Vodacom Tanzania Public Limited Company

Vodacom Tanzania Public Limited Company

Annual Integrated Report

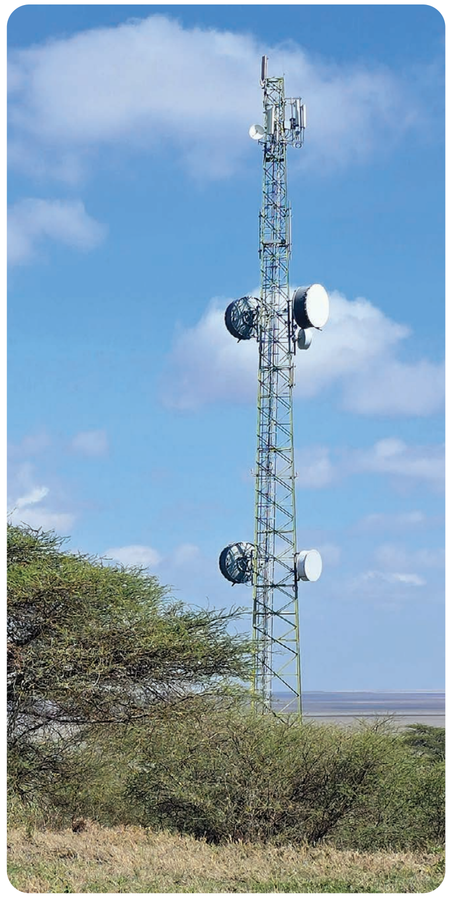
For the year ended 31 March 2026

Annual Integrated Report for the year ended 31 March 2026

VODACOM 25 YEARS

Together we can

Contents



CONNECT WITH US

We welcome your feedback on our report and performance, as well as on our roadmap for creating sustainable value. You are welcome to email us with your comments and suggestions: investorrelations@vodacom.co.tz

Navigate our report

Throughout this report, we use the following icons to represent the elements of our business model, aligned to the Integrated Reporting Framework:

- Value created
- Value eroded
- Value sustained

Where to find more information

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

Capitals impacted

- FC Financial capital
- SRC Social and relationship capital
- MC Manufactured capital
- IC Intellectual capital
- HC Human capital
- NC Natural capital

About this report

We are proud to present Vodacom Tanzania's annual integrated report, which demonstrates how our purpose – to connect for a better future – guides our strategic direction and business activities, underpins value creation and supports Tanzania's economic growth and development. It also provides insight into our outlook and articulates our long-term investment case.

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 2025 to 31 March 2026. 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 Listed Company Rules, 2022 and the Companies Act, CAP 212 R.E 2023. Ernst & Young assured our annual financial statements and provided an unmodified opinion thereon (page 111).

For frameworks guiding our environmental, social and governance (ESG) disclosures, please refer to our annual ESG snapshot on our website

Tanzania has adopted the IFRS Sustainability Disclosure Standards; IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, as issued by the International Sustainability Standards Board (ISSB). Applying the ISSB Standards is mandatory for all public interest and public sector entities, as defined in the National Board of Accountants and Auditors of Tanzania (NBAA) Technical Pronouncement No. 1 of 2018, effective for annual reporting periods beginning on or after 1 January 2025, with early adoption encouraged.

Accordingly, in this report, we have aligned our reporting to comply with the ISSB Standards. As this is our first year adopting the ISSB Standards, we have applied the available transitional relief, which limits certain disclosure requirements.

We provide more detail on these disclosures from page 84

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.

Annual integrated report

Our annual integrated report is our primary communication tool with our stakeholders and is complemented by additional disclosures in our reporting suite. This report

ESG snapshot

Our annual ESG snapshot aims to meet our stakeholders' diverse information needs and provides a high-level overview of how we empower people, protect the planet and maintain trust.

Financial disclosures and shareholder information

We provide detailed information relating to our financial position and performance in our consolidated annual financial statements. We support shareholders with valuable information to enable their participation at our annual general meeting (AGM) through our notice of AGM.

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:

- Empowering people EP
- Protecting the planet PP
- Maintaining trust MT

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

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

Read more about our purpose-driven performance on pages 54 to 59

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.

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 is satisfied that the report addresses all material issues and is a reliable and accurate reflection of our core strategic commitments. The Board further believes that this report presents a balanced and fair account of the Group's FY2026 performance, including material events occurring between year end and the report's approval date. The directors applied their judgement regarding the disclosure of Vodacom Tanzania's strategic plans and have ensured that these disclosures are adequate for public interest.

The Board approved this annual integrated report and the consolidated financial statements on 14 July 2026.

D Tarimo
Chairman (independent non-executive director)

P Besiimire
Chief Executive Officer

H Bujiku
Finance Director

Independent non-executive directors

K Mutooni

M Ikongo

J Nkini-Iwisi

Non-executive directors

M Abdallah

D Kastelic

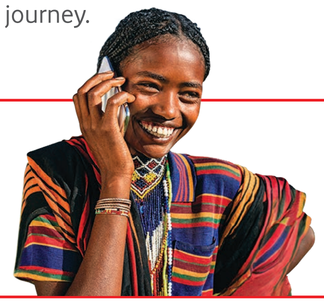
H Ammar

M Mbungela

R Morathi

Who we are

Vodacom Tanzania is a leading, purpose-driven communications company. We provide a wide range of services to **27.7 million customers**[1], including voice, data, messaging, financial services and enterprise solutions. This year, we proudly marked **25 years** of connecting Tanzanians to a better future and embarked on the first year of the Group's **Vision 2030** strategy, signalling the next chapter of our growth journey.



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 a digital world

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 and enablers

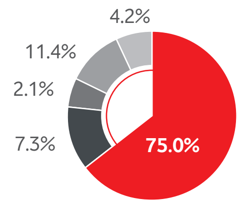
Driving growth through new businesses while protecting the core

- 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**

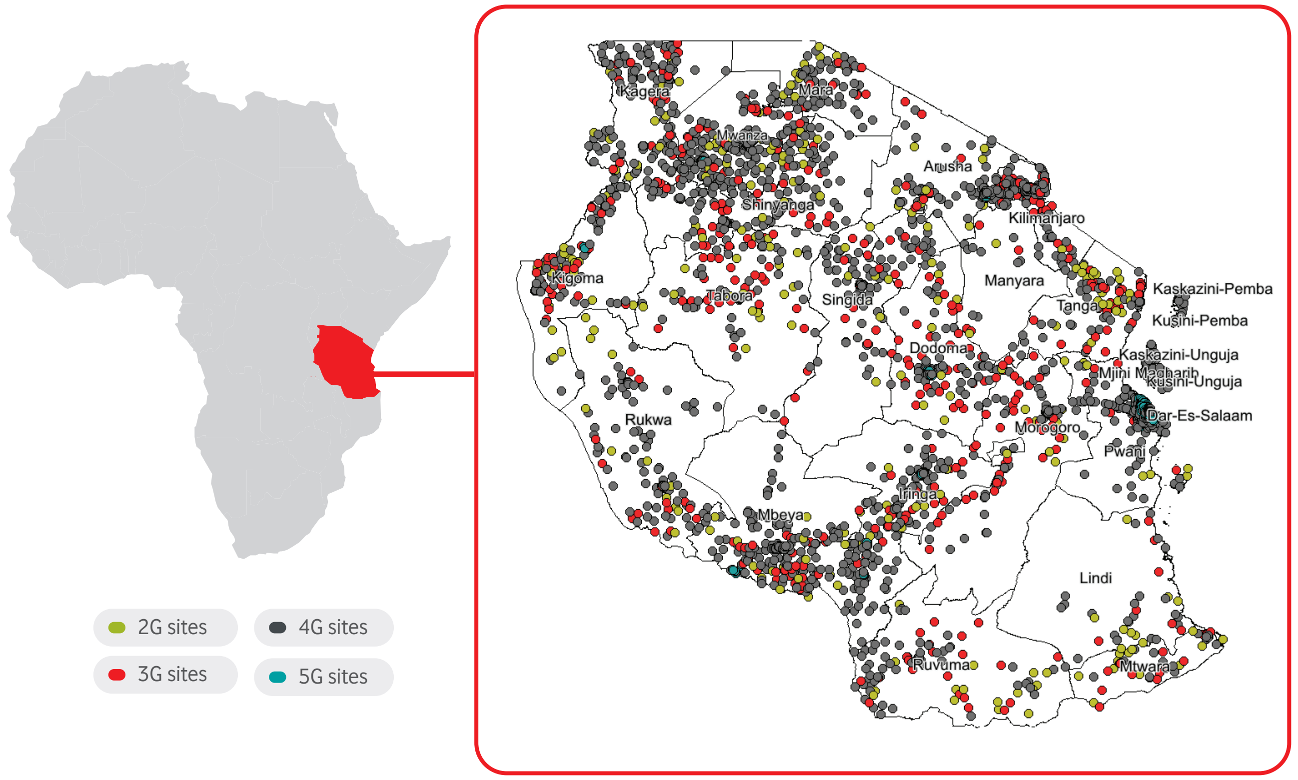
Vodacom Tanzania was listed on the DSE on 15 August 2017 and maintains a diversified shareholder base. The Group is majority owned by Vodacom Group Limited, a South African company, which is in turn majority owned by Vodafone Group Plc, headquartered in the United Kingdom and one of the world's largest communications companies by revenue. This combination of global expertise and broad-based investment provides the financial and operational depth required to drive digital and financial inclusion across Tanzania.



Total shareholding
- Vodacom Group Limited
- Public Investment Corporation (PIC), South Africa
- Institutional Investors (East Africa)
- Institutional investors (Rest of the World)
- Others

1 In this report, unless otherwise specified, customers are reported in accordance with Vodacom Group definition of customers, location or any another reported classification.

Where we operate



5 years CAPEX (TZS billions)[1]

90 days customers (million)[2]

Combined 3G and 4G coverage

Smartphone penetration

4G population

1 Reported CAPEX of TZS324 billion excludes the spectrum acquisition costs (at present value).
2 Based on TCRA definition of customers, as at 31 March 2026, Vodacom had 36.2 million total subscribers, 19.5 million mobile data customers and 33.2 million mobile money service (M-Pesa) subscribers – TCRA report, March 2026.

What we do

We secure access to spectrum, invest in mobile and fixed networks and information technology (IT) and develop and distribute a wide range of products and services tailored to our market segments. Through our M-Pesa ecosystem, we also offer a comprehensive suite of financial services. Coupled with our strong brand proposition and excellent customer service, these capabilities enable revenue growth and robust cash generation, which we re-invest in resources and relationships that support the delivery of 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, which is a scarce and therefore an expensive resource. The limited availability of radio spectrum is a key challenge facing the sector globally. We strive to secure spectrum access at a competitive price through auctions, proactive engagement with government and regulators and through partnerships with or acquisitions of existing spectrum rights holders.

- TZS5.1 trillion invested in expanding and upgrading our mobile network and IT infrastructure since launch
- This year, we commenced a two-year technology infrastructure modernisation initiative worth more than US$100 million (page 50)
- We have a resilient nationwide data network, with extensive 4G coverage and 5G deployed in key strategic locations
- We have an extensive fixed fibre network
- Spectrum acquired in multiple bands between FY2018 and FY2026. This year, we acquired one block of 50MHz in the 3 700MHz (TDD) spectrum band for a total cost of TZS49.8 billion, through a competitive auction

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 nearly 450 nationwide retail points, more than 50 000 freelance distributors, 276 000 active M-Pesa agents and more than 600 000 merchants accepting payment through M-Pesa

Managing our brand and reputation

We are a purpose-driven brand, committed to improving lives through digital technology. Backed by a strong marketing and brand strategy, the iconic Vodacom brand remains a key driver of customer choice. We continue to maintain a leading customer market share and are recognised as one of Tanzania's most trusted brands, reflected in external reputation surveys, Net Promoter Score (NPS) leadership and industry awards.

- Vodacom Tanzania was recognised with numerous national and international accolades this year (page 47)
- Once again, our customers rated us as the best in terms of headline NPS, ending the year with a strong double-digit points lead over our closest competitor

Procurement activities

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

- Total procurement spend of TZS1 145.9 billion in FY2026, with 26.3% of purchases (TZS301.4 billion) processed through the Vodafone Procurement Company
- Ongoing execution of our local empowerment agenda, spending TZS838.9 billion (over 70%) on purchases from 381 suppliers in Tanzania this year

Product and service development

We continually develop innovative products, services and pricing models based on our segmented customer approach. Development of our tailored customer offers, known as Just4You, is enabled by machine learning and customer value management (CVM) platforms. Our organisational culture is dedicated to safeguarding customer privacy by strengthening cyber security measures, securing systems and platforms, providing comprehensive employee training and reducing the risk of data theft or loss.

- Targeted product and service offerings provided across the customer base of 27.7 million
- We deliver societal value through connectivity and digital services in inclusive finance, education, health and agriculture
- Recognised cyber security leadership across Vodafone Group Plc maintained in FY2026

Customer service

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

- We engage with our customers at various touchpoints, continually striving to understand and meet their needs and expectations – we continue building and embedding our Ask Once culture and transitioning our frontline teams from agents to advisers (page 49)

What we offer

27.7m
consumer and enterprise customers
use our wide range of products and services.

Consumer products and digital services

Voice
- Mobile

Data
- Mobile internet
- Fixed

Messaging
- SMS
- Social media applications

Value-added services (VAS)
- **Core:** RBT, Storybox, Chemba, Afyacall, Tusua Mapene and Spoti
- **Digital lifestyle:** VTV, Ting, Mdundo, esports and cloud gaming, Challenge Arena
- **Strategic and international partnerships:** Quizinc, TBC, PM Connect, Sandbox API, Amazon Prime, Netflix and Disney

Customer Care
- Call centre
- Vodacom shops
- Service desks
- Self-care (unstructured supplementary service data (USSD) code, M-Pesa super-app)
- DigiCare (customer support through social media, live chat on website and WhatsApp)
- Customer alerts (flash messages)
- Inclusive care and priority desks

M-Pesa

Deposits and withdrawals
- Through over 276 000 agents and bank transfers

Person-to-person transfers
- In-country and international money transfers (IMT)

Self-care
- M-Pesa super-app

Electronic payments
- Virtual M-Pesa Visa card
- Merchants (Lipa Kwa Simu)
- Consumer to business
- Business to consumer
- Business to business

Financial services
- M-Pesa overdraft (Songesha)
- Savings and loans (M-Pawa and MGODI)
- Group savings (M-Koba and Changisha)
- Agent term loans
- Insurance services
- Wealth management (M-Wekeza)
- M-Pesa for business (business collection and disbursement accounts)

Enterprise

Mobility solutions
- Voice
- Small and medium enterprise packages
- Data
- Internet of Things (IoT) (machine-to-machine platform)
- Reverse charge services
- Bulk messaging
- SIM manager
- VAS (closed user group and ring back tone)

Fixed and wholesale solutions
- Internet services, including remote area coverage via satellite connectivity
- Interbranch capacity (multi-protocol label switching)
- Hosting or co-location
- Cloud solutions
- Session initiation protocol services
- Digital solutions, including M-Kulima, digital health and digital education

Our value creation in practice

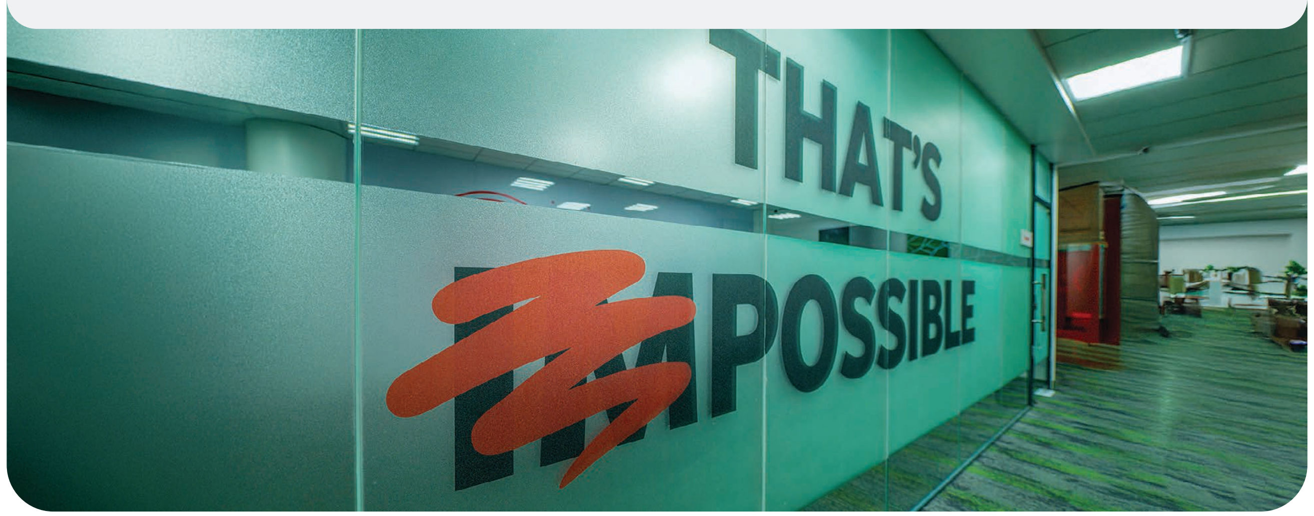
Our FY2026 value creation highlights

Customers[1] **27.7m** up 22.3%	Data customers **up 22.5%**	M-Pesa customers **up 22.6%**
Service revenue **TZS1.8tn** up 21.8%	Mobile data revenue **TZS546.7bn** up 29.5%	M-Pesa revenue **TZS734.8bn** up 24.5%
EBITDA[2] **TZS684.9bn** up 38.8%	Profit after tax **TZS107.1bn** up 18.4% (Underlying[3] growth: +125.5%)	Smartphone users **up 31.5%**

CAPEX
TZS323.9bn
Up 85.1%

17.2% of revenue

444 new 4G sites
25 new 5G sites
Major IT platforms and network modernisation



1 Based on TCRA definition of customers, as at 31 March 2026, Vodacom had 36.2 million total subscribers, 19.5 million mobile data customers and 33.2 million mobile money service (M-Pesa) subscribers – TCRA report, March 2026.
2 Earnings before interest, taxation, depreciation and amortisation.
3 Excluding incremental cost and additional depreciation associated with the network modernisation programme. We expect to complete the modernisation in FY2027.

For our customers

Enhanced **connectivity services**

Opportunity to invest and earn income through **M-Wekeza**

Financial inclusion deepening through **M-Pesa**

Dependable services, rated **through leadership in customer NPS**

Enhanced digital inclusivity supported by sustained investment

4G
4G coverage
76.3% of population
up 3.8pp

3G
3G coverage
88.7% of population
up 2.0pp

2G
2G coverage
95.3% of population
up 0.2pp

For our shareholders

TZS53.6 billion proposed dividends to equity shareholders +18.4% YoY

Improving return profile

Total dividend declared (TZS billion)

For our employees

TZS95 billion spent on employees, including on salaries, training and skills development (FY2025: TZS90 billion)

Provided **self-development online** training to over **650 employees and contractors** (FY2025: 624)

45.7% female representation in management and senior leadership roles (FY2025: 47.1%)

Ranked **number one Top employer in Tanzania** for nine years in a row by the Top Employers Institute

Organisational effectiveness – Team Spirit Index scores[3]: Team Engagement at 98% and Manager Effectiveness Index at 94%, well above Vodafone Group Plc's benchmark

For our communities

TZS848 billion cash contributions to public finances in taxes, levies, spectrum and regulatory fees[1]

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

TZS839 billion spent on 381 local suppliers and partner companies in Tanzania

TZS6.9 billion spent on social investment[2]

Indirect employment provided to more than **320 000**[4] Tanzanians

Social and economic empowerment through various **purpose-led initiatives**

1 Additional details available in Vodacom Group's tax transparency report available at www.vodacom.com/integrated-reports.php
2 Includes cash and in-kind spend in corporate social investment projects.
3 This year we enhanced our employee satisfaction measures to include Team engagement and Manager Effectiveness Index.
4 Including freelancers and M-Pesa agents.

CASE STUDY

25 years strong
Celebrating Vodacom Tanzania's remarkable journey of transforming connectivity

VODACOM 25 YEARS

This year, we celebrated 25 years of committed service to the people of Tanzania. Over this time, we have consistently executed our strategy, guided by our purpose of connecting Tanzanians for a better future.

Connecting customers:

Our network has evolved from basic 2G connectivity services to advanced 4G and 5G technologies, delivered through thousands of sites across the country and reaching more than 95% of the Tanzanian population. In addition, our network now facilitates a vast range of connectivity services, including fast mobile and fixed internet services.

Page 40

2000
Launched our operations

Today
27.7m
customers, with more than half using our services from rural areas

Financial inclusion and the M-Pesa evolution:

Page 42

In 2008, we launched M-Pesa, our transformative mobile financial service, offering a variety of financial solutions to our customers and millions of the unbanked population. Our services have grown to reach more than 14 million monthly customers, supporting financial inclusion through its rich product ecosystem.

2017
65%
formal financial inclusion[1]

2025
>76%
formal financial inclusion[1]

Average of
TZS14.5tn
processed monthly through the M-Pesa platform across P2P transfers, short-term credit, pay for services, micro loans, savings, enterprise solutions and more, a 34.3% increase year on year

Consistent investment in IT and network modernisation:

We have steadily increased capital investment, including acquiring spectrum across multiple bands. During the year, we completed phase one of our two-year US$100 million network modernisation programme, strengthening the foundation for future growth and digital inclusion.

Page 50

TZS323.9bn
invested in IT and network in FY2026

TZS49.8bn
spent on spectrum acquisition in FY2026

1 FinScope Tanzania 2023, Insights that drive innovation.

Supporting livelihoods and community impact:

Over the past 25 years, we have supported lives through direct and indirect employment while positively impacting millions of Tanzanians through life-changing community projects in the health and education sectors.

Page 54

>654
company employees and
> 320 000
indirect employees through our vast distribution network

For example, the
TZS8bn
donation through our then Vodacom Foundation for building a maternal and neonatal ward in our MOYO campaign, in collaboration with Vodafone Foundation and CCBRT[1]

Vodacom logo evolution

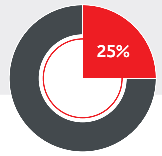
1994 – 2011 | 2011 – 2018 | 2018 – Present

Corporate citizenship:

We are proud to be a long-term partner in Tanzania's development, investing consistently to deliver lasting value for our shareholders and meaningful impact for the communities we serve.

Listed on the DSE in 2017

To date, we remain the only mobile network operator (MNO) in the country that complies with the Mandatory Listing Law, with more than 40 000 Tanzanians owning part of the 25% stake in Vodacom Tanzania Public Limited Company



Business sustainability

Deliberately strengthening women's representation in leadership roles, empowering employees through training and secondment opportunities and prioritising employee health, safety and well-being

Page 52

These milestones reflect our commitment to connecting customers and communities to information, business, health, education and financial services, reinforcing our role in advancing financial inclusion and economic participation. Looking ahead, we will continue to drive purpose-led innovation and growth, working in collaboration with government and industry partners to support Tanzania Government's Development Vision 2050 (TDV 2050).

1 Comprehensive Community Based Rehabilitation Tanzania. Find out more at www.ccbrt.org

Chairman’s review

DAVID TARIMO

Our progress this year demonstrates that commercial performance and national development can advance together.

This year, I was honoured to be appointed as Chairman of Vodacom Tanzania. I joined the Company at a historic moment in its journey, as it **celebrates 25 years** of pioneering mobile connectivity and digital inclusion for 27.7 million customers. Reflecting on the company’s performance this year, I am energised by its progress and the opportunities that lie ahead.

In FY2026, Vodacom Tanzania continued to **expand connectivity and deepen financial inclusion**, supported by the commencement of the company’s two-year network modernisation programme. A key focus for the Board was overseeing this programme, and we engaged extensively with the Executive Committee to monitor progress.

While these strategic investments placed pressure on profitability in the short term, they reflect a **deliberate and disciplined approach to long-term value creation**. Early indicators are strong, including continued growth in the customer base and increased adoption of Vodacom Tanzania’s transformative digital and financial services, reinforcing the Board’s confidence in the decisions taken and the path ahead.

Critically, the TDV 2050 identifies digital transformation as one of five key drivers to realise the country’s development ambition. Mobile connectivity and mobile-enabled services are not a luxury, but a necessity – enabling individuals and communities to access information and opportunities while allowing enterprises to operate more efficiently, expand their reach and remain competitive. The company’s progress reflects Vodacom Tanzania’s resolute focus on its **purpose to connect for a better future and its ambition to empower individuals, communities and enterprises through digitalisation**. This ambition closely aligns with TDV 2050, creating powerful synergy between our purpose and the country’s long-term growth trajectory towards a competitive, trillion-dollar digital economy.

Pleasingly, the **operating environment remained broadly supportive** throughout FY2026, underpinned by resilient economic growth, low inflation and favourable demographic trends. However, the year was not without its challenges. These included disruptions and civil unrest during the 2025 general elections, growing competitive intensity, particularly within the FinTech space, and increasing regulatory and pricing pressures alongside a continuing heavy tax burden. The onset of geopolitical conflict in the Middle East towards the end of the financial year introduced added uncertainty, with pressing implications for global economic stability.

Against this backdrop, **realising Tanzania’s long-term development ambitions will require a strong spirit of collaboration** between government, regulators and the broader business community. Since joining as Chairman, I have been encouraged by the constructive engagement between the company and its stakeholders. Sustained collaboration, underpinned by policy clarity and stability, will be key to unlocking investment, accelerating innovation and supporting broad-based economic prosperity.

Internally, Vodacom Tanzania is supported by a **strong and high-performing team**. Over the past year, I have been particularly impressed by the energy, commitment and quality of both employees and leadership across the organisation. This is complemented by a deep commitment to responsible business practices. Together, these capabilities position the business well to execute its strategy and deliver sustained value.

Robust governance remains critical, and I believe the Vodacom Tanzania Board operated effectively throughout FY2026, supported by a diverse and experienced group of directors. Changes to Board composition were carefully managed to ensure continuity, and the structure and mandates of the Board committees remain appropriate. We continue to prioritise succession planning to ensure the Board’s long-term effectiveness. In addition, we appointed two new independent non-executive directors to the M-Pesa Limited Board. Their collective experience in governance, investment and transformation brings fresh perspective and strategic depth, strengthening our ability to scale innovation and build resilient systems.

Another key priority was overseeing the growing role of artificial intelligence (AI) as a driver of innovation and growth, including embedding **responsible AI governance**. This will remain an area of focus in the year ahead to ensure that AI deployment is thoughtful, transparent and accountable.

During the year, changes to the DSE trading rules resulted in initial share price volatility. However, the subsequent recovery reflects **renewed investor confidence** in Vodacom Tanzania’s strong fundamentals and consistent performance.

Looking ahead, Vodacom Tanzania enters the new financial year with **positive momentum, supported by continued investment in its network and IT infrastructure**, which will further strengthen our ability to serve customers and support innovation at scale.

While we remain mindful of disruptions that can arise from operating in a hyper-connected global economy, Vodacom Tanzania is well positioned to navigate these dynamics, supported by strong teams and robust partnerships. We also have clear strategic direction as we transition from Vodacom’s Vision 2025 to Vision 2030, positioning us to leverage the Group’s differentiated brand and reputation while enhancing our agility in responding to emerging opportunities and challenges.

In closing, I would like to acknowledge my predecessor, Justice Mihayo, whose leadership helped build a company of remarkable resilience and purpose. My thanks again to the government and the regulators for their ongoing engagement. I would also like to extend my profound appreciation to our customers, partners and shareholders for their continued trust. Finally, my sincere thanks to the Board, our Company Secretary, the Vodacom Tanzania leadership team and every employee for your dedication to **connecting Tanzanians to a better future**.

I look forward to working with all of you towards our ambitions. The opportunities ahead are significant. With disciplined execution, responsible leadership and strong partnerships, I am confident Vodacom Tanzania will continue creating lasting value for customers, shareholders and the nation.

David Tarimo
Chairman

14 July 2026

Who governs us

Our board

As at 31 March 2026, our Board had 11 directors. Our Chairman is an independent non-executive director.

Chairman

David Tarimo (62) N
British
Appointed in April 2025
- International accounting expertise
- International leadership experience
- Corporate governance and public policy expertise
- Leadership and stakeholder management
- Strategic business leadership experience

Executive directors

Philip Besiimire (51)
Ugandan
Appointed in October 2022
- International leadership and operational experience
- Strategic business transformation
- Commercial execution with an exceptional track record of growing businesses

Hilda Bujiku (47)
Tanzanian
Appointed in January 2022
- Strong financial expertise
- Experience in other emerging markets
- Strategic business leadership experience

Independent non-executive directors

Kanini Mutooni (50) A R N
Kenyan
Appointed in September 2022
- Financial and venture capital expertise
- Board member with international leadership experience

Margaret Ikongo (69) A
Tanzanian
Appointed in November 2017
- Financial expertise
- Government relations
- Corporate governance expertise

Chairman
A ARCC
R RemCo
N NomCo

Non-executive directors

Mohamed Abdallah (50) R
Egyptian
Appointed in June 2025
- Strategic leadership experience
- Extensive experience in telecommunication
- International leadership and operational experience

Nkateko Nyoka (63)[1]
South African
Appointed in April 2020
- Law and public policy experience
- Corporate governance expertise
- Leadership and stakeholder management

Haytham Ammar (44)
Egyptian
Appointed in June 2024
- Extensive experience in telecommunications finance
- Strategic business leadership expertise

Dejan Kastelic (49)
Slovenian
Appointed in April 2024
- Extensive telecommunications and information and communications technology (ICT) sector experience
- Diverse international and emerging market experience
- Operational and strategy execution expertise

Matimba Mbungela (54) R N
South African
Appointed in August 2017
- Extensive talent management knowledge and experience
- Expertise in human resources best practice
- International operational experience

Raisibe Morathi (57)
South African
Appointed in April 2020
- Diverse international financial experience
- Strategic leadership expertise
- M&A skills

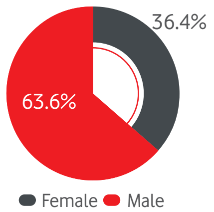
Company Secretary

Caroline Mduma (48)
Appointed in April 2017
- Corporate governance expertise

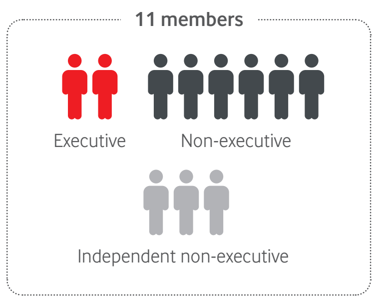
1 Nkateko Nyoka resigned as a non-executive director effective 1 April 2026.

The demographics of our Board

Gender



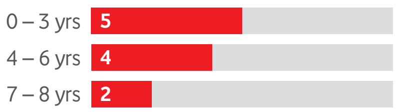
Unitary Board structure



92.1% Board meeting attendance

Age

Tenure



Who leads us

Our Executive Committee

Executive Committee composition as at 31 March 2026

Philip Besiimire (51)
Chief Executive Officer
Joined Vodacom in 2022

Hilda Bujiku (47)
Finance Director
Joined Vodacom in 2012

Brigita Shirima (47)
Consumer Business Unit Director
Joined Vodacom in 2012

Epimack Mbeteni (47)[1]
M-Commerce Director
Joined Vodacom in 2014

Athumani Mlinga (58)
Billing and IT Director
Joined Vodacom in 2003

Andrew Lupembe (52)
Network Director
Joined Vodacom in 2007

Olaf Mumburi (50)
Legal and Regulatory Director
Joined Vodacom in 2008

Zuweina Farah (39)
External Affairs Director and Vodacom Foundation
Joined Vodacom in 2023

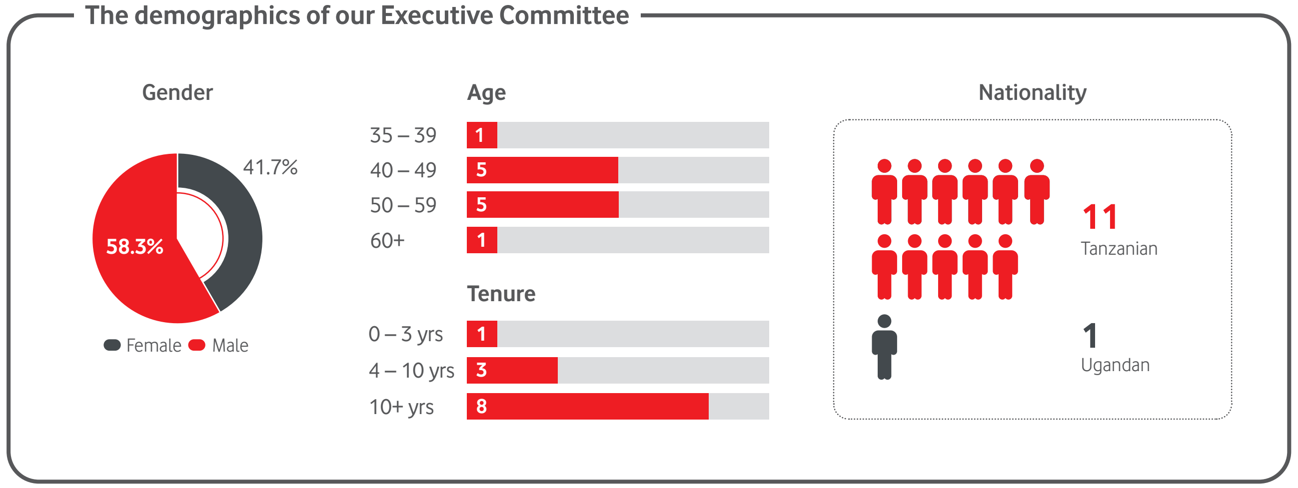
Harriet Atweza Lwakatare (48)
Customer Operations Director
Joined Vodacom in 2012

Vivienne Penessis (50)
Human Resources Director
Joined Vodacom in 2018

Nguvu Kamando (51)
Vodacom Business Unit Director
Joined Vodacom in 2002

Tax Agapinus (61)[2]
Risk and Compliance Director
Joined Vodacom in 2020

1 Epimack Mbeteni was promoted as the Fintech Chief Commercial Officer at Vodacom Group effective 06 May 2026.
2 Tax Agapinus retired effective 1 April 2026.



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 Chief Executive Officer ensures 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.

We illustrate Vodacom Tanzania's governance structure as at 31 March 2026:

Board

Board committees

- Remuneration Committee (RemCo)
- Audit, Risk and Compliance Committee (ARCC)
- Nomination Committee (NomCo)

Chief Executive Officer

Executive Committee

- External affairs
- Finance
- Customer operations
- IT and billing
- Enterprise business unit
- Consumer business unit
- Human resources
- Legal and regulatory
- M-Commerce business unit
- Risk and compliance
- Network

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

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

- Appointing the Chief Executive Officer 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 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		ARCC		RemCo	NomCo		Total attendance
	Quarterly	Special	Ordinary	Special	Ordinary	Ordinary	Special	
Mr David Tarimo (Chairman)	4/4	4/5				2/2	1/1	11/12
Ms Margaret Ikongo	4/4	5/5	4/4	3/3				16/16
Ms Thembeka Semane[1]	2/2	4/4	2/2	2/2				10/10
Ms Kanini Mutooni	4/4	4/5	4/4	3/3	3/3	2/2	1/1	21/22
Ms Raisibe Morathi	4/4	4/5						8/9
Mr Diego Gutierrez[2]	0/0	Retired						0/0
Mr Matimba Mbungela	3/4	5/5			2/3	2/2	1/1	13/15
Mr Nkateko Nyoka[3]	4/4	4/5						8/9
Mr Dejan Kastelic	4/4	4/5						8/9
Mr Haytham Ammar	4/4	4/5						8/9
Mr Mohamed Abdallah[4]	3/4	3/3			2/3			8/10
Mr Philip Besiimire	4/4	5/5						9/9
Ms Hilda Bujiku	4/4	4/5						8/9
Total	**95.7%**	**87.7%**	**100.0%**	**100.0%**	**77.8%**	**100.0%**	**100.0%**	**92.1%**

1 Ms Semane resigned effective 22 August 2025.
2 Mr Gutierrez resigned effective 1 May 2025.
3 Mr Nkateko Nyoka resigned effective 1 April 2026.
4 Mr Abdallah was appointed effective 1 June 2025.

M-Pesa Limited

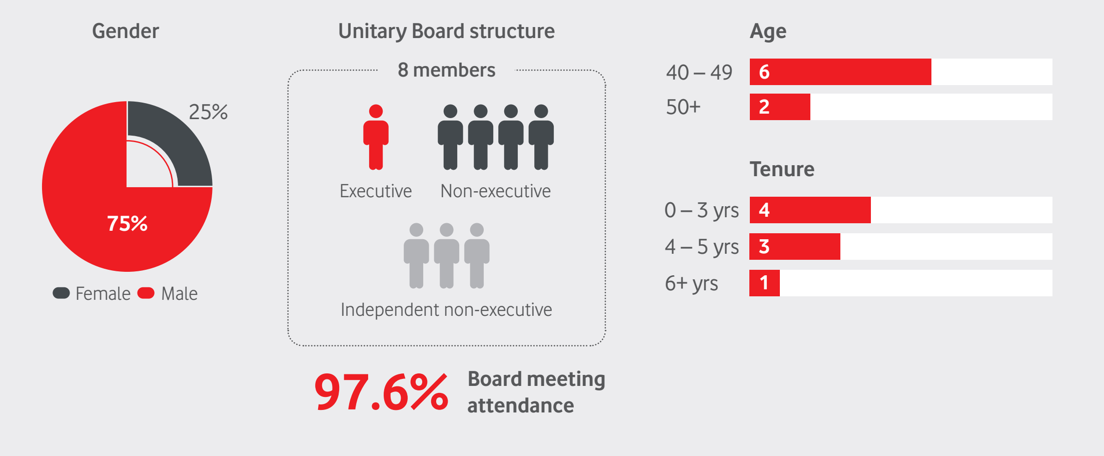
Board meetings

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

Director	Board	ARCC	Total attendance
	Quarterly	Quarterly	
Mr Jaffer Machano (Chairman)	4/4		4/4
Mr Sitoyo Lopokoiyit[1]	3/4		3/4
Mr Epimack Mbeteni	4/4		4/4
Ms Lilian Mramba[2]	2/2	3/3	5/5
Mr Melkiory Ngido[3]	2/2	3/3	5/5
Mr Olaf Mumburi	4/4	4/4	8/8
Ms Hilda Bujiku	4/4	4/4	8/8
Mr Philip Besiimire	4/4		4/4
Total	**96.4%**	**100.0%**	**97.6%**

1 Mr Lopokoiyit resigned effective 30 March 2026.
2 Ms Mramba was appointed as independent non-executive director and member of ARCC effective 1 August 2025.
3 Mr Ngido was appointed as independent non-executive director and Chairman of ARCC effective 1 August 2025.

The demographics of the M-Pesa Limited Board



Our remuneration approach

Remuneration Committee Chairperson's review

KANINI MUTOONI

On behalf of the Board and the Remuneration Committee, I am pleased to present Vodacom Tanzania's remuneration report for the financial year ended 31 March 2026. This report outlines our remuneration philosophy and how we applied our remuneration policy over the year.

Vodacom Tanzania reinforces a clear **pay-for-performance philosophy**, rewarding sustainable value creation, financial discipline and customer impact. Recognising that our people are central to delivering this performance, we focus on building a strong, values-driven culture that drives engagement and retention. This is evidenced by our leading Employee Spirit scores[1] of 98% and the Manager Effectiveness Index of 94% within the Vodafone Group Plc, alongside our recognition as Tanzania's top employer for nine consecutive years.

Our remuneration policy sets out the **short- and long-term incentives** we believe will help us realise our ambitions, guided by business targets. During the year, we reviewed and approved our short-term incentive performance targets, ensuring they support key growth drivers and customer loyalty. The Remuneration Committee also reviewed and approved the long-term incentive for senior leadership, reinforcing accountability for sustainable value creation over the vesting period. Proudly, Vodacom Tanzania delivered another strong performance in FY2026, fostering enduring prosperity for the business, our customers and communities.

As a responsible employer, we **benchmark our remuneration outcomes** to ensure they remain aligned with the company's purpose and overall business objectives and enable us to sustain long-term talent retention. This includes an ongoing focus on fair pay principles. During the year, adjustments were made with balanced and careful consideration of inflation, market competitiveness, affordability and performance differentiation. Based on the outcomes of this process, the Remuneration Committee is confident that Vodacom Tanzania provides fair and responsible remuneration. Furthermore, the company prioritised **leadership capability and talent development** to strengthen succession readiness and long-term capability building. These efforts are critical given the intensifying competition for talent, including digital, technology and commercial expertise, within the rapidly evolving telecommunications sector.

As reported last year, we are exploring the implementation of a **share plan** within Vodacom Tanzania. We believe this will provide a competitive mechanism to enhance employee motivation and retention while strengthening alignment with the company's strategic objectives. During FY2026, we made progress refining the proposed structure of the plan and assessing key implementation considerations, including eligibility, affordability, regulatory alignment and consistency with Group frameworks. Overseeing this process will remain key for the Remuneration Committee, and updates will be provided as implementation milestones are achieved.

As we look to the year ahead, we remain cautiously optimistic. Tanzania's economic outlook is positive, with significant opportunities to expand connectivity and digital financial services. However, inflationary pressures and rising costs of living are a concern, driven by escalating geopolitical conflict and uncertainty. In response, the Remuneration Committee will continue to monitor market conditions, balancing competitiveness with affordability and sustainability to ensure fair and responsible remuneration outcomes.

Following the commencement of the company's two-year network and IT modernisation programme this year, Vodacom Tanzania's operations will remain capital intensive in FY2027. The Remuneration Committee will therefore maintain a heightened focus on ensuring that the company's **incentive structures reinforce profitability and cash discipline** while delivering stakeholder and shareholder value.

Employee well-being and engagement will remain central, recognising that our people are the driving force behind Vodacom Tanzania's continued success. Their dedication, passion and commitment to innovation will ensure we continue to build on our strong foundation and deliver on our purpose.

Kanini Mutooni

Kanini Mutooni
Chairperson of the Remuneration Committee

14 July 2026

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.

1 This year we enhanced our employee satisfaction measures to include Team engagement and Manager Effectiveness Index.

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 Board executive directors and non-executive directors, specifically the quantum and components of remuneration for directors, including non-executive directors on a consolidated basis.

Our FY2026 remuneration philosophy, policy and framework aim at attracting, retaining and motivating 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 total cost of employment (GTCE)
- 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.

Board executive directors adhere to a GTCE philosophy, which include contributions to medical insurance, retirement benefit plans and life insurance.

We conduct annual remuneration benchmarking, and award GTCE 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 the 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 FY2026.

FY2026 executive and non-executive directors' remuneration (in US$)

The disclosure of executive and non-executive directors' remuneration is summarised below and reported in note 34 (related parties) of the consolidated annual financial statements on page 158.

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	ARCC	RemCo	NomCo	Total
D Tarimo	150 000				**150 000**
M Ikongo	30 000	20 000			**50 000**
K Mutooni	30 000	8 000	12 000	3 000	**53 000**
T Semane	26 613	7 097			**33 710**
M Abdallah	30 000		4 000		**34 000**
M Mbungela	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 Besiimire					–
					477 710

During the year, a targeted adjustment was approved for the remuneration of the ARCC Chairperson to reflect an expanded scope of responsibilities, including increased oversight of ESG matters incorporated into the committee's charter. Remuneration for all other non-executive directors remained unchanged.

Introduction | Our governance | Our business | Our strategic performance | Our purpose-driven performance | Our financial performance | Consolidated annual financial statements | Notice of annual general meeting | Additional information

Chief Executive Officer's review

PHILIP BESIIMIRE

Celebrating 25 years of connecting Tanzania, we continued investing in the networks, platforms and partnerships that are shaping the country's digital future.

Since our launch at the dawn of the millennium, we have evolved from a telecommunications provider into a leading digital and financial solutions company. Today, our purpose is not only to connect people, but to enable inclusive growth, empower businesses and help accelerate Tanzania's digital transformation. This is supported by a resilient network of thousands of sites, serving 27.7 million customers.

Our **longevity and sustained presence in Tanzania** demonstrate the scale of the market opportunity and the structural demand for our products and services. It also speaks to the unwavering commitment of our shareholders and the continued trust and support of the Vodacom Group and the Vodafone Group Plc, the Government of Tanzania, regulators, our business partners and importantly, our customers.

Furthermore, Vodacom Tanzania remains the only telecommunications company listed on the DSE, in compliance with the laws and regulations of Tanzania. This distinction reinforces our credibility, stability and long-term commitment to the country, strengthening our role as a **trusted partner in Tanzania's development**, with the scale and staying power to advance the country's digital and financial inclusion ambitions.

Expanding connectivity and inclusion at scale

FY2026 represented our strong start towards Vodacom Group-wide Vision 2030 strategy, as we pursue sustainable growth and long-term value creation. For Vodacom Tanzania, we are aligned to deliver differentiated customer experiences, innovate to create new sources of growth, and invest in the strategic enablers that will strengthen our competitiveness and operational efficiency. As we continue to execute against these priorities, we are laying the foundations for our next phase of growth while supporting Tanzania's broader digital transformation agenda.

The past year was defined by **resilience and action**, strengthening our market leadership and signalling our ambition for the next 25 years and beyond.

We continued to invest significantly in our network and technology infrastructure, increasing our capital expenditure by 85.1% year on year to TZS323.9 billion. This included executing key initiatives during the first phase of our two-year US$100 million **network modernisation programme**. Notably, we upgraded our radio access network across several sites and deployed cutting-edge enhancements to our IT infrastructure, including improving spectrum compatibility and upgrading M-Pesa from its legacy G2 system to a next-generation financial technology platform, which was completed in early April 2026. These investments position us to meet the accelerating demand for secure and seamless digital and financial services across Tanzania.

Furthermore, we rolled out 25 additional 5G sites and 444 new 4G sites, including 44 rural sites in collaboration with the government through the Universal Communications Service Access Fund (UCSAF), supporting digital inclusivity in underserved areas. We invested in additional fibre capacity, including undersea cables and terrestrial networks, supporting growth in network traffic. As a result, 4G traffic increased by almost 50%, while 5G traffic grew significantly, reflecting rising demand for high-speed connectivity.

Aligned with **TDV 2050**, our continued investment in connectivity and digital infrastructure is helping to bridge the digital divide, expand financial inclusion and unlock socioeconomic opportunities for individuals and businesses across the country.

Our financial inclusion ambition is brought to life through **M-Pesa**, our digital financial services platform, which spans digital payments, lending, savings and investment solutions. M-Pesa has not only transformed how Tanzanians make payments, but also how they manage, grow and protect their financial well-being. In collaboration with our business partners, we continued to expand access to these innovative services throughout the year, with several notable areas of progress highlighted below.

Firstly, we continued to empower individuals and small and medium enterprises with timely access to funds through our **digital lending solutions**, supporting day-to-day financial management. In FY2026, we extended TZS3.4 trillion in credit to more than five million customers, representing an increase of 17.8% in the overall annual value of micro loans disbursed. The value of Songesha overdrafts to individual customers grew strongly at 33.8%.

Our **merchant ecosystem** grew meaningfully, with the number of merchants accepting payments through Lipa Kwa Simu up 29.0% year on year. Transaction volumes increased by 32.6% while average monthly transaction values increased by 45.3%. This growth reflects our expanding role in supporting Tanzania's transition to a digital, cashless economy alongside aligning with the government's focus on enhancing transaction transparency and traceability.

Our communal group savings product, M-Koba, offered in collaboration with our partner Tanzania Commercial Bank, provides customers with a secure and transparent way of managing group savings. During the year, deposits in M-Koba increased by over 80%, with annual deposits surpassing TZS1 trillion. Over 60% of the value deposited was transacted by women members, highlighting the acceptance and economic empowerment of this product.

We were particularly encouraged by the progress of **M-Wekeza**, our wealth management platform launched last year in collaboration with Sanlam Allianz Investments Limited. This solution has opened access to investment opportunities previously out of reach for many Tanzanians. Since launch, thousands of customers have invested over TZS370 billion, enabling participation in regional and international capital markets through the fund manager and supporting long-term wealth creation.

These innovations demonstrate how our **M-Pesa products address real customer needs**, strengthen financial resilience and support broader economic growth. Our investment in modernising the M-Pesa platform will enable faster deployment of new features and services, unlocking innovation across savings, credit, payments and enterprise solutions and supporting secure and sustainable business growth.

Pursuing purpose-led value creation

Our progress during the year reflects how our **purpose – connecting for a better future** – shapes our actions and ensures our products and services address social and economic challenges and create pathways to growth. Beyond this, we continued to leverage our scale and capabilities to deliver on our purpose pillars of **empowering people, protecting the planet and maintaining trust**.

During the year, the Vodacom Tanzania Foundation made a commitment to support the digitisation of the national education system in partnership with the Tanzania Institute of Education and Twaweza. This initiative aims to strengthen education outcomes by expanding access to digital learning and enhancing teaching quality. In addition, our extensive nationwide network of direct sales partners, independent dealers, M-Pesa agents, freelancers and informal resellers continues to create employment for more than 320 000 Tanzanians, driving economic activity and reinforcing our role as an enabler of inclusive growth.

Through our operations, we support businesses to grow, in particular small and medium sized businesses (SMEs). Our distribution network includes over 250 000 M-Pesa agents, who also run small and medium-sized businesses, serving our customers on our behalf. By working with us, we support these SMEs, enabling them to earn a living, in return for them extending our services to communities. During the year, commissions paid to M-Pesa agents exceeded TZS250 billion, representing a 22.3% year-on-year increase.

Additionally, we supported trade through our Lipa kwa Simu payment platform, which enables more than 600 000 merchants to receive payments securely and conveniently through this digital payment option. The number of merchants accepting payments through M-Pesa was 29.0% higher compared to the number of registered merchants we had last financial year. The monthly payment through the platform is approaching TZS2 trillion, a growth of more than 40% year on year, showcasing our significant contribution in growing digital payments in the country, and continued confidence and reliance the business community places in our services.

Our impact in supporting businesses extends into the broader value chain. During the year, more than 70% of our one trillion shillings plus annual procurement was spent on nearly 400 local suppliers, with the value spent locally increasing by 17%. This momentum reflects our deliberate effort to create opportunity and strengthen the local businesses and contribute meaningfully to Tanzania's economic growth.

At the same time, we remain focused on reducing our environmental footprint. Our network modernisation programme is delivering meaningful improvements in energy efficiency, leading to reduced power consumption. Our investment in upgrading power connectivity in one of our main data centres from a shared 11kVA to an almost dedicated 33kVA power line has substantially improved grid power availability. Together, these initiatives are contributing to lower our greenhouse gas (GHG) emissions and support our parent company Vodacom Group's ambition of achieving net zero own operations by 2035.

Underpinning all of this is the trust placed in us by our customers and stakeholders. We continue to prioritise data privacy and cyber security, with our network modernisation programme strengthening the resilience of our network and IT platforms. As digital adoption accelerates, we are increasing our focus on responsible AI adoption, ensuring that technological advancements translate into meaningful, secure and accessible opportunities for individuals, communities and enterprises.

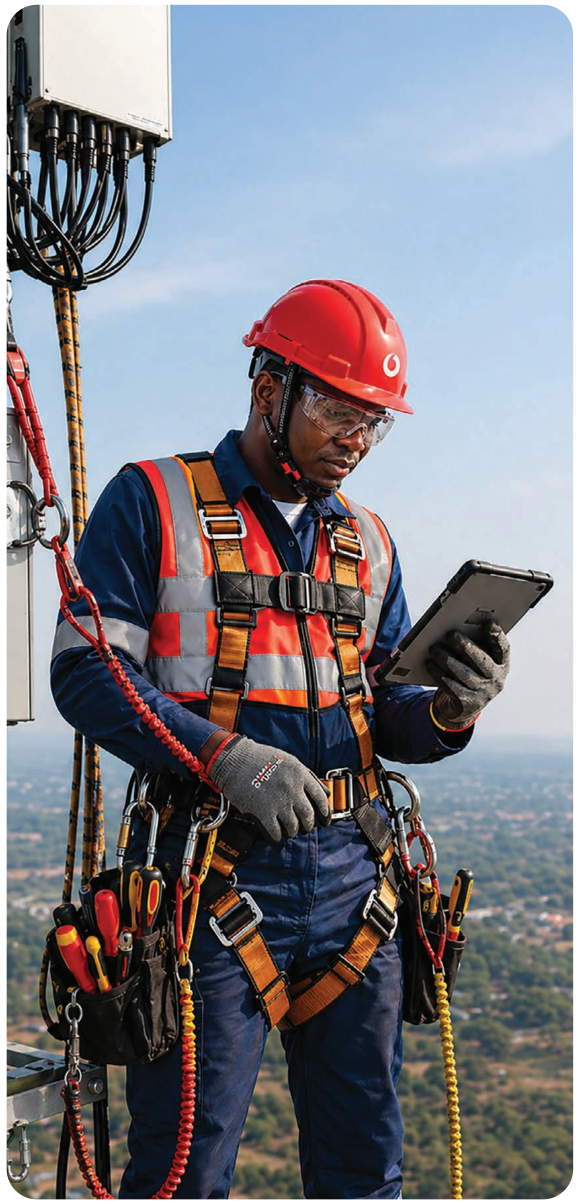
1 Based on TCRA definition of customers, as at 31 March 2026, Vodacom had 36.2 million total subscribers, 19.5 million mobile data customers and 33.2 million mobile money service (M-Pesa) subscribers – TCRA report, March 2026.

Sustaining our commercial momentum and market leadership

Disciplined strategy execution supported **robust performance across our strategic priorities** this year.

Our **customer base increased** by 22.3% to 27.7[1] million, supported by a 22.5% increase in data users, 22.6% growth in M-Pesa customers and a notable 31.5% rise in smartphone adoption. The increase in smartphone users is particularly encouraging and reflects the success of our market approach, supporting our growth ambitions while enabling wider economic participation across our retail network.

Pleasingly, we **sustained our market leadership** across categories, with 32.3% overall customer market share, 33.4% mobile internet user market share and 41.0% mobile money service subscriptions share. We also maintained our solid double-digit lead in headline NPS over our closest competitor.



This commercial momentum translated into a **solid financial performance. Service revenue** grew by 21.8%, driven by customer growth and increased usage across our product portfolio. M-Pesa revenue increased by 24.5% and mobile data revenue grew by 29.5%, reflecting sustained demand for digital services.

While we delivered cost savings of more than TZS90 billion during the year, our network modernisation programme resulted in a temporary increase in operating costs and accelerated depreciation of legacy assets. As a result, reported **net profit after tax** increased at a slightly slower rate, rising 18.4% to TZS107.1 billion. Excluding these once-off impacts, our underlying net profit after tax increased significantly by 125.5% to TZS204.1 billion, highlighting the strength of our underlying business.

Underpinned by our resilient performance, the Board has proposed a **final dividend** of 50% of profit after tax, in line with our dividend policy.

Looking ahead

I am confident that our strategy will **drive robust revenue growth and foster enduring prosperity for our business**, with FY2027 set to benefit from the full-year impact of our recent investments. We are also well placed to deliver on Vodacom Group's **Vision 2030**, building on our core strengths while revolutionising our platform businesses.

As we embark on **phase two of our modernisation programme**, our continued investment in network and technology infrastructure will enhance customer experience and unlock new opportunities across our digital ecosystem. At the same time, we will continue to simplify customer journeys while maintaining the highest standards of customer privacy. Expanding our enterprise and fixed connectivity services remains a key growth frontier, with further progress expected in IoT, cloud and advanced connectivity solutions in the year ahead.

We expect the **operating environment to remain broadly supportive**, underpinned by strong economic fundamentals. However, escalating geopolitical tensions, including the war in the Middle East, are contributing to global economic and social uncertainty, particularly through market volatility. This includes foreign currency and energy-related risks, which may bring about inflation and elevate living costs, impacting consumer spending.

In this context, **strengthening economic resilience remains critical**. We will continue to work closely with government and key stakeholders to support initiatives that enhance economic stability, including supporting the government's national development plans and digital transformation agenda.

We also recognise the importance of a **stable and predictable regulatory and policy environment** to sustain investment and deliver long-term value. We will continue to engage constructively with all stakeholders to support a balanced ecosystem that enables innovation, investment and affordability.

Critically, we remain committed to **developing and empowering our people**. Our employees are fundamental to our success and continuing to provide an environment where they can learn, grow and thrive will be essential to sustaining our performance and ethical conduct.

Appreciation

As we reflect on 25 years of progress, we are deeply grateful to our customers for their trust and loyalty, which continue to inspire us to innovate and improve. We also extend our sincere thanks to Vodacom Group and Vodafone Group Plc for their continued support, as well as to the government, regulators, our business partners and all stakeholders for their collaboration and shared commitment to advancing digital inclusion across Tanzania. Finally, I would like to thank our employees for their dedication, passion and belief in our purpose.

I look forward to building on this strong foundation together as we continue to connect Tanzania for the next 25 years and beyond.

Pamoja Tunaweza

Philip Besiimire
Chief Executive Officer

14 July 2026

Our investment case

Our value creation potential is aligned with our purpose – to connect for a better future. We believe we can make a meaningful contribution to Tanzania's socioeconomic growth through our consumer and enterprise offerings across connectivity and mobile financial services. In this rapidly digitising economy, our innovative products will deliver sustained revenue growth and shareholder returns over the medium to long term.

Our key value drivers

We are Tanzania's leading MNO and Fintech, and the only listed operator

- Preferred service provider (with over 95% voice population coverage and largest mobile financial services network)
- M-Pesa makes up close to 40% of our service revenue
- Growth 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 Vodacom Group Plc and Vodafone Group Plc, leading global brands

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, with a purpose-led business model

- Committed to the highest standards of business integrity, ethics and professionalism
- As a critical infrastructure, we play an essential role in expanding digital inclusion and enabling economic progress, supporting the TDV 2050 and digital transformation agenda
- Top Employer Tanzania 2026 and Top Employer Africa 2026 – 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 and growing population and a strong and stable economy, providing structural growth opportunities

Leveraging Africa's largest FinTech platform to advance financial inclusion:
Expand our M-Pesa ecosystem, supported by our next-generation M-Pesa platform, centralised Vodacom Group financial service resources and strong partnerships

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 AI, machine learning and CVM to deliver customised offers, boost revenue and optimise costs

Accelerating data and smartphone penetration:
Market smartphone penetration of 42.5%[1] presents a potential to increase smartphone adoption

Pursuing a clear medium- to long-term growth ambition:
Target early double-digit revenue growth, underpinned by significant ongoing investments in network and IT infrastructure to accelerate commercial momentum

1 TCRA report, March 2026.

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.

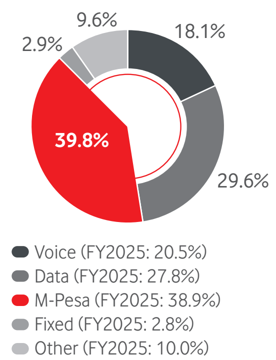
Our revenue

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, complementing our more mature and traditional revenue streams, such as mobile voice and messaging.

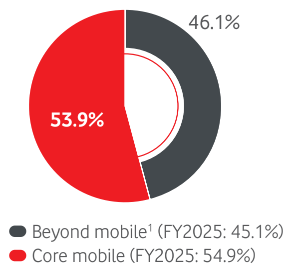
Key revenue differentiators

- A strong customer acquisition and retention 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
- Increasingly diversified revenue streams, with a rising share of new growth areas in mobile and fixed data, M-Pesa and digital financial services
- Innovative and progressive product portfolio, driving financial inclusion and economic empowerment
- Superior network with extensive voice and data coverage and state-of-the-art technology
- Large retail footprint in Tanzania
- 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 Group and Vodafone Group Plc to drive global best practice
- Our best-in-class customer service support systems

Service revenue split



Revenue split



Our costs

We have a strong track record of optimising costs and converting revenue into cash flow, underpinned by a disciplined cost culture and business-wide cost transformation initiatives.

In recent years, we have delivered significant savings through distribution channel optimisation and effective supplier contracts negotiations.

Our strong cash generation enables sustained investment in network and IT infrastructure, guided by a commercially driven investment philosophy focused on long-term shareholder value.

Key cost differentiators

- Proven track record of cost transformation, with over TZS 90 billion of savings delivered in FY2026
- Ability to optimise costs through efficient use of robotic process automation and investments in Big Data and AI
- Leveraging global best practice on cost optimisation through our relationship with Vodacom Group and Vodafone Group Plc
- 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

1 We have changed Beyond mobile services to include 'total M-Pesa' as opposed to 'M-Pesa excluding peer-to-peer transfers and cash withdrawal'. This is for aligning with Vodacom group definition. Other revenue streams included are fixed, digital and IoT.

Value created Value eroded Value sustained

Our business model

By effectively managing our resources and relationships, our purpose-driven business model enables us to create sustainable value as we connect for a better future.

OUR KEY INPUTS FOR FY2026[1]

FC

Financial capital
Strong cash flow generation and robust balance sheet

- TZS1 747 billion market capitalisation (FY2025: TZS1 724 billion)
- TZS410.3 billion net debt (FY2025: TZS425.4 billion)

MC

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

- Number of sites in our network up by 5.1%
- Kilometres of self-built fibre (up 5.3%)
- More than 320 000 freelance distributors and M-Pesa agents
- TZS323.9 billion CAPEX investment (up 85.1%)

IC

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

- Powerful, purpose-led strategy that has evolved from Vision 2025, aligned with Vodacom Group's Vision 2030
- Intelligent decision-making driven by Big Data capabilities
- Robust and transparent governance systems, including appropriate cyber security baseline controls
- Radio spectrum: Robust spectrum holding across the bands

SRC

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

- 27.7 million customers (up 22.3%)
- Constructive and ongoing engagement with key stakeholders, 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 renewable energy consumed: 96.57 GWh (FY2025: 130.8 GWh)
- Water used: 24 192.3 kilolitres (FY2025: 22 288.5 kilolitres)
- Diesel fuel used: 6 553 kilolitres (FY2025: 9 678 kilolitres)
- Refrigerants and fire suppressants: 78 290 kg (FY2025: 520 630 kg)
- Plastics, paper and related inputs

HC

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

- 654 employees (FY2025: 623)
- Experienced executive management team and strong Board
- Investment in reskilling and upskilling employees
- Innovative and agile company culture

OUR BUSINESS ACTIVITIES

Our purpose
Why we exist

CONNECTING for a BETTER FUTURE

Who we are

Page 2

Where we operate

Page 3

Our growth formula and investment case

Page 4 and 26

Our strategy

Page 40

Our business activities are guided by our strategy, which consists of six strategic priorities and three strategic enablers that ensure we grow, diversify and differentiate our business. As our strategy evolves, Vodacom Group's Vision 2030 will continue to guide our value creation.

Read more about our strategy from page 40

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

Read more about our products and services on page 5

Other waste streams

Our waste outputs include our GHG emissions and network waste.

18 446 tCO_2e
Scope 1 and 2 market-based GHG emissions

78.29 tCO_2e
of total refrigerants and fire suppressants replenished

54.8 tonnes
of plastic from purchased SIM cards

69.0 tonnes
of paper through scratch cards consumed

OUR KEY OUTCOMES FOR FY2026[1]

FC

- Service revenue up 21.8% to TZS1.8 trillion
- Ongoing revenue diversification expanding revenue contribution from beyond mobile services
- 24.5% increase in operating profit to TZS259.1 billion
- Generated TZS107.1 billion profit after tax
- TZS248.0 billion operating free cash flow
- TZS643.5 billion paid in dividends since listing in August 2017 and TZS53.6 billion proposed for FY2026
- More than TZS90 billion savings from ongoing cost transformation initiatives

MC

- Completed year one of our two-year network modernisation programme
- 25 new 5G sites, 444 new 4G sites and 270 new 3G sites
- Network resilience supported close to 50% growth in 4G data traffic
- Over 80% of total data traffic carried in the 4G network
- Sustained our lead on combined network performance NPS
- Acquired a 50MHz spectrum block in the 3 700MHz (TDD) band for TZS49.8 billion in July 2025

IC

- Agile business processes embedded across business units
- Sustained our double-digit lead in headline NPS
- Ongoing enhancement of our IT and related systems and processes
- Various operational excellence awards (page 47)
- Development of personalised offerings supported by AI deployment
- Investment in upgrading our M-Pesa platform
- Ongoing enhancement of our M-Pesa product ecosystem and super-app

SRC

- Continued investment in ensuring a positive and segmented customer experience
- TZS2.0 trillion total cash contribution to public finances over the last three years
- Enabling financial inclusion and empowerment through M-Pesa
- 466 UCSAF sites built since 2013, supporting the government's digitalisation agenda
- Delivering societal value through connectivity and digital services
- Numerous social investment initiatives (pages 54 to 59)

NC

- 52.0 tonnes of plastic waste avoided by using half SIMs
- 255.4 tonnes avoidance in paper use through electronic recharges[2]
- TZS3.5 billion invested in energy efficiency projects
- Radio access network modernisation reasonably reduced power consumption at upgraded sites
- Data centre power upgrade reduced diesel generator running hours by nearly 90%, leading to significantly reduced fuel consumption and emissions

HC

- TZS94.7 billion spent on employee wages and benefits
- TZS1.7 billion invested in employee training and leadership development
- Top Employer Tanzania award for nine consecutive years
- Top operator across Vodafone Group Plc in Team Spirit scores
- 46.6% female representation in senior management – a decline following exits to other markets and resignations
- No work-related fatalities for 14 consecutive years

1 Data for all inputs and outputs as at 31 March 2026.

1 Data for all inputs and outputs as at 31 March 2026.
2 Estimated under the assumption that electronic recharges would have otherwise used paper vouchers, applying the same % split as actual vouchers recharged during the period.

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.

Balancing short-term costs with long-term value creation

Our continued investment in network and IT infrastructure requires careful balancing of short-term costs with long-term value creation. This was a key consideration in our CAPEX decisions during the year, including our two-year major network modernisation programme. While these investments have impacted earnings in the near term, they are expected to strengthen customer experience, accelerate digital and financial inclusion and enhance network performance and coverage, supporting sustainable growth over time.

Capitals impacted FC MC SRC NC

Strategic response

Expand and escalate M-Pesa growth	Page 42
Technology leadership in network and IT	Page 50
Finance Director's review	Page 60

Advancing digital inclusion while ensuring responsible technology deployment

To help close the digital divide and drive financial inclusion, we are increasingly focused on technology innovation and expanding access to digital connectivity solutions. This requires leveraging technologies such as AI, Big Data and robotic process automation. The accelerated adoption of these tools introduces important considerations around data privacy and cyber security. In addition, increased automation may reshape workforce requirements over time, requiring new skills and ways of working. Striking a balance between digital transformation and its broader human and societal implications remains a persistent priority, underpinned by strong governance, ethical standards and a commitment to safeguarding people and data.

Capitals impacted IC SRC HC

Strategic response

Technology leadership in network and IT	Page 50
Retain and develop a high-performing team	Page 52

Managing the impact of foreign currency volatility

While we benefited from lower loss from foreign exchange in FY2026, currency volatility remains a key consideration in our operating environment, reflecting fluctuations in the local currency against major global currencies. We are encouraged by new regulations mandating shillings as a contractual currency for domestic transactions, effective 28 March 2025, which aim to strengthen the local currency and preserve reserves[1]. In addition to monitoring the impact of these developments, we continue to implement targeted strategies to manage the effects of foreign exchange volatility and currency availability. This includes disciplined capital allocation, prudent management of allowable foreign currency-denominated costs and ongoing engagement with suppliers to maintain resilient partnerships. We continue to leverage Vodacom Group's treasury capabilities to support effective cash flow and foreign exchange management.

Capitals impacted FC MC IC SRC HC

Strategic response

Finance Director's review	Page 60

Navigating a growing focus on sharing non-competitive elements of network infrastructure

Demand for connectivity and digital solutions is growing. However, limited spectrum availability and inadequate fibre infrastructure remain challenges to expanding access to reliable connectivity services across Africa. Sharing non-competitive network infrastructure, such as fibre and towers, is increasingly a strategic lever to provide cost-effective services to more people, particularly in underserved areas. Accordingly, in August 2025, Vodacom Group and Airtel Africa announced a strategic infrastructure sharing agreement in key markets, including Tanzania. We are adopting a balanced approach to exploring opportunities for business collaboration: leveraging infrastructure sharing where it enhances efficiency and supports broader connectivity goals while continuing to invest in strategic assets that safeguard network resilience, service quality and our competitive brand positioning.

Capitals impacted FC MC IC SRC NC

Strategic response

Technology leadership in network and IT	Page 50

1 Foreign Currency Usage Regulations through GN 198 of 2025, effective 28 March 2025.

Our operating context

We operate in a dynamic macroeconomic, regulatory and digital landscape, with operations spanning multiple business sectors that include telecommunications and digital and financial services. Our ability to navigate this rapidly evolving business environment is key to delivering value to our stakeholders while pursuing opportunities for innovation and growth.

Resilient domestic growth in an increasingly challenging global macroenvironment

The global macroeconomic environment remained volatile during the year, although conditions were broadly more stable than in prior years. However, the onset of the Middle East conflict in February 2026 triggered significant shocks across energy and financial markets and global shipping. Notwithstanding this late disruption, Tanzania's economy demonstrated strong, broad-based and resilient growth throughout FY2026, supporting business performance. Looking ahead, we remain optimistic that this growth trajectory will continue. However, we are mindful of risks related to rising inflation, energy cost pressures and reduced consumer spending, compounded by Tanzania's reliance on imported refined petroleum products. The extent of these impacts will depend on the duration of the war and the pace and stability of its resolution.

Tanzania's business environment in FY2026:

Sustained gross domestic product (GDP) growth at **5.9%,** up from 5.5% in 2024[1]

Broadly low and stable inflation at **3.2%**[2]

Strong, progressive engagement between government and the private sector

13.9% increase in development expenditure in the 2025/2026 government budget[4]

Foreign exchange reserves stabilised but remain vulnerable to import dependence; new regulations mandating TZS for domestic transactions aim to strengthen the local currency and preserve reserves[3]

Our response

- Promoting inclusive economic growth and development (page 55)
- Delivering social value through our enterprise business (page 45)
- Consistent investment in network and IT modernisation, supporting operational sustainability, underpinned by investment in energy-efficient infrastructure (page 50)
- Strategic capital allocation and proactive supplier engagement to manage volatile foreign currency availability (page 61)
- Leveraging the global purchasing power and responsible procurement practices of the Vodafone Procurement Company

1 National Bureau of Statistics: Highlights on the fourth quarter (October – December) GDP 2025 base year 2015.
2 National Bureau of Statistics: National Consumer Price index for March 2026.
3 Foreign Currency Usage Regulations through GN 198 of 2025, effective 28 March 2025.
4 Budget Insights 2025/2026, Ministry of Finance, July 2025.

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 Tanzania Communications Regulatory Authority (TCRA) and the Bank of Tanzania. While our regulatory and policy environment is complex, it remains broadly 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:

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

Our response

The reduction in mobile termination rates did not have a material impact on our financial results in FY2026.

Payments reform and pricing regulation

Digital enablement and expanding access to connectivity and mobile financial services are critical shared priorities across government, regulators and industry. In support of these objectives, there has been an increase in pricing-related regulatory measures to enhance affordability, alongside broader reforms to strengthen transparency, security and interoperability within the payments ecosystem. The pace and nature of these interventions is introducing some uncertainty for the sector, particularly in relation to revenue growth, and are therefore becoming a critical factor in investment decisions and long-term sustainability.

Our response

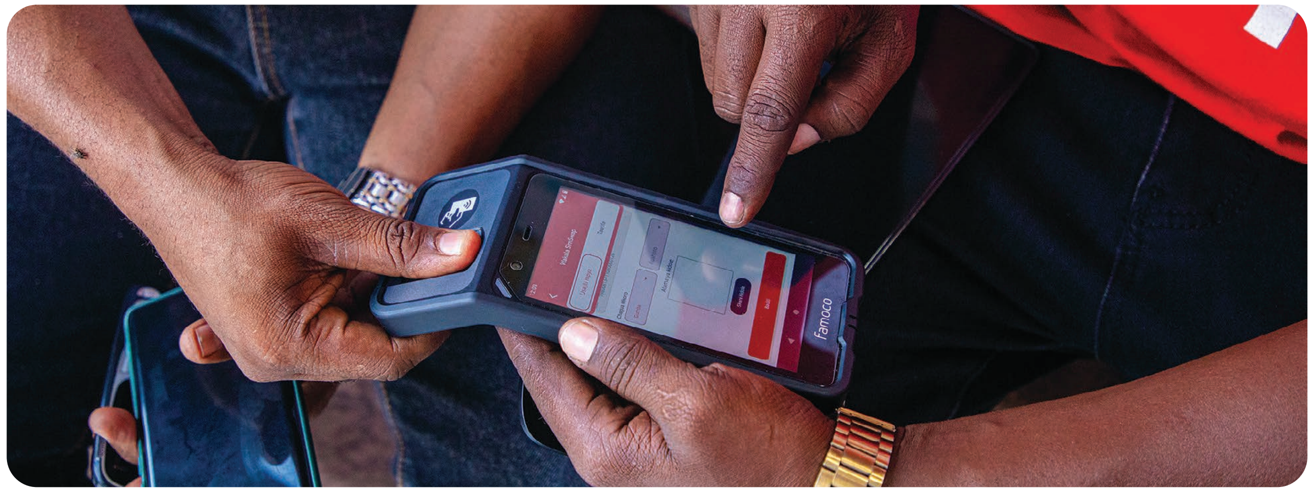
We continue to engage constructively with government and regulators to support policy harmonisation, including finding an appropriate balance between affordability, sector sustainability and long-term growth, in line with TDV 2050.

Spectrum auction

On 3 February 2025, the TCRA released a draft Information Memorandum outlining its plan to license new spectrum in the 3 600MHz to 3 800MHz frequency range through an auction. Reserve prices were set at TZS30 billion (USD12 million) per 1x50MHz block. The auction took place on 10 July 2025.

Our response

We acquired one block of 50MHz in the 3 700MHz (TDD) spectrum band for a total cost of TZS49.8 billion (US$18.9 million). This substantial investment will support acceleration of our future network expansion plans and help us unlock potential growth in innovative products.



A 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 is driving sustained pricing pressure, narrowing the already tight operating margins. There has also been a rapid increase in competitor activity related to broadband network investment and expansion. The risk of new entrants has increased following amendments to the Electronic and Postal Communications Act licensing regulations. These amendments include allowing satellite operators to apply for a national network facilities licence alongside lower licensing fees, reducing barriers to entry. The FinTech space is also experiencing growing competition from banks through their mobile applications.

Our response

- Expanding our product portfolio with innovative services and segmented offers
- Developing sticky solution-based products to acquire and retain customers
- Leveraging and building on our multi-product offering capabilities
- Proactively engaging government and relevant stakeholders
- Exploring innovative partnerships to enhance our competitive advantage

Read more about our focus on providing segmented personalised offers and a differentiated customer experience from pages 40 to 48

Read more about how we enrich our product portfolio with powerful, transformative and sticky M-Pesa products from pages 42 to 44

Seizing commercial opportunities in bridging the digital divide

With a young, growing and increasingly urbanising 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.

Tanzania's digital profile:

84.2% individual internet penetration[1]

42.5% market smartphone penetration[1]

There are **81.0 million** mobile money accounts linked directly to a phone number[1]

22.2% of the population are financial institution account holders[2]

Opportunity to support a growing e-commerce-based purchasing lifestyle

Our response

- Developing industry-specific digital products and services (page 42 to 45)
- Developing dedicated youth platforms and supporting employability (page 42)
- Investing significantly in network modernisation and IT infrastructure (page 50)
- Supporting network rollout in underserved areas through UCSAF (page 46, 50)

1 TCRA Quarterly Report - March 2026.
2 Financial Sector Deepening Tanzania – FinScope Tanzania 2023.

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
- Viva 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
- Business sustainability
- Stable dividend policy
- Transparency in executive remuneration
- Sound corporate governance practices
- Improved liquidity of shares
- Driving societal and enterprise value creation

How we engage

- Investor relations page on our website
- In-person and virtual meetings
- Annual and interim consolidated results
- Quarterly reports and trading updates
- Interim and preliminary announcement calls
- AGM
- 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
- 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 six 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 and the Audit, Risk and Compliance Committee 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 material risks, ensuring we respond to the rapidly evolving business environment.

Vodacom Tanzania's risk heat map (figure 1) sets out the top eight 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.

We revised our principal risks from 10 in FY2025 to eight in FY2026.

Key changes included consolidating previously separate taxation, regulatory compliance and privacy risks into a single principal risk, titled increased taxation, regulatory and compliance pressure, assessed as medium. Litigation risk was downgraded from a principal risk and is now managed as part of our tactical risk framework. We also revised the expected speed of impact for both market disruptions and financial and market conditions, extending the timeframe from six to 12 months to over 12 months.

1. Cyber threats
2. Market disruptions
3. Financial services (M-Pesa)
4. Technology failure and future readiness
5. Increased taxation, regulatory and compliance pressure
6. Supply chain disruptions
7. Unstable economic and market conditions
8. Execution of strategic projects for future growth

Figure 1:

Vodacom Tanzania's principal risks FY2026

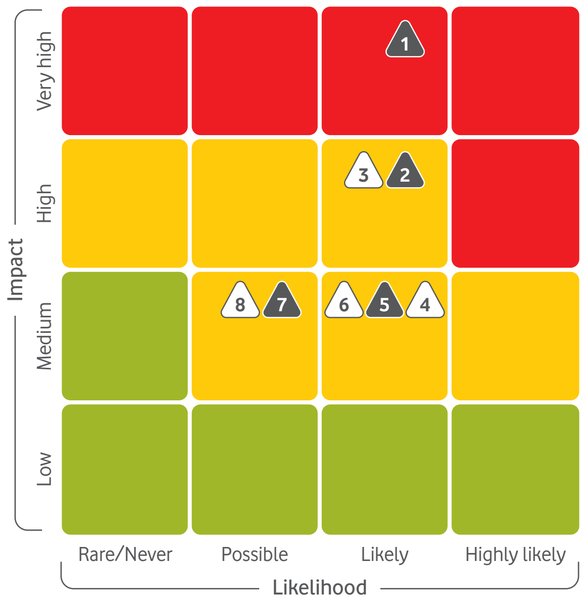
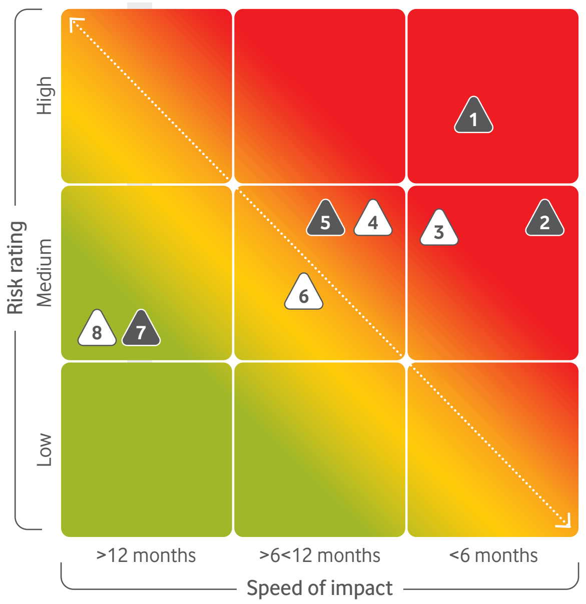


Figure 2:

Vodacom Tanzania's speed of impact FY2026



Speed of impact
- Very rapid (<6 months)
- Rapid (>6>12 months)
- Slow (>12 months)

External Internal

Below, we set out the top eight material risks for Vodacom Tanzania as identified through our risk management process. We depict the residual risks after considering our mitigating risk factors.

1 Cyber threats FY2025: 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 and Adaptive Risk Method 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), data leakage protection, loss of availability prevention and information control 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 follow-up on discrepancies
- Control self-assessment: over 10 000 control tests performed
- Implementation of anonymisation and pseudonymisation of data projects
- Endpoint detection and response

2 Market disruptions FY2025: 5

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

Context

We face increasing competition from traditional and non-traditional sources. This 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: the FinTech boom – exponential growth of FinTech startups on the continent – and potential disruption from technology evolution. If not well managed, this may lead to a reduction in Vodacom's customer and revenue market share.

Mitigating actions

- Deliver a differentiated customer experience by continually reviewing the pricing and relevance of our products, services and devices, developing innovative propositions and investing customer service quality, including through advanced CVM capabilities
- Execute bundle rules and special offers regulations to stabilise market price aggression
- Ring-fence the customer base via advanced or enhanced CVM capabilities such as Big Data and machine learning
- Drive data and smartphone adoption through partnerships with over-the-top players such as YouTube, Facebook and Instagram

3 Financial services (M-Pesa) FY2025: 7

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

Context

This risk pertains to 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
- Continual 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
- Ongoing monitoring of M-Pesa system performance and resilience against payment system requirements

4 Technology failure and future readiness

FY2025: 3

Speed of impact: Rapid | Likelihood: Likely

Context

A complete technology failure – in our network, IT infrastructure, IT platforms, or by essential technology service providers – could result 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
- Deploy security monitoring tools across our infrastructure
- Perform capacity planning
- Invest in, maintain and upgrade systems on an ongoing basis according to resilience criteria
- Ensure top-priority incidents remain within agreed acceptable thresholds

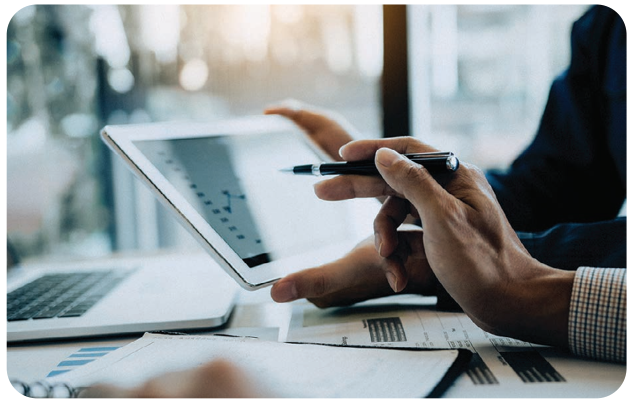
5 Increased taxation, regulatory and compliance pressure

FY2025: Combined risk # 2, 6 and 8

Speed of impact: Rapid | Likelihood: Likely

Context

Changes in local or international tax rules, or tax practises, may expose the company to liabilities. Similarly, any breach of legal and regulatory requirements – whether due to failure to identify or inadequately assess existing compliance requirements – exposes Vodacom Tanzania to significant financial and reputational damage. Failure to manage privacy compliance and associated risks and opportunities will lead to further reputational harm, a decline in NPS and potential regulatory fines.



Mitigating actions

- Maintain systems to ensure efficient management of tax matters and readiness for potential challenges by authorities
- Active engagement with government and tax authorities to ensure good working relationships and manage potential impacts of legislative change
- Engagement and regular consultation with appointed expert tax advisers and lawyers, including tax health checks
- Report publicly on tax issues (see additional information on our tax affairs in Vodacom Group's tax transparency report at www.vodacom.com/integrated-reports.php)
- Continual monitoring of changes to key laws, regulations and licence requirements
- Sensitise business units to legislative and regulatory requirements, including through training programmes such as Doing What's Right
- Conduct annual self-assessment of the regulatory compliance matrix
- Engage with regulators to seek clarity and seek sufficient time to implement new requirements
- Maintain our permission portal to manage privacy compliance
- Provide training and awareness programmes related to privacy
- Implement General Data Protection Regulation controls
- Implement local Personal Data Protection Act controls

6 Supply chain disruptions

FY2025: 9 Revamped

Speed of impact: Rapid | Likelihood: Possible

Context

Our relationships with key vendors facilitate the achievement of our strategic goals. These relationships must be managed to ensure optimal performance and customer experience while containing costs. Despite various controls currently in place, geopolitical and other circumstances continue to evolve, making it imperative that we continually monitor our vendor strategy risk and update controls as needed.

Mitigating actions

- Maintain, enforce and monitor our robust supply chain management policy and procedures
- Ensure contracts with all suppliers and partners comply with business continuity, confidentiality, privacy and other requirements
- Perform comprehensive due diligence on new partners during onboarding
- Conduct supplier performance reviews for critical suppliers
- Continue to ensure that service level agreements are in place and monitored
- Provide supplier monitoring training and awareness to employees

7 Unstable economic and market conditions

FY2025: 4 Renamed

Speed of impact: Slow | Likelihood: Possible

Context

Challenging macroeconomic conditions in Tanzania could result in currency devaluation and an unstable economy, placing pressure on consumer spending. Macro challenges associated with global geopolitics may drive increases in fuel and commodities prices, inflation, foreign currency exchange volatility and supply chain disruptions.

Mitigating actions

- Continued implementation of risk-averse interest rate, foreign exchange and counterparty risk practices, aligned with Vodacom Group and the cost containment programme
- Regular review and tracking of cost containment and radical cost transformation programmes
- Employment of 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 performed both locally and at the Group level
- Minimise exposure by ensuring that new or existing trading relationship contracts are agreed in local currency where possible

8 Execution of strategic projects for future growth

FY2025: n/a

Speed of impact: Slow | Likelihood: Possible

Context

The organisation's ability to execute its long-term plans and adapt to changing market dynamics while maintaining profitability and customer satisfaction.

Mitigating actions

- Stringent reporting on execution of the strategy and the key strategic initiatives in accordance with Vodacom Group's Vision 2030
- Annual strategy review to ensure alignment with budgets and the translation of medium-term strategy into KPIs
- Quarterly Board updates on strategy progress, key business must-watch areas and strategic priorities for the upcoming quarter
- Investment in network and IT infrastructure to expand coverage and upgrade capacity to enhance security, resilience and operational efficiency

OUR STRATEGIC PRIORITIES

Driving growth through new businesses while protecting the core in support of Vision 2030

- 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

Our strategic priorities

Vigorously grow mobile

Tanzania presents strong growth opportunities in digital and internet-based services, supported by a young and increasingly urban population and rising smartphone market penetration of 42.5%[1], which continues to drive demand for mobile data and digital services.

To capture this opportunity, we focus on growing and defending our market share in the mobile sector. Key priorities include driving data uptake and monetisation, increasing smart device penetration and leveraging Big Data and AI analytics to pursue hyper personalisation in our data offers, supported by careful management of customer value perception.

We also focus on enhancing operational efficiency by streamlining our operations, optimising costs and improving service delivery. This strengthens our market position, enhances customer satisfaction and enables re-investment in innovation and growth.

Our FY2026 performance

Growing customer market share and revenue

In FY2026, we executed strongly against this strategic pillar, accelerating growth in customer market share, data revenue and our data customer base. This was driven by effective CVM programmes, a compelling loyalty offering, an expanded sales footprint and strong distribution, complemented by cross-selling of our market-leading M-Pesa solutions and sustained investment in network and technology to enhance coverage, capacity and service quality (page 50).

- We executed on initiatives to drive market share growth across the country, resulting in us maintaining our leadership position in our strongholds, improving our performance in challenger markets and achieving an overall market leadership of 32.3%[1]. Our customer base[2] increased by 22.3% to 27.7 million customers, with data customers growing 22.5%.
- Total data traffic increased by 25.7% with 4G traffic growing nearly 50% and 5G experiencing a notable growth. Mobile data revenue increased by 24.5% to TZS547 billion, accounting for 27.8% of service revenue. The sustained increase in demand for mobile data services supports our decision to invest in expanding data adoption, making smartphones more affordable and accessible, and enhancing customer experience through network and platform upgrades. Data revenue remains a critical pillar for mobile revenue growth, underpinned by increase in customers.

1 TCRA Quarterly report - March 2026.
2 In this report, unless otherwise specified, customers are reported in accordance with Vodacom Group definition of customers. Based on TCRA definition of customers, as at 31 March 2026, Vodacom had 36.2 million total subscribers, 19.5 million mobile data customers and 33.2 million mobile money service (M-Pesa) subscribers – TCRA report, March 2026.

Value created | Value eroded | Value sustained

- Mobile voice revenue growth continued for the third consecutive year, with a 7.8% year-on-year increase. This performance was driven by customer base growth as we continued expanding our network coverage across the country, including the rural areas where demand for voice remains significant. Voice prices continued experiencing pressure from stiff competition.
- We maintained our market leadership in overall NPS, with a solid double-digit points gap to our nearest competitor.
- Our digital and VAS portfolio continues to drive customer acquisition and retention. This year, we finalised the migration to an integrated communications gateway platform, strengthening subscription management, billing transparency and consent mechanisms, and resolving historical customer concerns. With this foundation in place, we are now focused on introducing new products and services to enhance our digital offering and drive future growth. Digital and VAS revenue increased by 28.2%, supported by improved customer experience.
- Our Tuzo loyalty programme, which operates across our M-Pesa and GSM platforms, remains the only matured and fully operational loyalty programme in the Tanzanian telecommunications sector and a key differentiator for customer retention, with over three million monthly active users. This year, we aligned Tuzo with the Group-wide loyalty platform to enhance efficiency, interoperability and scalability. We also began integrating Big Data and CVM capabilities to enable more targeted rewards for customers and merchants. This will remain a focus in FY2027. Engagement was further boosted through a 'Shake and Win' campaign, encouraging daily interaction across our digital platforms while rewarding customers with smartphone giveaways, data and voice bundles.

CASE STUDY

Celebrating, rewarding and sharing joy across our communities

To celebrate Vodacom Tanzania's 25th anniversary, we delivered a series of campaigns to celebrate our customers, partners and communities who made our journey possible.

First, we launched a national campaign **Tupo Nawe, Tena na Tena** (We are with you, again and again), recognising the role that connectivity has played in transforming lives through services such as M-Pesa, mobile education, health and digital enterprise solutions. Rolled out across the country, the campaign brought Vodacom Tanzania closer to customers through on-the-ground engagement, including community activations, device offerings and entertainment, as well as initiatives such as "25 Days of Goodness", which mobilised our employees to give back to communities.

This spirit of appreciation continued through **Kapu la Voda** (the Voda basket), a festive initiative focused on giving back to customers. Through the distribution of holiday baskets containing food parcels and essential items, Vodacom Tanzania engaged directly with households, creating meaningful moments of connection.

Building on this momentum, the initiative evolved into a back-to-school campaign, **Kapu la Shule** (School Basket), at the start of the new year. The campaign provided learners with essential school supplies to help them prepare for the academic term, recognising the financial pressures many families face.

Together, these campaigns highlighted Vodacom Tanzania's commitment to going beyond connectivity, using our scale and presence to make a tangible difference in people's lives while reinforcing strong, lasting relationships with our customers.

Accelerating our 4G market share

Increasing our 4G market share and driving the uptake and penetration of 4G devices are key to delivering a better customer experience and supporting our broader ambitions to grow data users and data revenue.

- The number of smartphone users in our network grew by 31.5% year on year, and we recorded another year of strong 4G market share[1]. Smartphone penetration in Tanzania is 42.5%[2], highlighting the scale of the growth opportunities.
- We continued to drive smartphone adoption through open market activations, leveraging our significant retail footprint and sales partner network to expand access. This year, we introduced a digital tool for vendors offering real-time commission visibility, strengthening incentives and supporting increased uptake of our 4G devices. Our innovative device financing platform continued to improve smart device affordability, underpinned by flexible payment terms.

Personalisation through CVM and Big Data

Strengthening personalised segmented offers is essential for successfully navigating intense competition, as it enables us to deliver more relevant and distinctive experiences to our customers. Our ongoing progress in this area, driven by our advanced CVM platform and a strong commitment to customer-centricity, ensures we remain competitive and responsive to evolving market demands.

- The average number of days per month that a customer is active on our network increased by 1.8%, with more than 50% of our outgoing revenue generated through personalised offers – Just4You.
- We extended the application of our CVM platform to other business segments, in particular M-Pesa, to enhance product and service delivery in line with customer needs, wants and behaviours.

Driving digital services

The growing significance of digital and content services, including entertainment, music, education, agriculture, health and transport, has been instrumental in stimulating demand for data. By collaborating with prominent digital content providers, we have accelerated the adoption and monetisation of our offerings, reinforcing the essential role of digital solutions in expanding data usage.

- Our homegrown video-on-demand platform, VTV, continued to strengthen customer engagement by offering a growing mix of locally relevant Swahili content. We are focused on increasing awareness and positioning VTV as a compelling reason for customers to consume data and enjoy our digital services.

1 Statistics based on Facebook analytics reports.
2 TCRA Quarterly Report - March 2026.

Our Airtime Advance service plays a crucial role in promoting digital inclusion by ensuring people remain connected at all times, even when they run out of airtime or face temporary financial constraints. By allowing customers to access essential services through airtime credit and repay the loaned amount on their next recharge, we help bridge connectivity gaps. This vital service has experienced strong demand, with the value of airtime advanced increasing by 54.5 % and customer adoption rising by 42.2 % year on year. Its contribution to total customer recharges further expanded by 4.6pp, to exceed 20%.

CASE STUDY

Deeping our investment in youth empowerment by linking connectivity and opportunity

Vodacom Youth Base (VYB) is our dedicated digital platform for customers aged 15 to 28, designed to equip young people with the tools and skills needed to thrive in today's technology-driven economy.

Since launching in October 2024, the platform has grown to over five million active users. In addition to exclusive connectivity benefits, VYB provides access to digital literacy and vocational skills training, as well as learning and professional development programmes. To support this ambition, we sponsored 80 TVET graduates from the Don Bosco Vocational Training Centre this year.

Looking ahead, we have deepened this investment. Building on our partnership with Don Bosco, we announced extended support for 1 000 students annually across 16 training centres nationwide. This initiative supports hands-on training to prepare youth for the job market, strengthening pathways from skills development to sustainable livelihoods for young Tanzanians.

Read more about how we are empowering people through access to education on page 56

Delivering operational efficiencies

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

- We continued to build on our efforts to encourage customers to transition from scratch cards to electronic recharges, with a particular focus of growing adoption of recharges via M-Pesa. Ongoing in-depth analysis of customer behaviour and barriers to adoption has informed our targeted strategies, enhancing the effectiveness of initiatives. As a result, electronic recharges increased by 26.5%, making a substantial contribution to total customer recharges, and in the process reducing our usage of papers.
- We continued to enhance our automated and digitised commercial and operational processes, providing on-the-ground teams with real-time access to decision-critical information and automating traditionally time-consuming processes.
- We remained focused on enhancing our channel incentives, ensuring we remain competitive yet cost-efficient in rewarding our distribution partners. This supported a historic customer base growth of 5.1 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 diversification and brand differentiation. It also plays a significant role in promoting financial inclusion, empowerment and stimulating economic activity across Tanzania. In collaboration with our partners, we are driving growth in M-Pesa by scaling our digital financial service offerings and accelerating digital payment solutions.

Our FY2026 performance

- M-Pesa's revenue increased by 24.5% year on year. This strong performance was driven by 22.6% growth in monthly active M-Pesa customers and a more than 30% increase in the value and volume of total M-Pesa transactions, supporting higher average revenue per user.
- Alongside sustained interest in our core services of peer-to-peer payments and cash-in/cash-out transactions, our new growth areas experienced a solid performance.
- M-Pesa continues to lead Tanzania's mobile financial service sector, with a customer market share of 41.0%[1], up from 40.4%[1] in FY2025.

1 TCRA Quarterly Report - March 2026.

Value created | Value eroded | Value sustained

CASE STUDY

Modernising M-Pesa and setting a new benchmark for reliability, security and customer experience

This year, as part of our broader network modernisation programme, we invested in transitioning M-Pesa from its legacy system to a next-generation financial technology platform.

For customers, the modernised platform will deliver improved reliability, reduced service interruptions and enhanced security, with maintenance-related downtime reduced from hours to minutes, ensuring continuity of everyday transactions. For agents, merchants and enterprise partners, the upgrade will increase transaction capacity and enhance reporting and service transparency, supporting more efficient operations and improved customer service. The new platform will also enable faster rollout of new features across savings, credit, payments and enterprise solutions, strengthening M-Pesa's ability to innovate as the digital financial ecosystem evolves.

Looking ahead, this investment reinforces Vodacom Tanzania's role in advancing financial inclusion and supporting national digital transformation, underpinned by a scalable and future-ready technology backbone.

Read more about our network modernisation programme on page 50

Scaling our digital financial services

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

- Customers who used our savings, overdraft, insurance and short-term loan services grew by nearly 30%, and were close to three quarters of the total M-Pesa base, an expansion of 4.1pp.
- Our digital lending portfolio continued to perform strongly, with disbursements rising by 17.8% to TZS3.4 trillion. Businesses received half of this amount, giving small to medium-sized enterprises (SMEs) convenient access to highly needed short-term financing.
- M-Wekeza, our mobile-first investment platform, continued to gain traction. Offered in collaboration with Sanlam Allianz Investments Limited, the platform provides Tanzanians with easy and secure access to low-risk investment opportunities across various financial instruments. It offers an affordable entry point of just TZS1 000, with competitive returns alongside an option for instant fund withdrawals. Since launching in November 2024, the platform has gained thousands of customers, with total deposits received exceeding TZS370 billion.
- To drive adoption of our communal group savings product, M-Koba, and deliver long-term impact, we trained over 15 000 groups through our basic financial literacy programme, delivered in partnership with registered financial educators. As part of this initiative, our trained product ambassadors engage directly with community groups, building awareness on the importance of saving and investing. This approach is strengthening financial literacy and empowering customers to take greater control of their financial futures.
- M-Koba delivered solid growth this year, with value of deposits received increasing by over 80% and surpassing a trillion shillings. Importantly, over 60% of the value was transacted by women members, highlighting the acceptance and economic empowerment of this product. Offered in collaboration with Tanzania Commercial Bank, M-Koba provides customers with a highly secure and transparent way of managing group savings and serves more than 500 000 communal saving groups registered on the platform.

CASE STUDY

Revolutionising payments across Africa and beyond

M-Pesa is redefining the digital payment landscape through bold innovation and strategic partnerships.

This year, we expanded our **global payments** offering in partnership with a portfolio of leading strategic global payments partners, including Visa, Alipay, TerraPay and MTN Uganda. Our global payments solution enables customers to make international payments directly from their M-Pesa wallets, unlocking new trade corridors while addressing barriers such as high costs, slow processing times and limited access to international payment channels.

Building on this global capability, we launched Africa's first mobile money **Tap-to-Pay** feature in March 2026. This solution, available through the M-Pesa super-app, enables customers to make secure, contactless payments using their smartphones at any Visa-enabled point-of-sale terminal, both locally and internationally. Powered by partnerships with Visa and Paymentology, this innovation responds to evolving customer expectations for real-time, digital-first payment solutions while opening new opportunities for merchants and entrepreneurs to serve an increasingly cashless economy.

By bridging local and global payment systems and simplifying access to digital financial services, M-Pesa continues to transform how people pay while ensuring that no one is left behind in the digital economy.

Value created | Value eroded | Value sustained

Accelerating digital payment solutions

- Our M-Pesa super-app gained further traction, supported by increasing smartphone penetration and customer awareness. This year, we further strengthened its value as a one-stop digital platform by expanding to more than 40 mini-apps, giving our customers seamless access to a wide range of services, including government payments, travel bookings, international transactions, utilities and financial services such as insurance, loans, savings and investments.
- We continued advancing a cashless payment ecosystem through our merchant platform, Lipa Kwa Simu, supported by strong growth in our merchant base and increased customer adoption. Our merchant network expanded by 29.0%. More than five million customers used this payments solution during the year, an increase of nearly 20%. Total monthly payment value approached TZS2 trillion, representing a 45.3% increase year on year.
- We enhanced our merchant value proposition by introducing value-added services. We upgraded our business app, enabling M-Pesa merchants to access their transaction records for enhanced financial reporting and management. We further extended our M-Wekeza investment service to merchants, enabling them to earn daily interest on surplus funds invested, with the flexibility to invest and withdraw at any time. This addresses a key merchant need to optimise idle cash between inventory cycles. Since launch, more than 30 000 merchants have adopted the product, demonstrating strong demand for integrated financial solutions that support business growth and financial resilience.
- Revenue and transaction values increased across international money transfers and online payments. This year, the value of incoming international money transfers, which were received from more than 200 destinations, grew by more than 10%, while the value of online payments grew by more than 30%. This growth is a result of increased volume in global payments through expanded partnerships. We continue to explore new remittance partnerships to accelerate the expansion of inbound and outbound remittances, which are important for individual recipients and also a critical source of foreign currency for Tanzania.

CASE STUDY

Unlocking access to healthcare through digital financing

This year, M-Pesa partnered with Dawa Mkononi, **a platform supplying pharmaceutical products to more than 1 500 pharmacies, clinics and hospitals across the country** through a 'buy now, pay later' model, underpinned by an interest-free credit facility.

By integrating with M-Pesa's lending infrastructure and banking network, the solution enables healthcare providers to **access stock without upfront capital**, supporting more consistent inventory levels and improving access to essential medicines across communities. At the same time, this partnership is enabling Dawa Mkononi to scale its operations, expanding its reach and impact across the healthcare ecosystem. Since launching in January 2026, approximately **one billion shillings in financing** has been facilitated through M-Pesa, demonstrating strong early demand.

By expanding financial inclusion, strengthening access to critical healthcare services and supporting the growth of local innovation, this partnership exemplifies our continued commitment to connecting people for a better future.

Relentlessly pursue fixed

We believe there are significant commercial opportunities in fixed service, supported by low market penetration and strong potential for customer and revenue growth. To tap into these opportunities, we focus on 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 FY2026 performance

Growing customer market share and revenue

- During the year, we scaled our fixed fibre and fixed wireless offerings, increasing market share despite intensified competition. Our customer base grew by over 50%, primarily driven by strong fixed wireless demand, supporting revenue growth of 29.1% and demonstrating the successful monetisation of our fixed network investments.
- To deliver a better data experience for our customers, we rolled out 25 new 5G sites and 444 4G sites while expanding fibre transmission capacity – driving faster speeds and lower latency for our customers.
- We continued to streamline the customer onboarding experience by providing specialised product training to our frontliners, supporting more effective sales. Improving customer journeys and equipping our salesforce remains a key priority to drive customer satisfaction and retention.
- We scaled our SME digital offering through hosted, cloud-based solutions that remove the need for in-house infrastructure. This delivered over 50% revenue growth in the segment, highlighting the effectiveness of our strategy to drive efficiency, reduce costs and enable business expansion through digital innovation.
- Our strong performance this year was challenged by unsustainable price-based competition.

Extract wholesale value

We are actively pursuing opportunities to unlock wholesale value from our extensive asset base across network, fibre, cloud hosting and data centre co-location. By leveraging our strong customer support capabilities and competitive pricing, we aim to monetise these assets through strategic partnerships, including network sharing, data centre utilisation and collaborative fibre builds. This remains a long-term priority, with returns expected to materialise progressively over time.

Our FY2026 performance

- We continued leveraging our fixed bandwidth bulk capacity, expanding our customer base mainly by selling to internet service providers.
- We continued to offer roaming bundle options for customers travelling abroad, enabling more predictable and controlled spend while avoiding unexpected high roaming charges. Adoption of these bundles continues to grow, reflecting their convenience compared to traditional billing options, and supporting double-digit growth in roaming revenue.
- We continued exploring partnership opportunities in the wholesale business segment to support the expansion of fibre network and reselling opportunities. This remain a strategic focus that we will keep building on for the years ahead.

Innovate and lead enterprise

Vodacom Tanzania is the leading provider of communications and data services to the country's large enterprise, public sector and government markets. Leveraging our expertise, recognised service levels and brand reputation, our focus is on positioning Vodacom Tanzania as the digital partner of choice, providing solutions that address advanced technological business challenges, including sector-specific mobile, cloud and IoT solutions. Our enterprise business provides valuable opportunities for further revenue and customer growth while supporting Tanzania's broader digitalisation agenda in line with national development priorities.

Our FY2026 performance

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

- We continued to support the agricultural value chain through M-Kulima. This easy-to-use mobile and web-based platform provides more than 3.2 million small-scale farmers with access to digital payment solutions and agri-advisory services. In FY2026, a total of TZS22.7 billion was paid to farmers on the platform, facilitating its convenience and safety features.
- We piloted an agri-financing solution, providing farmers with accessible, short-term digital financing aligned to agricultural cycles. While still in its early stages, over 90 farmers have accessed financing, helping them improve productivity and manage seasonal cash flows. We plan to scale this product in FY2027 once the results for the pilot are concluded.
- We continued providing connectivity solutions to learners, schools and teachers across the country, with more than 8 000 schools and institutions of higher learning connected in FY2026, up from 5 000 last year.
- We work with key strategic partners in the health sector to connect healthcare and social care providers with digital tools and improved data access (page 58).

Read more in our separate annual ESG snapshot on our website

Leading in new service areas

- We continued making progress growing the uptake of our IoT and cloud and hosting solutions in Tanzania's large enterprise market.
- We have been working with government and stakeholders to pilot water smart metering, in supporting management of this critical resource. The objective is to build an end-to-end solution for water utilities to better monitor consumption and reduce non-revenue water losses. Developed with local partners, the platform integrates IoT metering, advanced analytics, secure connectivity, and digital management tools alongside innovative funding models. It is intended to enhance billing accuracy, strengthen revenue collection, improve operational visibility and support long-term water security.

Value created   Value eroded   Value sustained

Leveraging our brand position

We leverage our strong brand position to catalyse digital transformation, empower communities and shape a smarter, more connected nation.

As a key partner in delivering the ambitions of TDV 2050, we are committed to expanding access to connectivity, supporting inclusive growth and strengthening the country's digital ecosystem. This includes working closely with government and other stakeholders to ensure that technology drives innovation, improves quality of life and creates opportunities for all. We continue to deepen trust and engagement with our stakeholders by delivering on our purpose, expanding digital inclusion and investing in future-ready infrastructure.

Read more about our key relationships from page 34

Our FY2026 performance

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 59

Read more in our separate annual ESG snapshot on our website

Accelerating support to government

- We sustained our partnership with government to expand rural connectivity, supporting rollout in underserved areas. By year end, our footprint exceeded 2 300 rural sites, including 466 developed with UCSAF, aligned to the Digital Economy Strategic Framework 2024 – 2034.
- M Pesa continued to play a key role in supporting government collections across utilities, parking, penalties, levies and taxes, with over 900 government accounts on the platform. Payment value grew by nearly 24.6% year on year, alongside a 17.8% increase in volumes, highlighting M-Pesa's contribution to financial inclusion and national development priorities.
- Building on this momentum, we were appointed as the bus fare collection agent for the Dar es Salaam Rapid Transit system. Through this partnership, we have developed and implemented an end-to-end digital payments solution on the M-Pesa platform to support high-volume, efficient fare collection, contributing to the modernisation of public transport and enhancing convenience for thousands of passengers who commute in Dar es Salaam daily.
- We strengthened our partnership with government and development partners through initiatives such as Innovation Week Tanzania and the Future Ready Summit, hosted in collaboration with the United Nations Development Programme (UNDP) Tanzania and the Tanzania Commission for Science and Technology (COSTECH). These platforms promote digital skills, entrepreneurship and emerging technologies, contributing to Tanzania's broader digital transformation agenda.

Enhancing digital accessibility

- We maintained our support of Think Equal, Lead Smart in partnership with the CEO Roundtable of Tanzania. This programme empowers female entrepreneurs with financial literacy, digital skills and leadership training, helping them to address barriers that prevent them from achieving their full potential. This year, we collaborated with more than 700 women-owned SMEs across five districts.
- As this report outlines, we are investing significantly to enhance digital accessibility across Tanzania by expanding coverage, improving our network quality and driving smartphone penetration, including affordable smartphone access through device financing.

Read more on pages 50 to 51

Future proofing our network infrastructure

- As we celebrate 25 years of operation in Tanzania, we launched a US$100 million technology modernisation programme to upgrade our network infrastructure, enhance digital services and accelerate financial inclusion. This investment is critical to delivering on our purpose, strengthening our capacity to meet growing demand and providing a resilient, future-ready foundation for long-term growth.

Read more about our network modernisation programme on page 50

We maintained our leadership in terms of brand reputation and market share this year, reinforcing our position as a trusted provider of digital and connectivity services in Tanzania. We received multiple national and international awards, recognising our efforts to expand digital access, deliver high-quality communication and technology solutions and uphold strong standards of ethical business conduct.

32.3%[1]
customer market share
(up 0.3% year on year)

41.0%[1]
M-Pesa customer market share
(up 0.6% year on year)

Rated
1st
in Customer Headline NPS
(NPS leader in combined network performance, overall customer care and price perception)

1 TCRA Quarterly Report – March 2026.

Vodacom Tanzania's awards in FY2026

#1 Top Employer Tanzania 2026 for the ninth consecutive year (#1 since start of ranking two years ago)

Best Company in Occupational Safety and Health in the Telecommunication Industry, (Occupation Safety and Health Authority – OSHA)

CITIZEN Rising Woman – Woman of the Future Award 2026

Best Presented Financial Statements for 2025 in Trade and Distribution category (NBAA) for the sixth consecutive year

High performance team award 2025, Hilda Bujiku, Vodacom Tanzania (CFO East Africa)

Most Innovative Insurance Digital Platform issued by **Association of Tanzania Insurers (ATI)**

Customer-Focused Innovation award (Chartered Institute of Customer Management)

Mobile Telecommunication Sector award (Chartered Institute of Customer Management)

Third place: Telecommunication Exhibitor award at Sabasaba International Trade Fair (Tanzania Trade Development Authority Exhibition)

Best Telecommunication Exhibitor award at **Nanenane Farmers' day exhibitions** in Central Region

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 human interaction to enhance customer experience and deliver an inclusive, personalised, omnichannel digital solution that fosters trust and builds long-term loyalty.

26% customer issues resolved digitally

Over **70%** customer queries resolved within six hours

375 repetitive tasks automated since FY2023

Educational and promotional campaigns continued to drive digital adoption and a digital-first culture while digitised and automated processes further simplified the customer journey.

First-call resolution rates up **6%** year on year

tNPS[1] of **74%** and service level average above 87%

We advanced our Ask Once ambition by upskilling agents and strengthening digital support to resolve key customer pain points and address customer queries efficiently the first time.

Our FY2026 performance

Scaling digital care

- (Value created) Our chatbot TOBi is evolving into a sophisticated digital assistant that supports our strategy to shift customers towards self-service and digital touchpoints. During the year, we enhanced the customer experience by making interactions more intuitive, particularly on WhatsApp, where we introduced button-based navigation to improve accuracy and ease of use for customers. We continued to refine our self-care journeys, strengthening TOBi's ability to resolve common account and service-related queries before channelling remaining customer queries to call centre advisers. As a result, the volume of queries attended by TOBi grew this year, with our containment rate increasing from 70% in FY2025 to 77%.
- (Value sustained) Given Tanzania's relatively low internet and smartphone penetration, we continue to enhance our engagement channels for customers who access services via TOBi SMS chat. We have also integrated interactive voice response (IVR) with our chatbot to create a more seamless customer experience and promote self-service.

1 tNPS is a customer satisfaction metric measured immediately after a specific interaction (for example, a purchase or support call) to evaluate that touchpoint. Unlike general, periodic NPS, tNPS helps teams optimise processes and identify immediate pain points.

CASE STUDY

Listening leadership: staying connected with our customers

This year, our executive team conducted field visits across Tanzania, engaging directly with customers, communities and frontline teams. Each region is supported by a dedicated executive sponsor who provides mentorship and oversight and ensures that insights from the ground are fed back into the organisation to inform our strategic priorities. Through every conversation and interaction, we gain a deeper understanding of how we can better support the lives, businesses and aspirations of the communities we serve – keeping our customers at the heart of everything we do as we continue to innovate and deliver solutions that truly meet their needs.

Transforming the customer experience

- (Value created) Leveraging text-to-speech technology, we enhanced our IVR by introducing personalised interactions tailored to individual customer profiles. We further expanded our IVR self-service capabilities with a new feature that allows customers to access their M-Pesa balance and mini-statements via playback, enabling them to retrieve recent transaction information without the need to speak to a call centre adviser. These enhancements have improved customer convenience while reducing call centre volumes. While digitalisation remains a strategic priority, we recognise that some customers prefer to speak to a human agent. We therefore balance IVR innovation with accessible call centre support where required, such as removing IVR for High Value Customers.
- (Value created) This year, we launched a self-service portal for our business customers, introducing functionality such as invoice access and account management tools. This supports our ambition to empower customers while reducing reliance on our support staff. We will continue to enrich the platform in the year ahead, introducing additional features to further improve the customer experience.
- (Value created) We strengthened our customer insight capabilities by extending our tNPS surveys to our digital touchpoints, including IVR and the App. Additionally, we introduced Transactional Net Promotor Score (tNPS1), which measures customer sentiment across end-to-end journeys. This has expanded our ability to capture customer feedback and, as a result, we are able to identify pain points more quickly, improving the speed and responsiveness of our customer experience interventions.
- (Value sustained) Through our customer education platform, Ni Rahisi Tu, we continued to equip customers with data management tips, empowering them to better manage their spending and usage. We also expanded access to on-demand educational content through Vodatube, a repository of "how-to" videos. Usage of the platform grew by 26.5% year on year, with viewership exceeding 800 000.
- (Value created) We improved our use of AI and CVM technologies, underpinned by our customer-centric go-to-market processes to develop differentiated, highly personalised product offerings (page 40).
- (Value created) The quality of our customer service was recognised by the various external awards we received this year (page 47).

Inclusive care

In keeping with our commitment to inclusive service, we maintained our emphasis on supporting customers with hearing and mobility difficulties.

- (Value created) This year, we partnered with the Tanzania Association of the Deaf through targeted awareness and engagement sessions. These interactions enabled us to better understand the needs of customers with hearing and mobility challenges while promoting our channels and tailored support mechanisms.
- (Value sustained) We maintained access to a video sign language service at our call centres and trained retail staff in fundamental sign language skills within our stores.
- (Value created) We increased the availability of wheelchair ramps across our customer touchpoints, including Vodacom shops and service desks (around 97% of our store footprint), and continued installing priority desks for people with disabilities in our retail stores.

Creating expert agents

In line with our ongoing commitment to a customer-centric approach throughout the company, we have advanced the transition of our frontline staff from traditional agents to skilled advisers. Our objective is to deliver knowledgeable and confident assistance to customers navigating an increasingly digital landscape. This includes support for products requiring specific expertise, such as financial services in M-Pesa and fixed data connectivity services. This shift has been essential in fostering our Ask Once culture and increasing the rate of queries resolved on the first call.

CASE STUDY

From agents to advisers: bringing our Ask Once ambition to life

This year, our focus was on empowering our frontline teams through enhanced training, coaching and access to better tools. We introduced a data usage support tool, which provides greater transparency on customer data usage within strict customer data privacy requirements, allowing advisers to clearly explain charges and resolve queries in a single interaction. We also simplified common customer challenges, including the PIN reset process, by reducing complexity and introducing self-service options. We will continue to train and equip our frontliners in transiting and enhancing their capabilities as advisers in the years ahead, supported by new customer experience management tools that will enable us to resolve queries more effectively.

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.

CASE STUDY

Enabling a more connected future for the next 25 years and beyond

To mark 25 years in operation, we launched a US$100 million technology modernisation programme aimed at upgrading our network infrastructure, improving digital services and accelerating financial inclusion. The programme will be rolled out over two years, with the first phase of the planned sites for modernisation completed in FY2026. This programme contributed to a significant 85.1% year-on-year increase in capital expenditure to reach TZS323.9[1] billion.

This year, we upgraded our radio access network equipment across thousands of sites, including investing in multi-band radio technology that enables us to use spectrum more efficiently while reducing our physical infrastructure requirements. The upgrade also prioritised energy efficiency, reducing power consumption while improving network performance and coverage.

We deployed cutting-edge enhancements in our IT infrastructure, including the voucher management and customer charging systems. We also initiated a strategic investment in M-Pesa, transitioning from a legacy system to a next-generation financial technology platform built for scale, resilience and innovation. We further invested in 5G standalone functionality, including a dedicated 5G core network, supporting higher data speeds, lower latency and better network capacity. In the year, we rolled out 25 new 5G sites.

Our investments have expanded access to connectivity, elevated service quality and accelerated digital inclusion for customers and communities in urban and rural areas across the country, opening opportunities for more Tanzanians to participate in the global digital economy. This aligns with Tanzania's broader digital transformation roadmap and the government's ambition to expand connectivity as a key driver of economic growth.

Our FY2026 performance

Investing in infrastructure to expand capacity, coverage and resilience

- We have a resilient nationwide data network, with 4G coverage across the country and 5G in strategic locations. This year, we added 25 new 5G sites and 444 additional 4G sites. We increased our 4G reach to 76.3% of the country's population, up from 72.5% last year, supported by 3G reach of around 84% of the population[2]. We added several 2G sites, including 44 sites through the UCSAF programme, bringing our 2G coverage to 95.3% of Tanzania's population[1]. We also extended our fibre network infrastructure through the National ICT broadband backbone.
- This year, we participated in the TCRA spectrum auction for blocks within the 3 600MHz to 3 800MHz band. We successfully acquired one block of 50MHz in the 3700MHz (TDD) spectrum band for TZS49.8[3] billion. This substantial investment will support our future network expansion plans, including advancing superior fixed fibre and fixed wireless access connectivity solutions.
- In August 2025, Vodacom Group announced a strategic infrastructure sharing agreement with Airtel Africa across Mozambique, Tanzania and the Democratic Republic of Congo. The agreement aims to accelerate network expansion, improve coverage and drive cost efficiencies. We are exploring local opportunities for cooperation around site and fibre infrastructure sharing.
- Our ongoing commitment to investing in a robust network contributed to strong results across key metrics, such as network availability, dropped call rates, accessibility and data speeds, helping us maintain our overall network NPS leadership. Some gains from our investment this year included double-digit traffic growth for both data and voice; energy efficiency in modernised sites; a significant reduction in reliance on diesel generator power at one of our main data centres; and IT systems processing capacity enhancements, including the M-Pesa platform and customer charging system.
- The growing use of AI-driven predictive maintenance and advanced data analytics is reshaping how network performance and reliability are managed. We are evaluating the adoption of these technologies to proactively prevent equipment failures and improve operational efficiency. In parallel, we are prioritising the upskilling and reskilling of our teams to ensure we have the capabilities required to leverage AI and Big Data effectively.

Strengthening cyber security and maintaining customer privacy

- We are consistently upgrading and refining our cyber security measures to guarantee that customers can use our services safely, dependably and free of cyber disruptions. For the sixth year in a row, we have maintained our leading position within Vodafone Group Plc for both the implementation and effectiveness of fundamental cyber security controls.
- We identify and address potential vulnerabilities through our Bug Bounty programme, rewarding ethical hackers for discovering and reporting critical vulnerabilities in 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.

Read more about our efforts to educate and empower our customers about fraud on page 58

1 Excluding spend on mergers and acquisitions, spectrum and movement in capital creditors.
2 All assessments of population reach are based on Vodacom Tanzania internal estimates.
3 Spectrum purchase does not form part of the CAPEX reported.

Value created | Value eroded | Value sustained

CASE STUDY

Ensuring a safe, secure and resilient digital future for all

We continued to strengthen our role in advancing cyber security as an enabler of sustainable digital growth. This year, we showcased live ethical hacking through our Bug Bounty programme at the inaugural Future Ready Summit during Innovation Week Tanzania, driving dialogue on digital transformation and engaging emerging cyber security talent. We also expanded our Cyber Security Club initiative beyond the University of Dar es Salaam to other institutions, helping to build critical skills and raise awareness among students and young professionals. The club participated in the TCRA Cyber Champion Competition, gaining valuable exposure to national-level challenges. In parallel, we continued to engage with government ICT forums, contributing to the development of national frameworks.

Reducing our environmental impact and securing operational efficiencies

As part of a Vodafone Group-wide commitment to be a net zero operator in its own operations by FY2035, we invest in projects to support this course across our operations.

- We work with our network providers to accelerate grid connectivity and reduce our reliance on diesel generators. This year, 169 sites previously using diesel power were connected to the grid.
- We leased two electric vehicles and installed dedicated charging stations at the Vodacom Tanzania head office as part of a pilot programme. This initiative will help us make better decisions about our future fleet options.
- We are using less power in our modernised sites and less diesel following power connectivity upgrades at the Kwale data centre.
- We realised an annual saving of 114.7MWh in electricity consumption (a total energy saving of 18 333.5MWh including diesel usage), and a reduction of 4 609.7tCO_2e through our energy-efficient projects this year.
- We maintained our ISO 50001 certification in energy management.

CASE STUDY

Protecting the planet through greener technology

This year, we strengthened the resilience of our core infrastructure by upgrading power connectivity at one of our main data centres, moving from a shared 11kVA supply to a near-dedicated 33kVA power line. The upgrade has significantly improved power stability, enabling a nearly 90% reduction in diesel generator usage at the data centre and significantly lowering fuel consumption. This drove meaningful cost savings and reduced our environmental footprint. We remain committed to connecting at least one of our data centres to renewable energy sources in the near future.

In collaboration with our strategic partners, we successfully deployed Africa's first commercial EcoMatrix site in Tanzania in March 2026. The EcoMatrix solution introduces a simplified, highly integrated site architecture designed to improve coverage and user experience while substantially reducing energy consumption. Following the site upgrade, network tests confirmed a significant improvement in downlink user experience alongside a reduction in energy usage compared to legacy equipment. We will explore the expanded use of this technology in our network.

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 an agile and innovative customer-first culture.

This year, the Top Employers Institute recognised Vodacom Tanzania as a Top Employer for the **ninth** consecutive year, ranking us the number one Top Employer in Tanzania for the second year in a row following the introduction of national rankings.

We achieved **14** consecutive years of zero work-related fatalities across our employees and partners – a unique achievement across the industry in the country.

Our Team Spirit scores were the **highest** across Vodacom and the Vodafone group. This is our **sixth** year with leading scores, reaffirming our success in fostering the Vodacom culture and Spirit behaviours among all our employees.

CASE STUDY

Accelerating our talent revolution in a rapidly evolving, technology-driven world

Vodacom Tanzania is a talent hub within the Vodacom and Vodafone groups, underpinned by our strong and growing emphasis on finding, mobilising and coaching the right talent to build a future-ready digital tech company.

We continued to invest in reskilling and upskilling our workforce, with all employees participating in online and offline training sessions during the year. Significantly, average learning hours per employee increased from 61.1 in FY2025 to 86.5 this year, with a strong focus on critical future skills such as cloud computing, data analysis, Robotic Process Automation and Big Data, alongside a strategic emphasis on building AI capability and enablement.

Through initiatives such as our Fintech Academy and dedicated technology career pathway, we are taking a structured approach to developing future talent and building advanced technical skills to support our digital transformation. More than 600 employees across all levels participated in these initiatives during FY2026. At the same time, we are embedding AI across our operations, from recruitment and workforce management to automation, analytics and customer engagement, driving efficiency and enabling new ways of working.

Our focus on talent revolution is delivering tangible benefits, strengthening in-house capabilities in areas such as IT modernisation and product development, particularly within our market-leading M-Pesa platform. This is enabling us to deliver more innovative, accessible and relevant solutions that support financial inclusion while driving customer and revenue growth.

Our employees are also increasingly benefiting from global career development opportunities across the Vodacom and Vodafone markets with 12 talents exported to our sister companies. This reflects the growing demand for the skills being developed within Vodacom Tanzania. Talent mobility creates a mutually reinforcing cycle, exporting expertise while bringing back enhanced skills, diverse experience and new perspectives that further strengthen our local capabilities.

As competition for scarce digital talent intensifies, we remain focused on strengthening our employee value proposition and fostering a high-performance culture where our people can belong, grow and thrive – ensuring we continue to attract, develop and retain the talent needed to power our future growth.

Our FY2026 performance

Our workforce performance indicators	Unit	FY2026	FY2025	FY2024	FY2023	FY2022
Number of full-time employees	Number	**653**	623	607	581	560
Female in ExCo	%	**50.0**	41.7	38.5	38.5	38.5
Women in management and senior leadership roles	%	**45.7**	47.1	46.7	43.8	40.0
Female employees	%	**38.0**	38.7	38.1	37.5	37.3
Local (Tanzanians) % in ExCo	%	**91.7**	91.7	84.6	84.6	84.6
Total training spend	(TZS billion)	**1.7**	1.9	1.7	0.3	0.2
Employee turnover[1]	%	**4.3**	5.1	6.4	6.0	10.5

Diverse talent and future-ready skills

We foster a diverse and future-focused workforce, prioritising youth development.

- Through our flagship Code Like a Girl programme, we continued to actively support young women and girls in pursuing ICT and STEM subjects. In FY2026, we provided training to over 700 girls including 46 with physical disabilities. This increased the cumulative number of participants since FY2019 to more than 3 700, as we continue to empower female and increase their representation within the technology sector.
- In collaboration with Rotary International, our bursary programme enabled 10 STEM students to pursue university education.
- Our annual Discover Graduate programme enrolled 16 graduates this year. Since FY2019, we have permanently placed 102 graduates at Vodacom Tanzania, achieving an average absorption rate of 77%.
- Thirteen employees were awarded bursaries to undertake postgraduate degrees.

We support Vodacom Group's TechStart programme, aimed at upskilling 1 million African youth by 2027. Delivered in collaboration with Amazon Web Services, Microsoft, Skillsoft and other partners, the programme provides young people (aged 18 to 35) with access to a free digital skills hub offering training in cloud fundamentals, AI and machine learning. In FY2026, 3 810 youth were trained via the hub. To expand access and awareness, we partnered with higher education institutions and onboarded 90 student ambassadors. We will continue to scale the hub in the year ahead as we accelerate progress towards our goal of upskilling 30 000 young Tanzanians by 2027.

We are making progress in our commitment to develop skills, promoting gender equality and strengthening succession planning.

- In FY2026, we sponsored 18 employees to join the Female Future Leaders programme, which was conducted in collaboration with the Association of Tanzania Employers.
- Our internal talent pipeline was further enhanced with 50% of management promotions awarded to women.
- At the year end, women represented 45.7% of our directors and heads of division – 1.4pp down following exits to other markets and resignations. Additionally, Tanzanian nationals accounted for 91.7% of our EXCO membership.

Agile and efficient operating model

We continually focus on reviewing and evolving operating models for our different business units to ensure they remain agile and responsive in a rapidly changing digital economy, supporting revenue diversification and long-term growth.

Spirit, culture transformation and engagement

We remain committed to embedding the Spirit of Vodacom across our operations, deepening our Spirit Culture while fostering a high-performance, agile, innovative and inclusive organisational culture. These attributes are critical to accelerating our transformation from a Telco to a future-ready TechCo.

We focus on enhancing our employee value proposition through empathetic and inclusive policies. Building on last year's introduction of affordable, preferential health insurance cover for employees' parents, uptake has more than doubled year on year, reflecting strong demand and impact. In the year, we expanded our support by introducing enhanced life insurance benefits for employees' spouses, providing financial protection and support in times of loss including education and funeral benefits.

Our Women's Network Forum and Vodacom Men's Forum continued to provide valuable platforms for employees to connect and engage on issues that matter to them. Beyond social engagement, these forums address important topics such as health and well-being, lifestyle challenges and financial literacy. Looking ahead, we plan to partner with recognised institutions, enabling employees to pursue accredited courses in a more accessible and flexible way, supporting their ongoing growth and development.

Health, safety and well-being

Our Stop Work Authority safety programme encourages employees to report unsafe conditions without fear. We extended this programme to our suppliers in FY2026, reinforcing our commitment to ensuring that everyone returns home safely every day.

During FY2026, we further enhanced our digital safety solutions to strengthen control over high-risk activities and promote near-miss reporting. This is supported by ongoing management engagement, including quarterly site visits to embed a strong culture of visible, felt leadership. During the year, we also introduced smart telematics in our fleet, enabling real-time monitoring of driver behaviour to proactively manage risk and prevent accidents before they happen.

We maintained our commitment to fostering a healthy workforce by implementing various initiatives aimed at promoting physical fitness and a balanced work-life.

- To ensure employees had ample opportunity to spend quality time with their families, we introduced several mandatory leave days throughout the year.
- During periods of political unrest, we enabled staff to work remotely for their safety and convenience.
- Continuing our tradition, October was designated as wellbeing month, featuring multiple physical exercise sessions and health and lifestyle talks for employees.
- We still allow our employees to practise hybrid working model.

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

Our purpose-driven performance

Vodacom exists to connect for a better future. 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, 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 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 Development Vision (TDV) 2050 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 and Vodacom Group ESG report accessible at **https://www.vodacom.com/integrated-reports.php**

Empowering people

We aim to close the digital divide and help people benefit from a digital world. Empowering people to participate in the digital economy is critical to achieving this, supported by equal access to the opportunities provided by connectivity.

Our FY2026 performance

Closing the digital divide

We invest in network infrastructure to deliver high-quality coverage and services, extending our network to rural areas and supporting access through affordable connectivity, devices and platforms.

26 493
people accessed affordable device financing
(FY2025: 61 319)

Over
11 million
smartphones on our network
(FY2025: 8.7 million)

5.3 million
youth had access to discounted data bundles
(FY2025: 3.6 million)

Read more about how we are expanding coverage (page 50), increasing smartphone ownership (page 42) and addressing digital gaps (page 50)

Read more about how we are closing the digital divide in our annual ESG snapshot on our website

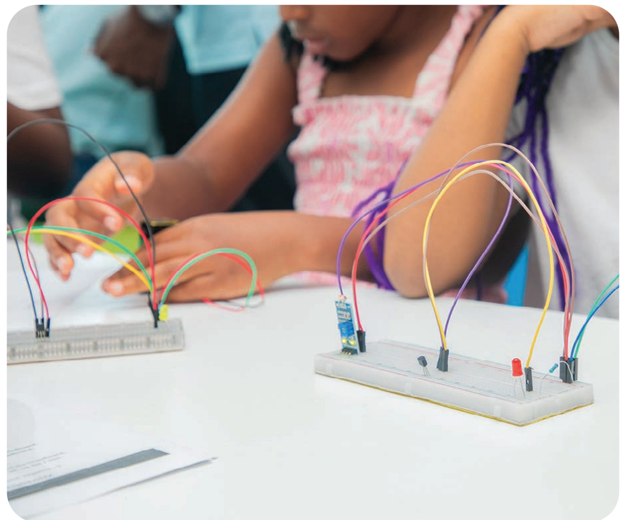
Empowering our customers

We provide products and services that support financial inclusion and improve productivity and efficiency across SMEs, large enterprises and the public sector while considering their wider impact on individuals, communities and the planet.

14.1 million
financial inclusion customers
(FY2025: 11.5 million)

TZS1.4 trillion
in cross-border network transactions
(FY2025: TZS1.3 trillion)

TZS201.6 billion
through our Airtime Advance service, benefitting nearly 12 million customers
(FY2025: TZS130.5 billion)



CASE STUDY

Strengthening Tanzania's innovation ecosystem

Through our Digital Accelerator programme, we are strengthening Tanzania's innovation ecosystem by supporting early-stage technology start-ups addressing real-world challenges. This year, we concluded the fourth season, supporting 20 startups with mentorship, technology capabilities, strategic networks and global exposure, with top performers receiving grant funding to scale their solutions. Delivered in collaboration with partners including MassChallenge, Huawei, UNDP Tanzania and COSTECH, the programme forms part of a broader ecosystem approach, connecting startups to opportunities, resources and markets.

Read more about how we are delivering platforms for financial inclusion, supporting SMEs to thrive in a digital world (page 42 to 44) and digitalising larger organisations and critical sectors (page 46)

Read more about how we are empowering our customers in our annual ESG snapshot on our website

Supporting communities

We provide products and services to address specific societal challenges such as access to education, empowering people with disabilities and gender-based violence.

3 540
schools and higher education institutions connected at a value of TZS2.8 billion
(FY2025: 1 181 at a value of TZS0.7 billion))

2.9 million
Vodacom Tanzania Foundation beneficiaries
(FY2025: 1.1 million)

97%
of our stores and service desks equipped with wheelchair access and priority service desks
(FY2025: 89%)

Read more about how we are empowering people with disabilities on page 49

Read more about how we are supporting communities in our annual ESG snapshot on our website

Developing our employees

We are committed to developing a diverse and inclusive workforce that reflects the customers and societies we serve.

TZS95 billion
spent on employees, including on salaries, training and skills development
(FY2025: TZS90 billion)

45.7%
female representation in management and senior leadership roles
(FY2025: 47.1%)

Team Spirit scores:
Team engagement at
98%
and the Manager Effectiveness Index
94%
– among the highest across the Vodacom and Vodafone groups

Read more about how we are fostering workplace equality, developing employee skills and living the Spirit of Vodacom (page 53)

Read more about how we are developing our employees in our annual ESG snapshot on our website

CASE STUDY

Enabling education outcomes across the learning ecosystem

Education is a critical enabler of long-term social and economic development, and the Vodacom Tanzania Foundation has committed to allocate resources for advancing education, underpinned by strong public-private collaboration. Importantly, we are adopting a holistic, ecosystem-wide approach, spanning early childhood development through to youth employability.

In partnership with the **Tanzania Institute of Education**, we will work to equip 120 Teachers' resource centres in 14 regions across Tanzania, with ICT tools and reliable internet connectivity to support the government's teacher continuous professional development (TCPD) programme, known as Mewaka. This includes zero-rating access to the TCPD learning management system, removing barriers for over 300 000 teachers nationwide. An initial assessment undertaken indicates that more than 120 000 teachers have accessed the platform in FY2026, for which we expect a corresponding performance improvement in supported schools.

Through our partnership with **Twaweza East Africa**, we are also supporting the expansion of the KiuFunza Pay-by-Skill programme, which incentivises grade 1 to 3 teachers to improve literacy and numeracy outcomes. The programme will be implemented in 865 schools, reaching more than 360 000 early primary learners. The initial progress report indicates that schools involved in the program achieved improvements in reading and numeracy by 21% and 18% respectively.

We have further partnered with the **Raoma Foundation** to launch 'Somo', a digital education platform designed to expand access to quality learning through technology. The platform will enable teachers to deliver lessons across multiple locations simultaneously, helping to bridge geographical barriers and address teacher shortages.

To support the government's focus on ICT skills within the national curriculum, we continued to scale our DigiTruck programme in collaboration with **Huawei**. This solar-powered mobile classroom has reached over 9000 learners across more than 20 regions since October 2024, with girls accounting for 48% of participants, helping to build foundational digital skills among young people. We are scaling this program and renewing this partnership for three years.

Finally, through our partnership with the **Don Bosco Vocational Training Centre**, we sponsored 80 students in technical and vocational education who graduated in November 2025, equipping them with practical, industry-relevant skills. Building on this success, we have expanded our support to reach 1 000 students annually across 16 training centres nationwide.

Through these partnerships, we are helping to strengthen education outcomes in Tanzania, empowering teachers, supporting learners and enabling communities to connect for a better future.

Protecting the planet

We want to help protect the planet and enable our customers to do the same. With efforts focused on sustainable approaches to managing impact areas and collaboration with our customers, communities and partners to broaden our impact, we strive to continuously strengthen our environmental sustainability approach.

Our FY2026 performance

Responding to climate change

Read more about how we are executing our climate programme and advocating for change in our annual ESG snapshot on our website and Vodacom Group ESG report accessible at **https://www.vodacom.com/integrated-reports.php**

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

We are rolling out energy efficiency practices and technologies to reduce GHG emissions.

Nearly
90%
reduction in diesel generator running hours at Kwale Data centre; 18 219 MWh energy saved
(FY2025: 2 861 MWh)

Read more about how we are driving energy efficiencies, switching to renewables and exploring options for alternative energy sources from page 51

Read more how we are delivering net zero operations in our annual ESG snapshot on our website

Managing scope 3 GHG emissions

We engage with suppliers and customers to promote better climate practices and cut GHG emissions.

Read more about how we are working with partners to reduce scope 3 GHG emissions in our annual ESG snapshot on our website

Driving circularity

We adopt a circular approach to resource utilisation and support customers to make more sustainable choices.

52.0 tonnes
tonnes of plastic avoided through the conversion to half-sized SIM cards
(FY2025: 34 tonnes)

Read more about how we are fostering the circularity of network waste and devices and managing operational waste in our annual ESG snapshot on our website

Supporting biodiversity

We strive to understand and reduce our biodiversity impacts while harnessing technologies to protect nature.

As part of the Twende Butiama Cycling Tour, we helped plant
96 199
trees
(FY2025: 55 000 trees)

Read more about how we are enabling biodiversity protection in our annual ESG snapshot on our website

Introduction | Our governance | Our business | Our strategic performance | Our purpose-driven performance | Our financial performance | Consolidated annual financial statements | Notice of annual general meeting | Additional information

CASE STUDY

Nature, technology and community in action: Vodacom Tanzania's biodiversity journey

Tanzania is a global biodiversity hotspot, known for its species richness and endemic plants and animals, but increasingly under pressure from habitat loss, urban development and poaching.

At Vodacom Tanzania, we believe that safeguarding the country's natural resources is integral to building a sustainable future. As part of our broader environmental efforts, we planted 80 000 indigenous trees in the Kahe 2 Forest on Mount Kilimanjaro through the **Kilimanjaro Ecosystem Restoration Initiative**, supporting biodiversity restoration, protecting vital water catchments and strengthening climate resilience. This milestone was achieved through the Twende Butiama Cycling Tour, an initiative we proudly support that brings communities together around health, education and environmental stewardship.

We also supported the **Kijani Pamoja Biodiversity Initiative** by enabling access to the MyFarmTrees application. This AI-enabled platform monitors and promotes tree survival while incentivising community-led conservation, strengthening long-term engagement and enhancing restoration efforts in the Pangani basin, a critical water source for over six million people.

Beyond environmental impact, the **Twende Butiama Cycling Tour** supports public schools and promotes financial inclusion. In partnership with Stanbic Bank, we improved accessibility for learners with disabilities through assistive devices, accessible infrastructure and upgraded facilities.

The campaign also expanded access to healthcare, with over two million community members reached through the Non-Communicable Disease campaign awareness, school trainings on hygiene and consultations for mental health. As a result of this effort, 3 557 people consulted were referred to regional hospitals for further medical attention. Looking ahead, we are exploring the introduction of minor surgical procedures to further extend healthcare access in underserved communities. A pilot, pending approval from the partner hospital, will assess feasibility, safety and community impact before potential scale-up.

Maintaining trust

We aim to maintain and enhance trust through responsible business practices. Supported by our policies and procedures, we embed an ethical culture in everything we do, ensuring our approach to success remains grounded in integrity.

Our FY2026 performance

Doing business ethically

We are committed to business integrity wherever we operate.

Zero
anti-competition and anti-money laundering fines
(FY2025: Zero)

Read more about how we promote ethical conduct and comply with policies and controls on page 32

Protecting privacy and data

We understand that customers trust us to handle their data responsibly, as they rely on our networks to communicate and share information.

Maintained our
ISO 27001
certification for data security

Read more about how we manage data privacy and cyber security on page 50

Read more about how we are protecting privacy and data in our annual ESG snapshot on our website

CASE STUDY

Connecting and protecting our customers

This year, we continued amplifying our efforts to educate and empower our customers to combat fraud. We utilised SMS alerts, workshops and training programmes to strengthen digital security literacy. We also ran fraud awareness campaigns across Instagram, Facebook and X reaching 133 722 people. Alongside the online initiative, our targeted outreach in identified fraud hotspots in the country, conducted in partnership with government, reached another 9 700 individuals (FY2025: 2 200 people). At the same time, we enhanced our detection capabilities using machine learning to identify and prevent fraudulent activity, supported by geographically targeted controls in high-risk areas. We will continue to scale our efforts in the year ahead as mobile and internet usage grows, reinforcing the importance of data protection and digital security in Tanzania's expanding digital economy.

CASE STUDY

Collaborating with the Tanzania Police Force to increase cyber security

Our previous manual process for handling law enforcement agency data requests had risks of privacy breaches, data leakage and delays. To address this, we co-developed a digital law enforcement assistance system that fully digitises the workflow, reducing response times which sometimes was several days, to less than half an hour. The system strengthened our privacy controls and accountability while reducing the administrative burden of manual processing. Following its success, the Director of Criminal Investigation under the Ministry of Home Affairs requested that all the telcos in Tanzanian to adopt the same approach. We are seeing growing interest from organisations across the country to learn from and adopt this Vodacom-developed solution, with adoption momentum now extending beyond our organisation.

Protecting people

We prioritise the health, safety and human rights of our employees, contractors, suppliers and communities.

14
consecutive years of zero fatalities

Read more about how we promote employee health, safety and well-being on page 52 to 53

Promoting responsible and inclusive procurement

We aim to ensure integrity in our supply chain processes by identifying and managing risks.

Over 70%
of our annual procurement spend was significantly invested in local suppliers
(FY2025: 77.0% of spend)

Read more about how we are promoting responsible and inclusive procurement on page 4

Sustainability KPIs

	Unit	Mar-26	Mar-25	Mar-24	Mar-23	Mar-22
Number of full-time employees	Number	**653**	623	607	581	560
Number of full-time women employees	Number	**248**	241	231	218	209
Women in ExCo	%	**50.0**	41.7	38.5	38.5	38.5
Women in management and senior leadership roles	%	**45.7**	47.1	46.7	43.8	40.0
Women employees	%	**38.0**	38.7	38.1	37.5	37.3
Total spend on employees	(TZS bn)	**94.7**	90.4	74.7	65.2	63.8
Total training spend	(TZS bn)	**1.7**	1.9	1.7	0.3	0.2
Work related fatalities	Number	**Zero**	Zero	Zero	Zero	Zero
Customer Net Promoter Score (NPS)	Position	**1st**	1st	1st	1st	1st
Employees Engagement Index score	%	**94**	96	94	93	85
Customer base (90 days)*	Number ('000)	**27 695**	22 642	19 563	16 735	15 368
Capital expenditure investment	(TZS bn)	**323.9**	175.0	170.1	156.0	174.0
Total tax and levies paid to government	(TZS bn)	**848.1**	621.3	522.6	530.0	516.9
Airtime advance to customers	(TZS bn)	**201.6**	131.1	101.7	87.8	68.4
Total value transacted in M-Pesa	(TZS tn)	**174.6**	129.9	97.1	70.4	61.9
Rural sites (UCSAF)	Number	**466**	422	313	302	283
% Customers in rural sites[1]	%	**53.8**	52.9	45.9	45.9	45.7
Paper usage avoided by focusing on electronic recharges[2]	Tonnes	**255**	242	214	172	134
Plastic usage avoided by using small size SIM cards[3]	Tonnes	**52**	34	28	33	21

* All the customer related numbers are based on Vodafone Group's definition of an active customer.
1. The percentage of customers at rural sites in previous years may be restated to align with the current site classification, reflecting changes in locality definitions over time.
2. Estimated by assuming a full substitution of electronic recharges with paper vouchers, using the actual voucher recharge mix recorded during the period.
3. Prior year numbers were reinstated in FY2025 to align with Group methodology.

Finance Director's review

HILDA BUJIKU

Dear stakeholders,

Vodacom Tanzania's 2026 financial performance reflects our commitment to driving resilience and sustainable growth through disciplined strategy.

FY2026 was a defining year for Vodacom Tanzania, as we marked our 25 years of service in the country. This year, we embarked on a two-year US$100 million radio access network modernisation programme. It is one of the largest infrastructure investments in the company's history, designed to transform connectivity, elevate service quality and accelerate digital inclusion across Tanzania.

During the year, our investment decisions remained guided by a disciplined capital allocation philosophy, balancing short-term trade-offs with long-term sustainable growth. Robust financial controls supported strong performance, with underlying profit after tax reaching TZS204.1 billion – up 125%. The underlying performance excludes the temporary cost associated with network modernisation. This growth was driven by solid service revenue and cost initiatives that delivered savings of more than TZS90 billion.

Our key focus areas	Key FY2026 achievements
Disciplined capital allocation to support long-term growth and the execution of our purpose	• Invested **TZS323.9** billion in CAPEX, up **85.1%** year on year, equivalent to intensity of 17.2% • Completed year one of our two-year modernisation programme, impacting FY2026 earnings but strengthening long-term cash generation, returns and shareholder value • **25** new 5G sites, **444** new 4G sites • Data traffic growth of **25.7%** with 4G network carrying more than 80% of total traffic • Acquired a **50MHz** block of spectrum in the 3 700MHz (TDD) band at a cost of TZS49.8 billion
Value creation across our key business growth drivers	• Service revenue increased **21.8%** to **TZS1 847** billion, supported by solid performance in our key growth drivers • M-Pesa growth at **24.5%** and mobile data growth of **29.5%** • Expanding revenue diversification, with the contribution from beyond mobile services[1] to total service revenue expanding by 1.0pp to **46.1%**
Optimising our operations to support profitability and cash generation	• Cost transformation initiatives delivered more than **TZS90 billion** savings • EBITDA growth of **38.8%** to **TZS684.9** billion, with a margin expansion of 4.3pp to 36.4% • Operating free cash flow of **TZS248.0** billion (FY2025: TZS206.9 billion) • Net profit after tax of **TZS107.1** billion, up 18.4% YoY
Upgrading our growth outlook	• Medium-term growth target upgraded from 'high-single-digit to early-double-digit' to 'early-double-digit' service revenue growth
Stable dividend pay-out ratio	• Recommended annual dividend of **TZS53.6** billion (FY2025: TZS45.3 billion)

1 Beyond mobile revenue include total M-Pesa revenue, fixed, digital and IoT.

Summary financial information

We are committed to employing our financial capital within a disciplined framework to deliver sustainable growth. Ultimately, this enhances customer experience and shareholder returns.

TZS m	2026	2025	% Change
Service revenue	**1 846 742**	1 515 987	21.8
Revenue	**1 879 163**	1 539 360	22.1
EBITDA	**684 943**	493 596	38.8
Operating profit	**259 083**	208 177	24.5
Net profit after tax	**107 131**	90 511	18.4
Earnings per share ('EPS') (shillings)	**47.75**	40.37	18.3
Contribution margin (%)	**69.1**	67.6	+1.5ppts
EBITDA margin (%)	**36.4**	32.1	+4.3ppts
Operating profit margin (%)	**13.8**	13.5	+0.3ppts
Net profit margin (%)	**5.7**	5.9	(0.2)ppts

Disciplined capital allocation to support long-term growth and the execution of our purpose

We invested **TZS323.9 billion in capital expenditure** during the year – an 85.1% increase year on year – equivalent to 17.2% of revenue. We directed this spend towards a number of elements in our network and IT infrastructure, including the modernisation of our radio access network across thousands of sites. We modernised our IT infrastructure including M-Pesa platform – supporting the growth ambitions in transaction processing capacity and quality of service. In line with our reporting guidelines, reported CAPEX excludes TZS49.8 billion relating to the acquisition cost of a 50MHz block of spectrum in the 3 700MHz (TDD) band made during the year.

These investment decisions required **deliberate trade-offs**. We prioritised modernisation over geographic expansion, including rural and peri-urban coverage. This decision may impact near-term customer acquisition opportunities and resulted in a short-term increase in operating costs, as well as an accelerated depreciation charge from replaced equipment. Despite these temporary incremental costs, profit after tax increased by 18.4% year on year, from TZS90.5 billion in FY2025 to TZS107.1 billion in FY2026, showcasing the resilience of our business strategy. Excluding these modernisation-related costs, underlying net profit after tax grew by 125.5% to TZS204.1 billion.

While these investments put pressure on short-term earnings, they are critical to **protecting long-term returns and cash generation**. Upgrading our radio access network enables us to utilise our spectrum holdings effectively, improve customer experience and broaden the reach of our 4G and 5G technologies, providing a solid foundation for long-term business performance. Transitioning M-Pesa from its constrained legacy system to a next-generation financial technology platform enables us to securely and reliably meet the accelerating demand for innovative and seamless digital financial services. Collectively, these initiatives strengthen our competitive position and signal our strategic intent to position Vodacom Tanzania as a backbone of the national digital ecosystem, **enabling connectivity and financial inclusion within a connected community**.

Importantly, **capital allocation remained disciplined**, with investments evaluated against defined return thresholds to ensure efficient deployment and sustainable returns. ESG and technology risks were fully embedded in our capital allocation decisions. Our modernisation programme enhances the cyber security resilience of our network and IT platforms, which is crucial for responsible and secure operations, and for delivering on our purpose pillar of maintaining trust. In addition, our targeted investment in energy-efficient technologies has reasonably reduced power consumption at modernised sites and significantly lowered diesel generator running hours at our Kwale data centre. The realised energy efficiencies are not only driving cost savings but are also protecting the planet and contributing to the delivery of the Vodacom Group's net zero ambitions.

Value creation across our key business growth drivers

Our approach to **value creation is platform-driven**, with growth anchored in high-quality connectivity services and digital financial inclusion through M-Pesa. Pleasingly, our capital investments supported strong progress across both pillars in FY2026, with revenue from M-Pesa and mobile data increasing 24.5% and 29.5%, respectively.

Performance in **M-Pesa** was supported by 22.6% year-on-year customer growth and increased spend per customer, supported by good performance in our new growth areas including lending, savings and merchant payments. These services, facilitated in collaboration with our business partners, continued to drive adoption of our M-Pesa services while deepening financial inclusion.

Mobile data performance was driven by strong underlying demand, supported by a 22.5% increase in data customers and higher data traffic. An increased adoption of our data service was a result of our continued investment in network and excellent commercial execution in driving smartphone penetration on our network. As a result, smartphone users grew by 31.5% year-on-year.

These two main revenue growth pillars, contributed to a 21.8% **service revenue** increase to TZS1 846.7 billion, underpinned by a solid performance across our underlying growth drivers. Our core growth drivers included a 22.3% increase in our customer base to 27.7 million, alongside uplift in average revenue per customer, supported by broader product uptake, particularly in M-Pesa and data.

Current year performance provides a strong foundation for a **sustainable topline growth**, with our ongoing capital investments continuing to support network quality, customer experience and increased usage. Importantly, revenue generation has continued to evolve and diversify, with a growing contribution from our beyond mobile services, which include fixed, digital, IoT and M-Pesa.

Looking ahead, our platform-driven model and sustained capital investment position us to deliver value consistently across the short, medium and long term.

Short term

Disciplined capital allocation translates into scalable digital platforms that drive increased diversification and recurring revenue streams.

Medium term

We generate resilient cash flows, enabling continued reinvestment while delivering returns on our network and platform investments.

Long term

Our future-proofed network and world-class customer offering underpin a sustainable, diversified business with a clear competitive advantage.

Value creation is underpinned by **strong structural demand** for digital services facilitated through our connectivity infrastructure and M-Pesa platform, particularly among underserved populations. By readying our network to meet this demand, we are well positioned for the next phase of growth, aligned with the **government's digital transformation agenda**.

Optimising our operations to support profitability and cash generation

EBITDA growth and margin expansion

EBITDA increased 38.8% to TZS684.9 billion, with margin improving by 4.3pp to 36.4%. Our strong EBITDA performance reflects the benefits of scale, efficiency and disciplined cost management. Our **service revenue** growth outpaced increases in both direct and operating expenses, with strong operating leverage and cost discipline supporting margin expansion.

We achieved over TZS90 billion in **cost savings** through our cost transformation initiatives, helping to mitigate operational cost increases and temporary transitional costs associated with our network modernisation programme.

Direct expenses increased 17.2% to TZS571.1 billion, with notable cost efficiencies supporting a 1.5pp margin expansion. These efficiencies were driven by ongoing optimisation of our distribution channels and lower negotiated sim card purchase prices.

Operating expenses increased 12.4% to TZS613.8 billion, driven by business growth, network expansion, enhanced transmission capacity, transitional incremental cost from radio access network modernisation and increased commercial activity. Excluding the transitional network modernisation costs, operating expenses increased by 7.1%. During the period, we also benefitted from a lower foreign exchange loss, thanks to relatively favourable foreign exchange rates and a new government regulation on restricting settlement of local contracts using foreign currencies.

Read our detailed revenue and cost performance analysis in our Preliminary annual results announcement found in our website at **https://www.vodacom.co.tz/financials**

Cash flow and balance sheet resilience

Driven by strong EBITDA performance, **operating free cash flow** increased by 19.8% to TZS 248.0 billion, supporting continued investment in network expansion and digital services, while reflecting disciplined management of working capital, lease obligations and capital investments.

Free cash flow was declined by 26.8% to TZS143.0 billion, largely reflecting higher tax payments in line with strong profitability. This was further impacted by lower net finance inflows due to the timing of Trust accounts interest disbursements.

TZS m	2026	2025	% YoY
Operating Free Cash flow (OFCF)	**247 962**	206 918	19.8
Free Cash Flow (FCF)	**143 035**	195 423	(26.8)
Capital expenditure	**323 944**	174 995	85.1
Net Debt	**(410 285)**	(425 375)	3.5
Net Debt to EBITDA (times)	**0.6**	0.9	0.3

During the period, we focused on optimising our costs and cash flows through securing **longer-term infrastructure and lease agreements**. This initiative is expected to deliver cost savings and over time, a structurally lower cost base and related cash outflows, which will in the long-run grow shareholders' value.

Capital expenditure during the year, was fully funded through **internally generated cash flows**, underscoring the strength of our balance sheet and our ability to self-fund critical technology and infrastructure investments.

Net debt improved by 3.5% over the year, supported by strong growth in cash and cash equivalents, which more than offset the increase in liabilities. Leverage strengthened to 0.6x (Net Debt to EBITDA), a 0.3x improvement, reflecting solid EBITDA performance.

Upgrading our growth outlook

As announced in our interim results, we have upgraded our medium-term service revenue growth to a firm 'early-double-digit', from the previous 'high-single-digit to early-double-digit' range. Capital expenditure intensity is expected to remain within an average of 13% to 16% of total revenue over the medium term.

Our continued investment in network and IT infrastructure is expected to support commercial momentum and underpin sustainable revenue growth. Together with disciplined cost management, this positions the business to deliver resilient, long-term shareholder returns, notwithstanding heightened geopolitical uncertainty, including ongoing conflict in the Middle East, which may impact the economy.

It is worth noting, our medium-term targets are based on an average over the next three years and assume a broadly stable currency, regulatory and macroeconomic environment. They exclude spectrum acquisitions, exceptional items and any merger and acquisition activity, and remain subject to external volatility.

Stable dividend pay-out ratio

Our stated dividend policy is to distribute at least 50% of post-tax profits for the year. In line with our strong performance, the Board has recommended an annual dividend of TZS53.6 billion (FY2025: TZS45.3 billion), subject to shareholders' approval.

Appreciation

As we mark 25 years of operations, we reflect with pride on the progress we have made in building a resilient and future-ready business. Our performance is a testament to the strength of our strategy, the depth of our capabilities and our track record of execution.

I extend my sincere appreciation to our customers, partners, regulators, shareholders and all stakeholders for their continued trust and support over the past 25 years, and particularly during the 2026 financial year. Your support has enabled us to advance our purpose of connecting for a better future while also delivering on our core business objectives.

I also convey my gratitude to my finance colleagues – in Tanzania for their professionalism, collaboration and strong team spirit. On your behalf, I had the privilege of receiving the *High-Performance Team* 2025 award from the CFO East Africa Forum, in recognition of your dedication, excellence and consistent value creation as a finance function. This would not be possible without support and collaboration of our colleagues across the Vodacom/Vodafone Groups', wider family – Thank you.

We will build on our disciplined strategy execution, including prudent capital allocation, supported by a stable operating environment that has enabled sustained investment in network and technology infrastructure, alongside the scaling of our digital platforms. This is a prerequisite for us to deliver sustainable growth and long-term value into FY2027 and beyond.

Hilda Bujiku
Finance Director

14 July 2026

Transition to IFRS S1 and IFRS S2

We have begun aligning our reporting with the IFRS Sustainability Disclosure Standards; IFRS S1 General Requirements for Disclosure of Sustainability - related Financial Information and IFRS S2 Climate-related Disclosures, as issued by the International Sustainability Standards Board (ISSB), in line with evolving regulatory requirements in Tanzania. This marks an important step in enhancing the consistency, transparency and comparability of our sustainability-related financial disclosures.

Applying the standards is a mandatory requirement for all public interest and public sector entities, as defined in the National Board of Accountants and Auditors of Tanzania (NBAA) Technical Pronouncement No. 1 of 2018, effective for annual reporting periods beginning on or after 1 January 2025, with early adoption encouraged.

Accordingly, in this report, we have aligned our reporting to comply with the IFRS Disclosure Sustainability Standards. As this is the first year of adopting the Sustainability Disclosure Standards, we have elected to apply the transitional relief that limits the level of disclosures in accordance with the standards.

We provide more details on these disclosures from page 84 to page 108

Summarised consolidated statement of financial position

TZS m		Group Actual March 2026	Group Actual March 2025
Assets			
Non-current assets		**1 717 833**	1 573 432
Goodwill		**1 639**	1 639
Property and equipment*	1	**569 257**	553 807
Intangible assets	2	**333 193**	298 042
Right of use assets*		**595 902**	586 593
Capacity prepayments	3	**115 271**	56 869
Trade and other receivables – non-current		**15 717**	9 882
Income tax receivable – non-current		**35 336**	34 298
Deferred tax assets	4	**50 422**	31 206
Other Investments		**1 096**	1 096
Current assets		**1 782 633**	1 404 542
Capacity prepayments – current		**20 398**	15 446
Inventory		**3 725**	4 300
Trade and other receivables – current		**115 379**	124 396
Government grant receivables		**10 777**	13 283
Income tax receivable		**40 988**	25 415
Mobile financial deposit	5	**1 226 148**	923 235
Cash and cash equivalents	6	**365 218**	298 467
Total assets		**3 500 466**	2 977 974
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		**396 089**	334 371
Equity attributable to the owners of the parent		**978 222**	916 504
Non-controlling interest		**125**	75
Total equity		**978 347**	916 579
Non-current liabilities		**669 545**	642 348
Lease liabilities – non-current		**641 143**	620 544
Other financial liabilities – long term		**16 096**	13 831
Provisions		**12 306**	7 973
Current liabilities		**1 852 574**	1 419 047
Lease liabilities – current		**99 662**	84 703
Other financial liabilities – short term		**18 601**	4 764
Government Grants		**3 961**	852
Income tax payables			2 576
Mobile financial payable	7	**1 226 148**	923 235
Trade and other payables – current	8	**487 012**	396 929
Dividend payables		**876**	277
Provisions – current		**16 314**	5 711
Total liabilities		**2 522 119**	2 061 395
Total equity and liabilities		**3 500 466**	2 977 974

* In the Consolidated Statement of Financial Position on page 115, 'Property and Equipment' and 'Right-of-Use Assets' are presented together under the line item 'Property and Equipment'

1. The increase was primarily driven by investments made during the year directed towards modernisation of network and IT infrastructure, including M-Pesa platform, partially offset by the depreciation charge during the year.
2. The increase in intangible assets was mainly a result of capitalisation of spectrum acquired in the TCRA auction, partly offset by amortisation charge for the year.
3. The increase was primarily attributable to investment in purchasing fibre capacity (long term contract) to support the business growth.
4. The increase was mainly driven by timing difference on accelerated depreciation of legacy radio access equipment.
5. The increase is primarily attributed to M-Pesa ecosystem growth, supported by diverse products and stable M-Pesa platform.
6. The increase was driven by stronger cash generation from operations, which supported strategic investments and dividend payment during the year.
7. The increase is primarily attributed to M-Pesa ecosystem growth, supported by diverse products and stable M-Pesa platform.
8. This reflects growth in payables and accruals in line with business performance and expansion.

Summarised consolidated statement of cash flows

TZS m		Group Actual March 2026	Group Actual March 2025
Cash generated from operations	1	**1 000 934**	718 714
Income taxes paid	2	**(101 503)**	(39 860)
Net cash generated from operating activities		**892 916**	678 854
Cash flows from investing activities			
Additions to property and equipment and intangible assets	3	**(306 646)**	(198 019)
Asset acquisition	4	**(5 101)**	(60 720)
Purchase of other investments		**–**	(1 096)
Proceeds from disposal of property and equipment		**43**	–
Government grant received		**8 180**	2 955
Finance income received		**14 760**	7 169
Net movements in mobile financial deposits	5	**(302 913)**	(192 942)
Interest received from M-Pesa deposits		**57 101**	38 947
Net cash used in investing activities		**(534 576)**	(403 706)
Cash flows from financing activities			
Dividend paid		**(44 764)**	(26 758)
Payment of lease liabilities – Interest		**(96 399)**	(53 901)
Settlement of derivative financial liabilities		**(1 397)**	(875)
Principal repayment on other financial liabilities		**(3 709)**	(4 762)
Interest repayment on other financial liabilities		**(630)**	(386)
Interest paid to M-Pesa customers		**(66 742)**	(16 493)
Payment of lease liabilities – Principal		**(630)**	(92 312)
Net cash (used in)/generated by financing activities		**(286 636)**	(195 487)
Net (decrease)/increase in cash and cash equivalents		**72 242**	79 661
Cash and cash equivalents at the beginning of the year		**298 467**	221 697
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies		**(5 132)**	(2 891)
Cash and cash equivalents at the end of the year		**365 577**	298 467

1. The increase reflects business performance – revenue growth and well managed costs.
2. The increase reflects higher taxable profit generated during the year.
3. The increase reflects strategic investments during the year – directed towards spectrum acquisition, broadband coverage expansion as well as modernisation of network and IT infrastructure, including the M-Pesa platform.
4. This relates to payment of final instalment for the acquisition of Smile communication.
5. The increase reflects the growth in M-Pesa ecosystem growth, supported by diverse products and stable M-Pesa platform.

Consolidated annual financial statements

Contents

Report of the directors

for the year ended 31 March 2026

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 2026.

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 27.7 million customers (2025: 22.6 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% (2025:75%) 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 communication 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

The Group's purpose is guided by three strategic pillars: empowering people, protecting the planet and maintaining trust. This is delivered through expanding access to inclusive digital connectivity and financial services, thereby helping to bridge the digital divide and enable broader participation in the digital economy. The Group remains committed to minimising its environmental footprint while supporting customers and communities in adopting more sustainable practices. Central to this approach is a continued focus on maintaining and strengthening stakeholder trust through responsible, ethical and transparent business practices.

The Group continues to contribute meaningfully to national and global developmental objectives through the provision of reliable and accessible data, voice, messaging and mobile money services.

Our strategic priorities

The Group is 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 Mobile Network Operator (MNO)

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

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; grew 21.8% to TZS1 846.7 billion, driven by customer growth of 22.3% and higher ARPU. This performance was a result of strong commercial execution in acquiring and retaining customers, with our growth pillars of M-Pesa and mobile data leading the way. Our commercial initiatives also supported ongoing diversification of revenue. The revenue contribution from our beyond mobile services, reached 46.1%, a 1.0pp expansion.

Mobile voice revenue grew by 7.8% to TZS334.9 billion, underpinned by customer growth. Continued competition resulted in pressure on average price per minute and voice ARPU.

In the fourth quarter, mobile voice revenue was up by 6.9%, driven by customer base increase, partly offset by a decline in voice ARPU due to lower average revenue per minute.

M-Pesa revenue grew by 24.5% to TZS734.8 billion, increasing its contribution to service revenue by 0.9ppts to reach 39.8%. This robust growth was fuelled by a 22.6% increase in customers and a 1.6% uplift in M-Pesa ARPU. The success of M-Pesa was driven by the continued diversification of our products and ecosystem expansion. Our innovative M-Pesa offerings are increasingly integrated into everyday life, delivering solutions such as micro loans, savings, investment options, and payment services for both domestic and international transactions. Notably, contribution of these advanced services to M-Pesa revenue expanded by 3.4pp.

Mobile data increased by 29.5% to TZS546.7 billion, supported by 22.5% growth in data customers and a 5.7% improvement in data ARPU. The total volume of mobile data traffic transmitted in our network expanded by more than 25.7%. Pleasingly, we posted a 31.5% increase in smartphone users. This growth underscores our ongoing commitment to delivering enhanced customer experiences and targeted initiatives aimed at promoting smartphone adoption.

Digital and VAS revenue, which comprises of airtime advance service and value-added services (VAS), increased by 28.2% to TZS51.6 billion. This growth was driven by product penetration from our diverse range of digital and VAS offerings.

Mobile incoming revenue grew by 9.4% to TZS54.4 billion. The growth was attributed to increased minutes from customer growth, partly offset by lower incoming price per minute resulting from a 4.8% reduction in regulated mobile termination rates.

Fixed data revenue grew by 29.1% to TZS54.3 billion, supported by a double-digit increase in customers as we continued to monetise our fixed wireless access infrastructure.

Expenses

Direct expenses increased by 17.2% to TZS571.1 billion. The direct costs optimisation resulted to a 1.5pp expansion to our contribution margin.

Operating expenses increased by 12.4% to TZS613.8 billion. Excluding the temporary additional costs from the network modernisation project, the increase was 7.1%. If we further exclude the once-off cost increases recorded in the prior year and impact of foreign currency losses movement, the underlying opex growth was 10.9%, with a 3.1pp improvement in intensity to 30.9%. This increase in underlying costs was driven by the expansion of the business and the resulting increase in network components, impact of contractual escalations and inflationary adjustments. During the year we also enhanced both local and international transmission capacity to increase network resilience and improve customer experience. In the year, our cost initiatives delivered TZS92.2 billion cost savings which helped to mitigate the cost pressures.

Earnings Before Interest Taxes Depreciation and Amortisation (EBITDA)

EBITDA grew 38.8% to TZS684.9 billion, with margin expanding 4.3pp to reach 36.4%. This performance was driven by substantial growth in service revenue and the successful execution of cost management initiatives. Excluding the one-off costs related to the network modernisation project, EBITDA grew by 44.6% with the margin expanding by 5.9pp to 38.0%.

Operating profit

Operating profit increased by 24.5% to TZS259.1 billion. Excluding the significant increase in depreciation and amortisation expenses, mainly resulting from the accelerated depreciation of assets replaced under the network modernisation programme, the operating profit would have increased 91.0%, reflecting the excellent EBITDA performance.

Capital expenditure

We continued to invest significantly in our network and technology infrastructure, increasing our capital expenditure by 111.4% year on year to TZS370.0 billion. This included executing key initiatives during the first phase of our two-year US$100 million (TZS260 billion) network modernisation programme. Notably, we modernised our radio access network across several sites and deployed cutting-edge enhancements to our IT infrastructure, including improving spectrum compatibility and upgrading M-Pesa from its legacy G2 system to a next-generation financial technology platform which was completed in early April 2026. These investments position us to meet the accelerating demand for secure and seamless digital and financial services across Tanzania.

Furthermore, we rolled out 25 additional 5G sites and 444 new 4G sites, including 44 rural sites in collaboration with the government through the UCSAF, supporting digital inclusivity in underserved areas. We also invested in additional fibre capacity, including undersea cables and terrestrial networks, supporting growth in network traffics. As a result, 4G traffic increased by almost 50%%, while 5G traffic also grew significantly, reflecting rising demand for high-speed connectivity.

Taxation

The tax expense of TZS63.1 billion (FY2025: TZS54.4 billion), reflecting a 16.0% increase driven primarily by higher profitability. This impact was partially offset by the recognition of a deferred tax asset. The deferred tax asset arose from temporary timing differences, principally attributed by the accelerated accounting depreciation of legacy RAN equipment being retired under our two-year network modernisation program. While these timing differences provide a current tax benefit, they will reverse in subsequent periods, resulting in higher tax expenses in the future.

Cash and cash equivalents

Increased by 22.4% to TZS365.2 billion. The TZS893.1 billion cash generated from operations was partially offset by the investment in the network, funding the business growth, dividend payment to shareholders, and the payment of 3600 MHz Spectrum acquisition and final instalment payment related to the prior year's acquisition of the Smile entity.

Retained earnings

Increased by 18.5% to TZS396.1billion driven by increase in profitability partly offset by the dividend payment of TZS45.2 billion (2025: TZS26.7 billion).

Our business environment

Our operating context

We operate in a dynamic macroeconomic, regulatory and digital landscape, with operations spanning across multiple business sectors that include telecommunications, digital and financial services. Our ability to navigate this rapidly evolving business environment is key to delivering value to our stakeholders while pursuing opportunities for innovation and growth.

Resilient domestic growth in an increasingly challenging global macro environment

The global macroeconomic environment remained volatile during the year, although conditions were broadly more stable than in prior years. However, the onset of war in the Middle East in February 2026 triggered significant shocks across energy and financial markets and global shipping. Notwithstanding this late disruption, Tanzania's economy demonstrated strong, broad-based and resilient growth throughout FY2026, supporting business performance. Looking ahead, we remain optimistic that this growth trajectory will continue. However, we are mindful of relating to the Middle East conflict-rising inflation and energy cost as well as foreign currency pressure.

Tanzania's business environment in FY2026:

- A GDP growth at 6.0%, up from 5.5% in 2024[1]
- Broadly low and stable inflation at 3.2%[2]
- The continuous increase in private sector credit, at 15.1% in 2025[3]
- Foreign exchange reserves stabilised but remain vulnerable to import dependence; new regulations mandating TZS for domestic transactions aim to strengthen the local currency and preserve reserves[4]
- 13.9% increase in development expenditure in the 2025/2026 government[5]

Our response

- Promoting inclusive economic growth and development
- Delivering social value through our enterprise business
- Consistent investment in network and IT modernisation, supporting operational sustainability, underpinned by investment in energy-efficient infrastructure
- Strategic capital allocation and proactive supplier engagement to manage volatile foreign currency availability
- Leveraging the global purchasing power and responsible procurement practices of the Vodafone Procurement Company

1 National Bureau of Statistics: Highlights on the fourth quarter (October – December) GDP 2025 base year 2015.
2 National Bureau of Statistics: National Consumer Price index for March 2026.
3 Bank of Tanzania: Monetary Policy Statement 2025/2026 of June 2025.
4 Foreign Currency Usage Regulations through GN 198 of 2025, effective 28 March 2025.
5 Budget Insights 2025/2026, Ministry of Finance, July 2025.

A broadly stable regulatory and policy environment

Due to the telecommunications sector's meaningful contribution to economic development, MNOs face regulatory oversight 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 the following:

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.

Start date	1 January 2024	1 January 2025	1 January 2026	1 January 2027
Rate per minute (TZS)	1.76	1.68	1.6	1.52

Our response

The reduction in mobile termination rates did not have a material impact on our financial results in FY2026.

Spectrum Auction

On 3 February 2025, the TCRA released a draft Information Memorandum outlining its plan to license new spectrum in the 3 600MHz to 3 800MHz frequency range through an auction. Reserve prices were set at TZS30 billion (USD12 million) per 1x50MHz block. The auction took place on 10 July 2025

Our response

We acquired one block of 50MHz in the 3700MHz (TDD) spectrum band for a total cost of TZS49.8 billion (USD18.9 million). This investment will support acceleration of our future network expansion plans and help us unlock potential growth while also delivering on our purpose.

A 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 is driving 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. The risk of new entrants has advanced following amendments to the Electronic and Postal Communications Act (EPOCA) licensing regulations. These amendments include allowing satellite operators to apply for a national network facilities licence alongside lower licencing fees, reducing barriers to entry.

Our response

- Expanding our product portfolio with innovative services and segmented offers
- Developing sticky 'solution-based products' to acquire and retain customers
- Leveraging and building on our multi-product offering capabilities
- Proactively engaging government and relevant stakeholders
- Exploring innovative partnerships to enhance our competitive advantage

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.

- 84.2% internet penetration[6]
- 42.5% smartphone penetration[6]
- There are 80.9 million mobile money account linked directly to a phone number[6]
- 22.2% of the population are financial institution account holders[7]
- Opportunity to support a growing e-commerce based purchases lifestyle

Our response

- Developing industry-specific digital products and services
- Developing dedicated youth platforms and supporting employability
- Investing significantly in network modernisation and IT infrastructure
- Supporting network rollout in underserved areas in collaboration with UCSAF

6 TCRA Quarterly Report – March 2026.
7 Financial Sector Deepening Tanzania – 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	How we engage	Interests and expectations
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 socioeconomic development • Contributions to public finances • Industry development and stability • Establishment and maintenance of fair market practices
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	• Investor relations page on our website • In-person and virtual meetings • Annual and interim consolidated results • Quarterly reports and trading updates • Interim and preliminary announcement calls • Annual general meeting • Annual integrated report	• Responsible risk and opportunity management to support financial growth • Business sustainability • 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 and purpose	• Internal website, newsletters, internal magazine and electronic communication • Employee hotline/Speak Up line • Viva Engage app • Leadership road shows • Engagement surveys • Online training • Executives' discussions – fireside chats • 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

Group's key relationships continued

Stakeholder value	How we engage	Interests and expectations
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 • 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 (2026)	Our key outcomes
• Our high-performing, customer-focused, engaged leaders and workforce • 654 employees (2025: 623) • Experienced executive management team and strong Board • Investment in reskilling and upskilling employees • Innovative and agile company culture	• TZS94.7 billion spent on employee wages and benefits • TZS1.7 billion invested in employee training and leadership development • Top Employer Tanzania award for nine consecutive years • Top operator across Vodafone Group in Team Spirit scores • Sustained development of female leaders, with 46.6% female representation in senior management • No work-related fatalities for 14 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 (2026)	Our key outcomes
• 27.7 million customers (up 22.3%) • 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	• 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. • Continued investment in ensuring a positive and segmented customer experience • TZS2.0 trillion total cash contribution to public finances over the last three years • Enabling financial inclusion and empowerment through M-Pesa • 466 UCSAF sites built since 2013, supporting the government's digitalisation agenda • Delivering societal value through connectivity and digital services

Trade-offs: Maintaining strong stakeholder relationships may require trade-offs as we balance competing interests, with a focus on meeting regulatory requirements and addressing customer expectations.

How we sustain value continued

Network and IT infrastructure: Manufactured capital

Critical inputs (2026)	Our key outcomes
• Our network footprint, including mobile base stations, transmission infrastructure, fibre and distribution channels • 3 894 network sites (up 5.1%) • Kilometres of self-built fibre up 5.3%) • More than 310 000 nationwide retail points • More than 275 000 freelance distributors and M-Pesa agents • TZS323.9 billion CAPEX investment (up 85.1%)	• Completed year one of our two-year network modernisation programme • Modernised our radio access network equipment in thousands of sites • 25 new 5G sites, 444 new 4G sites • Network resilience supported close to 50% growth in 4G data traffic • Over 80% of total data traffic carried in the 4G network • Sustained our lead on combined network performance NPS, a gap of 25 points from the nearest competitor • Acquired a 50MHz spectrum block in the 3700MHz (TDD) band for TZS49.8 billion in July 2025

Trade-offs: Network and IT infrastructure investment requires substantial financial, human, intellectual and natural capital and is fundamental to advancing digital inclusion and socio-economic value; the Group remains committed to minimising environmental impacts while managing trade-offs between short-term costs and long-term value creation, including spectrum investments that reduce near-term financial resources but support sustainable shareholder returns.

Financial capital

Critical inputs (2026)	Our key outcomes
• Our strong cash flow generation and robust balance sheet, supported by long-term investors. • TZS1 747 billion market capitalisation (FY2025: TZS1 724 billion) • TZS410.3 billion net debt (FY2025: TZS425.4 billion)	• Service revenue up 21.8% to TZS1.8 trillion • Beyond mobile performance and expanding contribution to service revenue • EBITDA grew 38.8% to TZS684.9 billion, margin expanding 4.3pp to reach 36.4%. • Generated TZS107.1 billion profit after tax, 18.4 % higher year on year • TZS248.0 billion operating free cash flow, 19.8% higher year on year • TZS643.5 billion paid in dividends since listing in August 2017 and TZS53.6 billion proposed for FY2026

Trade-offs: The Group navigates a key trade-off between short-term financial return expectations and long-term growth objectives requiring capital investment, with the appropriate balance across stakeholder interests informing strategic decisions.

Natural resources: Natural capital

Critical inputs (2026)	Our key outcomes
• The natural resources we use in our daily business activities: • Total electricity consumed: 94.4 GWh (FY2025: 130.8 GWh) • Water used: 24 192.3 kilolitres (FY2025: 22 288.5 kilolitres) • Diesel fuel used: 6 525 kilolitres (FY2025: 9 678 kilolitres) • Refrigerants and fire suppressants: 78 290kg (FY2025: 520 630 kg) • Plastics, paper and related inputs	• 51.7 tonnes of plastic waste avoided by using half SIMs • 255.4 tonnes avoidance in paper use through electronic recharges • TZS3.5 billion invested in energy efficiency projects • Radio access network modernisation has reasonably reduced power consumption • Data centre power upgrade has reduced diesel generator running hours by nearly 90%, leading to significant reduced fuel consumption and emissions

Trade-offs: Value creation across capitals requires the use of natural resources, which may involve trade-offs affecting human and social capital; however, the Group is committed to minimising environmental impacts and advancing positive environmental outcomes through its digital offerings.

How we sustain value continued

Intellectual Capital

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

Critical inputs (2026)	Our key outcomes
• Powerful, purpose-led strategy that has evolved from Vision 2025, aligned with Vodacom Group's Vision 2030 • 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**	• Agile business processes embedded across business units • Sustained our double-digit lead in Headline customer NPS • Ongoing enhancement of our IT and related systems and processes • Various customer service awards • Development of personalised offerings with AI deployment • Investment in upgrading our M-Pesa platform • Ongoing enhancement of our M-Pesa product ecosystem and super-app

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 Thursday 21 August 2025, the shareholders of Vodacom Tanzania Public Limited Company ('the Company') approved a gross final dividend of TZS20.20 per share, in line with our dividend policy, in respect of the financial year ended 31 March 2025.

The final dividend of TZS45 248 million represents 50% of net profit after tax.

The Board will recommend a final dividend, in relation to the financial year ended 31 March 2026, 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 Group reported net current liabilities of TZS 69,941 million as at 31 March 2026 (2025: TZS 14,505 million). Notwithstanding this position, management expects the Group to continue meeting its obligations as they fall due through a combination of robust future operating cash flows, access to diversified funding sources, and active capital structure management aligned to the risk profile of an emerging market telecommunications business.

In addition, the Group has available undrawn foreign-denominated overdraft facilities of US$19.5 million (TZS 50,603 million) (2025: US$19.5 million; TZS 52,114 million), providing further liquidity support.

Capital structure and shareholding

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

	2026 %	2025 %
Vodacom Group Limited	**75.00**	75.00
General public	**25.00**	25.00
	100.00	100.00

As of 31 March 2026, the Group's authorised share capital stood at TZS200 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 TZS50. There were no changes in the authorised and issued share capital during the year.

The Group's top ten shareholders up to 31 March 2026 are listed below:

	2026 No. of shares	**%**	2025 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	**90 462 421**	**4.0%**	93 428 339	4.2%
Public Service Social Security Fund	**84 117 720**	**3.8%**	84 117 720	3.8%
National Social Security Fund -Tanzania	**56 033 910**	**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	**26 598 926**	**1.2%**	26 073 926	1.2%
Workers Compensation Fund	**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	**19 520 000**	**0.9%**	19 520 000	0.9%
Total	**2 196 410 937**	**98.1%**	2 198 817 935	98.2%

The total number of shareholders by 31 March 2026 stood at 46 418 (2025: 37 377 shareholders).

Capital expenditure and commitments

During the year, the Group invested TZS370 006 million (2025: TZS174 995 million) in property and equipment, and intangible assets. This capital expenditure was funded by internally generated cash flows. As at year end, TZS94 531 million of the total investment made was payable to capex creditors (2025: TZS49 856 million).

Additional information relating to the Group's property, plant and equipment and intangible assets is set out in Notes 15 and 16 to the consolidated and separate financial statements, with details of commitments disclosed in Note 31.

Outlook and medium-term targets

We remain committed to our purpose of connecting Tanzanians for a better future, just as we have done for the past 25 years. By investing in innovative products and services, we aim to enhance the lives of Tanzanians while strengthening our performance and delivering greater value to our shareholders.

We expect data and M-Pesa to remain central to our growth as these services unlock today's digital economy.

Our strategy will continue to focus on developing innovative products, delivering exceptional customer experience, and streamlining our operations to set us apart in the market. We will continue to prioritise tailored, segmented services and expanding our reach to underserved communities, which are vital for maintaining our market leadership, delivering on our purpose and driving sustainable revenue growth.

Our efforts to upgrade the network are preparing us to adopt advanced technologies as they arise. Through these investments, we are in a stronger position to maximise the value of our spectrum assets across all bands, giving our commercial teams a robust platform for developing innovative products. Importantly, the modernisation also makes our network more resilient in handling traffic growth and more secure against the cybersecurity threats.

We remain dedicated to integrating ESG principles into our everyday operations, placing particular emphasis on environmental responsibility, safeguarding data privacy, and promoting inclusive growth. It is our belief that the external environment will continue to be conducive to support us in our ambitions.

With a well-defined strategy, we are ideally positioned to provide sustained value for our shareholders and make a positive contribution to the wider community. Considering our business growth drivers, strategic execution and the business environment, we are pleased to maintain our medium-term growth targets that were upgraded with our interim results to 30 September 2025.

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.

Subsidiaries and other controlled entities

The consolidated financial statements comprise the Company and its wholly owned subsidiaries, namely Vodacom Trust Limited (a company limited by guarantee with share capital), M-Pesa Limited, and Smile Communications Tanzania Limited, Ngorongoro Fibre Company Limited which are private limited liability companies with share capital. The 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 trustee for funds held in relation to M-Pesa mobile money services, safeguarding customer balances. On 23 October 2018, the entity changed its name from M-Pesa Limited to Vodacom Trust Limited following approval by the Business Registration and Licensing Agency (BRELA), to align with the requirements of the National Payment Systems Act, 2015.

In May 2020, the directors resolved to wind up the entity after its activities were taken over by the Registered Trustees of M-Pesa Trust Funds. As at year end, the process to liquidate the company 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 entity mandated to act in the best interests of its beneficiaries. Its principal activities include:

- Oversight and effective management of trust accounts;
- Implementation of safeguards to protect beneficiaries; and
- Ensuring segregation of trust funds, with no commingling or use for other operations.

Smile Communications Tanzania Limited

In March 2024, the Group completed the acquisition of 100% of Smile Communications Tanzania Limited's ('Smile') issued share capital. The principal activities of the company were to provide telecommunication services. The company mainly dealt 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 and following the acquisition, the entity remained dormant.

In November 2025, the directors resolved to wind up the entity and appointed a liquidator to manage the dissolution process.

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

Ngorongoro Fibre Company Limited

The Company was incorporated in Tanzania on 19 October 2023 under the Companies Act (CAP. 318 R.E. 2002). Its principal activities include the development and operation of fibre optic infrastructure, provision of connectivity and related telecommunications services, and the leasing and management of network capacity and assets.

On 24 November 2024, the Directors resolved to strike off the Company from the Registrar of Companies, and as at year-end, the process had not yet been finalised.

Winding up of Shared Network Tanzania Limited

On 14 November 2025, a notice was published in Government Notice No. 46 announcing the deregistration of Network Tanzania Limited from the Register of Companies, thereby completing the entity's winding-up process.

Borrowings and facilities

Details on borrowing and facilities are presented in Note 29 to the consolidated and separate financial statements.

Political and charitable donations

The Group did not make any political donations during the year (2025: Nil).

The group made charitable donations of TZS1 155 million (2025: TZS3 700 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% (2025: 75%) 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 34 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 2025	Date of appointment	Date of resignation	In office at the reporting date
Directors				
David Tarimo[7]	✓	1 April 2025	–	✓
Margaret Ikongo	✓	–	–	✓
Thembeka Semane[1]	✓	–	22 August 2025	X
Kanini Mutooni[2]	✓	–	–	✓
Diego Gutierrez[3]	✓	–	1 May 2025	X
Matimba Mbungela[1]	✓	–	–	✓
Nkateko Nyoka[1]	✓	–	–	✓
Raisibe Morathi[1]	✓	–	–	✓
Dejan Kastelic[5]	✓		–	✓
Haytham Ammar[6]	✓		–	✓
Mohammed Abdullah[6]	X	1 June 2025	–	✓
Executive				
Philip Besiimire[4]	✓	–	–	✓
Hilda Bujiku	✓	–	–	✓
Company Secretary				
Caroline Mduma	✓	–	–	✓

1 South African 2 Kenyan 3 Bolivian 4 Ugandan 5 Slovenian 6 Egyptian 7 British
All the other directors are Tanzanian nationals.

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	15 April 2025	12 May 2025	5 June 2025	23 June 2025	16 Jul 2025	14 Aug 2025	21 Nov 2025	22 Jan 2026	6 Mar 2026	%
David Tarimo	Chairman	✓	✓	✓	✓	✓	✓	X	✓	✓	89%
Ms. Kanini Mutooni	Director	✓	✓	✓	X	✓	✓	✓	✓	✓	89%
Ms. Margaret Ikongo	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Thembeka Semane	Director	✓	✓	✓	✓	✓	✓	R	R	R	67%
Mr. Diego Gutierrez	Director	X	R	R	R	R	R	R	R	R	–%
Mr. Matimba Mbungela	Director	✓	✓	✓	✓	✓	✓	✓	✓	X	89%
Dejan Kastelic	Director	X	✓	✓	✓	✓	✓	✓	✓	✓	89%
Nkateko Nyoka	Director	✓	✓	✓	✓	✓	✓	✓	X	✓	89%
Raisibe Morathi	Director	✓	✓	✓	X	✓	✓	✓	✓	✓	89%
Mr Mohamed Abdallah	Director	N/A	N/A	✓	✓	✓	✓	X	✓	✓	67%
Haytham Ammar	Director	X	✓	✓	✓	✓	✓	✓	✓	✓	89%
Philip Besiimire	Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Hilda Bujiku	Director	X	✓	✓	✓	✓	✓	✓	✓	✓	89%

8 Resigned effective 22 August 2025.
9 Resigned effective 1 May 2025.
10 Appointed effective 1 June 2025.

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. Mohamed Abdallah	Egyptian	a. Bachelor of Commerce, Ain Shams University, Egypt (1998) b. Leadership Development Program, IESE Business School c. Extensive executive training in leadership, strategic planning, key account management, and business transformation
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	3 June 2025	12 Aug 2025	11 Mar 2026	Attendance %
Ms. Kanini Mutooni	Chairperson	✓	✓	✓	100%
Mr. Mohamed Abdallah	Member	X	✓	✓	75%
Mr. Matimba Mbungela	Member	✓	✓	X	75%

Corporate governance 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
David Tarimo	Chairman	British	a. LLB Honours – Kings College, London University b. Fellow of the Institute of Chartered Accountants in England and Wales (FCA) c. Member of the Chartered Institute of Taxation (CTA)
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 (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. 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	28 October 2025	26 February 2026	11 March 2026	Attendance %
David Tarimo	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.
- Provide oversight of the Company's social responsibility, and ESG frameworks, ensuring adherence to applicable local and international standards. This includes monitoring implementation, evaluating effectiveness, and promoting ethical conduct, sustainability practices, and stakeholder alignment across all operations.

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. Thembeka Semane	South African	• Master's in Business Administration – (MBA) Monash University • Executive Development Program – Duke Corporate Education • Post graduate Diploma in Business Administration – (PDBA) University of Pretoria`s Gordon Institute of Business Science (GIBS) • Bachelor of Commerce in Financial Accounting – University of Transkei (Walter Sisulu University) • Certified Associate; The Institute of Bankers South Africa • 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 (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

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

Name	Position	12 May 2025	5 June 2025	16 July 2025	14 Aug 2025	21 Nov 2025	22 Jan 2026	12 Mar 2026	Attendance %
Ms. Margaret Ikongo	Chairperson	✓	✓	✓	✓	✓	✓	✓	100%
Ms. Thembeka Semane[11]	Member	✓	✓	✓	✓	R	R	R	57%
Ms. Kanini Mutooni	Member	✓	✓	✓	✓	✓	✓	✓	100%

11 Resigned effective 22 August 2025.

Contingent liabilities

Tax matters

The Group's future tax charge, effective tax rate, and profit before tax may be impacted by Tanzanian tax reforms and TRA dispute outcomes. The Group upholds integrity and full transparency, complying with tax obligations and engaging openly with the tax authority. Audits may result in disputes due to ambiguous tax laws, which are managed through strong governance.

Further details are presented in Note 32 to the consolidated and separate financial statements.

Litigation and other claims contingencies

Management has assessed legal matters, in consultation with legal counsel, and appropriate provisions have been recognised where required at year end. Although contractual disputes may occur, no additional provision was deemed necessary.

Further details are presented in Note 32 to the consolidated and separate financial statements.

Sustainability Report

Statement of compliance

The Group's sustainability disclosure has been prepared in accordance with the IFRS Sustainability Disclosure Standards (IFRS S1 and S2), with reference to relevant SASB standards, and should be read together with its IFRS-compliant financial statements for the year ended 31 March 2026. The disclosures cover the same reporting entity and period as the financial statements and are presented in Tanzanian Shillings.

The report reflects sustainability-related risks and opportunities across short-, medium-, and long-term horizons, aligned with strategic planning, and includes impacts across Group's operations and value chain. This is the Company's first-time adoption of IFRS Sustainability Disclosure Standards.

The Group has applied IFRS S1 and S2 transition provisions, with certain disclosures presented qualitatively where practicable, alongside continued refinement of measurement approaches.

Our strategy and sustainability related goals

The Group's ESG strategic goals are embedded in its purpose of "connecting for a better future" and are structured around three core pillars: protecting the planet, empowering people, and maintaining trust. This integrated strategy is designed to drive sustainable and inclusive growth while creating long-term value for stakeholders and society. From an environmental perspective, the Group aims to achieve net zero (direct emissions)operations by 2035, reduce emissions across its value chain, achieving net zero emissions across the value chain (indirect emissions) by 2040, increase the use of renewable energy, and promote circular economy practices, including recycling network equipment, thereby enhancing resource efficiency and climate resilience.

Socially, the Group focuses on closing the digital divide by expanding connectivity, driving financial inclusion through M-Pesa, supporting SMEs and key economic sectors, and advancing diversity, inclusion, and digital skills development to empower communities.

From a governance perspective, the Group prioritises ethical conduct, strong corporate governance, data privacy and cybersecurity, responsible supply chain management, and regulatory compliance to maintain stakeholder trust and transparency.

Overall, the Group's ESG strategy is embedded in its business model, leveraging technology and innovation to deliver sustainable impact, enhance socio-economic development, and support the transition to an inclusive, sustainable, and trusted digital society.

Value chain

The Group's sustainability disclosures consider impacts across its full value chain, consistent with IFRS S1and S2 requirements to assess risks and opportunities beyond direct operations. The value chain includes upstream suppliers, internal operations, and downstream customer use of products and services.

We have a broad geographic footprint of assets and infrastructure, which exposes the Group to physical and transition climate risks. However, our analysis indicates that our business model is relatively resilient to climate-related risks. The risk of extreme weather events presents challenges to our business, however; our greatest exposure is to increased energy and carbon costs.

We aim to achieve net zero emissions from our operations (scope 1 and 2) by 2035, in line with a science-based pathway to limit global warming to 1.5°C of warming by 2100.

- Upstream activities include sourcing of network equipment, devices, energy, and technology services from global and local suppliers. Key sustainability considerations in this stage include Scope 3 emissions, responsible sourcing, supplier labour practices, and environmental compliance, managed through supplier standards and procurement policies.
- Own operations comprise network infrastructure, data centres, offices, and retail activities. These represent the most significant sources of Scope 1 and Scope 2 emissions, primarily driven by energy consumption and diesel use for backup power. Operational priorities include energy efficiency, renewable energy adoption, network resilience, data security, and workforce wellbeing.
- Downstream activities include customer use of mobile and digital services, including connectivity and mobile financial services.
- Key considerations include energy use of devices, digital inclusion, customer privacy and security, and opportunities to enable emissions reductions through digital solutions.

Sustainability Report continued

The Group integrates value chain considerations into its risk management, climate strategy, and ESG governance processes, ensuring that material sustainability-related risks and opportunities are identified, assessed, and managed across all stages of the value chain.

Upstream (supply chain and procurement)

The Group sources network equipment, devices, and services from local and global suppliers, embedding ESG requirements through responsible sourcing standards, supplier due diligence, and adherence to responsible supply chain practises, environmental, and human rights principles.

Core operations (network and service delivery)

ESG priorities are integrated into network deployment and operations through energy efficiency initiatives, renewable energy adoption, responsible use of spectrum and infrastructure, cybersecurity resilience, and robust governance and compliance frameworks. Workforce wellbeing, diversity, and health and safety standards are upheld to support sustainable operations.

Products & services (digital and financial inclusion)

Through mobile connectivity and M-Pesa ecosystem, the Group promotes financial and digital inclusion, and socio-economic development, while ensuring customer data privacy, service quality, and responsible usage of technology.

Downstream (customers and communities)

The Company contributes to broader societal outcomes by enabling economic participation, supporting SMEs, and investing in community development, including education, healthcare, and climate resilience initiatives.

End-of-life and circularity

The Group manages environmental impacts through e-waste reduction, device recycling programmes, and sustainable asset lifecycle management. Our waste management policy enforces safe and responsible reuse and recycling, and our waste hierarchy embeds sustainable practices throughout our operations and supply chain activities.

Governance and risk oversight (cross-cutting)

ESG risks and opportunities across the value chain are governed through Board oversight, risk management frameworks, regulatory compliance, and alignment with Vodacom Group ESG strategy and international sustainability standards.

Reporting boundary for GHG emissions

a) Organisational boundary

The organisational boundary for GHG emissions defines which entities and operations are included in the Group's emissions inventory. The Group applies an operational control approach, meaning that all subsidiaries and operations over which the Group has the authority to implement operating policies, health and safety, and environmental controls are included in the reporting boundary.

This typically covers wholly owned subsidiaries and controlled operating companies. The boundary is aligned with the financial consolidation approach (control basis) used in the Group's financial statements, ensuring consistency between financial and ESG reporting. It is applied consistently across reporting periods, with any changes (e.g., acquisitions, disposals, or restructuring) assessed for their impact on emissions reporting.

Overall, this approach ensures that emissions disclosures reflect the full extent of operations under management control, in line with the GHG Protocol organisational boundary principles of control, completeness, and consistency.

b) Geographical scope and Operational boundary

The reporting boundary for GHG emissions is defined using an operational control approach, whereby the Group includes all subsidiaries over which it has control in its emissions reporting. This boundary covers Scope 1 (direct emissions from owned or controlled sources, such as fuel use in generators and fleet vehicles) and Scope 2 (indirect emissions from purchased electricity, cooling), and extends to Scope 3 emissions across the value chain, including categories such as purchased goods and services, capital goods, business travel, use of sold products, and end-of-life treatment of equipment, where data is available and material. The boundary is applied consistently across all operating companies and geographies, subject to data availability, estimation methodologies, and materiality assessments, and may involve the use of proxies and industry emission factors where primary data is not accessible. The Group also applies market-based and location-based methodologies for Scope 2 emissions and includes renewable energy instruments where applicable. Overall, the reporting boundary is aligned with the GHG Protocol principles of relevance, completeness, consistency, transparency, and accuracy, while recognising practical limitations in measuring certain Scope 3 categories.

Sustainability Report continued

Judgements

In preparing this sustainability disclosure, the Group has applied significant judgement in identifying and assessing sustainability-related risks and opportunities that could affect long-term enterprise value, in line with IFRS S1 requirements. This section outlines the most critical judgements made by management in preparing this sustainability report, as well as the amounts that are subject to a high degree of measurement uncertainty. The detail of the judgement made, or the source of estimation uncertainty, is included in the note disclosure referenced.

Area	Description	Reference
Materiality process	Management applied significant judgement to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as the material information to be disclosed in relation to those risks and opportunities. This assessment considers the potential magnitude and likelihood of impacts and is informed by stakeholder expectations, regulatory requirements, and Company priorities. Judgement was also applied in determining which metrics, including those referenced in relevant standards such as SASB, are applicable to the Company.	Page 86
Calculation methods for GHG emissions	Management applies judgement in measuring climate-related metrics, particularly GHG emissions, where methodologies depend on data availability and quality. There is a preference for supplier-specific and operational data where reliable. These estimates incorporate forward-looking assumptions and are subject to inherent uncertainty, particularly in areas such as climate impacts, technological change, and evolving regulatory frameworks.	Page 92 – 95
Climate scenario analysis	Significant judgement is applied in climate scenario analysis, including the selection of relevant scenarios (e.g. RCP pathways), assumptions on future climate conditions, policy responses, and technological developments, as well as translating these into potential operational and financial impacts. Due to involvement of climate modelling and data limitations, outcomes are inherently uncertain and primarily used to assess strategic resilience rather than predict precise financial impacts. The company will continue refining assumptions and enhancing its scenario analysis as methodologies improve.	Page 96

Measurement uncertainty

The following amounts have a high degree of measurement uncertainty:

Area	Description	Reference
GHG emissions	Certain sustainability metrics are subject to measurement uncertainty due to reliance on estimates and assumptions. This is particularly relevant for GHG emissions, where calculations depend on operational data (e.g. fuel use, electricity consumption) and standard emission factors, as well as Scope 3 emissions where data availability remains limited.	Page 92
Forward-looking assessments	Forward-looking assessments of climate-related risks and opportunities involve uncertainty, as they rely on assumptions about future climate conditions, technology developments, and regulatory changes.	Page 88

Materiality process and methodology

- The Group conducted a structured materiality assessment aligned with the International Sustainability Standards Board (ISSB) Standards, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures). The assessment identifies sustainability-related risks and opportunities that could reasonably be expected to affect the Group's cash flows, access to capital, cost of capital and long-term enterprise value.
- In determining materiality, the Group considered input and insights from a diverse range of stakeholders, including investors, commercial partners, international frameworks, and peer companies with similar footprints.
- Each topic was assigned a cumulative weighting score in the order of their significance of impact, with the highest-scoring topics selected for the shortlist, incorporating input from the sustainability team.
- The assessment was informed by Group sustainability frameworks and sector-specific guidance, and applied a financial materiality lens, consistent with ISSB requirements. Consideration was also given to Group's impacts on people, society and the environment where such impacts may give rise to sustainability-related risks or opportunities with potential financial effects.

Sustainability Report continued

The materiality assessment process comprised the following key phases:

ii. Identification of sustainability-related topics (long list)

A comprehensive long list of sustainability-related topics was developed to ensure completeness across matters relevant to the Group's business model and value chain. The long list drew on:

a. ISSB Standards (IFRS S1 and IFRS S2), including ISSB educational and implementation guidance,
b. SASB Standards for the telecommunications sector,
c. Vodacom Group sustainability frameworks,
d. Telecommunications and digital financial services sector guidelines,
e. Peer benchmarking,
f. Regulatory and policy expectations applicable in Tanzania.

The objective was to identify sustainability-related risks and opportunities that could reasonably affect enterprise value.

vii. Short-listing and internal validation

The long list was refined into a focused short list through management workshops and expert review involving representatives from strategy, risk management, technology, sustainability, legal, finance, human resources, network operations and mobile financial services (M-Pesa).

Topics were assessed for relevance to Group's strategy, business model, operating environment and risk profile, and aligned to the requirements of IFRS S1 and IFRS S2.

viii. Stakeholder input

Internal and external inputs were used to inform the assessment, including:

a. Internal stakeholders across key business functions and operating units,
b. Selected external perspectives, including customers, suppliers, partners and regulators, where relevant,
c. Vodafone and Vodacom Group's insights applicable to African operating companies.

Stakeholders considered sustainability-related topics in terms of:

a. The likelihood of occurrence,
b. The potential magnitude of financial impact,
c. Effects over short-, medium- and long-term time horizons.

iv. Assessment, scoring and materiality thresholds

Sustainability-related topics were evaluated to determine whether they represent material risks or opportunities under IFRS S1 and IFRS S2:

- Financial materiality was assessed based on:
  - Likelihood of occurrence; and
  - Potential magnitude of financial effects on revenue, operating costs, EBITDA, capital expenditure, asset values, liabilities or access to capital.
- Consideration was also given to the severity of underlying impacts on people, society or the environment where such impacts could reasonably lead to financial risks or opportunities.

Topics exceeding the defined ISSB-aligned materiality thresholds were identified as material and included for disclosure.

v. Governance and review

The outcomes of the materiality assessment were reviewed by senior management and aligned with the Group's enterprise risk management and strategic planning processes.

Material sustainability-related risks and opportunities will be periodically reassessed to reflect changes in strategy, regulation, technology, market conditions and stakeholder expectations

Identification of material sustainability-related topics

Based on the assessment, material sustainability-related risks and opportunities were identified across environmental, social and governance dimensions, reflecting Group's role as a connectivity provider, digital enabler and financial inclusion platform.

The process ensured that:

a. Topics were specific to Group's operating context, including network infrastructure, energy use, digital and financial inclusion, data protection, regulatory engagement and supply chain management;
b. Both sustainability-related risks and opportunities with potential financial effects were identified;
c. Topics were aligned with ISSB disclosure themes, with particular emphasis on climate-related and other sustainability-related financial risks and opportunities.

Sustainability Report continued

Outcome of the materiality assessment

Material sustainability-related topics for the Group

ESG pillar	Key topic area	Financial relevance	Reference
Environmental	Climate risk management and response	Energy is a major cost driver; transition risks (energy prices, regulation) impact OPEX, CAPEX, and long-term value	Page 91
	Climate risk management and response	Extreme weather may disrupt services, damage assets, and require higher capital investment	Page 91
	Waste management and circularity	Regulatory compliance and disposal costs may increase; circularity enables cost savings and new value opportunities	Page 99
Social	Digital inclusion (access, affordability)	Drives revenue growth, customer acquisition, and long-term market share	Page 100
	Financial inclusion through M-Pesa services	Key revenue stream; affected by adoption, regulation, and system resilience	Page 100
	Customer relationships and service quality	Non-compliance may lead to fines, legal risks, and loss of customer trust	Page 101
	Own workforce	Impacts productivity, operational continuity, compliance costs, and reputation	Page 106
Governance	Data privacy and protection	Breaches may result in financial losses, regulatory penalties, and reputational damage	Page 104
	Ethics and compliance	Failures may lead to sanctions, legal liabilities, and restricted market access	Page 103
	Responsible supply chain	Affects revenue stability, service delivery, and exposure to operational and reputational risks	Page 105

Interaction with material information in the financial statements

The Group's sustainability reporting includes forward-looking risks and opportunities, including climate change, regulatory developments, and value chain impacts, that could affect long-term value. The identified risks and opportunities have been factored into the assessment of useful lives, residual values of property, plant and equipment, with network assets disclosed in Note 15. Transition risks related to energy and regulatory developments are reflected in capital expenditure, including energy efficiency investments of TZS 3.5 billion to enhance operational efficiency, alongside investments in network and IT infrastructure as disclosed in Notes 15 and 16 to support digital and financial inclusion.

Sustainability Report continued

Sustainability governance

The Group's governance is aligned with Vodacom Group structures via the local ARCC Board, Foundation Committee, and ESG & Reputation Executive Committee, which collectively oversee implementation and provide reporting to the Group ESG & Reputation ExCo.

Management committees, including the Group ESG & Reputation Committees, are responsible for executing the ESG framework, setting and monitoring targets, and managing stakeholder and reputational matters. Accountability for ESG delivery is embedded across functions, with designated executives responsible for key topics, including energy management, cybersecurity, and environmental performance, supported by specialised structures including the environmental and energy management unit.

The Group's approach to climate-related risks and opportunities is integrated across its operations, supply chain and customer base. Key considerations include energy-related cost pressures, physical risks to infrastructure, and exposure to value chain emissions, alongside opportunities linked to financial, digital solutions and energy efficiency. These factors are incorporated into the Group's business model and underpin capital allocation, strategic decision-making and long-term value creation.

The Group applies a scenario-based approach to assess resilience across short, medium, and long-term time horizons, integrating climate considerations into its risk management and strategic planning processes. While impacts are currently assessed on a qualitative basis, the Group continues to enhance its methodologies and data capabilities to support more advanced modelling and disclosure.

The oversight is exercised by the Audit and Risk Committee, which meets four times per year to review material risks, including climate-related risks and opportunities. Senior management provides updates on climate-related matters through established reporting channels, including quarterly reporting to executive-level committees responsible for ESG and risk oversight. In addition, climate-related disclosures and risk assessments are formally reviewed at least annually by the ARCC oversight and decision-making.

The continuous capacity building enables the Board and its committees to enhance oversight of sustainability and climate-related matters. During FY2025 and FY2026, training focused on evolving sustainability frameworks and climate-related regulations, was complemented by deep dives on key ESG topics such as the climate transition plan, accessibility, and customer outcomes. In executing sustainability initiatives, the Group manages key trade-offs, including balancing capital constraints for climate investments, technological maturity, rural connectivity expansion, regulatory compliance, and rising disclosure requirements.

Climate-related risks and opportunities are embedded within the Group's enterprise risk management framework and are considered by management and the Audit and Risk Committee (ARC) in overseeing strategy, capital allocation and major transactions. On behalf of the Board, the ARC reviews principal risks, including climate-related risks, to ensure these are appropriately reflected in business planning and key investment decisions. Management supports this through the ongoing identification, assessment and monitoring of climate-related risks and opportunities, including scenario analysis where relevant. These considerations, encompassing both transition and physical risks as well as decarbonisation opportunities, are integrated into the Group's risk management processes and strategic decision-making, thereby supporting sustainable long-term value creation.

While the Group has not established explicit remuneration incentives directly linked to climate-related targets, such risks and opportunities are embedded within broader strategic and operational KPIs, including environmental and efficiency measures, which are considered in assessing management performance and may indirectly inform remuneration outcomes.

Risk management

The Group applies a comprehensive and integrated approach to managing sustainability- and climate-related risks, embedded within the Group's enterprise risk management framework. Climate-related risks, including both physical and transition risks, are identified, assessed, and monitored alongside broader enterprise risks, supported by a formal Environmental, Social and Climate Risk Management Policy. Oversight is reinforced through a risk-based combined assurance model, incorporating five lines of defence: management controls, internal controls, risk and compliance oversight, independent assurance (internal and external audit), and governance oversight.

The Group is exposed to both transition and physical climate-related risks that may materially affect its operations, financial performance and long-term resilience. These risks and opportunities are identified, assessed and monitored through the Group's enterprise risk management (ERM) framework, which integrates climate considerations into strategic and operational decision-making.

Identification and assessment of climate-related risks are informed by internal operational data, scenario-based analysis and evolving industry guidance. The Group evaluates risks across different time horizons, considering both transition risks, such as energy price volatility, carbon regulation and decarbonisation requirements, and physical risks arising from the increasing frequency and severity of extreme weather events. These include floods, droughts and storms, which may disrupt network operations, damage infrastructure and impact energy supply and logistics. This exposure is heightened by the geographically dispersed nature of the network, including over 3 894 sites nationwide, a significant portion of which are in rural areas.

Transition risks are assessed in the context of regulatory developments, market dynamics and technological change, including potential increases in operating costs, asset obsolescence and value chain (Scope 3) exposure. At the same time, the Group identifies climate-related opportunities linked to network modernisation, renewable energy adoption and digital enablement, which support cost efficiencies and long-term growth.

Sustainability Report continued

Risk management continued

Monitoring and management of these risks and opportunities is embedded within the Group's governance and risk management processes. Key risk indicators, performance metrics and mitigation actions are regularly tracked and reported to management and the Board through established governance structures. Mitigation responses include alignment to Vodafone Group's net zero ambition, ongoing investment in resilient and energy-efficient infrastructure, and implementation of energy efficiency and renewable energy programmes. These measures support the Group's ability to manage climate-related risks while enhancing operational resilience and delivering sustainable long-term value.

Consistent with Vodacom Group's climate transition framework, the Group has assessed the potential financial effects of climate-related risks and opportunities across different time horizons. Impacts in the short term are largely operational, particularly energy-related costs, while medium-to long-term impacts are expected to arise through increased investment in resilient and energy-efficient infrastructure, evolving regulatory requirements, and potential changes in asset profiles. Climate-related opportunities, including digital and energy solutions, are expected to support long-term growth.

The Group has adopted a qualitative approach in disclosing transition risks in the current reporting period, reflecting the progressive enhancement of underlying data and methodologies. Transition risks are identified and assessed within the Group's enterprise risk management framework, with ongoing developments focused on strengthening the quantification of exposures as data quality and modelling capabilities continue to advance.

Climate risk assessments is supported by scenario analysis conducted in collaboration with Vodafone, including financial quantification of risks and opportunities. The Climate Transition Plan (CTP) guides management actions to reduce Scope 1 and 2 emissions and addresses near-term Scope 3 priorities, while science-based targets submitted in FY2025 strengthen alignment with global climate goals. Broader sustainability risks are managed through a suite of policies, ethical conduct, supplier standards, health and safety, privacy, and waste management, as well as ongoing assessments of nature- and water-related dependencies and risks, which are being integrated into the ERM framework.

The Group's assessment of climate-related risks and opportunities is informed by operational data across its footprint, including Scope 1, 2 and selected Scope 3 emissions, supplemented by external benchmarks and industry guidance. The scope covers entities under operational control, with estimates and assumptions applied where data is limited. Methodologies and inputs continue to evolve, with ongoing enhancements to data quality and consistency.

Risk monitoring and reporting are conducted on a regular basis, with quarterly risk reports and monthly updates provided to senior leadership and Board committees. ESG and climate risks are considered in investment decisions and strategic planning, with oversight by the ARCC and risk committees at both Group and Company's levels. Annual evidence-based testing of controls, supported by Vodafone and internal audit, ensures the effectiveness of risk management processes. This integrated approach enables the Group to identify, manage, and respond to sustainability-related risks and opportunities in a structured, consistent, and forward-looking manner.

The Group considers climate-related risks and opportunities in assessing the useful lives, residual values and impairment indicators of its property, plant and equipment and right-of-use assets. Physical risks, including the exposure of certain network sites and data centres to high-risk locations, and transition factors such as increased energy demand from prolonged heat spells requiring additional cooling, are factored into asset lifecycle planning and ongoing operational monitoring.

These considerations are incorporated into the Group's annual useful life and impairment assessment processes in accordance with applicable IFRS requirements.

Consistent with the Group's climate transition framework, potential financial impacts of climate-related risks and opportunities have been assessed across time horizons. Short-term impacts are primarily operational, including energy-related costs, while medium- to long-term impacts relate to investments in resilient and energy-efficient infrastructure, regulatory developments and asset profile changes. Climate-related opportunities, including digital and energy solutions, are expected to support long-term growth. Similarly, these impacts are currently disclosed qualitatively, with ongoing enhancements toward future quantification.

Sustainability Report continued

Climate change mitigation

The Group is exposed to climate-related transition risks arising from energy price volatility, carbon regulation and decarbonisation requirements, as well as physical risks from climate-related events such as floods and droughts that may disrupt network operations and supply chains. The Group manages these risks through its initiatives aligned with Vodafone Group's net zero (direct emissions) target by 2035, ongoing network modernisation, and energy efficiency programmes.

Similarly, the Group is exposed to both physical and transition climate-related risks that may materially affect its operations, financial performance, and long-term resilience. These risks are identified and assessed within the Group's enterprise risk management framework and inform strategic and operational decision-making.

Physical risks arise from the increasing frequency and severity of extreme weather events in Tanzania, including floods, droughts, and storms. These events present a direct threat to network infrastructure, potentially causing damage to base stations, disrupting service delivery, and affecting energy supply and logistics. This exposure is heightened by the geographically dispersed nature of the network, which includes more than 3894 sites nationwide, with significant number of sites located in rural areas.

Transition risks are driven by evolving regulatory requirements, energy market dynamics, and the shift toward a low-carbon economy. These include potential increases in operating costs associated with carbon regulation and energy prices, given the energy-intensive nature of telecommunications infrastructure and reliance on grid electricity and diesel backup generation. Additional risks arise from technological shifts that may lead to asset obsolescence, as well as Scope 3 exposure within the supply chain. At the same time, transition dynamics present opportunities for cost savings and efficiency gains through network modernisation and increased adoption of renewable energy.

The expected changes to the Group's financial position across different time horizons, including related investment, disposal and funding considerations for the climate transition, are currently presented on a qualitative basis or are not yet disclosed, with ongoing enhancements to data, methodologies and processes aimed at strengthening the level of detail over time.

During the year, the Group invested TZS 3.5 billion in energy efficiency projects, reflecting continued progress in delivering climate-related initiatives.

Climate risk management and response

The Group infrastructure assets, including towers, fibre networks, data centres and related power systems, are exposed to climate-related physical and transition risks that may result in material adjustments to their carrying values. Increased severity of extreme weather events, flooding and heat stress may impact asset condition, useful lives and maintenance costs, while evolving energy and regulatory frameworks may affect the valuation of power-intensive assets. These risks are actively assessed in determining impairment indicators, useful lives and capital allocation to ensure appropriate reflection of potential climate-related financial impacts.

The Group manages climate-related risks through alignment with Group-wide net zero commitments and implementation of its Climate Transition Plan (CTP). The CTP outlines actions to reduce Scope 1 and 2 emissions, alongside targeted near-term Scope 3 interventions, and is embedded into capital allocation, network planning, and operational processes.

During the year, progress was made in improving energy resilience and reducing number of sites using diesel generators. This year 169 sites previously using diesel power were connected to the grid. We have introduced two electric vehicles and installed dedicated charging stations at the Group's head office as part of a pilot programme. This initiative will help us make better decisions about our future fleet options.

Our investment in upgrading power connectivity at one of our main data centre from a shared 11 KVA supply to an almost dedicated 33 KVA power line has significantly improved grid power availability, reducing average generator usage by approximately 90% and delivering energy savings of over 100,000 litres per month.

Additional measures include ISO 50001 certification, automated energy monitoring systems, and infrastructure upgrades such as cooling system optimisation, which enhance both energy efficiency and operational reliability.

Energy access and supply disruptions

The Group is exposed to risks related to energy availability and supply chain disruptions, with ongoing geopolitical tensions, including the Middle East conflict, driving volatility in global fuel markets. Given its reliance on grid electricity and diesel for backup power, such disruptions may increase operating costs, particularly at off-grid and rural sites. Supply chain constraints may also affect the sourcing of capital goods, thereby delaying network investments. The Group continues to monitor developments and assess appropriate mitigation actions.

Energy consumption and mix

Total energy consumption decreased to 169.48 GWh (2025: 177.25 GWh), reflecting ongoing efficiency and transition initiatives. Network operations remain the primary energy consumer, accounting for the majority of usage.

Introduction | Our governance | Our business | Our strategic performance | Our purpose-driven performance | Our financial performance | Consolidated annual financial statements | Notice of annual general meeting | Additional information

Sustainability Report continued

Climate Risk Management and Response continued

Energy sources (GWh)

Source	2026	2025
Grid electricity	92	78.83
On-site generation	5	4.09
Diesel and petrol	69	90.95
Transport	4	3.39
Total energy consumption	**169**	177.25

Energy uses (GWh)

Use	2026	2025
Network base stations	134	134
Technology centres	30	38
Offices and retail	2	2
Transport	4	3
Total	**169**	177

Renewable energy accounted for 57.0% of total energy consumption (2025: 46.8%), reflecting increased reliance on renewable grid electricity and continued deployment of on-site solutions. All purchased grid electricity is sourced from renewable energy, while on-site renewable generation contributes 4.8% of total renewable energy supply.

Greenhouse gas (GHG) emissions

The Group's GHG emissions arise primarily from energy consumption required to power its telecommunications network, data centres, and supporting infrastructure, as well as from value chain activities including equipment supply, logistics, and product use. In line with Vodafone Group's ambition to achieve net zero emissions (direct emissions) by 2035, the company measures and manages emissions across Scope 1, Scope 2, and material Scope 3 categories, integrating climate considerations into operational management, capital allocation, and network planning.

Scope 2 emissions are reported on both a market-based and location-based basis to provide a transparent and comprehensive view of electricity-related emissions. The location-based method reflects the emissions intensity of the grids from which electricity is consumed, while the market-based method reflects the impact of the Group's energy procurement decisions, including the use of renewable energy sources.

Emissions are calculated in accordance with recognised GHG protocol and are monitored using both market-based and location-based methodologies for Scope 2 emissions, providing transparency on energy sourcing and underlying grid emissions.

GHG emissions

These emissions arise from operations under the Group's operational control and include fuel consumption (diesel and petrol) from data centres, generators at off-grid sites, and owned or leased vehicles, as well as fugitive emissions from refrigerants and fire suppressants used in air-conditioning and fire protection systems within network facilities.

Total emissions for the reporting period reflect the continued transition away from diesel reliance and improved energy efficiency across operations.

Scope 1 gross emissions breakdown (tCO_2e)

Source	2026	2025
Diesel and petrol	17 441	22 916
Transport (fleet)	926	848
Refrigerant gases	78	521
Total Scope 1 emissions	**18 445**	24 285

Scope 1 emissions decreased year-on-year, primarily driven by reduced diesel consumption following the data centre power upgrade, network modernization, conversion of off-grid sites, and optimisation of backup power solutions.

Sustainability Report continued

Scope 2 gross emissions (tCO_2e)

These are emissions from electricity and cooling purchased to power our sites, data centres, offices, and retail shops. We report two different Scope 2 emission values: one using a 'market-based' method and one using a 'location-based' method.

Purchased electricity is not entirely renewable, with Renewable Energy Certificates (RECs), assessed and purchased on an annual basis. During the year the Group purchased renewable energy certificates.

Category	2026	2025
Scope 2 (location-based)	38 234	27 786

Scope 2 emissions continue to reflect the Group's renewable electricity procurement strategy, with market-based emissions at zero and location-based emissions influenced by underlying grid emission factors.

Total Scope 1 and Scope 2 gross emissions (tCO_2e)

Metric	2026	2025
Total (market-based)	18 445	24 286
Total (location-based)	56 680	52 072

Data for emissions calculations is sourced from utility bills, fuel purchase records, and vehicle logs. The Company uses emission factors consistent with national guidelines and international best practices where available.

Scope 3 Greenhouse Gas (GHG) emissions

Scope 3 emissions inputs are primarily derived from supplier data, internal operational records and estimations based on recognised emission factors. These inputs are subject to internal validation processes, including consistency checks against prior periods, benchmarking to industry data and review by relevant functional teams. Where applicable, selected emissions data and methodologies are also subject to limited external assurance, supporting the accuracy and reliability of reported Scope 3 disclosures.

The Company recognises that Scope 3 emissions represent a significant portion of its total carbon footprint, reflecting impacts across its value chain, including procurement, network expansion, energy-related activities, and customer usage. In line with IFRS S2, the company has expanded its disclosure of material Scope 3 categories to improve transparency on emissions outside its direct operational control and to support its transition to net zero. Total Scope 3 emissions for the reporting period were 94,944 tCO_2e (2025: 100,455 tCO_2e), representing approximately 76% of total emissions, highlighting the importance of supplier engagement and value chain decarbonisation. Emissions are primarily driven by purchased goods and services and capital goods (58% combined), reflecting network infrastructure investments, as well as fuel- and energy-related activities (19%). Reductions in total Scope 3 emissions were mainly driven by lower contributions from franchises and improved energy efficiency. The Group's rationale is to minimise environmental impact across operations and value chain, support and track delivery of its Climate Transition Plan (CTP) and decarbonisation actions and manage climate-related risks and opportunities (strategy + resilience).

Scope 3 emissions by category

All fifteen categories have been assessed for inclusion within our reporting, where categories are excluded because there are no emissions, this is reviewed annually to ensure it remains valid and as part of our continued efforts to improve transparency and completeness of disclosure for our total GHG emissions footprint.

Scope 3 emissions inputs are primarily derived from supplier data, internal operational records and estimations based on recognised emission factors. These inputs are subject to internal validation processes, including consistency checks against prior periods, benchmarking to industry data and review by relevant functional teams. Where applicable, selected emissions data and methodologies are also subject to limited external assurance, supporting the accuracy and reliability of reported Scope 3 disclosures.

The Group reports year-on-year performance for emissions and energy metrics, which are evaluated against its climate-related targets as part of its broader performance monitoring framework.

Sustainability Report continued

The table below highlights the Company's material scope 3 emissions determined from our comprehensive carbon footprint assessment:

Scope 3 gross emissions by category (tCO_2e)

Category	2026	2025	Methodology
Purchased goods and services Emissions from the extraction, production and transportation of goods and services purchased by the Group.	27 497.5	21 041.1	Using hybrid approach to calculating Scope 3 category 1 emissions. For purchased goods and services, we use a spend-based approach whereby our procurement spending on each product category is multiplied.
Capital goods (Emissions from the extraction, production and transportation of capital goods purchased by Group – capital expenditure).	27 082.8	20 874.5	We use a spend-based approach to calculating the emissions for capital goods purchased. Capital expenditure on each type of capital good is multiplied by a corresponding Environmentally Extended Input–Output (EEIO)emission factor (drawn from third-party EEIO datasets).
Fuel and energy-related activities Emissions from the extraction, production and transportation of fuels and energy purchased by Vodacom and not already included in Scopes 1 and 2. It includes emissions from electricity transmission and distribution.	17 939.9	21 549.5	Upstream fuel and energy emissions are calculated by applying Department for Energy Security and Net Zero emission factors for upstream well-to-tank (WTT) and transmission and distribution (T&D) emissions to Vodacom's fuel and energy consumption data.
Upstream transportation and distribution Emissions from the transportation and distribution of products purchased by the Group between the supplier/warehouse location of our Tier 1 suppliers and our own operations.	285.9	403.6	Calculation of emissions for the upstream transportation and distribution of all other purchased and sold goods based on transport and distribution related procurement spend categories. We use a hybrid approach to calculating Scope 3 category 4 emissions.
Business travel Emissions from transportation of employees for business-related flights (air travel) and business-related travel by road and rail.	249.3	314.1	Air travel emissions are calculated based on the distance travelled multiplied by the air travel emission factor for the corresponding ticket-class and flight length. Rail travel emissions are calculated based on the distance travelled multiplied by a rail travel emission factor. Other business travel emissions are calculated based on the Group's spending (on road, bus, and taxi travel) as measured through our travel expenses system, multiplied by corresponding EEIO conversion factors.
Employee commuting Transportation of employees between their homes and worksites and energy use from home working during the reporting year.	395.9	327.3	Emissions are estimated by multiplying the total number of employees (average FTE) per country by the estimated average distance travelled per day, estimated number of working days per year, estimated days working from the office and home per week, estimated proportion travelling by a particular mode of travel and energy use at home, and emission factors.
Upstream leased assets Operation of assets leased by Vodacom, including third-party network sites. This includes the relevant sites leased by tower companies.	13 638.8	15 120.1	The most significant upstream leased assets in Group's value chain are radio base station sites leased from third-party tower companies. The electricity consumed by equipment owned falls within our operational control boundary and is therefore accounted for in our Scope 2 emissions.

Sustainability Report continued

Scope 3 emissions by category (tCO_2e) continued

Category	2026	2025	Methodology
Use of sold products Emissions from the use of goods and services sold by Vodacom, principally from the energy used by network equipment, such as routers, and the energy required to charge mobile devices.	1 085	937	Emissions include the emissions from electricity required to use electronic devices that Vodacom sells, including mobile phone and sets, fixed line equipment and other electronic devices and are calculated based on the number of devices, multiplied by the estimated average lifetime energy use of each device.
Shops including Franchisee shops Operation of shops in the reporting year, not included in Scope 1 or 2.	6 767	19 887	Retail shops fall within our 14 operational control boundaries and are therefore accounted for in our Scope 1 and 2 emissions. These emissions are calculated by multiplying average energy use per retail store by the corresponding emission factors for that country, multiplied by number of franchise retail stores in each market.
Other (immaterial categories).	537	718	These are estimated using industry-average emission factors, supplier data where available, and activity-based metrics in line with the GHG Protocol. Given their limited contribution, proportionate methodologies and consistent assumptions are applied to ensure completeness.
Total Scope 3 emissions	**94 944**	100 455	

The company manages Scope 3 emissions through supplier engagement, energy efficiency initiatives, and alignment with Vodafone Group's Climate Transition Plan, with a focus on reducing emissions associated with network equipment, energy supply, and customer usage.

Emissions intensity and operational efficiency

The Group tracks operational efficiency using key intensity metrics, reflecting the emissions impact of network growth and increasing data demand. For the year:

a. Total energy consumption: 169.48 GWh
b. Emissions intensity metrics (per site and per data traffic) are monitored internally to assess efficiency improvements from network modernisation and energy optimisation initiatives.

The reduction in Scope 1 emissions, alongside stable energy consumption, reflects improved energy efficiency, reduced diesel dependency, and increased integration of renewable energy, despite continued network expansion.

Climate strategy targets

The Group is committed to achieving its net-zero GHG emissions (direct emissions) target by 2035, leveraging climate-related opportunities such as renewable energy expansion to drive long-term value and resilience. The Group's Climate Transition Plan (CPT) outlines the pathway to net zero, including an interim target to progressively reduce Scope 1 and Scope 2 emissions.

Over the last four financial years, the Group has demonstrated a generally downward trend in greenhouse gas emissions, with incremental year-on-year reductions driven by energy efficiency initiatives, network optimisation and increased use of lower-carbon energy sources. The FY2025 confirm a further reduction of approximately 787.6 tCO_2e compared to the prior year, consistent with the Group's broader net zero ambitions.

GHG emissions management is guided by Group's Climate Transition Plan, which prioritises:

a. Reduction of Scope 1 emissions through diesel displacement and energy optimisation
b. Maintenance of 100% renewable electricity procurement for Scope 2 (market-based)
c. Targeted reduction of Scope 3 emissions through supply chain engagement and technology innovation

The submission of near-term science-based targets (SBTi) in FY2025 further strengthens alignment with global climate goals and supports transparent performance tracking.

The Group's climate targets are aligned to those set by Vodafone Group and are cascaded across Vodacom Group operations and its international markets, including Vodacom Tanzania, through a structured and consistent deployment approach. These targets are reviewed and adopted at a local level, with delivery plans established and supported by appropriate resource allocation through the Group's budgeting and long-range planning processes.

Sustainability Report continued

Environmental management and controls

Emissions management is supported by certified environmental and energy management systems:

a. ISO 50001 (Energy Management): Certified (2026, 2025)
b. ISO 27001 (Information Security): Certified
c. Environmental management practices aligned with Group policies and standards

These frameworks enable systematic monitoring, control, and continuous improvement of energy use and emissions performance across operations.

Scenario analysis and climate resilience

The Group's scenario analysis incorporates key assumptions and inputs including temperature pathways, carbon pricing trajectories, energy mix evolution, regulatory developments and macroeconomic trends. These are applied to operational drivers such as energy consumption, emissions profile, and network demand to assess financial impacts across energy costs, capital investment, revenue, and asset values. The analysis evaluates both transition and physical risks, including energy price exposure, carbon taxation, and climate-related disruptions, alongside opportunities arising from renewable energy adoption and digital-enabled solutions.

Approach, scenarios and time horizons

The Group conducted climate scenario analysis using Representative Concentration Pathways (RCPs) to assess the resilience of its strategy and operations across defined time horizons aligned to strategic and asset lifecycles:

a. Short- to medium-term: 2020–2039
b. Medium-term: 2040–2059
c. Long-term: 2080–2099

The following climate scenarios were assessed:

a. RCP 2.6 (low-emissions scenario)
b. RCP 4.5 (moderate-emissions scenario)
c. RCP 8.5 (high-emissions scenario)

Physical climate projections were informed by international climate models and data sources, including:

Coupled Model Inter-comparison Project Phase (CMIP5), NASA MERRA-2 and the World Bank Climate Knowledge Portal. The analysis considered the evolving nature of physical and transition risks over time and their implications for network resilience, energy demand, operating costs and service continuity.

As this represents the Company's first year of reporting under IFRS S1 and IFRS S2, and in light of the ongoing enhancement of internal models and methodologies to more fully capture the impacts of climate-related risks and opportunities, the scenario analysis undertaken during the reporting period has focused primarily on qualitative assessments. The Company is committed to further developing and refining its analytical capabilities and processes, with the objective of incorporating more robust quantitative analyses and disclosures in future reporting cycles.

The scenario analysis was carried out as of 31 March 2026.

Qualitative scenario analysis – Climate resilience by time Horizon

Scenario 1: Low-emissions pathway (RCP 2.6 – early policy action)

Under this scenario, global emissions peak early and decline rapidly, limiting long-term climate.

Short- to medium-term (2020–2039)	Medium-term (2040–2059)	Long-term (2080–2099)
• Physical impacts: Slight increases in average temperatures and limited increases in hot days. • Implications for Vodacom Tanzania: – Manageable impacts on network performance and cooling requirements. – Energy demand and costs remain relatively stable. • Resilience outcome: Existing adaptation measures and operational controls are sufficient to maintain service continuity.	• Physical impacts: Moderate warming and relatively stable precipitation patterns. • Implications: – Incremental upgrades to energy efficiency and network design are required but remain within planned investment cycles. • Resilience outcome: Strategy remains resilient with limited need for material change.	• Physical impacts: Climate stabilisation limits extreme weather escalation. • Resilience outcome: Vodacom Tanzania remains resilient over the long term, supported by sustained adaptation and low transition risk.

Sustainability Report continued

Qualitative scenario analysis – climate resilience by time horizon

Scenario 2: Moderate-emissions pathway (RCP 4.5 – orderly transition)

This scenario assumes delayed but coordinated global mitigation action, resulting in higher near-term impacts but eventual stabilisation.

Short- to medium-term (2020–2039)	Medium-term (2040–2059)	Long-term (2080–2099)
• Physical impacts: Increasing frequency of hot days and rising average temperatures. • Transition impacts: – Gradually increasing regulatory and stakeholder expectations. • Greater pressure on energy supply, cooling systems and site availability. • Resilience outcome: Operations remain resilient, but targeted adaptation is required.	• Physical impacts: More pronounced warming and rainfall variability. • Transition impacts: – Rising energy costs and technology transition pressures. • Implications: – Accelerated investment needed in climate resilient infrastructure, energy efficiency and alternative power solutions. • Resilience outcome: Strategy remains viable, provided proactive capital allocation and adaptive planning are implemented.	• Physical impacts: Climate impacts stabilise but remain elevated relative to today. • Resilience outcome: With sustained investment, Vodacom Tanzania maintains long-term resilience, though operating costs remain higher than under a low-emissions pathway.

Scenario 3: High-emissions pathway (RCP 8.5 – late policy action/business as usual)

This scenario reflects continued high emissions and limited early mitigation action.

Short- to medium-term (2020–2039)	Medium-term (2040–2059)	Long-term (2080–2099)
• Physical impacts: Noticeable increases in heat stress and more frequent extreme weather events. • Implications: – Increased operational disruptions and higher energy demand for cooling. • Resilience outcome: Operations remain functional but increasingly exposed to physical risks.	• Physical impacts: – Escalating frequency and severity of extreme heat, drought and flooding. • Transition impacts: – Heightened uncertainty around future regulatory intervention. • Implications: – Elevated maintenance costs, increased risk to network assets and greater reliance on redundancy and backup systems. • Resilience outcome: – Resilience is challenged without accelerated and material adaptation investment.	• Physical impacts: – Mean temperature increases of up to 4.1 °C by 2099. – Significant increase in hot days, droughts, flooding and sea-level rise risk. • Transition impacts: – Sudden and potentially disruptive policy, market and reputational risks. • Resilience outcome: – Without sustained mitigation and adaptation actions, this scenario would pose a material risk to long-term operational and financial resilience. Early investment in climate-resilient infrastructure materially reduces risk severity.

Based on the scenario analysis across short-, medium- and long-term time horizons, the Group considers its strategy to be resilient under low- and moderate-emissions scenarios, while acknowledging heightened and potentially material risks under a high-emissions pathway, particularly over the long term. Continued investment in climate-resilient network infrastructure, energy efficiency, renewable energy adoption and adaptive management practices will be critical to sustaining service continuity, protecting long-term value and supporting Tanzania's digital development in a changing climate.

Sustainability Report continued

Capacity to adjust or adapt strategy and business model

The Group's resilience to climate change is supported by the scalability of its network infrastructure, diversified digital service offerings, strong governance, and access to Group-level resources. The Group's capacity to adjust and adapt its strategy and business model is assessed under three climate scenarios based on Representative Concentration Pathways (RCPs), which consider varying degrees of emissions reduction, policy intervention, and physical climate impacts.

These scenarios inform strategic planning, capital allocation, and operational resilience measures, ensuring that Group remains financially and operationally resilient across a range of plausible future climate outcomes.

a. **RCP 2.6 – low emissions scenario:** Under a scenario aligned with aggressive global decarbonisation and limited temperature increase, the Group would accelerate investment in low-carbon and energy-efficient network technologies, including renewable energy solutions for base stations and reduced reliance on diesel generation. The business model would increasingly support demand for digital solutions that enable emissions reductions across the wider economy, such as cloud services, mobile financial services, and IoT-enabled efficiency tools. These actions enhance resilience by reducing long-term transition risk exposure and strengthening competitive positioning in a low-carbon operating environment.

b. **RCP 4.5 – moderate emissions scenario:** In a scenario reflecting moderate emissions reductions and phased policy action, the Group would maintain strategic flexibility by optimising network performance, phasing investments in energy efficiency, and embedding climate considerations into capital expenditure planning. The Group would rely on portfolio diversification and adaptive pricing models to manage a gradual increase in transition and physical risks. Ongoing enhancements to digital platforms and data analytics would support resilience by enabling timely adjustments to evolving regulatory, market, and climate conditions.

c. **RCP 8.5 – high emissions scenario:** Under a high-emissions pathway associated with significant increases in temperature and physical climate risks,the Group would prioritise adaptation and operational resilience. This would include strengthening network infrastructure to withstand extreme weather events, expanding redundancy in power and transmission systems, and increasing reliance on digital and remote operations to reduce vulnerability to physical disruptions. Business continuity planning and climate-resilient site design would be central to ensuring service availability, protecting revenue stability, and supporting customer connectivity under severe climate conditions.

Processes, controls, and policies to manage climate-related risks and opportunities

The Group integrates climate-related risk and opportunity management into its enterprise risk management framework, supporting long-term resilience. A structured approach is applied using historical data, asset-level assessments, and scenario analysis (RCP 2.6, 4.5, and 8.5) to evaluate impacts on operations, costs, and network reliability across time horizons.

Key controls include network design standards, energy and environmental policies, supplier requirements, and business continuity frameworks, addressing both physical and transition risks.

The same processes are used to identify climate-related opportunities, such as growing demand for digital solutions, informing investment decisions and innovation. Oversight is embedded at management and Board level to ensure climate considerations are integrated into strategy and decision-making.

Sustainability Report continued

Waste management and circularity

The company faces regulatory and operational risks related to increasing electronic waste (e-waste) obligations and material use across its operations and value chain. These risks include evolving compliance requirements, rising disposal costs, and potential environmental impacts associated with network equipment and customer products.

To manage these risks, the company implements initiatives focused on resource efficiency, circularity, and waste minimisation, aligned with Group environmental policies. Key actions include reducing material consumption, promoting recycling, and improving lifecycle management of network equipment and customer-facing products.

During the reporting period, the Group achieved measurable reductions in material use, including: 51.7 tonnes (2025:34.4 tonnes) of plastic avoid through SIM optimisation initiatives, and 255.4 tonnes (2025: 242.2 tonnes) of paper avoided through increased adoption of digital recharges. These initiatives contribute to both cost optimisation and reduced environmental impact, while supporting the transition toward more circular operations.

Network waste management (metric tonnes)

Category	2026	2025
Reused network waste	–	–
Sent for recycling (network waste)	–	–
Disposed network waste	–	–
Total network waste (excl. hazardous)	–	–
Hazardous network waste	–	–
Total network waste (incl. hazardous)	–	–

Waste management efforts in the current year focused primarily on recycling of network waste, with further opportunities identified to expand reuse and hazardous waste tracking.

Water usage (m^3)

Metric	2026	2025
Total water usage	**24 192**	22 289

Water consumption increased moderately year-on-year, reflecting operational requirements, including network expansion and infrastructure needs.

The Group continues to strengthen its approach to resource management and environmental compliance, integrating circularity principles into operational processes and supplier engagement, in line with ISSB expectations for managing sustainability-related risks and opportunities.

2. Digital inclusion (access, affordability)

Approach

The Group adopts an integrated, purpose-led approach to digital inclusion focused on bridging the digital divide through expanded connectivity, improved affordability, increased access to devices, and enhanced digital and financial skills. This is supported by scalable platforms such as M-Pesa, targeted inclusion initiatives for underserved communities, and the development of digital ecosystems that enable individuals and businesses to participate fully in the digital economy.

Risk management

Barriers related to affordability, digital literacy, and access to devices present risks to customer growth, service adoption, and overall market penetration. The Group addresses these risks through targeted initiatives aimed at improving affordability, enhancing digital and financial literacy, and increasing access to smartphones and digital services. In addition, the Group prioritises ongoing network expansion to support revenue growth, customer acquisition, and long-term market share; however, this strategy exposes the business to capital allocation pressures and a degree of reliance on supply chain partners for timely and efficient infrastructure deployment.

These risks are mitigated through sustained investment in network infrastructure, strategic partnerships, and targeted customer initiatives to expand coverage and improve accessibility. As at 2026, broadband population coverage reached 81.9%, supported by continued rollout of 3G, 4G and 5G infrastructure. Over 11.5 million customers accessed affordable connectivity through tailored packages, while smartphone penetration increased by 42.5%, enabling broader participation in the digital economy. Data traffic grew by 25.7%, driven by approximately 50% growth in 4G usage, reflecting improved accessibility, network quality and increased adoption of data services. The Group also continued to implement the Think Equal, Lead Smart programme, delivering digital and financial skills training to underserved communities, with 700 women-owned SMEs supported across five districts during the year.

Sustainability Report continued

2. Digital inclusion (access, affordability) continued

The Group is further exposed to operational risks arising from network outages and service disruptions, which could adversely affect customer experience, retention, revenues, and regulatory compliance. These risks are managed through continuous investment in network resilience, redundancy, and capacity expansion to ensure high service availability and stability.

Key matrices

- During the year, TZS 370 billion was invested in network and IT infrastructure, supporting network availability of 99.7%.
- The coverage was expanded to 76.3% (4G), 88.7% (3G), and 95% (2G), driven by additional site rollouts, rural connectivity initiatives, spectrum acquisitions, and enhancements to backbone transmission capacity, ensuring improved reliability and service continuity across the network.

3. Financial inclusion

Approach

The Group adopts a platform-led approach to financial inclusion focused on expanding access to affordable and secure digital financial services through M Pesa and related solutions. This enables unbanked and underserved populations to participate in the formal financial system, supports SME growth and economic participation, and contributes to poverty reduction and economic resilience. The approach is underpinned by an integrated ecosystem of connectivity, digital platforms, and partnerships, ensuring scalable and inclusive access to financial services across its markets.

Strategic focus

The Group's mobile financial services platform, M-Pesa, remains a core strategic growth driver, advancing financial inclusion while supporting revenue diversification and long-term enterprise value creation. Since its launch in 2008, M-Pesa has evolved from a mobile payments solution into a fully integrated digital financial ecosystem, serving over 14 million monthly active customers and significantly expanding access to formal financial services for previously underserved and unbanked populations. Through strategic partnerships with licensed financial institutions, the platform delivers a comprehensive suite of solutions, including payments, savings, credit, insurance, and investment products, enabling broader economic participation.

M-Pesa revenue increased by 24.5% to TZS 734.8 billion, reflecting strong customer adoption, increased transaction volumes, and continued expansion of use cases across consumer and enterprise segments. The platform processed an average of TZS 14.5 trillion per month, representing a 34.3% year-on-year growth, driven by sustained demand across payments, lending, savings, and merchant services. Ongoing investment in system enhancements, product innovation, and regulatory engagement has strengthened platform resilience, scalability, and security, reinforced customer trust and supporting continued growth. Recent innovations, including M-Wekeza and integration with the DSE mini app, have further expanded access to investment opportunities, with cumulative customer investments surpassing TZS 370 billion.

The digital lending portfolio continues to scale, reaching over 5 million customers and disbursing TZS 3.4 trillion (+17.8%), driven by increased demand for accessible, short-term credit solutions. Growth in micro-lending was particularly strong, with Songesha overdrafts increasing by 33.8%. In parallel, M-Koba has strengthened savings and community-based financial inclusion, facilitating over TZS 1 trillion in group savings deposits (+80%), with more than 60% contributed by women, highlighting the platform's role in advancing gender inclusion and economic empowerment.

The merchant ecosystem has also expanded significantly, exceeding 600 000 active merchants through Lipa kwa Simu, enhancing digital payments acceptance and driving higher transaction volumes across the ecosystem. This growth deepens platform stickiness and supports the formalisation of the informal economy by enabling small businesses to transact digitally, improve cash flow visibility, and access broader financial services.

Leveraging advanced data analytics and customer insights, M-Pesa enables personalised financial solutions for both consumers and merchants, integrating financial, digital, and telecommunications services into a unified platform. This ecosystem approach supports a stronger savings culture, enhances access to credit and financial tools, and empowers SMEs to scale and operate more efficiently.

Overall, the continued expansion, innovation, and integration of M-Pesa reinforce the Group's position as a leading digital and financial services provider, enabling inclusive growth, strengthening customer relevance, and underpinning sustainable long-term value creation.

Sustainability Report continued

4. Customer relationships and service quality

Overview

Customer relationships and service excellence are central to the Group's purpose of connecting for a better future and underpin sustainable value creation and resilience. The Group focuses on delivering reliable, accessible and high-quality connectivity and digital services, enhancing customer experience through continuous innovation and digital engagement, and building trust through responsible data use, privacy protection and transparent interactions, while promoting inclusive access to financial and digital services.

This is supported by ongoing investment in network quality and resilience, customer-centric product and service development, the expansion of digital channels to improve accessibility and efficiency, and the integration of customer protection, data privacy and ethical conduct into the design and delivery of all services.

Key strategic priorities include:

- **Customer-centric innovation:** Continuous improvement of products and services to meet evolving customer needs
- **Network quality and reliability:** Investment in infrastructure to ensure consistent service availability and performance
- **Digital engagement:** Expansion of digital platforms to improve accessibility, efficiency, and customer experience
- **Responsible service delivery:** Integration of customer protection, data privacy, and ethical conduct into service design and delivery

Customer-related risks are managed within the Group's ERM framework and operational control environment.

Key risks include:

Key risks	Mitigations
• Service disruptions and network outages impacting customer experience • Data privacy breaches and cyber security threats • Regulatory non-compliance relating to customer protection and service standards • Reputational risks arising from poor service quality or customer dissatisfaction	• Continuous monitoring of network performance and service quality indicators • Implementation of robust cyber security and data protection controls • Compliance with regulatory requirements and industry standards • Customer feedback mechanisms, including surveys and complaint management processes, to identify and address service gaps

Metrics: Performance is tracked using indicators such as:

- Network availability and service reliability metrics
- Customer satisfaction and experience scores (e.g., NPS)
- Complaint resolution rates and turnaround times
- Digital adoption and customer engagement levels

During the year, first-call resolution improved by 19% and NPS by 16%, supported by initiatives such as transitioning staff to advisory roles and embedding an "Ask Once" culture.

Sustainability Report continued

5. Cybersecurity and technology resilience

Our approach

The Group adopts a risk-based, standards-aligned approach to cybersecurity, integrating prevention, detection, response and recovery controls within a US National Institute of Standards and Technology (NIST) -based operating model. Governance is led at executive and Board level with oversight by the ARCC, supported by structured risk monitoring, policies and committees.

Our cyber security strategy is risk based and will continue to evolve based on changing threats, technological developments, our strategic and business priorities, and regulations.

The cyber security leadership team reviews detailed metrics weekly covering security controls status, updates about the threat landscape, and specific key risk indicators (KRIs') for our most important controls.

An important part of our operating model is to gather intelligence and insights in order to assess threats and drive action. The cyber threat landscape continues to be volatile across all sectors, with wide-ranging threat actors ranging from individuals to nation states. Our cyber security team uses industry and external analysis to help shape our controls and procedures, and drive actions.

Strategic priorities: The Group prioritises cyber and information security as critical to delivering reliable connectivity. Its risk-based strategy, aligned to Group standards, focuses on proactive, threat-led defence, secure-by-design products, simplified architecture, and strong supplier ecosystem security. Key pillars include identity and access control, real-time detection and response, continuous risk assessment (CHARM), secure networks and services, supplier risk management, and building cyber talent and awareness.

Risk and mitigation: The Company faces external, insider, and supply chain cyber risks, including:

Risks	Mitigation
• External: A wide variety of attackers, including criminals and state-backed groups, target our networks, systems and people using a range of techniques; • Insider: Our employees may accidentally leak information or maliciously misuse their privileges to steal confidential data or to cause disruption; and • Supply chain: We only have indirect control over the cyber security of third-party service providers, limiting our ability to defend against cyber threats to these third parties.	• Robust control framework (aligned to NIST), continuous monitoring, threat intelligence, and layered security capabilities covering prevention, detection, response, and recovery engagement surveys and feedback mechanisms • Strong governance with executive oversight • Mandatory employee training • Phishing simulations • 24/7 monitoring (detection and response) • Third-party testing • Supplier risk management, and cyber insurance

The Group's compliance with ISO 27001 and global standards further strengthens resilience.

Target and incidences

Cyber performance is tracked through KRIs including vulnerability management, patching, endpoint security, and incident metrics, reviewed weekly and reported to EXCO and the Board. The Company achieved 100% cyber security control effectiveness (Vodafone prioritised controls) and maintained ISO 27001 certification.

In FY2026, two incidents (Severity 1 and 2) were recorded, both detected and contained with minimal impact; root causes included weak credentials, social engineering, and rapid exploitation of vulnerabilities. Importantly, no material incidents resulted in service disruption, data loss, or network outages.

Continuous monitoring handled high volumes of security events, ensuring rapid containment and sustained service reliability.

Metrics

- Training completion: 99% (Code of Conduct and anti-bribery training)
- Employee awareness: 96% confirm understanding of the Code of Conduct (Spirit Beat survey)
- Speak Up trust: 96% believe appropriate action will be taken
- Speak Up cases: 1 reported case in FY2026, investigated and addressed
- Assessment effectiveness: Net Promoter Score of 97% for training assessments

Overall, the Group maintains a strong ethical culture, supported by high compliance levels, effective governance structures, continuous training, and active leadership oversight.

Sustainability Report continued

6. Business integrity and ethical conduct

Overview

The Group is committed to upholding the highest standards of business integrity, ethics and professionalism.

Its governance framework is underpinned by principles of discipline, independence, responsibility, fairness, social responsibility, transparency, and accountability, embedded within established internal controls and policies, and aligned with the Capital Markets and Securities Authority (CMSA) corporate governance guidelines for listed entities in Tanzania.

The Board assumes collective responsibility for establishing and embedding ethical standards across the Group, ensuring directors uphold these principles and reinforce a strong ethical culture.

The Group's Code of Conduct defines expected standards for all employees, while suppliers and business partners are required to adhere to equivalent requirements under the Code of Ethical Purchasing. The Group maintains a Speak Up whistleblowing framework requiring the reporting of misconduct, including legal breaches, integrity issues, and workplace concerns. Oversight is provided by the Legal, Risk and Compliance Director, with governance by the Risk Management Committee (RMC) and the Audit, Risk and Compliance Committee (ARCC), and reporting facilitated through confidential internal channels and an independent anonymous hotline.

Strategic priorities

The Group maintains strong corporate governance aligned with CMSA requirements, anchored in principles of integrity, accountability, transparency, fairness, and social responsibility. The Board sets the "tone at the top" and ensures consistent adherence to the Code of Conduct and Code of Ethical Purchasing across employees, suppliers, and partners. The "Doing What's Right" (DWR) programme further reinforces the ethical culture through structured training, targeted communication, and accessible policies via digital platforms.

Risk & mitigation

The Risk Management Committee (RMC) and the Audit, Risk, and Compliance Committee (ARCC) in fulfilling duties with regards to risk management and policy compliance and anti-bribery mitigation oversight:

Risks	Mitigation
• Unethical conduct	• Robust governance structures (Board, ARCC, RMC)
• Bribery	• Comprehensive anti-bribery frameworks
• Corruption	• Mandatory employee training
• Fraud	• Supplier due diligence
• Non-compliance	• Strict policies on gifts, hospitality, and facilitation payments

The Speak Up whistleblowing mechanism supports confidential reporting of misconduct, underpinned by a non-retaliation policy and formal investigation and remediation processes. Biennial risk assessments and ongoing awareness initiatives further enhance compliance.

Metrics & incidents

- Training completion: 99% (Code of Conduct and anti-bribery training)
- Employee awareness: 96% confirm understanding of the Code of Conduct (Spirit Beat survey)
- Speak Up trust: 96% believe appropriate action will be taken
- Speak Up cases: 1 reported case in FY2026, investigated and addressed
- Assessment effectiveness: Net Promoter Score of 97% for training assessments

Overall, the Group maintains a strong ethical culture, supported by high compliance levels, effective governance structures, continuous training, and active leadership oversight.

Sustainability Report continued

7. Data privacy and protection

Overview

The Group upholds privacy as a fundamental right and prioritises customer trust beyond legal requirements. This is supported by a structured privacy programme and a dedicated team of specialists to ensure compliance with applicable laws and international standards.

Strategic priorities

The Group prioritises customer trust through a robust privacy programme aligned with the Tanzania Personal Data Protection Act, 2022 and international standards. The programme embeds privacy-by-design across the data lifecycle, supported by dedicated privacy teams, departmental SPOCs, strong supplier oversight, and transparent customer data practices.

Our approach to data privacy and protection

- We have an experienced team of privacy specialists dedicated to ensuring compliance with data protection laws and our policies.
- We apply a process-based approach to managing privacy risks across the data lifecycle. We have dedicated security teams that ensure appropriate technical and organisational information security measures are applied to protect personal data against unauthorised access, disclosure, loss, or use, both in transit and at rest.
- All products, services, systems, vendors and processes are subject to privacy impact assessments as part of their development and throughout their lifecycle.
- We maintain personal data processing registers, supplier privacy compliance, data breach management, and individual rights processes, as well as internal and international data transfer compliance frameworks, and training and awareness programmes.
- We have a team of Privacy Single Points of Contact (SPOCs) within our departments.

Risk management

Our privacy control frameworks are subject to continuous risk-based improvement. In addition to updating our privacy controls, we require every employee, and where possible contractors, to complete Doing What's Right privacy training within six weeks of joining and thereafter in line with our annual learning intervention cycle.

Risks	Mitigation
• Improper data collection, • Unauthorised access or use, and • Unlawful data sharing, including third-party exposure.	• Comprehensive controls – privacy impact assessments • Secure data handling, • Supplier due diligence, • Data processing registers, and • Continuous monitoring

The effectiveness of control implementation is subject to quarterly reporting, annual evidence-based testing, and internal audit.

Strong governance is led by the Data Protection Officer with oversight from EXCO, ARCC supported by mandatory training and ongoing awareness initiatives.

Key metrics and outcomes

- Training completion: 99% for assigned privacy and DWR programs against the target of 100% across all scheduled training
- Governance assurance: Quarterly reporting, annual testing, and internal audits
- Certifications: Data Processor and Controller certification achieved
- Incidents: No material privacy breaches, regulatory fines, or operational impacts in FY2026

Overall, effective governance, strong controls, and high compliance levels support robust data protection and sustained customer trust.

Sustainability Report continued

8. Responsible supply chain

Overview

The Group maintains a responsible supply chain framework governed by its Code of Ethical Purchasing and integrated into its Enterprise Risk Management (ERM) framework. Oversight of supply chain risks, including sustainability and climate considerations, is provided by the ARCC, with management accountability assigned to the Finance Director and relevant functions, while operational implementation is led by the Head of Supply Chain Management with regular reporting to executive management and the ARCC.

Responsible supply chain management is a key component of the Group's sustainability and climate strategy, supporting long-term value creation, operational resilience, and responsible business practices. The Group's approach focuses on promoting safe and fair working conditions across the value chain, upholding ethical conduct and human rights, and actively managing environmental impacts, including alignment to climate objectives.

This is delivered through a structured framework comprising strategic sourcing and cost optimisation via centralised procurement, and the development of long-term supplier partnerships to drive innovation, performance, and continuous improvement. ESG principles are embedded throughout procurement processes, with suppliers required to comply with the Code of Ethical Purchasing, ensuring responsible and sustainable practices.

The Group also prioritises supply chain resilience by proactively managing risks such as supply disruptions, geopolitical exposure, cyber threats, and multi-tier supplier dependencies. Digital procurement tools enhance transparency, efficiency, and performance monitoring across the supply chain. In support of its climate commitments, the Group integrates climate considerations into procurement decisions, including supplier engagement and initiatives aimed at reducing Scope 3 emissions through low-carbon sourcing.

Key risks	Mitigations
• Health and safety risks in network deployment and maintenance (e.g., working at height, high-voltage exposure, transport risks) • Labour practices, including excessive working hours and human rights considerations • Ethical risks, including corruption and non-compliance with standards • Environmental impacts, particularly supplier-related carbon emissions	• Mandatory compliance with the Code of Ethical Purchasing and the Group Code of Conduct • Structured supplier due diligence, onboarding assessments, and ongoing monitoring • Integration of ESG criteria into supplier selection and performance evaluation • Requirement for suppliers to cascade equivalent standards across their own supply chains • Continuous assessment of supplier compliance with health, safety, environmental, and ethical requirements alongside commercial considerations

Metrics and targets

This supports delivery against defined climate commitments, including:

- Reducing Scope 3 emissions (direct emissions) by 50% by 2030
- Achieving net zero emissions across the value chain (indirect emissions)by 2040

Progress is monitored through supplier performance assessments, ESG compliance indicators, and procurement reporting mechanisms, which inform management oversight and strategic decision-making.

Sustainability Report continued

9. Own workforce

Overview

The oversight of Group workforce matters is led by HR and executive leadership. Workforce performance and risks are regularly monitored and reported.

Management accountability resides with the Human Resources function, supported by executive leadership, ensuring alignment with the Group's broader sustainability, risk management, and compliance frameworks. Workforce performance and risks are regularly monitored and reported to senior management and the Board.

Key strategic priorities include:

a. Talent management and capability development: Continuous upskilling and leadership development to support evolving business and technology needs

b. Diversity, equity and inclusion (DEI): Promoting equal opportunities and an inclusive workplace culture

c. Employee wellbeing and engagement: Implementing programmes to support physical, mental, and financial wellbeing

d. Future of work: Leveraging digital tools and flexible working models to enhance productivity and employee experience

Risk management workforce risks are managed under the ERM framework

Risk	Mitigation
• Talent attraction and retention challenges in a competitive market • Skills gaps arising from technological change and digital transformation • Health and safety risks in operational environments • Employee engagement, conduct, and compliance risks	• Structured recruitment, retention, and succession planning processes • Continuous learning and development programs • Implementation of health and safety policies, standards, and monitoring systems • Codes of conduct and whistleblowing mechanisms to promote ethical behavior • Regular employee engagement surveys and feedback mechanisms

Operational workforce risks may impact productivity, service delivery, and reputation, particularly around safety, capability, and retention.

The Company addresses these through strong health and safety frameworks, digital monitoring, and a robust safety culture, maintaining over 14 years without fatalities, supported by initiatives such as Stop Work Authority, Safety Hub, and smart telematics. Employee wellbeing is promoted through mental health support, fitness initiatives, and flexible work arrangements, including mandatory leave, hybrid working, and dedicated wellbeing programmes.

Key metrics summary

- Workforce size: 654 employees and 11 contractors as at 31 March 2026
- Employee investment: TZS 94.7 billion in total compensation
- Training & development: TZS 1.7 billion invested; average learning hours increased 42% to 86.5 hours per employee
- Leadership development: 17 employees enrolled in Female Future Leaders programme; 6 sponsored for executive programmes (GIBS and Duke Corporate Leadership)
- Internal progression: 8 management promotions, including 5 women
- Top Employer Tanzania award for nine consecutive years
- Diversity & inclusion: Women represent 46.6% of directors and heads of division, Women comprise 50% of the executive team, Tanzanian nationals account for 83.3% of EXCO
- Engagement & recognition: Strong engagement scores and top employer recognition support workforce stability.

Events after the reporting period

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this document have taken place that need to be disclosed in this sustainability report.

Other matters

Regulatory matters

On 10 July 2025, the Group successfully bid and acquired one block of 50MHz in the 3700MHz (TDD) spectrum band for a total cost of TZS49.8[12] billion (USD18.9 million) in spectrum auction conducted by the TCRA. Similarly to the previous auctions, the purchase price is paid in instalments with 40% paid immediately, followed by four equal instalments after every six months. This investment will accelerate our future network expansion plans and help us unlock potential growth while also delivering on our purpose.

Modernisation of radio access network

During the year, the company begun the implementation of the Radio Access Network modernisation initiative which entails replacing of legacy radio equipment and installation of new, modernised radios, necessitated a reassessment of the expected useful lives of the old equipment.

As a result of the revised estimate, depreciation increased by TZS 109.5 billion for the year and TZS 5.4 billion in 2027; the adjustment is non-cash.

Outlook and medium-term targets

We remain committed to our purpose of connecting Tanzanians for a better future, just as we have done for the past 25 years. By investing in innovative products and services, we aim to enhance the lives of Tanzanians while strengthening our performance and delivering greater value to our shareholders.

We expect data and M-Pesa to remain central to our growth as these services unlock today's digital economy.

Our strategy will continue to focus on developing innovative products, delivering exceptional customer experience, and streamlining our operations to set us apart in the market. We will continue to prioritise tailored, segmented services and expanding our reach to underserved communities, which are vital for maintaining our market leadership, delivering on our purpose and driving sustainable revenue growth.

Our efforts to upgrade the network are preparing us to adopt advanced technologies as they arise. Through these investments, we are in a stronger position to maximise the value of our spectrum assets across all bands, giving our commercial teams a robust platform for developing innovative products. Importantly, the modernisation also makes our network more resilient in handling traffic growth and more secure against the cybersecurity threats.

We remain dedicated to integrating ESG principles into our everyday operations, placing particular emphasis on environmental responsibility, safeguarding data privacy, and promoting inclusive growth. It is our belief that the external environment will continue to be conducive to support us in our ambitions.

With a well-defined strategy, we are ideally positioned to provide sustained value for our shareholders and make a positive contribution to the wider community. Considering our business growth drivers, strategic execution and the business environment, we are pleased to maintain our medium-term growth targets that were upgraded with our interim results to 30 September 2025.

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.

12 Gross price.

Events after the reporting period

The events after the reporting period are disclosed in Note 42 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 House, Plot No. 162/1, Mzinga 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 2026, 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 2027 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 2026 were approved and authorised for issue by the Board on 4 June 2026.

By order of the board

David Tarimo
Chairman

Philip Besiimire
Chief Executive Officer

Statement of directors' responsibilities

for the year ended 31 March 2026

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 2026 were approved and authorised for issue by the Board of Directors on 4 June 2026.

David Tarimo
Chairman

Philip Besiimire
Chief Executive Officer

Declaration by the head of finance

for the year ended 31 March 2026

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, **Roggers Soka**, being the **Head of Finance Operations** of Vodacom Tanzania Public Limited Company hereby acknowledge my responsibility of ensuring that consolidated and separate financial statements for the year ended 31 March 2026 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.

Roggers Soka
NBAA Membership ACPA-PP 5416
Head of Finance Operations

Date: 29 June 2026

Shape the future with confidence

Ernst & Young
EY House
Plot No. 162/1, Mzinga Way
14111 Oysterbay
P.O. Box 2475
Dar es salaam, Tanzania

Tel: +255 22 2924040/41/42
Fax: +255 22 2924043
E-mail: info.tanzania@tz.ey.com
www.ey.com
TIN: 100-149-222
VRN: 10-007372-Z

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 114 to 180, which comprise the consolidated and separate statements of financial position as at 31 March 2026, 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 2026, 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements of the Company and in Tanzania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits of the Company and in Tanzania.

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.

Key audit matter **Accounting for uncertain tax positions**	**How our audit addressed the key audit matter**
The Group is required to comply with a number of taxes including income taxes, Value Added Tax, excise duty and payroll taxes, among others. As disclosed in Note 32 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. We also considered that the disclosures on uncertain tax positions in Note 32 are both qualitatively and quantitatively significant to the Group's and the Company's tax positions.	Our audit procedures included, but were not limited to: • Understanding the Group's processes for recording and assessing of tax provisions and contingent liabilities. • Determining the completeness and reasonableness of the amounts recognised 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 analyze 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.

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 188), Directors' Report (Page 69–108), Statement of Directors' Responsibilities (Page 109) and the Declaration by the Professional Accountant as required by the Auditors and Accountants (Registrations) Act No.33 of 1972, as amended by Act N0. 2 of 1995 (Page 110), 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 skepticism 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, together with our report on the audit of the financial statements, is made to the Company's members in accordance with the Companies Act, 2002 of Tanzania which stipulates that a company's auditor shall make a report to the company's members on all annual accounts of the company of which copies are to be laid before the company in a general meeting.

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.

Ernst & Young	
Ernst & Young	**Dr. Neema Kiure (FCPA 1227)**
Certified Public Accountants Dar es Salaam, Tanzania	Partner
NBAAVN 26FCPA1227QBEZBEQ1	Date: 30 June 2026

Consolidated and separate statement of profit or loss and other comprehensive income

for the year ended 31 March 2026

		Group		Company	
TZS m	Notes	2026	2025	2026	2025
Revenue	6	**1 879 163**	1 539 360	**1 227 161**	1 079 436
Direct expenses	7	**(571 132)**	(487 389)	**(284 873)**	(242 124)
Staff expenses	8	**(94 651)**	(90 415)	**(67 933)**	(65 998)
Publicity expenses		**(46 468)**	(25 810)	**(22 383)**	(10 499)
Other operating expenses	9(a)	**(472 661)**	(430 034)	**(396 931)**	(370 492)
Depreciation and amortisation	9(b)	**(426 304)**	(285 433)	**(417 303)**	(278 801)
Net credit loss on financial assets	9(c)	**(8 864)**	(12 102)	**(8 826)**	(12 100)
Operating profit		**259 083**	208 177	**28 912**	99 422
Finance income	10 (a)	**71 883**	46 116	**9 112**	4 361
Dividend income	10 (b)	**–**	–	**114 701**	42 843
Finance costs	11	**(157 996)**	(102 088)	**(101 051)**	(63 169)
Net loss on foreign currency transactions	12	**(2 739)**	(7 296)	**(1 534)**	(4 888)
Profit before tax		**170 231**	144 909	**50 140**	78 569
Income tax (expense)/credit	13(a)	**(63 100)**	(54 398)	**8 576**	(20 320)
Profit for the year		**107 131**	90 511	**58 716**	58 249
Other comprehensive income		**–**	–	**–**	–
Total comprehensive income for the year, net of tax		**107 131**	90 511	**58 716**	58 249
Attributable to:					
Equity shareholders		**106 966**	90 434		
Non-controlling interests		**165**	77		
		107 131	90 511		

		TZS	TZS
Basic and diluted earnings per share	14	**47.75**	40.37

Consolidated and separate statements of financial position

as at 31 March 2026

		Group		Company	
TZS m	Notes	2026	2025	2026	2025
Assets					
Non-current assets		**1 717 833**	1 573 432	**1 696 277**	1 544 708
Property and equipment	15	**1 165 159**	1 140 400	**1 162 426**	1 134 934
Intangible assets	16	**333 193**	298 042	**319 832**	276 643
Capacity prepayments	17	**115 271**	56 869	**115 271**	56 869
Goodwill	18	**1 639**	1 639	**–**	–
Other Investments[13]		**1 096**	1 096	**1 096**	1 096
Income tax receivables	13(d)	**35 336**	34 298	**34 298**	34 298
Trade and other receivables	19	**15 717**	9 882	**13 158**	9 082
Investment in subsidiary		**–**	–	**500**	500
Deferred tax asset	13(e)	**50 422**	31 206	**49 696**	31 286
Current assets		**1 782 633**	1 404 542	**382 348**	360 670
Capacity prepayments	17	**20 398**	15 446	**20 398**	15 446
Inventory	20	**3 725**	4 300	**3 725**	4 300
Trade and other receivables	19	**115 379**	124 396	**111 550**	116 132
Government grant receivables	26	**10 777**	13 283	**10 777**	13 283
Income tax receivable	13(d)	**40 988**	25 415	**37 219**	21 885
Mobile financial deposits	21	**1 226 148**	923 235	**–**	–
Cash and cash equivalents	22	**365 218**	298 467	**198 679**	189 624
Total assets		**3 500 466**	2 977 974	**2 078 625**	1 905 378

		Group		Company	
TZS m	Notes	2026	2025	2026	2025
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		**396 089**	334 371	**259 818**	246 350
Equity attributable to the owners of the parent		**978 222**	916 504	**841 951**	828 483
Non-controlling interest		**125**	75	**–**	–
Total Equity		**978 347**	916 579	**841 951**	828 483
Non-current liabilities		**669 545**	642 348	**669 545**	642 348
Lease liabilities	25	**641 143**	620 544	**641 143**	620 544
Other financial liabilities	29 (b)	**16 096**	13 831	**16 096**	13 831
Provisions	28	**12 306**	7 973	**12 306**	7 973
Current liabilities		**1 852 574**	1 419 047	**567 129**	434 547
Lease liabilities	25	**99 662**	84 703	**99 662**	84 703
Other financial liabilities	29 (b)	**18 601**	4 764	**18 601**	4 764
Trade and other payables	27	**487 012**	396 929	**427 967**	338 481
Divided payables		**876**	277	**876**	251
Mobile financial payables	21	**1 226 148**	923 235	**–**	–
Income tax payable	13(d)	**–**	2 576	**–**	–
Government grants	26	**3 961**	852	**3 961**	852
Provisions	28	**16 314**	5 711	**16 062**	5 496
Total liabilities		**2 522 119**	2 061 395	**1 236 674**	1 076 895
Total equity and liabilities		**3 500 466**	2 977 974	**2 078 625**	1 905 378

The consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 4 June 2026 and were signed on its behalf by:

David Tarimo
Chairman

Philip Besiimire
Chief Executive Officer

13 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 2026

Group

TZS m	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
At 1 April 2025	**112 000**	**442 435**	**27 698**	**334 371**	**916 504**	**75**	**916 579**
Total comprehensive income for the year	–	–	–	106 966	106 966	165	107 131
Transactions with owners:							
Dividends declared	–	–	–	(45 248)	(45 248)	(115)	(45 363)
At 31 March 2026	**112 000**	**442 435**	**27 698**	**396 089**	**978 222**	**125**	**978 347**
At 31 March 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:							
Dividend 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

Company

TZS m	Share capital (Note 23)	Share premium (Note 23)	Capital contribution (Note 24)	Retained earnings	Total
At 1 April 2025	**112 000**	**442 435**	**27 698**	**246 350**	**828 483**
Total comprehensive income for the year	–	–	–	58 716	58 716
Transactions with owners:					
Dividends declared	–	–	–	(45 248)	(45 248)
At 31 March 2026	**112 000**	**442 435**	**27 698**	**259 818**	**841 951**
At 31 March 2024	112 000	442 435	27 698	214 824	796 957
Total comprehensive income for the year	–	–	–	58 249	58 249
Transactions with owners:					
Dividend declared	–	–	–	(26 723)	(26 723)
At 31 March 2025	**112 000**	**442 435**	**27 698**	**246 350**	**828 483**

Consolidated and separate statements of cash flows

for the year ended 31 March 2026

		Group		Company	
TZS m	Notes	2026	2025	2026	2025
Cash flows from operating activities					
Cash flows generated from operations	38 (a)	**1 001 472**	718 714	**446 198**	420 981
Income tax paid	13 (d)	**(101 503)**	(39 860)	**(25 168)**	(11 308)
Interest paid on tax liabilities		**(6 515)**	–	**(6 511)**	–
Net cash flows generated from operating activities		**893 454**	678 854	**414 519**	409 673
Cash flows from investing activities					
Additions to property and equipment, and intangible assets	38 (b)	**(306 646)**	(198 019)	**(308 415)**	(190 605)
Asset acquisition		**(5 101)**	(60 720)	**–**	–
Acquisition of a subsidiary[14]		**–**	–	**(5 101)**	(60 720)
Purchase of other investments		**–**	(1 096)	**–**	(1 096)
Proceeds from disposal of property and equipment		**43**	–	**43**	–
Government grant received	26	**8 180**	2 955	**8 180**	2 955
Finance and dividend income received		**14 760**	7 169	**123 813**	47 204
Net movement in mobile financial deposits	21	**(302 913)**	(192 942)	**–**	–
Interest received from M-Pesa deposits	10 (a)	**57 101**	38 947	**–**	–
Net cash flows utilised in investing activities		**(534 576)**	(403 706)	**(181 480)**	(202 262)
Cash flows from financing activities					
Dividend paid		**(44 764)**	(26 758)	**(44 623)**	(26 722)
Principal payment on other financial liabilities	29 (b)	**(3 709)**	(4 762)	**(3 709)**	(4 762)
Interest payment on other financial liabilities	29 (b)	**(630)**	(386)	**(630)**	(386)
Settlement of derivative financial liabilities		**(1 397)**	(875)	**(1 397)**	(875)
Payment of lease liabilities – principal	25	**(72 995)**	(92 312)	**(72 995)**	(92 312)
Payment of lease liabilities – interest	25	**(96 399)**	(53 901)	**(96 399)**	(53 901)
Interest paid to M-Pesa customers		**(66 742)**	(16 493)	**–**	–
Net cash flows utilised in financing activities		**(286 636)**	(195 487)	**(219 753)**	(178 958)
Net increase in cash and cash equivalents		**72 242**	79 661	**13 286**	28 453
Cash and cash equivalents at the beginning of the year	22	**298 467**	221 697	**189 624**	161 654
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	12	**(5 132)**	(2 891)	**(3 927)**	(483)
Cash and cash equivalents at the end of the year	22	**365 577**	298 467	**198 983**	189 624

14 The asset acquisition pertains to the purchase of the Smile Communication Tanzania Ltd 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 2026

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 188.

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.

The Group reported net current liabilities of TZS 69,941 million as at 31 March 2026 (2025: TZS 14,505 million). Notwithstanding this position, management expects the Group to continue meeting its obligations as they fall due through a combination of robust future operating cash flows, access to diversified funding sources, and active capital structure management aligned to the risk profile of an emerging market telecommunications business.

In addition, the Group has available undrawn foreign-denominated overdraft facilities of US$19.5 million (TZS 50,603 million) (2025: US$19.5 million; TZS 52,114 million), providing further liquidity support.

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 2026. 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.

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.

The Group recognizes revenue from mobile devices at the point in time when control transfers to the customer, being when the customer takes possession. For bundled arrangements, consideration is typically payable in equal monthly instalments over the contract term, and a contract asset is recognised when the device is delivered under postpaid contracts.

The Group assesses whether such arrangements contain a significant financing component. It applies the IFRS 15 practical expedient not to adjust the transaction price where the period between transfer of the goods or services and payment is expected to be one year or less. Where a significant financing component exists, device revenue is reduced accordingly and interest income is recognised over the period between transfer of the device and receipt of consideration.

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.

d) **Revenue recognition** continued

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.

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

Licenses 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.

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.

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 installments 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.

3. Material accounting policies 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 2025. 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 2025

The Group adopted the following new policy on 1 April 2025 to comply with an amendment to IFRS.

- Amendments to IAS 21 'Lack of Exchangeability'.

The amendments are not currently expected to have a material impact on the Group's financial reporting on adoption.

New accounting pronouncements to be adopted on 1 April 2026

The following amendments have been issued by the IASB and are effective on or after 1 January 2026:

i. Amendments to IFRS 9 and IFRS 7 'Amendments to the Classification and Measurement of Financial Instruments';

ii. Amendments to IFRS 9 and IFRS 7 'Contracts Referencing Nature-dependent Electricity'; and

iii. Annual Improvements to IFRS Accounting Standards (Volume 11).

The amendments are not currently expected to have a material impact on the Group's financial reporting on adoption. However, the IFRS 9 and IFRS 7 amendments relating to 'Classification and Measurement of Financial Instruments' and 'Contracts Referencing Nature-dependent Electricity' may result in additional disclosures within the Group's financial reporting.

4. New accounting pronouncements continued

New accounting pronouncements to be adopted on 1 April 2027

The Group and Company has not yet adopted the following pronouncements, which have been issued by the IASB:

- IFRS 18 'Presentation and Disclosure in Financial Statements';
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'; and
- Amendments to IAS 21 'Translation to a Hyperinflationary Presentation Currency'.

With the exception of IFRS 18, none of the newly issued standards or amendments are expected to have a material impact on the Group's financial reporting upon adoption. IFRS18 is expected to have a material impact on the Group's financial reporting, particularly the Group's consolidated income statement and the presentation of certain performance measures; the Group is undertaking a detailed assessment of the impacts.

New accounting pronouncements to be adopted on 1 April 2027

The Group and Company has not yet adopted the following pronouncements, which have been issued by the IASB:

- IFRS 18 'Presentation and Disclosure in Financial Statements';
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosures'; and
- Amendments to IAS 21 'Translation to a Hyperinflationary Presentation Currency'.

With the exception of IFRS 18, none of the newly issued standards or amendments are expected to have a material impact on the Group's financial reporting upon adoption. IFRS18 is expected to have a material impact on the Group's financial reporting, particularly the Group's consolidated income statement and the presentation of certain performance measures; the Group is undertaking a detailed assessment of the impacts.

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 30 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.

Introduction | Our governance | Our business | Our strategic performance | Our purpose-driven performance | Our financial performance | Consolidated annual financial statements | Notice of annual general meeting | Additional information

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 33 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.

e) Leases – IFRS 16 continued

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.

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) 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 32 for further disclosures on provisions and contingent liabilities.

5. Critical accounting judgements and estimates continued

g) 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.

h) Intangible assets with a finite useful life

Intangible assets with finite useful lives comprise licences and computer software acquired through purchases and business combinations. Given their materiality, significant judgement is applied in determining useful lives, which reflect management's estimate of the period over which future economic benefits will be realised. These assets are amortised on that basis, with residual values assumed to be nil. As at 31 March 2026, the Group's intangible assets with finite useful lives amounted to TZS 333,193 million (2025: TZS 298,042 million).

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:

	2026 Years	2025 Years
Licences	**3 – 25**	3 – 25
Computer software	**3 – 6**	3 – 6

Refer to Note 16 for further disclosures on intangible assets.

i) 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.

i) Property and equipment continued

Estimation of useful life and residual value continued

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:

	2026 Years	2025 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.

j) 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 35.

k) 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.

6. Revenue

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Major products/service lines				
Customer service revenue	**1 716 755**	1 405 493	**1 049 792**	936 330
Mobile interconnect	**54 357**	49 715	**54 357**	49 715
Fixed service revenue	**54 251**	42 021	**54 860**	42 486
Other service revenue[15]	**21 379**	18 758	**35 731**	27 532
Service revenue	**1 846 742**	1 515 987	**1 194 740**	1 056 063
Equipment revenue	**16 296**	17 897	**16 296**	17 897
Other non-service revenue[16]	**15 087**	4 451	**15 087**	4 451
Revenue from contracts with customers	**1 878 125**	1 538 335	**1 226 123**	1 078 411
Interest income recognised as revenue	**1 038**	1 025	**1 038**	1 025
	1 879 163	1 539 360	**1 227 161**	1 079 436

Total future revenue from contracts with customers with performance obligations not satisfied at 31 March 2026 is TZS9 373 million (2025: TZS7 719 million) of which TZS6 913 million is expected to be recognised within the next 12 months, with the remaining TZS2 460 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 2026	Group 2025	Company 2026	Company 2025
Mobile voice revenue	**334 860**	310 598	**334 860**	310 598
M-Pesa revenue	**734 796**	590 033	**–**	–
Mobile data revenue	**546 714**	422 181	**546 765**	422 279
Digital & VAS revenue	**51 641**	40 296	**51 641**	40 296
Mobile incoming revenue	**54 357**	49 696	**54 357**	49 696
Messaging revenue	**42 756**	36 532	**110 538**	157 304
Fixed revenue	**54 251**	42 021	**54 860**	42 486
Other service revenue	**27 367**	24 630	**41 719**	33 404
Service revenue	**1 846 742**	1 515 987	**1 194 740**	1 056 063
Non-service revenue	**32 421**	23 373	**32 421**	23 373
	1 879 163	1 539 360	**1 227 161**	1 079 436

15 Mobile in-bound visitors revenue, mobile bulk SMS and Internet of things.
16 Acquisition revenue – connection fees and insurance proceeds.

7. Direct expenses

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Interconnect costs	**(47 989)**	(43 362)	**(47 989)**	(43 362)
Business managed services costs	**(4 227)**	(1 428)	**(4 227)**	(1 428)
Mobile prepaid airtime commission costs	**(106 998)**	(98 692)	**(115 028)**	(94 716)
M-Pesa commission costs	**(260 576)**	(202 543)	**–**	–
Regulatory fees	**(81 074)**	(62 529)	**(63 898)**	(50 428)
Mobile other costs	**(22 370)**	(30 345)	**(8 383)**	(7 372)
Acquisition costs	**(40 453)**	(42 666)	**(37 903)**	(38 994)
Retention costs	**(7 700)**	(7 185)	**(7 700)**	(7 185)
Stock obsolescence release (Note 20)	**255**	1 361	**255**	1 361
	(571 132)	(487 389)	**(284 873)**	(242 124)

8. Staff expenses

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Wages and salaries, including other termination benefits	**(69 319)**	(60 119)	**(46 111)**	(39 762)
Share based compensation (Note 8.1)	**(611)**	(747)	**(611)**	(747)
Pension costs – defined contribution plans	**(6 526)**	(13 879)	**(5 583)**	(12 030)
Skills and development levy	**(2 080)**	(1 940)	**(1 783)**	(1 661)
Bonus expense	**(16 115)**	(13 730)	**(13 845)**	(11 798)
	(94 651)	(90 415)	**(67 933)**	(65 998)

8.1 Share based compensation

Vodacom Group Limited Forfeitable Share Plan (FSP)

The share-based payment arrangement is accounted for as an equity-settled transaction by Vodacom International Limited (VIL), which acts as the employing entity for Vodacom Tanzania PLC employees participating in the scheme, as the Group has no obligation to settle the awards.

Under the Forfeitable Share Plan (FSP), Vodacom Group Limited shares are granted to executive directors and selected employees, with vesting subject to continued employment and achievement of performance targets over a three-year period. The grant date fair value is determined using the quoted market price of Vodacom Group Limited shares, without adjustment for expected dividends or non-market performance conditions, while market conditions are incorporated.

The Company reimburses VIL for the related costs through monthly cost recovery invoices, with no further obligations arising.

9. Other operating expenses

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
(a) Other operating expenses and income				
Network operating expenses	**(125 360)**	(100 716)	**(113 458)**	(90 882)
Tower lease and maintenance costs	**(149 403)**	(150 522)	**(149 403)**	(150 522)
Amortisation of Government grants (Note 26)	**–**	20	**–**	20
Office administration expenses	**(123 507)**	(107 480)	**(65 214)**	(61 194)
Other recoveries and expenses[17]	**(28 089)**	(19 698)	**(22 679)**	(14 475)
Amortisation of capacity prepayments (Note 17)	**(34 938)**	(28 358)	**(34 938)**	(28 358)
Audit fees	**(666)**	(655)	**(544)**	(439)
Reversal of expected credit losses on cash and cash equivalents	**179**	111	**166**	118
Gains on disposals of right of use assets	**406**	14	**406**	14
Gain on disposal of property and equipment and intangible assets	**41**	–	**41**	–
Capacity leases and Right of way expenses	**(6 675)**	(8 638)	**(6 675)**	(8 638)
Foreign exchange losses	**(3 494)**	(10 412)	**(3 478)**	(12 436)
Donation to Charitable activities	**(1 155)**	(3 700)	**(1 155)**	(3 700)
	(472 661)	(430 034)	**(396 931)**	(370 492)
(b) Depreciation and amortisation				
Depreciation (Note 15)	**(355 530)**	(244 327)	**(352 624)**	(241 884)
Amortisation (Note 16)	**(70 774)**	(41 106)	**(64 679)**	(36 917)
	(426 304)	(285 433)	**(417 303)**	(278 801)
(c) Expected credit losses of financial assets				
Expected credit losses – Trade receivables (Note 19)	**(7 519)**	(11 639)	**(7 481)**	(11 637)
Expected credit losses – Contract assets (Note 19)	**(1 345)**	(463)	**(1 345)**	(463)
	(8 864)	(12 102)	**(8 826)**	(12 100)

10. Finance and dividend income

10 (a)

Finance Income TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Interest income from bank balances	**14 782**	7 169	**9 112**	4 361
Interest income from M-Pesa cash balances	**57 101**	38 947	**–**	–
	71 883	46 116	**9 112**	4 361

10 (b)

Dividend income	Group 2026	Group 2025	Company 2026	Company 2025
Dividend income	**–**	–	**114 701**	42 843
	71 883	46 116	**123 813**	47 204

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 July and November 2025 (FY 2025; 14 June 2024 and November 2024).

11. Finance costs

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Interest charge on lease liabilities (Note 25)	**(96 399)**	(53 901)	**(96 399)**	(53 901)
Interest on other financial liabilities (Note 30)	**(2 383)**	(386)	**(2 383)**	(386)
Interest on taxation expense	**(1 086)**	(7 940)	**(1 086)**	(7 940)
Interest expense on asset restoration obligation (Note 28)	**(1 183)**	(942)	**(1 183)**	(942)
	(101 051)	(63 169)	**(101 051)**	(63 169)
Interest expense: M-Pesa customers	**(56 945)**	(38 919)	**–**	–
	(157 996)	(102 088)	**(101 051)**	(63 169)

12. Net loss on foreign currency transactions

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Cash and cash equivalents	**(5 132)**	(2 891)	**(3 927)**	(483)
Other financial liabilities	**628**	(610)	**628**	(610)
Lease liabilities	**3 162**	(2 920)	**3 162**	(2 920)
Derivative financial liabilities	**(1 397)**	(875)	**(1 397)**	(875)
	(2 739)	(7 296)	**(1 534)**	(4 888)

The Group experienced volatility in foreign exchange movements due to the depreciation of the Tanzanian shilling against major currencies, resulting in losses on cash and cash equivalents and offsetting gains on lease liabilities, leading to an overall net gain.

17 Other recoveries and expenses include intragroup cost recoveries.

13. Income tax

a) Income tax (expense)/credit

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Current income tax (expense):	**(82 316)**	(43 374)	**(9 834)**	(9 307)
– In respect of the current year	**(77 836)**	(41 232)	**(5 420)**	(7 165)
Withholding tax-current year	**(5 735)**	(2 142)	**(5 735)**	(2 142)
– In respect of prior years	**1 255**	–	**1 321**	–
Deferred tax credit on origination and reversal of temporary differences	**19 216**	(11 024)	**18 410**	(11 013)
– In respect of the current year	**19 216**	(8 908)	**18 410**	(9 121)
– In respect of the prior year	**–**	(2 116)	**–**	(1 892)
Total income tax (expense)/credit	**(63 100)**	(54 398)	**8 576**	(20 320)

b) Components of deferred tax debited/(credited) to profit or loss

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Property and equipment capital allowances	**(17 068)**	231	**(15 897)**	–
Tax losses	**9 326**	11 013	**8 777**	11 013
Provisions and deferred income	**(11 474)**	(220)	**(11 290)**	–
	(19 216)	11 024	**(18 410)**	11 013

c) Factors affecting the tax expense/(credit) for the year

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Expected income tax expense on profit before tax at the Tanzania statutory tax rate	**51 069**	43 473	**15 042**	23 571
Adjusted for:				
Non-deductible expenditure[18]	**7 819**	7 269	**6 641**	6 170
Net non-taxable gaming income[19]	**(268)**	(602)	**(262)**	(602)
Adjustments of prior years net tax charge	**(1 255)**	2 116	**(1 322)**	1 892
Non-taxable dividend income	**–**	–	**(34 410)**	(12 853)
(Release)/provision of prior year taxes	**–**	–	**–**	–
Alternative minimum Tax – Holding Company	**–**	–	**–**	–
Withholding tax from – Subsidiary Company	**5 735**	2 142	**5 735**	2 142
	63 100	54 398	**(8 576)**	20 320

The Tanzania statutory tax rate is 30% (2025: 30%). The Group's effective tax rate is 37.1% (2025: (37.5%)). The Company's effective tax rate is (17.1)% (2025: (25.9%)).

The Company's effective tax rate of 17.1% 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.

18 Non deductible expenditure includes charitable donations, dispute losses, fines and penalties.
19 This includes gaming income (non taxable) and costs(non-deductible).

d) Income tax receivable

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Opening balance	**57 137**	60 652	**56 183**	54 182
Current income tax expense	**(82 316)**	(43 374)	**(9 834)**	(9 307)
Total tax paid	**101 503**	39 860	**25 168**	11 308
Additional tax deposits paid	**1 038**	1 200	**–**	1 200
Current income tax paid	**100 465**	38 660	**25 168**	10 108
Withholding tax deducted at source	**20 607**	6 098	**9 136**	1 120
Tax paid	**79 858**	32 562	**16 032**	8 988
Closing balance	**76 323**	57 137	**71 516**	56 182
Maturity analysis				
Non-current:	**35 336**	34 298	**34 298**	34 298
Pending tax matters	**35 336**	34 298	**34 298**	34 298
Current:	**40 988**	22 839	**37 219**	21 885
Current tax receivable	**40 988**	25 415	**37 219**	21 885
Current tax payables	**–**	(2 576)	**–**	–
	76 324	57 137	**71 517**	56 183

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

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Capital allowances	**41 340**	58 408	**41 471**	57 368
Tax losses	**(7 383)**	(16 709)	**(7 932)**	(16 709)
General provisions and deferred income	**(84 379)**	(72 905)	**(83 235)**	(71 945)
Net deferred tax asset	**(50 422)**	(31 206)	**(49 696)**	(31 286)

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

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
At the beginning of the year	**(31 206)**	(42 230)	**(31 286)**	(42 299)
(Charge)/release to profit or loss	**(19 216)**	11 024	**(18 410)**	11 013
At the end of the year	**(50 422)**	(31 206)	**(49 696)**	(31 286)

14. Basic and diluted earnings per share

Earnings per share calculations are based on earnings and the weighted average number of ordinary shares outstanding as set out below:

	Group 2026	Group 2025
Basic and diluted earnings per share (TZS)	**47.75**	40.37
Earnings attributable to owners of the parent (TZS m)	**106 966**	90 434
Weighted average number of equity shares outstanding (Millions)	**2 240**	2 240
Dividend declared during the year (TZS m)	**45 248**	26 723

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 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)	(241 643)	(2 179)	(244 327)
Elimination/Modification cost	–	(76 552)	–	(76 552)
Elimination/Modification accumulated depreciation	–	76 552	–	76 552
Transfer to intangible assets – costs	–	(36 096)	–	(36 096)
Transfer to intangible assets – accumulated amortisations	–	853	–	853
Increase in provision for asset restoration obligation	–	270	–	270
Net book value as at 31st March 2025	23 904	1 108 142	8 354	1 140 400
Cost	38 549	2 742 145	15 609	2 796 303
Accumulated depreciation	(14 645)	(1 634 003)	(7 255)	(1 655 903)
Additions	4 038	372 673	4 174	380 885
Amounts applied against funded assets(Note 26)	–	(2 565)	–	(2 565)
Disposals – cost	1 003	(94 229)	(1 755)	(94 981)
Accumulated depreciation on disposed assets	210	91 709	1 755	93 674
Depreciation charge for the year	(7 077)	(345 848)	(2 605)	(355 530)
Modification – Cost	(3 378)	–	–	(3 378)
Modification – Accumulated Depreciation	2 516	–	–	2 516
Transfer from intangible assets – costs	–	–	48	48
Transfer between categories – costs	15 482	(19 270)	3 788	–
Transfer between categories – accumulated depreciation	(15 765)	21 497	(5 732)	–
Increase in provision for asset restoration obligation	–	4 090	–	4 090
Net book value as at 31 March 2026	**20 933**	**1 136 199**	**8 027**	**1 165 159**
Cost	**55 694**	**3 002 844**	**21 864**	**3 080 402**
Accumulated depreciation	**(34 761)**	**(1 866 645)**	**(13 837)**	**(1 915 243)**

Included in the net book value balance of network infrastructure and equipment is the cost of assets under construction of TZS34,550 million (2025: TZS1 281 million). The cost of these assets was not depreciated during the year (2025: 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 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
Depreciation charge for the year	(505)	(239 200)	(2 179)	(241 884)
Disposals – transfer to subsidiary (M-pesa Limited) – 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)
Disposals – transfer to subsidiary (M-pesa Limited) – Accumulated Depreciation	–	(38 548)	–	(38 548)
Increase in provision for asset restoration obligation	–	270	–	270
Net book value as at 31 March 2025	23 904	1 102 675	8 355	1 134 934
Cost	38 549	2 718 604	15 625	2 772 778
Accumulated depreciation	(14 645)	(1 615 929)	(7 270)	(1 637 844)
Additions	4 038	372 673	4 174	380 885
Amounts applied against funded assets(Note 26)	–	(2 565)	–	(2 565)
Disposals – cost	1 003	(94 229)	(1 755)	(94 981)
Accumulated depreciation on disposed assets	210	91 709	1 755	93 674
Additions – transfer from subsidiary (M-Pesa Limited)	–	1 878	–	1 878
Disposals – transfer to subsidiary (M-Pesa Limited)	–	(2 051)	–	(2 051)
Depreciation charge for the year	(7 077)	(342 942)	(2 605)	(352 624)
Modification – Cost	(3 378)	–	–	(3 378)
Modification – Accumulated Depreciation	2 516	–	–	2 516
Transfer from intangible assets – costs	–	–	48	48
Transfer between categories – costs	15 482	(19 254)	3 772	–
Transfer between categories – accumulated depreciation	(15 765)	21 482	(5 717)	–
Increase in provision for asset restoration obligation	–	4 090	–	4 090
Net book value as at 31 March 2026	**20 933**	**1 133 466**	**8 027**	**1 162 426**
Cost	**55 694**	**2 979 146**	**21 864**	**3 056 704**
Accumulated depreciation	**(34 761)**	**(1 845 680)**	**(13 837)**	**(1 894 278)**

Included in the net book value balance of network infrastructure and equipment is the cost of assets under construction of TZS34,550 million (2025: TZS1 281 million). The cost of these assets was not depreciated during the year (2025: Nil).

During the year, the reassessment of useful lives of network assets was undertaken in accordance with Company's accounting policies. The net impact was an increase in depreciation charge for the current year of TZS 111 183 million (2025: TZS7 236 million) arising from shorter useful life. This is a non-cash change in accounting estimate and has been accounted for prospectively. 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 (2025: None).

Included in the Other assets are leased furniture, fittings and other assets of similar nature.

15. Property and equipment continued

Land occupancy rights and buildings (carrying value)

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Plot No. 49-53, Block M, Mbezi Juu, Dar es Salaam, Tanzania, Certificate of Title No. 49468 (acquired in May 2007)	**7 315**	6 673	**7 315**	6 673
Plot No. 43, Kwale Road, Dar es Salaam, Tanzania, Certificate of Title No. 186031/10 (acquired in May 2001)	**2 982**	2 037	**2 982**	2 037
Plots No. 1 & 2, Block B, NCC Link Area, Dodoma Municipality (acquired in July 2005)	**973**	934	**973**	934
Dodoma Central office	**708**	–	**708**	–
Plot No. 1999, Block M, Forest Area, Mbeya Municipality (acquired in April 2000)	**803**	540	**803**	540
Nyegezi Hill, Mwanza (acquired in October 2009)	**628**	530	**628**	530
HQ Paloma	**546**	–	**546**	–
Moshono Hill, Arusha (acquired in July 2009)	**1 136**	547	**1 136**	547
	15 091	11 261	**15 091**	11 261

The above land occupancy rights and buildings excludes leased components which are disclosed in property and equipment schedules for both Group and Company.

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 2024	9 250	255 797	5 945	270 992
Additions	–	400 445	1 530	401 975
Lease modification	–	(84)	–	(84)
Depreciation	(50)	(84 296)	(1 944)	(86 290)
As at 31 March 2025	9 200	571 862	5 531	586 593
Additions and extensions	103 722	8 245	2 319	114 286
Disposals	(1 303)	–	–	(1 303)
Modification	(862)	–	–	(862)
Transfer between categories	368	(906)	538	–
Depreciation	(100 490)	(67)	(2 255)	(102 812)
As at 31 March 2026	**10 635**	**579 134**	**6 133**	**595 902**

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 2024	9 250	255 797	5 945	270 992
Additions	–	400 445	1 530	401 975
Lease modification	–	(84)	–	(84)
Depreciation	(50)	(84 296)	(1 944)	(86 290)
As at 31 March 2025	9 200	571 862	5 531	586 593
Additions and extensions	103 722	8 245	2 319	114 286
Disposals	(1 303)	–	–	(1 303)
Modification	(862)	–	–	(862)
Transfer between categories	368	(906)	538	–
Depreciation	(100 490)	(67)	(2 255)	(102 812)
As at 31 March 2026	**10 635**	**579 134**	**6 133**	**595 902**

16. Intangible assets

Group	Licences TZS m	Wavelength TZS m	Computer software TZS m	Total TZS m
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 depreciation 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)
Additions	46 062	5 367	54 544	105 973
Amortisation	(26 259)	(601)	(43 914)	(70 774)
Disposals – costs	–	–	(761)	(761)
Accumulated amortisation on disposed assets	–	–	761	761
Transfer to property and equipments – costs	–	–	(48)	(48)
Net book value as at 31 March 2026	**232 970**	**14 649**	**85 574**	**333 193**
Cost	**320 665**	**15 591**	**203 227**	**539 483**
Accumulated amortisation	**(87 695)**	**(942)**	**(117 653)**	**(206 290)**

Included in the net book value balance of Computer software is the cost of assets under construction of TZS12 206 million (2025: Nil). The cost of these assets was not depreciated during the year (2025: 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 a increase in amortisation charge for the current year of TZS2 358 million (2025: nil) increase from shorter useful life of Radio Access Network related asset. The future periods are expected to be impacted in a similar manner until when the useful lives are otherwise re-assessed and revised.

16. Intangible assets continued

Company	Licences TZS m	Wavelength TZS m	Computer software TZS m	Total TZS m
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 amortisation on disposed assets	–	–	7 260	7 260
Transfer from property and equipment – cost	–	–	38 548	38 548
Transfer from property and equipment – accumulated amortisation	–	–	(853)	(853)
Disposals – transfer to subsidiary (M-pesa Limited) – Costs	–	–	(4 287)	(4 287)
Disposals – transfer to subsidiary (M-pesa Limited) – Accumulated amortisation	–	–	–	–
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)
Additions	46 062	5 367	54 544	105 973
Amortisation	(24 719)	(600)	(39 360)	(64 679)
Disposals – costs	–	–	(761)	(761)
Accumulated depreciation on disposed assets	–	–	761	761
Transfer to property and equipment – costs	–	–	(48)	(48)
Additions – transfer from subsidiary (M-Pesa Limited)	–	–	2 978	2 978
Disposals – transfer to subsidiary (M-Pesa Limited)	–	–	(1 035)	(1 035)
Net book value as at 31 March 2026	**222 873**	**14 650**	**82 309**	**319 832**
Cost	**296 915**	**15 591**	**183 191**	**495 697**
Accumulated amortisation	**(74 042)**	**(941)**	**(100 882)**	**(175 865)**

Included in the net book value balance of Computer software is the cost of assets under construction of TZS12 206 million (2025: Nil). The cost of these assets was not depreciated during the year (2025: Nil).

17. Capacity prepayments

The Company entered into long-term (10-year) agreements with Tanzania Telecommunication Company Limited (TTCL) and National ICT Broadband Backbone (NICTBB) for prepaid fibre capacity services. The capacity was progressively expanded over time.

Additionally, the Company made upfront prepayments under leased line contracts with NICTBB, Seacom, Zantel, and PanSA for undersea fibre capacity. These arrangements were converted from short-term to long-term contracts, with services prepaid 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 prepays for the service.

The movement in capacity prepayments are shown below:

	Group		Company	
TZS m	**2026**	2025	**2026**	2025
At 1 April	**72 315**	41 915	**72 315**	41 915
Additions	**98 292**	58 758	**98 292**	58 758
Amortisation for the year [Note 9(a)]	**(34 938)**	(28 358)	**(34 938)**	(28 358)
At 31 March	**135 669**	72 315	**135 669**	72 315
Non-current	**115 271**	56 869	**115 271**	56 869
Current	**20 398**	15 446	**20 398**	15 446
	135 669	72 315	**135 669**	72 315

18. Goodwill

Following the liquidation of Shared Network Tanzania Limited during the year, the underlying spectrum licence re-assigned by the regulator in 2020 – continues to be utilised within the Company's operations and forms part of Vodacom Tanzania PLC's intangible asset base; accordingly, the goodwill recognised on acquisition in 2016 remains allocated to Vodacom Tanzania PLC, which continues to benefit from the acquisition synergies, and is included in the annual impairment assessment in accordance with IAS 36:

Consideration transferred	Group 2026 TZS m
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

TZS m	Group 2026	Group 2025
At 1 April	1 639	1 639
At 31 March	1 639	1 639

The movement in the impairment of goodwill was as follows:

TZS m	Group 2026	Group 2025
At 1 April	349	349
At 31 March	349	349

The Group performed its annual impairment test as of 31 March 2026, which resulted in no impairment charge (2025: Nil). The recoverable amount of the Vodacom Tanzania PLC (VTPLC) Cash Generating Unit (CGU); to which the goodwill and fundamental spectrum assets are allocated was determined based on its Fair Value Less Costs of Disposal (FVLCD). As VTPLC is listed on the Dar es Salaam Stock Exchange, the recoverable amount was calculated using the quoted share price of TZS 780 (2025: TZS 770) multiplied by the 2,240,000,300 shares in issue. This Level 1 fair value measurement yielded a recoverable amount of TZS 1,747,200 million (2025: TZS 1,724,800 million), which significantly exceeds the CGU's carrying value (total equity). Management concludes that no reasonably possible change in the share price or key assumptions would result in the carrying amount exceeding the recoverable amount.

19. Trade and other receivables

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
(a) Non – current				
Contract assets – long term	2 460	2 126	2 460	2 126
Expected credit losses	–	–	–	–
Contract assets(net)	2 460	2 126	2 460	2 126
Capitalised contract commissions	940	334	940	334
Deposits in relation to indirect taxes	12 317	7 422	9 758	6 622
	15 717	9 882	13 158	9 082
(b) Current				
Trade receivables	93 020	109 306	84 789	96 668
Expected credit losses	(39 957)	(49 333)	(39 914)	(49 256)
Trade receivables(net)	53 063	59 973	44 875	47 412
Prepayments	47 786	51 305	36 887	41 001
Capitalised contract commissions	2 107	1 045	2 107	1 045
Intergroup receivables (Note 34)	3 681	3 311	20 585	20 148
Contract assets	6 894	5 593	6 894	5 593
Expected credit losses	(2 029)	(684)	(2 029)	(684)
Contract assets(net)	4 865	4 909	4 865	4 909
Other receivables	3 877	3 853	2 231	1 617
	115 379	124 396	111 550	116 132

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 2025: TZS3 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 35.

Below is the ECL movement for trade receivables:

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
At 1 April	(49 333)	(38 312)	(49 256)	(38 237)
Bad debts written off	16 895	618	16 823	618
Charge to profit or loss [Notes 9(c)]	(7 519)	(11 639)	(7 481)	(11 637)
At 31 March	(39 957)	(49 333)	(39 914)	(49 256)

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.

19. Trade and other receivables continued

Below is the ECL movement for contract assets:

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
At 1 April	**(684)**	(221)	**(684)**	(221)
Charge to profit or loss [Note 9(c)]	**(1 345)**	(463)	**(1 345)**	(463)
At 31 March	**(2 029)**	(684)	**(2 029)**	(684)

Below is the Capitalised contract commissions movements:

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
At 1 April	**1 379**	1 074	**1 379**	1 074
Amortisation	**(1 686)**	(983)	**(1 686)**	(983)
Additions	**3 354**	1 288	**3 354**	1 288
At 31 March	**3 047**	1 379	**3 047**	1 379

20. Inventory

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Goods held for resale – Gross	**5 646**	6 476	**5 646**	6 476
Goods held for resale – Provision	**(1 921)**	(2 176)	**(1 921)**	(2 176)
	3 725	4 300	**3 725**	4 300

The inventory is stated net of the following provision for valuation allowance:

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
At 1 April	**(2 176)**	(3 537)	**(2 176)**	(3 537)
Decrease in provision (Note 7)	**255**	1 361	**255**	1 361
At 31 March	**(1 921)**	(2 176)	**(1 921)**	(2 176)

The cost of inventories recognised as an expense(direct expenses) during the year ended 31 March 2026 was TZS48 153 million (2025: TZS49 851 million).

21. Mobile financial deposits and payables

TZS m	Group 2026	Group 2025
Mobile financial deposits	**1 226 148**	923 235
Mobile financial payables	**(1 226 148)**	(923 235)

The M-Pesa service enables users to deposit funds into an account linked to their mobile phone number, transfer balances securely via PIN-protected SMS messages to other users including merchants and withdraw cash as needed. In addition to these core services, M-Pesa also supports a broader range of financial solutions such as person-to-person transfers, merchant and bill payments, savings and credit services, international remittances, and other digital financial products that facilitate convenient and inclusive mobile-based transactions.

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.

22. Cash and cash equivalents

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Cash at banks and on hand	**365 055**	298 748	**198 461**	189 837
M-PESA balances	**522**	257	**522**	257
Expected credit losses	**(359)**	(538)	**(304)**	(470)
Cash and cash equivalents	**365 218**	298 467	**198 679**	189 624

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:

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
At 1 April	**(538)**	(649)	**(470)**	(588)
Reversal of expected credit losses	**179**	111	**166**	118
At 31 March	**(359)**	(538)	**(304)**	(470)

23. Share capital and premium

The Group is controlled by its parent Vodacom Group Limited, which, as at 31 March 2026, owned 75% of the Company's issued shares with the remaining 25% of the issued shares held by the public. In March 2025, the ownership composition was the same.

	Group		Company	
TZS m	2026	2025	2026	2025
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				
25% shares issued in IPO – number	**560 000 075**	560 000 075	**560 000 075**	560 000 075
Share premium per share (TZS)	**800**	800	**800**	800
Share premium proceeds (TZS m)	**448 000**	448 000	**448 000**	448 000
IPO cost (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	2026	2025	2026	2025
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.
- 3,937 lease contracts for telecommunication towers with various vendors (2025: 3,482). These leases generally have terms of 5 to 12 years.
- 33 lease contracts for properties (2025: 32) and 94 lease contracts for motor vehicles (2025: 73) 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	2026	2025	2026	2025
At 1 April	**705 247**	392 762	**705 247**	392 762
Additions and extensions for the year	**114 286**	401 975	**114 286**	401 975
Disposals	**(1 709)**	(98)	**(1 709)**	(98)
Interest expense(Note 11)	**96 399**	53 901	**96 399**	53 901
Foreign exchange differences (Note 12)	**(3 162)**	2 920	**(3 162)**	2 920
Modification of lease liabilities	**(862)**	–	**(862)**	–
Payments – principal	**(72 995)**	(92 312)	**(72 995)**	(92 312)
Payments – interest	**(96 399)**	(53 901)	**(96 399)**	(53 901)
At 31 March	**740 805**	705 247	**740 805**	705 247
The carrying amount is due as follows:				
Non-current	**641 143**	620 544	**641 143**	620 544
Current	**99 662**	84 703	**99 662**	84 703
	740 805	705 247	**740 805**	705 247

The following are the amounts recognised in profit or loss in respect to lease liabilities under IFRS 16:

	Group		Company	
TZS m	2026	2025	2026	2025
Depreciation of right of use assets (Note 15)	**102 812**	86 290	**102 812**	86 290
Interest expense on lease liabilities	**96 399**	53 901	**96 399**	53 901
Expense relating to short-term leases	**–**	200	**–**	200
	199 211	140 391	**199 211**	140 391

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 35.3, 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 has 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.

Included in addition to lease liabilities is an impact of lease term extension applied in line with the accounting judgement disclosed in Note 5(e).For telecommunication site leases, management performs the extension assessment when contracts have 18 months remaining to expiry, to determine whether the Group is reasonably certain to exercise an extension option or not to exercise a termination option. The financial impact is TZS 15.2 billion (2025: 319 billion).

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	2026	2025	2026	2025
Payables movements				
At 1 April	**852**	735	**852**	735
Grant receivables recognised during the year	**5 674**	16 238	**5 674**	16 238
Amortisation Note 9(a)	**–**	(20)	**–**	(20)
Grants applied to property, plant and equipment (payment to creditors) – Note 15	**(2 565)**	(16 101)	**(2 565)**	(16 101)
At 31 March	**3 961**	852	**3 961**	852
Non-current	**–**	–	**–**	–
Current	**3 961**	852	**3 961**	852
	3 961	852	**3 961**	852

	Group		Company	
TZS m	2026	2025	2026	2025
Receivables movements				
At 1 April	**13 283**	–	**13 283**	–
Grant receivables recognised during the year	**5 674**	16 238	**5 674**	16 238
Cash received during the year	**(8 180)**	(2 955)	**(8 180)**	(2 955)
At 31 March	**10 777**	13 283	**10 777**	13 283

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 UCSAF projects was TZS 10 777 million (2025: 13 283 million).

27. Trade and other payables

	Group		Company	
TZS m	2026	2025	2026	2025
Current				
Trade payables	**83 115**	48 158	**83 117**	47 557
Capital expenditure creditors	**90 571**	54 105	**90 571**	54 105
Sales Tax payables	**42 747**	39 605	**29 411**	26 061
Accruals	**160 108**	154 397	**144 467**	142 941
Deferred revenue	**33 091**	29 986	**33 092**	29 986
Other payables[20]	**35 142**	43 322	**14 522**	18 996
Payables to related parties (Note 34)	**42 238**	27 356	**32 787**	18 835
	487 012	396 929	**427 967**	338 481

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	2026	2025	2026	2025
Opening balance	**13 684**	12 080	**13 469**	11 851
Asset restoration obligation	**7 973**	6 760	**7 973**	6 760
Legal/Regulatory	**1 177**	928	**962**	699
Indirect tax assessments and disputes	**4 534**	4 392	**4 534**	4 392
Additions/charge to profit or loss				
Asset restoration obligation-addition	**4 090**	271	**4 090**	271
Asset restoration obligation-charge to profit or loss	**1 183**	942	**1 183**	942
Legal/regulatory	**4**	249	**4**	263
Indirect tax assessments and disputes	**9 660**	142	**9 622**	142
	14 937	1 604	**14 899**	1 618
Released to profit or loss				
Legal/regulatory	**(1)**	–	**–**	–
	(1)	–	**–**	–
At 31 March	**28 620**	13 684	**28 368**	13 469
Asset restoration obligation	**13 246**	7 973	**13 246**	7 973
Legal/Regulatory	**1 180**	1 177	**966**	962
Indirect tax assessments and disputes	**14 194**	4 534	**14 156**	4 534
Closing balance	**28 620**	13 684	**28 368**	13 469

	Group		Company	
TZS m	2026	2025	2026	2025
Comprising of:				
Non-current				
Asset restoration obligation	**12 306**	7 973	**12 306**	7 973
Current				
Legal obligation	**1 180**	1 177	**966**	962
Asset restoration obligation	**940**	–	**940**	–
Indirect tax assessments and disputes	**14 194**	4 534	**14 156**	4 534
	16 314	5 711	**16 062**	5 496
Total provisions	**28 620**	13 684	**28 368**	13 469

According to the nature of the provisions, the timing of settlement is uncertain.

20 Includes payroll taxes, Social Security Costs payables, Withholding Taxes and Subscribers Deposits.

29. Bank overdraft and other financial facilities

a. Bank overdrafts

The Group has an unsecured bank overdraft facility with Citibank Tanzania Limited of US$ 19.5 million (2025: US$19.5 million) which attracts interest at SOFR+5%.

During the year the Group did not utilise the overdraft facility (2025: Nil). In addition, the Group has a standby letter of credit and guarantee facility of US$7.5 million (2025: US$7.5 million) and a pre-settlement exposure facility for spot and forward foreign exchange transactions of US$3 million (2025: US $3 million).

b. Other financial liabilities

i. Consortium Borrowings

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.

Both GoT-related deferred payments and spectrum deferred consideration are financial liabilities measured at amortised cost.

ii. Licence Borrowings

Included within the reported balances are additions arising from the acquisition of spectrum licenses from the Tanzania Communications Regulatory Authority (TCRA). These additions reflect capital investments made during the period to secure additional spectrum capacity, which supports the expansion and enhancement of network services and operational capabilities.

	Group		Company	
TZS m	**2026**	2025	**2026**	2025
At 1 April	**18 595**	12 222	**18 595**	12 222
Licence payables	**–**	–	**–**	–
Consortium Borrowings	**18 595**	12 222	**18 595**	12 222
Additions for the year – Licence borrowings	**18 686**	–	**18 686**	–
Additions for the year – Consortium borrowings	**–**	10 525	**–**	10 525
Principal payments – Consortium Borrowings	**(3 709)**	(4 762)	**(3 709)**	(4 762)
Interest payments – Consortium Borrowings	**(630)**	(386)	**(630)**	(386)
Interest expense – Licence Borrowings	**1 753**	–	**1 753**	–
Interest expense – Consortium Borrowings	**630**	386	**630**	386
Foreign exchange gains/(losses) – Consortium Borrowings	**(628)**	610	**(628)**	610
At 31 March	**34 697**	18 595	**34 697**	18 595
Licence payables	**20 439**	–	**20 439**	–
Consortium Borrowings	**14 258**	18 595	**14 258**	18 595
Comprising of				
Current	**18 601**	4 764	**18 601**	4 764
Non-current	**16 096**	13 831	**16 096**	13 831

30. 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	**2026**	2025
Statement of financial position		
Total assets	**190 767**	139 450
Net assets	**125 042**	75 223
Statement of profit or loss and other comprehensive income		
Total income	**752 448**	603 793
Total expenses	**(587 814)**	(527 284)

The Registered Trustees of M-Pesa Trust Funds

The Trust is a non-profit entity domiciled in the United Republic of Tanzania, with its registered office and principal place of business located at the 15th Floor, Vodacom Tower, Plot 23, Ursino Estate, Bagamoyo Road, Dar es Salaam. Its principal activity is the fiduciary management of funds held in trust bank accounts for the exclusive benefit of 'M-Pesa' mobile financial services subscribers, in accordance with applicable Tanzanian laws, regulations, and best practice principles. For financial reporting purposes, the Trust's accounts are consolidated into the Group's financial statements.

Below is an extract from the separate financial statements of The Registered Trustees of M-Pesa Trust Funds:

TZS m	**2026**	2025
Statement of financial position		
Total assets	**1 236 932**	936 936
Net assets	**–**	–
Statement of profit or loss and other comprehensive income		
Total income	**57 101**	38 947
Total expenses	**(57 101)**	(38 947)

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.

30. Interest in other entities (subsidiaries and other entities) – Company continued

Shared Networks Tanzania Limited ('SNT')

On 14 November 2025, a notice was published in Government Notice No. 46 announcing the deregistration of Network Tanzania Limited from the Register of Companies, thereby completing the entity's liquidation process. Accordingly, the entity is not included in the Group's financial statements for the current year.

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.

The Company was acquired in 2024 for its valuable spectrum license to boost 4G network expansion. As part of the acquisition, the business closed down, ended its contracts, and retrenched all employees. The company remained inactive and, in November 2025, the board of directors appointed a liquidator to initiate the process of winding up the entity

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

31. Capital expenditure and Commitments

During the period the Group invested TZS 370 006 million (Company TZS 370 006 million) (March 2025: TZS 174 995 million (Company TZS 167 580 million)) in property and equipment and intangible assets. The capital expenditure was funded using internally generated funds. As at year end, TZS 94 531 million of the total investment made was payable to capex creditors (2025: TZS 49 856 million).

The Group's capital commitments is as presented below:

	Group		Company	
TZS m	2026	2025	2026	2025
Capital expenditure contracted for but not yet incurred	**69 578**	4 125	**69 578**	4 125

32. 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 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.

33. Other matters

Regulatory matters

On 10 July 2025, the Group successfully bid and acquired one block of 50MHz in the 3700MHz (TDD) spectrum band for a total cost of TZS 49.8 billion (USD18.9 million) in spectrum auction conducted by the TCRA. Similarly to the previous auctions, the purchase price is paid in instalments with 40% paid immediately, followed by four equal instalments after every six months. This investment will accelerate our future network expansion plans and help us unlock potential growth while also delivering on our purpose

Modernisation of Radio Access Network

During the year, the company begun the implementation of the Radio Access Network modernisation initiative which entails replacing of legacy radio equipment and installation of new, modernised radios, necessitated a reassessment of the expected useful lives of the old equipment.

As a result of the revised estimate, depreciation rose by TZS 109.5 billion for the year and TZS 5.4 billion in 2027; the adjustment is non-cash.

34. 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.

	Group		Company	
TZS m	2026	2025	2026	2025
Balances with related parties				
Trade and other receivables				
Vodafone Group Plc (Ultimate parent)	**2 078**	2 069	**2 078**	2 069
Vodacom Group Limited (Immediate parent)	**1 603**	1 242	**1 603**	1 242
M-Pesa Limited	**–**	–	**14 297**	14 650
Registered Trustees of M-Pesa	**–**	–	**2 607**	2 187
	3 681	3 311	**20 585**	20 148
Trade payables				
Vodafone Group Plc (Ultimate parent)	**(24 601)**	(11 388)	**(24 601)**	(11 388)
Vodacom Group Limited (Immediate parent)	**(7 876)**	(7 542)	**(7 520)**	(6 913)
M-Pesa Limited	**–**	–	**(666)**	(534)
M-Pesa Africa	**(9 761)**	(8 426)	**–**	–
	(42 238)	(27 356)	**(32 787)**	(18 835)

The amounts due from/(to) related parties are interest free.

34. Related parties continued

Transactions with related parties

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Fellow subsidiaries of Vodafone Group Plc				
Revenue	**10 414**	9 429	**10 414**	9 429
Direct costs	**(3 279)**	(2 467)	**(3 279)**	(2 467)
Other operating expenses	**(22 460)**	(13 343)	**(22 460)**	(13 343)
	(15 325)	(6 381)	**(15 325)**	(6 381)
Vodacom Group Limited subsidiaries – Mozambique, DRC, Mauritius and Lesotho				
Revenue	**36**	40	**36**	40
Direct costs	**(534)**	(307)	**(534)**	(307)
Other operating expenses	**(6 206)**	(6 445)	**(6 206)**	(6 445)
	(6 704)	(6 712)	**(6 704)**	(6 712)
Vodacom Group Limited -South Africa				
Revenue	**3 871**	2 813	**3 871**	2 813
Direct costs	**(2 422)**	(1 899)	**(2 422)**	(1 899)
Other operating expenses	**(21 489)**	(17 110)	**(17 470)**	(13 370)
	(20 040)	(16 196)	**(16 021)**	(12 456)
Key management compensation				
Short-term employee benefits	**(7 329)**	(7 684)	**(6 639)**	(6 890)
Share based compensation (Note 8.1)	**(611)**	(747)	**(611)**	(747)
Long-term employee benefits	**(1 584)**	(860)	**(1 275)**	(767)
	(9 524)	(9 291)	**(8 525)**	(8 404)
Non-executive directors				
Non-executive directors' fees	**(1 637)**	(1 301)	**(1 287)**	(1 199)
	(1 637)	(1 301)	**(1 287)**	(1 199)
Executive directors				
Short-term employee benefits	**(2 453)**	(2 114)	**(2 453)**	(2 114)
Long-term employee benefits	**(869)**	(251)	**(869)**	(251)
	(3 322)	(2 365)	**(3 322)**	(2 365)

35. Risk management policies and objectives

35.1 Financial instruments carrying amounts

The Group and Company hold the following financial instruments measured at amortised cost:

TZS m	Group 2026	Group 2025	Company 2026	Company 2025
Financial assets				
Trade receivables (Note 19(b))	**53 063**	59 973	**44 875**	47 412
Other receivables	**3 377**	3 336	**1 767**	1 068
Cash and Bank Balances (Note 22)	**364 696**	298 210	**198 157**	189 367
M-Pesa balances (Note 22)	**522**	257	**522**	257
Mobile financial deposits (Note 21)	**1 226 148**	923 235	**–**	–
Contract Assets	**7 325**	7 035	**7 325**	7 035
Intergroup receivables (Note 34)	**3 681**	3 311	**20 585**	20 148
Total	**1 658 812**	1 295 357	**273 231**	265 287
Financial liabilities				
Trade payables (Note 27)	**(83 115)**	(48 158)	**(83 117)**	(47 557)
Accruals (Note 27)	**(160 108)**	(154 397)	**(144 467)**	(142 941)
Lease liabilities (Note 25)	**(740 805)**	(705 247)	**(740 805)**	(705 247)
Intergroup payables (Note 34)	**(42 238)**	(27 356)	**(32 787)**	(18 835)
Capital expenditures creditors	**(90 571)**	(54 105)	**(90 571)**	(54 105)
Other financial liabilities	**(34 697)**	(18 595)	**(34 697)**	(18 595)
Other payables	**(19 764)**	(33 999)	**(5 423)**	(14 877)
Mobile financial payables (Note 21)	**(1 226 148)**	(923 235)	**–**	–
Total	**(2 397 446)**	(1 965 092)	**(1 131 867)**	(1 002 157)

As at 31 March 2026 and 31 March 2025 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.

35. Risk management policies and objectives continued

At the reporting date, the interest rate profile of the Group's and Company's financial assets and liabilities was as follows:

Group 2026	Fixed interest rate TZS m	Variable interest rate TZS m	Non-interest bearing TZS m	Total TZS m
Financial assets				
Trade receivables	–	–	53 063	53 063
Other receivables[21]	–	–	3 377	3 377
Cash and Bank Balances	231 638	–	133 058	364 696
M-Pesa balances	522	–	–	522
Mobile financial deposits	1 226 148	–	–	1 226 148
Contract Assets	7 325	–	–	7 325
Intergroup receivables	–	–	3 681	3 681
	1 465 633	–	193 179	1 658 812
Financial liabilities				
Trade payables	–	–	(83 115)	(83 115)
Lease liabilities	(740 805)	–	–	(740 805)
Other payables	–	–	(19 764)	(19 764)
Accruals	–	–	(160 108)	(160 108)
Capital expenditure creditors	–	–	(90 571)	(90 571)
Other financial liabilities	(29 076)	(5 621)	–	(34 697)
Intergroup payables	–	–	(42 238)	(42 238)
Mobile financial payables	(1 226 148)	–	–	(1 226 148)
	(1 996 029)	(5 621)	(395 796)	(2 397 446)

Group 2025	Fixed interest rate TZS m	Variable interest rate TZS m	Non-interest bearing TZS m	Total TZS m
Financial assets				
Trade receivables	–	–	59 973	59 973
Other receivables	–	–	3 336	3 336
Cash and Bank Balances	164 669	–	133 541	298 210
M-Pesa balances	257	–	–	257
Contract Assets	7 035	–	–	7 035
Mobile financial deposits	923 235	–	–	923 235
Intergroup receivables	–	–	3 311	3 311
	1 095 196	–	200 161	1 295 357
Financial liabilities				
Trade payables	–	–	(48 158)	(48 158)
Other financial liabilities	–	(18 595)	–	(18 595)
Other payables	–	–	(33 999)	(33 999)
Accruals	–	–	(154 397)	(154 397)
Lease liabilities	(705 247)	–	–	(705 247)
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)

Mobile financial payables include interest due to agents and customers.

21 This primarily comprises International Money Transfer receivables, real estate deposits and outstanding dividend receivables.

35.2 Interest rate profile

Company 2026	Fixed Interest rate TZS m	Variable Interest rate TZS m	Non-interest bearing TZS m	Total TZS m
Financial assets				
Trade receivables	–	–	44 875	44 875
Other receivables	–	–	1 767	1 767
Cash and Bank Balances	119 853	–	78 304	198 157
M-Pesa balances	522	–	–	522
Contract Assets	7 325	–	–	7 325
Intergroup receivables	–	–	20 585	20 585
Total	127 700	–	145 531	273 231
Financial Liabilities				
Trade payables	–	–	(83 117)	(83 117)
Lease liabilities	(740 805)	–	–	(740 805)
Other payables	–	–	(5 423)	(5 423)
Intergroup payables	–	–	(32 787)	(32 787)
Other financial liabilities	(29 076)	(5 621)	–	(34 697)
Accruals	–	–	(144 467)	(144 467)
Capital expenditure creditors	–	–	(90 571)	(90 571)
Total	(769 881)	(5 621)	(356 365)	(1 131 867)

Company 2025	Fixed Interest rate TZS m	Variable Interest rate TZS m	Non-interest bearing TZS m	Total TZS m
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
Contract Assets	7 035	–	–	7 035
Intergroup receivables	–	–	20 148	20 148
Total	111 374	–	153 913	265 287
Financial Liabilities				
Trade payables	–	–	(47 557)	(47 557)
Other financial liabilities	–	(18 595)	–	(18 595)
Other payables	–	–	(14 877)	(14 877)
Lease liabilities	(705 247)	–	–	(705 247)
Accruals	–	–	(142 941)	(142 941)
Capital expenditure creditors	–	–	(54 105)	(54 105)
Intergroup payables	–	–	(18 835)	(18 835)
Total	(705 247)	(18 595)	(278 315)	(1 002 157)

35. Risk management policies and objectives continued

35.3 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.

Group TZS m	**31 March 2026** **US$**	 **€**	 **R**
Financial assets			
Trade and other receivables	**2 832**	**371**	**126**
Cash and cash equivalents	**29 039**	**17 966**	**14 586**
	31 871	**18 337**	**14 712**
Financial liabilities			
Trade and other payables	**(38 304)**	**(43 970)**	**(11 097)**
Consortium Loans	**(15 644)**	**–**	**–**
	(53 948)	**(43 970)**	**(11 097)**
Net Gap	**(22 077)**	**(25 633)**	**3 615**

	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)

Company TZS m	**31 March 2026** **US$**	 **€**	 **R**
Financial assets			
Trade and other receivables	**2 832**	**371**	**126**
Cash and cash equivalents	**29 039**	**17 966**	**14 586**
	31 871	**18 337**	**14 712**
Financial liabilities			
Trade and other payables	**(38 304)**	**(43 970)**	**(11 097)**
Consortium Loans	**(15 644)**	**–**	**–**
	(53 948)	**(43 970)**	**(11 097)**
Net Gap	**(22 077)**	**(25 633)**	**3 615**

	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)

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.

35. Risk management policies and objectives continued

35.3 Financial risk management continued

Group TZS m	US$	€	R
2026 % change (strengthening)	**4.43**	**6.95**	**0.07**
(Loss)/profit after tax and equity – (TZS m)	**685**	**1 247**	**(2)**
2025 % change (strengthening)	10	12	11
profit after tax and equity – (TZS m)	2 661	2 147	248

Company TZS m	US$	€	R
2026 % change (strengthening)	**4.43**	**6.95**	**0.07**
(Loss)/profit after tax and equity – (TZS m)	**685**	**1 247**	**(2)**
2025 % change (strengthening)	10	12	11
profit after tax and equity – (TZS m)	2 661	2 147	248

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:

	Group		Company	
TZS m	**2026**	2025	**2026**	2025
Mobile financial deposits Cash and Bank Balances	**1 226 148** **364 696**	923 235 298 210	**–** **198 157**	– 189 367
	1 590 844	1 221 445	**198 157**	189 367
Other financial liabilities	**(34 697)**	(18 595)	**(34 697)**	(18 595)
	(34 697)	**(18 595)**	**(34 697)**	(18 595)

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	
	2026	2025
Secured Overnight Financing Rate Basis point increase (Loss)/Profit after tax and equity (TZS m)	 **10** **(4)**	 50 **(64)**

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 counterpart. 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 (2025: 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 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not Due	–%	–	–	No
1–30 days	100.00%	46	46	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%	24 411	24 411	Yes
Total		**24 457**	**24 457**	

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
Not Due	–	–	–	No
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**	

35. Risk management policies and objectives continued

35.3 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 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not Due	–	–	–	No
1–30 days	0.21%	168	–	No
31–60 days	4.19%	–	–	No
61–90 days	16.93%	4	1	No
91–120 days	36.97%	2	1	Yes
121–180 days	73.78%	18	13	Yes
> 180 days	100.00%	444	444	Yes
Total		636	459	

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
Not due	–	–	–	No
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 postpaid customers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–	–	–	No
1–30 days	2.79%	21 396	596	No
31–60 days	18.93%	355	67	No
61–90 days	39.48%	2 168	856	No
91–120 days	71.88%	1 408	1 012	Yes
121–180 days	87.50%	1 371	1 200	Yes
> 180 days	99.21%	1 980	1 964	Yes
Total		28 678	5 695	

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
Not due	–	–	–	No
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	

There has been an increase in the gross carrying amount for postpaid customers by TZS 7 053 million from prior year, however the ECL has increased significantly, primarily driven by higher loss rates and movements in exposures towards higher-risk ageing buckets.

The following table provides information about the exposure to credit risk and ECLs for interconnect and roaming customers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–	–	–	No
1–30 days	–	–	–	No
31–60 days	–	–	–	No
61–90 days	–	–	–	No
91–120 days	–	–	–	Yes
121–180 days	–	–	–	Yes
181–360 days	–	–	–	Yes
> 360 days	100.00%	82	82	Yes
Total		82	82	

The following table provides information about the exposure to credit risk and ECLs for interconnect and roaming customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–	–	–	No
1–30 days	0.02%	1 168	0.23	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	0.23	

35. Risk management policies and objectives continued

35.3 Financial risk management continued

Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for advance credit customers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–	–	–	No
1–30 days	8.84%	6 627	586	No
31–60 days	100.00%	851	851	Yes
61–90 days	100.00%	705	705	Yes
91–120 days	100.00%	602	602	Yes
> 120 days	100.00%	5 035	5 035	Yes
Total		13 820	7 779	

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
Not due	–	–	–	No
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 device financing as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–	–	–	No
1–30 days	–	–	–	No
31–60 days	–	–	–	Yes
61–90 days	–	–	–	Yes
91–120 days	–	–	–	Yes
121–180 days	–	–	–	Yes
> 180 days	100.00%	1 065	1 065	Yes
Total		1 065	1 065	

The following table provides information about the exposure to credit risk and ECLs for other debtors as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	2.79%	196	5	No
31–60 days	7.00%	94	7	No
61–90 days	12.07%	237	29	No
91–120 days	40.17%	98	39	Yes
121–180 days	92.34%	194	179	Yes
> 180 days	100.00%	161	161	Yes
Total		980	420	

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
Not due	–%	–	–	No
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	

Company

The following table provides information about the exposure to credit risk and ECLs for super dealers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	100.00%	46	46	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%	24 411	24 411	Yes
Total		24 457	24 457	

The following table provides information about the exposure to credit risk and ECLs for super dealers as at 31 March 2025.

35. Risk management policies and objectives continued

35.3 Financial risk management continued

Credit risk continued

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
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 prepaid airtime distributors as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	–%	168	–	No
31–60 days	4.00%	–	–	No
61–90 days	17.00%	4	1	No
91–120 days	37.00%	2	1	Yes
121–180 days	74.00%	18	13	Yes
> 180 days	100.00%	444	444	Yes
Total		636	459	

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
Not due	–%	–	–	No
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 postpaid customers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	3.00%	21 396	596	No
31–60 days	19.00%	355	67	No
61–90 days	39.00%	2 168	856	No
91–120 days	72.00%	1 408	1 012	Yes
121–180 days	87.00%	1 371	1 200	Yes
> 180 days	99.00%	1 980	1 964	Yes
Total		28 678	5 695	

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
Not due	–%	–	–	No
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	

There has been an increase in the gross carrying amount for postpaid customers by TZS 7 053 million from prior year, however the ECL has increased significantly, primarily driven by higher loss rates and movements in exposures towards higher-risk ageing buckets.

35. Risk management policies and objectives continued

35.3 Financial risk management continued

Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for interconnect and roaming customers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	–%	–	–	No
31–60 days	–%	–	–	No
61–90 days	–%	–	–	No
91–120 days	–%	–	–	Yes
121–180 days	–%	–	–	Yes
> 180 days	100.00%	82	82	Yes
Total		82	82	

The following table provides information about the exposure to credit risk and ECLs for interconnect and roaming customers as at 31 March 2025.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	0.02%	1 168	0.23	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	0.23	

The following table provides information about the exposure to credit risk and ECLs for advance credit customers as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	9.00%	6 627	586	No
31–60 days	100.00%	851	851	Yes
61–90 days	100.00%	705	705	Yes
91–120 days	100.00%	602	602	Yes
> 120 days	100.00%	5 035	5 035	Yes
Total		13 820	7 779	

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
Not due	–%	–	–	No
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 device financing as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	–%	–	–	No
31–60 days	–%	–	–	No
61–90 days	–%	–	–	No
91–120 days	–%	–	–	Yes
121–180 days	–%	–	–	Yes
> 180 days	100.00%	1 065	1 065	Yes
Total		1 065	1 065	

The following table provides information about the exposure to credit risk and ECLs for other debtors as at 31 March 2026.

Ageing	Weighted average loss rate %	Gross carrying amount TZS m	Loss allowance TZS m	Credit impaired
Not due	–%	–	–	No
1–30 days	3.00%	196	5	No
31–60 days	7.00%	94	7	No
61–90 days	12.00%	237	29	No
91–120 days	40.00%	98	39	Yes
121–180 days	92.00%	194	179	Yes
> 180 days	100.00%	118	118	Yes
Total		937	377	

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
Not due	–%	–	–	No
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%	1 400	1 400	Yes
Total		2 150	1 474	

35. Risk management policies and objectives continued

35.3 Financial risk management continued

Credit risk continued

The following table provides information about the exposure to credit risk and ECLs for contract assets as at 31 March 2026 for both Group and Company.

Due, but not past due	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Not due	–%	–	–
1–30 days	2.79%	9 381	262
31–60 days	18.93%	22	4
61–90 days	39.48%	106	42
91–120 days	71.88%	27	19
121–180 days	87.50%	500	438
> 180 days	99.21%	1 274	1 264
Total		**11 310**	**2 029**

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**

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 2026 for Group.

Split	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	0.10%	365 218	359
Total		**365 218**	**359**

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 2026 for Company.

Split	Weighted average loss rate	Gross carrying amount TZS m	Loss allowance TZS m
Current	0.15%	198 679	304
Total		**198 679**	**304**

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**

There has been an increase in the gross carrying amount for cash and cash equivalent from prior year, however the ECL has decreased due to changes in the mix of bank where funds are placed. The change in mix from medium rated to high rated financial institutions leads to a decrease in ECL.

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 50,603 million) (2025: US$19.5 million (TZS 52 114 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.

35. Risk management policies and objectives continued

35.3 Financial risk management continued

Liquidity management continued

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
2026							
Financial liabilities							
Lease liabilities	(178 627)	(183 156)	(177 751)	(170 969)	(170 526)	(252 046)	(1 133 075)
Other financial liabilities	(32 236)	(4 332)	(3 247)	(2 162)	–	–	(41 977)
Accruals	(160 108)	–	–	–	–	–	(160 108)
Intergroup payables	(42 238)	–	–	–	–	–	(42 238)
Capital expenditure creditors	(90 571)	–	–	–	–	–	(90 571)
Mobile financial payables	(1 226 148)	–	–	–	–	–	(1 226 148)
Other payables	(19 764)	–	–	–	–	–	(19 764)
Trade payables	(83 115)	–	–	–	–	–	(83 115)
	(1 832 807)	(187 488)	(180 998)	(173 131)	(170 526)	(252 046)	(2 796 996)
Financial assets							
Trade receivables	53 063	–	–	–	–	–	53 063
Other receivables	3 377	–	–	–	–	–	3 377
Cash and Bank Balances	364 696	–	–	–	–	–	364 696
M-Pesa balances	522	–	–	–	–	–	522
Mobile financial deposits	1 226 148	–	–	–	–	–	1 226 148
Contract Assets	7 325	–	–	–	–	–	7 325
Short term deposits	–	–	–	–	–	–	
Intergroup receivables	3 681	–	–	–	–	–	3 681
	1 658 812	–	–	–	–	–	1 658 812

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
Contract Assets	7 035	–	–	–	–	–	7 035
Intergroup receivables	3 311	–	–	–	–	–	3 311
	1 295 357	–	–	–	–	–	1 295 357

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
2026							
Financial liabilities							
Lease liabilities	(178 627)	(183 156)	(177 751)	(170 969)	(170 526)	(252 046)	(1 133 075)
Other financial liabilities	(32 236)	(4 332)	(3 247)	(2 162)	–	–	(41 977)
Accruals	(144 467)	–	–	–	–	–	–
Intergroup payables	(32 787)	–	–	–	–	–	(32 787)
Capital expenditure creditors	(90 571)	–	–	–	–	–	(90 571)
Other payables	(5 423)	–	–	–	–	–	(5 423)
Trade payables	(83 117)	–	–	–	–	–	(83 117)
	(567 228)	(187 488)	(180 998)	(173 131)	(170 526)	(252 046)	(1 386 950)
Financial assets							
Trade receivables	44 875	–	–	–	–	–	44 875
Other receivables	1 767	–	–	–	–	–	1 767
Cash and Bank Balances	198 157	–	–	–	–	–	198 157
M-Pesa balances	522	–	–	–	–	–	522
Contract Assets	7 325	–	–	–	–	–	7 325
Intergroup receivables	20 585	–	–	–	–	–	20 585
	273 231	–	–	–	–	–	273 231

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
Contract Assets	7 035	–	–	–	–	–	7 035
Intergroup receivables	20 148	–	–	–	–	–	20 148
	265 287	–	–	–	–	–	265 287

36. Capital management

The Group manages it's 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	
	2026 TZS m	2025 TZS m	**2026 TZS m**	2025 TZS m
Other financial liabilities (Note 29(b)	**(34 697)**	(18 595)	**(34 697)**	(18 595)
Lease liabilities (Note 25)	**(740 805)**	(705 247)	**(740 805)**	(705 247)
Cash and bank balances – (Note 22)	**365 218**	298 467	**198 679**	189 624
Net debt	**(410 284)**	(425 375)	**(576 823)**	(534 218)
Equity	**(978 347)**	(916 579)	**(841 951)**	(828 483)
Net debt to equity ratio (%)	**42%**	**46%**	**69%**	**64%**

37. 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 2026, owns 75% (2025: 75%) of the Company's shares. The ultimate parent is Vodafone Group Plc., which is incorporated and domiciled in the United Kingdom.

38. Statement of cash flows notes

(a) Cash generated from operations

		Group		Company	
TZS m	Notes	**2026**	2025	**2026**	2025
Profit before tax					
Adjusted for:		**170 231**	144 909	**50 140**	78 569
Finance income	10	**(71 883)**	(46 116)	**(9 112)**	(4 361)
Dividend income		**–**	–	**(114 701)**	(42 843)
Finance cost	11	**157 996**	102 088	**101 051**	63 169
Net loss on foreign currency translation	12	**2 739**	7 296	**1 534**	4 888
		259 083	208 177	**28 912**	99 422
Adjusted for:					
Gain on disposals of right of use assets	9(a)	**(406)**	(14)	**(406)**	(14)
Gain on disposals of property plant and equipment	9(a)	**(41)**	–	**(41)**	–
Depreciation and amortisation	9(b)	**426 304**	285 433	**417 303**	278 801
Net credit losses on trade and other receivables	9(c)	**8 864**	12 102	**8 826**	12 100
Net credit losses on cash and cash equivalents	22	**359**	(111)	**304**	(118)
Amortisation of capacity prepayments	9(a)	**34 938**	28 358	**34 938**	28 358
Decrease in provision for inventory	20	**(255)**	(1 361)	**(255)**	(1 361)
Amortisation of government grant	26	**–**	(20)	**–**	(20)
Increase in legal, marketing and tax assessments disputes provision		**14 936**	1 604	**14 899**	1 618
Cash flows from operations before working capital changes		**743 782**	534 168	**504 480**	418 786
Payment for capacity contracts	17	**(98 292)**	(58 758)	**(98 292)**	(58 758)
Increase in inventory – gross		**830**	470	**830**	470
Increase in trade and other receivables		**(11 355)**	(19 200)	**(13 994)**	(2 332)
Increase in trade and other payables		**366 507**	262 034	**53 174**	62 815
Cash generated from operations		**1 001 472**	718 714	**446 198**	420 981

(b) Additions to property and equipment, and intangible assets

		Group		Company	
TZS m	Notes	**2026**	2025	**2026**	2025
Additions to property and equipment	15	**380 885**	569 234	**380 885**	569 234
Less: Right of use assets additions	15	**(114 286)**	(401 975)	**(114 286)**	(401 975)
Additions to intangible assets	16	**105 973**	23 836	**105 973**	23 836
Property and equipment (Capex investment)		**372 572**	191 095	**372 572**	191 095
Changes in capital expenditure creditors		**(44 675)**	6 787	**(44 675)**	6 787
Licences payables classified as debt		**(18 686)**	–	**(18 686)**	–
Government grant receivables		**–**	16 238	**–**	16 238
Transfer from subsidiary		**–**	–	**4 855**	–
Transfer to subsidiary		**–**	–	**(3 086)**	(7 414)
Grant related capital additions		**(2 565)**	(16 101)	**(2 565)**	(16 101)
Property and equipment cash additions		**306 646**	198 019	**308 415**	190 605

39. 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.

40. 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 2026, the Group had no open FECs. The amount of fair value adjustments recorded under net loss on foreign currency transactions is TZS 1.4 billion (March 2025: TZS 0.9 billion). The FECs would fall in level two in terms of fair value hierarchy under IFRS 13. Level two classification is used when valuation inputs used to determine fair value are observable for the asset/(liability), either directly as prices (being mid forward rates and spot rates) or indirectly when derived from prices.

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.

41. 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 tenth annual general meeting of the Company for the year ended 31 March 2026 will be held virtually on Thursday 20 August 2026 at 3:00 pm to conduct the following business:

1. Confirmation of minutes

To confirm minutes of the ninth annual general meeting held on 21 August 2025.

Ordinary resolution number 1

"RESOLVED THAT the minutes of the ninth annual general meeting held on 21 August 2025 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 2026.

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 2026, be and are hereby received and adopted."

Copies of the full audited consolidated annual financial statements for the year ended 31 March 2026 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 Ms Joyce Nkini-Iwisi, 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, Ms Joyce Nkini-Iwisi is eligible for election as an independent director.

3.2 Mr Boitumelo Motlana, 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 Boitumelo Motlana is eligible for election as a non-executive director.

3.3 Mr Dejan Kastelic, Mr Haytham Ammar and Mr Philip Besiimire 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, Mr Dejan Kastelic, and Mr Haytham Ammar and Mr Philip Besiimire are eligible for re-election as directors.

Ordinary resolution number 3

"RESOLVED THAT Ms Joyce Nkini-Iwisi be and is hereby elected as an independent non-executive director."

Ordinary resolution number 4

"RESOLVED THAT Mr Boitumelo Motlana be and is hereby re-elected as a non-executive director."

Ordinary resolution number 5

"RESOLVED THAT Mr Dejan Kastelic be and is hereby re-elected as a non-executive director."

Ordinary resolution number 6

"RESOLVED THAT Mr Haytham Ammar be and is hereby re-elected as a non-executive director."

Ordinary resolution number 7

"RESOLVED THAT Mr Philip Besiimire be and is hereby re-elected as an executive director."

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, Kanini Mutooni and elect Joyce Nkini-Iwisi to continue to serve as members of the Audit, Risk and Compliance Committee.

Ordinary resolution number 9

"RESOLVED THAT 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 Kanini Mutooni 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. 3, Ms Joyce Nkini-Iwisi be and is hereby elected to serve as a member of Audit, Risk and Compliance Committee".

6. Dividend

To approve a final gross dividend of TZS 23.91 per ordinary share for the financial year ended 31 March 2026 as recommended by the directors. The dividend will be paid on or before 15 October 2026 to the shareholders recorded in the register as at the close of trading on 19 August 2026.

Ordinary resolution number 12

"RESOLVED THAT the dividend of TZS 23.91 per ordinary share for the year ended 31 March 2026 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. No fee adjustment is being proposed.

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$[1]	Current fee US$
Board Chairman	**150 000**	150 000
Board Member	**30 000**	30 000
ARCC Chairperson	**20 000**	20 000
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

Joyce Nkini-Iwisi (40)

Independent non-executive director

Master of Business Administration (MBA) in International Business from Coventry University (UK), a Bachelor of Commerce in Accounting and Finance from Mzumbe University (Tanzania); Applied Corporate Governance Specialist from South Africa

Joyce was appointed as an Independent Non-Executive Director in April 2026. She is a Partner at HKA Global in SA, overseeing risk management, compliance and forensic accounting teams across Africa. She advises international boards on financial and non-financial risk related matters across various sectors.

Her previous experience includes Co-Head of Corporate investigations for Control Risks across Europe, Middle East and Africa, Associate Director at Rooth & Wessels Forensics, and Senior Associate at PwC, auditing experience from EY.

She has worked on corporate investigation matters for entities such as MTN Group, (in SA and across various OpCos in Africa and on mandates in the Middle East), Helios Towers, and American Towers Ltd. Joyce also serves as an Independent Non-Executive Director of NMB Bank Tanzania, where she sits on the Audit and Risk Committee and is the South Africa Country Manager for the Association of Corporate Investigators (ACI).

Dejan Kastelic (49)

Non-executive director

Bachelor of Science in Electrical Engineering from University of Maribor, studied at Harvard University, Boston in the United States and INSEAD

Dejan has served as Chief Technology Officer of Vodacom Group Limited and a member of its Executive Committee since August 2020. He previously held senior technology leadership roles at PT Indosat Ooredoo TBK, Telekom Austria Group, Mobiltel Bulgaria, and IBM Central & Eastern Europe. His career began at Amis Ltd. in Slovenia, where he became Chief Technology Officer in 2004. Dejan is also a non executive director on the Boards of Vodacom Mozambique, Vodacom Lesotho, M-Pesa Africa, and M-Pesa S.A.

Haytham Ammar (44)

Non-executive director

Bachelor of Commerce (Accounting & Finance), Helwan University, Egypt; Certified Management Accountant (CMA), Institute of Management Accountants, USA

Haytham has been Chief Financial Officer of Vodacom Group: International Business Markets since June 2024. He previously served as CFO of M-Pesa Africa and Finance Director at Vodafone Ghana, where he drove growth, profitability, and strengthened financial controls. His career with Vodafone began in 2007 at Vodafone Egypt, supporting major initiatives such as 4G rollout and digital acceleration. Haytham is also a non executive director on the Boards of Vodacom Mozambique, Vodacom Lesotho, Vodacom Congo (DRC), M-Pesa Africa, and M-Pesa S.A.

Philip Besiimire (51)

Executive director
Chief Executive Officer – Vodacom Tanzania Plc
Member – Vodacom Tanzania Plc Executive Committee

Master's in Business Administration, Business School of Netherlands (BSN), Netherlands; Bachelor of Arts in Social Sciences, Makerere University, Kampala, Uganda

Philip is the Chief Executive Officer of Vodacom Tanzania PLC since October 2022. He joined Vodacom from MTN South Africa where he was the Chief Sales, Distribution and Regional Operations Officer since 2019. He held various senior roles at MTN including Executive Regional Operations in South Africa, Chief Executive Officer in South Sudan, Chief Marketing Officer in Zambia and Chief Marketing Officer and Acting Chief Executive Officer in Swaziland. He has over 20 years' experience in leadership and commercial execution (marketing, consumer, enterprise and mobile financial services) working with one of the largest telco companies in Africa. Philip is a non-executive director on the board of M-Pesa Tanzania.

Margaret Ikongo (69)

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 Meticulus 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.

Kanini Mutooni (50)

Independent non-executive director
Member of the 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.

Boitumelo Motlana (67)

Non-executive director

Bachelor of Laws from the University of Zimbabwe, and a Bachelor of Arts in Politics and African Government from the University of the Witwatersrand

Mr Motlana is an accomplished regulatory affairs and public policy professional with over 25 years' experience in the ICT sector, including telecommunications, internet services, cloud computing, media, and broadcasting. He is currently Director and Consultant at Pioneer Street Technologies, where he advises on public policy, regulatory affairs, and stakeholder engagement. His previous roles include CEO of South Africa's communications regulator, ICASA; Head of Public Policy for Sub-Saharan Africa at Amazon Web Services; and senior public policy and stakeholder relations roles in the ICT and corporate sectors.

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 Friday 14 August 2026.

Participation by electronic means

The annual general meeting will be held in full electronic format in accordance with 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 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, Tuesday 18 August 2026. 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 10:00 am Friday 14 August 2026. 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
29 July 2026

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 20 August 2026** 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 21 August 2025			
2. **Ordinary resolution number 2** Adoption of consolidated annual financial statements for the year ended 31 March 2026			
3. **Ordinary resolution number 3** Election of Joyce Nkini-Iwisi as an independent non-executive director			
4. **Ordinary resolution number 4** Election of Boitumelo Motlana as a non-executive director			
5. **Ordinary resolution number 5** Re-election of Dejan Kastelic as a non-executive director			
6. **Ordinary resolution number 6** Re-election of Haytham Ammar as a non-executive director			
7. **Ordinary resolution number 7** Re-election of Philip Besiimire as an executive director			
8. **Ordinary resolution number 8** Appointment of Ernst & Young Inc. as auditors of the Company for the year ending March 2027			
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 Kanini Mutooni as a member of Audit Risk & Compliance Committee			
11. **Ordinary resolution number 11** Election of Joyce Nkini-Iwisi as a member of Audit, Risk & Compliance Committee			
12. **Ordinary resolution number 12** Approval to pay dividend of TZS 23.91 per share for the financial year ended 31 March 2026			
13. **Ordinary resolution number 13** Approval of the non-executive directors' remuneration of US$ 482 000			

Signed this day of 2026

Signature: Signature:

Completed forms of proxy must be lodged with the Vodacom Tanzania PLC Company Secretary office by no later than 10:00 am on Friday 14 August 2026.

Notes to the form of proxy

1. A shareholder entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak, and vote on their behalf. A proxy does not need to be a shareholder of the Company. If the shareholder is a corporate entity, the proxy form must be executed under its common seal or signed by a duly authorised officer or attorney.
2. Insert an 'X' in the appropriate box to indicate how you wish your votes to be cast. If you wish to vote only some of your shares, state the number of shares to be voted. If no instruction is given, the proxy may vote or abstain as he or she considers appropriate. Neither a shareholder nor a proxy is required to use all available votes, but the total votes cast and abstentions may not exceed the total voting rights attached to the shares.
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 initialed by the shareholder. The person whose name stands first in 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. Signed forms of proxy may be scanned and emailed to **investorrelations@vodacom.co.tz** or deposited for the attention of the Company Secretary, Vodacom Tower, Ursino Estate, Plot 23, Bagamoyo Road, Dar es Salaam, Tanzania by no later than 10:00 am on Friday 14 August 2026.
5. Any alterations or corrections made to this form of proxy must be initialed 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.

Caroline Mduma
Company Secretary

15th Floor, Vodacom Tower, Ursino Estate,
Plot 23, Bagamoyo Road,
PO Box 2369
Dar es Salaam,
E-mail: investorrelations@vodacom.co.tz

Share information

Total shareholding	# of shares	% holding
Vodacom Group Limited	1 680 000 200	75.0%
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%
Public Investment Corporation SOC Limited, the Republic of South Africa	35.3%
Uganda	6.0%
Other International investors	9.9%
	100.0%

Corporate information

Vodacom Tanzania Public Limited Company

(Incorporated in the United Republic of Tanzania) (Registration number 38501)
(ISIN: TZ1996102715 Share Code: VODA)

Directors

D Tarimo[1] (Chairman)
P Besiimire (MD)[2]
H Bujiku (FD)[3]
K Mutooni[4]
M Ikongo[3]
M Mbungela[5]
J Nkini-Iwisi[3]
R Morathi[5]
H Ammar[6]
M Abdallah[6]
D Kastelic[7]

1 British 2 Ugandan 3 Tanzanian 4 Kenyan 5 South African 6 Egyptian 7 Slovenian

Company Secretary

Caroline Mduma
15th Floor, Vodacom Tower
Ursino Estate, Plot 23
Bagamoyo Road
P.O. Box 2369
Dar es Salaam, Tanzania

Registered office and Place of business

15th Floor, Vodacom Tower
Ursino Estate, Plot 23
Bagamoyo Road
P.O. Box 2369
Dar es Salaam, Tanzania

Auditors

Ernst & Young Inc.
EY House, Plot 162/1
Mzinga Way, 14111
Oysterbay
P.O. Box 2475
Dar es Salaam, Tanzania

Transfer secretary

CSD & Registry Company Limited
1st Floor, Exchange Tower
NHC Morocco Square
P.O. Box 70081
Dar es Salaam, Tanzania

Sponsoring licenced dealing member
Orbit Securities Company Limited

Main bankers

Citibank Tanzania Limited
Citibank House
Plot 1962, Toure Drive,
Oysterbay
P.O. Box 71625
Dar es Salaam, Tanzania

National Bank of Commerce Limited
Sokoine Drive and Azikiwe Street
P.O. Box 1863
Dar es Salaam, Tanzania

NMB Bank Plc
Ohio street/Ali Hassan Mwinyi Road
P.O. Box 9213
Dar es Salaam, Tanzania

CRDB Bank Plc.
Ali Hassan Mwinyi Road
P.O. Box 268
Dar es Salaam, Tanzania

Standard Chartered Bank Tanzania
International House
Shaaban Robert St/Garden Avenue
P.O. Box 9011
Dar es Salaam, Tanzania

Stanbic Bank Tanzania Limited
Centre Branch
Corner Ali Hassan Mwinyi/
Kinondoni Road
P.O. Box 72647
Dar es Salaam, Tanzania

External legal counsel

Dentons EALC East African Law Chambers
House No. 18, Rukwa Street,
Masaki
P.O. Box 38192
Dar es Salaam, Tanzania

IMMMA (Advocates)
Plot 357, IMMMA House
United Nations Road, Upanga
P.O. Box 72484
Dar es Salaam, Tanzania

Lawhill
14112 Regent Estate Mikocheni
Historia Street, Plot 311
House No 96
P.O. Box 105646
Dar es Salaam, Tanzania

External communications

Zuweina Farah
Director External Affairs
& Regulatory
15th Floor, Vodacom Towers
Ursino Estate, Plot 23
Bagamoyo Road
P. O. Box 2369
Dar es Salaam, Tanzania

Investor relations

Albert Maneno
Neema Munuo
E: investorrelations@vodacom.co.tz
www.vodacom.co.tz/financials

Definition of terms

2G	2G networks are operated using global system for mobile (GSM) technology which offers services such as voice, text messaging and low speed data. In addition, our network supports general packet radio services (GPRS), often referred to as 2.5G. GPRS allows mobile devices to access online data services such as the internet and email.
3G	A cellular technology based on wide band code division multiple access delivering voice and faster data services.
4G	Technology that offers even faster data transfer speeds than 3G/HSPA.
5G	Fifth-generation wireless is the latest iteration of cellular technology, engineered to greatly increase the speed and responsiveness of wireless networks.
Active customers	Active customers are based on the total number of mobile customers using any service during the last three months as per Vodacom Group's definition of a customer. This includes customers paying a monthly fee that entitles them to use the service even if they do not actually use the service and those customers who are active while roaming.
Active data customers	Active data customers are based on the number of unique users generating billable data traffic during the month as per Vodacom Group's definition of a data customer. Also included are users on integrated tariff plans, or who have access to corporate access point names, and users who have been allocated a revenue generating data bundle during the month. A user is defined as being active if they are paying a contractual monthly fee for this service or have used the service during the reported month.
30-day active M-Pesa customers	30 day active M-Pesa customers are the number of unique customers who have generated billable transactions during the past 30 days as per Vodacom Group's definition of a customer.
Average revenue per user (ARPU)	ARPU is calculated by dividing the average monthly service revenue by the average monthly active customers during the period.
Capital Markets and Securities Act	Capital Markets and Securities Act, Cap. 79 of the Laws of the United Republic of Tanzania (Act No. 5 of 1994), as amended from time to time.
Churn	Churn is calculated by dividing the annualised number of disconnections during the period by the average number of monthly customers during the period.
Cloud services	Services where the customer has little or no equipment at their premises and all the equipment and capability associated with the service is run from the Vodacom network and data centres instead. This removes the need for customers to make capital investments and instead they have an operating cost model with a recurring fee.
Companies Act	Companies Act, Cap. 212 of the Laws of the United Republic of Tanzania (Act No. 12 of 2002), as amended from time to time.
Customer value management (CVM)	The delivery of perceived value to identifiable customer segments that results in a profitable return for the company.
EBIT	Earnings before interest, taxation, impairment losses, profit/loss on disposal of investments, profit/loss from associate and restructuring cost.
EBITDA	Earnings before interest, taxation, depreciation and amortisation, impairment losses, profit/loss on disposal of investments, property, plant and equipment, and intangible assets, profit/loss from associate and restructuring cost.
EPOCA	The Electronic and Postal Communications Act, Cap. 172 of the Laws of the URT (Act No. 3 of 2010) as amended from time to time.
Free cash flow	Cash generated from operations less additions to property, plant and equipment and intangible assets, proceeds on disposal of property, plant and equipment and intangible assets, tax paid, net finance charges paid or received. Free cash flow excludes movements in amounts owed to M-Pesa customers.
GSM Association	An organisation which represents the interests of mobile operators globally, uniting nearly 800 operators with almost 300 companies in the broader mobile ecosystem.

IIRC	International Integrated Reporting Council.
Internet of Things (IoT)	The network of physical objects embedded with electronics, software, sensors, and network connectivity, including built-in mobile SIM cards, which enables these objects to collect data and exchange communications with one another or a database.
Mobile broadband	Mobile broadband allows internet access through a browser or a native application using any portable or mobile device such as smartphone, tablet or laptop connected to a cellular network.
Mobile customer	A mobile customer is defined as a subscriber identity module which has access to the network for any purpose, including data only usage.
Mobile termination rate (MTR)	A per minute charge paid by a telecommunications network operator when a customer makes a call to another mobile or fixed network operator.
MoU	Minutes of use per month is calculated by dividing the average monthly minutes (traffic) during the period by the average monthly active customers during the period.
Operating free cash flow	Cash generated from operations less additions to property, plant and equipment and intangible assets other than licence and spectrum payments and purchases of customer bases, net of proceeds on disposal of property, plant and equipment and intangible assets, other than licence and spectrum payments and disposals of customer bases. Operating free cash flow excludes movements in amounts owed to M-Pesa customers.
PABX	A private automatic branch exchange (PABX) is an automatic telephone switching system within a private enterprise.
RAN	Radio access network is the part of a mobile telecommunications system which provides cellular coverage to mobile phones via a radio interface, managed by base stations installed on towers and rooftops across the coverage area, and linked to the core nodes through a backhaul infrastructure which can be owned, leased or a mix of both.
Roaming	Allows customers to make calls, send and receive texts and data on other operators' mobile networks, usually while travelling abroad.
Smartphone penetration	The number of smartphones and other smart devices used on our network during a month divided by the total number of mobile customers which used any service during the same period.
SME	Small to medium-sized enterprise.
SoHo	Small office-home office.
Spectrum	The radio frequency bands and channels assigned for telecommunication services.
Vodacom Group	Vodacom Group Limited and each of its subsidiary companies.
Vodacom Tanzania or the company	Vodacom Tanzania Public Limited Company.
Vodafone Group Plc	Vodafone Group Plc and each of its subsidiary companies.
VPN	A virtual private network (VPN) is a network that uses a shared telecommunications infrastructure, such as the internet, to provide remote offices or individual users with secure access to their organisation's network.
Weighted NPS	The net promoter score is an index ranging from –100 to 100 that measures the willingness of customers to recommend an operator's products or services to others. It is used as a proxy for gauging the customers' overall satisfaction with an operator's product or service and the customers' loyalty to the brand. For each operator, responses are collected from customers who use its products or services as either the primary or alternative means of telecommunication (a 'primary user' or 'alternative user'). Responses from primary and alternative users are then weighted by the natural proportion of primary and alternative users for that operator to calculate the weighted NPS.
WiMAX	Worldwide Interoperability for Microwave Access (WiMAX) technology is a broadband wireless data communications technology which can provide high-speed data over a wide area.

Disclaimer

Non-IFRS information

The auditor's report does not necessarily cover all of the information contained in this report, which sets out the consolidated financial results of Vodacom Tanzania Public Limited Company (the company) and its subsidiaries (together 'the Group') for the twelve months ended 31 March 2026. Shareholders are therefore advised that to obtain a full understanding of the nature of the auditor's work they should obtain a copy of that report together with the accompanying financial information from the registered office of the company. This announcement contains certain non-IFRS financial measures which have not been reviewed or reported on by the Group's auditors.

The Group's management believes these measures provide valuable additional information in understanding the performance of the Group or the Group's businesses because they provide measures used by the Group to assess performance. However, this additional information presented is not uniformly defined by all companies, including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, although these measures are important in the management of the business, they should not be viewed in isolation or as replacements for or alternatives to, but rather as complementary to, the comparable IFRS measures. Refer to the 'Operating and financial review' section of this announcement for details relating to service revenue, EBITDA and earnings per share.

Trademarks

Vodafone, the Vodafone logo, M-Pesa, Connected Farmer, Vodafone Supernet, Vodafone Mobile Broadband, Vodafone WebBox, Vodafone Passport, Vodafone live!, Power to You, Vodacom, Vodacom 4 Less and Vodacom Change the World are trademarks of Vodafone Group Plc (or have applications pending). M-Kulima, M-Koba, Tuzo Points, Songesha and Wakala Songesha are trademarks of Vodacom Tanzania Public Limited. We also have an application pending for the registration of M-Wekeza. M-Pawa is jointly registered by Vodacom Tanzania Plc and NCBA Bank, formerly Commercial Bank of Africa (T) Limited. Other product and company names mentioned herein may be the trademarks of their respective owners.

Forward-looking statements

This announcement, which sets out the consolidated results of the Group for the twelve months ended 31 March 2026, contains 'forward-looking statements', which have not been reviewed or reported on by the Group's auditors, with respect to the Group's financial condition, results of operations and businesses and certain information relating to the Group's plans and objectives.

In particular, such forward-looking statements include statements relating to: The Group's future performance; future capital expenditures, acquisitions, divestitures, expenses, revenues, financial conditions, dividend policy, and future prospects; business and management strategies relating to the expansion and growth of the Group; the effects of regulation of the Group's business by the government in the country in which it operates; the Group's expectations as to the launch and roll out dates for products, services or technologies; expectations regarding the operating environment and market conditions; growth in customers and usage; and the rate of dividend growth by the Group.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "will", "anticipates", "aims", "could", "may", "should", "expects", "believes", "intends", "plans" or "targets" (including in their negative form).

By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, the following: changes in economic or political conditions in markets served by operations of the Group; greater than anticipated competitive activity; higher than expected costs or capital expenditures; slower than expected customer growth and reduced customer retention; changes in the spending patterns of new and existing customers; the Group's ability to expand its spectrum position or renew or obtain necessary licences; the Group's ability to achieve cost savings; the Group's ability to execute its strategy in fibre deployment, network expansion, new product and service roll-outs, mobile data, Enterprise, 4G and 5G network expansion; changes in foreign exchange rates, as well as changes in interest rates; the Group's ability to realise benefits from entering into partnerships or joint ventures and entering into service franchising and brand licensing; unfavourable consequences to the Group of making and integrating acquisitions or disposals; changes to the regulatory framework in which the Group operates; the impact of legal or other proceedings; loss of suppliers or disruption of supply chains; developments in the Group's financial condition, earnings and distributable funds and other factors that the Board takes into account when determining levels of dividends; the Group's ability to satisfy working capital and other requirements; changes in statutory tax rates or profit mix; and/or changes in tax legislation or final resolution of open tax issues. All subsequent written or oral forward-looking statements attributable to the company, to any member of the Group or to any persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. Subject to compliance with applicable law and regulations, the company does not intend to update these forward-looking statements and does not undertake any obligation to do so.

Notes