit	3/4	1/1			4/5
Mr Epimack Mbeteni	3/4	1/1			4/5
Mr Olaf Mumburi	4/4	1/1	4/4	–	9/9
Ms Hilda Bujiku	4/4	1/1	4/4	–	9/9
Mr Philip Besimire	4/4	1/1			5/5
Total	90.5%	100.0%	100.0%	n/a	94.3%

* Mr Machano was appointed as Independent non-executive director effective 1 February 2025.

The demographics of the M-Pesa Limited Board



Our remuneration approach

Remuneration Committee Chairperson's review

On behalf of the Board and the Remuneration Committee, I am proud to present Vodacom Tanzania's remuneration report for the financial year ended 31 March 2025. This report provides a concise review of our remuneration philosophy and how we applied our remuneration policy over the year.



Kanini Mutooni

At Vodacom, we **reward meaningful value creation** and implement remuneration practices that motivate our employees to execute our strategy and live our purpose. Our remuneration policy sets out the short and long-term incentives that we believe will help us realise this ambition, guided by business targets. Our short-term incentive performance conditions, approved in FY2023, prevail. We monitored conditions to ensure they provide appropriate incentives to achieve our objectives of growth and customer loyalty. Vodacom Tanzania delivered an exceptional performance this year.

To foster loyalty and retain valued employees, we **look beyond financial compensation** and offer benefits that set us apart in a highly competitive market. The positive team spirit across Vodacom Tanzania and its continued leading position within the Vodafone Group for our Team Spirit Index and engagement scores demonstrate the strength of our approach. Our efforts are recognised externally, with the company named Tanzania's top employer for eight consecutive years.

This year, the Remuneration Committee explored the local regulatory and internal requirements for implementing an employee share ownership plan within Vodacom Tanzania. It is our view that this will equip the company with a competitive tool to boost staff motivation and retention while ensuring that employees are well-aligned with the company's strategic objectives. Implementing an employee share ownership plan with our shareholders' support will remain a vital discussion area for the committee in the year ahead.

As a responsible employer, Vodacom Tanzania ensures that **benchmarking informs remuneration**. This year, as part of our annual salary review, we examined the inputs and methodologies used to determine remuneration to ensure these remain fit for purpose and aligned with the company's overall business objectives and sustainability imperatives. This is critical, considering the heightened competition for technical and leadership skills within the rapidly evolving telecommunications sector. As an outcome of the assessment, the Remuneration Committee is confident that Vodacom Tanzania provides fair and responsible remuneration that will continue to attract, retain and motivate executives and employees of the highest calibre.

We continued to make good progress this year to **close the gender gap**. The company maintained its investment in leadership development programmes to empower women and continued to ensure gender equality. I was also impressed to see how gender parity was considered during senior management succession planning. This was not a tick-box exercise but rather an intentional and thoughtful discussion on how women within the organisation can be developed into leaders. These efforts demonstrate Vodacom Tanzania's commitment to ensuring alignment with our purpose in everything we do.

As we look to the year ahead, there are certainly challenges to navigate, and the pressing global geopolitical uncertainty could give rise to unexpected obstacles. However, closer to home, we remain excited about Tanzania's potential, underpinned by a strengthening local economy and significant opportunities in the mobile and data space.

As a growth-oriented company, Vodacom Tanzania is well-positioned to capitalise on growth opportunities, building on its strong fundamentals of attracting, nurturing and retaining talent to accelerate its momentum in the year ahead.

Kanini Mutooni
Chairperson of the Remuneration Committee
15 July 2025

In compiling this report, the committee considered the disclosure requirements of the Capital Markets and Securities Act, 1994. We are satisfied that the report complies with the guidelines on corporate governance practices by public listed companies in Tanzania while being conscious of disclosing individual or market-sensitive information.

We encourage you to read this report and share any feedback on the company's remuneration philosophy and policy.

Our remuneration report

In accordance with the CMSA's guidelines on corporate governance practices by public listed companies in Tanzania, this report discloses Vodacom Tanzania's remuneration policies for executive directors and non-executive directors, specifically the quantum and components of remuneration for directors, including non-executive directors on a consolidated basis.

Our FY2025 remuneration philosophy, policy and framework apply to executive directors:
We aim to attract, retain and motivate high-calibre executives while aligning their remuneration with shareholders' interests and best practice.

Our approach to reward is holistic and balanced across the following elements:

Guaranteed package (GP)
Variable short-term incentive (STI)
Variable long-term incentive (LTI)
Various recognition programmes
Individual learning and development opportunities
Stimulating work environment
Well designed and integrated employee wellness programme

These elements are underpinned and reinforced by our performance development and talent management processes. Our policy is to reward our executives for their contributions to our strategic, financial and operating performance. To be a top employer in our industry, we need to attract, develop and retain top talent and intellectual capital locally and internationally.

Executive directors adhere to a total cost-to-company philosophy, referred to as the GP. We include contributions to medical aid, retirement funding and insured benefits in the GP.

We conduct annual remuneration benchmarking and award GP increases according to the market, individual performance and potential. We determine individual performance and assess potential through talent management and performance development processes. The outcome of these processes also influences the awarding of future STIs and LTIs.

Our short-term incentive, an annual cash bonus, is linked to achieving financial, strategic and operational objectives and the executives' performance against their objectives. The pool for STIs is determined by the company's financial performance against previously set and agreed targets.

Executive directors who are seconded to work for Vodacom Tanzania are subject to Vodacom LTI scheme, where an annual allocation of Vodacom Group Limited shares is made by their employer. This encourages ownership and loyalty and supports our objective to retain valued employees. The scheme is a full ownership scheme; as a result, participants receive dividends from the award date. The value of the shares can only be realised after a three-year vesting period to the extent that the vesting conditions have been met.

Remuneration disclosure of executive and non-executive directors

Remuneration review and remuneration policy compliance

Executive directors' remuneration was reviewed, considering market benchmarking and risks associated with retaining key management personnel.

The disclosures presented in this integrated report are based on awards to qualifying directors where all remuneration decisions were

made in compliance with the remuneration policy, as approved by shareholders. There were no known deviations from the policy in FY2025.

FY2025 executive and non-executive directors' remuneration (in US\$)

The disclosure of executive and non-executive directors' remuneration is summarised below and reported in note 35 (related parties) of the consolidated annual financial statements on page 134.

These amounts represent gross remuneration in US\$, inclusive of all taxes (including withholding tax) and are payable in Tanzanian shillings for local directors, South African rand for South African directors and United States dollars for other directors. Payments are made quarterly in arrears for a minimum of four ordinary meetings per annum, three special Board meetings, and an AGM or any extraordinary general meeting as required. In the event of resignation, directors are paid on a pro-rated basis up to the resignation date.

Directors	Board	ARCCo	RemCo	NomCo	Total
TB Mihayo	150 000				150 000
M Ikongo	30 000	15 000			45 000
K Mutooni	30 000	8 000	12 000	3 000	53 000
T Semane	30 000	8 000			38 000
D Gutierrez	30 000		4 000		34 000
M Mbugela	30 000		4 000	3 000	37 000
N Nyoka	30 000				30 000
D Kastelic	30 000				30 000
H Ammar	30 000				30 000
R Morathi	30 000				30 000
H Bujiku					-
P Besimire					-
					477 000

Managing Director's review

Philip Besiimire

Vodacom Tanzania is a purpose-led company that strives to connect people for a better future. I am proud to report that this year we made outstanding progress towards realising this ambition. Having achieved Vision 2025, we are well placed to deliver on Vision 2030.

Proudly reflecting on last five years

Over the past five years, we have worked towards bringing our purpose to life through technology and delivered on our business objectives.

- Our sustained investment in network and IT platforms of around TZS2 trillion, supported a 14.9% increase in number of total sites, with a notable 4G sites increase of nearly 150% and smartphone users growth of more than 150%
- Our broadband coverage grew from 49.2% to 69.4%, further bringing more Tanzanians into the digital economy and in turn reducing the digital divide
- Our investment in network over the years has supported growth in customer usage. This year, our network carried 98.7% higher annual minutes and almost three times higher annual megabytes compared to FY2020
- Our customer base has grown by 46.0%, M-Pesa customers have increased by 72.3% and data customers are now 53.8% higher. This growth was supported by a 13.2% increase in our workforce
- From a starting point of zero, we connected over 470 000 businesses on our Lipa Kwa M-Pesa digital payments' platform, facilitating the government's agenda for a cashless economy and supporting economic growth

The growth in these performance indicators supported a strong business performance. We achieved an 8.1% service revenue compounded annual growth and a 14.6% compounded increase in profit after tax. This growth has resulted in increased returns to our shareholders.

1. Calculated using a five-year compound annual growth rate formula.

The year in review

In FY2025, we remained committed to **empowering people**, using our innovative products, services and technologies to positively impact lives through connectivity and financial inclusion.

Our **M-Pesa** portfolio has several empowering products, including:

- Lipa kwa Simu, which supports businesses through facilitating digital payments
- Digital financing options like Songesha
- Term loans that help customers and small businesses manage their short-term financial challenges

Our wealth management product, **M-Wekeza**, was launched in November 2024 in partnership with Sanlam Investments East Africa-Tanzania. This one-stop mobile investment platform makes it easier for people to invest and grow their wealth through investments in financial assets, executed through fund managers. Customers invested nearly TZS25 billion in five months, reflecting a strong uptake and trust in the product.

We achieved great momentum with increasing uptake of our group savings product, **M-Koba**. M-Koba offers unique security and transparency features for members in communal savings groups. This customer-centric solution encourages saving behavior. In FY2025, customers savings in M-Koba doubled year on year. This is an indication of a strong acceptance of M-Koba as a reliable solution for safeguarding communal savings and empowering societies, particularly women, who form the majority of our M-Koba customers.

As part of our commitment to **protecting the planet**, we focused on transforming our infrastructure to reduce energy consumption and the use of fuel-powered generators while increasing the use of renewable energy. We continued to introduce energy-efficient systems across our network and IT infrastructures and offices. This effort led to a reduction in energy usage by 2 861MWh (including reduction in electricity usage of 1 500MWh), while greenhouse gas (GHG) emissions reduced by 787.57 tCO₂e. Through the annual Vodacom Twende Butama Cycling Tour, we planted over 50 000 trees as part of our advocacy for climate action, rooted in communities.

Our transparent and ethical relationships with customers and key stakeholders help us deliver on our third pillar of **maintaining trust**. Our customer relationship philosophy is built on transparency, safety, rewarding loyalty, and service excellence. Beyond our work to empower people and protect the planet, we undertook several initiatives to reinforce our commitment to our customers and the community as a trusted partner. These included educational campaigns on reducing excessive data usage, tips on security for money stored in M-Pesa and awareness on cyber security to university students.

Millions of customers trust us with their personal data and financial resources. Thus, acting with integrity and enhancing trust through compliance with laws and regulations is non-negotiable. We continued to invest in artificial intelligence (AI), CVM, and machine learning to enhance security and privacy in our network. We raised awareness among our employees and partners on the importance of customer data privacy, in line with Tanzania's Personal Data Protection Act, 2022 (PDPA). Vodacom was among the first entities to receive the Data Processor and Controller Registration Certificate at the Personal Data Protection Commission's inauguration in April 2024, which was presided over by Her Excellency Dr Samia Suluhu Hassan, the President of the United Republic of Tanzania. I am pleased that our ethical and purpose-focused business practices are visible and recognised, and they foster a trusting relationship with our stakeholders.

Throughout the year, our professionalism was also acknowledged by various regulatory bodies. To mention a few, we received an award from the Dar es Salaam Stock Exchange for our sustainable business practices and another from the National Board of Accountants and Auditors recognising the high quality of our financial reports.

These examples illustrate our team's efforts to continually hold our purpose at the centre of who we are, what we do and how we operate in the marketplace. I invite you to read more about our performance against our purpose-led commitments throughout this report.

We made good progress against our business strategy this year, which focuses on driving growth through new businesses while protecting the core.

We continued to **grow mobile**, which remains the anchor of our business and a key driver of our ongoing commercial momentum. We ended the year with 15.7% growth in our customer base to 22.6 million¹ and a 19.0% increase in data users. Of the data users, over 70% were smartphone users, enabling us to leverage the strength of our underlying fundamentals to deliver on our digital

1. In accordance with Vodacom Groups definition of customers.
2. TCRA's Authority's quarterly communications statistics as at March 2025.

inclusion ambitions by investing in connectivity and smartphone adoption. As a result, we reaffirmed our market leadership position with a 31.9%² customer market share.

We invested **TZS175.0 billion in infrastructure** this year, supporting the modernisation and expansion of our network and IT capability. We rolled out 471 new 4G sites, including 126 sites in collaboration with the Universal Communications Service Access Fund (UCSAF), to connect underserved areas. We completed capacity upgrades for 286 4G sites to enhance customer experience. We grew the number of smartphone users on our network by 33.4%, supported by our in-trade partnerships and device financing scheme. Our ongoing investment, coupled with a focus on smartphone adoption, supported a nearly 50% increase in 4G data traffic, with more than 80% of our total data traffic carried on our 4G network. The transition of data usage to more advanced technologies relieves capacity constraints and enhances customer experience across our products.

We continued to make significant contributions to narrowing Tanzania's digital divide and promoting financial inclusion through **expanding and accelerating M-Pesa growth**. As previously mentioned, M-Pesa is central to executing our purpose and a key driver for service revenue growth and diversification. This success is driven by robust performance across all underlying metrics and collaborative efforts with our partners. M-Pesa revenue grew by 29.3%, driven by a 33.8% increase in the value transacted as well as growth in customers.

Alongside growth in our core services of peer-to-peer payments and cash-in/cash-out transactions, we focused on growing our new services, and I am pleased with the results achieved.

- Users of advanced mobile financial services, including lending, savings and insurance grew by 14.8%
- Our Lipa Kwa Simu platform has over 470 000 merchants, and processed payments averaged more than TZS1 trillion per month, representing a more than 50% growth
- Government collections through more than 800 M-Pesa collection accounts increased by nearly 30%
- Close to TZS3 trillion were loaned out to nearly half of our M-Pesa customers and several businesses through our short-term financing options of Songesha overdraft and short-term loans, with over half of the value benefiting small businesses for sustaining their operations

M-Pesa services' growth reflects its acceptance as an enabler of a secure cashless economy, and its strength as an economically empowering tool, especially for the unbanked population.

We continued our efforts to **relentlessly pursue fixed services and innovate and lead in enterprise**, which we identify as an area with enormous potential for growth.

Our **enterprise business** had a strong year, supported by scaling of fixed services. We leveraged our investment into superior fixed wireless access connectivity solutions, connecting homes and businesses across Tanzania to deliver fixed customers growth of more than 40% year on year. Notably, our investment in developing relevant, bespoke value propositions that serve the needs of small and medium-sized enterprises is showing encouraging returns. We continued to see promising potential in scaling our IoT platform, which provides valuable opportunities for tracking-related services in various sectors, including utilities, transportation, trade and agriculture.



Managing Director's review continued

Complementary to our retail business, we continue to make progress towards **extracting wholesale value** from our extensive available assets in network, fibre, cloud and data centres. This area shows promising potential as another exciting growth opportunity. During the year, we continued expanding our market share, especially in connectivity services to internet service providers (ISPs) in Tanzania.

Our strong commercial execution against our strategic priorities ensured we maintained our leading position in customer NPS throughout the year, ending with a sustained and expanded double-digit points lead over our closest competitor in headline NPS. These results demonstrate our ongoing ability to **maintain and leverage our brand position**, while deepening brand loyalty among our stakeholders by further enhancing the customer experience, future-proofing our network infrastructure and delivering on our purpose.

A satisfying execution of our strategy resulted in a pleasing financial performance.

Service revenue grew by 20.5%, underpinned by customer growth and increased uptake of our products and services. Particularly encouraging is the strong revenue growth in our key growth pillars of M-Pesa, which grew 29.3%, and mobile data service which is up 21.6%. M-Pesa is driving notable revenue diversification with growth in new services outpacing growth in our more mature service offerings. This trend lays the groundwork for achieving sustainable growth. Our cost-saving measures delivered TZS59.2 billion of savings. The cost savings together with our top-line performance, supported operating profit growth of 55.0% and a net profit after tax increase of 69.4% to TZS90.5 billion.

Given this healthy financial performance, we are pleased to recommend that the Board propose a **final dividend equivalent to 50% of our profit after tax**, in accordance with our stated dividend policy.

Looking ahead

We look forward to a continued stable political and regulatory environment that is key in providing a conducive atmosphere for investment and business operations, with an opportunity for us to connect more Tanzanians to a better future in line with our Vision 2030.

Our Vision 2030 is anchored in our purpose of empowering people, protecting the planet and maintaining trust. We intend to focus on elevating customer experience, innovating for growth and investing in strategic enablers for growth and efficiency. With this focus and favourable environment, we are well poised to continue growing in mobile, M-Pesa and enterprise. I am optimistic about opportunities to further scale our wholesale, IoT, enterprise and fixed businesses.

We aim to enhance our product portfolio and leverage partnerships to offer a wider range of services, enabling more Tanzanians to access connectivity and financial services through M-Pesa. This aligns well with the government's Digital Economy Strategic Framework 2025-2035. We are investing in artificial intelligence, analytics and hyper-personalization systems to offer our customers a customised experience while maintaining customer data privacy.

Providing a reliable data network remains critical for advancing access to digital services. We will continue building and leveraging existing partnerships to execute and connect more Tanzanians to the digital world. In accelerating this, we will continue to ensure that customers can access affordable smartphones through direct channels and partnerships.

We are committed to sustainable business practices, supporting industry stability and healthy competition. We will continue to focus on cost management for profitability growth, while empowering women through equal opportunities and contributing to protecting the environment.

Appreciation

As our story unfolds, we must acknowledge the contributions of those who have guided us. Firstly, our outgoing Board Chairman, Justice Thomas Mihayo, has provided great leadership and service to the company. After five years as Chairman, Judge Mihayo has elected to step down from the role and retire. On behalf of the Vodacom family, I extend our appreciation for his dedication and hard work over the years. He has left behind a healthy, purpose-led business with strong momentum. At the same time, we warmly welcome our incoming Board Chairman, David Tarimo.

I would like to extend our sincere gratitude to Mr. Sudhersen Ramasamy and Mr. Diego Gutierrez for their service on the Board. Mr. Ramasamy resigned in April 2024 as part of the standard changes in directorship, in accordance with his primary responsibilities at Vodacom Group, while Mr. Gutierrez resigned in May 2025 to pursue other opportunities outside the Vodacom family. We are pleased to welcome Mr. Haytham Ammar in the Board, succeeding Mr. Sudhersen, and we look forward to his contribution.

Lastly, I thank all our teams and our partners for their unwavering commitment to our success. Together, we will continue to delight our customers with the best experience in our services, while delivering improved returns to our shareholders.

I look forward to another exciting and rewarding journey in the year ahead, culminating in five years of our Vision 2030. We have the right strategy, capabilities and team to sustain our momentum and support our ambition of connecting Tanzanians for a better future through our core connectivity business and financial services via M-Pesa.

Let us keep winning – together we can!

Philip Besiimire
Managing Director
15 July 2025



Our investment case

Our value creation potential is aligned with our purpose – to connect for a better future. Operating in a dynamic and rapidly digitising economy, we believe we can make a substantial contribution to Tanzania's socioeconomic development through our consumer and enterprise customer offerings. In addition to creating a positive societal impact, we see opportunities to enhance our financial performance and generate sustained revenue growth and shareholder returns over the medium and long term.

Our key value drivers

We are Tanzania's leading mobile network operator (MNO) and the only publicly listed MNO

- Preferred service provider (with over 95% voice population coverage and largest mobile money network)
- Growth and performance mindset to deliver value creation and leverage scale, supporting strategic investments
- Strong cash flow and robust balance sheet, driven by revenue diversification and cost containment
- Well-established differentiator as part of Vodafone Group, a leading global brand

We have a trusted and disciplined management team

- Incentivised to create long-term value and deliver on key strategic and ESG variables
- Experienced management with a strong execution track record
- Stable dividend policy

We are a responsible corporate citizen

- Purpose-led business model
- Committed to the highest standards of business integrity, ethics and professionalism
- An active government partner in supporting government programmes in health, education and communications – including reaching the underserved population
- Top Employer Tanzania 2025 and Top Employer Africa 2025 – Number one top employer (Top Employers Institute)

We see meaningful growth opportunities across connectivity, digital and financial services

Unlocking growth in connectivity

Tap into Tanzania's major digital adoption opportunity, backed by a young, growing population and strong and stable gross domestic product (GDP) growth

Leveraging Africa's largest FinTech platform

Expand our M-Pesa ecosystem, supported by our modern M-Pesa platform and M-Pesa Africa resources

Becoming the digital partner of choice

Scale our fixed services and IoT platform to connect public institutions, homes and enterprises

Driving competitive customer offers

Harness artificial intelligence (AI), machine learning and CVM to deliver customised offers, boost revenue and optimise costs

Accelerating data and smartphone penetration

Smartphone penetration of 35.3%¹ presents a potential to increase smartphone adoption

Pursuing a clear medium-term growth ambition

Target high single-digit to early double-digit service revenue growth

1. TCRA Quarterly Report - March 2025.

How we create value:

Our profit formula

We generate profit by investing in our mobile and fixed networks to attract and retain consumer and enterprise customers with compelling voice, data, messaging, financial and digital products and related services.

Our competitive differentiation lies in the reach and quality of our network and infrastructure, our strong distribution channels, the innovation and range of our products and services, the quality of our relationships with key stakeholders, our proven ability to manage costs and the strength of the globally recognised Vodacom brand.

Our revenue

Most of our revenue comes from selling mobile telecommunication and digital services to prepaid customers, and we generate fee income from providing mobile financial services to consumers, merchants and other industry players. We generate the balance of revenue from other products and services we sell across our consumer and enterprise customer bases. These include digital and financial services, fixed and IoT, all underpinned by our Big Data, loyalty and CVM capabilities. We focus investment across our key strategic drivers – mobile and fixed data, M-Pesa, digital and VAS, and enterprise. We expect these drivers to yield strong growth, significantly offsetting the decline of our more mature and traditional revenue streams, such as mobile voice and messaging.

Key revenue differentiators

- A dedicated and strong customer focus
- Globally recognised and established brand with a strong reputation across Tanzania
- Leading mobile financial service offering (M-Pesa), supported by a world-class payment platform and highly innovative solutions
- Diversified revenue streams with a rising share of new growth areas (in mobile and fixed data, M-Pesa and digital)
- Innovative and progressive product portfolio enabling individuals inclusivity and economic empowerment
- Superior network with extensive voice and data coverage and state-of-the-art technology
- Largest retail footprint in Tanzania's telecommunications sector
- Leading provider of fixed and mobile communications services to Tanzania's large enterprise market
- Demonstrated ability to harness machine learning and CVM platforms to develop personalised offers that better suit customer needs and behaviour
- Ability to leverage our relationship with Vodacom and Vodafone to drive global best practice
- Our best-in-class customer service support systems

Service revenue	FY2025	FY2024
Voice	20.5%	22.7%
Data	27.8%	27.6%
M-Pesa	38.9%	36.3%
Fixed	2.8%	2.4%
Other	10.0%	11.0%

Revenue split	FY2025	FY2024
Advanced services ¹	29.1%	25.1%
Traditional services	70.9%	74.9%

1. Advanced services include digital and VAS, fixed, IoT and M-Pesa revenue (excluding cash out and peer-to-peer transfers).

Our costs

We have a strong track record of optimising expenses and converting revenue into cash flow. This track record is supported by a culture of cost containment across the business through our cost transformation initiatives.

We have delivered considerable cost savings in recent years by enhancing efficiencies in our distribution channel costs and network operating expenditure. We attained this through renegotiating contracts in network maintenance, billing and IT, optimising publicity spend, and providing a leaner, more efficient business through organisational restructuring.

Our resulting strong cash flow helps us maintain a high level of capital re-investment, primarily in our network infrastructure, to maintain our competitive position in network coverage, call quality and data speed. We continue to allocate investments to directly support commercial strategies and projects that enhance our customers' experience.

Key cost differentiators

- Proven track record of running effective cost-saving initiatives, with over TZS59.2 billion costs saved in FY2025
- Ability to optimise costs through efficient use of robotic process automation (RPA) and investments in Big Data and AI
- Leveraging global best practice on cost optimisation through our relationship with Vodacom Group and Vodafone Group
- Continuously upgrading and modernising our network to deliver improvements in operating costs through more efficient technologies and network innovation
- Benefiting from the purchasing power of the Vodafone Procurement Company
- Robust governance processes for approving new or revised products and investments
- Strong relationships with suppliers built on trust and win-win partnerships

Our business model

Our purpose-driven business model illustrates how we create and sustain value by investing in resources and relationships that enable us to connect for a better future and deliver on our strategy.

Our key inputs for FY2025¹

FC Financial capital

Our strong cash flow generation and robust balance sheet, supported by long-term investors

- TZS1 724 billion market capitalisation (FY2024: TZS1 724 billion)
- TZS425.4 billion net debt (FY2024: TZS183.3 billion)

MC Manufactured capital

Our network footprint, including mobile base stations, transmission infrastructure, fibre and distribution channels

- 3 704 network sites (up 6.4%)
- 2 717 km of self-built fibre (up 5.0%)
- More than 180 000 nationwide retail points, and more than 250 000 freelance distributors and M-Pesa agents
- TZS175.0 billion CAPEX investment (up 2.9%)

IC Intellectual capital

Our spectrum resource, brand, reputation and investment in the latest technologies and modern digital systems

- Focused execution of our strategy, underpinned by our agile, performance-based, purpose-led culture
- Intelligent decision-making driven by Big Data capabilities
- Robust and transparent governance systems, including appropriate cyber security baseline controls
- Radio spectrum: 700 MHz, 800 MHz, 900 MHz, 1 800 MHz, 2 100 MHz, 2 300 MHz and 2 600 MHz bands for mobile, and 2 300 MHz and 3 500 MHz for fixed 4G and 5G

SRC Social and relationship capital

The quality and strength of our relationships with a diverse group of stakeholders

- 22.6 million customers (up 15.7%)
- Constructive and ongoing engagement with government, regulators and tax authorities, informed by mutual trust
- Transparent reporting and interaction with investors
- Trusted relationships with global and local suppliers

NC Natural capital

The natural resources we use in our daily business activities

- Total electricity consumed: 130.8 GWh (FY2024: 88.8 GWh)
- Water used: 22 288.5 kilolitres (FY2024: 25 304.5 kilolitres)
- Diesel fuel used: 9 678 kilolitres (FY2024: 9 176 kilolitres)
- Refrigerants and fire suppressants: 520 630 kg (FY2024: 121 360 kg)
- Plastics, paper and related inputs

HC Human capital

Our high-performing, customer-focused, engaged leaders and workforce

- 623 employees (FY2024: 607)
- Experienced executive management team and strong Board
- Focus on reskilling employees and investing in development programmes
- Innovative and agile company culture

Our business activities



Our outputs

Products and services

Our outputs include our products and services aimed at consumers and enterprise customers. These products and services range from voice, data, messaging, financial services (M-Pesa) and enterprise solutions.

PG Read more about our products and services on page 5

Other waste streams

Our waste outputs include our GHG emissions and network waste.

Scope 1 and 2 market-based GHG emissions
26 833 tCO₂e

520.6 tCO₂e of total refrigerants and fire suppressants replenished – an increase of over 200%

36.5 tonnes of plastic from SIM cards bought

58.4 tonnes of paper through scratch cards consumed

Our key outcomes for FY2025

Value created Value eroded Value sustained

- FC** Service revenue up 20.5% to TZS1.5 trillion
Good progress in revenue diversification
55.0% increase in operating profit to TZS208.2 billion
Generated TZS90.5 billion profit after tax
TZS206.9 billion operating free cash flow
TZS598.3 billion paid in dividends since listing eight years ago and TZS45.3 billion proposed for FY2025
TZS17.7 billion in foreign exchange losses
Total expenses increased 17.1%, reflecting business growth
TZS59.2 billion cost saving
- MC** TZS175.0 billion capital expenditure investment to maintain and modernise our network and IT infrastructure
Seven new 5G sites, 471 new 4G sites and 321 new 3G sites
Network resilience supported close to 50% growth in 4G data traffic, with over 80% of total data traffic carried in the 4G network
Double-digit lead on combined network performance NPS
Acquired access to Smile's 2x10MHz of 800MHz and 2x10MHz of 2 600MHz spectrum
- IC** Agile business processes implemented across business units
Leading in customer NPS with a double-digit lead gap over the nearest competitor
Ongoing enhancement of our IT and related systems and processes to support machine learning analytics and cyber security
Various awards for customer service (page 46)
Development of personalised offerings with AI deployment
- SC** Continued investment in ensuring a positive and segmented customer experience
TZS1.7 trillion total cash contribution to public finances over the last three years
Enabling financial inclusion and empowerment through M-Pesa customers
Built 422 sites in collaboration with the UCSAF since year 2013, supporting the government's digitalisation agenda
Delivering societal value through connectivity and digital services in areas such as inclusive finance, education, health and agriculture
Numerous social investment initiatives (pages 54 to 60)
- NC** 34.4 tonnes of plastic waste prevented by converting to half SIMs
242.2 tonnes avoidance in paper use through electronic recharges¹
TZS1.4 billion invested in energy efficiency projects, 1.500 MWh of electricity usage saved and 2 861MWh total energy saving – contributing towards Vodacom Group's goal to achieve net zero GHG emissions from operations (scope 1 and 2) by 2035
Ongoing rollout of energy efficiency projects at our data centres
- HC** Competitive remuneration and personal development opportunities, with TZS90.4 billion spent in wages and benefits
TZS1.9 billion invested in employee training and leadership development, including upskilling employees for digital transformation
Top Employer Tanzania award for eight consecutive years
Top operator across Vodafone Group for Team Spirit index and engagement scores
Sustained development of female leaders, with 47.1% female representation in senior management
Sustained focus on employee, contractor and supplier safety, with no work-related fatalities for 13 consecutive years

¹ Estimated under the assumption that what if all electronic recharges would have been recharged using our best-selling paper voucher.

Our trade-offs

Interdependencies between the capitals we rely on require trade-offs, resulting in value creation, preservation or erosion. We carefully consider our trade-offs as we manage the availability, quality and affordability of capitals in the short, medium and long term.

Capitals impacted:	Strategic response:
Managing short and longer-term workforce transformation Attracting, retaining and developing talent in a highly competitive industry remains one of our most significant business costs, becoming even more critical amid intensifying competition for scarce skills. While this investment impacts financial capital in the short term, it is essential to driving longer-term value across all capitals. As we continue to evolve as a digital-first company and harness the potential of AI, some traditional job functions may come under pressure. However, this transformation creates new opportunities, particularly through our reskilling programmes, which equip employees for emerging roles. Striking a balance between efficiency gains and the broader human and social costs of workforce changes is a persistent potential trade-off and ongoing business priority.	FC IC HC Retain and develop a high-performing team PG 51
Balancing short-term costs with longer-term gains related to network and IT infrastructure investment As a purpose-driven organisation, we believe an extensive mobile network is needed to bridge the financial and digital divide and share the substantial social and economic benefits of digital connectivity. However, building and maintaining our network and IT infrastructure requires significant financial capital and relies on natural capital inputs. An important trade off involves balancing the short- and long-term costs and benefits – ensuring that substantial long-term gains are not sacrificed for short-term benefits. For example, spectrum investment temporarily drains our financial resources but benefits the company and our customers over time, ultimately improving shareholder returns. As we recognise that natural capital is critical to generating value across most capitals, we continually look for immediate and longer-term opportunities to reduce the environmental impacts of our network and IT infrastructure. We are also exploring how we can leverage our strong stakeholder network and use our products and services to deliver lasting positive environmental outcomes.	FC NC Technology leadership in network and IT PG 49 Protecting the planet PG 57
Managing the impact of volatile foreign currency exchange rates and availability There is sustained pressure on Tanzania's foreign exchange reserves, mainly driven by global macroeconomic fundamentals contributing to fluctuations in local currency exchange rates against other major global currencies. This pressure resulted in substantial foreign currency losses for Vodacom Tanzania in FY2025, amounting to about TZS18 billion, impacting our spend which is locked and governed in the local currency. This impact refers to both increased costs as well as higher purchasing costs for imported goods and equipment as a result of a shilling depreciation. Responding to this challenge required bold decisions regarding capital allocation and a focus on employing smart CAPEX deployments to stay ahead of fierce market competition and the changing expectations of a more demanding customer base. It further required us to carefully manage our supplier relationships to maintain trust and implement measures that fostered win-win partnerships. Key strategies employed in FY2025 included limiting US dollar-based operating expenditure, including contract renegotiations where possible, and entering into foreign exchange forward contracts. We leveraged on support and resources in Vodacom Group's treasury division to enhance cash flow management.	FC MC IC SRC HC Finance Director's review PG 62

Our operating context

We operate in a dynamic environment across multiple business sectors – including telecommunications, digital and financial services. While our operating context exposes us to potentially profound challenges, it also presents opportunities for innovation and growth.

We identified broad trends in our business environment that impacted our activities in FY2025. Our success depends on our resilience to these external factors, and our strategic response outlines how we manage the risks and realise the opportunities associated with each of these trends.

Resilient domestic growth in an increasingly challenging global macroenvironment

Global instability, geopolitical conflict and escalating trade tensions are placing increased strain on already pressured global supply chains, impacting access to technology. While we remain mindful of these risks, our business benefitted from Tanzania's largely stable and growing economy throughout FY2025. The following trends provide an overview of Tanzania's business environment from December 2023 to March 2025:

5.5%
GDP growth,
up from 5.1% in 2023¹

Broadly stable inflation
at 3.3%²

Strong engagement between the government and the private sector, supported by business reforms that encourage investment and inclusive private sector-led growth

Development expenditure consistently account for about 30% of the Tanzanian government's budget³ – it includes transportation infrastructures (such as railway and train engines and wagons, roads and airports), electricity distribution, clean water and investment in manufacturing, job creation and supporting local and regional trade

Local currency fluctuation, with **sustained pressure on Tanzania's foreign exchange reserves**.

Tanzania's **economic outlook remains positive** with GDP growth for the 2025 calendar year projected at around 6%⁴. Major downside risks include intensifying geopolitical tension and regional conflicts, increased commodity price volatility, sluggish global growth and climate shocks.

Our response

- PG Read more about how we promote inclusive economic growth and development to support Tanzania's long-term prosperity on Page 54 to 60
- Read more about how we deliver strong social value, through our enterprise business, in critical areas such as agriculture, health and education on Page 44
- Read more about how we prioritise sustained investment in infrastructure that supports the **delivery of our business objectives and purpose** on Page 49
- Read more about how we manage volatile foreign currency availability through strategic capital allocation and proactive supplier engagement on Page 28

1 National Bureau of Statistics: Highlights on the fourth quarter (October – December) GDP 2024 base year 2015
2 National Bureau of Statistics: National Consumer Price index for March 2025.
3 Ministry of Finance 2024-25 Budget Speech
4 World Bank Group, Tanzania overview, April 2025 and International Monetary Fund – Country data – Tanzania at a Glance



Our operating context continued

A broadly stable regulatory and policy environment

Due to the telecommunications sector's significant contribution to economic development, MNOs face regulatory scrutiny in almost all African markets. In Tanzania, our operations are shaped by two principal regulators – the TCRA and BoT. While our regulatory and policy environment is complex, it remains stable, and we are encouraged by improved engagement between business, government and regulators. The most significant recent regulatory and policy developments include –

Ongoing monitoring of reductions in mobile termination rates

In July 2023, the TCRA issued the Interconnection Rates Determination No.6 of 2023, which was applicable retrospectively starting January 2023. The determination provided a glide path to decrease the voice call termination charges per minute for local calls to the end of December 2027:

	1 January 2024	1 January 2025	1 January 2026	1 January 2027
Rate per minute (TZS)	1.76	1.68	1.60	1.52

Our response

The reduction in mobile termination rates did not have a material impact on our financial results in FY2025.

PG Read more about our response on Page 63

Spectrum Auction

On 3 February 2025, the TCRA issued a draft Information Memorandum on its plan to license new spectrum in 3 600MHz to 3 800MHz frequency band through a spectrum auction. Reserve prices are proposed at TZS50 billion (USD12 million) per 1x50MHz block, and the date of the spectrum auction is currently planned to be 10 July 2025.

Our response

We are reviewing our options regarding participation in the auction.



An competitive market

We operate in one of Africa's most competitive telecommunications markets. In addition to Tanzania's five MNOs, there is heightened competition from new competitors and disintermediation. This intense competition has resulted in sustained pricing pressure especially on voice services, narrowing the already tight operating margins. There has also been a rapid increase in competitor activity related to broadband network investment and expansion to attract customers and gain market share. There is a risk of potential new entrant(s) in communication services as a result of amendments to the Electronic and Postal Communications Act (EPOCA) licensing regulations which now allows satellite based operators. Encouragingly the data prices and mobile financial services tariffs have been relatively stable, which is an important ingredient for long-term investment. However, the FinTech space is also experiencing a growing competition from banks through their mobile applications, and potential tariffs' regulations which may impact performance.

Our response

- We continue expanding our product portfolio with innovative services including segmented offers powered by our strong CVM and machine learning capabilities, that attracts new customers and ring fence our base from competition
- We are also evolving our product portfolio to include more products that addresses particular challenges – 'solution based products', which are powerful in acquiring and retaining customers
- We continue leveraging and building on our multi-product offering capabilities – Our 'system of advantage' to enhance customer experience and execute on our purpose, anchoring our market leadership
- We engage with the government and relevant stakeholders in dialogues that aim at stabilising returns and supporting investments in this highly capital-intensive industry
- We are monitoring competitors and exploring opportunities for innovative partnerships that would enhance our competitive advantage

PG Read more about our focus on providing segmented personalised offers and a differentiated customer experience on Page 39
Read more about how we enrich our product portfolio with powerful, transformative and sticky M-Pesa products on Pages 40 to 42

Seizing commercial opportunities in bridging the digital divide

With a young, growing and increasingly urbanised population, Tanzania offers significant opportunities for developing and rolling out enhanced connectivity and digital services. These opportunities include driving digitalisation in finance, education, agriculture, e-commerce and health. The following trends provide an overview of Tanzania's digital profile:

72.0%
individual
internet penetration¹

35.3%
market
smartphone
penetration¹

Opportunity to
support
e-commerce
growth

97.5%
of the population has a mobile
money account linked directly
to a phone number²

22.2%
of the population are financial
institution account holders²

Our response

PG Read more about how we are developing industry-specific digital products and services on Page 44
Read more about how we are investing significantly in our network IT and infrastructure on Page 49
Read more about we are supporting network rollout in underserved areas through UCSAF on Page 49

Our key relationships

Our ability to deliver meaningful long-term value depends on the contribution and activities of diverse stakeholders and the strength and quality of our relationships with them.

The table below outlines the stakeholder groups that substantively impact our ability to create value. For each stakeholder group, we outline their contribution to value creation, how we engage with them and the issues they consider most important in relation to our business.



 Customers Provide the basis for revenue growth by purchasing our products and services	Interests and expectations • Best-value offerings • Faster data speeds and wider network coverage • Simpler and quicker interactions with us • Converged solutions for business customers • Privacy and protection of personal information • Timely resolution of service-related issues • Secure M-Pesa transactions • Personalised customer service • Transparent data usage • Readily accessible services • Inclusive access to services for people with disabilities	How we engage • Call centres, retail outlets and online channels • M-Pesa super-app, USSD code, self-help channels • NPS feedback, interviews and focus groups • Social media interaction • Educational videos on products via Vodatube • Vodacom Tanzania website
 Government and regulators Provide access to spectrum and operating licences, the basis for creating value	Interests and expectations • Effective use of spectrum as a strategic resource • Regulatory compliance on customer registration, mobile termination rates, service quality, price, security, privacy, safety, health and environmental protection • Contribution to socioeconomic development • Contributions to public finances • Industry development and stability • Establishment and maintenance of fair market practices	How we engage • Participation in public forums • Participation in efforts to reach the underserved areas • Engagement on draft regulations and bills • Engagement through industry bodies • Publication of policy engagement papers • Partnering on key programmes such as inclusive education, inclusive growth in agriculture and inclusive climate action
 Employees Provide the skills and inputs needed to realise our vision and purpose	Interests and expectations • Opportunities for personal and career development • Competitive remuneration and benefits • Knowledge sharing across the Group • Development of leadership and coaching capabilities • Clarity and transparency of reward structures • Occupational health and safety • Opportunities for employee voice and being heard • A safe and inclusive working environment	How we engage • Internal website, newsletters, internal magazine and electronic communication • Employee hotline/Speak Up line • Engage app • Leadership road shows • Engagement surveys • Online training • Executives' discussions – fireside chats • Health and welfare consultations as needed

 Investors and analysts Investors provide the financial capital needed to sustain and grow and analysts provide research and insights and communicate critical information to investors	Interests and expectations • Responsible risk and opportunity management to support financial growth • Stable dividend policy • Transparency in executive remuneration • Sound corporate governance practices • Improved liquidity of shares • Driving societal and enterprise value creation	How we engage • In-person and virtual meetings • Annual and interim consolidated results • Quarterly reports and trading updates • Interim and preliminary announcement calls and AGM • Investor relations page on our website • Annual integrated report
 Suppliers Affect our ability to provide products and services	Interests and expectations • Timely payments and fair contractual terms • Transparent and fair tender processes • Compliance with health and safety standards and clear expectations on ESG issues • A win-win business relation • Growth in the share of local purchases	How we engage • Supplier forums • Ongoing site visits • Procurement processes (including tendering) • Audits
 Strategic and business partners Custodians of our brand and key to delivering the best customer experience	Interests and expectations • Fair treatment • Involvement of senior leadership in customer relationships • Simpler and more efficient interactions • Being heard and included as strategic partners	How we engage • Store, franchise and retail visits • Management engagements • One-on-one business meetings • Training sessions on new products and services
 Media Have a potentially significant influence on other stakeholders' perceptions	Interests and expectations • Access to timely and relevant information on key activities and offerings • Transparency on our performance and matters of public interest • Evidence of responsible business performance	How we engage • Face-to-face and telephonic engagement • Interviews with key executives • Media releases • Roundtables • Product launches

Our material risks

Vodacom Tanzania has a mature risk management framework aligned with Group requirements and guided by local regulatory risk management guidelines, under which we established our risk management charter and risk governance structures.

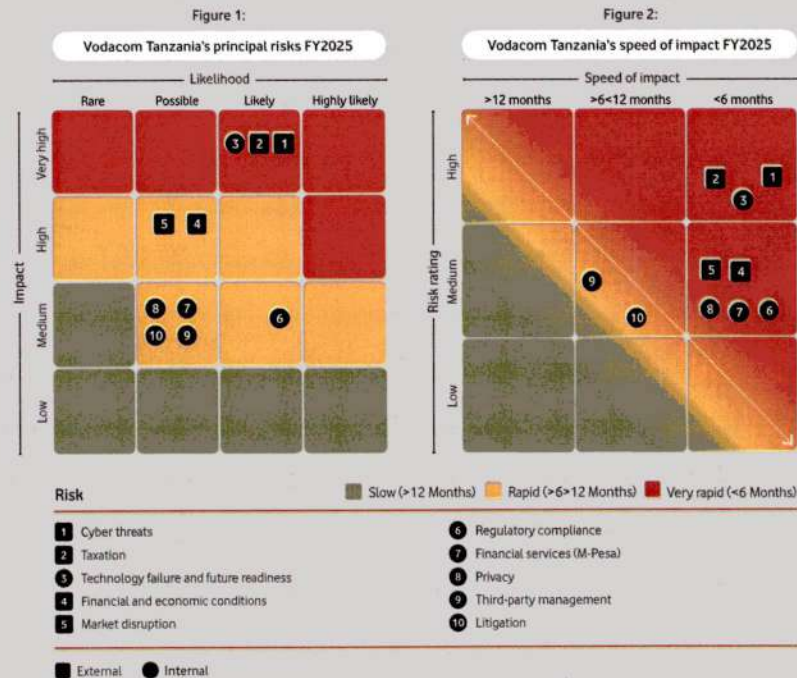
Our dedicated risk and compliance directorate was established as an independent and fully functional unit five years ago, responsible for managing our risk profile and mitigating potential impacts, as a second line of defence. This includes supporting stability through the Risk Management Committee (RMC) and the Audit, Risk, and Compliance Committee (ARCC) of the Board of Directors. The directorate further ensures we remain conscious of potential risks when implementing our business plans and priorities.

Our material risks are identified through our risk management framework, which provides the Executive Committee and Board with a

robust assessment of the principal risks Vodacom Tanzania is facing. An embedded enterprise risk management process supports the identification of these risks.

To enable informed risk-based decision-making, the Board reviews and approves the risk appetite for each principal risk. The Board considers these risks when setting strategies, approving budgets and monitoring progress against targets. Our executive team regularly reviews our risk management processes to better identify, assess and monitor our material risks, ensuring we respond to the rapidly evolving business environment.

Vodacom Tanzania's risk heat map (figure 1) sets out the top 10 principal risks as identified through the risk management process, depicting residual risk after considering mitigating risk factors. This is supported by the risk and speed of impact heat map (figure 2), which reflects the rate at which Vodacom Tanzania would experience adverse impacts if the risk materialised.



Case study

Ensuring a robust approach to risk management across the telecommunications and mobile money ecosystems

As a mobile money service, M-Pesa Limited operates under a different regulatory framework than Vodacom Tanzania Plc. Vodacom Tanzania Plc is regulated by the TCRA for provision of telecommunication services to ensure network reliability, data security and service quality. M-Pesa falls under the oversight of the Central Bank of Tanzania, which governs financial institutions focusing on financial transactions, anti-money laundering compliance and consumer protection under the National Payment Systems Act, 2015.

Therefore, while M-Pesa is a wholly owned subsidiary of Vodacom Tanzania, it operates independently of the company and maintains independent governance oversight. This includes a separate Board (page 17) and risk management framework that aligns with the BoT's regulatory risk management guidelines. Accordingly, alongside Vodacom Tanzania's mature risk management framework, we monitor a distinct set of principal risks for M-Pesa. These risks are underpinned by a robust risk management strategy focused on fraud prevention, transaction security, liquidity management and financial stability.

This dual approach helps to ensure we effectively monitor and mitigate the heightened regulatory, operational and reputational risks that arise when operating in the duality of telecommunications and mobile money ecosystems. This is critical for protecting our customers and safeguard their dealings with us while strengthening our long-term business sustainability.



Looking ahead, our strategic priorities include creating fraud awareness across all customer segments to highlight value additions by reducing fraud, advancing our digital journey with machine learning and minimizing manual processes or human intervention, continuing to build strong partnerships with regulators, and positioning ourselves as business enablers.

The table below reviews the top 10 material risks for Vodacom Tanzania as identified through our risk management process. It depicts the residual risks after considering our mitigating risk factors.

1 Cyber threats (FY2024: 1)

Speed of impact: Very rapid

Likelihood: Likely

Context

An external cyber-attack, insider threat or supplier breach – malicious or accidental – could result in service interruption and/or breach of confidential data, with resulting negative impacts on our customers, revenue and reputation and potential costs associated with fraud and/or extortion.

Mitigating actions

- Strong Cyber Health & Adaptive Risk Method (CHARM) controls including key risk indicator monitoring
- End-of-life and shadow IT programmes
- Technology resilience programmes
- Third-party risk management
- Zero trust programme
- Locally established cyber threat monitoring tools and processes

- Strong security culture and awareness initiatives, including security awareness training, phishing campaigns and ExCo cyber crisis simulation
- Strong security basics, including perimeter controls, infrastructure (hygiene), protecting data leakage, preventing loss of availability, controlling information between endpoints and the cloud
- Cyber security policies and processes implemented, and cyber security culture promoted
- Cyber-privilege user access management through CyberArk
- Local cyber security monitoring and cyber intelligence centre aggregates security monitoring
- Vulnerability scanning and periodic penetration tests
- Implementation of log monitoring tools and discrepancies followed up
- Control self-assessment: over 10 000 control tests performed
- Implementation of anonymisation and pseudonymisation of data projects
- Endpoint detection and response

Our material risks continued

2 Taxation
(FY2024: 2)

Speed of impact: **Very rapid**
Likelihood: **Likely**

Context
Changes in local or international tax rules and/or challenges by the tax authority could expose us to liabilities.

Mitigating actions

- Systems in place to ensure efficient management of tax, ensuring these stand up to any potential challenges by authorities
- Active engagement with government and tax authorities to ensure good working relationships and managing potential impacts of legislative change
- We have engaged expert tax advisers and lawyers who we regularly consult, including tax health checks
- Report publicly on tax issues. See additional info on our tax affairs in Vodacom Group's tax transparency report found at <https://www.vodacom.com/integrated-reports.php>

3 Technology failure and future readiness
(FY2024: 3 (renamed))

Speed of impact: **Very rapid**
Likelihood: **Likely**

Context
A complete technology failure – in our network and IT infrastructure or IT platforms or by essential technology service providers – resulting in a major impact on our customers, revenue and reputation.

Mitigating actions

- Implement technology resilience controls in line with Vodafone's technology resilience policy
- Conduct ongoing business continuity management tests and 24/7 IT and network monitoring
- Security monitoring tools are deployed across our infrastructure
- Capacity planning
- Invest, maintain, and upgrade system on an ongoing basis according to resilience criteria
- Ensure the top priority incidents remain within the agreed acceptable threshold

4 Financial and economic conditions
(FY2024: 4)

Speed of impact: **Very rapid**
Likelihood: **Possible**

Context
The challenging macro-economic environment in Tanzania could result in currency devaluation and an unstable economy, placing pressure on consumer spending.
Macro challenges associated with the global geopolitics, may drive increases in fuel and commodities prices, inflation, foreign currency exchange volatility and supply chain disruptions.

Mitigating actions

- Risk-averse interest rate, foreign exchange and counterparty risk practices in place, aligned with Vodacom Group and the cost-containment programme
- Regular review and tracking of the cost-containment and radical cost-transformation programmes
- Employing foreign exchange hedging strategies, utilising hedging instruments and forward cover tools when they are accessible, and market liquidity permits
- Counterparty risk monitoring of financial institutions is performed both locally and at the Group level
- Minimise exposure by ensuring that new/existing trading relationship contracts are agreed in local currency where possible

5 Market disruptions
(FY2024: 5)

Speed of impact: **Very rapid**
Likelihood: **Possible**

Context
We face increasing competition from traditional and non-traditional sources.
Risk pertains to Vodacom's ability to anticipate market forces that will have a disruptive impact on our business over the medium to long term. Two components currently constitute this risk: Risk associated with the Fintech "boom" – exponential growth of Fintech startups on the continent and potential disruption from technology evolution. If not well managed, may lead to a reduction in Vodacom's customer and revenue market share.

Mitigating actions

- Deliver a differentiated customer experience by continuously reviewing the pricing and relevance of our products, services and devices, developing innovative propositions, and investing in the quality of customer services, including through advanced CVM capabilities
- Execute bundle rules and special offers regulations to stabilise market price aggression
- Ring-fencing the customer base via advanced/ enhanced CVM capabilities such as Big Data and machine learning

6 Regulatory compliance
(FY2024: 6)

Speed of impact: **Very rapid**
Likelihood: **Likely**

Context
Any breach of legal and regulatory requirements due to either not identifying or inadequately assessing current compliance requirements exposes Vodacom Tanzania to significant financial and reputational damage.

Mitigating actions

- Continuous monitoring of changes to key laws, regulations and licence requirements
- Ensure business units are sensitised, including through training programmes such as the Doing What's Right programme on legislative and regulatory requirements
- Annual self-assessment of the compliance matrix
- Engage with regulators to seek clarity and sufficient time to implement new requirements

7 Financial services
(FY2024: 7)

Speed of impact: **Very rapid**
Likelihood: **Possible**

Context
Risk of failure to ensure that there are necessary governance processes and controls for financial services (M-Pesa) to manage inherent risks that may affect the execution of the company's strategy.
Failure of systems (including network failure) and processes could negatively impact the operations, reputation and revenue of our M-Pesa business.

Mitigating actions

- Endpoint detection and response are in place for M-Pesa Jumpbox
- Diversification into new financial service streams
- Continuous monitoring of changes to key laws, regulations and licence requirements
- Automated checks for unusual transactions
- 24/7 fraud monitoring (detection, prevention and reaction) on Mobile Money
- M-Pesa has more than four trust accounts to ensure trust funds are always less than 25% and spread across many banks

8 Privacy
(FY2024: 8)

Speed of impact: **Very rapid**
Likelihood: **Possible**

Context
Failure to manage privacy compliance, risks and opportunities will lead to reputational damage, decline in NPS and potential regulatory fines.

Mitigating actions

- Permission portal in place
- Training and awareness related to privacy
- General Data Protection Regulations controls
- Local PDPA controls

9 Third-party management
(FY2024: 9)

Speed of impact: **Rapid**
Likelihood: **Possible**

Context
Failure to manage the Group's third parties and partners could have a reputational impact on the Group due to the third-party actions that expose operations or customer data if not aligned with the Group's processes.

Mitigating actions

- Robust supply chain management policy and procedures in place, enforced and monitored
- Ensure that contracts agreed with all suppliers and partners comply with business continuity, confidentiality, privacy and other requirements
- Comprehensive due diligence process performed on new partners during onboarding process
- Supplier performance review for critical suppliers
- Continue to ensure that service level agreements are in place and monitored
- Supplier monitoring training and awareness to employees

10 Litigation
(FY2024: 10)

Speed of impact: **Rapid**
Likelihood: **Possible**

Context
An adverse outcome in any litigation could lead to financial loss, negative publicity and/or reputational damage.

Mitigating actions

- Proactive and regular engagement with the regulators
- Close monitoring of the progress of cases in arbitration or court, managed by our external legal counsel
- Proactive management of disputes or out-of-court settlements
- Continuous advisory services given to business teams



Our strategic priorities

Vigorous grow mobile

Tanzania presents exciting opportunities for growth in digital and internet-based services. The country has a young and increasingly urban population with 35.3%¹ smartphone penetration, fuelling demand for mobile digital and data services.

We are implementing initiatives to protect our existing market leadership and grow customer market share in the mobile sector. Our key focus areas are driving data uptake and monetisation, increasing smart device penetration and expanding our portfolio of personalised offers and digital services while managing the customer value perception.

To increase market share, data uptake and customer stickiness, we use Big Data analytics to pursue hyper-personalisation in our data offers, ensuring we remain competitive and relevant to our customers. We also focus on enhancing operational efficiency by streamlining our operations, reducing costs and improving service delivery. This is critical to strengthen our market position and improve customer satisfaction while enabling us to reinvest in innovation and growth.

Our FY2025 performance

Growing customer market share and revenue

We made good progress against this strategic pillar this year. We continued to offer our customers more reasons to consume data and delivered sustained growth in customer market share, data revenue and data customers. Supported by our sustained network investment and increased smartphone penetration, this growth reflects the positive impact of our CVM activities, powerful customer loyalty programme and a boost from our market-leading M-Pesa offerings.

- ✓ We expanded our market share in strategic growth markets and defended our position in existing strongholds, achieving overall market leadership of 31.9%¹. Our customer base² increased by 15.7% to 22.6 million customers, with data customers growing 19.0%.
- ✓ Total data traffic grew by 23.9%, underpinned by close to 50% growth in 4G traffic. Growing demand for mobile data services reinforces our investment case for increasing affordable smartphone penetration and enhancing customer data experiences through strategic network investment.
- ✓ Mobile data revenue increased 21.6% to TZS 422 billion, with contribution to service revenue slightly up reaching 27.8%. Ongoing growth in data users and revenue continues to drive overall connectivity revenue.

- ✓ Mobile voice revenue grew for the second consecutive year, recording year-on-year growth of 8.7%. This growth was driven by our commercial execution in driving customer base growth including enhanced rural coverage connectivity, which creates opportunities to attract new customers and make them stay in our network cross-selling and exposing them to our transformative sticky products in M-Pesa.
- ✓ In response to ongoing aggressive price competition, we continued to prioritise marketing campaigns to reshape consumer perceptions of our data costs, showcasing the benefits of our world-class 4G and 5G network and highlighting the impact of our initiatives in transforming lives. As a result, we maintained our market leadership in overall NPS, with an expanded double-digit points gap to our nearest competitor.
- ✗ Our Tuzo loyalty programme, which operates across our M-Pesa and GSM platforms, remains the only functioning loyalty programme in the Tanzanian telecommunications sector. It provides an important differentiator to improve customer retention, with more than two million customers engaged monthly.
- ✗ Our portfolio of digital and VAS products is a key strategic avenue to attract and retain customers. Since the beginning of this financial year, we have implemented significant changes to enhance customer experience and address longstanding complaints, particularly those referred to as "unknown deductions". To address this, we migrated VAS products to an integrated communications gateway platform to improve how subscription services are managed and charged and to introduce additional consent gates. We also unsubscribed a significant number of customers from VAS subscriptions. As a result, our digital and VAS revenue grew modestly by 4.1% but, importantly, our customers are happier than before.

Accelerating our 4G market share

Increasing our 4G market share and driving the uptake and penetration of 4G devices is key to delivering on our broader data user and data revenue growth ambitions. Smartphones penetration in Tanzania is 35.3%¹, highlighting the scale of the growth opportunities.

- ✓ The number of active smartphone users grew by 33.4% year on year. We recorded more than 3pp increase in our 4G market share². We achieved this growth through the ongoing effective execution of our smartphone adoption initiatives, including:
 - Driving open market activations by leveraging our significant retail footprint and network of active sales partners to ensure product and service availability.
 - Offering our innovative device financing platform to improve smart device affordability and offer customers flexible payment terms.
 - Providing compelling value propositions for customers and our sales team through our CVM platform.

Ensuring personalisation through CVM and Big Data

Harnessing Big Data and strengthening our personalised segmented offers are critical to staying ahead of heightened competition and ensuring we offer a relevant and differentiated customer experience. We continued progressing on this front, underpinned by our advanced CVM platform and strong customer-first culture.

- ✓ This progress is evidenced by the 1.2% increase in the average number of days per month that a customer is active on our network, and the increase in the number of customers taking up our personalised offers - Just4You.

Looking ahead, we plan to extend the application of our CVM platform to our various distribution channels to enhance product and service delivery and adoption in line with customer needs, wants and behaviours in the consumer and enterprise markets.

Providing reasons to consume data

We continued progressing with the development, uptake and monetisation of our digital service offerings in entertainment, music, education, agriculture, health and transport, supported by partnerships with leading digital content service providers.

- ✓ We expanded our entertainment portfolio by partnering with MultiChoice in Tanzania to offer customers access to Showmax, Africa's popular video-on-demand platform. This partnership enables us to provide a diverse range of high-quality local and global content that resonates with customers, including access to premium sporting channels.
- ✓ Our Airtime Advance credit service provides financing to help customers access services using loaned airtime, and pay for the loan in their next airtime recharge, supporting digital inclusion. The value of airtime advanced this year grew by close to 29%, with beneficiaries increasing by 22% year on year, showcasing the need for and importance of this service.

Case study

Introducing Vodacom Youth Base (VYB) – a dynamic and innovative platform to empower Tanzania's youth

Recognising the immense potential of our youth, this year, we launched VYB, aiming to empower Tanzania's youth aged between 15 and 28. The platform's tagline, "Your Network is Your Net worth", highlights the importance of connectivity in today's digital economy.

VYB offers exclusive benefits, integrated offers, discounted devices and bundles to free mobile money connections – all designed to bridge the gap between the aspirations of young people and the digital tools they need to succeed. Additionally, VYB connects young people with life-enhancing resources such as career-building tools, learning and upskilling opportunities and the ability to connect with a network of peers and mentors to help them prepare for a self-reliant future.

In addition to ensuring we are well-positioned to seize commercial opportunities in bridging the digital divide, VYB will enable us to support Tanzania's young and growing population as we seek to deliver on our purpose to connect for a better future.

We are collaborating with various universities and colleges to drive adoption of this youth-empowering platform.

1. TCRA Quarterly report - March 2025.
2. In this report, unless otherwise specified, customers are reported in accordance with Vodacom Group definition of customers.

1. TCRA Quarterly Report - March 2025.
2. Statistics based on Facebook analytics reports.

Our strategic priorities continued

Value created Value eroded Value sustained



Delivering operational efficiencies

We continue reprioritising resource allocation, redirecting investments to priority growth areas and identifying opportunities to deliver material operational efficiencies through automation.

- ☑ We continued to perfect our automated and digitised commercial and operational processes to provide our on-the-ground teams with real-time access to decision-critical information and automate traditionally time-consuming processes.
- ☑ This year, we made further progress in encouraging customers to recharge via electronic recharges including M-Pesa instead of scratch cards, resulting to 13.0% growth in electronic recharges. This shift brings about efficiencies by increasing speed of recharging airtime, and reducing voucher production and related distribution costs and channel support incentives, while protecting the planet through reduced paper consumption.
- ☑ We also secured further efficiency by reviewing our incentives to the channel, ensuring we remain competitive yet cost-efficient in incentivising and rewarding our distribution channel partners. This has helped in driving a historic high customer base growth of 3.1 million.

Expand and escalate M-Pesa growth

Our leading mobile financial service offering, M-Pesa, continues to be a significant driver of revenue growth and brand differentiation for the company. It also plays a significant role in promoting financial inclusion, empowerment and stimulating economic activity across Tanzania. We are looking to drive further growth in M-Pesa through three targeted growth areas: scaling our digital financial service offerings, accelerating our merchant payment solutions, and advancing our M-Pesa super-app.

Our FY2025 performance

- ☑ M-Pesa delivered another strong performance this year, underpinned by the execution of our growth strategy with a compelling product offering and a stable business environment. M-Pesa's revenue increased by 29.3% year on year, driven by our 30-day active M-Pesa customers growth of 13.3%, and average revenue per user (ARPU) growth as result of the 33.8% increase in value of total M-Pesa transactions, and 29.4% increase in volume of transactions.
- ☑ Vodacom's M-Pesa offering continues to lead the country's mobile financial service sector, with a customer market share of 40.4%, up from 38.2%¹ in FY2024.

Scaling our digital financial services

We continued to drive the adoption of digital financial services, supported by product development, enhancements and a continued focus on improving the customer experience. This area is critical for advancing our contribution to financial inclusion across the country.

- ☑ Customers who used our savings, overdraft, insurance and short-term loan services grew by 14.8%, and were close to 70% of the total M-Pesa base, an expansion of 0.9pp.
- ☑ We continued to gain traction on our digital micro-loan offerings, increasing disbursements by over 40% to nearly TZS3 trillion. Pleasingly, over half of the value disbursed was issued to businesses, providing small and medium-sized enterprises with easy access to short-term financing.
- ☑ Our product for communal groups' savings M-Koba offered in collaboration with our partner Tanzania Commercial Bank, continued to grow, providing highly sought after transparency and security features to the subscribed group members. More than 200 000 groups are registered on M-Koba, with 1.3 million active members during the year, majority of which are women. Deposits received in M-Koba continued to grow, more than doubling the amount deposited in the prior year, reflecting an unprecedented acceptance and confidence our customers have in M-Koba.

1. TCRA Quarterly Report - March 2025.
2. TCRA Quarterly Report - March 2024.

- ☑ This year, M-Pesa partnered with Sanlam Investments East Africa to launch M-Wekeza, a mobile-first investment platform designed to give Tanzanians easy and secure access to low-risk investment opportunities across various financial instruments, executed through the fund managers. In addition to an affordable entry point of TZS1 000, the platform offers option for instant funds withdrawals and competitive returns. Early uptake has been encouraging. At the end of the year, M-Wekeza at the age of less than five months, had a good number of registered subscribers and active investors, with total deposits received nearing TZS25 billion, and showing steady monthly growth.
- ☑ We continued to grow revenue and the value of transactions in international money transfers. For this year, value of incoming transfers, which were received from more than 200 destinations, grew by more than 25%. These remittances are important for the individual recipients, and also a critical source of foreign currency for the country. It is an area we are looking forward to grow further. This year we explored new remittance partnerships and deepened engagement with the broader Tanzanian diaspora to accelerate the expansion of inbound and outbound remittances. In these efforts, we managed to launch international money transfers to Alipay, a major Chinese online payment platform.
- ☑ We continued to see encouraging uptake of our insurance-related offerings, including affordable micro-health insurance and our insurance premium financing offering.

Accelerating our merchant payment solutions

- ☑ This year we delivered pleasing achievement in enhancing financial inclusion and supporting a robust cashless payment ecosystem through our merchant platform. Among the initiatives for growth, we partnered with one of the leading digital taxi service company in Tanzania, enabling the taxi drivers to accept payment through our platform. Beyond streamlining and simplifying the payments, the collaboration allows the taxi drivers to privately access the various essential digital financial services through M-Pesa, including loans and insurance. Below are the results of our initiatives.
 - We managed to grow our merchant base by nearly 50%, clocking more than 470 000 merchants in our platform who accept payments through our 'Lipa Kwa Simu'
 - Monthly customer transacting in Lipa Kwa Simu reached 4.5 million customers, a growth of more than 30%
 - And the average transactions per customer grew by close to 15%
- ☑ The growth in merchant base and increased service adoption among our customers supported our Lipa Kwa Simu merchant payment solution in delivering a strong growth. During the year, we facilitated a monthly average of over TZS1 trillion payments through the platform, an annual increase of more than 50%.

Case study

M-Koba: bridging the gender gap and creating economic opportunities for women in Tanzania

Our group savings product, M-Koba, was launched in February 2019 in collaboration with our partner, Tanzania Postal Bank (currently the Tanzania Commercial Bank). The aim was to promote economic empowerment and financial inclusion by providing solution to security and transparency challenges that faced the ever-growing informal communal saving groups in communities, popularly known as "VIKOBA".

Since its launch, M-Koba has lived its promise, resolving these challenges by providing the highest level of transparency for the groups' transactions, in a secure and convenient manner. Importantly, by facilitating evolution from traditional cash-based informal group savings schemes to our mobile platform, M-Koba promotes financial inclusion for its users and facilitates security for the funds accumulated. The group savings are typically used for providing financial advances to the group members, in accordance with the group's own terms and rules. Given that most M-Koba members are women, M-Koba plays a crucial financial empowerment role to women, who are traditionally sidelined from economic opportunities. This is critical to promoting financial inclusion, as mobile money account ownership drives the uptake of digital financial services and promotes participation in the formal economy¹.



Since launching of this savings solution in FY2019, the number of registered M-Koba groups has grown to more than 500 000, with more than 1.3 million transacting members in this year, majority of them, women. Over that period, members have transacted more than TZS2.5 trillion, in deposits and withdrawals. This trend illustrates acceptance M-Koba and the power of technology in transforming lives. In this case, it shows M-Koba's critical role in contributing towards economic empowerment, particularly for women.

1. FinScope Tanzania 2023.

Our strategic priorities continued

Value created Value eroded Value sustained



Developing Tanzania's true super-app

- ✓ To enhance the customer experience and simplify how customers access our products and services, this year we integrated the My Vodacom app into our M-Pesa super-app to give our customers convenience of a one-stop shop.
- ✓ We achieved a significant milestone this year, with over 1 million active customers now using our M-Pesa super-app. This was partly supported by the growth in smartphone users across the country, which is a critical enabler for adopting digital based services like the M-Pesa super-app.
- ✓ Another highlight this year was integrating the DSE and M-Weeza mini-apps into our M-Pesa super-app. These two mini-apps enables our customers to seamlessly access stock market information, trade in securities and manage their investment portfolios directly through the M-Pesa platform. They empower Tanzanians by making investing more accessible, facilitating investments in financial assets by participating directly in the capital markets through the DSE mini-app, or indirectly through fund managers in case of M-Weeza.
- ✓ We continued to enhance services in our one-stop shop by adding new mini-apps. Currently, there are over 30 active mini-apps on the platform, allowing M-Pesa customers to access various valuable services. These include making payments for government services, purchasing travel tickets, accessing platforms for international payments, and utilities. Additionally, customers can access financial services such as insurance, loans, savings, and investments. In summary, the super-app facilitates easy access to various online merchants' websites and online marketplaces through mini-apps.

As we look ahead to FY2026, we will persist in implementing our strategy across our M-Pesa focus areas to drive further growth. To support this, we are also enhancing our M-Pesa platform to increase its capacity and efficiency. These upgrades will simplify maintenance, boost scalability, and deliver a superior customer experience.

Case study

Partnering with local tech startups to help them to unlock growth opportunities

Through our M-Pesa super-app, we provide an exciting and unique platform for local tech startups to extend the reach of their mini-apps and offer their products and services to our growing and active customer base.

For example, in September 2023, we launched the Tunzaa mini-app on our M-Pesa super-app. Tunzaa is a digital save-to-buy marketplace designed to empower Tanzanian consumers with a smarter way to plan and afford relatively significant purchases. The mini-app offers gamified saving experiences and flexible, personalised payment timelines that support better financial planning.

Since launching on our M-Pesa super-app, Tunzaa has increased the number of paying users on their mini-app by more than seven times. Orders also increased eightfold.

This is one example of how we are leveraging our super-app technology to create a platform where startups can build, deploy and scale their businesses with greater ease and efficiency while contributing to the growth of Tanzania's digital economy.

Read more about Tunzaa at www.tunzaa.co.tz

Relentlessly pursue fixed

We believe there are significant commercial opportunities in fixed service, with low market penetration and potential for customer and revenue growth. We are tapping into these opportunities by offering our customers a strongly differentiated service offering, underpinned by the best and most secure data experience at their offices and homes. Expanding reach in our fixed services is an important part of our ambition to transform from a TelCo to a future ready TechCo.

Our FY2025 performance

Growing customer market share and revenue

- ✓ We continued to scale and grow our market share in fixed services – both fixed fibre and fixed wireless – amid heightened competition, to increase investment in priority growth areas. We grew our customers by more than 40%, resulting in 36.7% growth in revenue.
- ✓ To help us deliver a better data experience for our customers, in FY2025 we added seven new 5G sites, 471 new 4G sites and invested in fibre capacity, providing improved speeds and lower latencies in our data service offerings.

- We progressed with streamlining the customer onboarding process by pursuing faster service activation and availing self-service options. We also equipped our frontliners with digital tools to further enhance the customer experience. This will remain an important focus area going forward, aimed at strengthening customer satisfaction and retention, as well as reducing the customer acquisition costs.

Looking ahead to FY2026, our goal remains to be the largest provider of broadband services to the Tanzanian small and medium-sized enterprise sector, which offers robust growth opportunities. This year we made good progress in exploring and scoring the existing opportunities. We are refining our service offerings to offer solution based products that cater to the unique needs of small and medium-sized enterprises, suited to their specific business requirements.

Extract wholesale value

We are pursuing opportunities to extract wholesale value from and realise the full potential of our extensive available assets in network, fibre, cloud hosting and data centres' co-location, leveraging the strength of our customer service and support structures and competitive market pricing.

We aim to monetise these assets through mutually beneficial partnerships, sharing our network and data centres, and realising opportunities to co-build fibre. This is a long-term strategic objective that may not necessarily deliver immediate results.

Our FY2025 performance

- ✓ In this business segment, we have already leveraged our fixed bandwidth bulk capacity by selling to Internet service providers. This year we grew our ISPs customer base by more than 30%.
- We also continued to provide our customers with bundle options when travelling abroad, giving them a convenience of a fixed and planned spend, instead of getting shocks from high roaming bills' cost. Roaming bundles popularity is growing as customers find them more convenient compared to other forms of billing.
- ✓ To ensure a strategic emphasis on the wholesale business segment, we have commenced the establishment of a joint venture entity tasked with spearheading investments in fibre infrastructure.



Our strategic priorities continued

Value created Value eroded Value sustained

Innovate and lead enterprise

Vodacom Tanzania is the leading provider of communications and data services to the country's large enterprise market, serving multiple industry segments with digital solutions that meet specific customer needs. Our enterprise business provides valuable opportunities for further revenue and customer growth, harnessing our technical expertise, recognised service levels and brand reputation to build on our strong existing base. We focus on providing digital services that address advanced technological business challenges, including sector-specific mobile, cloud and IoT solutions.

Our FY2025 performance

Becoming the digital partner of choice in agriculture, education and health

- We are digitising the agriculture value chain through our innovative M-Kulima platform. This easy-to-use mobile and web-based platform provide farmers with digital payment solution and access to agri-advisory services. It provides farmers with a secure and fast payment option for their farming proceeds sold through the Agricultural Marketing Co-operative Societies. This year more than TZS21 billion was paid to farmers registered in the M-Kulima platform. This is over 25% yearly growth in value, simplifying lives for more than 3.2 million small-scale farmers who are registered and enjoying the benefits of the M-Kulima platform.
- We provided devices and connectivity solutions to learners, schools and teachers across the country and health centers, with more than 5 000 schools and institutions of higher learning connected in FY2025 (up from 32 last year).
- We continued to work with key strategic partners in the health sector to connect health and social care providers with digital tools and improved data access.

Read more in our separate annual ESG snapshot on our website

Leading in new service areas

- We made progress this year, growing the uptake of our flexible mobile, IoT and cloud and hosting solutions in Tanzania's large enterprise market.
- Our IoT business delivered good growth, driven by sustained interest in our tracking-related services, which continue to present short and long-term growth potential. Scaling and commercialising our IoT business in Tanzania remains a strategic priority, leveraging Vodafone's globally recognised leadership.
- We continued with our strong focus on strengthening our team's digital and sector-specific skills to support effective strategy execution, and customer experience enhancement. Having people with the right skills and experience empowers us to further unlock the potential in the market.



Case study

Identifying and nurturing future-capable talent

This year, our enterprise business embarked on a programme called Spark to help us identify skills gaps within our enterprise team.

As part of phase one, we conducted a comprehensive skills assessment at an individual and management level. We will use the outcomes to evaluate our existing learning and development programmes and ensure they remain effective in helping us develop and deliver innovative and leading sector-specific products and services across enterprise and IoT.

Read more about our programmes to foster future-ready skills on Page 52

Leveraging our brand position

Our ability to deliver on our strategy and maintain our existing strong market share, brand and reputation depends on the quality of our relationships with key stakeholders.

We engage with our customers, government and regulators, investors, suppliers, the media and the public to ensure we understand and appropriately address their priority interests. We constantly strive to deepen brand loyalty among our stakeholders by further enhancing the customer experience, future proofing our network infrastructure and delivering on our purpose.

Read more about our key relationships from Page 32

Our FY2025 performance

We maintained our leadership in terms of our brand reputation and market share positioning, including in the mobile financial services sub-sector with M-Pesa.

Customer market share

31.9%¹

↑ 1.4% year on year

M-Pesa customer market share

40.4%¹

↑ 2.2% year on year

NPS leader in:

Combined network performance

Overall customer care

Price perception

Rated 1st In Customer Headline NPS

Case study

Strengthening our reputation as one of the most recognised and trusted brands in Tanzania

We strengthened our brand position this year through strategic engagements with stakeholders across different segments.

Our Product Managers and Senior management participated in over 300 radio and TV interviews, highlighting the role of telecommunications and particularly, showcasing our contribution to digital and financial inclusivity. These interviews reached millions of listeners and viewers across Tanzania.

We also collaborated with experts and produced over 350 print articles on financial literacy, cyber threats, education and healthcare. Our presence on new media channels was expanded, with our Voda Chat program streamed live quarterly on Facebook and X (formerly Twitter), allowing real-time interaction with our customers and followers.

Our initiatives focused on purpose also fuelled our brand's reach. The initiatives included Code Like a Girl programme, the Cybersecurity Club, Customer Service Week and various commercial campaigns, and impactful product launches. These activities amplified awareness of our social initiatives and increased our reputation as a company committed to improving lives through technology. As a result, we reached a wider audience and promoted our community programs.

This year's independent survey revealed a leading reputation score index of 82, thanks to our diligent efforts. Out of the seven African markets measured in the survey, Vodacom Tanzania remained the reputation leader. This result was underpinned by our strong performance in every reputation driver, including the most important areas of citizenship, conduct and products and services.

Building a brand with a purpose

Vodacom's purpose is to connect for a better future. We strive to use our technology, network, reach and resources to improve the lives of Tanzanians across the country.

Read more about our progress against our purpose-led commitments from Page 54 to 60

Read more in our separate annual ESG snapshot on our website

1. TCRA Quarterly Report – March 2025.

Our strategic priorities continued

Accelerating support to government

- ✓ Vodacom Tanzania, Stanbic Bank and the Twende Butiama Bicycle Club hosted the 2024 Twende Butiama Cycling Tour, covering close to 2 000 kilometres across 12 regions. The tour aligns with Vodacom's purpose-led commitment to empowering people and protecting the planet.
 - While cycling, participants engaged in climate action and educational campaigns and supported inclusive healthcare
 - We donated 1 500 desks made from recycled material to schools, and established environmental clubs in 18 participating schools
 - We planted 37 000 trees in communities and 18 000 trees at schools
- ✓ During the Twende Butiama Cycling Tour, the Vodacom Tanzania Foundation in partnership with AfyaCheck sponsored medical camps in Dodoma, Singida, Tabora, Kagera, Geita, Dar-es-Salaam and Arusha in which more than 25 000 villagers, pupils and school-teachers received medical care.
 - Each camp offered free medical consultations, laboratory investigations, medication and health education, with a focus on preventing non-communicable diseases
 - We are undertaking roundtable discussions with key stakeholders including the government, to explore on how we can leverage the insights obtained from our medical camps, to support the digitalisation of healthcare and drive impact at a greater scale
- ✓ Through M-Pesa, we have supported government in collecting payments from the public for various purposes including utility bills, parking fees, penalties, levies and taxes, executed through more than 800 government collection accounts in the M-Pesa platform. This year, the value of payments to government through M-Pesa grew by close to 30% year on year, with

transaction volumes growing 20.7%. This showcases how M-Pesa services contribute to the government's socioeconomic agenda, including promoting financial inclusion.

- ⊖ We maintained our long-term partnership with the government to support network rollout in underserved areas. At year end, we had over 2 100 rural sites¹, including 422² sites built in collaboration with UCSAF.

Enhancing digital accessibility

- ✓ We partnered with the CEO Roundtable of Tanzania to pilot Think Equal, Lead Smart – an initiative to empower female entrepreneurs with financial literacy, digital skills and leadership training, helping them to address barriers that prevent them from achieving their full potential. We collaborated with 400 female street vendors in Dar es Salaam's Tembeke District. We aim to scale the programme to three additional districts, reaching 5 000 women in three years.
- ⊖ As reviewed in this report, we are investing significantly to enhance digital accessibility across Tanzania by expanding the coverage, improving the quality of our network and driving smartphone penetration to enable more people to access data and digital services.

PG Read more in Pages 49 to 51

Future proofing our network infrastructure

- ✓ We invested TZS175.0 billion (11.4% of revenue) this year in our network and IT infrastructure to expand our network coverage and upgrade capacity, support our rollout of 5G sites and the acceleration of 4G, and further modernise the network to enhance security and resilience to drive operational efficiencies.

Vodacom Tanzania's awards FY2025

Vodacom Tanzania received numerous national and international accolades this year, acknowledging the collective efforts by our management team and employees in improving digital access, delivering quality communications and technological solutions to Tanzanians and recognising our professional business conduct.

Human resources

Top Employer Tanzania 2025 and Top Employer Africa 2025 (Top Employers Institute) for the eighth consecutive year

Finance

Best Presented Financial Statements for 2024 in Trade and Distribution category (The National Board of Accountants and Auditors of Tanzania – NBAA) for the fifth consecutive year

M-Pesa

Best mobile money app (fourth year running): M-Pesa super-app (Tanzania Digital Awards 2024)
Best digital innovation in finance and banking: M-Koba (Tanzania Digital Awards 2024)

Customer service

Customer-Focused Innovation award (Tanzania Service Excellence Awards)
Mobile Telecommunication Sector award (Tanzania Service Excellence Awards)
Telecommunications (MNOs and ISP providers) Sector Winner (Tanzania Service Excellence Awards)

Corporate social responsibility

Best Use of ICT Education (TEHAMA Awards from the TCRA)
Collaboration Award from the CEO Roundtable of Tanzania – in recognition of our partnerships to champion initiatives that foster sustainable socioeconomic development

Other

Embracing ESG Principles for Sustainable Capital Markets – Best listed Company of the year under the Main Investment Market Segment (MIMs) – Commercial services category (The Dar es Salaam Stock Exchange – DSE)
Best Telecommunication Exhibitor award at Sabasaba (Tanzania Trade Development Authority Exhibition)

1. The definition of a "rural site" is based on Vodacom's internal criteria and not necessarily a geographically rural area. The number of "rural sites" may also change between comparative years following internal reviews and reclassification.

2. Not all the sites built in collaboration with UCSAF are rural sites. The main criteria for funding is facilitating services to underserved areas that are typically commercially unattractive, geographically these sites could also be in urban areas.

Our strategic enablers

Digital care and experience

We aim to grow and maintain our customer base by delivering the best possible experience across our multi-product ecosystem. As part of our strategic shift to a digital-first approach, we are blending the best of digital technology and personal interaction to enhance customer experience and deliver an inclusive, personalised, omnichannel digital solution that generates brand loyalty.

→ Our FY2025 performance

Scaling digital care

- ✓ We continued our educational and promotional campaigns to encourage the adoption of digital over more traditional channels, and foster a digital-first culture. As a result, the volume of customer service issues handled digitally grew by 28% year on year.
- ✓ Following its migration to a new platform last year, we continued to enhance the functionalities of our chatbot – TOBI. This includes leveraging emerging AI capabilities, such as natural language processing and understanding to improve customer interactions. We also introduced nine self-care journeys, empowering our customers to resolve their queries quickly and effectively through automated digital interactions. This helps to ensure that chatbots effectively address common account and service-related queries before channelling any remaining customer queries to agents. As a result of these initiatives, the volume of queries attended by chatbots grew, with our containment rate increasing from 32% in FY2024 to 69% this year.
- ⊖ Given Tanzania's relatively low internet and smartphone penetration, we are enhancing our engagement channels for customers who access services via SMS. We layered our interactive voice response with our chatbot to create a seamless customer service experience and encourage self-care and an SMS chat experience.
- ⊖ Our citizen development programme continued to provide an important avenue to increase the uptake of RPA. We once again engaged staff (tech and non-tech) from across the company to identify and automate specific repetitive tasks in their roles using RPA. We have automated just under 200 processes since launching this programme in FY2023, delivering valuable cost savings and improved process turnaround time while freeing up employees for higher-quality duties and engagements.

Transforming the customer experience

- ✓ Through our Vodacom Tanzania customer charter, we are able to set clear expectations, standards and accountabilities for our services while guiding our teams in consistently delivering an exceptional customer experience.
- ⊖ Underpinned by our ongoing focus on customer education and resolving key pain points, we further improved the customer experience at our call centres this year. Our touchpoint NPS (tNPS) was 72%, and we continued to achieve a service level average of above 80% at year end.
- ✓ While digitalisation remains our focus, we continue to receive and work on customers' feedback. Some customers feedback is that, they prefer to speak to a live human agent. To address this, we continually seek to balance between interactive voice response with call centre access, demonstrating our commitment to listening to our customers. As a result, we realised a 6 percentage points NPS improvement in "ease of access at the call centre".
- ⊖ We continued using digitised and automated processes to simplify the customer journey, and we confidently resolved most customer queries within six hours.
- ✓ We further improved our use of AI and CVM technologies, underpinned by our customer-centric, go-to-market processes to develop differentiated, highly personalised product offerings.
- ⊖ Through our customer education platform, Ni Rahisi Tu, we continued to provide customers with data management tips and empowered them to manage their spending and usage. Last year, we launched on demand online education videos through Vodatube website to supplement our education platform. This platform provides a repository of the "how-to tips" such as data management and we continued to create new and relevant content for our customers this year. The number of customers using Vodatube increased by 79% year on year, with viewership exceeding 475 000.
- ✓ The quality of our customer service was recognised by the various external awards we received this year (page 46).



Our strategic priorities continued

Case study

Providing the best customer experience and instilling a customer first attitude

Building on our company-wide customer obsession programme launched last year, we introduced an employee experience feedback tool this year. This enabled our employees to provide first hand feedback when engaging with current or potential customers, visiting our retail stores or open market activations, or using our products and services.

To support this, we also ran a programme called "every employee as a customer". This programme aims to ensure that our employees experienced our services as our customers do, without receiving any preferential treatment, thereby helping our employees to understand the real customer experience.

These have been essential tools to embed a customer-first attitude – helping us drive service improvements and integrate customer priorities within our daily work activities.

In FY2023 we established our customer experience Board, comprising of the executive committee members. The Board continues to play an important role in accelerating our customer experience decisions, ensuring that relevant business areas understand our priorities and drive key improvement areas.

Inclusive care

To deliver on our commitment to inclusively serve customers better, we continued with our focus on the needs of customers with hearing and mobility challenges.

- ☑ We continued to provide access to a video-based sign language desk in our call centre and sensitised our retail staff with basic sign language skills.
- ☑ To further enhance customer access to our touchpoints, we increased the availability of wheelchair ramps from 171 to more than 443 Vodacom shops (reflecting around 89% of our store footprint), and we continued installing priority desks for people with disabilities in our retail stores.
- ☑ For our visually impaired customers, we continued to raise awareness of the direct line to our call centre to encourage more customers to sign up.

Looking ahead to FY2026, we plan to increase our engagement with organisations, such as the Tanzania Association of the Deaf, to explore how we can further extend our support for customers with hearing and mobility challenges.

Creating expert agents

- ☑ As part of our ongoing company-wide focus on embedding a customer-first mindset, we continued to invest in upskilling our agents to ensure customers receive knowledgeable and confident support, particularly for our more sophisticated digital, financial, insurance and fixed products.

- ☑ An important focus area this year was expanding our call centre's telesales capabilities to support our commercial teams, moving beyond resolving customer complaints to selling products such as loans, insurance and device financing. In addition to outbound sales, they assisted with collections for outstanding payments and loans. We plan to integrate this into our call centre operations, using inbound calls as opportunities to offer our customers relevant products and services.

Case study

Empowering our call centre and retail stores employees to transition from agents to advisers

To help us deliver on our company-wide commitment of offering exceptional customer service and embedding a customer first mindset, we launched a programme in FY2023 to transition our call centre employees from agents to advisers.

The programme builds on our existing focus on upskilling our agents and equipping them with digital support systems. Importantly, it aimed to ensure that we maintained a strategic focus on enabling our agents to provide relevant and quality advice to customers in a rapidly evolving digital environment. This has been critical to deliver on our goal of cementing an Ask Once culture and improving first-call resolution rates.

We completed the programme's rollout this year and achieved a notable improvement in our first-call resolution rates, which increased by 19% year on year. Our first-call resolution NPS further increased by 16%. Driving the transition of our frontliners from agents to advisers will remain our focus in the years ahead.



Technology leadership in network and IT

Sustained investment in network infrastructure, IT systems and innovation – to maintain network performance, strengthen cyber security, protect customer privacy and secure operational efficiencies – is fundamental to meeting our growth objectives and delivering on our purpose.

☑ Value created ☒ Value eroded ☐ Value sustained

Our FY2025 performance

Investing in infrastructure to expand capacity, coverage and resilience

- ☑ We invested TZS175.0billion, equivalent to 11.4% of revenue, on network and IT infrastructure CAPEX. We used this investment to expand our network coverage and increase network capacity, accelerate the rollout of 4G sites and fibre in priority areas, and further modernise our network and IT systems to improve security and resilience, drive operational efficiencies and enhance our customers' experience in our network.
- ☑ We added 471 4G sites, bringing the total number of sites to 3 275. This investment increased our 4G reach to 72.5% of the country's population, up from 66.1% last year. Through additional 3G sites rolled out, our 3G signals now reaches around 84% of the population. We also added several 2G sites, including 109 sites through the UCSAF programme, bringing our 2G coverage to 95.1% of Tanzania's population¹. We also further extended our fibre network infrastructure through the National ICT broadband backbone. As a result of our cumulative investment in network coverage and capacity, we increased the proportion of the population that is covered by our broadband³.
- ☒ In May 2024, we experienced a major internet outage for three days due to undersea cable cuts in southern and northern bound routes. Another similar outage happened in September 2024. Through this experience, we invested in additional international terrestrial leased capacity to improve redundancy and offer our customers the best possible experience. We continue to engage with government and other relevant stakeholders, to address quality issues affecting the national ICT sector and build a stronger and more resilient local network.
- ☑ Despite the operational challenges we experienced during the year, our network availability was 99.7%, which is markedly among the highest in the Vodacom Group.
- ☑ To enhance the overall customer experience and address instances of network congestion, we continued to invest in end-to-end capacity upgrades across the country. We continued modernising our radio network by deploying new sites or changing existing base stations to a single radio access network. In this regard, we have another major network upgrades coming up to enhance the efficiency of our network.
- ☑ We signed a partnership agreement with the Zanzibar Information and Communication Technology Infrastructure Agency to enhance communication and accelerate digital transformation in Zanzibar. The agreement grants Vodacom Tanzania access to government-owned submarine fibre optic infrastructure, significantly improving voice and data

communication across the Isles. It further enables us to expand our customer base and strengthen our position in the domestic market.

- ☑ This year, we concluded a project to modernise and migrate our legacy charging platform to a real-time, cloud-native solution, supporting faster deployment of 4G and 5G technology while ensuring backwards compatibility. We also transitioned our virtual infrastructure to a scalable next-generation platform, decommissioning systems that had reached their end of life.
- ☑ Our efficient network operations and investment supported a generally strong performance in our key performance indicators relating to network availability, dropped call rate, accessibility, and data download and upload rates. We sustained our lead in overall network NPS, with a double-digit point lead over our nearest competitor.

Case study

Solidifying our position as the leading MNO in Tanzania: an update on our acquisition of Smile Communications Tanzania Limited

In March 2024, we acquired a small telecom operator – Smile Communications Tanzania Limited (Smile) which gave us access to the essential spectrum resources for enhancing our network infrastructure and providing superior customer experience. This agreement granted us access to spectrum resources previously held by Smile, including 20MHz of 800MHz and 20MHz of 2 600MHz.

This additional spectrum, suitable for a broader coverage and high capacity for faster speeds, has enabled us to expand our 4G footprint and accelerate the rollout of 5G technology. Since concluding the acquisition, we have successfully activated the spectrum resources and connected more than 1 000 sites across the country.

In addition to providing greater network efficiency and reliability, the acquisition ensured we are well-positioned to meet Tanzania's growing demand for mobile data services while enhancing our existing customers' data experience.

We are looking forward to the upcoming spectrum auction by the TCRA, for which we are evaluating our options.

¹ All assessments of population reach are based on Vodacom Tanzania internal estimates.

³ All population penetration measured at a rate of 1Mbps (outdoor).

Our strategic priorities continued

Strengthening cyber security and maintaining customer privacy

- Aligned with the Vodafone Tech2025 vision, we continued to enhance and modernise our cyber security systems to ensure customers enjoy our services securely, reliably and without incident. For five years in a row, Vodacom Tanzania was again rated the best market in the global Vodafone Group in terms of the implementation and effectiveness of our cyber security baseline controls.
- We continued identifying and addressing potential vulnerabilities through our Bug Bounty programme. Through this initiative, we reward ethical hackers for discovering and reporting critical vulnerability in any of our external facing applications.
- We maintained our ISO 27001 certification (Information Security Management System) and remain compliant with the European Union General Data Protection Regulation.

- We worked closely with the Tanzania Police Force to respond to cyber fraud incidents. This includes finding opportunities to leverage advanced technological tools to combat online threats and manage data requests and submissions in compliance with the requirements of the PDPA. To enhance this collaboration, we developed an online portal with strict access control to log and track reported incidents, which improved efficiency, privacy and security.

PG Read more about our efforts to educate and empower our customers to protect against fraud on Page 47

Looking ahead, as we close the chapter for Group's Tech2025 vision, we will refine our strategic objectives to achieve technology leadership in network and IT in line with Vodafone's new technology strategy for 2030.

Reducing our environmental impact and securing operational efficiencies

- As part of a Vodafone Group-wide commitment to be a net zero operator across its operations by 2035, we continued to invest in energy efficiency projects at our data centres to lower energy consumption and emissions. We continued to work with our network providers to accelerate grid connectivity and reduce our reliance on more carbon-intensive diesel generators. At year end, 91% of our towers were connected to the grid and 6% were solar hybrid.
- As one of the key objectives under ISO 50001, we have continued to enhance our energy efficiency across our mobile and fixed-line networks. We completed significant energy-efficient projects, resulting in an annual saving of 1 500 MWh in electricity consumption (a total energy saving of 2 861 MWh including Diesel usage), and a reduction of 787.57 tCO₂e.
- Additionally, we have automated our energy data collection by completing the energy submetering project in all our data centres. This is a significant achievement in measuring Power

Usage Effectiveness, a key KPI for facility efficiency. As a result, our power usage effectiveness improved.

- Last year, we embarked on a phased upgrade of our data centre cooling systems and aim to complete these upgrades by FY2027. We are also working to connect at least one of our data centre to renewable energy sources in the next two years.
- In FY2024 we obtained ISO 50001 certification in energy management. This year, we successfully concluded the annual surveillance audit and renewed our certification, demonstrating ongoing compliance with the standard and reaffirming our commitment to efficient energy management.
- To deliver on our cost containment commitments, we continued to drive network and IT efficiencies. This includes consolidating network towers through our co-build and sharing strategy, developing some of our key IT products internally and streamlining internal processes through increased digitisation and RPA.

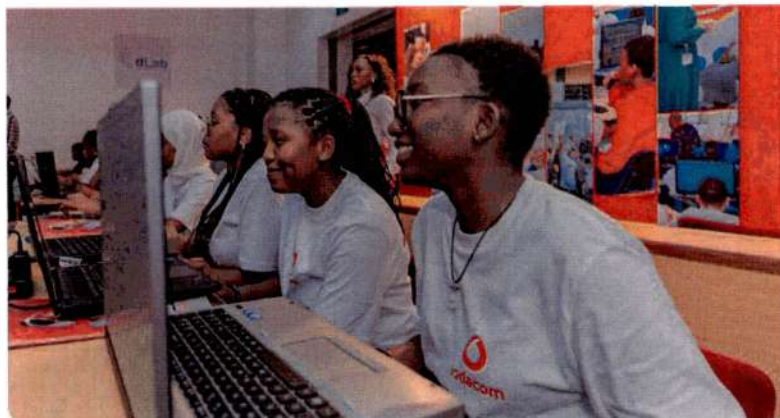
Case study

Empowering the next generation: enhancing digital learning and promoting cyber security awareness among students and communities

In collaboration with the University of Dar es Salaam, this year, we launched the University of Dar es Salaam Cyber Security Club. This collaboration is a strategic step towards bridging Tanzania's cyber security knowledge and sensitivity gap among students and young professionals, while fostering the next generation of talent in the evolving digital landscape.

The programme was launched with an initial cohort of 20 students, who will benefit from mentorship, industry insights and access to a dedicated practice platform designed to simulate real world cyber security challenges. A highlight since launch includes members completing a Cyber Security Introductory Course offered by the African Child Academy, laying a strong foundation in essential cyber security principles. The club further participated in the TCRA Cyber Champion Competition, gaining valuable exposure to national-level challenges.

This initiative aligns with our broader mission of leveraging technology to shape the future of cyber security in Tanzania while promoting digital resilience and security.



Retain and develop a high-performing team

Considering the highly competitive talent landscape, attracting and retaining diverse and future-ready skills are essential to achieving our strategy and delivering on our purpose. At Vodacom Tanzania, we remain committed to building an inclusive employee experience that fosters personal growth and development and cultivates a culture of agility, innovation and customer-first attitude.

Case study

This year, the Top Employers Institute recognised Vodacom Tanzania as a certified Top Employer for the eighth consecutive year and ranked the number one Top Employer in Tanzania. Vodacom Group was further named Africa's number one employer for the second year running.

We take pride in our strong track record of attracting, developing and retaining top talent, and we are honoured to be consistently recognised as an employer of choice.



Our FY2025 performance

Our workforce performance indicators	Unit	FY2025	FY2024	FY2023	FY2022	FY2021
Number of full-time employees	Number	623	607	581	560	569
Female in ExCo	%	41.7	38.5	38.5	38.5	36.4
Female (Head of division and ExCo level)	%	47.1	46.7	43.8	40.0	41.2
Female employees	%	38.7	38.1	37.5	37.3	35.7
Local (Tanzanians) % in ExCo	%	91.7	84.6	84.6	84.6	72.7
Total training spend	(TZS billion)	1.9	1.7	0.3	0.2	0.7
Employee turnover*	%	5.1	6.4	6.0	10.5	6.7

* We revised our employee turnover computation methodology in FY2024, resulting in a retrospective change in the ratio reported in prior years.

Our strategic priorities continued

Diverse talent and future-ready skills

- ✓ We remain focused on developing diverse future talent and building future-ready skills, through a strong focus on **youth empowerment**.
 - Our bursary programme, which is managed in collaboration with Rotary International, to support and encourage students undertaking science, technology, engineering and mathematics subjects, funded 10 students this year, supporting them to undertake their university courses
 - Equally, nine Vodacom employees received bursaries to advance their educational ambitions in various institutions
 - Our annual Discover Graduate programme continued this year, with 16 students enrolled in FY2025. Since FY2019, we have placed 103 graduates in permanent roles within Vodacom Tanzania, with an average absorption rate of 89%
- ✓ We continued **encouraging young women and girls to pursue ICT and science, technology, engineering and mathematics subjects** through our flagship Code Like A Girl programme. In FY2025, we trained 699 girls to reach a total of 3 069 trained girls since initiation of the programme.
- Driven by our #1MoreSkill learning philosophy, we continued **investing in reskilling and upskilling** our workforce to support our goal of becoming a future-ready digital tech company. All our employees attended various online and offline training sessions during the year, clocking an average of 61.1 learning hours per employee. The training attended focused on essential future skills such as AI technologies, design thinking, cloud computing, robotic process automation, strategic workforce planning, and project management.
- ✓ This year, we introduced a comprehensive **technology career path framework** to acknowledge and reward employees with advanced technical skills. Our goal is to cultivate future talent and build a community of experts among the 192 identified employees, regardless of their managerial level. Key focus areas include software engineering, automation, and data analysis. Also, through our Fin Tech Academy, we are accelerating skills transformation for supporting our mobile payment solution, M-Pesa, for which 100 employees participated in FY2025.
- ✓ To stay competitive, it is necessary to have a **capable leadership team**. We continued executing towards attaining this objective through new recruitment and training and development, focusing on reskilling and upskilling our people managers
 - The highlight of this year was **rolling out of our Leader Lab programme**, attended by 135 people-managers including directors, heads of departments and managers. The programme was aimed at equipping our leaders with skills to navigate key market-related challenges and embrace uncertainty. Through this programme, leaders were trained to take bold and decisive leadership approach, to unify teams and deliver exceptional results under competitive pressures
 - Additionally, 138 people managers participated in a range of **training and development programmes** conducted this year, including the Female Future Leaders initiative, coaching and mentoring, strategic thinking, emotional intelligence and our longstanding Vodacom Advanced Executive Programme. These programmes were executed with the aim of refreshing, developing and enhancing leadership skills among leaders in the company

- Our commitment to **skills development, gender equality and succession planning** continued to yield impressive results. This year, we sponsored 17 female employees into the Female Future Leaders programme, developed in partnership with the Association of Tanzania Employers. We also made eight internal management promotions, with 5 of these being women. As a result, female representation at the director and head of division level reached 47.1%, with Tanzania nationals making 83.3% of our executive team.
- Our affiliation with Vodafone and Vodacom groups enhances our **ability to attract and retain top talent**, crucial in today's competitive market, especially for the scarce digital skills. Employees benefit from global career development opportunities, including regional assignments, short-term secondments, and leadership development programmes. Currently, 21 Vodacom Tanzania employees are on assignments within the Vodafone Group.

Case study

Introducing TechStart: empowering Africa's next digital innovators

This year, Vodacom Group launched the TechStart programme to upskill 1 million African youth by 2027.

In Tanzania, this initiative is conducted in collaboration with Amazon Web Services, Microsoft, Skillsoft, and other partners. It features a digital skills hub that offers young Tanzanians (aged 18 to 35) access to self-paced online digital skills training, covering areas such as cloud fundamentals, AI and machine learning.

Our goal is to upskill 30 000 young Tanzanians by 2027 – presenting a significant opportunity to deliver on our purpose and inspire Africa's next wave of digital innovators.



Agile and efficient operating model

- Agile structures, principles and tools are well embedded throughout Vodacom Tanzania. We have eight Agile squads and in FY2025 we trained 42 employees as RPA citizens, with 108 processes fully automated using RPA. Our Agile interventions have further contributed to material improvements in productivity and efficiency. In FY2025, we saved more than 20 000 person-hours.
- ✓ To help us stay ahead of the dynamic and rapidly digitalising economy, we reviewed the operating models for our M-Pesa and enterprise businesses this year to ensure they remain agile and fit for purpose. We will roll this out to the rest of businesses in FY2026.
- ✓ As part of our ongoing commitment to fostering an agile employee culture, we transformed one of our traditional office spaces into an Agile centre this year. In addition to promoting a more connected workplace culture, this new dynamic workspace helps boost productivity by empowering employees to choose how and where they work best.

Read more about this in our annual ESG snapshot available

Spirit, culture transformation and engagement

In a period of five years, since launch of our Spirit of Vodacom initiative, we have deepened our Spirit culture to foster innovation, teamwork and agile learning and empower individual and team decision-making. These attributes are aimed at accelerating our transformation from a Telco to a future ready TechCo.

- Our Team Spirit index and engagement scores were the highest across Vodacom and the Vodafone group. This is our fifth year with leading scores, reaffirming our success in fostering the Vodacom culture and Spirit behaviours among all our employees.
- ✓ We enhance our employee value proposition through empathetic and inclusive policies and practices. Having recognised the low rate of health insurance coverage in Tanzania due to structural barriers including affordability, this year, we partnered with our corporate health insurance provider to offer our employees an opportunity to extend affordable, preferential health coverage to their parents.
- Our distinct Women's Network Forum and Vodacom Men's Forum continue to provide valuable platforms for our employees to connect and engage on what matters to them. Other than the entertaining social chats, some critical matters have been discussed in these forums including healthy lifestyles, well-being challenges and opportunities for investment especially investment in financial assets.
- We continued to enhance our digitised employee engagement tools, introducing best-in-class digital solutions to facilitate secure communication and enhance collaboration and innovation across our workforce. This year, we grew active user uptake of our Engage app to 79 from 76% in the prior year.

Health, safety and well-being

- ✓ We maintained our strong safety record this year, achieving 13 consecutive years of zero work-related fatalities among our employees and partners. This is a unique achievement across the Vodafone Group.

✓ Value created ✗ Value eroded ○ Value sustained



Our purpose-driven performance

Vodacom's purpose – to connect for a better future – means using our products and services to enable individuals and enterprises to thrive. To deliver on this purpose, ESG must be integrated into what we do.

At Vodacom, ESG is not a distinct strategy or set of activities but an integral part of the Group's purpose-led strategy, business model and daily operations.

Our purpose – which focuses on empowering people, protecting the planet and maintaining trust – serves as our ESG framework, directing how we embrace ESG related opportunities and manage ESG risks.

We set ESG goals linked to our purpose and ambitions, demonstrating tangible value and building stakeholder trust.



Through our activities in these areas, we are making a positive contribution to the following United Nations Sustainable Development Goals (SDGs):



The SDGs provide a globally agreed articulation of what a better future looks like, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. As a subsidiary of the leading African TelCo, Vodacom Tanzania is committed to harnessing its technology and resources to attain these goals and help governments, communities, enterprises and individuals build a better future. We also contribute to Tanzania's Vision 2025 and its national Five-Year Development Plan through our activities in these areas.

We summarise our performance against our purpose-led pillars on the following pages of this report.

Read more in our annual ESG snapshot on our website.

Empowering people

Vodacom seeks to ensure no one is left behind. We believe in the power of connectivity and digital services to strengthen economic resilience.

The digital divide remains a significant barrier to development, with unequal access to education, employment and communication. Many communities lack the tools, platforms, and programmes needed to fully participate in the digital economy, with insufficient access to essential services like healthcare, education and modern communication, hence impacting the overall quality of life.

Across Africa, digital inclusion is hindered by limited access to reliable digital infrastructure in rural and underserved areas, and the high costs of devices and connectivity services. Mobile technology breaks these barriers by providing billions of people with their primary means of communication accessing the internet and many life-enhancing services including educational, healthcare and financial services.

Our FY2025 performance

Closing the digital divide

We invest in network infrastructure to deliver high-quality coverage and services for individuals and communities. We expand our network to rural locations and support access through affordable connectivity, devices and platforms.

✓ We continued to accelerate the rollout of 3G, 4G and 5G sites, driving our broadband coverage to reach 69.4%¹ of population.

PG Read more about how we are investing in infrastructure to expand capacity, coverage and resilience from Page 49

✓ We continued promoting digital inclusion through our affordable Just4You packages. More than 10.2 million customers utilised these affordable packages during the year.

✓ We continued facilitating smartphone accessibility through partnerships with vendors and device financing through flexible payment plans that empowered our customers and supported 33.4% growth in Smartphone users in our network.

PG Read more about smartphone user growth on our network from Page 38

Financial inclusion

We offer M-Pesa services that enable our customers to access financial services without needing a bank account. Many of these customers do not have bank accounts and, without M-Pesa, they would be unable to access these essential services.

✓ We continued facilitating financial inclusion through M-Pesa, with customers growing by 13.3% year on year.



✓ We launched M-Wekeza, a pioneering mobile-based investment platform, and integrated the DSE mini-app into the M-Pesa super-app. Both services are revolutionising access to investing opportunities to Tanzanians.

PG Read more about how we are facilitating financial inclusion in M-Pesa through digital financing - Songesha overdraft, short-term loans, M-Koba savings and insurance services from Page 40

1. Measured at 3Mbps.

Empowering people continued

Value created Value eroded Value sustained



Supporting communities

We provide products and services to address specific societal challenges such as access to education, gender equality, financial inclusion and poverty.

- ✓ This year, the Vodacom Tanzania Foundation partnered with the Foundation for Civil Society as a lead sponsor during their annual Civil Society Organisation (CSO) Week. We hosted multiple roundtable discussions with CSOs, focusing on the key pillars of our purpose-led ESG framework to explore how we can increase collaboration and co-create meaningful solutions for Tanzanians. Recognising the power of our youth and their role as future leaders and change-makers, we invited more than 1 800 young

advocates to attend CSO Week 2024. These youth had the opportunity to network and participate in the sessions and partner with CSOs. The Vodacom Tanzania Foundation sponsored 30 change-makers who received training from their chosen CSO, with three youths selected to scale a tech-driven innovative solution to promote Tanzania's development.

- ✓ In partnership with Huawei, we launched a DigiTruck in October 2024. This is a mobile classroom project to extend financial literacy and digital skills training across Tanzania, focusing on women and youth in remote regions. Regional pre-implementation and post-implementation assessments informed our approach to ensure the courses and materials we provide meet the needs of local beneficiaries. We also activated an e-learning platform to supplement the DigiTruck. The project will run for three years, and we aim to reach 10 regions per year. Since launch, we have reached 4 387 beneficiaries in 12 regions, against a target of 5 500 beneficiaries per year.
- ✗ The e-Fahamu digital education portal was paused due to limited traction and scaling challenges. We are conducting a cost-benefit analysis and impact assessment to determine how to structure similar programmes better.
- ✓ In partnership with Huawei and MassChallenge, we proudly concluded the third season of our three-month Digital Accelerator programme, working with 20 startups, and spending TZS 0.7 billion on the initiative. The seven finalists were exposed to workshops, mentorship sessions and a learning tour in Shenzhen, China, sparking new ideas and possibilities for Tanzania.
- ✓ Additional highlights in FY2025 included adoption of the TechStart programme to upskill 1 million African youth by 2027 launched by Vodacom Group (page 52), launching VYB to empower Tanzanian youths (page 39) and a bursary programme to finance students undertaking science, technology, engineering and mathematics subjects (page 52).

Case study

Our employee volunteering impact: from the workplace to the community

At Vodacom Tanzania, our employee volunteer programme embodies our purpose and commitment to social responsibility. The programme enables employees to contribute to communities through payroll giving, fundraising or volunteering, including taking part in activities where they can use their professional skills and expertise to make a positive and tangible impact on the lives of others.

This year,
our employees volunteered
43 683 hours
through initiatives such as Pedal for Purpose, Twende Butiama and our community medical camps.



Employee participation in our volunteer programme increased significantly in FY2025, and we are exploring partnerships to scale our impact and reach in the year ahead.



Protecting the planet

We strive to minimise the climate and environmental impacts of our direct operations, as well as upstream and downstream activities, while encouraging others to reduce their GHG emissions, improve resource efficiency and protect nature.

As the world's least climate-resilient continent, Africa is profoundly affected by climate change. Along with negative economic, social and health impacts, climate change has led to ecological crises brought on by environmental degradation. While government action is required, businesses need to collaborate with the public sector, drive down GHG emissions and contribute to climate and nature solutions.

Our protecting the planet pillar reflects our aspirations to become a sustainability leader. This strategy includes our commitment to a low GHG emissions future and considers nature and biodiversity in our direct operations and value chain activities. We actively assist our customers, suppliers and other stakeholders to adopt approaches that serve our planet better. We advocate by leading by example, shaping our practices to be more sustainable, for example, by deploying digital technologies.

We also believe society needs to move to being a more efficient and circular economy focused on eliminating waste. Our waste and circularity strategy focuses on network waste from our fixed and mobile access networks and electronic devices we provide and sell to customers.

Our FY2025 performance

Responding to climate change

Climate change poses a significant risk to our operations and associated value chains. We address the global climate crisis through our efforts to mitigate and address our climate-related impacts and risks.

- ✓ Climate change and environmental degradation exacerbate Tanzania's risk of floods, drought, earthquakes, landslides and tsunamis. Vodacom Tanzania is working with the government and the Tanzania Red Cross Society to conduct user research to develop a national strategy for a mobile-enabled early warning system (EWS)¹. This EWS will help communities prepare for and respond to extreme weather events and environmental hazards. During phase one, we undertook research in Kilosa and engaged with local communities to understand user needs and preferences related to EWS dissemination channels and content.

Delivering net zero operations (scope 1 and 2 GHG emissions)

As we move towards a more digital society, with increasing volumes of internet usage and mobile data traffic, in line with ambitions of our parent company Vodacom Group, we are committed to working towards net zero GHG emissions for our operations, and partnering with others across the public and private sectors to reduce the telecommunications sector's emissions in Africa.

- ✓ We connected 74 sites which were previously running on diesel generators to the grid, reducing use of diesel and related environmental impact. We are acting to reduce the use of diesel generators as much as possible in running our sites. Challenges remain in remote areas where grid power is not accessible.



¹ To catalyse the life-saving potential of mobile communications in EWS, the GSMA launched an industry pledge at the 2023 UN Climate Change Conference, COP28. Vodafone is a signatory to this industry pledge, which aims to realise the ambition of providing universal access to EWS through the EW4All initiative.

Protecting the planet continued



- ✓ We continued to implement projects aimed at reducing our environmental impact and GHG emissions. This year, we successfully cut our electricity usage by 1 500 MWh (total energy saving of 2 861MWh including diesel energy) and lowered our GHG emissions by 787.57 tCO₂e. These accomplishments were achieved through:

- Upgrading the cooling systems in Kwaile and Dodoma Data centres
- Installing new LED lights with presence sensors in all Data centres
- Decommissioning unused or end of life equipment in three Data centres
- Connecting grid power to sites previously powered by diesel generators

PG Read more about how we are investing in initiatives to reduce the environmental impact of our data centres and network operations on Page 51

Driving circularity

E-waste is one of the fastest growing environment pollutants globally. Hence, encouraging circularity is critical for protecting the environment. Circularity considers the entire life cycle of a resource and aims to eliminate waste – thereby reducing environmental impact.

- As a responsible corporate citizen, Vodacom Tanzania complies with the eco-levy imposed on electronic communications equipment imported in Tanzania to ensure appropriate end-of-life disposal. The funds support the responsible disposal and recycling of e-waste, aligning with the principle of extended producer responsibility throughout the product lifecycle.

- Our resource efficiency and waste disposal management programmes minimise the environmental impacts of network and e-waste. Our resource efficiency and waste disposal management programmes minimise the environmental impacts of network and IT equipment waste. When reuse options (either through resale or redeployment) are exhausted, we recycle obsolete equipment responsibly using approved recycling agencies.

We use certified local service providers to dispose of our telecommunication equipment when its useful life is exhausted.

Supporting biodiversity

The world is undergoing a dangerous decline in biodiversity, with certain living species threatened with extinction. Although our effect on biodiversity is low, we aim to understand its extent and minimise our infrastructure's environmental and visual impact. We can also apply digital technology to enable interventions and actions to protect, manage and restore nature.

- We hosted the 2024 Twende Butlama Cycling Tour this year, with participants engaging in climate action and educational campaigns (page 46).
- ✓ Our Earth Day awareness initiatives leveraged social media platforms to promote environmental consciousness and sustainability.
- ✓ Furthermore, this year, we contributed 20 000 trees to the President of the United Republic of Tanzania, Her Excellency Dr. Samia Suluhu Hassan, in supporting her efforts to promote biodiversity through her Green Tanzania programme.

Maintaining trust

Acting lawfully, ethically and with integrity is critical to our long-term success, and forms the cornerstone of how we do business. Transparency, honesty and accountability guide all our business interactions. We continue to foster a diverse and inclusive global workforce that reflects the customers and societies we serve.

For our customers, we protect their data, ensure that services are delivered securely and responsibly, and provide guidance on how to navigate new technology ethically. We promote a strong health and safety culture, and we aim to respect human rights across our operations and proactively manage risks in our supply chain. In upholding the highest industry standards, we behave responsibly and transparently, comply with legal and regulatory standards, and ensure employees, business partners and suppliers conduct themselves appropriately.

Our FY2025 performance

Doing business ethically

Maintaining and enhancing trust underpins our purpose. We hold our employees, strategic and business partners and suppliers to a high standard of integrity.

- ✓ We have established close relationships with regional and district offices, including establishing community forums that are attended by customers and government representatives. For instance, when a new tower is being built and a neighbour has concerns about the environmental impact, this forum provides us with the opportunity to explain and address the concerns.

Case study

Amplifying our efforts to educate and empower our customers to combat fraud

We hosted our annual International Fraud Awareness Week this year. We engaged with the regulators to identify fraud hotspots across the country. Our teams then visited our major markets across the country in Tanzania and connected with customers to share practical tips on safeguarding personal data and reporting fraud. Building on our strategic partnerships with local radio stations (page 45), we launched Epuka Utapele – a series of short, engaging street radio stories featuring real customer insights and experiences. We also hosted VodaChat webinars to raise awareness of common fraud tactics and how to respond to and report fraud.

192 228

people reached
via Instagram, Facebook,
and X

2 200

people reached
during visits to cities
identified as hotspots for
fraudulent activities

Looking ahead, we plan to transition fraud awareness from an annual to an always-on campaign.



Developing our employees

We believe that the well-being of our employees contributes directly to our ability to fulfil our purpose of connecting for a better future.

- ✓ By enhancing our employee value proposition through empathetic and inclusive policies and practices, we are creating a workplace culture where people feel empowered to thrive and positively impact their careers and the realisation of our purpose.

PG Read more about our employee value propositions on Page 53

Maintaining trust continued

Value created Value eroded Value sustained

Protecting privacy and data

We focus on managing rapid technological advances, regulations associated with using data, and potential disruptions, opportunities and risks. Our privacy and security programmes create a strong culture and practice of protecting the privacy, security and confidentiality of customers' data.

- ✓ We strengthened our governance systems and controls related to privacy and data. We are adopting ethical AI governance cascaded from Vodacom Group. We also updated our privacy notice to indicate that information will be used in Big Data analytics. This shows that we are dedicated to responsible Big Data analytics governance, ensuring compliance with data protection laws and internal security controls.
- ✓ Vodacom Tanzania was one of the first three recipients of the Data Processor and Controller Registration Certificate at the inauguration ceremony of the Personal Data Protection Commission. This recognition underscores our unwavering commitment to safeguarding our customers' privacy.
- ✓ Other key initiatives for FY2025 included launching a Cyber Security Club in partnership with the University of Dar es Salaam and continuing our Bug Bounty programme (page 50).
- ✓ We continued to implement our privacy programme across our Vodacom and M-Pesa operations, in line with our internal privacy policies and controls, and the PDPA. We ran training and communications to sensitise our employees on requirements of the PDPA, which became operational in April 2024.

Protecting people

- ✓ Wherever we operate, we contribute to advancing the fundamental rights of our customers, employees and communities. We are conscious of the risks associated with our operations and work hard to mitigate negative impacts and ensure that we keep people safe.

Promoting responsible and inclusive procurement

- ✓ To ensure safe and fair working conditions and to responsibly manage environmental and social issues across our supply chains, we encourage suppliers and our strategic and business partners to adopt sustainable business practices. We aim to work with suppliers who closely align with our purpose and share our values. We expect our suppliers to meet our mandatory ethical, labour and environmental standards, to be accountable for managing risk in their operations, and to hold their suppliers accountable to equally high standards.
- ✓ We empower local suppliers. This year 77.0% of the value of our procurement, was spent on 327 suppliers operating in Tanzania.

PG Read more about our responsible procurement on Page 4

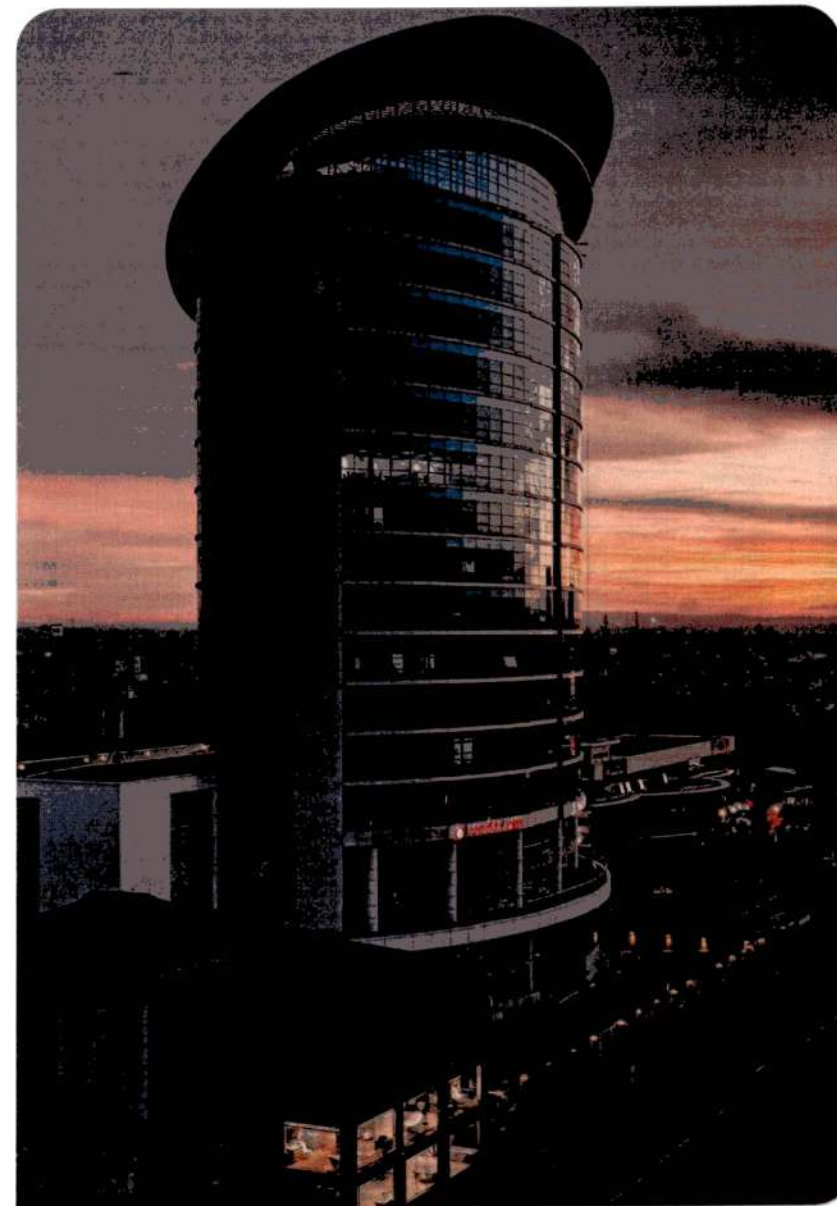
Sustainability KPIs	Unit	Mar-25	Mar-24	Mar-23	Mar-22	Mar-21
Number of full-time employees	Number	623	607	581	560	569
Number of full-time female employees	Number	241	231	218	209	203
Female in ExCo	%	41.7	38.5	38.5	38.5	36.4
Female (Head of division and ExCo level)	%	47.1	46.7	43.8	40.0	41.2
Female employees	%	38.7	38.1	37.5	37.3	35.7
Total spend on employees	(TZS bn)	90.4	74.7	65.2	63.8	74.7
Total training spend	(TZS bn)	1.9	1.7	0.3	0.2	0.7
Work related fatalities	Number	Zero	Zero	Zero	Zero	Zero
Customer Net Promoter Score (NPS)	Position	1st	1st	1st	1st	1st
Employees Engagement Index score	%	96	94	93	85	86
Customer base (90 days)*	Number ('000)	22 642	19 563	16 735	15 368	14 861
M-Pesa users (monthly base)*	Number ('000)	11 519	10 169	8 197	6 833	7 395
Data users (monthly base)*	Number ('000)	11 977	10 065	8 748	7 603	7 695
Capital expenditure investment	(TZS bn)	175.0	170.1	156.0	174.0	122.4
Total tax and levies paid to government	(TZS bn)	62.13	522.6	530.0	516.9	429.7
Airtime advance to customers	(TZS bn)	131.1	101.7	87.8	68.4	43.3
Total value transacted in M-Pesa	(TZS bn)	129.9	97.1	70.4	61.9	69.2
Rural sites (UCSAF)	Number	422	313	302	283	260
% Customers in rural sites ¹	%	52.9	45.9	45.9	45.7	45.2
Paper usage saved by focusing on electronic recharges ²	Tonnes	242	214	172	134	140
Plastic usage saved by using small size SIM cards ³	Tonnes	34	28	33	21	22

* All the customer related numbers are based on Vodafone Group's definition of an active customer.

1. We have reinstated the % of customers in rural sites to reflect the current site classification.

2. Estimated under the assumption that what if all electronic recharges would have been recharged using our best selling paper voucher.

3. Prior year numbers have been reinstated to align with Group methodology.



Finance Director's review

Hilda Bujiku

Dear stakeholders, I am proud to present Vodacom Tanzania's strong financial performance for the year ended 31 March 2025.

Despite global geopolitical challenges, our strategy driven by purpose, strong commercial momentum, and value-driven capital allocation has yielded substantial top-line growth. Additionally, our prudent spending has resulted in cost savings, countering the impact of various operational difficulties, including foreign exchange losses. As a result, we have achieved robust growth across all profitability measures and significantly improved our return profile.

Summary financial information

TZSm	2025	2024	% Change
Service revenue	1 515 987	1 258 335	20.5
Revenue	1 539 360	1 278 217	20.4
EBITDA	493 596	394 179	25.2
Operating profit	208 177	134 276	55.0
Net profit after tax	90 511	53 427	69.4
Earnings per share ('EPS') (shillings)	40.37	23.83	69.4
Contribution margin (%)	67.6	67.2	+0.4ppts
EBITDA margin (%)	32.1	30.8	+1.3ppts
Operating profit margin (%)	13.5	10.5	+3.0ppts
Net profit margin (%)	5.9	4.2	+1.7ppts

In supporting business performance, we focused in driving excellence in resource allocation to deliver sustainable growth, a prerequisite for growing returns to our shareholders.

Our focus areas

Product diversification to build sustainability in revenue growth

Our key achievements

- Service revenue increased 20.5% to TZS1 516 billion
- We made progress in diversifying our revenue - beyond mobile and traditional M-Pesa services¹ contribution to total service revenue expanded by 4pp to 29.1% from 25.1% in FY2024
- Double digit growth in our service revenue growth pillars with M-Pesa growing 29.3% and Mobile data increasing 21.6%
- 8.7% increase in voice revenue despite pressures on market prices

¹ Beyond mobile services include digital and VAS, fixed, IoT and M-Pesa revenue, (for Tanzania - excluding cash out and peer-to-peer transfers).

Optimising our operations to support profitability and cash generation

- Cost transformation initiatives delivered TZS59.2 billion cost savings
- Supported EBITDA growth of 25.2% to TZS493.6 billion, with a normalised margin expansion of 3.3pp to 34.1%
- Profit after tax increase of 69.4% to TZS90.5 billion
- Excellent operating free cash flow of TZS206.9 billion (FY2024: TZS123.8 billion)

Investing in technology and network infrastructure modernisation to support growth and execution of our purpose

- Invested TZS175.0 billion CAPEX equivalent to intensity of 11.4%
- Network resilience supported nearly 50% increase in 4G data traffic
- Transitioning our network - data traffic carried in the 4G network increased by more than 5pp to over 80%
- Rolled out seven new 5G sites, 471 new 4G sites and 321 new 3G sites
- Built 109 rural sites to reach a total of 422 sites rolled out in the underserved areas in collaboration with the government since year 2013
- Sustained our double-digit lead on combined network performance NPS
- Acquired access to Smile's 2x10MHz of 800MHz and 2x10MHz of 2 600MHz spectrum

Stable pay-out ratio, supported by a healthy balance sheet

- Recommended proposition of an annual dividend of TZS45.3 billion (FY2024: TZS26.7 billion)

Upgrading our growth outlook

- We are upgrading our target from high single-digit to early double-digit service revenue growth



Product diversification to build sustainability in revenue growth

During the year, service revenue grew 20.5% to TZS 1 516.0 billion supported by our strong commercial momentum that resulted in customers increasing 15.7% and average revenue per customer (ARPU) growth of 4.3%. Encouragingly, our beyond mobile services, which include fixed, digital, IoT and M-Pesa (excluding peer-to-peer transfer and cash out), continued to grow significantly and their contribution to service revenue expanded further. This trend increases our service revenue resilience and growth sustainability.

M-Pesa revenue grew 29.3% to TZS 590.0 billion, increasing its contribution to service revenue by 2.7ppts to reach 38.9%. Revenue growth was driven by growth in ARPU and increase in customers, both reflecting an increased adoption of M-Pesa services. Our strategy to expand new services in the M-Pesa ecosystem including lending, insurance, savings and merchants, continued to pay-off. Revenue from these services grew by close to 50% year-on-year, and their contribution to M-Pesa revenue continues to expand. The growth of new services in M-Pesa has significantly progressed our revenue diversification and supported deeper financial inclusion.

Mobile data revenue increased 21.6% to TZS 422.2 billion, underpinned by strong growth in data customers and traffic fuelled by strong adoption of our 4G and 5G services. Smartphones in the network continued to grow as a result of excellent commercial execution, supported by the continued investment in the network. In the year we activated 4G in 471 sites, completed capacity upgrades in 286 existing 4G sites as well as significantly expanded our local and international transmission capacity – through National ICT backbone, and undersea leased capacity.

Mobile voice revenue increased 8.7% to TZS 310.6 billion, underpinned by customer growth, CVM initiatives and enhanced service quality. The competitive pressure in voice price continued during the year, which led to a 1.3% decline in average price per minute, with traffic continued to grow, supported by the investment in the network.

Digital & VAS revenue, which comprises of airtime advance service and value-added services (VAS), increased 4.1% to TZS 40.3 billion. This growth was driven by product penetration from our diverse range of digital and VAS offerings. During the year, we continued to focus on simplifying how our customers subscribe to the VAS services, as well as creating more transparency and control to which services customers subscribed to.

Mobile incoming revenue grew by 2.7% to TZS 49.7 billion. The growth was attributed to increased minutes from customer growth, partly offset by lower incoming price per minute resulting from a 4.5% reduction in regulated mobile termination rates.

Fixed data revenue increased by 36.7% to TZS 42.0 billion, driven by growth in customers as we continued to execute on our ambition to connect homes and businesses.

Optimising our operations to support profitability and cash generation

EBITDA

Our diligent cost containment measures complemented a strong revenue performance to deliver EBITDA of TZS 493.6 billion, an increase of 25.2%, with an EBITDA margin of 32.1% – a margin expansion of 1.3ppts. Excluding foreign currency losses and the once-off costs – underlying EBITDA grew 33.0%, with EBITDA margin of 34.1%, an expansion of 3.3ppts.

Our focus on driving cost efficiency delivered TZS 59.2 billion of savings, equivalent to 3.9% of service revenue. These savings helped mitigate cost pressures arising from contractual escalations, business growth and significant foreign exchange losses incurred especially in the first half of the financial year.

In direct costs, we prioritised investment in growing and strengthening our distribution channels – for customers acquisition as well as expanding the merchant channel to serve our customers better as we continue to digitize payments and optimise our expenses. As a result, the direct expenses increased 16.6% to TZS 487.4 billion, a slower growth rate compared to service revenue growth, with a contribution margin expansion of 0.4pp realised through the cost savings initiatives.

In Operating expenses, we prioritised investment in ensuring quality of service and great customer experience through expanding our network footprint, enhanced capacity in our network, additional resources to support business growth as well as acquiring additional international fibre capacity for resilience. Total operating expenses increased 17.6% to TZS 546.3 billion. Excluding foreign currency losses and once-off costs relating to fibre consortium settlement with the government, total operating expenses increased 12.9%.

Net profit

We generated a net profit after tax of TZS90.5 billion, representing a significant growth of 69.4%. Normalised for foreign currency losses and once-off costs, our underlying net profit after tax grew 109.6% with 3.1pp margin expansion to 7.3%. This ongoing improvement in profitability was underpinned by the good growth in service revenue and our sustained focus on cost optimisation and rigorous cost control to support margin expansion.

Free cash flow

	2025	2024	% Change
Operating free cash flow	206 918	123 819	67.1
Free cash flow	195 423	95 740	104.1
Capital expenditure	174 995	170 134	2.9
Net debt	(425 375)	(183 288)	(132.1)
Net debt to EBITDA (times)	0.9	0.5	(0.4)

Our operating free cash flow of TZS206.9 billion, was an increase of 67.9%, driven by EBITDA growth from a strong business performance for the year and better working capital management. We invested TZS175.0 billion into capital expenditure, with a further TZS146.2 billion spent on lease payments supporting business operations.

Free cash flow, which captures our cash interest, tax, dividends received from subsidiaries and paid out to our shareholders, was TZS195.4 an increase of 104.1% year-on-year. This growth was primarily delivered through increased operating free cashflow and higher net finance cash inflow, a result of higher interest rates negotiated with our banks on cash balances. Additionally, our interest expenses were lower compared to prior year which had a once-off interest expense incurred on foreign exchange contracts (FEC). The cash increase generated was partly offset by a 50.1% increase in tax paid in line with business performance.

Our strong free cash flow generation helped in supporting our leverage of 0.9x (net debt to EBITDA), despite an increase in liabilities mainly due to recognition of TZS 319.6 billion lease liability, an impact of triggering auto renewal clause in line with the terms of the contract and our accounting policy. Net debt was also impacted by a once off part-payment made on acquisition of Smile Communication Tanzania Limited.

Investing in technology and network infrastructure modernisation to support growth and execution of our purpose

We invested TZS 175.0 billion into capital expenditure¹ during the year, equivalent to 11.4% of revenue, directed towards broadband coverage expansion, data network capacity enhancement and modernisation of IT infrastructure. We added 471 new 4G sites and upgraded capacity in 286 existing 4G sites, improving 4G coverage and enhanced customer experience. This investment contributed to the increase in traffic carried on our 4G network to over 80%, which is in line with our network strategy to increase 4G adoption.

¹ Excluding spend on mergers and acquisition, and movement in capital creditors.

Upgrading our growth outlook

Considering our business growth drivers, strategic execution and the business environment, we are pleased to upgrade our service revenue growth target from high single-digit to early double-digit. Capital expenditure intensity intended will remain at 13% to 16% of total revenue. These medium-term targets assume a stable currency, regulatory and macroeconomic environment. These targets are on average, over the next three years, excluding spectrum purchases, exceptional items and any merger and acquisition activity.

Stable pay-out ratio, supported by a healthy balance sheet

Our stated dividend policy is to pay out dividends of at least 50% of post-tax profits for the year. Given our strong performance, we have recommended to the Board to propose to the shareholders to approve an annual dividend of TZS45.3 billion (FY2024: TZS26.7 billion).

Appreciation

This financial year marked the end of our five years plans under vision 2025 which started in FY2021 and opens the gate for the vision 2030, covering FY2026 to FY2030.

I am delighted by the accomplishments we have achieved over the past five years. Despite ongoing economic pressures including foreign exchange volatility, our outcomes have demonstrated the resilience of our strategy, our commitment to stakeholders, and strength of our unwavering execution.

We have successfully navigated numerous challenges and opportunities to uphold and advance the business. Throughout this period, we have observed service revenue growth from one trillion shillings to one and a half trillion shillings. Additionally, we have supported improvements in profitability, which has doubled compared to FY2020.

I am sincerely grateful to my colleagues for their hard work and support towards our common purpose. This performance required sacrifices, but reflecting on the decisions we facilitated and the efforts we made, we feel proud as they are now delivering significant growth in shareholders' returns and fulfilling our purpose of connecting for a better future.

With our robust and diversified product portfolio, highly skilled employees throughout the organization, and a generally stable business environment, we possess all the essential tools to elevate the business to the next level and meet our stakeholders' expectations.

Hilda Bujiku
15 July 2025

Summarised consolidated statement of financial position

TZS m		Group Actual March 2025	Group Actual March 2024
Assets			
Non-current assets		1 573 432	1 268 668
Goodwill		1 639	1 639
Property and equipment	1	553 807	595 659
Intangible assets	2	298 042	280 069
Right of use assets	3	586 593	270 992
Capacity prepayments	4	56 869	29 159
Trade and other receivables – non current		9 882	12 800
Income tax receivable – non-current		34 298	36 120
Deferred tax assets	5	31 206	42 230
Other investments		1 096	–
Current assets		1 404 542	1 107 067
Capacity prepayments – current		15 446	12 756
Inventory		4 300	3 409
Trade and other receivables – current	6	124 396	114 380
Government grant receivables	7	13 283	–
Income tax receivable		25 415	24 532
Mobile financial deposit	8	923 235	730 293
Cash and cash equivalents	9	298 467	221 697
Total assets		2 977 974	2 375 735
Equity and liabilities			
Capital and reserves			
Share capital		112 000	112 000
Share Premium		442 435	442 435
Capital contribution		27 698	27 698
Retained earnings	10	334 371	270 660
Equity attributable to the owners of the parent		916 504	852 793
Non-controlling interest		75	41
Total Equity		916 579	852 834
Non-current liabilities		642 348	297 883
Lease liabilities – non current	11	620 544	281 831
Other financial liabilities – long term		13 831	9 292
Provisions		7 973	6 760
Current liabilities		1 419 047	1 225 018
Lease liabilities – current	12	84 703	110 931
Other financial liabilities – short term		4 764	2 930
Government Grants		852	735
Income tax payables		2 576	–
Mobile financial payable	13	923 235	730 293
Trade and other payables – current	14	396 929	374 540
Dividend payables		277	269
Provisions - current		5 711	5 320
Total liabilities		2 061 395	1 522 901
Total equity and liabilities		2 977 974	2 375 735

- The decline was primarily due to higher depreciation charges from additional investments, which offset the increase from capital additions made during the year.
- Intangible assets rose by 6.4%, with net additions offsetting the annual increase in amortisation charges. We added new licences and upgraded existing licences for our network and platforms, to support network efficiency in line with business growth, enhance resilience, security and provide a ready-access to future licenced features including software upgrades.
- During the year, we recognised a right of use asset of TZS 319.6 billion in line with the tower lease contracts terms and accounting policy. The incremental investment was partially offset by the annual depreciation charges.
- The increase is primarily attributable to the prepayment for the indefeasible right of use (IRU) of fibre infrastructure, partially offset by annual amortization charges.
- The decrease is primarily due to the accelerated utilization of carried forward tax losses driven by profitability improvement, partially offset by additional deferred tax asset recognized from timing and permanent differences.
- The increase was mainly driven by prepayments for property and trust fund insurance, and advanced credit and contract customers receivables in line with business growth. The growth was partially offset by expected credit losses on receivables as per company policy.
- The balance represents amount receivable in form of government grant receivables from the Universal Communication Services Access Fund (UCSAF) relating to 147 completed and operational sites.
- The increase is primarily attributed to deposits from M-Pesa customers and agents, reflecting the continued growth of the M-Pesa business.
- The increase was mainly driven by cash generated from business operations, which was partially offset by amount spent in investing and financing activities, including lease payments and M-Pesa customer interest. Additionally, the overall increase was reduced by a TZS 2.9 billion foreign currency impact on cash and cash equivalents.
- The increase was driven by profit generated during the year, partially offset by a TZS 26.6 billion dividend declared and paid for the FY2024.
- The increase is primarily due to the renewal of leases in accordance with the lease contracts terms and accounting policy. The incremental investment was partially offset by the payments made during the year on matured leases.
- The decrease was primarily due to timing differences in lease payments, and reclassification to short-term lease.
- The increase is primarily attributed to deposits from M-Pesa customers and agents, reflecting the continued growth of the M-Pesa business.
- The increase was mainly driven by higher VAT output and excise duties from revenue growth, increased M-Pesa interest payables, and accrued IT and network costs. This was partially offset by the payment to Smile Communications Tanzania Limited's shareholder following acquisition of Smile entity by VTPIC at the end of FY2024.

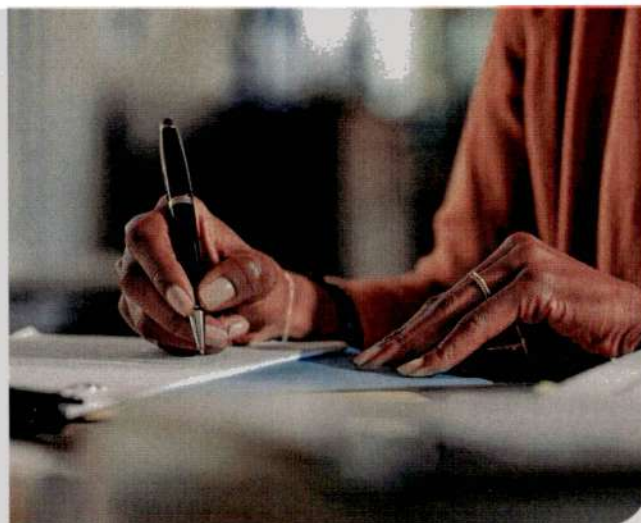
Summarised consolidated financial statements continued

Summarised consolidated statement of cash flows

TZS m	Group March 2025	Group March 2024
Cash generated from operations	718 714	643 087
Income taxes paid	(39 860)	(26 549)
Net cash generated from operating activities	678 854	616 538
Cash flows from investing activities		
Additions to property and equipment and intangible assets	(198 019)	(179 916)
Asset Acquisition	(60 720)	(12 501)
Purchase of other investments	(1 096)	–
Proceeds from disposal of property and equipment	–	419
Government grant received	2 955	14 456
Finance income received	7 169	4 409
Net movements in mobile financial deposits	(192 942)	(220 935)
Interest received from M-Pesa deposits	38 947	21 355
Net cash used in investing activities	(403 706)	(372 713)
Cash flows from financing activities		
Dividend paid	(26 758)	(22 265)
Payment of lease liabilities - Interest	(53 901)	(47 774)
Settlement of derivative financial liabilities	(875)	(5 767)
Proceeds from revolving credit facility	–	47 266
Principal repayment of revolving credit facility	–	(47 266)
Interest repayment of revolving credit facility	–	(1 312)
Principal repayment on other financial liabilities	(4 762)	(771)
Interest repayment on other financial liabilities	(386)	(280)
Interest paid to M-Pesa customers	(16 493)	(19 596)
Capital repayment on spectrum licence payables	–	(75 465)
Interest repayment on spectrum licence payables	–	(1 925)
Payment of lease liabilities - Principal	(92 312)	(87 070)
Net cash (used in)/ generated by financing activities	(195 487)	(262 225)
Net (decrease)/ increase in cash and cash equivalents	79 661	(18 400)
Cash and cash equivalents at the beginning of the year	221 697	236 590
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	(2 891)	3 507
Cash and cash equivalents at the end of the year	298 467	221 697

- 1 The increase was driven by stronger business performance and improved customer collections, partially offset by payments to suppliers and vendors.
- 2 The increase primarily reflects our ongoing investments directed towards broadband coverage expansion, data network capacity enhancement and modernisation of IT infrastructure.
- 3 This represents a payment to Smile Holdings shareholders relating to the acquisition of Smile Communications Tanzania Limited entity concluded at the end of FY2024.
- 4 This relates to an instalment received from the Universal Communications Service Access Fund as a grant to support rollout of new sites in the underserved areas and the upgrade of existing 2G/3G sites to 4G.
- 5 The decrease was due to pending M-Pesa interest payments to customers and agents awaiting regulator's approval.
- 6 This relates to dividends declared and paid during the year for FY2024, including the previously unclaimed dividends.
- 7 This relates to interest payments on leases, with the increase mainly driven by new leases acquired during the year.





Consolidated annual financial statements

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Report of the directors for the year ended 31 March 2025

Introduction

The directors present their report together with the audited consolidated and separate financial statements of Vodacom Tanzania Public Limited Company (the 'Company'), and its subsidiaries (together, the 'Group') for the year ended 31 March 2025.

The Governing Board's Report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1, The Report by Those Charged with Governance.

Vodacom Tanzania PLC Profile

Vodacom Tanzania is a Tanzania's leading communications company providing a wide range of services for consumers and enterprise, including voice, data, messaging, financial services, and enterprise solutions to over 22.6 million customers (2024:19.6 million).

Vodacom Tanzania was listed on the Dar es Salaam Stock Exchange on 15 August 2017. The Group is controlled by Vodacom Group Limited, incorporated and domiciled in the Republic of South Africa which effectively owns and controls 75.00% (2024:75.00%) of the Company's issued shares.

The Group's ultimate parent is Vodafone Group Plc, incorporated and domiciled in the United Kingdom.

Nature of business operations

The Group conducts the business of both a mobile network operator and mobile financial services provider in Tanzania. The Group provides other communications services, including but not limited to those related with fixed line connectivity.

The group also offers comprehensive portfolio of access technologies and data solutions to help organizations of all sizes achieve the agility they need to compete successfully in a connected world.

Core purpose

Vodacom Tanzania's purpose is 'connecting for a better future'. The United Nations Sustainable Development Goals (SDGs) provide a globally agreed articulation of what that 'better future' looks like, setting a clear long-term agenda to end poverty, protect the planet and ensure prosperity for all by 2030. As a leading African telco, Vodacom Tanzania is committed to harnessing its technology and resources in the attainment of these goals, supporting governments, communities, businesses and individuals to build a better future. Through our business of providing increased access to reliable and accessible data, messaging, voice and mobile money services, we are making a valuable contribution to meeting national and global developmental objectives.

Our Strategic priorities

Vodacom Tanzania is a leading mobile network operator (MNO) in Tanzania with a strong purpose-led business model and a compelling track-record of effective management and quality execution in delivering on its strategy.

Operating in a dynamic and rapidly digitising economy, we see exciting opportunities to generate sustained revenue growth over the medium and long-term, while making a substantial contribution to the country's socio-economic development, as the country's only publicly listed MNO.

Our strategic priorities are designed to drive growth with customer experience at the centre of everything we do.

Our key strategic pillars are:

1. Vigorously grow Mobile
2. Expand and escalate M-Pesa growth
3. Relentlessly pursue Fixed service
4. Innovate and lead on Enterprise
5. Extract Wholesale value
6. Leveraging our brand position
7. Digital Care and Experience
8. Technology leadership in network and IT
9. Retain and develop a high performing team
10. Improve the return on capital employed

Report of the directors continued

Operating and financial review

Performance Highlights

Details of the results for the year are set out in the consolidated and separate statements of profit or loss and other comprehensive income.

Revenue

Service revenue increased by 20.5% to TZS1,515.9 billion, supported by our strong commercial momentum that resulted in 15.7% customer growth to

22.6 million¹ and average revenue per customer (ARPU) growth of 4.3%. Our beyond mobile services, which include fixed, digital, IoT and M-Pesa (excluding peer-to-peer transfer and cash out), continued to grow significantly and their contribution to service revenue expanded further during the year.

Mobile voice revenue grew by 8.7% to TZS 310.6 billion, underpinned by customer growth, customer value management initiatives and enhanced service quality. The competitive pressure in voice price continued during the year, which led to a 1.3% decline in average price per minute, with traffic continued to grow, supported by the investment in the network.

M-Pesa revenue grew by 29.3% to TZS590.0 billion, increasing its contribution to service revenue by 2.7ppts to reach 38.9%. Revenue growth was driven by growth in ARPU and increase in customers, both reflecting an increased adoption of M-Pesa services. Our strategy to expand new services in the M-Pesa ecosystem including lending, insurance, savings and merchants, continued to pay-off. Revenue from these services grew by close to 50% year-on-year, and their contribution to M-Pesa revenue continues to expand. The growth of new services in M-Pesa has significantly progressed our revenue diversification and supported deeper financial inclusion to M-Pesa's revenue profile diversification.

Mobile data increased by 21.6% to TZS 422.2 billion, underpinned by strong growth in data customers and traffic fuelled by strong adoption of our 4G and 5G services. Smartphones in the network continued to grow as a result of excellent commercial execution, supported by the continued investment in the network.

Digital and VAS revenue, which comprises of airtime advance service and value-added services (VAS), increased by 4.1% to TZS 40.3 billion. This growth was driven by product penetration from our diverse range of digital and VAS offerings. During the year, we continued to focus on simplifying how our customers subscribe to the VAS services, as well as creating more transparency and control to which services customers subscribed to.

Mobile incoming revenue grew by 2.7% to TZS 49.7 billion. The growth was attributed to increased minutes from customer growth, partly offset by lower incoming price per minute resulting from a 4.5% reduction in regulated mobile termination rates.

Fixed data revenue increased by 36.7% to TZS 42.0 billion, driven by growth in customers as we continued to execute on our ambition to connect homes and businesses.

Expenses

Direct expenses increased by 16.6% to TZS 487.4 billion. The cost increase is slower than service revenue growth, reflecting a contribution margin expansion of 0.4pp as a result of cost savings realised during the year.

Operating expenses increased by 17.6% to TZS 546.3 billion. Excluding foreign currency losses and once-off costs relating to fibre consortium settlement with the government, total operating expenses increased 12.9%. We prioritised investment in ensuring quality of service and great customer experience through expanding our network footprint, enhanced capacity in our network, additional resources to support business growth as well as acquiring additional international fibre capacity for resilience.

Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)

We generated EBITDA of TZS 493.6 billion, an increase of 25.2%, with an EBITDA margin of 32.1% – a margin expansion of 1.3ppts. Excluding foreign currency losses and the once-off costs – underlying EBITDA grew 33.0% with EBITDA margin of 34.1%, an expansion of 3.3pp. This performance was supported by strong revenue growth complemented by diligent cost containment measures.

Operating profit

We delivered a pleasing 55.0% growth in operating profit to TZS 208.2 billion for the year. This performance was driven by EBITDA growth, while depreciation and amortisation charges increased 9.6%. The increase in depreciation was due to additional investments made in our infrastructure, including amortisation charges on the spectrum acquired from Smile Communications Tanzania Limited late in the prior financial year.

Capital expenditure

We invested TZS 175.0 billion into capital expenditure during the year, equivalent to 11.4% of revenue, directed towards broadband coverage expansion, data network capacity enhancement and modernisation of IT infrastructure. We added 471 new 4G sites and upgraded capacity in 286 existing 4G sites, improving 4G coverage and enhanced customer experience. This investment contributed to the increase in traffic carried on our 4G network to over 80%, which is in line with our network strategy to increase 4G adoption.

Taxation

The tax expense of TZS 54.4 billion (FY2024: TZS 24.6 billion) was 121.5% higher. This higher tax expense was driven by improved profitability in our M-Pesa and GSM businesses.

Cash and cash equivalents

Increased by 34.6% to TZS298.5 billion. The TZS 678.9 billion cash generated from operations was partially offset by the investment in the network, funding the business growth, dividend distributions to shareholders, and the settlement of an instalment payment related to the prior year's acquisition of the Smile entity.

Retained earnings

Increased by 23.5% to TZS 334.4 billion driven by increase in profitability partly offset by the dividend payment of TZS 26.7 billion (PY: TZS 22.3 billion).

Our business environment

Our operating context

We operate in a dynamic environment across multiple business sectors – including telecommunications, digital and financial services. While our operating context exposes us to potentially profound challenges, it also presents opportunities for innovation and growth.

We have identified broad trends in our business environment that impacted our activities in FY2025. Our success depends on our resilience to these external factors, and our strategic response outlines how we manage the risks and realise the opportunities associated with each of these trends.

Resilient domestic growth in an increasingly challenging global macro environment

Global instability, geopolitical conflict and escalating trade tensions are placing increased strain on already pressured global supply chains, impacting access to technology. While we remain mindful of these risks, our business benefited from Tanzania's largely stable and growing economy throughout FY2025. The following trends provide an overview of Tanzania's business environment from December 2023 to March 2025:

- 5.5% GDP growth up from 5.1% in 2023². There has been enhanced engagement between government and the private sector which has supported business reforms that encourage investment and inclusive private-sector-led growth.
- Inflation remained stable with an annual average of 3.3%³.
- Development expenditure consistently account for 30%⁴ of Tanzanian government include transportation infrastructures – railway and train engines and wagons, roads, airports, electricity distribution, clean water and investment in manufacturing, facilitating economic growth, job creation and supporting local and regional trade.

Tanzania's economic outlook remains positive – with GDP growth for the 2025 calendar year forecast around 6%². Major downside risks include intensifying geopolitical tension and regional conflicts, increased commodity price volatility, sluggish global growth and climate shocks.

Complex but stable regulatory and policy environment

Due to the telecommunications sector's significant contribution to economic development, Mobile Network Operators (MNOs) face regulatory scrutiny in almost all African markets. In Tanzania, our operations are shaped by two principal regulators – the Tanzania Communications Regulatory Authority (TCRA) and the Bank of Tanzania (BoT). While our regulatory and policy environment is complex, it remains stable, and we are encouraged by improved engagement between business, government and regulators.

¹ National Bureau of Statistics: 'Highlights on the fourth quarter (October – December) GDP 2024 base year 2015.

² National Bureau of Statistics: 'National Consumer Price Index (NCPI) for March 2025'.

³ Ministry of Finance, '2024-25 Budget Speech'.

⁴ World Bank Group, 'Tanzania overview, April 2025' and International Monetary Fund (IMF) – Country data - Tanzania at a glance.

Report of the directors continued

We list the most significant recent regulatory and policy developments below.

Ongoing monitoring of reductions in mobile termination rates

In July 2023, the TCRA issued the Interconnection Rates Determination No.6/2023, which was applicable retrospectively starting January 2023. The determination provided a glide path to decrease the voice call termination charges per minute for local calls to the end of December 2027.

Start date	1 January 2024	1 January 2025	1 January 2026	1 January 2027
Rate per minute (TZS)	1.76	1.68	1.60	1.52

The reduction in mobile termination rates did not have a material impact on our financial results during the year.

Spectrum Auction

On 3 February 2025, the Tanzania Communications Regulatory Authority issued a draft Information Memorandum on its plan to license new spectrum in 3600 – 3800 MHz frequency band through a spectrum auction. Reserve prices are proposed at TZS 30 billion (USD 12m) per 1x50MHz block, and the date of the spectrum auction is currently planned to be 10 July 2025.

Our response

- We are reviewing our options regarding participation in the auction.

An increasingly competitive market

We operate in one of Africa's most competitive telecommunications markets. In addition to Tanzania's five MNOs, there is heightened competition from new competitors and disintermediation. The FinTech space is experiencing a growing competition from banks through their mobile applications. This intense competition has resulted in sustained pricing pressure especially on voice services, narrowing the already tight operating margins. There has also been a rapid increase in competitor activity related to broad network investment and expansion to attract customers and gain market share. Also, there is threat of potential new entrant(s) in communication services as a result of amendments in The Electronic and Postal Communications Act (EPOCA) licensing regulations which now allows satellite based operators. Encouragingly the data prices and mobile financial services tariffs have been relatively stable, which is one of the key ingredients for long-term investment.

Our response

- We monitor competitors and are exploring opportunities for innovative partnerships that would enhance our competitive advantage.
- We engage with government and relevant stakeholders on the importance of price stability to support investments in this highly capital-intensive industry
- We continue expanding our product portfolio with innovative services that attracts new customers and ring fence our base from competition.

Seizing commercial opportunities in bridging the digital divide

With a young, growing and increasingly urbanised population, Tanzania offers significant opportunities for developing and rolling out enhanced connectivity and digital services. These opportunities include driving digitalisation in finance, education, agriculture, e-commerce and health. The following trends provide an overview of Tanzania's digital profile:

- 72.0% Individual internet penetration[†]
- 35.3% Smartphone penetration[†]
- Opportunity to support e-commerce growth
- 98% of the population have a mobile money account linked directly to a phone number[‡]
- 22.2% of the population are financial institution account holders[‡]

[†] TCRA Quarterly report - March 2025.
[‡] FDSI – FinScope Tanzania 2023.

Group's key relationships

Our ability to deliver meaningful long-term value depends on the contribution and activities of diverse stakeholders and the strength and quality of our relationships with them.

The table below outlines the stakeholder groups that substantively impact our ability to create value. For each stakeholder group, we outline their contribution to value creation, how we engage with them and the issues they consider most important in relation to our business.

Stakeholder value	Means of engagement	Priority interests
Customers: Provide the basis for revenue growth by purchasing our products and services	• Call centres, retail outlets and online channels • M-Pesa super-app, USSD code, self-help channels • NPS feedback - interviews and focus groups • Social media interaction • Educational videos on products via Vodatube • Vodacom Tanzania website	• Best-value offerings • Faster data speeds and wider network coverage • Simpler and quicker interactions with us • Converged solutions for business customers • Privacy and protection of personal information • Timely resolution of service-related issues • Secure M-Pesa transactions • Personalised customer service • Transparent data usage • Readily accessible services • Inclusive access to services for people with disabilities
Government and regulators: Provide access to spectrum and operating licences, the basis for creating value.	• Participation in public forums • Participation in efforts to reach the underserved areas • Engagement on draft regulations and bills • Engagement through industry bodies • Publication of policy engagement papers • Partnering on key programmes such as inclusive education, inclusive growth in agriculture and inclusive climate action	• Effective use of spectrum as a strategic resource • Regulatory compliance on customer registration, mobile termination rates, service quality, price, security, privacy, safety, health and environmental protection • Contribution to social-economic development • Contributions to public finances • Industry development and stability • Establishment and maintenance of fair market practices
Investors and shareholders: Investors provide the financial capital needed to sustain and grow while analysts provide research and insights and communicate critical information to investors	• In-person and virtual meetings, conferences and roadshows • Annual and interim consolidated results • Quarterly reports and trading updates • Interim and preliminary announcement calls and AGM • Investor relations page on our website • Annual integrated report	• Support financial growth • Stable dividend policy • Transparency in executive remuneration • Sound corporate governance practices • Improved liquidity of shares • Driving societal and enterprise value creation
Employees: Provide the skills and inputs needed to realise our vision.	• Internal website • Newsletters, internal magazine, and electronic communication • Employee hotline/Speak Up line • Engage App • Leadership road shows • Engagement surveys • Online training • Executives discussions – 'fireside chat' • Health and welfare consultations as needed	• Opportunities for personal and career development • Competitive remuneration and benefits • Knowledge sharing across the Group • Development of leadership and coaching capabilities • Clarity and transparency of reward structures • Occupational health and safety • Opportunities for employee voice and being heard • A safe and inclusive working environment
Suppliers: Affect our ability to provide products and services.	• Supplier forums • Ongoing site visits • Procurement processes (including tendering) • Audits	• Timely payments and fair contractual terms • Transparent and fair tender processes • Compliance with health and safety standards and clear expectations on ESG issues • A win-win business relation • Growth in the share of local purchases

Report of the directors continued

Stakeholder value	Means of engagement	Priority interests
Strategic and business partners: Custodians of our brand and key to delivering the best customer experience	- Store, franchise and retail visits - Management engagements - One-on-one business meetings - Training sessions on new products and services	- Fair treatment - Involvement of senior leadership in customer relationships Simpler and more efficient interactions - Being heard and included as strategic partners
Media: Have a potentially significant influence on other stakeholders' perceptions	- Face-to-face and telephonic engagement - Interviews with key executives - Media releases - Roundtables - Product launches	- Access to timely and relevant information on key activities and offerings - Transparency on our performance and matters of public interest - Evidence of responsible business performance

How we sustain value

The group invests in resources and relationships impacting on value as detailed below:

People, culture and governance: Human and intellectual capital

Critical inputs (2025)	Our Key outcomes
- Our high-performing, customer-focused, engaged leaders and workforce. 623 employees (2024: 607) - Experienced executive management team and strong Board - Focus on reskilling employees and investing in development programmes - Innovative and agile company culture	- Competitive remuneration and personal development opportunities, with TZS90.4 billion in wages and benefits - TZS1.9 billion invested in employee training and leadership development, including upskilling employees for digital transformation - Top Employer award for nine consecutive years - Top across Vodafone Group for our Team Spirit index and engagement scores - Retained a particular focus on developing female leaders, with 47.1% female representation in senior management - Sustained focus on employee, contractor and supplier safety, with no work-related fatalities for 13 consecutive years

Trade-offs: Investing in attracting, retaining and developing talent in the highly competitive digital space is one of the most significant costs to our business, and of growing significance in the context of heightened competition for scarce talent. While this expense impacts short-term financial capital, it is an essential investment in generating longer-term returns in all capital stocks. Our commitment to driving a digital company, and effectively harnessing the role of AI, may result in pressure on some existing traditional job functions (depleting human and social capital), but also raises opportunities in new roles especially due to reskilling programs that exist for our employees. Balancing efficiency gains (improved financial capital) against the human and social costs of job cuts (human and social capital) is a persistent potential trade-off.

Quality relationships with key stakeholders: Social and relationship capital

Critical inputs (2025)	Our Key outcomes
- Social and relationship capital - The quality and strength of our relationships with a diverse group of stakeholders 22.6 million customers (up 15.7%) - Constructive and ongoing engagement with government, regulators and tax authorities, informed by mutual trust - Transparent reporting and interaction with investors - Trusted relationships with global and local suppliers	Maintaining positive customer relations - Continued investment in ensuring a positive and segmented customer experience Enabling financial inclusion and empowerment through M-Pesa - Built 422 rural coverage sites in collaboration with Universal Communications Service Access Fund (UCSAF) sites in the past 13 years in support of government's digitalisation agenda - Delivering societal value through connectivity and digital services in areas such as inclusive finance, education, health and agriculture - TZS1.7 trillion total cash contribution to public finances over the last three years - Numerous social investment initiatives

Trade-offs: Striving to maintain good quality relations with all our stakeholders may require trade-offs in certain relationships as we balance competing stakeholders' interests. Our focus while balancing the competing forces is to meet regulatory requirements and address customers' expectations.

How we sustain value continued

Network and IT infrastructure: Manufactured capital

Critical inputs (2025)	Our Key outcomes
- Our network footprint, including mobile base stations, transmission infrastructure, fibre and distribution channels 3,275 network sites (up 6.4% year on year) 2 717 km of self-built fibre (up 5.0%) - More than 180 000 nationwide retail points, and more than 250 000 freelance distributors and M-Pesa agents - TZS175.0 billion CAPEX investment (up 2.9%)	- TZS175.0 billion CAPEX investment to maintain and modernise our network and IT infrastructure 7 new 5G sites, 471 new 4G sites and 321 new 3G sites - Network resilience supported significant growth in 4G data traffic, with more than 80% carried in the 4G network 12 points lead on combined network performance NPS - Acquired access to Smlle's 2x10 MHz of 800MHz and 2x10 MHz of 2 600MHz spectrum

Trade-offs: Building and maintaining our network and IT infrastructure requires significant financial capital, and appropriate levels of human and intellectual capital, as well as various natural capital inputs and outcomes. An extensive network is a key basis for bridging the digital divide and sharing the substantial social and economic benefits of digital connectivity. As a purpose-led organisation we have committed to reducing the environmental impacts associated with our network infrastructure and services. An important trade-off is balancing between the short-term and long-term costs and benefits – not sacrificing long-term gains for the short-term decisions. For example, investment in spectrum drains our financial resources now, but benefits the company and pay off our shareholders in the long-term

Financial capital

Critical inputs (2025)	Our Key outcomes
Our strong cash flow generation and robust balance sheet, supported by long-term investors. - TZS1,724 billion market capitalisation (FY2024: TZS1,724 billion) - TZS206.9 billion operating free cash flow (up 67.1%)	- Service revenue up 20.5% to TZS1.5 trillion 55.0% increase in operating profit to TZS208.2 billion - Generated TZS90.5 billion profit after tax - TZS206.9 billion operating free cash flow - TZS598.3 billion paid in dividends since listing 8 years ago - Total expenses increased 16.7%, reflecting business growth

Trade-offs: There is an important trade-off between the short-term interests of certain investors that seek to maximise short-term gains in financial capital, with our longer-term growth objectives that require investment of financial capital. Finding the right balance between the short-term and long-term – and in different stakeholder interests – is an important balancing act that informs our strategic decision-making.

Natural Resources: Natural capital

Critical inputs (2025)	Our Key outcomes
- The natural resources we use in our daily business activities - Total electricity consumed: 130.8 GWh (FY2024: 88.8 GWh) - Water used: 22.3 kilolitres (FY2024: 25.3 kilolitres) - Fuel used: 9 678 kilolitres (FY2024: 9 176 kilolitres) - Refrigerants and fire suppressants - Plastics, paper and related inputs	34.6 tonnes of plastic waste prevented by converting to half SIMS 242.2 tonnes avoidance in paper use through electronic recharges - TZS1.4 billion invested in energy efficiency projects, with 1.5 million KWh of electricity usage saved – contributing towards Vodacom Group's goal to achieve net zero GHG emissions from operations (scope 1 and 2) by 2035 - Ongoing rollout of energy efficiency projects at our data centres

Trade-offs: Using and impacting natural resources – which sometimes negatively affects human and social capital – is a key trade-off for generating value across other capitals. As a purpose-led company we are committed to minimizing the environmental impacts of our operations and activities, and to realizing the significant potential for digital products and services to deliver positive environmental outcomes.

Report of the directors continued

How we sustain value continued

Intellectual Capital

Our spectrum resource, brand, reputation and investment in the latest technologies and modern digital systems.

Critical inputs (2025)	Our Key outcomes
• Focused execution of our strategy, underpinned by our agile, performance-based, purpose-led culture. • Intelligent decision-making driven by Big Data capabilities • Robust and transparent governance systems, including appropriate cyber security baseline controls • Radio spectrum: – Sub Gig 700,800 and 900 – Mid band 1800,2100 and 2300 – High band 2600 and 3500	• Agile business processes implemented across business units • Leading in customer NPS with a double-digit lead gap over the nearest competitor • Ongoing enhancement of our IT and related systems and processes to support machine learning analytics and cyber security • Development of personalised offerings with AI deployment

Dividends

The Company intends to pay as much of its after-tax profit as will be available after retaining such sums and repaying such borrowings owing to third parties as shall be necessary to meet the requirements reflected in the budget and business plan, taking into account monies required for investment opportunities. There is no fixed date on which entitlement to dividends arise and the date of payment will be recommended by the Board and approved by the shareholders at the time of declaration, subject to the Dar es Salaam Stock Exchange ('DSE') listing requirements.

At the Annual General Meeting held on Friday 11 September 2024, the shareholders of Vodacom Tanzania Public Limited Company (the Company) approved a gross final dividend of TZS 11.93 per share, in line with our dividend policy, in respect of the financial year ended 31 March 2024. The final dividend of TZS 26,723 million represents 50% of net profit after tax.

The Board will recommend a final dividend, in relation to the financial year ended 31 March 2025, for approval by the shareholders at the annual general meeting. The Board's recommendation will be in accordance with the dividend policy to pay out at least 50% of net profit after tax.

Solvency and liquidity of the group

The Board considers the Group to be solvent, within the meaning ascribed by the Companies Act, No 12 of 2002 of Tanzania. The Group had net current liabilities of TZS 14,505 million as at 31 March 2025 (2024: net current liabilities of TZS115,824 million).

The group has made an assessment of its liquidity position and is confident that sufficient funds will be available and accessible to meet all obligations as they fall due. The Group has access to a sufficient variety of sources of funding with existing lenders. As at the end of the reporting date, the Group had US\$19.5 million (TZS 52,113 million) (2024: US\$19.5 million (TZS 49,968 million)) undrawn foreign-denominated overdraft facility.

Capital structure and shareholding

The Group's issued share capital is held in the percentages outlined below:

	2025 %	2024 %
Vodacom Group Limited	75.00	75.00
General public	25.00	25.00
	100.00	100.00

As of 31 March 2025, the Group's authorised share capital stood at TZS 200,000 million, consisting of 4,000 million ordinary shares with a nominal value of TZS 50 each.

The issued share capital amounted to TZS 112,000 million, represented by 2,240,000,300 ordinary shares, each with a nominal value of TZS 50. There were no changes in the authorised and issued share capital during the year.

The Group's top ten shareholders up to 31 March 2025 are listed below:

Shareholder	2025		2024	
	No. of shares	%	No. of Shares	%
Vodacom Group Limited	1 680 000 200	75.0%	1 680 000 200	75.0%
Public Investments Corporation	164 503 540	7.3%	164 503 540	7.3%
Local citizens	93 428 339	4.2%	93 814 749	4.2%
Public Service Social Security Fund	84 117 720	3.8%	84 117 720	3.8%
National Social Security Fund -Tanzania	55 999 990	2.5%	55 999 990	2.5%
National Social Security Fund -Uganda	27 816 870	1.2%	27 816 870	1.2%
Umoja Unit Trust Scheme ⁶	26 073 926	1.2%	26 540 106	1.2%
Workers Compensation Fund ⁶	23 882 350	1.1%	23 882 350	1.1%
National Health Insurance Fund	23 475 000	1.0%	23 475 000	1.0%
Oasis Crescent Equity Fund ⁶	19 520 000	0.9%	19 520 000	0.9%
Total	2 198 817 935	98.2%	2 199 670 525	98.2%

The total number of shareholders by 31 March 2025 stood at 37 377 (2024: 36 717 shareholders).

Capital expenditure and commitments

During the year, the Group invested 174 995 million (2024: TZS248 456 million⁷) in property and equipment, and intangible assets. This capital expenditure was funded by internally generated cash flows. As at year end, TZS 54 958 million of the total investment made was payable to capex creditors (2024: TZS122 465 million).

Further information on the Group's property and equipment, and intangible assets is presented in Notes 15 and 16 to the consolidated and separate financial statements.

Information about the Group's commitments is presented in Note 32 to the consolidated and separate financial statements.

Business plans and future developments

Looking ahead, we will continue executing on our ambition to connect more Tanzanians to a better future. This ambition is well aligned with our business focus centred on customer, simplicity and growth, and our purpose pillars of empowering people, protecting the planet and maintaining trust. In so doing, we expect to drive sustainable business growth, leveraging a constructive political and regulatory environment in Tanzania.

While making things better for our customers, we will continue to explore untapped opportunities that will support healthy growth in profitability to grow returns to our shareholders. We will further diversify revenue to enhance business resilience, and reduce the degree of vulnerability against competition and unfavourable changes in the external environment.

We remain committed to contribute to bridging the digital divide and enhancing financial inclusion by facilitating access to our connectivity services and digital financial offerings through M-Pesa.

Additionally, we are committed to upholding the safety and privacy of our customers within our network.

Increased adoption of smartphones is critical in supporting the transformation to the digital economy.

We will continue working with our partners to facilitate access to affordable smartphones. And, we will continue investing in our network, in particular the data network, to expand coverage and enhance quality of services to address customer experience issues.

We would also like to reiterate on our commitment to sustainable business practices. We will continue empowering women through our equal opportunity policy. We will protect the planet through smart solutions on energy consumption and industrial waste management. We will always operate ethically and responsibly to avoid unhealthy competition that may ruin the future of our industry and the economy.

⁶ The comparative shareholding for Umoja Unit Trust Scheme, the Workers Compensation Fund and Oasis Crescent Equity Fund has been restated to combine all funding schemes under their portfolio.

⁷ In the prior year, the gross additions to property, equipment, and intangible assets consist of actual additions amounting to TZS 170.1 billion, as well as TZS 78.3 billion associated with the acquisition of Smile Communications Tanzania Limited.

Report of the directors continued

Subsidiaries and other controlled entities

The consolidated financial statements include the Company's wholly owned subsidiaries, that is, Vodacom Trust Limited which is a company limited by guarantee and having share capital; M-Pesa Limited and Shared Networks Tanzania Limited ('SNT'), which are private limited liability companies having share capital. The consolidated financial statements also include a consolidated structured entity, The Registered Trustees of M-Pesa (the 'Trust').

Vodacom Trust Limited

The principal activity of Vodacom Trust Limited was to act as bona fide trustees and/or any other like officers in order to protect and safeguard all monies gained from and/or relating to M-Pesa cellular phone money transfer services for the benefit of the users of the M-Pesa services. On 23 October 2018, the entity's name was changed from M-Pesa Limited to Vodacom Trust Limited following approval and issuance of the certificate of change of name by the Business Registration and Licensing Agency of Tanzania ('BRELA'). The change of name was necessary to enable compliance with the National Payment System Act, 2015.

The entity's directors resolved to wind up the entity and the liquidator was appointed by the directors on 19 May 2020 winding up process were initiated thereafter.

As at year end, the process to liquidate the company had not been finalized.

Shared Network Tanzania Limited (SNT)

On 19 July 2016, the Company acquired 100% of SNT's issued share capital. SNT was a multi-operator core network wholesaler which held a license for usage of spectrum in the 900MHz band in rural Tanzania.

During 2019, the Group obtained approval from Tanzania Communications Regulatory Authority ('TCRA') to reassign the spectrum that was held by SNT to the Company. During the year ended 31 March 2021, the directors resolved to wind up of the entity after transferring its assets and liabilities to the Company. The net assets transfer was completed and a liquidator was appointed thereon.

As at year end, the process to liquidate the entity had not been finalized.

M-Pesa Limited

M-Pesa Limited was incorporated on 26 October 2018. In accordance with the National Payment Systems regulations which became effective in July 2016, this entity applied for an Electronic Money Issuance ('EMI') licence which was issued by Bank of Tanzania ('BoT') on 13 March 2019. Following the receipt of the EMI licence, the entity's principal activities will be operating mobile financial services under the EMI regulations issued by BoT. The entity started operating independent of the Company on 1 April 2020 with its own organization structure, staff and accounting records. The entity is consolidated in the Group's consolidated financial statements.

Registered Trustees of M-Pesa Trust Funds

The Registered Trustees of M-Pesa Trust Funds was incorporated under the provisions of The Trustees Incorporation Act, Cap 318 of Tanzania on 25 September 2019 with registration number 5656. The Trust is a non-profit making entity that has a mandate to fulfil its objectives in the best interest of the beneficiaries of the funds in the trust accounts. The Trust's activities include: overseeing and managing effectively the trust accounts; ensuring safety of the beneficiaries of the funds in the trust accounts by setting up appropriate safeguard and remedy measures; ensuring the separation and not commingle the trust account funds with any other funds or use it for any other operations.

Smile Communications Tanzania Limited

In the prior year, all material conditions precedent were met in an agreement with Smile Telecoms IP Limited and Smile Telecoms Holdings Limited (The Sellers) for the purchase by Vodacom Tanzania Plc of 100% of Smile Communications Tanzania Limited's ('Smile') issued share capital. The principal activities of the company are to provide telecommunication services. The company mainly deals with broadband services and distribution. The acquisition was necessitated to access the spectrum license for the company to better rollout the 4G coverage in the market. Prior to acquisition of the entity, the company ceased operations, terminated contract with partners and retrenched its employee's contracts.

Following the acquisition, the entity remained dormant.

Borrowings and facilities

Details on borrowing and facilities are presented in Note 30 to the consolidated and separate financial statements.

Political and charitable donations

The Group did not make any political donations during the year (2024: Nil).

The group made charitable donations of TZS 3 700 million (2024: TZS 2 022 million).

Parent and ultimate parent

The Group is controlled by Vodacom Group Limited, incorporated and domiciled in the Republic of South Africa which effectively owns and controls 75.00% (2024: 75.00%) of the Company's issued shares. The Group's ultimate parent is Vodafone Group Plc, incorporated and domiciled in the United Kingdom.

Related party transactions

Transactions with related parties were conducted in the normal course of business. Details of transactions and balances with related parties are included in Note 35 to the consolidated and separate financial statements.

Country of incorporation

The Company and its subsidiaries are incorporated and domiciled in the United Republic of Tanzania.

Directors and company secretary

The directors of the Company who served during the year and to the date of this report are:

Title/Name	In office as at 1 April 2024	Date of appointment	Date of resignation	In office at the reporting date
Directors				
Justice (Rtd) Thomas Mihayo	✓	–	31 March 2025	✓
Margaret Ikongo	✓	–	–	✓
Thembeke Semane ¹	✓	–	–	✓
Kanini Mutooni ²	✓	–	–	✓
Diego Gutierrez ³	✓	–	–	✓
Matimba Mbungela ¹	✓	–	–	✓
Nkateko Nyoka ¹	✓	–	–	✓
Raisibe Morathi ¹	✓	–	–	✓
Dejan Kastelic ⁵	✓	1 April 2024	–	✓
Haytham Ammar ⁶	X	1 June 2024	–	✓
David Tarimo	X	1 April 2025	–	X
Executive				
Philip Besimire ⁴	✓	–	–	✓
Hilda Bujiku	✓	–	–	✓
Company Secretary				
Caroline Mduma	✓	–	–	✓

1. South African 2. Kenyan 3. Bolivian 4. Ugandan 5. Slovenian 6. Egyptian
All the other directors are Tanzanian nationals.

Report of the directors continued

Directors interests

The directors do not hold any direct interest in the issued share capital of the Company or any of the subsidiaries.

Corporate governance

The Group is committed to the highest standards of business integrity, ethics and professionalism. Corporate governance principles include discipline, independence, responsibility, fairness, social responsibility, transparency and accountability of directors to all stakeholders. These principles are entrenched in the Group's internal controls and policy procedures governing corporate conduct.

Board of directors

The Board takes overall responsibility for the Group's success. Its role is to exercise leadership and sound judgement in directing the Group to achieve sustainable growth and act in the best interest of the shareholders.

The non-executive directors contribute their extensive experience and knowledge to the Board's committees. All committees operate under Board-approved charters, which are updated from time-to-time to stay abreast of developments in corporate law and governance best practice.

Outlined below is the attendance of board members during the meetings held in the year:

Name	Position	29 April 2024	4 June 2024	17 July 2024	13 Aug 2024	30 Oct 2024	23 Jan 2025	6 Mar 2025	%
Justice (Rtd) Thomas Mhaya	Chairperson	✓	✓	✓	✓	✓	✓	✓	100%
Ms. Kanini Mutooni	Director	✓	✓	✓	✓	✓	✓	✓	100%
Ms. Margaret Ikongo	Director	✓	✓	✓	✓	✓	✓	✓	100%
Thembeke Semane	Director	✓	✓	✓	✓	✓	✓	✓	100%
Mr. Diego Gutierrez	Director	✓	✓	X	✓	✓	✓	✓	71%
Mr. Matimba Mbungela	Director	✓	✓	✓	✓	✓	✓	X	100%
Dejan Kastelic	Director	✓	✓	✓	✓	✓	X	✓	86%
Nkateko Nyoka	Director	✓	✓	✓	✓	✓	✓	✓	100%
Raisibe Morathi	Director	✓	✓	✓	✓	✓	✓	✓	100%
Haytham Ammar	Director	N/A	✓	✓	✓	✓	✓	✓	100%
Philip Besimire	Director	✓	✓	✓	✓	✓	✓	✓	100%
Hilda Bujiku	Director	✓	✓	✓	✓	✓	✓	✓	100%

The Board has three committees with specified delegated activities as detailed below.

Remuneration Committee

The Remuneration Committee serves to enable and assist the Board to discharge its responsibilities by:

- Determining and agreeing the remuneration and overall compensation packages of executives, with the exception of seconded employees;
- Determining, agreeing and developing the Group's overall remuneration policy and ensuring alignment with the remuneration policy of Vodacom Group Limited;
- Ensuring that fair, competitive reward strategies and programmes are in place to facilitate the recruitment, motivation and retention of high performing staff at all levels in support of realizing corporate objectives and to safeguard shareholder interest;
- Reviewing and recommending to the Board the relevant criteria necessary to measure the performance of executive management in discharging their functions and responsibilities; and
- Developing and implementing a policy of remuneration philosophy.

The Remuneration Committee, which comprises of independent and non-executive directors, reports to the Board and met four times during the year.

Name	Nationality	Qualification
Kanini Mutooni	Kenyan	a. Global Policy Executive Education-Harvard Kennedy School of Government. b. Master's in Business Administration (MBA)- Cass Business School, City University, London. c. Securities Institute Diploma (UK)-Chartered Institute of Securities and Investment Professionals. d. Investment Management Certificate (UK) ACCA. e. Chartered Association of Certified Accountants (UK). f. Bachelor of Commerce (Hons) Catholic university, Kenya.
Mr. Diego Gutierrez	Bolivian	a. Major in Business Administration and Marketing, Gabriela Mistral University, Santiago, Chile. b. Master in Business Administration, Harvard Institute for International Development (HIID), Catholic University, Lapaz, Bolivia.
Mr. Matimba Mbungela	South African	a. Bachelor of Administration, University of Venda, South Africa b. Post Graduate Diploma in Human Resources, University of Cape Town, South Africa. c. Masters of Business Administration, University of KwaZulu Natal, South Africa.

Outlined below is the attendance of committee members during the meetings held in the year:

Name	Position	4 June 2024	13 Aug 2024	30 Oct 2024	4 Mar 2025	Attendance %
Ms. Kanini Mutooni	Chairperson	✓	✓	✓	✓	100%
Mr. Diego Gutierrez	Member	X	✓	✓	✓	75%
Mr. Matimba Mbungela	Member	✓	✓	✓	✓	100%

Report of the directors continued

Nomination Committee

The Nomination Committee serves to enable and assist the Board to discharge its responsibilities by:

- Considering other special benefits or arrangements of a substantive financial nature;
- Ensuring that the performance of Board members is reviewed;
- Reviewing the promotions, transfers and termination policies for the Group;
- Monitoring the size and composition of the Board;
- Reviewing the independent status of directors on an annual basis;
- Recommending individuals for nomination as members of the Board and its committees;
- Reviewing the Board succession plans;
- Determining the composition and effectiveness of the boards of the Group's subsidiaries;
- Approving the nomination of individuals to the respective boards of the Group's subsidiaries;
- Ensuring eligibility of Board members;
- Reviewing the structure of the Group to ensure that it is fit for purpose, delivering the strategy and long-term objectives of the business; and
- Ensuring compliance with applicable laws and codes.

Nomination Committee, which comprises of independent and non-executive directors, reports to the Board and met five times during the year.

Nomination committee

Name	Position	Nationality	Qualification
Justice (Rtd) Thomas B Mihayo	Chairman	Tanzanian	a. Degree in Law (LL.B), University of Dar es salaam, Tanzania. b. Arbitrator and Legal Consultant.
Kanini Mutooni	Member	Kenyan	a. Global Policy Executive Education-Harvard Kennedy School of Government. b. Master's in Business Administration (MBA)- Cass Business School, City University, London. c. Securities Institute Diploma (UIO)-Chartered Institute of Securities and Investment Professionals. d. Investment Management Certificate (UK) ACCA. e. Chartered Association of Certified Accountants (UK). f. Bachelor of Commerce (Hons) Catholic university, Kenya.
Mr. Matimba Mbungela	Member	South African	a. Bachelor of Administration, University of Venda, South Africa b. Post Graduate Diploma in Human Resources, University of Cape Town, South Africa. c. Masters of Business Administration, University of Kwazulu Natal, South Africa.

Outlined below is the attendance of committee members during the meetings held in the year:

Name	Position	4 August 2024	30 October 2024	3 March 2025	5 March 2025	6 March 2025	Attendance %
Justice (Rtd) Thomas B Mihayo	Chairman	✓	✓	✓	✓	✓	100%
Ms. Kanini Mutooni	Member	✓	✓	✓	✓	✓	100%
Mr. Matimba Mbungela	Member	✓	✓	✓	✓	✓	100%

Audit, Risk and Compliance Committee (ARCC)

The ARCC is responsible for:

- Reviewing the Group's consolidated interim results, preliminary results, annual report and annual consolidated and separate financial statements;
- Monitoring compliance with applicable statute and the DSE Rules;
- Reporting to the Board on the quality and acceptability of the Group's accounting policies and practices, including, without limitation, critical accounting policies and practices;
- Providing oversight of the annual financial reporting process;
- Considering the appointment and/or termination of the external auditors, including their audit fees, independence and objectivity and determining the nature and extent of any non-audit services;
- Approving the internal audit plan for the year;
- Receiving and dealing appropriately with any complaints, internally and externally, relating either to the accounting practices and internal audit or to the content or auditing of all entities within the Group's annual consolidated financial statements or related matters;
- Reviewing and monitoring the management and reporting of tax-related matters;
- Monitoring the risk management function and processes and assessing the Group's most significant risks; and
- Monitoring the effectiveness of the processes to create awareness and develop an understanding of relevant legislation and regulation to ensure compliance by management.
- To provide oversight of social and ethics matters, including the Company's adoption of the UNGC's 10 principles – covering human rights, labour, environment, and anti-corruption – as well as related corporate social investment activities.

The Audit, Risk and Compliance Committee, which comprises independent non-executive directors, reports to the Board and met times during the year.

Audit, Risk and Compliance Committee

Name	Nationality	Qualification
Ms. Margaret Ikongo	Tanzanian	a. Master of Business Administration, Open University, Tanzania b. International Certificate in Risk Management, Institute of Risk Management, United Kingdom. c. International Diploma in Risk Management and Graduate Member of the Institute of Risk Management United Kingdom. d. Associate Member of Chartered Insurance Institute, United Kingdom.
Ms. Thembeke Semane	South African	a. Master's in Business Administration – (MBA) Monash University b. Executive Development Program – Duke Corporate Education c. Post graduate Diploma in Business Administration – (PDBA) University of Pretoria's Gordon Institute of Business Science (GIBS). d. Bachelor of Commerce in Financial Accounting – University of Transkei (Walter Sisulu University) e. Certified Associate; The Institute of Bankers South Africa f. Customer Service Diploma – University of Natal.
Ms. Kanini Mutooni	Kenyan	a. Global Policy Executive Education-Harvard Kennedy School of Government. b. Master's in Business Administration (MBA)- Cass Business School, City University, London. c. Securities Institute Diploma (UIO)-Chartered Institute of Securities and Investment Professionals. d. Investment Management Certificate (UK) ACCA. e. Chartered Association of Certified Accountants (UK). f. Bachelor of Commerce (Hons) Catholic university, Kenya.

Outlined below is the attendance of committee members during the meetings held in the year:

Name	Position	13 August 2024	30 Oct 2024	23 Jan 2025	6 Mar 2025	Attendance %
Ms. Margaret Ikongo	Chairperson	✓	✓	✓	✓	100%
Ms. Thembeke Semane	Member	✓	✓	✓	✓	100%
Ms. Kanini Mutooni	Member	✓	✓	✓	✓	100%

Report of the directors continued

Contingent liabilities

Tax matters

The Group's future tax charge, effective tax rate and profit before tax could be affected by several factors including tax reforms conducted in Tanzania and the resolution of open tax disputes with the Tanzania Revenue Authority ("TRA" or the "tax authority") and/or tax courts. The Group is committed to act with integrity and transparency in all tax matters including a policy of full transparency to the tax authority and the payment of all taxes due under the relevant tax laws in Tanzania. The Group is regularly subject to audits and examination by the tax authority of its direct and indirect tax filings. The consequence of such reviews is that in some instances, disputes can arise with the tax authority over the interpretation or application of certain tax rules where these tax laws are ambiguous and subject to a broad range of interpretations. To address and manage this tax uncertainty, good governance is fundamental to the Group's business sustainability. Additional details including updates on tax matters are presented in Note 33 to the consolidated and separate financial statements.

Litigation and other claims contingencies

The Group is currently involved in various legal proceedings and has, in consultation with its legal counsel, assessed the possible/probable outcome of these proceedings. Following this assessment, the Group's management has determined that adequate provision has been made in respect of these legal proceedings as at year end. Additional details including updates on litigation and other claims are presented in Note 33 to the consolidated and separate financial statements.

Regulatory matters

In July 2023, the Tanzania Communications Regulatory Authority issued the Interconnection Rates Determination No.6/2023, which set the mobile calls termination rates (MTR) applicable for five years to December 2027. Accordingly, in January 2025 the MTR dropped by 4.5% to TZS1.68 per minute which will be applicable until 31st December 2025. Starting January 1, 2026 the rate will drop further by 4.8% to TZS 1.60 per minute which will be used up to December 31, 2026.

Other matters

Events after the reporting period

The events after the reporting period are disclosed in Note 43 to the consolidated and separate financial statements. The Board is not aware of any other matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which requires adjustment to or disclosure in the consolidated and separate financial statements.

Auditor

Group's External Auditor
Ernst & Young(EY)
EY House, Plot No. 162/1, Mzingo Way
14111 Oysterbay, P.O.Box 2475, Dar es Salaam, Tanzania.
Office: +255 22 292 7868 Fax +255 22 292 7872, Cell: 255 654 818 513, Website: <http://www.ey.com>
Firms' registration Number: 151. TIN number: 100-149-222

Partner's PF Number: FCPA 1227

Ernst & Young the auditor for the financial year 2025, has expressed willingness to continue in office and is eligible for re-appointment. A resolution proposing the re-appointment of Ernst & Young as auditor of the Group for the year ending 31 March 2026 will be put to the Annual General Meeting.

Consolidated and separate financial statements

The consolidated and separate financial statements for the year ended 31 March 2025 were approved and authorised for issue by the Board on 5 June 2025.

By order of the board

David Tarimo
Chairman

Philip Besimire
Managing Director

Statement of directors' responsibilities for the year ended 31 March 2025

The Companies Act, 2002 No.12 of Tanzania requires directors to prepare consolidated and separate financial statements for each financial year that present fairly, in all material respects, the financial position and results of the Group and the Company. A further requirement is that the directors ensure that the Group and the Company keep proper accounting records that disclose, with reasonable accuracy, the financial position and results of the Group and of the Company. The directors are also responsible for safeguarding the assets of the Group and the Company and hence taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The directors accept responsibility for the consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2002 No.12 of Tanzania. The directors are of the opinion that the consolidated and separate financial statements present fairly, in all material respects, the state of the financial affairs of the Group and the Company and of the Group's and the Company's financial results in accordance with IFRS and the requirements of the Companies Act, 2002 No. 12 of Tanzania. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the consolidated and separate financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated and separate financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the directors to indicate that the Group and the Company will not remain a going concern for at least twelve months from the date of this statement.

The consolidated and separate financial statements for the year ended 31 March 2025 were approved and authorised for issue by the Board of Directors on 5 June 2025.

David Tarimo
Chairman

Philip Besimire
Managing Director

Declaration by the head of finance for the year ended 31 March 2025

The National Board of Accountants and Auditors (NBAA) according to the power conferred to it under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of the financial statements of the entity concerned.

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's financial position and performance in accordance with IFRS and the requirements of the Companies Act, 2002 No.12 of Tanzania.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as stated under the Statement of Directors' Responsibilities on the previous page.

I, **Godwin Mlay**, being the **Head of Record to Report** of Vodacom Tanzania Public Limited Company hereby acknowledge my responsibility of ensuring that consolidated and separate financial statements for the year ended 31 March 2025 have been prepared in compliance with IFRS and the requirements of the Companies Act, 2002 No.12 of Tanzania.

I thus confirm that the consolidated and separate financial statements give a true and fair view position of Vodacom Tanzania Public Limited Company as on that date and that they have been prepared based on properly maintained financial records.

Godwin Mlay
NBAA Membership ACPA 1415
Head of Finance Operations
Date: 5 June 2025

Auditor's logo

Independent auditor's report

To the shareholders of Vodacom Tanzania Public Limited Company Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated and separate financial statements of Vodacom Tanzania Public Limited Company (the 'Company') and its subsidiaries (together, the 'Group') set out on pages 92 to 153, which comprise the consolidated and separate statements of financial position as at 31 March 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial positions of the Group and the Company as at 31 March 2025, and the consolidated and separate financial performance and the consolidated and separate cash flows of the Group and the Company for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2002 of Tanzania.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provided the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Key audit matter	How our audit addressed the key audit matter
Accounting for uncertain tax positions	
The Group is required to comply with a number of taxes including income taxes, Value Added Tax, excise duty and payroll taxes, among others.	Our audit procedures included, but were not limited to:
As disclosed in Note 33 to the consolidated and separate financial statements, the Group had open tax assessments as at year-end. The open tax assessments were significant to our audit because the amounts involved are significant to the consolidated and separate financial statements. Furthermore, determination of the related provisions and contingent liabilities requires management and the directors to make significant judgements and estimates in relation to interpretation and application of tax laws and regulations.	- Understanding the Group's processes for recording and assessing of tax provisions and contingent liabilities. - Determining the completeness and reasonableness of the amounts recognized as tax liabilities and contingent liabilities, including the assessment of the matters in the correspondence with tax authorities and reports of the Group's external tax consultants, and the evaluation of the related tax exposures. - Including in our team tax specialists to analyse the tax positions and to evaluate the assumptions used to determine tax provisions and contingencies. - Assessing relevant historical and recent rulings and judgements passed by the tax authorities and courts in considering any precedent. - Assessing the adequacy of the Group's disclosures in respect of uncertain tax positions.
We also considered that the disclosures on uncertain tax positions in Note 33 are both qualitatively and quantitatively significant to the Group's and the Company's tax positions.	

Independent auditor's report continued

To the shareholders of Vodacom Tanzania Public Limited Company

Report on the audit of the consolidated and separate financial statements continued

Other information

The directors are responsible for the other information. Other information consists of the information included in the Corporate Information (Page 161), Directors' Report (Page 71 – 86), Statement of Directors' Responsibilities (Page 87) and the Declaration by the Head of Finance (Page 88), which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date, other than the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the contents of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2002 of Tanzania, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act, 2002 of Tanzania and for no other purposes.

As required by the Companies Act, 2002 of Tanzania, we report to you, based on our audit, that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the Group and the Company, so far as appears from our examination of those books;
- The Directors' Report is consistent with the consolidated and separate financial statements;
- Information specified by law regarding directors' remuneration and transactions with the Group and the Company is disclosed; and,
- The Group's and the Company's consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Neema Kiure.

Dr Neema Kiure
Partner (FCPA 1227)
For and on behalf of Ernst & Young
Certified Public Accountants
Dar es Salaam, Tanzania

Date: _____ 2025

Consolidated and separate statement of profit or loss and other comprehensive income for the year ended 31 March 2025

		Group		Company	
TZS m	Notes	2025	2024	2025	2024
Revenue	6	1 539 360	1 278 217	1 079 436	933 797
Direct expenses	7	(487 389)	(418 035)	(242 124)	(214 842)
Staff expenses	8	(90 415)	(74 666)	(65 998)	(53 960)
Publicity expenses		(25 810)	(30 358)	(10 499)	(17 545)
Other operating expenses	9(a)	(430 034)	(359 505)	(370 492)	(312 319)
Depreciation and amortisation	9(b)	(285 433)	(260 317)	(278 801)	(254 238)
Net credit loss on financial assets	9(c)	(12 102)	(1 060)	(12 100)	(1 061)
Operating profit		208 177	134 276	99 422	79 832
Finance income	10	46 116	25 764	4 361	2 458
Dividend income	10	–	–	42 843	37 854
Finance costs	11	(102 088)	(73 107)	(63 169)	(51 958)
Net loss on foreign currency transactions	12	(7 296)	(8 949)	(4 888)	(8 693)
Profit before tax		144 909	77 984	78 569	59 493
Income tax expense	13(a)	(54 398)	(24 557)	(20 320)	(4 422)
Profit for the year		90 511	53 427	58 249	55 071
Other comprehensive income		–	–	–	–
Total comprehensive income for the year, net of tax		90 511	53 427	58 249	55 071
Attributable to:					
Equity shareholders		90 434	53 387		
Non-controlling interests		77	40		
		90 511	53 427		
		TZS	TZS		
Basic and diluted earnings/(loss) per share	14	40.37	23.83		

Consolidated and separate statements of financial position as at 31 March 2025

		Group		Company	
TZS m	Notes	2025	2024	2025	2024
ASSETS					
Non-current assets		1 573 432	1 268 668	1 544 708	1 237 693
Property and equipment	15	1 140 400	866 651	1 134 934	864 521
Intangible assets	16	298 042	280 069	276 643	256 316
Capacity prepayments	17	56 869	29 159	56 869	29 159
Goodwill	18	1 639	1 639	–	–
Other Investments ¹⁹		1 096	–	1 096	–
Income tax receivables	13(d)	34 298	36 120	34 298	33 098
Trade and other receivables	19	9 882	12 800	9 082	12 000
Investment in subsidiary		–	–	500	500
Deferred tax asset	13(e)	31 206	42 230	31 286	42 299
Current assets		1 404 542	1 107 067	360 670	321 885
Capacity prepayments	17	15 446	12 756	15 446	12 756
Inventory	20	4 300	3 409	4 300	3 409
Trade and other receivables	19	124 396	114 380	116 132	122 982
Government grant receivables	26	13 283	–	13 283	–
Income tax receivable	13(d)	25 415	24 532	21 885	21 084
Mobile financial deposits	21	923 235	730 293	–	–
Cash and cash equivalents	22	298 467	221 697	189 624	161 654
TOTAL ASSETS		2 977 974	2 375 735	1 905 378	1 559 578

		Group		Company	
TZS m	Notes	2025	2024	2025	2024
EQUITY AND LIABILITIES					
Equity					
Share capital	23	112 000	112 000	112 000	112 000
Share premium	23	442 435	442 435	442 435	442 435
Capital contribution	24	27 698	27 698	27 698	27 698
Retained earnings		334 371	270 660	246 350	214 824
Equity attributable to the owners of the parent		916 504	852 793	828 483	796 957
Non-controlling interest		75	41	–	–
Total Equity		916 579	852 834	828 483	796 957
Non-current liabilities		642 348	297 883	642 348	297 883
Lease liabilities	25	620 544	281 831	620 544	281 831
Other financial liabilities	30(c)	13 831	9 292	13 831	9 292
Provisions	28	7 973	6 760	7 973	6 760
Current liabilities		1 419 047	1 225 018	434 547	464 738
Lease liabilities	25	84 703	110 931	84 703	110 931
Other financial liabilities	30(c)	4 764	2 930	4 764	2 930
Trade and other payables	27	396 929	374 540	338 481	344 801
Dividend payables		277	269	251	250
Mobile financial payables	21	923 235	730 293	–	–
Income tax payable	13(d)	2 576	–	–	–
Government grants	26	852	735	852	735
Provisions	28	5 711	5 320	5 496	5 091
Total liabilities		2 061 395	1 522 901	1 076 895	762 621
TOTAL EQUITY AND LIABILITIES		2 977 974	2 375 735	1 905 378	1 559 578

The consolidated and separate financial statements were approved and authorized for issue by the Board of Directors on 5 June 2025 and were signed on its behalf by:

David Tarimo
Chairman

Philip Besimire
Managing Director

¹⁹ The balance relates to the payment made to the Tanzania Communication Regulatory Authority for the network facilities license, associated with the establishment of a joint venture investment vehicle.

Consolidated and separate statements of changes in equity for the year ended 31 March 2025

Group	Share capital (Note 23)	Share premium (Note 23)	Capital contribution (Note 24)	Retained earnings	Equity Attributable to owners of parent	Non Controlling Interest	Total Equity
TZS m							
At 1 April 2024	112 000	442 435	27 698	270 660	852 793	41	852 834
Total comprehensive income for the year	–	–	–	90 434	90 434	77	90 511
Transactions with owners:							
Dividends declared	–	–	–	(26 723)	(26 723)	(43)	(26 766)
At 31 March 2025	112 000	442 435	27 698	334 371	916 504	75	916 579
At 31 March 2023	112 000	442 435	27 698	239 590	821 723	–	821 723
Total comprehensive income for the year	–	–	–	53 348	53 348	79	53 427
Transactions with owners:							
Dividend declared	–	–	–	(22 278)	(22 278)	(38)	(22 316)
At 31 March 2024	112 000	442 435	27 698	270 660	852 793	41	852 834
Company							
TZS m	Share capital (Note 23)	Share premium (Note 23)	Capital contribution (Note 24)	Retained earnings	Total		
At 1 April 2024	112 000	442 435	27 698	214 824	796 957		
Total comprehensive income for the year	–	–	–	58 249	58 249		
Transactions with owners:							
Dividends declared	–	–	–	(26 723)	(26 723)		
At 31 March 2025	112 000	442 435	27 698	246 350	828 483		
At 31 March 2023	112 000	442 435	27 698	182 031	764 164		
Total comprehensive income for the year	–	–	–	55 071	55 071		
Transactions with owners:							
Dividend declared	–	–	–	(22 278)	(22 278)		
At 31 March 2024	112 000	442 435	27 698	214 824	796 957		

Consolidated and separate statements of cash flows for the year ended 31 March 2025

	Notes	Group 2025	2024	Company 2025	2024
TZS m					
Cash flows from operating activities					
Cash flows generated from operations	39 (a)	718 714	643 087	420 981	357 481
Income tax paid	13 (d)	(39 860)	(26 549)	(11 308)	(6 280)
Interest paid on tax liabilities		–	–	–	–
Net cash flows generated from operating activities		678 854	616 538	409 673	351 201
Cash flows from investing activities					
Additions to property and equipment, and intangible assets	39 (b)	(198 019)	(179 916)	(190 605)	(173 463)
Asset acquisition ¹¹		(60 720)	(12 501)	–	–
Acquisition of a subsidiary ¹¹		–	–	(60 720)	(12 501)
Purchase of other investments		(1 096)	–	(1 096)	–
Proceeds from disposal of property and equipment		–	419	–	419
Government grant received		2 955	14 456	2 955	14 456
Finance income received		7 169	4 409	4 361	2 458
Dividend income received		–	–	42 843	37 854
Net movement in mobile financial deposits	21	(192 942)	(220 935)	–	–
Interest received from M-Pesa deposits	10	38 947	21 355	–	–
Net cash flows utilised in investing activities		(403 706)	(372 713)	(202 262)	(130 777)
Cash flows from financing activities					
Dividend paid		(26 758)	(22 265)	(26 722)	(22 246)
Proceeds from revolving credit facility	30 (b)	–	47 266	–	47 266
Principal repayment of revolving credit facility	30 (b)	–	(47 266)	–	(47 266)
Interest payment of revolving credit facility	30 (b)	–	(1 312)	–	(1 312)
Principal payment on other financial liabilities	30 (c)	(4 762)	(771)	(4 762)	(771)
Interest payment on other financial liabilities	30 (c)	(386)	(280)	(386)	(280)
Settlement of derivative financial liabilities		(875)	(5 767)	(875)	(5 767)
Principal payment on spectrum licence payables	29	–	(75 465)	–	(75 465)
Interest payment on spectrum licence payables	29	–	(1 925)	–	(1 925)
Payment of lease liabilities – principal	25	(92 312)	(87 070)	(92 312)	(87 070)
Payment of lease liabilities – interest	25	(53 901)	(47 774)	(53 901)	(47 774)
Interest paid to M-Pesa customers		(16 493)	(19 596)	–	–
Net cash flows utilised in financing activities		(195 487)	(262 225)	(178 958)	(242 610)
Net (decrease) / increase in cash and cash equivalents		79 661	(18 400)	28 453	(22 186)
Cash and cash equivalents at the beginning of the year	22	221 697	236 590	161 654	180 076
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	12	(2 891)	3 507	(483)	3 764
Cash and cash equivalents at the end of the year	22	298 467	221 697	189 624	161 654

¹¹ The asset acquisition pertains to the purchase of the Smile entity in the prior year, with the transaction payment occurring in the current year.

Notes to the annual financial statements for the year ended 31 March 2025

1. General information

Vodacom Tanzania Public Limited Company (the 'Company') is incorporated in Tanzania as a limited liability company and is domiciled in Tanzania. The principal activities of the Group are disclosed in the Directors' Report. The address of its registered office and place of business are disclosed under the Corporate Information presented on page 161.

2. i. Basis of preparation

The consolidated and separate annual financial statements of the Company and its subsidiaries (together the 'Group') are prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee ('IFRIC') interpretations as issued by the IASB, and those sections of the Tanzania Companies Act, No.12 of 2002 applicable to financial reporting under IFRS accounting standards as issued by the International Accounting Standards Board, and the requirements of the Dar es Salaam Stock Exchange PLC Rules, 2022. The consolidated and separate financial statements are prepared on a going concern basis.

For purposes of the Tanzania Companies Act, No.12 of 2002, the statement of financial position is equivalent to the balance sheet while the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

The preparation of the consolidated and separate financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of consolidated and separate financial statements and the reported amounts of revenue and expenses during the reporting period. Refer to 'Critical accounting judgments and estimates' in Note 5 for the disclosures on the Group's critical accounting judgments and estimates. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Amounts in the financial statements are stated in Tanzanian Shillings (TZS), rounded to the nearest million (TZS m), except when otherwise indicated. The material accounting policies are consistent in all material respects with those applied in the previous period except where new and amended IFRS accounting standards as issued by the International Accounting Standards Board and interpretations have been adopted during the reporting period.

ii. Going Concern

The consolidated and separate financial statements are prepared on a going concern basis. In making this assessment, the Directors considered a wide range of information relating to present and anticipated future conditions, including future projections of profitability, cash flows, capital and other resources. The directors are satisfied that the Group and Company can generate and otherwise have access to sufficient resources necessary to continue in business for the foreseeable future. Furthermore the directors are not aware of any material uncertainties that may cast significant doubt upon the group's and company's ability to continue as going concern.

3. Material accounting policies

a) Accounting convention

The consolidated and separate annual financial statements are prepared on a historical cost basis, except where otherwise disclosed.

b) Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the annual financial statements of the Company and its subsidiaries for the year ended 31 March 2025. The Company and all subsidiaries have the same reporting period and apply the same accounting policies.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Company's previously held equity interest in the acquiree, if any, over the net fair value of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

Where applicable, the consideration transferred includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Changes in fair value that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Changes in fair value that do not qualify as measurement period adjustments are adjusted prospectively, with the corresponding gain or loss being recognised in profit or loss.

Components of non-controlling interests that are current ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at the acquisition date at either:

- Fair value; or
- The non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The choice of measurement basis is made on an acquisition-by-acquisition basis.

Components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRS Accounting Standards as issued by the International Accounting Standards Board.

The difference between the proceeds and the carrying amount of the net assets and liabilities disposed of, adjusted for any related carrying amount of goodwill, is recognised as the profit or loss on disposal of subsidiaries.

Accounting for subsidiaries

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has existing rights that give it the current ability to direct the activities that affect the Company's returns and exposure or rights to variable returns from the entity. The results of subsidiaries are included in the statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal. Investments in subsidiaries are measured at cost less accumulated impairment in separate financial statements.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The consolidated financial statements include the Company's fully owned subsidiaries which are Shared Networks Tanzania Limited, and M-Pesa Limited, which are private limited liability companies having share capital. The consolidated financial statements also include a consolidated structured entity, The Registered Trustees of M-Pesa Trust Funds, which is a trust incorporated under the provisions of The Trustees Incorporation Act, Cap 318 of Tanzania.

c) Operating segments

The Group determines its operating segments according to the major business activities that the Group undertakes, the entity components that are regularly reviewed by the Group Executive Committee and whether discrete financial information is available.

Segment information is reconciled to the consolidated financial statements. The measure reported by the Group is in accordance with the material accounting policies adopted for preparing and presenting the consolidated and separate financial statements.

The segment assets and liabilities comprise of all assets and liabilities of the different segments that are employed by the segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Capital expenditure on property and equipment and intangible assets is allocated to the segments to which it relates.

Notes to the annual financial statements continued

3. Material accounting policies continued

d) Revenue recognition

When the Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations ('obligations') to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services don't meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified. The obligations identified will depend on the nature of individual customer contracts, but might typically be separately identified for mobile handsets, other equipment provided to customers and services provided to customers such as mobile and fixed line communication services. Where goods and services have a functional dependency (for example, a fixed line router can only be used with the Group's services), this does not, in isolation, prevent those goods or services from being assessed as separate obligations.

The Group determines the transaction price to which it expects to be entitled to in return for providing the promised obligations to the customer based on the committed contractual amounts, net of sales taxes and discounts. Where indirect channel dealers, such as retailers, acquire customer contracts on behalf of the Group and receive commission, any commissions that the dealer is compelled to use to fund discounts or other incentives to the customer are treated as payments to the customer when determining the transaction price and consequently are not included in contract acquisition costs.

The transaction price is allocated between the identified obligations according to the relative standalone selling prices of the obligations. The standalone selling price of each obligation deliverable in the contract is determined according to the prices that the Group would achieve by selling the same goods and/or services included in the obligation to a similar customer on a standalone basis. Where standalone selling prices are not directly observable, estimation techniques, maximising the use of external inputs, are used. Refer to Note 5 'Critical accounting judgements and estimates' for further details.

Revenue is recognised when the respective obligations in the contract are delivered to the customer and payment remains probable.

Revenue for the provision of services, such as mobile airtime and fixed line broadband, is recognised when the Group provides the related service during the agreed service period.

Revenue for device sales to end customers is generally recognised when the device is delivered to the end user customer. For device sales made to intermediaries such as indirect channel dealers, revenue is recognised if control of the device has transferred to the intermediary and the intermediary has no right to return the device to receive a refund; otherwise revenue recognition is deferred until sale of the device to an end user customer by the intermediary or the expiry of any right of return.

When the Group has control of goods or services prior to delivery to a customer, then the Group is the principal in the sale to the customer. As a principal, receipts from, and payments to, suppliers are reported on a gross basis in revenue and operating costs. If another party has control of goods or services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue in respect of the relevant obligations is recognised net of any related payments to the supplier and recognised revenue represents the margin earned by the Group. Refer to Note 5 'Critical accounting judgements and estimates' for further details.

When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer, at that time a contract asset is recognised. Contract assets will typically be recognised for handsets or other equipment provided to customers where payment is recovered by the Group via future service fees. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer, a contract liability is recognised.

When contract assets or liabilities are recognised, a financing component may exist in the contract. This is typically the case when a handset or other equipment is provided to a customer up-front but payment is received over the term of the related service agreement, in which case the customer is deemed to have received financing. If a significant financing component is provided to the customer, the transaction price is reduced, and interest revenue is recognised over the customer's payment period using an interest rate reflecting the relevant central bank rates and customer credit risk.

Other income

Dividends from investments are recognised when the Company's right to receive payment has been established.

Interest is recognised using the amortised cost method with reference to the principal amount receivable and the effective interest rate applicable.

Revenue presentation: Gross versus Net

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related administrative fees charged as an operating cost. Where the Group's role in a transaction is that of an agent, revenue is recognised on a net basis, with revenue representing the margin earned.

Contract-related costs

When costs directly relating to a specific contract are incurred prior to recognising revenue for a related obligation, and those costs enhance the ability of the Group to deliver an obligation and are expected to be recovered, then those costs are recognised on the statement of financial position as fulfilment costs and are recognised as expenses in line with the recognition of revenue when the related obligation is delivered.

The direct and incremental costs of acquiring a contract including, for example, certain commissions payable to staff or agents for acquiring customers on behalf of the Group, are recognised as contract acquisition cost assets in the statement of financial position when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Group. Typically, this is over the customer contract period as new commissions are payable on contract renewal. Certain amounts payable to agents are deducted from revenue recognised (see above).

e) Commissions

Intermediaries are awarded cash incentives by the Group to connect new customers and upgrade existing customers.

For intermediaries who do not purchase products and services from the Group, such cash incentives are accounted for as an expense. Cash incentives to other intermediaries are also accounted for as an expense if:

- The Group receives an identifiable benefit in exchange for the cash incentive that is separable from sales transactions to that intermediary; and
- The Group can reliably estimate the fair value of that benefit.

Cash incentives that do not meet these criteria are recognised as a reduction of the related revenue.

Distribution incentives paid to service providers and dealers for exclusivity are deferred and expensed over the contractual relationship period.

f) Property and equipment

Property and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Land and buildings in which the Group occupies more than 25% of the floor space or for which the primary purpose is the service and connection of customers are classified as property, and equipment.

Assets in the course of construction are carried at cost less any impairment loss. Depreciation of these assets commences when the assets are ready for their intended use.

The cost of property and equipment includes directly attributable incremental costs incurred in the acquisition and installation of such assets, as well as the present value of the estimated cost of dismantling, removal or site restoration costs if applicable, so as to bring the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

The cost of small parts as well as repairs and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life and ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised. Depreciation is not ceased when assets are idle.

Useful lives, residual values and depreciation methods are reviewed on an annual basis with the effect of any changes in estimate accounted for on a prospective basis.

Property and equipment acquired in exchange for non-monetary assets is measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset given up.

An item of Property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Notes to the annual financial statements continued

3. Material accounting policies continued

g) Intangible assets

The following are the main categories of intangible assets

Goodwill

Goodwill is initially recognised at cost and subsequently stated at cost less accumulated impairment losses, if any. Goodwill is not amortised but is tested for impairment on an annual basis. Goodwill is denominated in the currency of the acquired entity.

Intangible assets with a finite useful life

Intangible assets with finite lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life and commences when the intangible asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised. Useful lives and amortisation methods are reviewed on an annual basis with the effect of any changes in estimate accounted for on a prospective basis.

The Group's intangible assets with finite useful lives are as follows:

Licences

Licences which are acquired to yield an enduring benefit are amortised from the date of commencement of usage rights over the shorter of the economic life or the duration of the license agreement.

Computer software

Expenditure incurred to develop, maintain and renew internally generated trademarks and patents is recognised as an expense in the period it is incurred. Computer software that is not considered to form an integral part of any hardware equipment is recorded as an intangible asset. Software integral to a related item of hardware equipment is accounted for as property and equipment.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amounts of the asset are recognised in profit or loss when the asset is derecognised.

h) Impairment of tangible and intangible assets

An impairment loss is recognised immediately in profit or loss if the recoverable amount of an asset is less than its carrying amount. Recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows from continuing use and ultimate disposal of the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Assets that do not generate cash inflows largely independent of those from other assets are grouped at the lowest levels for which there are separately identifiable cash flows; known as cash-generating units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount not to exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in the prior period. A reversal of an impairment loss is recognised immediately in profit or loss. Goodwill impairment losses are not reversed.

As a large owner of infrastructure and consumer of energy, the Group has exposure to the changes in the climate related risks such as energy cost increases, asset damage and service disruption. The long range plans used in the Group's impairment testing include forecast energy costs and other costs that are embedded in the planning process to deliver the Group's carbon reduction targets.

The long range plans also include capex in relation to the Group's extensive and ongoing network maintenance program, and support the Group's use of durable and energy efficient infrastructure. Furthermore, the Group already has in place and will continue to develop strong reactive controls to manage the unpredictable impacts of future climate-related risks. Climate change, therefore, is not expected to have a material impact on the outcome of the Group's impairment testing and the Group will continue to refine its approach to modelling climate-related risks and opportunities in the value in use calculations.

Property and equipment, and intangible assets with a finite useful life

The Group annually reviews the carrying amounts of its property and equipment, and intangible assets with finite useful lives in order to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent, if any, of the impairment loss.

Intangible assets not yet available for use and goodwill

These are tested annually for impairment and when events or changes in circumstances indicate that the carrying amount may not be recoverable.

i) Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined by the first-in, first-out method and comprises direct materials and where applicable, those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is determined using expected future selling prices of inventory items less the estimated costs of completion and the estimated costs necessary to make the sale. If the selling price of the inventory will be below cost, it is then reduced to the net realisable value. Inventory write down is part of direct expenses.

j) Leases

As a lessee

When the Group leases an asset, a right of use asset is recognised for the leased item and a lease liability is recognised for any lease payments due at the lease commencement date. The right of use asset is initially measured at cost, being the present value of the lease payments paid or payable, plus any initial direct costs incurred in entering the lease and dismantling costs, less any lease incentives received. The right of use assets are recognised under property and equipment.

Right of use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the Group is 'reasonably certain' to exercise any extension options or not to exercise termination options (see below).

The useful life of the asset is determined in a manner consistent to that for owned property and equipment. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly as per the Impairment of tangible and intangible assets accounting policy (h) above.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are usually discounted using the incremental borrowing rates of the Group or where determinable, the rate implicit in the lease is used. Lease payments included in the lease liability include:

- fixed payments and in-substance fixed payments during the term of the lease reduced by any lease incentives;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease; and
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

After initial recognition, the lease liability is recorded at amortised cost using the incremental borrowing rate. It is remeasured when:

- there is a change in the residual value guarantee;
- there is a change in future lease payments arising from a change in an index or rate (e.g. an inflation related increase);
- the Group's assessment of the lease term changes;
- lease modifications occur that are not treated as separate leases.

Any change in the lease liability as a result of these changes also results in a corresponding change in the recorded right-of-use asset.

Short term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office accommodation (i.e., those leases that have a lease term of 3 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

k) Foreign currencies and translation of foreign currencies

The consolidated and separate financial statements are presented in TZS, which is the Company's functional and presentation currency. The functional and presentation currency of the consolidated subsidiaries and structured entity is also TZS. Items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the foreign exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency of the Group at the rates prevailing at the reporting date. Exchange differences on the settlement or translation of monetary assets and liabilities identified as being part of operating activities are included in operating profit, while exchange differences on the settlement or translation of monetary assets and liabilities which are not considered as being part of operating activities are included in gains or losses on re-measurement and disposal of financial instruments in profit or loss in the period in which they arise.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated. When a gain or loss on a non-monetary item is recognised directly in other comprehensive income, any exchange component of that gain or loss is recognised directly in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Notes to the annual financial statements continued

3. Material accounting policies continued

l) Expenses

Expenses are recognised as they are incurred. Prepaid expenses are deferred and recognised in the periods to which they relate.

m) Employee benefits

Post-employment benefits

The Group contributes to a defined contribution fund for the benefit of employees. Contributions to the fund are recognised as an expense as they fall due. The Group is not liable for contributions to the medical aid of the retired employees.

Short-term and long-term benefits

The cost of all short-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognised in profit or loss in the period in which the employee renders the related service.

The Group provides for long-term employee benefits payable to eligible employees during the period in which the employee renders the related service and is accounted for in the year in which they arise.

n) Tax

The income tax expense represents the sum of the current tax and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items recognised in other comprehensive income or directly to equity, in which case, current and deferred tax is also recognised directly in other comprehensive income or in equity.

Tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they either relate to income taxes levied by the same tax authority on either the same taxable entity or on different taxable entities which intend to settle the current tax assets and liabilities on a net basis.

Current taxation

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition, other than in a business combination, of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are not recognised to the extent that they arise from the initial recognition of goodwill.

A deferred tax asset for the carry forward of unused tax losses and tax credits is only recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and adjusted to reflect changes in the probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date. The applicable statutory rate at the reporting date is disclosed in Note 13.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of Value Added Tax, except where the Value Added Tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the Value Added Tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable or receivables and payables that are stated with the amount of Value Added Tax included. The net amount of Value Added Tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated and separate statements of financial position.

o) Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the Group's and Company's statements of financial position when the Group and the Company become party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs except for those classified as at fair value through profit or loss which are initially measured at fair value, excluding transaction costs. At initial recognition, financial assets that do not contain significant financing component are measured using transaction price.

The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

Financial assets, excluding derivative financial instruments

Financial assets are recognised and derecognised on trade-date where the purchase or sale of the financial asset is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned.

Subsequent to initial recognition, these instruments are measured as follows:

Financial assets that are debt instruments, are classified based on how they are managed by the business and the nature of their contractual cash flows.

All other investments, including trade receivables, are held to collect contractual interest and principal repayments and are stated at amortised cost using the effective interest method, less any impairment.

Trade and other receivables, included in financial assets stated at amortised cost

Trade and other receivables mainly consist of amounts owed to the Group by customers and amounts paid in advance to suppliers by the Group. This also includes contract assets which represent an asset for accrued revenue in respect of goods or services delivered to customers for which a trade receivable does not yet exist.

Trade receivables represent amounts owed by customers where the right to payment is conditional only on the passage of time. Trade receivables that are recovered in instalments from customers over an extended period are discounted at market rates and interest revenue is accreted over the expected repayment period. Other trade receivables do not carry any interest and are stated at their nominal value. The carrying value of all trade receivables and contract assets recorded at amortised cost is reduced by allowances for lifetime estimated credit losses. Estimated future credit losses are first recorded on the initial recognition of a receivable and irrecoverable amounts are based on the ageing of the receivable balances and historical experience. Individual balances are written off when management deems them not to be collectible.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and cash balances on M-Pesa wallets, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Bank overdrafts which are repayable on demand form an integral part of an entity's cash management and are therefore viewed as part of the Group and Company's cash and cash equivalents.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash balances on M-Pesa wallets.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. For trade receivables and contract assets that do not involve a significant financing component, and for trade receivables and contract assets that do include a significant financing component the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group assesses the individual receivable or portfolio of receivables on each reporting date basing on its historical credit loss experience, relationship and forward-looking factors specific to the debtor or portfolio and the economic environment.

The Group consider customers to be in default when the receivable is more than 90 days past due or the customer has failed to honour a repayment arrangement. The default policy and terms are determined by guidance from our credit collection policies and actual customer payment behaviour. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Trade receivables and contract assets are written off when each business unit determines there to be no reasonable expectation of recovery and enforcement activity has ceased.

Notes to the annual financial statements continued

3. Material accounting policies continued

a) Financial instruments continued

Financial assets carried at amortised cost

For financial assets carried at amortised cost, with the exception of trade and other receivables, the amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For trade and other receivables and contract assets, the amount of the impairment loss is the irrecoverable amount estimated by management based on assumptions about risk of default and expected loss rates. Refer to Note 19 for further disclosures.

The carrying amount is reduced directly by the impairment loss, with the exception of trade receivables and contract assets, where the carrying amount is reduced through the use of an allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed, either directly or by adjusting the allowance account, through profit or loss. The carrying amount of the financial asset at the date the impairment loss is reversed will not exceed what the amortised cost would have been had the impairment loss not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the applicable definitions. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities and includes no obligation to deliver cash or other financial asset. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issuance costs.

Subsequent to initial recognition, financial liabilities are measured as follows:

- Borrowings are subsequently stated at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowings.
- Trade and other payables (excluding liabilities created by statutory requirements, revenue charged in advance, deferred revenue and reduced subscriptions) as well as dividends payable are not interest bearing and are subsequently stated at their nominal values.

Offsetting of financial instruments

Where a legally enforceable right of offset exists for recognised financial assets and financial liabilities and there is an intention to settle the liability and realise the asset simultaneously or to settle on a net basis, all related financial effects are offset, and the net amount is reported in the consolidated and separate statements of financial position. The Group nets-off some transactions related to interconnect, roaming and interoperability services.

Derivative financial instruments

Exposure to the financial risks of changes in foreign exchange rates and interest rates, are managed using derivative financial instruments. The Group's and Company's principal derivative financial instruments are foreign exchange forward contracts.

The use of derivative financial instruments is governed by policies approved by the Board, which provide written principles consistent with the Group's and Company's risk management strategy. Derivative financial instruments are not used for speculative purposes.

Derivative financial instruments are initially measured at fair value on contract date and are subsequently remeasured to fair value at each reporting date. Changes in fair value are recorded in profit or loss as they arise unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss depends on the nature of the hedge relationship. Changes in values of all derivatives of a financing nature are included within remeasurement and disposal of financial instruments in profit or loss.

p) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and the amount of obligation can be reliably estimated. The expenses relating to provisions are presented in profit or loss in the period in which they are incurred.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value using a pre-tax discount rate where the effect of the time value of money is material.

q) Government grants

The Group may be entitled to receive grants from national or regional government which are primarily for the purpose of constructing property and equipment ('capital grants'). Government grants are recognised when there is reasonable assurance that the Group will comply with any condition on which payment or retention of the grant is dependent and the grant will be paid.

It is the Group's policy to deduct capital grants from the cost of the assets acquired which will result in the depreciation expense for the related assets being reduced during the useful life of the related assets. In the event that a capital grant becomes repayable, the cost of the related assets is increased by the amount of the repayment and cumulative depreciation that would have been recognised in profit or loss had the repaid amount not originally been recorded will be recognised immediately in profit or loss.

Government grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Group recognises the related costs as expenses, for which the grant is intended to compensate.

r) Current versus non-current classification

The Group presents assets and liabilities in the consolidated and separate statements of financial position based on current/non-current classification. An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

4. New accounting pronouncements

A new and a number of amendments to IFRS accounting standards as issued by the International Accounting Standards Board, have been issued, effective for periods commencing on or after 1 April 2024. These pronouncements are not expected to have a material impact on the consolidated and separate income statement, consolidated and separate statement of financial position, or consolidated and separate cash flow statement.

New accounting pronouncements

New accounting pronouncements adopted on 1 April 2024

The Group adopted the following new accounting policies on 1 April 2024 to comply with amendments to IFRS:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current' and 'Non-current Liabilities with Covenants';
- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback'; and
- Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements'.

No material impact has resulted from the adoption of the amendments to IAS 1 and IFRS 16. The Group has provided additional disclosures in note 15 'Trade and other payables' in respect of supplier arrangements as a result of the amendments to IAS 7 and IFRS 7.

New accounting pronouncements to be adopted on or after 1 April 2025

The following amendment has been issued by the IASB and is effective for annual periods beginning on or after 1 January 2025.

Amendments to IAS 21 'Lack of Exchangeability'.

The amendment is not currently expected to have a material impact on the Group's financial reporting on adoption, but the impact is dependent on economic factors outside of the Group's control.

Notes to the annual financial statements continued

4. New accounting pronouncements continued

New accounting pronouncements to be adopted on or after 1 April 2026

The Group has not yet adopted the following pronouncements, which have been issued by the IASB:

- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' 1;
- Amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments';
- Amendments to IFRS 9 and IFRS 7 'Contracts Referencing Nature-dependent Electricity';
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual improvements to IFRS Accounting Standards Volume 1;
- IFRS 18 'Presentation and Disclosure in Financial Statements'; and
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'.

The amendments to IFRS 9, IFRS 7 and Annual Improvements are effective for annual periods beginning on or after 1 January 2026 whilst IFRS 18 and IFRS 19 are effective for annual periods beginning on or after 1 January 2027.

The amendments to IFRS 19 and Annual improvements are not expected to have a material impact on the Group's financial reporting on adoption. The Group is assessing the impact of IFRS 18, IFRS 7 and IFRS 9 and the Group's financial reporting will be presented in accordance with these standards from 1 April 2026 or subsequently as applicable.

5. Critical accounting judgements and estimates

The Group prepares its financial statements in accordance with IFRS Accounting standards as issued by the International Accounting Standards Board, the application of which often requires management to make judgements when formulating the Group's and the Company's financial position and results. Judgements, including those involving estimations, made in the process of applying the Group's accounting policies are discussed below. Management considers these judgements to have a material effect on the consolidated and separate financial statements.

The determination of estimates requires the exercise of judgements based on various assumptions and other factors such as historical experience, current and expected economic conditions. Although estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from these estimates. Accounting estimates and the underlying assumptions are reviewed on an ongoing basis. The discussion below should also be read in conjunction with the Group's material accounting policies in Note 3.

Management has discussed the critical accounting judgements and estimates, and associated disclosures with the Company's Audit, Risk and Compliance Committee.

a) Involvement in subsidiaries

Judgment is required in the assessment of whether the Company has control or significant influence in terms of the variability of returns from the Company's involvement in the investee or structured entity, the ability to use power to affect those returns and the significance of the Company's involvement in the investee or structured entity. The Company classified its investments and structured entities considering this assessment of control or significant influence. M-Pesa Limited directs the operational activities of the Registered Trustees of M-Pesa ("the Trust"). The Trust was formed in order to oversee the interest of trustees (i.e. the users of M-Pesa Limited (a subsidiary of Vodacom Tanzania Plc)). Since the Trust can't operate without M-Pesa Limited, and the Company (Vodacom Tanzania Plc) controls M-Pesa Limited, the Group has also determined that it directs the operational activities of the Trust. Refer to Note 31 for further disclosures on the consolidated entities.

b) Impairment of non-financial assets reviews

Management undertakes an annual impairment test for goodwill and intangible assets not yet available for use. For assets with finite useful lives, impairment testing is performed if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group does not have intangible assets with infinite useful lives.

Impairment testing is an area involving management judgments, requiring assessment as to whether the carrying amounts of assets can be supported by the higher of their fair value less cost of disposal and value in use. The Group uses parties with the relevant expertise to determine the assets' fair value and cost of disposal.

Value in use is calculated as the net present value of future cash flows derived from assets using cash flow projections which have been discounted at appropriate discount rates. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- Growth in EBITDA, calculated as earnings before interest, taxation, depreciation, amortisation, impairment losses, profit/loss on disposal of property and equipment, intangible assets and investments;
- Timing and quantum of future capital expenditure;
- Long-term growth rates; and
- The selection of appropriate discount rates to reflect the risks involved.

The Group prepares and annually approves formal five-year management plans, which are used in the value in use calculations.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and consequently its results.

The Group's review includes a sensitivity analysis of the key assumptions related to the cash flow projections.

Refer to Notes 18 for more information on the impairment assessment for goodwill. Other non-financial assets are disclosed in Notes 15 and 16.

c) Revenue recognition and presentation

Revenue recognition under IFRS 15 necessitates the collation and processing of very large amounts of data and the increased use of management judgements and estimates to produce financial information. The most significant critical accounting judgement and the key sources of estimation uncertainty are disclosed below.

Determination of standalone selling price

Where the Group doesn't sell equivalent goods or services in similar circumstances on a standalone basis, it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external inputs. Methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Group, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment). Where it is not possible to reliably estimate standalone prices due to lack of observable standalone sales or highly variable pricing, which is sometimes the case for services, the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract. The standalone price determined for obligations materially impacts the allocation of revenue between obligations and impacts the timing of revenue when obligations are provided to customers at different times – for example, the allocation of revenue between handsets, which are usually delivered up-front, and services which are typically delivered over the contract period. However, it is considered that there is no significant risk of material adjustment to the carrying value of contract-related assets or liabilities in the 12 months after the reporting date if these estimates were revised.

Presentation: gross versus net

Determining whether the Group is acting as a principal or as an agent requires judgement and consideration of all relevant facts and circumstances. When deciding the most appropriate basis for presenting the revenue or related costs, both the legal form and substance of the agreement between the Group and its business partners are reviewed to determine each party's respective role in the transaction. Such judgements impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities or net cash flows from operating activities.

Refer to Note 6 for further disclosures on revenue.

Notes to the annual financial statements continued

5. Critical accounting judgements and estimates continued

d) Taxation

Recognition of deferred tax assets

The recognition of deferred tax assets, particularly in respect of tax losses and tax credits, is based upon whether it is probable that there will be sufficient and suitable taxable profits in the relevant legal entity to utilise the assets in the future. Management therefore exercises judgement in assessing the future financial performance of the particular entity in which the deferred tax asset is to be recognised. Refer to Note 13 for further disclosures on deferred tax.

Direct and indirect tax liabilities

The calculation of the Group's direct and indirect tax liabilities necessarily involves judgments, including those involving estimations, in respect of certain matters where the tax impact is uncertain until a conclusion has been reached with the tax authority or, as appropriate, through a formal legal process. The final resolution of some of these items may give rise to material gains, losses and/or cash flows. The Group uses in-house tax experts when assessing uncertain tax positions and seeks the advice of external professional advisers where appropriate. Provisions are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of economic benefits from the Group. Provisions are measured using the most likely outcome.

The resolution of issues is not always within the Group's control and it is often dependent on the efficiency of the legal processes in the relevant tax jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the taxation charge to profit or loss and tax payments.

Refer to Note 34 for further disclosures on tax matters.

e) Leases – IFRS 16

Lease identification

Whether the arrangement is considered a lease, or a service contract depends on the analysis by management of both the legal form and substance of the arrangement between the Group and the counter-party to determine if control of an identified asset has been passed between the parties; if not, the arrangement is a service arrangement. Control exists if the Group obtains substantially all of the economic benefit from the use of the asset, and has the ability to direct its use, for a period of time. An identified asset exists where an agreement explicitly or implicitly identifies an asset or a physically distinct portion of an asset which the lessor has no substantive right to substitute.

The scenarios requiring the greatest judgement include those where the arrangement is for the use of fiber or other fixed telecommunication lines. Generally, where the Group has exclusive use of a physical line it is determined that the Group can also direct the use of the line and therefore leases will be recognised. Where the Group provides access to fiber or other fixed telecommunication lines to another operator on a wholesale basis, the arrangement will generally be identified as a lease, whereas when the Group provides fixed line services to an end-user, generally control over such lines is not passed to the end-user and a lease is not identified.

The impact of determining whether an agreement is a lease, or a service contract depends on whether the Group is a potential lessee or lessor in the arrangement and, where the Group is a lessor, whether the arrangement is classified as an operating or finance lease. The impact for each scenario is described below where the Group is potentially

A lessee: The judgment impacts the nature and timing of both costs and reported assets and liabilities. A lease results in depreciation and interest being recognised and an asset and a liability being reported; the interest charge will decrease over the life of the lease. A service contract results in operating expenses being recognised evenly over the life of the contract and no assets or liabilities being recorded, other than trade payables, prepayments and accruals.

An operating lessor: The judgment impacts the nature of income recognised. An operating lease results in lease income being recognised whilst a service contract results in service revenue. Both are recognised evenly over the life of the contract.

A finance lessor: The judgment impacts the nature and timing of both income and reported assets. A finance lease results in the lease income being recognised at commencement of the lease and an asset (the net investment in the lease) being recorded.

Lease term

Where leases include additional optional periods after an initial lease term, significant judgement is required in determining whether these optional periods should be included when determining the lease term. The impact of this judgment is significantly greater where the Group is a lessee. As a lessee, optional periods are included in the lease term if the Group is reasonably certain it will exercise an extension option or will not exercise a termination option. This depends on an analysis by management of all relevant facts and circumstances including the leased asset's nature and purpose, the economic and practical potential for replacing the asset and any plans that the Group has in place for the future use of the asset. Where a leased asset is highly customised, either when initially provided or as a result of leasehold improvements, or it is impractical or uneconomic to replace, then the Group is more likely to judge that lease extension options are reasonably certain to be exercised.

Where extension options are included, a higher value of the right-of-use asset and lease liability will be recognised. The normal approach adopted for determining the lease term by asset class is described below.

Between 5 and 10 years for land and buildings (excluding retail), with terms at the top end of this range if the lease relates to assets that are considered to be difficult to exit sooner for economic, practical or reputational reasons;

- Where leases are used to provide internal connectivity, the lease term for the connectivity is aligned to the lease term or useful economic life of the assets connected; and
- The customer service agreement length for leases of local loop connections or other assets required to provide fixed line services to individual customers.

In most instances, the Group has options to renew or extend leases for additional periods after the end of the lease term which are assessed using the criteria above.

After initial recognition of a lease, the Group only reassesses the lease term when there is a significant event or a significant change in circumstances, which was not anticipated at the time of the previous assessment. Significant events or significant changes in circumstances could include merger and acquisition or similar activity, significant expenditure on the leased asset not anticipated in the previous assessment, or detailed management plans indicating a different conclusion on optional periods to the previous assessment. Where a significant event or significant change in circumstances does not occur, the lease term, and therefore lease liability and right of use asset value, will decline over time.

e) Leases – IFRS 16

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for the leases recognised. The Group typically exercises its option to renew for leases because there will be a significant negative effect on operations if a replacement asset is not readily available.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group would have to pay, which requires estimation when no observable rates are available, such as when the Group does not enter into similar financing transactions, or when they need to be adjusted to reflect the terms and conditions of the lease, for example, when leases are not in the Group's functional currency.

The Group estimates the IBR using observable inputs, such as market interest rates, when available, and is required to make certain entity-specific estimates, such as the Group's credit rating.

Refer to Note 15, Note 17 and Note 25 for further disclosures on PPE, capacity prepayment and leases respectively.

f) Non-current assets held for sale

The Group exercises judgement in estimating the amount of time that a sale transaction of a non-current asset or disposal group (the 'asset') will take to be completed, when determining whether the asset qualifies to be classified as held for sale under IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations". Please refer to Note 34 for further details on Non-current assets held for sale.

Notes to the annual financial statements continued

5. Critical accounting judgements and estimates continued

g) Provisions and contingent liabilities

The Group exercises judgments in measuring the exposure to contingent liabilities relating to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgments, including those involving estimations, are necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

Refer to Note 28 and Note 33 for further disclosures on provisions and contingent liabilities.

h) Business combinations

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the consideration transferred to the fair value of the identifiable assets acquired and the liabilities assumed. The Group uses external parties with the requisite expertise to determine the acquisition-date fair values of certain identifiable assets acquired. The fair value of assets is determined by discounting estimated future net cash flows generated by the assets, where no active market for the assets exists. The use of different discount rates as well as assumptions for the expectation of future cash flows would change the valuation of the asset.

Allocation of the consideration transferred affects the Group's results as property and equipment as well as intangible assets with finite useful lives are respectively depreciated and amortised, whereas goodwill are not. This could result in differing depreciation and amortisation charges based on the allocation.

Refer to Note 18 for further disclosures on goodwill.

i) Intangible assets with a finite useful life

Intangible assets with finite useful lives comprise licenses and computer software. These assets arise from purchases and from acquisitions as part of business combinations. The relative size of the Group's intangible assets with finite useful lives makes the judgments surrounding the estimated useful lives critical to the consolidated and separate financial positions and performance. The useful lives used to amortise intangible assets relate to the future performance of the assets acquired and management's judgment of the period over which economic benefits will be derived from the assets. The residual values of intangible assets are estimated to be zero. At 31 March 2024, the Group's intangible assets with finite useful lives amounted to TZS280 069 million (2024: TZS210 233million).

Estimation of useful lives

The basis for determining the useful lives for the various categories of intangible assets is as follows:

Licenses

The estimated useful life is, generally, the term of the license, unless there is a presumption of renewal at a negligible cost. The license term reflects the period over which the Group will receive economic benefits. For technology-specific licenses with a presumption of renewal at a negligible cost, the estimated useful life reflects the Group's expectation of the period over which the Group will continue to receive economic benefits from the license.

Computer software

For computer software licenses, the useful life represents management's view of the expected period over which the Group will receive benefits from the software, but not exceeding the license term. For unique software products controlled by the Group, the life is based on historical experience with similar products as well as anticipation of future events, which may impact the life, such as changes in technology.

The estimated useful lives of intangible assets with finite useful lives are as follows:

	2025 Years	2024 Years
Licences	3 – 25	3 – 25
Computer software	3 – 6	3 – 6

Refer to Note 16 for further disclosures on intangible assets.

j) Property and equipment

Property and equipment represent a significant proportion of the Group's and Company's total asset base. Therefore, the estimates and assumptions made to determine their carrying amounts and related depreciation are critical to the Group's and the Company's financial position and performance.

Estimation of useful life and residual value

The charge in respect of periodic depreciation is derived after estimating an asset's expected useful life and the expected residual value. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge to profit or loss.

The Group re-assesses the residual value of every item of property and equipment annually. In determining residual values, the Group uses management's best estimate for residual values and third-party confirmation. Management has determined that there is no active market for the following assets within the network infrastructure and equipment category: radio, transmission, switching, SIM centers and community services, and therefore these assets have no residual value. At the end of the useful life, the value of these assets is expected to be nil or insignificant.

The estimation of useful lives is based on certain indicators such as historical experience with similar assets as well as anticipation of future events, which may impact the lives, such as changes in technology. The useful lives will also depend on the future performance of the assets as well as management's judgment of the period over which economic benefits will be derived from the assets.

Network infrastructure is only depreciated over a period that extends beyond the expiry of the associated license under which the operator provides telecommunications services if there is a reasonable expectation of renewal or an alternative future use for the asset.

The estimated useful lives of depreciable property and equipment are as follows:

	2025 Years	2024 Years
Buildings included in land and buildings	25 – 50	25 – 50
Leasehold improvements	1 – 5	1 – 5
Network infrastructure and equipment	3 – 20	3 – 20
Other assets	2 – 5	2 – 5

Refer to Note 15 for further disclosures on property and equipment.

k) Provision for expected credit losses for trade receivables and contract assets

Customer credit risk is managed by the Group's business units which each have policies, procedures and controls in place relating to customer credit risk management.

Outstanding trade receivables and contract assets are regularly reviewed to monitor any changes in credit risk with concentrations of credit risk considered to be limited given that the Group's customer base is large and unrelated.

The Group applies the simplified approach and records lifetime expected credit losses for trade receivables and contract assets. Expected credit losses are measured using historical cash collection data for periods of at least 24 months wherever possible and grouped into various customer segments based on product or customer type. The historical loss rates are adjusted to reflect material forward-looking information.

For trade receivables the expected credit loss provision is calculated using a provision matrix, in which the provision increases as balances age, and for contract assets a weighted loss rate is calculated to reflect the period over which the amounts become due for payment by the customer.

Forward-looking information consideration

Historical credit loss rates are adjusted by a forward-looking estimate when there is reason to believe that forward-looking information will have a significant impact. Where relevant forward-looking information can be based on the future projections of macro economics and other available market information, for example changes in interest rates or unemployment rates, or other commercial factors which are expected to have a significant impact when determining future expected credit loss rates. We have used Consumer price index (CPI) and Gross Domestic Product as relevant forward looking information.

Trade receivables and contract assets are written off when each business unit determines there to be no reasonable expectation of recovery and enforcement activity has ceased.

The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 36.

l) Separating grants into various components

The Group receives grants from the government to construct network infrastructure with a view to provide network telecommunication services in under-served areas of the country. The contract with the government also mandates the Group to ensure that the related network infrastructures are maintained for a period of 5 years. However the contract does not explicitly state the amounts that have to be used for construction of network infrastructure and the amounts that have to cover maintenance for the period of 5 years. The Group has applied judgement by determining that due to variability of costs to construct network infrastructure, it will not split before hand the amounts for construction and that for maintenance. All the grant that is received will be used for construction and the remaining balance, if any, will be used to cover maintenance costs for the period 5 years. Please refer to note 26 of the financial statements.

Notes to the annual financial statements continued

6. Revenue

TZS m	Group		Company	
	2025	2024	2025	2024
Major products / service lines				
Customer service revenue	1 405 493	1 162 595	936 330	809 307
Mobile interconnect	49 715	48 380	49 715	48 380
Fixed service revenue	42 021	30 745	42 486	32 685
Other service revenue	18 758	16 615	27 532	23 543
Service revenue	1 515 987	1 258 335	1 056 063	913 915
Equipment revenue	17 897	14 901	17 897	14 901
Other non-service revenue	4 451	3 805	4 451	3 805
Revenue from contracts with customers	1 538 335	1 277 041	1 078 411	932 621
Interest income recognised as revenue	1 025	1 176	1 025	1 176
	1 539 360	1 278 217	1 079 436	933 797

Total future revenue from contracts with customers with performance obligations not satisfied at 31 March 2025 is TZS7 783 million (2024: TZS5 712 million) of which TZS5 633 million is expected to be recognised within the next 12 months, with the remaining TZS2 150 million to be recognised thereafter.

Customer service revenue comprises of mobile contract revenue and mobile prepaid revenue.

Equipment revenue and other non-service revenue are recognised at a point in time while the service revenue is recognised over time.

Revenue is further disaggregated per revenue stream as follows:

TZS m	Group		Company	
	2025	2024	2025	2024
Mobile voice revenue	310 598	285 769	310 598	285 769
M-Pesa revenue	590 033	456 285	–	–
Mobile data revenue	422 181	347 303	422 278	347 369
Digital & VAS revenue	40 296	38 723	40 296	38 723
Mobile incoming revenue	49 696	48 380	49 696	48 380
Messaging revenue	36 532	31 078	157 305	134 008
Fixed revenue	42 021	30 745	42 486	32 685
Other service revenue	24 630	20 052	33 404	26 981
Service revenue	1 515 987	1 258 335	1 056 063	913 915
Non-service revenue	23 373	19 882	23 373	19 882
	1 539 360	1 278 217	1 079 436	933 797

7. Direct expenses

TZS m	Group		Company	
	2025	2024	2025	2024
Interconnect costs	(43 362)	(38 712)	(43 362)	(38 712)
Business managed services costs	(1 428)	(890)	(1 428)	(890)
Mobile prepaid airtime commission costs	(98 692)	(75 895)	(94 716)	(83 883)
M-Pesa Commission costs	(202 543)	(176 857)	–	–
Regulatory fees	(62 529)	(54 616)	(50 428)	(44 852)
Mobile other costs	(30 345)	(24 923)	(7 372)	(6 102)
Acquisition costs	(42 666)	(39 359)	(38 994)	(33 620)
Retention costs	(7 185)	(6 124)	(7 185)	(6 124)
Stock obsolescence charge (Note 20)	1 361	(659)	1 361	(659)
	(487 389)	(418 035)	(242 124)	(214 842)

8. Staff expenses

TZS m	Group		Company	
	2025	2024	2025	2024
Wages and salaries, including other termination benefits	(60 119)	(56 741)	(39 762)	(38 663)
Share based compensation (Note 8.1)	(747)	(627)	(747)	(627)
Pension costs – defined contribution plans	(13 879)	(5 564)	(12 030)	(4 585)
Skills and Development Levy	(1 940)	(1 848)	(1 661)	(1 591)
Bonus expense	(13 730)	(10 086)	(11 798)	(8 494)
	(90 415)	(74 666)	(65 998)	(53 960)

8.1 Share based compensation

Vodacom Group Limited Forfeitable Share Plan (FSP)

This share-based payment arrangement is accounted for as an equity-settled share-based payment transaction by Vodacom International Limited (VIL), an employer company for the Vodacom Tanzania Public Limited Company staff who are part of the scheme, since the Group has no obligation to settle the share-based payment transaction.

Under the FSP, awards of Vodacom Group Limited shares are granted to executive directors and selected employees of the Vodacom Group Limited. The vesting of these shares is subject to continued employment, and is conditional upon achievement of performance targets, measured over a three-year period, for directors, senior management and other selected employees. The fair value of the share awards on grant date were measured using the quoted market price of a Vodacom Group Limited share without adjusting for expected dividends and non-market performance conditions. Market conditions are adjusted for.

The Company reimburses the cost incurred by VIL through monthly invoices in the form of cost recovery with no future obligation.

Notes to the annual financial statements continued

9. Other operating expenses

	Group		Company	
TZS m	2025	2024	2025	2024
(a) Other operating expenses and income				
Network operating expenses	(100 716)	(83 450)	(90 882)	(76 152)
Tower lease and maintenance costs	(150 522)	(141 017)	(150 522)	(141 017)
Amortisation of Government grants (Note 26)	20	127	20	127
Office administration expenses	(107 442)	(85 051)	(61 156)	(49 095)
Expected credit gains / (losses) of cash and cash equivalents	111	(125)	118	(111)
Other recoveries and expenses	(19 698)	(10 811)	(14 475)	(7 859)
Amortisation of capacity prepayments (Note 17)	(28 358)	(19 985)	(28 358)	(19 985)
Auditors' remuneration	(693)	(895)	(477)	(686)
Audit fees	(655)	(633)	(439)	(424)
Other charges	(38)	(262)	(38)	(262)
Gain on disposal of property and equipment and intangible assets	14	413	14	413
Capacity leases and Right of way expenses	(8 638)	(3 126)	(8 638)	(3 126)
Foreign exchange losses	(10 412)	(13 563)	(12 436)	(12 806)
Donation to Charitable activities	(3 700)	(2 022)	(3 700)	(2 022)
	(430 034)	(359 505)	(370 492)	(312 319)
(b) Depreciation and amortisation				
Depreciation (Note 15)	(244 327)	(233 558)	(241 884)	(231 097)
Amortisation (Note 16)	(41 106)	(26 759)	(36 917)	(23 141)
	(285 433)	(260 317)	(278 801)	(254 238)
(c) Net credit gain / (losses) on financial assets				
Expected credit losses - Trade receivables (Note 19)	(11 639)	(1 050)	(11 637)	(1 051)
Expected credit losses - Contract assets (Note 19)	(463)	(10)	(463)	(10)
	(12 102)	(1 060)	(12 100)	(1 061)

10. Finance and dividend income

	Group		Company	
TZS m	2025	2024	2025	2024
Interest income from bank balances	7 169	4 409	4 361	2 458
Interest income from M-Pesa cash balances	38 947	21 355	–	–
	46 116	25 764	4 361	2 458
Dividend income	–	–	42 843	37 854
	–	–	42 843	37 854

The interest income is earned on amounts deposited with banks. Interest income is recognised using the effective interest rate method.

The Dividend Income is received from the subsidiary M-Pesa Limited. In the current financial year, dividend payments were declared during the meetings of the Board of Directors held in 17 July 2024 and 4 November 2024 (FY 2024, 14 June 2023 and 8 November 2023).

11. Finance costs

Finance costs include interest on the lease liabilities recognised. The recognized finance costs, which are all recognised using the effective interest method, are detailed below:

	Group		Company	
TZS m	2025	2024	2025	2024
Interest charge on lease liabilities (Note 25)	(53 901)	(47 774)	(53 901)	(47 774)
Interest on other financial liabilities	(386)	(334)	(386)	(334)
Interest on taxation expense	(7 940)	–	(7 940)	–
Interest on licence debt	–	(1 876)	–	(1 876)
Interest on revolving credit facility and overdraft	–	(1 312)	–	(1 312)
Interest expense on site restoration obligation (Note 28)	(942)	(662)	(942)	(662)
	(63 169)	(51 958)	(63 169)	(51 958)
Interest expense: M-Pesa customers	(38 919)	(21 149)	–	–
	(102 088)	(73 107)	(63 169)	(51 958)

12. Net loss on foreign currency transaction

	Group		Company	
TZS m	2025	2024	2025	2024
Cash and cash equivalents	(2 891)	3 507	(483)	3 764
Other financial liabilities	(610)	–	(610)	–
Lease liabilities	(2 920)	(3 344)	(2 920)	(3 344)
Derivative financial liabilities	(875)	(5 767)	(875)	(5 767)
Licence payables	–	(3 346)	–	(3 346)
	(7 296)	(8 950)	(4 888)	(8 693)

The Group experienced volatility in exchange rate gains and losses due to the weakening of the shilling against major currencies the Group is exposed to.

Notes to the annual financial statements continued

13. Income tax

a) Income tax (expense)/credit

	Group		Company	
	2025	2024	2025	2024
TZS m				
Current income tax (expense) / credit:	(43 374)	(14 433)	(9 307)	4 151
-In respect of the current year	(41 232)	(23 240)	(7 165)	(4 656)
Withholding tax-current year	(2 142)	(1 893)	(2 142)	(1 893)
-In respect of prior years	–	10 700	–	10 700
Deferred tax credit on origination and reversal of temporary differences	(11 024)	(10 124)	(11 013)	(8 573)
-In respect of the current year	(8 908)	(10 415)	(9 121)	(10 067)
-In respect of the prior year	(2 116)	291	(1 892)	1 494
Total income tax expense	(54 398)	(24 557)	(20 320)	(4 422)

b) Components of deferred tax debited/(credited) to profit or loss

	Group		Company	
	2025	2024	2025	2024
TZS m				
Property and equipment capital allowances	231	68 472	–	68 657
Tax losses	11 013	(16 767)	11 013	(16 767)
Provisions and deferred income	(220)	(41 581)	–	(43 317)
	11 024	10 124	11 013	8 573

c) Factors affecting the tax expense/(credit) for the year

	Group		Company	
	2025	2024	2025	2024
TZS m				
Expected income tax expense on profit before tax at the Tanzania statutory tax rate	43 473	23 395	23 571	17 848
Adjusted for:				
Non-deductible expenditure ¹²	7 269	6 680	6 170	4 652
Net non-taxable gaming income ¹³	(602)	(1 077)	(602)	(1 077)
Adjustments of prior years net tax charge	2 116	(291)	1 892	(1 494)
Non-taxable dividend income	–	–	(12 853)	(11 357)
(Release) / provision of prior year taxes	–	(10 700)	–	(10 700)
Alternative minimum Tax - Holding Company	–	4 657	–	4 657
Withholding tax from - Subsidiary Company	2 142	1 893	2 142	1 893
	54 398	24 557	20 320	4 422

The Tanzania statutory tax rate is 30% (2024: 30%). The Group's effective tax rate is 37.5% (2024: (31.5%)). The Company's effective tax rate is 25.9% (2024: (7.4%)).

The Company's effective tax rate of 25.9% in the current year is significantly lower than the statutory rate of 30.0% largely due to non-taxable dividend income, partially offset by non-deductible expenditures.

Notes:

¹² Non deductible expenditure includes charitable donations, dispute losses, fines and penalties.

¹³ This includes gaming income (non taxable) and costs(non-deductible).

d) Income tax receivable

	Group		Company	
	2025	2024	2025	2024
TZS m				
Opening balance	60 652	48 537	54 182	43 751
Current income tax expense	(43 374)	(14 433)	(9 307)	4 151
Total tax paid	39 860	26 549	11 308	6 280
Additional tax deposits paid	1 200	3 022	1 200	–
Current income tax paid	38 660	23 527	10 108	6 280
Withholding tax deducted at source	6 098	3 070	1 120	750
Tax paid	32 562	20 457	8 988	5 530
Closing balance	57 137	60 652	56 182	54 181
Maturity analysis				
Non-current:	34 298	36 120	34 298	33 098
Pending tax matters	34 298	36 120	34 298	33 098
Current:	22 839	24 532	21 885	21 084
Current tax receivable	25 415	24 532	21 885	21 084
Current tax payables	(2 576)	–	–	–
	57 137	60 652	56 183	54 182

These are mainly deposits made to the tax authority in relation to disputed tax assessments and withholding tax credits. The additional tax deposits relate to deposit payments made to the revenue authority to allow filing of objections to disputed income tax assessments. The deposits are expected to be recovered on resolution of the disputed income tax assessments through cash refund and/or offset with undisputed tax liabilities. The increase is mainly due to release of prior period income tax accrual and tax deposits.

e) Components of the recognised net deferred tax asset

	Group		Company	
	2025	2024	2025	2024
TZS m				
Capital allowances	58 408	58 177	57 368	57 368
Tax losses	(16 709)	(27 722)	(16 709)	(27 722)
General provisions and deferred income	(72 905)	(72 685)	(71 945)	(71 945)
Net deferred tax asset	(31 206)	(42 230)	(31 286)	(42 299)

The Group recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised.

f) Reconciliation of the recognised net deferred tax asset balance

	Group		Company	
	2025	2024	2025	2024
TZS m				
At the beginning of the year	(42 230)	(52 354)	(42 299)	(50 872)
Charge to profit or loss	11 024	10 124	11 013	8 573
At the end of the year	(31 206)	(42 230)	(31 286)	(42 299)

Notes to the annual financial statements continued

14. Basic and diluted earnings per share

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

	Group	
	2025	2024
Basic and diluted earnings per share (TZS)	40.37	23.83
Earnings attributable to owners of the parent (TZS m)	90 434	53 387
Weighted average number of equity shares outstanding (Millions)	2 240	2 240
Dividend declared during the year (TZS m)	26 723	22 278

15. Property and equipment

Group	Leasehold land & buildings TZS m	Network infrastructure & equipment TZS m	Other assets TZS m	Total TZS m
Net book value as at 1st April 2023	24 180	936 271	4 725	965 176
Cost	37 852	2 374 083	8 681	2 420 616
Accumulated depreciation	(13 672)	(1 437 812)	(3 956)	(1 455 440)
Additions	750	185 363	5 594	191 707
Amounts applied against funded assets (Note 26)	–	(14 127)	–	(14 127)
Disposals - cost	(53)	(196 983)	(581)	(197 617)
Accumulated depreciation on disposed assets	53	196 976	581	197 610
Depreciation charge for the year	(521)	(231 311)	(1 726)	(233 558)
Transfer to intangible assets - costs	–	(42 571)	–	(42 571)
Increase in provision for site restoration obligation	–	31	–	31
Net book value as at 31st March 2024	24 409	833 649	8 593	866 651
Cost	38 549	2 305 796	13 694	2 358 039
Accumulated depreciation	(14 140)	(1 472 147)	(5 101)	(1 491 388)
Additions	–	567 218	2 016	569 234
Amounts applied against funded assets (Note 26)	–	(16 101)	–	(16 101)
Disposals - cost	–	(2 390)	(101)	(2 491)
Accumulated depreciation on disposed assets	–	2 382	25	2 407
Depreciation charge for the year	(505)	(241 693)	(2 129)	(244 327)
Elimination/Modification Cost	–	(76 552)	–	(76 552)
Elimination/Modification Accumulated	–	76 552	–	76 552
Depreciation	–	(36 096)	–	(36 096)
Transfer to intangible assets - costs	–	853	–	853
Transfer to intangible assets - accumulated amortisation	–	270	–	270
Increase in provision for site restoration obligation	–	–	–	–
Net book value as at 31 March 2025	23 904	1 108 092	8 404	1 140 400
Cost	38 549	2 742 145	15 609	2 796 303
Accumulated depreciation	(14 645)	(1 634 053)	(7 205)	(1 655 903)

Included in the net book value balance of network infrastructure and equipment is the cost of assets under construction (work in progress or WIP) of TZS1 281 million (2024: TZS18 242 million). The cost of these assets was not depreciated during the year (2024: Nil).

Included in Other assets is furniture, fittings and other assets of similar nature.

Company	Leasehold land & buildings TZS m	Network infrastructure & equipment TZS m	Other assets TZS m	Total TZS m
Net book value as at 1 April 2023	24 180	932 485	4 726	961 391
Cost	37 852	2 335 162	8 697	2 381 711
Accumulated depreciation	(13 672)	(1 402 677)	(3 971)	(1 420 320)
Additions	750	185 361	5 594	191 705
Amounts applied against funded assets (Note 26)	–	(14 127)	–	(14 127)
Disposals - cost	(53)	(196 983)	(581)	(197 617)
Accumulated depreciation on disposed assets	53	196 976	581	197 610
Depreciation charge for the year	(521)	(228 850)	(1 726)	(231 097)
Increase in provision for site restoration obligation	–	31	–	31
Net book value as at 31 March 2024	24 409	831 318	8 594	864 321
Cost	38 549	2 265 852	13 710	2 318 111
Accumulated depreciation	(14 140)	(1 434 534)	(5 116)	(1 453 790)
Additions	–	567 218	2 016	569 234
Amounts applied against funded assets (Note 26)	–	(16 101)	–	(16 101)
Disposals - cost	–	(2 390)	(101)	(2 491)
Accumulated depreciation on disposed assets	–	2 382	25	2 407
Costs	–	(3 127)	–	(3 127)
Right of use assets Modification to accumulated depreciation	–	54 570	–	54 570
Right of use assets Modification from costs	–	(54 570)	–	(54 570)
Transfer to intangible assets - costs	–	(38 548)	–	(38 548)
Depreciation charge for the year	(505)	(239 250)	(2 129)	(241 884)
ARO asset adjustment	–	270	–	270
Net book value as at 31 March 2025	23 904	1 102 625	8 405	1 134 934
Cost	38 549	2 718 604	15 625	2 772 778
Accumulated depreciation	(14 645)	(1 615 979)	(7 220)	(1 637 844)

Included in the net book value balance of network infrastructure and equipment is the cost of assets under construction of TZS1 281 million (2024: TZS18 242 million). The cost of these assets was not depreciated during the year (2024: Nil).

During the year, the reassessment of useful lives of network assets was undertaken in accordance with Company's accounting policies with the net impact being an increase in depreciation charge for the current year of TZS7 236 million (2024: TZS2 148 million being decrease of depreciation charge) from prolonged useful life. The future periods are expected to be impacted in a similar manner until when the useful lives are otherwise re-assessed and revised.

No property and equipment were pledged as collateral against borrowings at year-end (2024: None).

Included in the Other assets are leased furniture, fittings and other assets of similar nature.

Land occupancy rights and buildings (carrying value)

TZS m	Group		Company	
	2025	2024	2025	2024
Plot No. 49-53, Block M, Mbezi Juu, Dar es Salaam, Tanzania, Certificate of Title No. 49468 (acquired in May 2007)	6 673	6 934	6 673	6 934
Plot No. 43, Kwale Road, Dar es Salaam, Tanzania, Certificate of Title No. 186031/10 (acquired in May 2001)	2 037	2 074	2 037	2 074
Plots No. 1 & 2, Block B, NCC Link Area, Dodoma Municipality (acquired in July 2005)	934	971	934	971
Plot No. 1999, Block M, Forest Area, Mbeya Municipality (acquired in April 2000)	540	579	540	579
Nyegezi Hill, Mwanza (acquired in October 2009)	530	562	530	562
Moshono Hill, Arusha (acquired in July 2009)	547	580	547	580
	11 261	11 700	11 261	11 700

The above land occupancy rights and buildings excludes leased components which are disclosed in property and equipment schedules for both Group and Company.

Notes to the annual financial statements continued

15. Property and equipment continued

Right-of-use assets

The Group's and Company's property and equipment include the following right of use (ROU) assets recognised.

Group	Leasehold land & buildings TZS m	Network infrastructure & equipment TZS m	Other assets TZS m	Total TZS m
As at 01 April 2023	9 303	360 702	1 986	371 991
Additions	–	20 228	5 492	25 720
Lease modification	–	(42 571)	–	(42 571)
Depreciation	(53)	(82 562)	(1 533)	(84 148)
As at 31 March 2024	9 250	255 797	5 945	270 992
Additions and extensions	–	400 445	1 530	401 975
Disposals	–	(84)	–	(84)
Depreciation	(50)	(84 296)	(1 944)	(86 290)
As at 31 March 2025	9 200	571 862	5 531	586 593

Included in the Other assets are leased furniture, fittings and other assets of similar nature.

Company	Leasehold land & buildings TZS m	Network infrastructure & equipment TZS m	Other assets TZS m	Total TZS m
As at 31 March 2023	9 303	360 702	1 986	371 991
Additions	–	20 228	5 492	25 720
Lease modification	–	(42 571)	–	(42 571)
Depreciation	(53)	(82 562)	(1 533)	(84 148)
As at 31 March 2024	9 250	255 797	5 945	270 992
Additions and extensions	–	400 445	1 530	401 975
Disposals	–	(84)	–	(84)
Depreciation	(50)	(84 296)	(1 944)	(86 290)
As at 31 March 2025	9 200	571 862	5 531	586 593

16. Intangible assets

Group	Licences TZS m	Wavelength TZS m	Computer software TZS m	Total TZS m
Net book value as at 31 March 2023	172 085	–	38 148	210 233
Cost	196 281	–	98 329	294 610
Accumulated amortisation	(24 196)	–	(60 181)	(84 377)
Additions	–	–	18 273	18 273
Asset acquisition	78 322	–	–	78 322
Amortisation	(13 204)	–	(13 555)	(26 759)
Disposals - costs	–	–	(3 475)	(3 475)
Accumulated depreciation on disposed assets	–	–	3 475	3 475
Net book value as at 31 March 2024	237 203	–	42 866	280 069
Cost	274 603	–	113 127	387 730
Accumulated amortisation	(37 400)	–	(70 261)	(107 661)
Additions	–	10 224	13 612	23 836
Amortisation	(24 036)	(341)	(16 729)	(41 106)
Disposals - costs	–	–	(7 260)	(7 260)
Accumulated amortisation on disposed assets	–	–	7 260	7 260
Elimination Reallocation to accumulated amortisation	–	–	(6 083)	(6 083)
Elimination Reallocation from costs	–	–	6 083	6 083
Transfer from property and equipments - costs	–	–	36 096	36 096
Transfer from property and equipments - accumulated amortisation	–	–	(853)	(853)
Net book value as at 31 March 2025	213 167	9 883	74 992	298 042
Cost	274 603	10 224	149 492	434 319
Accumulated amortisation	(61 436)	(341)	(74 500)	(136 277)

Company	Licences TZS m	Wavelength TZS m	Computer software TZS m	Total TZS m
Net book value as at 31 March 2023	157 641	–	30 668	188 309
Cost	172 531	–	77 579	250 110
Accumulated amortisation	(14 890)	–	(46 911)	(61 801)
Additions	–	–	18 273	18 273
Additions - Transfer from subsidiary (Smile Tanzania)	78 322	–	–	78 322
Amortisation	(11 801)	–	(11 340)	(23 141)
Disposals - costs	–	–	(3 475)	(3 475)
Accumulated amortisation on disposed assets	–	–	3 475	3 475
Disposals - transfer to subsidiary (M-pesa Limited) - Costs	–	–	(5 477)	(5 477)
Disposals - transfer to subsidiary (M-pesa Limited) - Accumulated amortisation	–	–	30	30
Net book value as at 31 March 2024	224 162	–	32 154	256 316
Cost	250 853	–	86 900	337 753
Accumulated amortisation	(26 691)	–	(54 746)	(81 437)
Additions	–	10 224	13 612	23 836
Amortisation	(22 632)	(341)	(13 944)	(36 917)
Disposals - costs	–	–	(7 260)	(7 260)
Accumulated depreciation on disposed assets	–	–	7 260	7 260
Transfer from property and equipment - costs	–	–	38 548	38 548
Transfer from property and equipment - accumulated amortisation	–	–	(853)	(853)
Transfer to subsidiary (M-pesa Limited) - Costs	–	–	(4 287)	(4 287)
Net book value as at 31 March 2025	201 530	9 883	65 230	276 643
Cost	250 853	10 224	127 513	388 590
Accumulated amortisation	(49 323)	(341)	(62 283)	(111 947)

Notes to the annual financial statements continued

17. Capacity prepayments

The Company entered into long term (10 year) agreements with the Tanzania Telecommunication Company Limited (TTCL) and the National Information and Communication Technology Backbone (NICTBB) for the provision of 1 Synchronous Transport Module (STM) level-16 fibre optic capacity between various points of presence under prepayment terms. Over the years, the capacity increased to 2xSTM level-16 and 3xSTM level-4.

The Company also made prepayments under NICTBB, Seacom, Zantel and Vodacom group fibre company (PanSA) leased line contracts for the provision of undersea fibre capacity. These were converted from short-term to long-term whereby the Company made an upfront payment for services over a 10-year period.

The Group has no control over an identified asset and therefore the arrangement represents a service arrangement for which the Group prepaids for the service.

The movement in capacity prepayments are shown below:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	41 915	57 255	41 915	57 255
Additions	58 758	4 645	58 758	4 645
Amortisation for the year [Note 9(a)]	(28 358)	(19 985)	(28 358)	(19 985)
At 31 March	72 315	41 915	72 315	41 915
Non-current	56 869	29 159	56 869	29 159
Current	15 446	12 756	15 446	12 756
	72 315	41 915	72 315	41 915

18. Goodwill

On 19 July 2016, the Company acquired 100% of Shared Networks Tanzania (SNT). SNT held a license to use spectrum in the 900MHz band in rural Tanzania. A cash payment of TZS24 246 million was made following the acquisition and the goodwill generated on acquisition is as shown below:

	Group 2024 TZS m
Consideration transferred	
Net consideration	24 246

Assets acquired, and liabilities assumed at the date of acquisition

	Group TZS m
Fair value of net assets acquired	22 258
Goodwill arising on acquisition	
Cash consideration	24 246
Less: Fair value of identifiable assets acquired	(22 258)
Goodwill arising on acquisition	1 988

	Group	
TZS m	2025	2024
At 1 April	1 639	1 639
At 31 March	1 639	1 639

The movement in the impairment of goodwill was as follows:

	Group	
TZS m	2025	2024
At 1 April	349	349
At 31 March	349	349

The goodwill impairment testing done at year-end indicated no impairment charge (2024: TZS Nil). In conducting the impairment assessment of the goodwill, an election was made to compare the carrying amount of the Cash Generating Unit (CGU) to which the goodwill is allocated and fair value less costs of disposal as the recoverable amount. The spectrum asset is fundamental to the CGU's revenue generation and therefore, an election was taken during the impairment assessment of the goodwill to compare the CGU's fair value less costs of disposal as the recoverable amount and the carrying amount (total equity). The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. As of 31 March 2025, the market capitalization of the Group was above the book value of its equity, showing that there is no impairment of goodwill for the Group. The Cash generating unit is VTPLC where the re-assigned spectrum is generating cash. In determining the recoverable amount, key component was market share price and the number of shares that the Company has in issue. Market price/share price was determined using Dar es salaam stock exchange share price, a regulated and updated stock market with forces of demand and supply, therefore this fair value measurement will represent a level 1 within the fair value hierarchy. As at 31 March 2025, the market price/share price which was standing at 770 TZS per share (2024: 770 TZS per share). This generates a fair value of TZS 1 724 800 million (2024 TZS 1 724 800 million) when multiplied by the number of shares in issue (2,240,000,300). This fair value exceeds the carrying value of the VTPLC CGU. Management believes that no reasonable possible change in any of the aforementioned key assumptions would cause the carrying amount of the cash-generating unit to exceed or equal its recoverable amount.

Notes to the annual financial statements continued

19. Trade and other receivables

	Group		Company	
TZS m	2025	2024	2025	2024
(a) Non - current				
Contract assets - long term	2 347	2 212	2 347	2 212
Expected credit losses (Contract Assets)	(221)	(62)	(221)	(62)
Contract assets(net)	2 126	2 150	2 126	2 150
Capitalised contract commissions	334	342	334	342
Deposits in relation to indirect taxes	7 422	10 308	6 622	9 508
	9 882	12 800	9 082	12 000
(b) Current				
Trade receivables	109 306	97 736	96 668	91 996
Expected credit losses	(49 333)	(38 312)	(49 256)	(38 237)
Trade receivables(net)	59 973	59 424	47 412	53 759
Prepayments	51 305	35 523	41 000	28 470
Capitalised contract commissions	1 045	732	1 045	732
Intergroup receivables (Note 35)	3 311	3 808	20 149	33 113
Contract assets	5 372	5 572	5 372	5 572
Expected credit losses (Contract Assets)	(463)	(159)	(463)	(159)
Contract assets(net)	4 909	5 413	4 909	5 413
Other receivables	3 853	9 480	1 617	1 495
	124 396	114 380	116 132	122 982

For trade receivables (including intergroup receivables), payments are generally due within 30 to 90 days from service delivery (satisfaction of performance obligation).

Other receivables mainly relate to prefunding for customs clearance, deposit for international money transfer clearing account and other advances.

Trade receivables mainly consist of amounts owed to us by customers. Also, within this note are contract assets which represent an asset for accrued revenue in respect of goods or services delivered to customers for which a trade receivable does not yet exist.

Out of the contract assets balance for prior year representing unsatisfied performance obligations, TZS5 633 million has been recognised as revenue in the current year (2024: TZS5 873 million).

Capitalised commission costs are costs related to contract acquisition costs and are amortised over the contract life of 24 months.

The trade receivables and contract assets are stated net of expected credit losses based on the management's assessment of the counterparty's creditworthiness. All receivables are individually tested for impairment. For details on the Company's and Group's credit risk management processes and the carrying amounts of the Company's and Group's trade and other receivables as well as contract assets which are denominated in different currencies refer to Note 36.

Below is the ECL movement for trade receivables:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	(38 312)	(38 979)	(38 237)	(38 903)
Bad debts written off	618	1 717	618	1 717
Charge to profit or loss [Notes 9(c)]	(11 639)	(1 050)	(11 637)	(1 051)
At 31 March	(49 333)	(38 312)	(49 256)	(38 237)

Trade and other receivables are stated at cost which normally approximates fair value due to short term maturity. Generally, no interest is charged on trade receivables.

Below is the ECL movement for contract assets:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	(221)	(211)	(221)	(211)
Charge to profit or loss [Note 9(c)]	(463)	(10)	(463)	(10)
At 31 March	(684)	(221)	(684)	(221)

Below is the Capitalised contract commissions movements:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	1 074	488	1 074	488
Amortisation	(983)	(558)	(983)	(558)
Additions	1 288	1 144	1 288	1 144
At 31 March	1 379	1 074	1 379	1 074

20. Inventory

	Group		Company	
TZS m	2025	2024	2025	2024
Goods held for resale	4 300	3 409	4 300	3 409
	4 300	3 409	4 300	3 409

The inventory is stated net of the following provision for valuation allowance:

	Group		Company	
TZS m	2024	2023	2024	2023
At 1 April	(3 537)	(2 878)	(3 537)	(2 878)
Decrease/(increase) in provision (Note 7)	1 361	(659)	1 361	(659)
At 31 March	(2 176)	(3 537)	(2 176)	(3 537)

The cost of inventories recognised as an expense (direct expenses) during the year ended 31 March 2025 was TZS49 851 million (2024: TZS33 570 million).

21. Mobile financial deposits and payables

	Group	
TZS m	2025	2024
Mobile financial deposits	923 235	730 293
Mobile financial payables	(923 235)	(730 293)

The M-Pesa service allows users to deposit money into an account stored to their cellphone number, to send balances using PIN-secured SMS text messages to other users, including sellers of goods and services, and to redeem deposits for regular money.

Mobile financial deposits are the deposits made by all customers in exchange for electronic mobile money and the unrestricted interest earned on the funds, which will be utilised upon approval if required. This cash is held in restricted accounts with reputable financial institutions, and measured at amortised cost.

Upon recognition of the Mobile financial deposits, the Group recognises a corresponding current liability, owed to the Mobile financial customers for the deposits made.

Mobile financial payables due to customers and agents are primarily composed of saving deposits and amounts payable on demand. Deposits due to customers only include financial instruments classified as liabilities at amortised cost. The carrying amount of the deposits and payables approximates fair value due to their short term nature.

Significant increase is due to the growth of M-Pesa business leading to increase in customers deposits.

Notes to the annual financial statements continued

22. Cash and cash equivalents

	Group		Company	
TZS m	2025	2024	2025	2024
Cash at banks and on hand	298 748	222 225	189 837	162 121
M-PESA balances	257	121	257	121
Expected credit losses (Cash and Cash Equivalents)	(538)	(649)	(470)	(588)
Cash and cash equivalents	298 467	221 697	189 624	161 654

The fair value of cash and cash equivalents approximates the carrying amount due to the short-term maturity.

Below is the ECL movements for Cash and Cash Equivalents:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	(649)	(524)	(588)	(477)
Charge to profit and loss	(7)	(125)	–	(111)
Reversals	118	–	118	–
At 31 March	(538)	(649)	(470)	(588)

23. Share capital and premium

The Group is controlled by its parent Vodacom Group Limited, which, as at 31 March 2025, owned 75% of the Company's issued shares with the remaining 25% of the issued shares held by the public. In March 2024, the ownership composition was the same.

	Group		Company	
TZS m	2025	2024	2025	2024
Authorised ordinary shares - number	4 000 000 000	4 000 000 000	4 000 000 000	4 000 000 000
Par value (TZS)	50	50	50	50
Authorised capital (TZS m)	200 000	200 000	200 000	200 000
Issued shares - number	2 240 000 300	2 240 000 300	2 240 000 300	2 240 000 300
Issued share capital (TZS m)	112 000	112 000	112 000	112 000
Share premium	560 000 075	560 000 075	560 000 075	560 000 075
25% shares issued in IPO – number	800	800	800	800
Share premium per share (TZS)	448 000	448 000	448 000	448 000
Share premium proceeds (TZS m)	(5 565)	(5 565)	(5 565)	(5 565)
Share premium (TZS m)	442 435	442 435	442 435	442 435

24. Capital contribution

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	27 698	27 698	27 698	27 698
At 31 March	27 698	27 698	27 698	27 698

Capital contribution represents the fair value adjustment on interest-free loans advanced by shareholders that ultimately represents the discounting element on deemed interest accrued prior to the conversion of the loans to interest-bearing loans in March 2008.

Following the IPO process in the year ended 31 March 2018, Vodacom Group Limited wrote an option on the Group's shares as part of an underwriting arrangement with the Public Investment Corporation (SOC) Ltd, which was treated as a capital contribution from the Group's parent, Vodacom Group Limited.

25. Lease liabilities

The Group has the following lease arrangements:

- Leases of office furniture and fittings with Paloma Park Limited. This lease arrangement bears interest at a fixed rate of 2.62% per annum over the lease term of 8 years. The lease payments are made on a monthly basis.
- 3,482 lease contracts for telecommunication towers with various vendors (2024: 3,449). These leases generally have terms of 5 to 12 years.
- 32 lease contracts for properties (2024: 32) and 73 lease contracts for motor vehicles (2024: 32) that have lease terms of 2 to 8 years.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	392 762	493 340	392 762	493 340
Additions and extensions for the year	401 975	25 719	401 975	25 719
Disposals	(98)	–	(98)	–
Interest expense (Note 11)	53 901	47 774	53 901	47 774
Foreign exchange differences (Note 12)	2 920	3 344	2 920	3 344
Modification of lease liabilities*	–	(42 571)	–	(42 571)
Payments – principal	(92 312)	(87 070)	(92 312)	(87 070)
Payments – interest	(53 901)	(47 774)	(53 901)	(47 774)
At 31 March	705 247	392 762	705 247	392 762
The carrying amount is due as follows:				
Non-current	620 544	281 831	620 544	281 831
Current	84 703	110 931	84 703	110 931
	705 247	392 762	705 247	392 762

* The Group converted some USD denominated leases to TZS denominated, resulting to an increase in incremental borrowing rates, and hence a reduced lease liability and right-of-use assets.

The following are the amounts recognised in profit or loss in respect to lease liabilities under IFRS 16:

	Group		Company	
TZS m	2025	2024	2025	2024
Depreciation of right of use assets (Note 15)	86 290	84 148	86 290	84 148
Interest expense on lease liabilities	53 901	47 774	53 901	47 774
Expense relating to short-term leases	200	416	200	345
	140 391	132 338	140 391	132 267

Expenses relating to short-term leases are staff benefit costs included under payroll cost.

Notes to the annual financial statements continued

25. Lease liabilities continued

The Group had the following cash outflows relating to lease liabilities:

	Group		Company	
TZS m	2025	2024	2025	2024
Payments relating to the recognised lease liabilities	146 213	134 844	146 213	134 844
Payments for short-term leases	200	416	200	345
	146 413	135 260	146 413	135 189

The Group has no future cash outflows relating to leases that have not yet commenced.

The maturity analysis of the minimum lease payments is presented under Note 36.3, liquidity risk management.

The Group has lease contracts that include extension and termination options. These mainly comprise of telecommunication site lease contracts which are evaluated as having a lease term of 12 years, being the period during which the Group is reasonably certain that the lease contracts will not be terminated. However, the lease contracts are automatically renewable for periods of 5 years up to a maximum of 4 terms, that is, option to renew for 20 years beyond the 12-year lease term considered in determining the lease liability.

The extension and termination options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. These options are used to limit the period to which the Group is committed to individual lease contracts and to maximise operational flexibility in terms of using the leased assets. The Group's management and directors exercise significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 5). The Group's directors and management have assessed that the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease terms used in determining the lease liabilities recognised cannot be reasonably estimated without undue cost and effort as they are subject to significant uncertainty over future telecommunication network planning in the longer term. The significant uncertainty arises from factors such as technological change, business strategy, mergers and acquisitions in the sector, competitive actions and regulatory environment which could affect the number of sites required and the site leasing market rates. Moreover, the lease agreements provide for adjusting, every 5 years during the extension period, the monthly lease payments in respect of each leased telecommunication site to the lower of the average rate and applicable market rate at the date of adjustment.

26. Government grants

This relates to grants received from Universal Communication Service Access Fund (UCSAF) for the construction of network infrastructure with a view to provide network telecommunication services in under-served areas of the country. The UCSAF identifies locations which need network coverage and float tenders for the Mobile Network Operators (MNOs) to apply. The MNO which wins the tender is awarded the grant to build the network infrastructure in the specified locations. The MNO is required to provide telecommunication network services in the locations for a minimum period of five years from the completion of construction and the commencement of the service provisioning.

The following are the unamortized amounts:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	735	533	735	533
Cash received during the year	2 955	14 456	2 955	14 456
Receivables during the year	13 283	–	13 283	–
Amortised during the year (Note 9a)	(20)	(127)	(20)	(127)
Amounts matched with cost of funded assets (Note 15)	(16 101)	(14 127)	(16 101)	(14 127)
At 31 March	852	735	852	735
Non-current	–	–	–	–
Current	852	735	852	735
	852	735	852	735

The Group accounts for the grants received as cash flows from investing activities since the cash flows are compensating and reimbursing the Group for constructing and investing in the telecommunication sites.

As at the year end the amount receivable from the government in relation to completed projects was TZS 13,283 million (2024: Nil).

27. Trade and other payables

	Group		Company	
TZS m	2025	2024	2025	2024
Current				
Trade payables	48 158	26 079	47 557	26 032
Capital expenditure creditors	54 105	121 749	54 105	121 749
Sales Tax payables	39 605	12 940	26 061	12 940
Accruals	154 397	140 882	142 941	133 549
Deferred revenue	29 986	27 564	29 986	27 564
Other payables ¹⁴	43 322	31 961	18 996	13 654
Payables to related parties (Note 35)	27 356	13 365	18 835	9 313
	396 929	374 540	338 481	344 801

Current trade and related payables are stated at cost which normally approximates fair value due to short-term maturity.

28. Provisions

The Group is currently involved in various legal proceedings and has, in consultation with its legal counsel, assessed the outcome of these proceedings to have the total probable exposure indicated below. Other provisions are disclosed below:

	Group		Company	
TZS m	2025	2024	2025	2024
Opening balance	12 080	13 692	11 851	12 035
Site restoration obligation	6 760	6 069	6 760	6 069
Legal/Regulatory	928	1 015	699	801
Marketing taxes and Indirect tax assessments and disputes	4 392	6 608	4 392	5 165
Additions/charge to profit or loss				
Site restoration obligation-addition	271	31	271	31
Site restoration obligation-charge to profit or loss	942	660	942	660
Legal/regulatory	249	193	263	178
Marketing taxes and Indirect tax assessments and disputes	142	–	142	–
	1 604	884	1 618	869
Released to profit or loss				
Legal/regulatory	–	(280)	–	(280)
Marketing taxes and Indirect tax assessments and disputes	–	(2 216)	–	(773)
	–	(2 496)	–	(1 053)
Utilised against payments during the year				
Legal/regulatory	–	–	–	–
	–	–	–	–
At 31 March	13 684	12 080	13 469	11 851
Site restoration obligation	7 973	6 760	7 973	6 760
Legal/Regulatory	1 177	928	962	699
Marketing taxes and Indirect tax assessments and disputes	4 534	4 392	4 534	4 392
Closing balance	13 684	12 080	13 469	11 851

¹⁴ Includes payroll taxes, Social Security Costs payables, Withholding Taxes and Subscribers Deposits.

Notes to the annual financial statements continued

28. Provisions continued

	Group		Company	
TZS m	2025	2024	2025	2024
Comprising of:				
Non-current				
Site restoration obligation	7 973	6 760	7 973	6 760
Current				
Legal obligation	1 177	928	962	699
Marketing taxes and Indirect tax assessments and disputes	4 534	4 392	4 534	4 392
	5 711	5 320	5 496	5 091
Total provisions	13 684	12 080	13 469	11 851

According to the nature of the provisions, the timing of settlement is uncertain.

29. Licence payables

Included in the movement of licence payables for the comparative year is the payment made to the Tanzania Communications Regulatory Authority (TCRA) for the acquisition of a spectrum licence in the previous year.

The table below presents the carrying amounts of licence payables and the movements during the comparative year:

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	–	72 168	–	72 168
Payments - Principal	–	(75 465)	–	(75 465)
Payments - Interest	–	(1 925)	–	(1 925)
Interest expense	–	1 876	–	1 876
Foreign exchange losses	–	3 346	–	3 346
At 31 March	–	–	–	–

30. Borrowings and facilities

a. Bank overdrafts

The Group has an unsecured bank overdraft facility with Citibank Tanzania Limited of US\$ 19.5 million (2024: US\$ 19.5 million) which attracts interest at SOFR+5%.

During the year the group did not utilise the overdraft facility (2024: Nil). In addition, the group has a standby letter of credit and guarantee facility of US\$7.5 million (2024: US\$2 million) and a pre-settlement exposure facility for spot and forward foreign exchange transactions of US\$3 million (2024: US\$3.3 million).

b. Facility

In prior year the group signed an unsecured revolving credit facility agreement worth TZS 75 billion with Stanbic bank to facilitate currency purchase for the acquisition of Smile communications Tanzania limited's. The facility was for a maximum period of a year, at an interest rate of 180 days treasury bills+ 6.15% per annum. Below is the movement for the facility as of March 2025.

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	–	–	–	–
Additions for the year	–	47 266	–	47 266
Payments – Principal	–	(47 266)	–	(47 266)
Payments – Interest	–	(1 312)	–	(1 312)
Interest expense	–	1 312	–	1 312
At 31 March	–	–	–	–

c. Other financial liabilities

The group, and company together with the fiber consortium members, have a shared fiber infrastructure that runs along the national road reserves. This asset is charged a Right of way fees payable to the government. During the year the Government and fiber consortium members reached a settlement agreement for the historic unpaid right of way costs and a penalty. The group and company's share of the liability was US\$ 5.2 million. The group and Company correctly accrued the cost over the years.

This amount was agreed to be settled over 5 years, with interest being charged monthly using the agreed secured overnight financing rate (SOFR). The settlement agreement represents the financing of the amounts payable, inclusive of a significant financing component and therefore the historic accruals were reclassified from accruals within the trade and other payables note to other financial liabilities.

	Group		Company	
TZS m	2025	2024	2025	2024
At 1 April	12 222	–	12 222	–
Reclassification from accruals	–	12 993	–	12 993
Additions	10 525	–	10 525	–
Payments – Principal	(4 762)	(771)	(4 762)	(771)
Payments – Interest	(386)	(280)	(386)	(280)
Interest expense	386	280	386	280
Foreign exchange losses	610	–	610	–
At 31 March	18 595	12 222	18 595	12 222
Comprising of				
Current	4 764	2 930	4 764	2 930
Non-current	13 831	9 292	13 831	9 292

Notes to the annual financial statements continued

31. Interest in other entities (subsidiaries and other entities) – Company

The Company has interests in the following entities:

M-Pesa Limited

The Company registered office and place of business is 15th floor Vodacom Tower, Plot 23, Ursino Estate, Bagamoyo Road, Dar-es-Salaam Tanzania. The Company owns 99.90% of M-Pesa Limited. M-Pesa Limited numbers are consolidated to form Group's financial statements.

Following the receipt of the EMI licence, the Company's principal activities are operating mobile financial services under the EMI regulations issued by BoT. The Company's activities are regulated under the National Payment Systems Act, 2015 and the related Payment Systems (Electronic Money) Regulations, 2015.

In 2021, M-Pesa Limited shareholders paid up the issued share capital of TZS500 million in line with the capital requirements stipulated in the National Payments Systems Regulations.

Below is an extract from the separate financial statements of M-Pesa Limited:

TZS m	2025	2024
Statement of financial position		
Total assets	138 916	92 149
Net assets	75 222	41 599
Statement of profit or loss and other comprehensive income		
Total income	603 792	468 291
Total expenses	(527 284)	(428 223)

The Registered Trustees of M-Pesa Trust Funds

The Trust's registered office and place of business is 15th floor Vodacom Tower, Plot 23, Ursino Estate, Bagamoyo Road, Dar-es-Salaam Tanzania. The principal activity of the Trust is to hold and manage, in trust, funds in the Trust bank accounts for the benefit of the subscribers of the 'M-Pesa' mobile financial services. The numbers of the Trust are consolidated to form Group's financial statements.

The Trust is a non-profit making entity that has a mandate to fulfil its objectives in the best interest of the beneficiaries of the funds in the trust accounts in accordance with the requirements of the applicable laws and regulations of The United Republic of Tanzania and principles of best practice.

Below is an extract from the separate financial statements of The Registered Trustees of M-Pesa Trust Funds:

TZS m	2025	2024
Statement of financial position		
Total assets	936 937	740 654
Net assets	–	–
Statement of profit or loss and other comprehensive income		
Total income	38 947	21 355
Total expenses	(38 947)	(21 355)

Vodacom Trust Limited

The Company registered office and place of business is 15th floor Vodacom Tower, Plot 23, Ursino Estate, Bagamoyo Road, Dar-es-Salaam Tanzania. This entity is limited by guarantee with share capital. The principal activity of the entity was to act as bona fide trustee and/or any other like officers in order to protect and safeguard all monies gained from and/or relating to M-Pesa cellular phone money transfer service for the benefit of the users of the said service.

On 23 October 2018, the entity's name was changed from M-Pesa Limited to Vodacom Trust Limited following approval and issuance of the certificate of change of name by BRELA. The change of name was necessary to enable compliance with the National Payment System Act, 2015. The entity's directors resolved to wind up the entity and the liquidator was appointed by the directors on 19 May 2020.

As at year end, the process to liquidate the entity had not been finalised.

Shared Networks Tanzania Limited ('SNT')

The Company registered office and place of business is 15th floor Vodacom Tower, Plot 23, Ursino Estate, Bagamoyo Road, Dar-es-Salaam Tanzania. On 19 July 2016, the Company acquired 100% of SNT's issued share capital. The entity's financial information are consolidated and form part of Group's financial statements. SNT was a multi-operator core network wholesaler which held a license for usage of spectrum in the 900MHz band in rural Tanzania. During the financial year 2019, the Group obtained approval from Tanzania Communications Regulatory Authority ('TCRA') to reassign the spectrum that was held by SNT to the Company.

During the year ended 31 March 2021, the directors resolved to wind up the entity after transferring its assets and liabilities to the Company. The net assets transfer was completed and a liquidator was appointed thereon.

As at year end, the process to liquidated the entity has not been finalized.

Below is an extract from the SNT financial statements:

TZS m	2025	2024
Statement of financial position		
Total assets	4	5
Net liabilities	(26 764)	(26 763)
Statement of profit or loss and other comprehensive income		
Revenue	–	–
Total expenses	(1)	(2 457)

Smile Communications Tanzania Limited

The Company registered office and place of business is 15th floor Vodacom Tower, Plot 23, Ursino Estate, Bagamoyo Road, Dar-es-Salaam Tanzania. In the prior year the Company acquired 100% of Smile Communications Tanzania Limited share capital.

The principal activities of the company are to provide telecommunication services. The company mainly deals with broadband services and distribution. The acquisition was necessitated to access the spectrum license for the company to better rollout the 4G coverage in the market. Prior to acquisition of the entity, the company ceased operations, terminated contract with partners and retrenched its employee's contracts.

Following the acquisition, the entity remained dormant.

32. Capital expenditure and Commitments

During the period the Group invested TZS 174 995 million (Company TZS 167 580 million) (March 2024: TZS 248 455 million (Company TZS 242 002 million)) in property and equipment and intangible assets. The capital expenditure was funded using internally generated funds. As at year end, TZS 54 958 million of the total investment made was payable to capex creditors (2024: TZS 122 465 million).

The Group's capital commitments is as presented below:

	Group		Company	
TZS m	2025	2024	2025	2024
Capital expenditure contracted for but not yet incurred (including property and equipment and intangible assets)	4 125	34 682	4 125	34 682
Other (including sports and marketing commitments)	142 333	61 009	142 333	61 009
	146 458	95 691	146 458	95 691

Notes to the annual financial statements continued

33. Contingent liabilities

Tax matters

The Group's future tax charge, effective tax rate and profit before tax could be affected by several factors including tax reforms conducted in Tanzania and the resolution of open tax disputes with the Tanzania Revenue Authority ("TRA" or the "tax authority") and/or tax courts. The Group is committed to act with integrity and transparency in all tax matters including a policy of full transparency to the tax authority and the payment of all taxes due under the relevant tax laws in Tanzania. The Group is regularly subject to audits and examination by the tax authority of its direct and indirect tax filings. The consequence of such reviews is that in some instances, disputes can arise with the tax authority over the interpretation or application of certain tax rules where these tax laws are ambiguous and subject to a broad range of interpretations. To address and manage this tax uncertainty, good governance is fundamental to the Group's business sustainability.

The major tax positions taken are thus subject to review by executive management and reported to the Board. The Group has support from external advisors supporting the positions taken in respect of the significant tax matters which support the application and interpretation of the tax legislation. The Group has considered all matters in dispute with the tax authority and has accounted for any exposure identified if required.

The group continues to engage with the tax authority to resolve long-standing tax disputes and mitigate potential exposures.

Litigation and other claims contingencies

The Group is currently involved in various legal proceedings and has, in consultation with its legal counsel, assessed the possible/probable outcome of these proceedings. Following this assessment, the Group's management has determined that adequate provision has been made in respect of these legal proceedings as at year end.

The Group is subject to claims under contracts signed with other parties. Disputes can arise with other parties over the interpretation or application of contractual provisions. These disputes may not necessarily be resolved in a manner that is favourable to the Group, and the resolution of the disputes could result in an obligation to the Group. Management has assessed that no provision for claims is warranted as at year end.

34. Other matters

Regulatory Matters

In July 2023, the Tanzania Communications Regulatory Authority issued the Interconnection Rates Determination No.6/2023, which set the mobile calls termination rates (MTR) applicable for five years to December 2027. Accordingly, in January 2025 the MTR dropped by 4.5% to TZS1.68 per minute which will be applicable until 31st December 2025. Starting January 1, 2026 the rate will drop further by 4.8% to TZS 1.60 per minute which will be used up to December 31, 2026.

35. Related parties

The Group's related parties are its ultimate parent, immediate parent, shareholders with significant influence, subsidiaries, other related companies including sister companies and key management personnel including directors.

TZS m	Group		Company	
	2025	2024	2025	2024
Balances with related parties				
Trade and other receivables				
Vodafone Group Plc (Ultimate parent)	2 069	2 668	2 069	2 668
Vodacom Group Limited (Immediate parent)	1 242	1 140	1 242	1 140
M-Pesa Limited	–	–	14 650	25 916
Registered Trustees of M-Pesa	–	–	2 187	3 389
	3 311	3 808	20 148	33 113
Trade payables				
Vodafone Group Plc (Ultimate parent)	(11 388)	(4 964)	(11 388)	(4 964)
Vodacom Group Limited (Immediate parent)	(7 542)	(4 312)	(6 913)	(4 060)
M-Pesa Limited	–	–	(534)	(289)
M-Pesa Africa	(8 426)	(4 089)	–	–
	(27 356)	(13 365)	(18 835)	(9 313)

The amounts due from/(to) related parties are interest free. All the balances due from/(to) related parties are due on demand and are unsecured.

Transactions with related parties

TZS m	Group		Company	
	2025	2024	2025	2024
Fellow subsidiaries of Vodafone Group Plc				
Revenue	9 429	10 177	9 429	10 177
Direct costs	(2 467)	(1 247)	(2 467)	(1 247)
Other operating expenses	(13 343)	(4 107)	(13 343)	(4 107)
	(6 381)	4 823	(6 381)	4 823
Vodacom Group Limited subsidiaries – Mozambique, DRC, Mauritius and Lesotho				
Revenue	40	145	40	145
Direct costs	(307)	(164)	(307)	(164)
Other operating expenses	(6 445)	(1 710)	(6 445)	(1 710)
	(6 712)	(1 729)	(6 712)	(1 729)
Vodacom Group Limited -South Africa				
Revenue	2 813	3 630	2 813	3 630
Direct costs	(1 899)	(1 836)	(1 899)	(1 836)
Other operating expenses	(17 110)	(13 311)	(13 370)	(10 360)
	(16 196)	(11 517)	(12 456)	(8 566)
Key management compensation				
Short-term employee benefits	(7 684)	(6 157)	(6 890)	(5 552)
Share based compensation (Note 8.1)	(747)	(627)	(747)	(627)
Long-term employee benefits	(860)	(483)	(767)	(436)
	(9 291)	(7 267)	(8 404)	(6 615)
Non-executive directors				
Non-executive directors' fees	(1 301)	(1 265)	(1 199)	(1 163)
	(1 301)	(1 265)	(1 199)	(1 163)
Executive directors				
Short-term employee benefits	(2 114)	(1 798)	(2 114)	(1 798)
Long-term employee benefits	(251)	(164)	(251)	(164)
	(2 365)	(1 962)	(2 365)	(1 962)

Notes to the annual financial statements continued

36. Risk management policies and objectives

36.1 Financial instruments carrying amounts

The Group and Company hold the following financial instruments measured at amortised cost:

	Group		Company	
TZS m	2025	2024	2025	2024
Financial assets				
Trade receivables	59 973	59 424	47 412	53 759
Other receivables	3 336	7 571	1 068	1 090
Cash and Bank Balances (Note 22)	298 210	221 576	189 367	161 533
M-Pesa balances (Note 22)	257	121	257	121
Mobile financial deposits	923 235	730 293	–	–
Intergroup receivables	3 311	3 808	20 148	33 113
TOTAL	1 288 322	1 022 793	258 252	249 616
Financial liabilities				
Trade payables	(48 158)	(26 079)	(47 557)	(26 032)
Accruals	(154 397)	(140 882)	(142 941)	(133 549)
Lease liabilities	(705 247)	(392 762)	(705 247)	(392 762)
Other financial liabilities	(18 595)	(12 222)	(18 595)	(12 222)
Intergroup payables (Note 35)	(27 356)	(13 365)	(18 835)	(9 313)
Capital expenditure creditors	(54 105)	(121 749)	(54 105)	(121 749)
Other payables	(33 999)	(20 482)	(14 877)	(6 443)
Mobile financial payables	(923 235)	(730 293)	–	–
TOTAL	(1 965 092)	(1 457 834)	(1 002 157)	(702 070)

As at 31 March 2025 and 31 March 2024 the Group and Company did not have any financial instrument balances that were measured at fair value on a recurring or non-recurring basis subsequent to initial recognition.

At the reporting date, the interest rate profile of the Group's and Company's financial assets and liabilities was as follows:

	Fixed interest rate TZS m	Variable interest rate TZS m	Non-interest bearing TZS m	Total TZS m
Group 2025				
Financial assets				
Trade receivables	–	–	59 973	59 973
Other receivables ¹⁹	–	–	3 336	3 336
Cash and Bank Balances	164 669	–	133 541	298 210
M-Pesa balances	257	–	–	257
Mobile financial deposits	923 235	–	–	923 235
Intergroup receivables	–	–	3 311	3 311
	1 088 161	–	200 161	1 288 322
Financial liabilities				
Trade payables	–	–	(48 158)	(48 158)
Lease liabilities	(705 247)	–	–	(705 247)
Other financial liabilities	–	(18 595)	–	(18 595)
Other payables	–	–	(33 999)	(33 999)
Accruals	–	–	(154 397)	(154 397)
Capital expenditure creditors	–	–	(54 105)	(54 105)
Intergroup payables	–	–	(27 356)	(27 356)
Mobile financial payables	(923 235)	–	–	(923 235)
	(1 628 482)	(18 595)	(318 015)	(1 965 092)
Group 2024				
Financial assets				
Trade receivables	–	–	59 424	59 424
Other receivables	–	–	7 571	7 571
Cash and Bank Balances	58 829	–	162 747	221 576
M-Pesa balances	121	–	–	121
Mobile financial deposits	730 293	–	–	730 293
Intergroup receivables	–	–	3 808	3 808
	789 243	–	233 550	1 022 793
Financial liabilities				
Trade payables	–	–	(26 079)	(26 079)
Other financial liabilities	–	(12 222)	–	(12 222)
Other payables	–	–	(20 482)	(20 482)
Accruals	–	–	(140 882)	(140 882)
Lease liabilities	(392 762)	–	–	(392 762)
Capital expenditure creditors	–	–	(121 749)	(121 749)
Intergroup payables	–	–	(13 365)	(13 365)
Mobile financial payables	(730 293)	–	–	(730 293)
	(1 123 055)	(12 222)	(322 557)	(1 457 834)

Mobile financial payables include interest due to agents and customers.

¹⁹ This primarily comprises International Money Transfer receivables, real estate deposits and outstanding dividend receivables.

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.2 Interest rate profile

Company

	Fixed Interest Rate TZS m	Variable Interest Rate TZS m	Non-interest bearing TZS m	Total TZS m
2025				
Financial assets				
Trade receivables	–	–	47 412	47 412
Other receivables	–	–	1 068	1 068
Cash and Bank Balances	104 082	–	85 285	189 367
M-Pesa balances	257	–	–	257
Intergroup receivables	–	–	20 148	20 148
TOTAL	104 339	–	153 913	258 252
Financial Liabilities				
Trade payables	–	–	(47 557)	(47 557)
Lease liabilities	(705 247)	–	–	(705 247)
Other financial liabilities	–	(18 595)	–	(18 595)
Other payables	–	–	(14 877)	(14 877)
Intergroup payables	–	–	(18 835)	(18 835)
Accruals	–	–	(142 941)	(142 941)
Capital expenditure creditors	–	–	(54 105)	(54 105)
TOTAL	(705 247)	(18 595)	(278 315)	(1 002 157)
2024				
Financial assets				
Trade receivables	–	–	53 759	53 759
Other receivables	–	–	1 090	1 090
Cash and Bank Balances	39 404	–	122 129	161 533
M-Pesa balances	121	–	–	121
Intergroup receivables	–	–	33 113	33 113
TOTAL	39 525	–	210 091	249 616
Financial Liabilities				
Trade payables	–	–	(26 032)	(26 032)
Other financial liabilities	–	(12 222)	–	(12 222)
Other payables	–	–	(6 443)	(6 443)
Lease liabilities	(392 762)	–	–	(392 762)
Accruals	–	–	(133 549)	(133 549)
Capital expenditure creditors	–	–	(121 749)	(121 749)
Intergroup payables	–	–	(9 313)	(9 313)
TOTAL	(392 762)	(12 222)	(297 086)	(702 070)

36.3 Financial risk management

Market risk

The Group's normal operations, its sources of finance and changing market conditions expose it to various financial risks which highlight the importance of financial risk management. The principal financial risks faced by the Group are foreign currency, interest rate, credit and liquidity risks.

A treasury division of Vodacom Group Limited provides the Group with support to access both domestic and international financial markets and manage foreign currency, interest rate and liquidity risks. Treasury operations are conducted within a framework of policies and guidelines authorised and reviewed by the Vodacom Group Limited board. There has been no significant change during the reporting period, or since the end of the reporting period, to the types of financial risks faced by the Group, the measures used to gauge these risks or the objectives, policies and processes for managing the risks.

The Group's activities expose it to the risks of fluctuations in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analyses which show how profit and retained earnings for the year would have been affected by a small adverse change in the relevant risk variable that were reasonably possible at the reporting date. Sensitivity analyses are for illustrative purposes only as, in practice, market rates rarely change in isolation.

There were no changes in the methods and assumptions used in preparing sensitivity analysis as at year-end.

Foreign currency risk

Various monetary items exist in currencies other than the Company and its subsidiaries's functional currency. The table below discloses the net currency exposure (net carrying amount of foreign-denominated monetary assets/(liabilities) of the Group. The Group is mainly exposed to the United States dollar ('US\$') and to a lesser extent to the Euro ('€') and South African rand ('R').

The Group's operations manages its exposure to fluctuations in foreign currency exchange rates by entering into foreign exchange forward contracts for foreign-denominated transactions. The contracts are entered into to buy and/or sell specified amounts of various foreign currencies in the future at predetermined exchange rates, primarily for the purchase of capital equipment and inventory. The Group's policy is generally to borrow funds denominated in functional currency, however, in those instances where funds are borrowed in foreign-denominated currencies and a forward market exists, exposure to fluctuations in foreign currency exchange rates is managed by entering into foreign exchange forward contracts.

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.3 Financial risk management continued

Group TZS m	31 March 2025		
	US\$	€	R
Financial assets			
Trade and other receivables	3 218	399	–
Cash and cash equivalents	11 739	2 469	2 394
	14 957	2 868	2 394
Financial liabilities			
Trade and other payables	(33 223)	(27 594)	(5 732)
Net Gap	(18 266)	(24 726)	(3 338)
31 March 2024			
	US\$	€	R
Financial assets			
Trade and other receivables	1 953	497	–
Cash and cash equivalents	100 389	20 637	1 837
	102 342	21 134	1 837
Financial liabilities			
Trade and other payables	(72 556)	(37 522)	(3 723)
Net Gap	29 786	(16 388)	(1 886)
Company TZS m			
	US\$	€	R
Financial assets			
Trade and other receivables	3 218	399	–
Cash and cash equivalents	11 739	2 469	2 394
	14 957	2 868	2 394
Financial liabilities			
Trade and other payables	(33 223)	(27 594)	(5 732)
Net Gap	(18 266)	(24 726)	(3 338)
31 March 2024			
	US\$	€	R
Financial assets			
Trade and other receivables	1 953	497	–
Cash and cash equivalents	100 389	20 637	1 837
	102 342	21 134	1 837
Financial liabilities			
Trade and other payables	(72 556)	(37 522)	(3 723)
Net Gap	29 786	(16 388)	(1 886)

The analysis below discloses the Group's sensitivity to the specified percentage change in its functional currency, TZS, against the foreign currencies which it is exposed to. The management's assessment of a reasonable possible change in foreign currency exchange rates is based on estimated foreign exchange rate differentials. This analysis includes outstanding foreign-denominated monetary items only and adjusts their translations at the reporting date with the specified percentage change. This analysis assumes strengthening of Tanzania Shillings(TZS), the weakening has an equal but opposite effect on profit or loss and equity.

Group TZS m	US\$ € R		
	US\$	€	R
2025			
% change (strengthening)	10	12	11
(Loss)/profit after tax and equity – (TZS m)	2 661	2 147	248
2024			
% change (strengthening)	3	2	1
profit after tax and equity – (TZS m)	(549)	193	7
Company TZS m			
	US\$	€	R
2025			
% change (strengthening)	10	12	11
(Loss)/profit after tax and equity – (TZS m)	2 661	2 147	248
2024			
% change (strengthening)	3	2	1
profit after tax and equity – (TZS m)	(549)	193	7

Interest rate risk

The Group's interest rate profile consists of cash and bank balances, interest and deposits due to Vodacom Trust Limited (M-Pesa) customers and agents, which exposes the Group to interest rate risk and may be summarised as follows:

TZS m	Group		Company	
	2025	2024	2025	2024
Mobile financial deposits	923 235	730 293	–	–
Cash and Bank Balances	298 748	222 225	189 837	162 121
	1 221 983	952 518	189 837	162 121
Other financial liabilities	(18 595)	(12 222)	(18 595)	(12 222)
	(18 595)	(12 222)	(18 595)	(12 222)

Interest rate sensitivity analysis

As per the interest rate profile, the Group is exposed to interest rate risk because it holds a financial liability with variable interest rates. The analysis below discloses the Group's sensitivity to the specified basis point change in SOFR interest rate, which represents management's assessment of a reasonable possible change in interest rates based on estimated interest rate differentials. This analysis includes the outstanding other financial liability balance adjusted for the interest rate change at the reporting date with the specified expected basis point change. This analysis assumes a decrease in the Secured overnight financing rate (SOFR), with an increase in the SOFR rate expected to have an equal but opposite effect on profit or loss and equity.

The Group's policy is to maintain an appropriate mix between fixed and floating rate instruments. The Group specifically manages its exposure to interest rate risk relating to interest bearing borrowings through a target ratio of fixed and variable rate borrowings. The Group is targeting to balance the debt structure between fixed and floating interest rates to protect against upward movements in rates but allowing for participation in downward movements. To achieve this ratio, the Group may borrow at fixed rates or enter into approved derivative financial instruments.

	Group and Company	
	2025	2024
Secured Overnight Financing Rate		
Basis point increase	50.00	50
(Loss) / Profit after tax and equity (TZS m)	(64)	43

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.3 Financial risk management continued

Credit risk

The carrying amounts of financial assets, are shown net of any impairment losses, and represent the Group's maximum exposure to credit risk. The Group's policy is to deal with credit worthy counterparties only and to obtain sufficient collateral, where appropriate, to mitigate the risk of financial loss from defaults. The Group uses publicly available financial information, the financial standing of counterparties and the Group's own trading records in order to determine the credit quality of a counterparty. Contractual arrangements are entered into with other mobile network operators in line with any regulatory requirements and industry normal business practice. Credit exposure is further controlled by defining credit limits per counterparty which are periodically reviewed and approved by the credit risk department. The Group's exposure and credit ratings are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. In determining the recoverability of trade receivables, the Group considers changes in credit quality.

The Group does not have significant customer concentration. With the exception of the aforementioned, the credit risk for trade and other receivables is generally limited due to the customer base being large and unrelated in conjunction with stringent credit approval processes. The average credit period for trade receivables is 30 days (2024: 30 days). The Group did not renegotiated the terms of any of its financial assets that resulted in these financial assets not being past due or impaired.

For all other financial assets other than trade receivables, cash and cash equivalent, and contract assets, the carrying amounts represents the best indication of their exposure to credit risk.

Except for advance credit customers, trade and other receivables over 90 days are assumed to be credit impaired and in default as well. For advance credit customers, default and credit impaired is assumed to be non-payment for more than 30 days.

The Group has not provided expected credit losses for mobile financial deposit balances that the Registered Trustees of M-Pesa (the Trust) holds with various financial institutions. The Trust's role is to hold and manage, in trust, funds in the Trust bank accounts for the benefit of the subscribers of the 'M-Pesa' mobile financial services, hence funds ownership does not rest with the Trust. The funds are banked with credible financial institutions and M-Pesa Limited (Subsidiary of Vodacom Tanzania Plc) bears the underlined credit risk.

The following is the ageing analysis of the gross trade receivables that are past due including the ECL allowances as at year end.

Group:

The following table provides information about the exposure to credit risk and ECL allowances for super dealers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	100.00%	18	18	No
31-60 days	100.00%	–	–	No
61-90 days	100.00%	–	–	No
91-120 days	100.00%	–	–	Yes
121-180 days	100.00%	–	–	Yes
> 180 days	100.00%	39 377	39 377	Yes
Total		39 395	39 395	

The following table provides information about the exposure to credit risk and ECLs for super dealers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	100.00%	–	–	No
31-60 days	100.00%	–	–	No
61-90 days	100.00%	–	–	No
91-120 days	100.00%	–	–	Yes
121-180 days	100.00%	33	33	Yes
> 180 days	100.00%	30 571	30 571	Yes
Total		30 604	30 604	

The following table provides information about the exposure to credit risk and ECLs for prepaid airtime distributors as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.37%	797	3	No
31-60 days	5.78%	–	–	No
61-90 days	18.64%	–	–	No
91-120 days	41.33%	32	13	Yes
121-180 days	76.32%	–	–	Yes
> 180 days	98.13%	1 068	1 048	Yes
Total		1 897	1 064	

The following table provides information about the exposure to credit risk and ECLs for prepaid airtime distributors as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.92%	1 605	15	No
31-60 days	8.59%	103	9	No
61-90 days	25.33%	–	–	No
91-120 days	52.79%	–	–	Yes
121-180 days	78.97%	10	8	Yes
> 180 days	100.00%	951	951	Yes
Total		2 669	983	

The following table provides information about the exposure to credit risk and ECLs for postpaid customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	1.85%	18 760	347	No
31-60 days	12.32%	377	46	No
61-90 days	27.69%	696	193	No
91-120 days	57.03%	518	295	Yes
121-180 days	77.67%	399	310	Yes
> 180 days	100.00%	875	875	Yes
Total		21 625	2 066	

The following table provides information about the exposure to credit risk and ECLs for postpaid customers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	2.08%	12 088	251	No
31-60 days	12.22%	1 956	239	No
61-90 days	26.32%	787	207	No
91-120 days	52.57%	388	204	Yes
121-180 days	73.60%	228	168	Yes
> 180 days	97.44%	212	207	Yes
Total		15 659	1 276	

There has been an increase in the gross carrying amount for postpaid customers by TZS 2 841 million from prior year, however the ECL has not increased significantly due to the decrease in loss rates which has been majority a result of improvement in customer payment behaviours.

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.3 Financial risk management continued

Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for interconnect customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.02%	1 168	–	No
31-60 days	0.29%	11	–	No
61-90 days	1.04%	–	–	No
91-120 days	4.03%	1	–	Yes
121-180 days	21.86%	–	–	Yes
> 180 days	100.00%	–	–	Yes
Total		1 180	–	

The following table provides information about the exposure to credit risk and ECLs for interconnect customers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.16%	386	1	No
31-60 days	1.93%	–	–	No
61-90 days	4.71%	–	–	No
91-120 days	12.67%	–	–	Yes
121-180 days	45.68%	–	–	Yes
> 180 days	100.00%	–	–	Yes
Total		386	1	

The following table provides information about the exposure to credit risk and ECLs for advance credit customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	9.56%	4 381	419	No
31-60 days	100.00%	599	599	Yes
61-90 days	100.00%	647	647	Yes
91-120 days	100.00%	365	365	Yes
> 120 days	100.00%	3 227	3 227	Yes
Total		9 219	5 257	

The following table provides information about the exposure to credit risk and ECLs for advance credit customers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	11.07%	2 841	314	No
31-60 days	100.00%	340	340	Yes
61-90 days	100.00%	225	225	Yes
91-120 days	100.00%	333	333	Yes
> 120 days	100.00%	2 906	2 906	Yes
Total		6 645	4 118	

The following table provides information about the exposure to credit risk and ECLs for other debtors as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	1.90%	326	6	No
31-60 days	5.19%	1	–	No
61-90 days	9.84%	321	32	No
91-120 days	33.39%	99	33	Yes
121-180 days	95.58%	3	3	Yes
> 180 days	100.00%	1 477	1 477	Yes
Total		2 227	1 551	

The following table provides information about the exposure to credit risk and ECLs for other debtors as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	3.13%	219	7	No
31-60 days	7.45%	1	–	No
61-90 days	16.00%	–	–	No
91-120 days	38.95%	–	–	Yes
121-180 days	80.62%	149	120	Yes
> 180 days	94.11%	1 282	1 203	Yes
Total		1 651	1 330	

Company

The following table provides information about the exposure to credit risk and ECLs for super dealers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	100.00%	18	18	No
31-60 days	100.00%	–	–	No
61-90 days	100.00%	–	–	No
91-120 days	100.00%	–	–	Yes
121-180 days	100.00%	–	–	Yes
> 180 days	100.00%	39 377	39 377	Yes
Total		39 395	39 395	

The following table provides information about the exposure to credit risk and ECLs for super dealers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	100.00%	–	–	No
31-60 days	100.00%	–	–	No
61-90 days	100.00%	–	–	No
91-120 days	100.00%	–	–	Yes
121-180 days	100.00%	33	33	Yes
> 180 days	100.00%	30 571	30 571	Yes
Total		30 604	30 604	

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.3 Financial risk management continued

Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for prepaid airtime distributors as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	–%	797	3	No
31-60 days	6.00%	–	–	No
61-90 days	19.00%	–	–	No
91-120 days	41.00%	32	13	Yes
121-180 days	76.00%	–	–	Yes
> 180 days	98.00%	1 068	1 048	Yes
Total		1 897	1 064	

The following table provides information about the exposure to credit risk and ECLs for prepaid airtime distributors as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.92%	1 605	15	No
31-60 days	8.59%	103	9	No
61-90 days	25.33%	–	–	No
91-120 days	52.79%	–	–	Yes
121-180 days	78.97%	10	8	Yes
> 180 days	100.00%	951	951	Yes
Total		2 669	983	

The following table provides information about the exposure to credit risk and ECLs for postpaid customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	2.00%	18 760	347	No
31-60 days	12.00%	377	46	No
61-90 days	28.00%	696	193	No
91-120 days	57.00%	518	295	Yes
121-180 days	78.00%	399	310	Yes
> 180 days	100.00%	875	875	Yes
Total		21 625	2 066	

The following table provides information about the exposure to credit risk and ECLs for postpaid customers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	2.08%	12 088	251	No
31-60 days	12.22%	1 956	239	No
61-90 days	26.32%	787	207	No
91-120 days	52.57%	388	204	Yes
121-180 days	73.60%	228	168	Yes
> 180 days	97.44%	212	207	Yes
Total		15 659	1 276	

There has been an increase in the gross carrying amount for postpaid customers by TZS 2 841 million from prior year, however the ECL has not increased significantly due to the decrease in loss rates which has been majorly a result of improvement in customer payment behaviours.

The following table provides information about the exposure to credit risk and ECLs for interconnect customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.46%	1 168	–	No
31-60 days	0.29%	11	–	No
61-90 days	1.04%	–	–	No
91-120 days	4.03%	1	–	Yes
121-180 days	21.86%	–	–	Yes
> 180 days	100.00%	–	–	Yes
Total		1 180	–	

The following table provides information about the exposure to credit risk and ECLs for interconnect customers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	0.16%	386	1	No
31-60 days	1.93%	–	–	No
61-90 days	4.71%	–	–	No
91-120 days	12.67%	–	–	Yes
121-180 days	45.68%	–	–	Yes
> 180 days	100.00%	–	–	Yes
Total		386	1	

The following table provides information about the exposure to credit risk and ECLs for advance credit customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	10.00%	4 381	419	No
31-60 days	100.00%	599	599	Yes
61-90 days	100.00%	647	647	Yes
91-120 days	100.00%	365	365	Yes
> 120 days	100.00%	3 227	3 227	Yes
Total		9 219	5 257	

The following table provides information about the exposure to credit risk and ECLs for advance credit customers as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	11.07%	2 841	314	No
31-60 days	100.00%	340	340	Yes
61-90 days	100.00%	225	225	Yes
91-120 days	100.00%	333	333	Yes
> 120 days	100.00%	2 906	2 906	Yes
Total		6 645	4 118	

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.3 Financial risk management continued

Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for other debtors as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	2.00%	326	6	No
31-60 days	5.00%	1	–	No
61-90 days	10.00%	321	32	No
91-120 days	33.00%	99	33	Yes
121-180 days	96.00%	3	3	Yes
> 180 days	100.00%	1 400	1 400	Yes
Total		2 150	1 474	

The following table provides information about the exposure to credit risk and ECLs for other debtors as at 31 March 2024.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
1-30 days	3.13%	219	7	No
31-60 days	7.45%	1	–	No
61-90 days	16.00%	–	–	No
91-120 days	38.95%	–	–	Yes
121-180 days	80.62%	149	120	Yes
> 180 days	94.11%	1 204	1 128	Yes
Total		1 573	1 255	

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 March 2025 for both Group and Company.

Due, but not past due	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	8.28%	5 593	463
Non-current	10.40%	2 126	221
Total		7 719	684

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 March 2024 for both Group and Company.

Due, but not past due	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	2.84%	5 633	160
Non-current	2.84%	2 150	61
Total		7 783	221

There has been an decrease in the carrying amount for contract assets by TZS 64 million from prior year, however the ECL has increased significantly due to apply specific provisions for this year.

The following table provides information about the exposure to credit risk and ECLs for cash and cash equivalents as at 31 March 2025 for Group.

Split	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	0.18%	298 467	538
Total		298 467	538

The following table provides information about the exposure to credit risk and ECLs for cash and cash equivalents as at 31 March 2024 for Group.

Split	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	0.29%	221 697	649
Total		221 697	649

The following table provides information about the exposure to credit risk and ECLs for cash and cash equivalents as at 31 March 2025 for Company.

Split	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	0.25%	189 624	470
Total		189 624	470

The following table provides information about the exposure to credit risk and ECLs for cash and cash equivalents as at 31 March 2024 for Company.

Split	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	0.36%	161 654	588
Total		161 654	588

There has been a decrease in the gross carrying amount for cash and cash equivalent from prior year, however the ECL has increased due to changes in the mix of bank where funds are placed. The change in mix from high rated to medium rated financial institutions leads to an increase in ECL.

Notes to the annual financial statements continued

36. Risk management policies and objectives continued

36.3 Financial risk management continued

Liquidity management

The Group ensures that adequate funds are available to meet its expected and unexpected financial commitments through undrawn borrowing facilities. The Group has access to a sufficient variety of sources of funding with existing lenders. As at the end of the reporting date, the Group had US\$19.5 million (TZS 52 114 million) (2024: US\$19.5 million (TZS 49 968 million)) undrawn foreign-denominated overdraft facility. The Group uses bank facilities under the normal operating cycle to manage short-term liquidity. The Group raises funds in bank markets and ensures a reasonable balance is maintained between the period over which the assets generate funds and the period over which the respective assets are funded to manage long-term liquidity. Liquidity on long-term borrowings is managed by maintaining a varied maturity profile thereby minimising refinancing risk.

The tables below disclose the maturity profile of the Group's non-derivative financial liabilities and those financial assets used for managing liquidity risk. The tables have been drawn up based on the earliest date on which the Group can be required to settle or can require settlement. The amounts disclosed in the table are the contractual undiscounted cash flows at the year-end.

Group	0 - 1 Year TZS m	2 Years TZS m	3 Years TZS m	4 Years TZS m	5 Years TZS m	5+ Years TZS m	Total TZS m
2025							
Financial liabilities							
Lease liabilities	(159 818)	(168 180)	(163 954)	(153 731)	(150 197)	(284 970)	(1 080 850)
Other financial liabilities	(4 907)	(4 461)	(4 461)	(3 344)	(2 227)	–	(19 400)
Accruals	(154 397)	–	–	–	–	–	(154 397)
Intergroup payables	(27 356)	–	–	–	–	–	(27 356)
Capital expenditure creditors	(54 105)	–	–	–	–	–	(54 105)
Mobile financial payables	(923 235)	–	–	–	–	–	(923 235)
Other payables	(33 999)	–	–	–	–	–	(33 999)
Trade payables	(48 158)	–	–	–	–	–	(48 158)
	(1 405 975)	(172 641)	(168 415)	(157 075)	(152 424)	(284 970)	(2 341 500)
Financial assets							
Trade receivables	59 973	–	–	–	–	–	59 973
Other receivables	3 336	–	–	–	–	–	3 336
Cash and Bank Balances	298 210	–	–	–	–	–	298 210
M-Pesa balances	257	–	–	–	–	–	257
Mobile financial deposits	923 235	–	–	–	–	–	923 235
Short term deposits	–	–	–	–	–	–	–
Intergroup receivables	3 311	–	–	–	–	–	3 311
	1 288 322	–	–	–	–	–	1 288 322
2024							
Financial liabilities							
Lease liabilities	(141 266)	(141 827)	(61 242)	(51 614)	(38 273)	(113 830)	(548 052)
Other financial liabilities	(3 225)	(3 084)	(2 943)	(2 802)	(1 348)	–	(13 402)
Accruals	(140 882)	–	–	–	–	–	(140 882)
Intergroup payables	(13 365)	–	–	–	–	–	(13 365)
Capital expenditure creditors	(121 749)	–	–	–	–	–	(121 749)
Mobile financial payables	(730 293)	–	–	–	–	–	(730 293)
Other payables	(20 482)	–	–	–	–	–	(20 482)
Trade payables	(26 079)	–	–	–	–	–	(26 079)
	(1 197 341)	(144 911)	(64 185)	(54 416)	(39 621)	(113 830)	(1 614 304)
Financial assets							
Trade receivables	59 424	–	–	–	–	–	59 424
Other receivables	7 571	–	–	–	–	–	7 571
Cash and Bank Balances	221 576	–	–	–	–	–	221 576
M-Pesa balances	121	–	–	–	–	–	121
Mobile financial deposits	730 293	–	–	–	–	–	730 293
Intergroup receivables	3 808	–	–	–	–	–	3 808
	1 022 793	–	–	–	–	–	1 022 793

Company	0 - 1 Year TZS m	2 Years TZS m	3 Years TZS m	4 Years TZS m	5 Years TZS m	5+ Years TZS m	Total TZS m
2025							
Financial liabilities							
Lease liabilities	(159 818)	(168 180)	(163 954)	(153 731)	(150 197)	(284 970)	(1 080 850)
Other financial liabilities	(4 907)	(4 461)	(4 461)	(3 344)	(2 227)	–	(19 400)
Accruals	(142 941)	–	–	–	–	–	(142 941)
Intergroup payables	(18 835)	–	–	–	–	–	(18 835)
Capital expenditure creditors	(54 105)	–	–	–	–	–	(54 105)
Other payables	(14 877)	–	–	–	–	–	(14 877)
Trade payables	(47 557)	–	–	–	–	–	(47 557)
	(443 040)	(172 641)	(168 415)	(157 075)	(152 424)	(284 970)	(1 378 565)
Financial assets							
Trade receivables	47 412	–	–	–	–	–	47 412
Other receivables	1 068	–	–	–	–	–	1 068
Cash and Bank Balances	189 367	–	–	–	–	–	189 367
M-Pesa balances	257	–	–	–	–	–	257
Short term deposits	–	–	–	–	–	–	–
Intergroup receivables	20 148	–	–	–	–	–	20 148
	258 252	–	–	–	–	–	258 252
2024							
Financial liabilities							
Lease liabilities	(141 266)	(141 827)	(61 242)	(51 614)	(38 273)	(113 830)	(548 052)
Other financial liabilities	(3 225)	(3 084)	(2 943)	(2 802)	(1 348)	–	(13 402)
Accruals	(133 549)	–	–	–	–	–	(133 549)
Intergroup payables	(9 313)	–	–	–	–	–	(9 313)
Capital expenditure creditors	(121 749)	–	–	–	–	–	(121 749)
Other payables	(6 443)	–	–	–	–	–	(6 443)
Trade payables	(26 032)	–	–	–	–	–	(26 032)
	(441 577)	(144 911)	(64 185)	(54 416)	(39 621)	(113 830)	(858 540)
Financial assets							
Trade receivables	53 759	–	–	–	–	–	53 759
Other receivables	1 090	–	–	–	–	–	1 090
Cash and Bank Balances	161 533	–	–	–	–	–	161 533
M-Pesa balances	121	–	–	–	–	–	121
Intergroup receivables	33 113	–	–	–	–	–	33 113
	249 616	–	–	–	–	–	249 616

Notes to the annual financial statements continued

37. Capital management

The Group manages its capital to ensure that entities within the Group will be able to continue as going concern while maximising return to shareholders. Capital is monitored on the basis of net debt to adjusted equity. Net debt comprises interest bearing borrowings, non-interest bearing borrowings, derivative financial instruments and cash and cash equivalents. The Group's strategy is to maintain a net debt to adjusted equity ratio of below 150%. These internal ratios establish levels of debt that Group should not exceed other than for relatively short periods of time and they are reviewed on a semi annual basis to ensure they are being met. The net debt to adjusted equity ratio at the reporting date are as follows:

	Group		Company	
	2025 TZS m	2024 TZS m	2025 TZS m	2024 TZS m
Licences payables classified as debt (Note 29)	–	–	–	–
Other financial liabilities (Note 30(c))	(18 595)	(12 222)	(18 595)	(12 222)
Lease liabilities (Note 25)	(705 247)	(392 762)	(705 247)	(392 762)
Cash and bank balances – (Note 22)	298 467	221 697	189 624	161 654
Net Debt	(425 375)	(183 287)	(534 218)	(243 330)
Equity	(916 579)	(852 834)	(828 483)	(796 957)
Net debt to equity ratio (%)	46%	21%	64%	31%

38. Immediate and ultimate parent companies

The Group is controlled by its parent, Vodacom Group Limited, which is incorporated and domiciled in South Africa, and as at 31 March 2025, owns 75% (2024: 75%) of the Company's shares. The ultimate parent is Vodafone Group Plc., which is incorporated and domiciled in the United Kingdom.

39. Statement of cash flows notes

(a) Cash generated from operations

		Group		Company	
TZS m	Note	2025	2024	2025	2024
Profit before tax					
Adjusted for:					
Finance income	10	144 909	77 984	78 569	59 493
Dividend income		(46 116)	(25 764)	(4 361)	(2 458)
Finance cost	11	–	–	(42 843)	(37 854)
Net loss on foreign currency translation	12	102 088	73 107	63 169	51 958
		7 296	8 949	4 888	8 693
		208 177	134 276	99 422	79 832
Adjusted for:					
Gain on disposals of property plant and equipment	9(a)	(14)	(413)	(14)	(413)
Depreciation and amortisation	9(b)	285 433	260 317	278 801	254 238
Net credit losses on financial assets	9(c)	12 102	1 060	12 100	1 061
Amortisation of capacity prepayments	9(a)	28 358	19 985	28 358	19 985
(Decrease) / Increase in provision for inventory	20	(1 361)	659	(1 361)	659
Amortisation of government grant	26	(20)	(127)	(20)	(127)
Increase / (Decrease) in legal, marketing and tax assessments disputes provision		662	(2 272)	676	(844)
Cash flows from operations before working capital changes		533 337	413 485	417 962	354 391
Payment for capacity contracts	17	(58 758)	(4 645)	(58 758)	(4 645)
Increase in inventory - gross		470	(993)	470	(993)
Increase in trade and other receivables		(19 200)	(9 668)	(2 332)	(20 652)
Increase in trade and other payables ¹⁴		262 865	244 908	63 639	29 380
Cash generated from operations		718 714	643 087	420 981	357 481

Note:

¹⁴ The movement within government grant capital expenditure creditors that was previously incorrectly disclosed as a non-cash adjustment as at 31 March 2023 (TZS4 626 million) financial reporting year are now correctly been included as part of the trade, mobile financial and other payables working capital movements. The reclassification has no impact on earnings or earnings per share, nor on any subtotals or totals in the statement of cash flows.

39. Statement of cash flows notes continued

(b) Additions to property and equipment, and intangible assets

		Group		Company	
TZS m	Notes	2025	2024	2025	2024
Additions to property and equipment	15	569 234	191 707	569 234	191 705
Less: Right of use assets additions	15	(401 975)	(25 720)	(401 975)	(25 720)
Additions to intangible assets	16	23 836	96 595	23 836	96 595
Property and equipment (Capex investment)		191 095	262 582	191 095	262 580
Changes in capital expenditure creditors		67 507	(56 038)	67 507	(56 038)
Acquisition of asset		(60 720)	(12 501)	–	–
Government grant receivables		16 238	–	16 238	–
Acquisition of a subsidiary		–	–	(60 720)	(12 501)
Transfer to subsidiary (M-Pesa LTD)		–	–	(7 414)	(6 451)
Grant related capital additions		(16 101)	(14 127)	(16 101)	(14 127)
Property and equipment cash additions		198 019	179 916	190 605	173 463

40. Operating segments

In order to identify operating segments, management identifies components:

- that engage in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Group Executive Committee; and
- for which discrete financial information is available.

Based on management's analysis, there are no separate business segments for which discrete financial information, as required, is available. In addition, the Group operates within the same geographical area, the United Republic of Tanzania, therefore no separate geographical segments exist. Entity wide segment information is the same as that presented in the consolidated financial statements. There are no revenues from transactions with a single external customer that amount to 10% or more of the Group's revenue.

41. Net current liability position

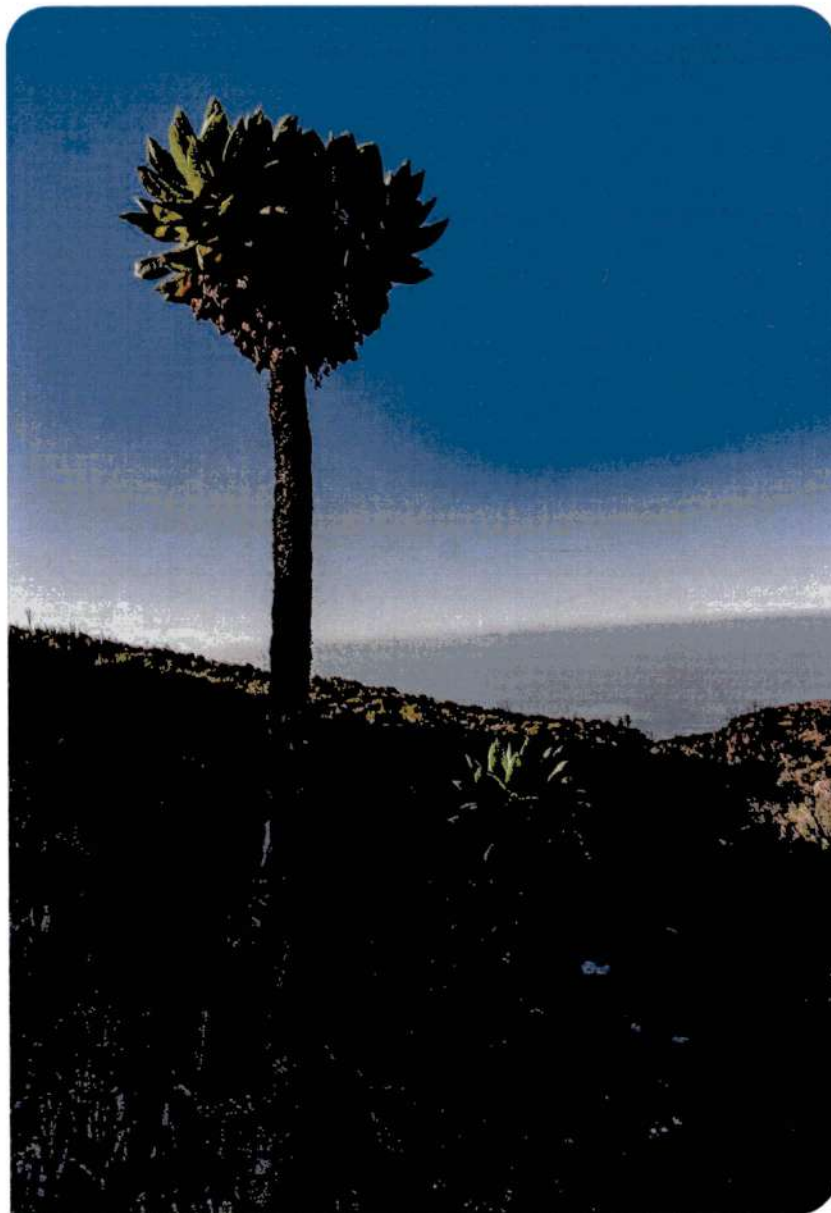
The Group had a net current liability position of TZS 14 505 million as at 31 March 2025 (2024: net current liabilities of TZS 117 951 million). The Group will adapt to market conditions in order to maintain an optimal capital structure, commensurate with the level of risk which one would expect from an emerging market telecommunication entity. The Group has access to a sufficient variety of sources of funding with existing lenders. As at the end of the reporting date, the Group had US\$19.5 million (TZS 52 114 million) (2024: US\$19.5 million (TZS 49 968 million)) undrawn foreign-denominated overdraft facility.

42. Fair value

During the year, the group entered into Forward exchange contracts (FEC) in a bid to mitigate the volatility in the foreign exchange market. As at 31 March 2025, the group had no open FECs. The amount of fair value adjustments recorded under net loss on foreign currency transactions is TZS 0.9 billion (2024: TZS 5.8 billion). The fair value of the FECs are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates and fall within level two of the fair value hierarchy under IFRS 13. The Group does not have any other financial instruments that required to be measured at fair value subsequent to initial recognition. The carrying amounts of the Group's financial instruments reasonably approximate their fair values due to the short-term nature of the instruments.

43. Events after the reporting period

The Board is not aware of any additional matter or circumstance arising since the end of the reporting period, not otherwise dealt with herein, which significantly affects the financial position of the Group or the results of its operations or cash flows for the period.



Notice of annual general meeting

Vodacom Tanzania Public Limited Company

(Incorporated in the United Republic of Tanzania)
 (Registration number 38501)
 (ISIN: TZ1996102715 Ticker code: VODA)
 ('Vodacom Tanzania' or 'the Company')

Notice is hereby given that, the ninth annual general meeting of the Company for the year ended 31 March 2025 will be held virtually on Thursday 21 August 2025 at 10:00 am to conduct the following business:

1. Confirmation of minutes

To confirm minutes of the eighth annual general meeting held on 11 September 2024.

Ordinary resolution number 1

"RESOLVED THAT the minutes of the eighth annual general meeting held on 11 September 2024 be and are hereby confirmed."

Copies of the minutes are obtainable from the Company's website www.vodacom.co.tz/annual-general-meeting.

2. Adoption of audited consolidated annual financial statements

To receive, consider and adopt the audited consolidated annual financial statements for the year ended 31 March 2025.

Ordinary resolution number 2

"RESOLVED THAT the audited consolidated annual financial statements of the Company, together with the independent auditors' report and directors' report for the year ended 31 March 2025, be and are hereby received and adopted."

Copies of the full audited consolidated annual financial statements for the year ended 31 March 2025 are obtainable from the Company's website www.vodacom.co.tz/financials.

3. Election and re-election of a director

To elect by way of separate resolutions:

- 3.1 Mr David Tarimo, having been appointed as an independent non-executive director in accordance with article 86 of the Company's articles of association in respect of casual vacancy on the Board, is obliged to retire at this annual general meeting. Having so retired, Mr David Tarimo is eligible for election as an independent director.
- 3.2 Mr Mohamed Abdallah, having been appointed as a non-executive director in accordance with article 86 of the Company's articles of association in respect of casual vacancy on the Board, is obliged to retire at this annual general meeting. Having so retired, Mr Mohamed Abdallah is eligible for election as a non-executive director.
- 3.3 Ms Margaret Ikongo, Ms Kanini Mutooni and Ms Hilda Bujiku are obliged to retire by rotation at this annual general meeting in accordance with the provisions of articles 104 and 105 of the Company's articles of association. Having so retired, Mesdames Ikongo, Mutooni and Bujiku are eligible for re-election as directors.

Ordinary resolution number 3

"RESOLVED THAT Mr David Tarimo be and is hereby elected as an independent non-executive director."

Ordinary resolution number 4

"RESOLVED THAT Mr Mohamed Abdallah be and is hereby elected as a non-executive director."

Ordinary resolution number 5

"RESOLVED THAT Ms Margaret Ikongo be and is hereby re-elected as an independent non-executive director."

Ordinary resolution number 6

"RESOLVED THAT Ms Kanini Mutooni be and is hereby re-elected as an independent non-executive director."

Ordinary resolution number 7

"RESOLVED THAT Ms Hilda Bujiku be and is hereby re-elected as an executive director."

Notice of annual general meeting continued

4. Appointment of Ernst & Young as auditors of the Company

To appoint Ernst & Young Inc. as nominated by the Company's Audit, Risk and Compliance Committee, as independent auditors of the Company, to hold office until the conclusion of the next annual general meeting of the Company.

Ordinary resolution number 8

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

5. Appointment of members of the Audit, Risk and Compliance Committee

To re-elect, by way of separate resolutions and in accordance with article 32(f) of the Company's articles of association, Mesdames Margaret Ikongo, Thembeke Semane and Kanini Mutooni to continue to serve as members of the Audit, Risk and Compliance Committee and considered to be financial experts for this purpose.

Ordinary resolution number 9

"RESOLVED THAT, subject to approval of resolution no. 5, Ms Margaret Ikongo be and is hereby re-elected to serve as a member of Audit, Risk & Compliance Committee."

Ordinary resolution number 10

"RESOLVED THAT Ms Thembeke Semane be and is hereby re-elected to serve as a member of Audit, Risk & Compliance Committee."

Ordinary resolution number 11

"RESOLVED THAT, subject to approval of resolution no. 6, Ms Kanini Mutooni be and is hereby re-elected to serve as a member of Audit, Risk and Compliance Committee."

6. Dividend

To approve a final gross dividend of TZSxxx per ordinary share for the financial year ended 31 March 2025 as recommended by the directors. The dividend will be paid on or before 15 October 2025 to the shareholders recorded in the register as at the close of trading on 15 August 2025.

Ordinary resolution number 12

"RESOLVED THAT the dividend of TZSxxx per ordinary share for the year ended 31 March 2025 be and is hereby approved."

7. Approval of the directors' remuneration

To approve the non-executive directors' remuneration of US\$ 482 000 until the conclusion of the next annual general meeting of the Company, enabling the Company to attract and retain persons of the capability, skills and experience required to make a meaningful contribution to the Company.

The ARCC's mandate has been expanded to include oversight of social and ethics matters, including the Company's adoption of the UNGC's 10 principles – covering human rights, labour, environment, and anti-corruption – as well as related corporate social investment activities. In recognition of the expanded scope, a US\$ 5 000 adjustment to the ARCC Chairperson's fees is recommended.

Ordinary resolution number 13

"RESOLVED THAT the level of non-executive directors' remuneration of US\$ 482 000 be and is hereby approved on the basis set out as follows:

	Proposed fee US\$	Current fee US\$
Board Chairman	150 000	150 000
Board Member	30 000	30 000
ARCC Chairperson	20 000	15 000
ARCC Member	8 000	8 000
Remco Chairperson	12 000	12 000
Remco Member	4 000	4 000
Nomco Member	3 000	3 000

1 These amounts represent gross remuneration, include of all taxes (including withholding tax) and are payable in Tanzanian shillings for local directors, South African rand for South African directors and United States dollar for other directors. Payments are made on a quarterly basis in arrears.

Profile of directors

David Tarimo (61)

Independent non-executive director

LLB Honours, Kings College, London University. Fellow of the Institute of Chartered Accountants in England and Wales (FCA). Member of the Chartered Institute of Taxation (CTA)

David was appointed as independent non-executive director and Chairman of the Board with effect from April 2025. He previously served with PwC (Tanzania) for close to three decades, including ten years as Country Senior Partner and fourteen years holding various regional tax leadership roles within PwCs Africa Region. David has four decades of experience in tax compliance, advisory, and policy formulation across various economic sectors, including agriculture, financial services, manufacturing, mining, oil and gas, telecommunications, and utilities. His contributions to public policy include membership in the Minister for Finance's pre-budget Think Tank (since 2002), the Boman Mining Committee (2008), and the Presidential Commission on Tax Reforms (2024 to date). He currently serves as the Chairman of the CEO Roundtable of Tanzania.

Mohamed Abdallah (48)

Non-executive director

Bachelor of Commerce, Ain Shams University, Cairo.

Mohamed Abdallah is the Chief Executive Officer of Vodafone Egypt since 2020 and was appointed as Chief Executive Officer - International Business effective 1 April 2025. In his regional role as the Chief Officer, Mohamed steers Vodafone's international markets across Africa namely: Mozambique, Tanzania, Lesotho and the DRC, through leveraging synergies and capitalizing on growth opportunities in each country. His vast culmination of experiences and diversified track record of success spanned his career with Vodafone, since he first joined in 1998. With more than two decades of experience in the telecommunications industry, spearheading key functions such as Enterprise Marketing, Internet, VAS and Content, Consumer Marketing and Corporate Sales, he excelled in driving substantial growth in innovation and customer satisfaction.

Hilda Bujiku (46)

Finance Director

Member of Executive Committee of Vodacom Tanzania Plc. Bachelor of Commerce Degree in Accounting, University of Dar Es Salaam, Tanzania; Certified Public Accountant of Tanzania; Vodacom Advanced Executive Program Gordon Institute of Business Science, South Africa.

Hilda is the Finance Director of Vodacom Tanzania PLC since January 2022. She was previously the Deputy Finance Director of Vodacom Tanzania PLC since April 2021 and before that, the Managing Executive responsible for Financial Planning & Analysis, Investor Relations and Company Secretariat. She joined Vodacom Tanzania in 2012 and held various senior roles in the company. She acted as the Finance Director of Vodacom Tanzania for the period of 8 months in 2014 and later moved to Vodacom Lesotho as the Finance Director. She has more than 16 years of experience working in telecommunication companies.

Margaret Ikongo (67)

Independent non-executive director

Chairperson of the Audit, Risk and Compliance Committee and a financial expert on this committee

Master of Business Administration, Open University, Tanzania. International Certificate in Risk Management, Institute of Risk Management, United Kingdom. International Diploma in Risk Management and Graduate Member of the Institute of Risk Management United Kingdom. Associate member of Chartered Insurance Institute, United Kingdom

Margaret was appointed as an independent non-executive director of Vodacom Tanzania in November 2017. She is also a board member of Actuarial and Risk Consulting, and Metrolife and Metliculus Insurance. Previously, Margaret sat on the Boards of NMB Plc and AAR Insurance Tanzania as well as the Board of Trustees of the National Social Securities Fund. Margaret has extensive financial and corporate governance expertise which were gained from her career in the insurance industry where she was Managing Director of the National Insurance Corporation for a period of ten years. Margaret was also an advisor to the Commissioner of the Tanzania Insurance Regulatory Authority as well as the Acting Head of the Technical Directorate.

Thembeke Semane (49)

Independent non-executive director

Member of Audit, Risk and Compliance Committee and a financial expert on this committee

Master of Business Administration; Monash University; Post Grad Diploma in Business Administration; University of Pretoria – Gordon Institute of Business Science, Bachelor of Commerce in Financial Accounting; University of Transkei (the current Walter Sisulu University), Certified Associate of the Institute of Bankers – CAIB (SA)

Thembeke was appointed as an independent non-executive director of Vodacom Tanzania in November 2017. She is an experienced business executive proficient in corporate strategy development, business systems implementation, high value project financing, compliance and monitoring, corporate governance and financial management. She is a director at Linea consulting (Pty) Ltd, a regulatory committee member of ACASA and ATNS, reporting to South Africa's Minister of Transport, as well as a councillor at ICASA. Thembeke serves as a board member of the Department of Human Settlements' EAAB, where she also serves as the chairperson of its finance and investment committee as well as being a member of the audit and risk committee and human resources and remuneration committee. She is a board member and a member of both the audit & risk management committee and remuneration committee of South African National Parks. Furthermore, Thembeke is a member of the South African Heritage Resource Agency and the Sol Plaatje Municipality's audit, risk and performance management committee.

Kanini Mutooni (49)

Independent non-executive director

Member of Audit, Risk and Compliance Committee and a financial expert on this committee

Harvard Kennedy School of Government – Global Policy Executive Education. Master of Business Administration (MBA), Cass Business School, City University, London. Securities Institute Diploma (UK)-Chartered Institute of Securities and Investment Professionals. Investment Management Certificate (UK), ACCA, Chartered Association of Certified Accountants (UK). Bachelor of Commerce (Hons) Catholic University, Kenya

Kanini was appointed as an independent non-executive director of Vodacom Tanzania in October 2022. She is the Managing Director of Draper Richards Kaplan Foundation responsible for the Africa portfolio. She also serves as a board director for Financial Sector Deepening Africa (FSDA); MCE Social Capital, the United Nations Capital Development Fund, Africa Enterprise Challenge Fund, Amref Health Innovation and CDC UK PLC. Kanini is the former Board Chair of The Global Innovation Fund, a \$250M investment vehicle supported by the UK, US, Canadian, Australian and Swedish Governments. She also worked at the Board level in leadership positions at investment banks in London and the US, such as Bank of America-Merrill Lynch and Dresdner Kleinwort Benson Private Bank.

Notice of annual general meeting continued

Record date

The record date for shareholders to be registered in the books of the Company for purposes of being entitled to participate, speak and vote at the annual general meeting is Wednesday 13 August 2025.

Participation by electronic means

The annual general meeting will be held in full electronic format in accordance article 29 and 63 of the Company's articles of association. Shareholders who will be on the register on the record date will receive SMS notification with meeting credentials. The annual general meeting will be streamed live via a link using a web enabled device with compatible web browser. For more information, please visit the Company's website www.vodacom.co.tz/annual-general-meeting

Shareholders will be liable for their own network and data charges. The Company will not 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 investorrelations@vodacom.co.tz by no later than 10:00 am Friday 15 August 2025. These questions will be addressed via the electronic participation channel at the annual general meeting. Submission of questions in advance will however not preclude a shareholder from asking a question at the electronic meeting.

Voting and proxy

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

Shareholders may appoint a proxy to attend, speak and vote in their stead. A proxy need not be a shareholder of the Company. A duly completed form of proxy, obtained from the company's website, along with DSE Depository receipt, personal identification (National ID/Voters ID/Driver ID) and contact details must be emailed to investorrelations@vodacom.co.tz or delivered for the attention of the Company Secretary, Vodacom Tower, Ursino Estate, Plot 23, Bagamoyo Road, Dar es Salaam, Tanzania not later than 10:00am Friday 15 August 2025. The completion of a form of proxy does not preclude any shareholder attending the annual general meeting.

Voting shall be conducted in accordance with the Company's memorandum and articles of association. An ordinary resolution to be approved at the annual general meeting must be supported by more than 50% of the voting rights of shareholders, whereas a special resolution must be supported by the holders of not less than 75% of the voting rights.

Shareholders holding shares, but not in their own name must furnish their custodians or broker with their instructions for voting at the annual general meeting. If your custodian 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.

Shareholders are encouraged to continuously monitor the Company's website for updates relating to the annual general meeting.

By order of the Board.

Caroline M Mduma
Company Secretary
28 July 2025

Form of proxy

Vodacom Tanzania Public Limited Company

(Incorporated in the United Republic of Tanzania)
(Registration number 38501)
(ISIN: TZ1996102715 Ticker code: VODA)
(‘Vodacom Tanzania’ or ‘the Company’)

Section A – To be completed by all shareholders

Full name

CDS Account Number

Number of shares held in the Company

Section B – Only shareholders who wish to appoint individual(s) other than the Chairman as a proxy should complete this section

I (We), the person(s) named in Section A above, with the CDS Account Number and Number of shares held in the Company shown in Section A above, do hereby appoint (see note 1 & 2)

or failing him/her,

or failing him/her,

the Chairperson of the annual general meeting as my(our) proxy to attend and speak and vote for me(us) on my(our) behalf at the virtual annual general meeting which will be held on **Thursday, 21 August 2025** for the purpose of considering and, if deemed fit, passing the ordinary and special resolutions to be proposed 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).

Section C – To be completed by all shareholders

Please indicate with an “x” in the applicable space, how you wish your votes to cast.

Unless otherwise directed the proxy specified in Section B above will vote as he or she thinks fit.

	For	Against	Abstain
1. Ordinary resolution number 1 Confirmation of minutes of the annual general meeting held on 11 September 2024			
2. Ordinary resolution number 2 Adoption of consolidated annual financial statements for the year ended 31 March 2025			
3. Ordinary resolution number 3 Election of David Tarimo as an independent non-executive director			
4. Ordinary resolution number 4 Election of Mohamed Abdallah as a non-executive director			
5. Ordinary resolution number 5 Re-election of Margaret Ikongo as an independent non-executive director			
6. Ordinary resolution number 6 Re-election of Kanini Mutooni as an independent non-executive director			
7. Ordinary resolution number 7 Re-election of Hilda Bujiku as an executive director			
8. Ordinary resolution number 8 Appointment of Ernst & Young Inc. as auditors of the Company for the year ending 31 March 2026			
9. Ordinary resolution number 9 Re-election of Margaret Ikongo as a member of Audit Risk & Compliance Committee			
10. Ordinary resolution number 10 Re-election of Thembeke Semane as a member of Audit Risk & Compliance Committee			
11. Ordinary resolution number 11 Re-election of Kanini Mutooni as a member of Audit, Risk & Compliance Committee			
12. Ordinary resolution number 12 Approval to pay a dividend of TZS xxx per share for the financial year ended 31 March 2025			
13. Ordinary resolution number 13 Approval of the non-executive directors' remuneration of US\$ 482 000			

Signed this day of 2025

Signature Signature

Completed forms of proxy must be lodged with the Vodacom Tanzania PLC Company Secretary office by no later than 10:00AM on Friday 15 August 2025.

Notes to the form of proxy

1. A member entitled to participate and vote at the annual general meeting may appoint one or more proxies to attend, vote and speak in his/her stead at the annual general meeting. A proxy need not be a member of the Company. In the case of a member being a corporate, the proxy form must be completed under its common seal or under the hand of an officer or attorney duly authorised in writing.
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. 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 initiated 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.
4. Duly signed forms of proxy and a copy of the shareholder's depository receipt may be scanned and emailed to investorrelations@vodafone.co.tz or deposited for the attention of the Company Secretary at 7th Floor, Vodacom Tower, Ursino Estate, Plot 23, Bagamoyo Road, Dar es Salaam, Tanzania by no later than 10:00AM on Friday 15 August 2025.
5. Any alterations or corrections made to this form of proxy must be initiated by the signatory/ies.
6. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced.
7. 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.
8. Where there are joint holders of shares:
 - Any one holder may sign this form of proxy; and
 - The vote of the senior shareholder (for that purpose, seniority will be determined by the order in which the names of the shareholders appear in the company's register) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholders.

Ms Caroline Mduma
Company Secretary

7th Floor, Vodacom Tower, Ursino Estate,
Plot 23, Bagamoyo Road,
PO Box 2369
Dar es Salaam,
E-mail: investorrelations@vodafone.co.tz

Share information

Total shareholding	# of shares	% holding
Vodacom Group Limited	1 680 000 200	75.0%
Government Employees Pension Fund (Public Investment Corporation SOC Limited, the Republic of South Africa)	164 503 540	7.3%
Institutional Investors (East Africa)	255 008 152	11.4%
Institutional Investors (Rest of the World)	46 356 052	2.1%
Others	94 132 356	4.2%
	2 240 000 300	100.0%

Institutional Investors Other than Vodacom Group	% institutional holding
Tanzania	48.8%
PIC	35.3%
Uganda	6.0%
Other International investors	9.9%
	100.0%



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