

Vodacom Tanzania
Public Limited Company

Interim condensed consolidated financial results

For the period ended
30 September 2025

Together we can



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Chief Executive Officer's review

In August, we proudly marked 25 years of connecting Tanzanians to a better future. Our journey, which began at the dawn of the new millennium with basic 2G connectivity services, has since evolved to encompass advanced 5G. Along the way, we also introduced our mobile financial service, M-Pesa. What started as a simple service for sending, receiving and withdrawing money, has grown into a comprehensive suite of innovative financial solutions accessible through a mobile phone.

As we commemorate our journey, we remain steadfast in advancing our purpose – empowering people, protecting the planet and maintaining trust. These pillars guide our business strategy as we focus on customer experience, sustainable growth and simplifying our products and services. By harnessing technology, we continue to support Tanzanians in staying connected, growing their wealth, and managing their financial transactions with ease.

In the first quarter of this financial year, we commenced a two years' technology infrastructure modernisation initiative, in which we will invest over US\$100 million (TZS260 billion). The modernisation includes upgrading our radio access network across thousands of our network sites, and cutting-edge enhancements of our IT infrastructure including the M-Pesa platform. This initiative will enhance customer experience by improving the quality of our connectivity and M-Pesa services, and broaden the reach of our 4G and 5G technologies in our network. It readies our network to meet demand for the next phase of our growth, providing a solid foundation for long-term business performance.

Our network modernisation will also help us to accelerate the delivery of our purpose by bridging the digital divide in both urban and remote communities, while enhancing financial inclusion through stability in M-Pesa services. Further, the modernisation could lower power consumption by up to 30%, reducing our potential carbon emissions and in so doing helping to protect the planet. The upgrade will also enhance the cyber-security resilience of our network and IT platforms, which is crucial for the ethical and responsible operation of our business.

Turning to the current period's performance, it was truly rewarding to see how M-Pesa continues to transform lives. It remains a key driver of our purpose by advancing financial inclusion, particularly for unbanked communities. Over the first six months of the financial year, M-Pesa customers¹ grew by 15.1% year-on-year, reflecting the continued adoption of our innovative products and the deepening of financial inclusion across Tanzania, facilitated in collaboration with our business partners.

- Through our **digital lending** solutions – which include the Songesha overdraft and short-term loans, we facilitated access to credit worth more than TZS1.6 trillion, issued to more than 4.9 million customers and businesses. This nearly 30% increase in loans disbursed, empowered individuals and small and medium enterprises to overcome short-term financial challenges with timely access to funds.

Philip Besiimire



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

Chief Executive Officer's review continued

- M-Koba, continues to change lives by facilitating **communal savings** among the participating members – the majority of whom are women. Collective savings are a powerful means of economic empowerment to groups' members. By pooling their resources, individual members are able to save and grow their funds together. The savings help them to address various social and economic needs including – building capital for business ventures, covering school expenses for their children, and accessing member-to-member low interest loans. The amount saved via M-Koba over the past six months has exceeded half a trillion Tanzanian shillings, representing circa 80% year-on-year growth. This growth showcases importance of this service.
- Additionally, by driving the adoption of M-Koba, we empower communities through **basic financial saving education**. We have a team of more than 100 financial educators across the country who provide financial literacy education to communities. In the past six months, more than 8 000 community groups with nearly 30 000 total members have benefitted from this financial education programme.
- In mid-November last year, in collaboration with our partner Sanlam Investments East Africa – Tanzania, we launched M-Wekeza, a **wealth management** product. This product provides attractive compounding interest rates of up to 13% per annum and has proved successful by giving Tanzanians a dual opportunity to save and invest in financial assets through the fund managers. M-Wekeza has already attracted remarkable cumulative deposits of over TZS100 billion since its launch.
- We are enabling **digital financial payments** at a significant scale. In the first half of the financial year, the total value of transactions between businesses and customers we handled, surpassed a run-rate of one trillion shillings per month, marking close to 40% year-on-year growth. This includes **payments to the government** through nearly 900 collection accounts in our M-Pesa platform, whose value increased by 22%, with related transaction volumes rising 17% year-on-year. On the other hand, our **merchant platform** facilitated payments averaging TZS 1.5 trillion per month from nearly five million customers to over 540 000 merchants. This represents growth of more than 50% and 30% for the value and number of merchants, respectively.

I am also encouraged by the strides we are making in **extending connectivity services** across Tanzania. Beyond helping to drive our business expansion, our capital investment allows us to reach more customers, unlocking opportunities in the digital economy. In this financial year, we have already invested TZS150.8 billion in **capital expenditure**. This sum was spent on the deployment of 229 new 4G sites, 41 of which were built in underserved areas through our partnership with the government via the Universal Communications Access Fund. Further still, we have completed the modernisation of the radio access network in more than 1 400 sites, and we continue upgrading our IT platforms.

We have also invested in acquiring additional fibre capacity for transmission enhancement – through both undersea cables and terrestrial connections. This investment is intentionally driving data traffic growth and migration to new technologies. In the period, our 4G traffic has grown by 55.7% and 5G traffic has increased significantly. The investment also helps us to elevate customer experience, enhance network resilience and equip Tanzanians with the digital infrastructure needed to seize social and economic opportunities on a global scale.

Our continued capital investment has supported progress across our **key business growth drivers**. Our customer base¹ grew 18.9% to 24.9 million, with customers using data services up 19.4% and smartphone users growing at an impressive 34.3% year on year. This consistent performance sustained our market leadership across categories, with 31.5%² overall customer market share, 32.7%² mobile internet user market share, 40.9% mobile money service subscriptions² share and importantly, a double-digit lead in the net promoter score.

I am proud of the progress we have made in **diversifying our revenue streams**, as we execute on delivering sustainable growth. This diversification reflects 25 years of hard work in connecting Tanzanians to a better future, while we strive to grow returns to our shareholders. Looking back to financial year ended 31 March 2020, voice service accounted for 36% of service revenue, M-Pesa contributed 35%, and mobile data made up 18%. In a span of five years, today, this composition has shifted significantly with voice contributing 18.7% of service revenue, while M-Pesa and mobile data have grown to contribute 39.7% and 29.0%, respectively.

1 Computed in accordance with Vodacom Group definition of customers.

2 Tanzania Communications Regulatory Authority quarterly report to September 2025.



Within M-Pesa, the revenue composition has also transformed significantly. Back in 2020, M-Pesa's revenue profile was concentrated around basic foundational services. With the evolution of our financial services, those legacy offerings now contribute a materially lower proportion, underscoring the success of our strategic shift.

As a result of these strategic levers, we delivered strong **service revenue growth** of 23.1% in the period, underpinned by customer growth and an improved average revenue per customer as we broaden product uptake. M-Pesa and data services remained the key growth drivers, with strong double-digit growth year on year.

Due to the network modernisation initiative – which involves removing of legacy equipment and installing new and modernised equipment – we incurred a short-term increase in operating costs and accelerated depreciation of the legacy equipment. In this half year period, the impact of these temporary incremental costs is reflected in our reported results with a net profit after tax of TZS41.7 billion, a 1.2% year-on-year decline. Excluding these incremental costs, we achieved an underlying net profit after tax of TZS99.6 billion, up 136.2%, underpinned by strong service revenue growth and effective cost management which delivered TZS52.7 billion of cost savings.

Looking ahead, I am confident that our strategy will drive robust revenue growth and foster enduring prosperity for our business.

We will maintain our rigorous financial discipline to support profitability improvement, particularly in this time as we take on some near-term costs associated

with the network modernisation initiative. This strategic initiative is designed to enhance customer experience and accelerate our growth momentum over the medium to long term. With this prospect in mind, we are pleased to upgrade our medium-term target for service revenue growth from 'high-single-digit to early-double-digit' to 'early-double-digit'.

Our key focus areas remain investing in network and upgrading IT systems to transform our technological infrastructure and elevate service quality to our customers. As we continue connecting Tanzanians for a better future, we aim to actively play our part in accelerating digital inclusion across both urban centers and underserved rural communities in Tanzania, by facilitating easy access to our services and increasing smartphone adoption. These focus areas align well with the government's digital transformation agenda and our commitment to providing customers with an exceptional experience, which will support growth in both our customer base and revenue, culminating in returns to our shareholders.

As we continue advancing digital transformation throughout Tanzania, the security and privacy of our customers are of utmost importance. Protecting our network from cyber threats, and safeguarding personal data are, and will always be, fundamental priorities for our operations. Let's work together to build a stronger Vodacom for the next 25 years and beyond.

Pamoja Tunaweza

Philip Besiimire

Highlights

25 years

of commitment to
serve Tanzanians

18.9%

Customer¹ growth

M-Pesa
up 15.1%

Data
up 19.4%

Leading customer
market share of

31.5%²

US\$100 million

(TZS260 billion) investment committed for
modernising our network

Underlying Net Profit growth of

136.1%

with **5.2pp** margin expansion

Summary financial information

Six months ended 30 September

TZS m	2025	2024	% YoY	% YoY Underlying*
Service revenue	883 866	718 151	23.1	
Revenue	905 333	730 194	24.0	
EBITDA	319 822	221 170	44.6	54.6
Operating profit	105 334	82 411	27.8	128.2
Net profit after tax	41 661	42 173	(1.2)	136.1
Operating free cash flow	54 932	8 845	>200	
Free cash flow	24 901	(3 314)	>200	
Capital expenditure	150 837	127 715	18.1	
Earnings per share ('EPS') (shillings)	18.56	18.81	(1.3)	136.2
Contribution margin (%)	69.2	67.4	+1.8pp	
EBITDA margin (%)	35.3	30.3	+5.0pp	+7.5pp
Operating profit margin (%)	11.6	11.3	+0.3pp	+9.5pp
Net profit margin (%)	4.6	5.8	(1.2)pp	+5.2pp
Capital intensity (%)	16.7	17.5	(0.8)pp	

* Excluding the incremental costs and depreciation associated with the network modernisation initiative, which entails replacing legacy equipment with modern equipment. These transitional expenses are expected to last within 2 years, in line with the project implementation.

1 Computed in accordance with Vodacom Group definition of customers.

2 Tanzania Communications Regulatory Authority quarterly report to September 2025.

Operating and financial review

Six months ended 30 September

TZS m	2025	2024	% YoY
Mobile voice revenue	165 324	153 529	7.7
M-Pesa revenue	351 191	274 241	28.1
Mobile data revenue	256 205	195 217	31.2
Digital & VAS revenue	23 594	20 070	17.6
Mobile incoming revenue	26 848	24 896	7.8
Messaging revenue	20 479	17 621	16.2
Fixed revenue	25 857	19 989	29.4
Other service revenue	14 368	12 588	14.2
Service revenue	883 866	718 151	23.1
Non-service revenue	21 467	12 043	78.3
Revenue	905 333	730 194	24.0
Direct expenses	(275 883)	(236 900)	(16.5)
Operating expenses	(306 660)	(271 058)	(13.1)
Staff expenses	(45 676)	(39 835)	(14.7)
Publicity expenses	(23 464)	(15 391)	(52.5)
Tower lease and maintenance expenses	(73 440)	(75 542)	2.8
Other operating expenses	(164 082)	(140 291)	(17.0)
Depreciation and amortisation	(214 871)	(138 765)	(54.8)
Net credit losses on financial assets	(2 583)	(1 059)	(143.9)
Operating profit	105 334	82 411	27.8
EBITDA	319 822	221 170	44.6
EBITDA Margin	35.3%	30.3%	+5.0pp

Revenue

Service revenue grew 23.1% to TZS883.9 billion, reflecting robust performance underpinned by customer growth of 18.9% and an increase in average revenue per customer. The result was also supported by our ongoing revenue diversification from beyond mobile services, which comprises M-Pesa (excluding peer-to-peer transfers and cash withdrawal), fixed, digital and IoT. **In the second quarter**, service revenue grew 23.4%, underpinned by customer growth and increase in average revenue per customer.

Mobile voice revenue increased by 7.7% to TZS165.3 billion as a result of customer growth, with intensified pressure on average price per minute causing a decline in average revenue per customer. **In the second quarter**, mobile voice revenue grew by 9.6%, primarily driven by 18.9% increase in customer base, partly offset by a decline in average revenue per customer.

M-Pesa revenue grew 28.1% to reach TZS351.2 billion, contributing 39.7% of service revenue, up 1.5 percentage points year on year. This strong performance is a testament to the effectiveness of our commercial strategy, which resulted in 15.1% growth in customers and double

digit uplift in average revenue per customer. Pleasingly, the uptake of beyond core or advanced M-Pesa services offering is gaining momentum, further supporting our efforts to diversify revenue streams. As a result, contribution of revenue from these advanced services expanded by 5.4 percentage points to exceed 60%, increasing significance of these service in overall M-Pesa revenue growth. **In the second quarter**, M-Pesa revenue grew by 25.7%, driven by customer growth and an increase in average revenue per customer.

Mobile data revenue increased by 31.2% to TZS256.2 billion, reflecting heightened demand for data services that drove a circa 32% increase in data traffic. This growth was supported by our sustained investment in network infrastructure, including the ongoing network modernisation initiative, as well as efforts to encourage wider smartphone adoption. Our strategy proved effective over the period, with smartphone users growing 34.3% and a double digit increase in average data usage per customer. **In the second quarter**, mobile data revenue grew 31.3%, buoyed by a 19.4% increase in customers and a 10.4% increase in average revenue per customer.

Operating and financial review continued

Digital and value-added services (VAS) revenue, which encompasses airtime advance and a range of VAS offerings, rose by 17.6% to TZS23.6 billion. The growth was attributed to enhanced product penetration through targeted commercial initiatives. These efforts were centred on broadening our product range, growing customer uptake, and refining the overall customer experience. **In the second quarter**, revenue grew by 27.1%, underscoring increased adoption as we continue to expand product adoption and penetration among our customers.

Mobile incoming revenue increased 7.8% to TZS26.8 billion primarily as a result of 14.4% increase in incoming minutes driven by our customer base growth. Revenue growth from an increase in minutes was partially negated by lower regulated mobile termination rates. **In the second quarter**, mobile incoming revenue grew 10.0%, mainly a result of 15.1% increase in incoming minutes driven by growth in our customer base, partly offset by lower mobile termination rates.

Fixed data revenue rose by 29.4% to TZS25.9 billion, driven by double-digit growth in customer base as we continue connecting homes and businesses. This growth reflects the execution of our strategy in monetising our investment in fixed network infrastructure. In the second quarter, fixed revenue growth accelerated to 36.0%.

Expenses¹

Throughout the period, we maintained strong financial discipline while implementing our cost transformation measures to improve profitability. These efforts resulted in savings of TZS52.7 billion to date. However, as a consequence of executing the network modernisation initiative, we are experiencing some additional network-related expenses specific to this initiative. These are transitional costs, over and above our usual cost increases from standard business operations. They are hence temporary in nature and expected to last not more than two years while the initiative is underway. The long-term benefits anticipated from this initiative significantly outweighs the short-term transitional costs we incur.

Direct expenses increased 16.5% to TZS275.9 billion and 16.0% **in the second quarter**. The cost increase reflects revenue growth, with notable cost efficiencies that led into 1.8 percentage points margin expansion. Direct expenses consist of regulatory fees which are incurred in line with the regulations, and our continued investment in sales distribution channels such as merchants, agents and freelancers – which are critical for customer growth.

Operating expenses increased 13.1% to TZS306.7 billion. Excluding the investment in the network modernisation initiative, operating expenses increased by 5.0%. In the period, we benefitted from favourable foreign exchange rates against the shilling, which resulted in year-on-year savings in foreign currency denominated expenses, excluding which our operating expenses would increase by 11.8%. This growth was driven by overall business growth, the expansion of our network, enhancement of both local and international transmission capacity and increased commercial initiatives executed to support business growth. The cost increase was partly offset by TZS37.1 billion savings realised from our cost transformation initiatives. **In the second quarter**, total operating expenses grew 5.8%.

EBITDA

EBITDA increased 44.6% to TZS319.8 billion, with margin improving by 5.0pp to 35.3%, and **in the second quarter**, EBITDA grew by 49.8% to TZS175.8 billion. Our EBITDA performance was underpinned by strong service revenue growth and effective cost control measures.

Operating profit

We recorded an operating profit growth of 27.8% to TZS105.3 billion for the period, and a 41.2% increase **in the second quarter**. This performance was primarily driven by the EBITDA growth, although it was partially offset by a 54.8% increase in depreciation and amortisation charges, largely due to accelerated depreciation of the equipment replaced as part of the network modernisation initiative. Excluding the impact of the modernisation initiative, operating profit would have been TZS82.7 billion higher, representing growth of 128.2%.

Capital expenditure

Capital expenditure was TZS150.8 billion, equivalent to 16.7% of our revenue. Part of this investment was deployed in the ongoing modernisation initiative, in which more than 1 400 sites are already completed. In the period, we also expanded our broadband coverage and enhanced the capacity of our network including deployment of 229 new 4G sites and increased capacity in our network transmission infrastructure. We are also modernising our IT infrastructure to enhance customer experience and improve operational efficiency. The investment made to date, played an important part in supporting 56% growth in 4G traffic. Significant part of our data traffic was carried on our 4G network, with our 5G technology load increasing rapidly.

¹ Excluding depreciation, amortisation and impairment losses.

Net finance charges

TZS m	Six months ended 30 September		
	2025	2024	% YoY
Interest income from M-Pesa cash balances	26 208	16 561	58.3
Interest income from cash investments	6 831	3 726	83.3
Finance Income	33 039	20 287	62.9
Finance cost of M-Pesa cash balances	(26 066)	(16 546)	(57.5)
Finance cost – lease liability	(48 628)	(25 175)	(93.2)
Other finance cost	(1 499)	(519)	(188.8)
Finance cost	(76 193)	(42 240)	(80.4)
Net gain/(loss) on foreign currency translations	4 036	(2 299)	>200
Net finance cost	(39 118)	(24 252)	(61.3)

Our net finance cost increased 61.3% reflecting an 80.4% increase in finance costs, which was partly reduced by 62.9% increase in finance income.

The increase in finance income was primarily driven by an increase in interest earned from M-Pesa Trust accounts and improved returns on invested cash, on the back of higher average interest rates and a growth in cash holdings. As a result, the corresponding interest paid on M-Pesa Trust balances to customers and distribution partners also increased by 57.5%.

Finance cost relating to lease liability increased 93.2% during the period, mainly due to the recognition of an additional TZS319.6 billion in tower lease liabilities towards the end of the previous financial year. The recognition was a result of activating an automatic renewal clause, consistent with the terms of the lease agreements and our accounting policies.

Other finance costs rose by 188.8%, mainly due to the recognition of the interest component on instalment payments for spectrum purchased in the auction. Conversely, the strengthening of the Tanzanian shilling against major foreign currencies during the period, resulted in a net gain from foreign currency translation on our foreign exchange denominated balances.

Taxation

The tax expense of TZS24.5 billion (FY2025: TZS16.0 billion) was 53.6% higher due to strong profitability growth in our business, partly offset by deferred tax asset recognition. The deferred tax asset recognised arises from temporary timing differences caused by the accelerated depreciation of the legacy radio access network equipment, currently being replaced in our network modernisation initiative.

Earnings

Earnings per share for the six-month period declined 1.3% to TZS18.56. Excluding the incremental costs and depreciation associated with the network modernisation initiative, which entails replacing legacy equipment with modern equipment, the underlying earnings per share grew 136.2%, attributable to strong growth in service revenue, complemented by our cost efficiencies.

Statement of financial position

Property and equipment decreased 14.0% to TZS553.6 billion and **Right of use assets** increased 117.7% to TZS577.1 billion, both reflecting net additions to our assets arising from incremental investments made, and depreciation and amortisation charges for the period. The significant increase in Right of use assets was largely due to recognition of TZS 319.6 billion additions towards the end of the previous financial year, in line with the automatic tower lease contracts renewal terms and the related accounting policy.

Intangible assets increased 26.6% to TZS332.4 billion. The increase was mainly a result of capitalisation of TZS46.1 billion spectrum acquired in the auction, together with investment on new and upgraded licences for our network and platforms. These investments are important in supporting business growth, strengthen resilience and security, and ensure seamless access to future licensed features, including software upgrades.

Operating and financial review continued

Net debt

TZS m	Six months ended 30 September		
	2025	2024	% YoY
Cash and cash equivalents	298 010	179 598	65.9
Lease liability	(686 254)	(371 708)	(84.6)
Other financial liabilities ¹	(35 796)	(8 451)	<(200)
Net (debt)	(424 040)	(200 561)	(111.4)
Net (debt) to EBITDA (times)	(1.3)	(0.9)	(0.4)

Net debt increased significantly, with a 65.9% increase in cash and cash equivalents offset by the increase in lease and other financial liabilities.

In the period, cash generated from our operations grew 34.9%, reflecting good business performance. The cash generated from operations supported our business operations including funding the capital expenditure, spectrum acquisition and significantly supported the increase in our cash and cash equivalent balances.

On the hand, our lease liability increased 84.6% primarily due to the recognition of TZS319.6 billion lease liability towards the end of the previous financial year, in line with the automatic tower lease contracts renewal terms and the related accounting policy. Other financial liabilities pertain to amounts owed to the government for settlement of the fibre consortium.

Cash flow²

TZS m	Six months ended 30 September		
	2025	2024	% YoY
EBITDA	319 822	221 170	44.6
Working capital	(14 655)	1 294	<(200)
Capital expenditure	(150 837)	(127 715)	(18.1)
Lease payments	(99 441)	(85 904)	(15.8)
Other cash Flows	43		n/a
Operating free cash flow	54 932	8 845	>200
Net finance cash flow	(97)	5 863	(101.7)
Tax paid	(29 934)	(18 022)	(66.1)
Free cash flow	24 901	(3 314)	>200

Operating free cash flow grew significantly to TZS54.9 billion underpinned by a strong EBITDA performance, a result of a well executed commercial strategy and cost efficiencies, supported by investment in the network and IT infrastructure. This performance was partially offset by cash outflows in financing operational activities including working capital, settlement of matured lease obligations and capital investments.

Free cash flow was TZS24.9 billion, from an outflow in the prior year period. This was driven by improved operating free cash flow, which helped to counterbalance the higher tax payments associated with the strong growth of our business. The net finance cash outflow was primarily a result of timing differences in the settlement of interest accrued on M-Pesa trust balances. In the previous year, the closing balance reflected unpaid interest on these trust balances, which was pending regulatory approval for disbursement.

1 Other financial liabilities were not included in computation of reported net debt in the prior years. We started including them in March 2025 in line with Vodacom Group policies, hence a change in the comparative net debt number for the prior year which was TZS192.1 billion.

2 For the reconciliation of cash generated from operations to free cash flow, refer to page 32.

Regulatory updates

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, and we successfully acquired one block of 50MHz in the 3700MHz (TDD) spectrum band for a total cost of TZS49.8 billion (USD18.9 million). This substantial investment will accelerate our future network expansion plans and help us unlock potential growth in innovative products.

Outlook and medium-term targets

As we continue to connect Tanzanians to a better future, we are focusing on further strengthening customer engagement and broadening digital and financial inclusion. We remain committed to driving growth – spearheaded by mobile data and the beyond mobile services, which include M-Pesa, IoT and fixed services. Our strength is built on offering innovative products, unmatched customer experience and improving operational efficiency that will differentiate us in the market. We are also prioritising personalised services and outreach to underserved communities, in reinforcing our market leadership and supporting sustainable revenue growth.

Looking at the next 25 years and beyond, we rely on our ongoing network transformation, to make our network future-ready for deployment of advanced technologies that will emerge. The modernisation will make our network more resilient in handling the ever-growing traffic as we focus on providing Tanzanians with a platform to connect to the global opportunities in the digitally connected world. It will enable us to scale our digital platforms, enhance cybersecurity and improve service delivery across both consumer and enterprise segments, without leaving behind the SMEs.

It is our belief that the external environment will continue to be conducive to supporting our unwavering commitment to invest and serve Tanzanians, as we have done steadfastly for the past 25 years. We are dedicated to maintaining our position as a leading technology company that empowers a connected society. We will continue to embrace ESG principles in our daily operations, with strong focus on environmental stewardship, data privacy and inclusive growth.

With our clear roadmap, we are well-positioned to deliver long-term value to our shareholders and drive meaningful impact to the community.

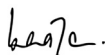
Considering our business growth drivers, strategic execution and the business environment, we are pleased to upgrade our medium-term growth targets as follows:

→ 'Early-double-digit' service revenue growth from 'high-single-digit to early-double-digit' service revenue growth

→ 13.0% – 16.0% capital expenditure as a % of revenue

These medium-term targets assume a stable currency, regulatory and macroeconomic environment. These targets are on average, over the next three years, excluding spectrum purchases, exceptional items and any merger and acquisition activity.

For and on behalf of the Board



David Tarimo
Chairman



Philip Besiimire
Managing Director



Hilda Bujiku
Finance Director

30 October 2025

Quarterly report

for the quarter ended 30 September 2025

Issued pursuant to section 53 of Dar es Salaam Stock Exchange PLC Rules 2022

Vodacom Tanzania Public Limited Company

(Incorporated in the United Republic of Tanzania)

Registration number: 38501

Stock Exchange (DSE) registration number ISIN: TZ1996102715

Stock name: VODA

Condensed statement of profit or loss and other comprehensive income

for the quarter ended 30 September 2025

TZ\$ m	GROUP		COMPANY	
	Quarter 2 Sep 2025	Quarter 2 Sep 2024	Quarter 2 Sep 2025	Quarter 2 Sep 2024
Revenue	469 476	382 381	305 597	271 041
Direct expenses	(144 525)	(124 565)	(72 339)	(62 331)
Operating expenses	(148 089)	(140 013)	(118 940)	(114 497)
Staff expenses	(23 117)	(19 981)	(16 617)	(14 018)
Publicity expenses	(11 699)	(6 695)	(6 331)	(2 147)
Tower lease and maintenance costs	(37 452)	(37 528)	(37 452)	(37 528)
Other operating expenses	(83 673)	(67 349)	(65 790)	(52 750)
Net gain/(loss) on foreign currency transactions	7 852	(8 460)	7 250	(8 054)
Depreciation and amortisation	(109 386)	(70 103)	(108 013)	(68 517)
Net credit losses on financial assets	(721)	(435)	(724)	(439)
Operating profit	66 755	47 265	5 581	25 257
Finance income	17 336	11 711	1 787	1 219
Dividend income	–	–	–	17 466
Finance costs	(39 542)	(22 275)	(25 320)	(13 147)
Net gain/(loss) on foreign currency transactions	3 745	(804)	5 122	(1 004)
Profit before tax/(loss)	48 294	35 897	(12 830)	29 791
Income tax (expense)/credit	(15 139)	(9 548)	3 390	(2 235)
Net profit/(loss)	33 155	26 349	(9 440)	27 556
Attributable to:				
Equity shareholders	33 112	26 333	–	–
Non-controlling interests	43	16	–	–

Condensed statement of financial position

as at 30 September 2025

TZS m	GROUP		COMPANY	
	Quarter 2 Sep 2025	Quarter 2 Sep 2024	Quarter 2 Sep 2025	Quarter 2 Sep 2024
Assets				
Non-current assets	1 669 588	1 287 313	1 640 358	1 259 438
Goodwill	1 639	1 639	–	–
Property and equipment	553 618	643 645	549 121	640 040
Right of use assets	577 107	265 134	577 107	265 134
Intangible assets	332 449	262 644	312 945	243 546
Capacity prepayments	105 853	24 435	105 853	24 435
Trade and other receivables	16 582	9 986	14 024	9 186
Income tax receivables	35 336	37 320	34 298	34 298
Deferred tax assets	45 908	42 510	45 414	42 299
Other Investments	1 096	–	1 096	–
Investment in subsidiary	–	–	500	500
Current assets	1 576 242	1 177 267	338 679	272 826
Capacity prepayments	21 870	10 564	21 870	10 564
Inventories	5 935	2 278	5 935	2 278
Trade and other receivables	141 960	136 115	146 973	152 288
Government grant receivables	8 918	2 458	8 918	2 458
Income tax receivables	35 045	25 333	31 517	21 967
Mobile financial deposits	1 064 504	820 921	–	–
Cash and cash equivalents	298 010	179 598	123 466	83 271
Total assets	3 245 830	2 464 580	1 979 037	1 532 264
Equity and liabilities				
Share capital	112 000	112 000	112 000	112 000
Share premium	442 435	442 435	442 435	442 435
Capital contribution	27 698	27 698	27 698	27 698
Retained earnings	330 706	286 082	207 594	220 218
Equity attributable to the owners of the parent	912 839	868 215	789 727	802 351
Non-controlling interest	111	52	–	–
Total equity	912 950	868 267	789 727	802 351

Quarterly report continued

Condensed statement of financial position continued

TZS m	GROUP		COMPANY	
	Quarter 2 Sep 2025	Quarter 2 Sep 2024	Quarter 2 Sep 2025	Quarter 2 Sep 2024
Non current liabilities	644 272	277 011	644 272	277 011
Lease liabilities	610 009	263 420	610 009	263 420
Licence payable classified as debt	14 043	–	14 043	–
Other financial liabilities	10 211	6 801	10 211	6 801
Deferred tax liabilities	–	–	–	–
Provision	10 009	6 790	10 009	6 790
Current liabilities	1 688 608	1 319 302	545 038	452 902
Lease liabilities	76 245	108 288	76 245	108 288
Licence payable classified as debt	5 175	–	5 175	–
Other financial liabilities	5 878	1 648	5 878	1 648
Derivative financial liabilities	487	–	487	–
Trade and other payables	464 426	356 085	408 221	310 856
Mobile financial payables	1 064 504	820 921	–	–
Income tax payables	22 566	244	–	244
Government grants	852	10	852	10
Provisions	2 839	5 103	2 588	4 889
Dividend payables	45 636	27 003	45 592	26 967
Total liabilities	2 332 880	1 596 313	1 189 310	729 913
Total equity and liabilities	3 245 830	2 464 580	1 979 037	1 532 264

Condensed statement of changes in equity

for the quarter ended 30 September 2025

TZS m	Share capital	Share premium	Capital contribution	Retained earnings	Equity attributable to owners of Parent	Non controlling interest	Total
GROUP							
At 1 July 2025	112 000	442 435	27 698	342 842	924 975	68	925 043
Total comprehensive income for the period	–	–	–	33 112	33 112	43	33 155
Transaction with owners:							
Dividend declared	–	–	–	(45 248)	(45 248)	–	(45 248)
At 30 September 2025	112 000	442 435	27 698	330 706	912 839	111	912 950
At 1 July 2024	112 000	442 435	27 698	286 472	868 605	53	868 658
Total comprehensive income for the period	–	–	–	26 333	26 333	16	26 349
Transaction with owners:							
Dividend declared	–	–	–	(26 723)	(26 723)	–	(26 740)
At 30 September 2024	112 000	442 435	27 698	286 082	868 215	69	868 267
COMPANY							
At 1 July 2025	112 000	442 435	27 698	262 282	–	–	844 415
Total comprehensive loss for the period	–	–	–	(9 440)	–	–	(9 440)
Transaction with owners:							
Dividend declared	–	–	–	(45 248)	–	–	(45 248)
At 30 September 2025	112 000	442 435	27 698	207 594	–	–	789 727
At 1 July 2024	112 000	442 435	27 698	219 385	–	–	801 518
Total comprehensive income for the period	–	–	–	27 556	–	–	27 556
Transaction with owners:							
Dividend declared	–	–	–	(26 723)	–	–	(26 723)
At 30 September 2024	112 000	442 435	27 698	220 218	–	–	802 351

Condensed statement of cash flows

for the quarter ended 30 September 2025

TZS m	GROUP		COMPANY	
	Quarter 2 Sep 2025	Quarter 2 Sep 2024	Quarter 2 Sep 2025	Quarter 2 Sep 2024
Cash flow from operating activities				
Cash generated from operations	236 282	156 726	147 974	78 521
Income taxes paid	(10 790)	(11 471)	(7 918)	(4 609)
Net cash generated from operating activities	225 492	145 255	140 056	73 912
Cash flow from investing activities				
Additions to property and equipment and intangible assets	(90 217)	(27 995)	(90 217)	(27 995)
Asset acquisition	(4 339)	(34 032)	–	–
Acquisition of a subsidiary	–	–	(4 339)	(34 032)
Government grant received	4 015	2 478	4 015	2 478
Finance income received	3 107	2 576	1 787	1 219
Dividend income received	–	–	–	17 466
Cash held in restricted deposits	(54 876)	(27 900)	–	–
Interest received from M-Pesa deposits	14 229	9 135	–	–
Net cash used in investing activities	(128 081)	(75 738)	(88 754)	(40 864)
Cash flow from financing activities				
Dividends paid	94	(2)	94	(2)
Payment of lease liabilities – principal	(14 313)	(23 099)	(14 313)	(23 099)
Payment of lease liabilities – interest	(24 244)	(12 671)	(24 244)	(12 671)
Settlement of derivative financial liabilities	(592)	(279)	(592)	(279)
Principal payment of other financial liabilities	(822)	(4 171)	(822)	(4 171)
Interest payment on other financial liabilities	(164)	(7)	(164)	(7)
Interest paid to M-Pesa customers	(21 988)	(12 227)	–	–
Net cash used in financing activities	(62 029)	(52 456)	(40 041)	(40 229)
Net increase in cash and cash equivalents	35 382	17 061	11 261	(7 181)
Cash and cash equivalents at the beginning of the quarter	268 057	161 126	116 257	89 241
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	(5 429)	1 411	(4 052)	1 211
Cash and cash equivalents at the end of the quarter	298 010	179 598	123 466	83 271

In preparation of the quarterly financial statements, consistent accounting policies have been used as those applicable to the previously audited financial statements.



Philip Besimire
Chief Executive Officer



Hilda Bujiku
Finance Director



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Statement of directors' responsibilities

The directors are responsible for the preparation, integrity and fair presentation of the interim condensed consolidated financial statements for the period ended 30 September 2025 of Vodacom Tanzania Public Limited Company (the "Company") and its subsidiaries (the "Group") in accordance with, and containing the information required by the International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and the framework concepts and the measurement and recognition requirements of IFRS as issued by the International Accounting Standards Board ("IASB"), the requirements of the Tanzanian Companies Act No. 12 of 2002, and the requirements of the Dar es Salaam Stock Exchange PLC ("DSE") Rules, 2022. The directors are also responsible for safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The interim condensed consolidated financial statements have been reviewed by the independent auditor, Ernst & Young (EY), who was given unrestricted access to the relevant financial records and related data, including minutes of meetings of shareholders, the Board of Directors (the "Board") and committees of the Board. The directors believe that all representations made to the independent auditor during their review were valid and appropriate. The auditor's review report is presented on page 17.

The directors are of the opinion that the interim condensed consolidated financial statements have been prepared, in all material respects, in accordance with the basis of preparation described in Note 2 to the interim condensed consolidated financial statements. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the interim condensed consolidated financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation of interim condensed consolidated financial statements that are free from material misstatement whether due to fraud or error. The going concern basis has been adopted in preparing the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements were approved by the Board of Directors on 30 October 2025 and signed on its behalf by:



Philip Besimire
Chief Executive Officer



Hilda Bujiku
Finance Director

Report on review of the interim condensed consolidated financial statements

To the directors of Vodacom Tanzania Public Limited Company

We have reviewed the accompanying interim condensed consolidated financial statements of Vodacom Tanzania Public Limited Company (the "Company") and its subsidiaries (together, the "Group") which comprise the condensed consolidated statement of financial position as at 30 September 2025, and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six-months period then ended, and selected material accounting policy information as set out on pages 23 to 31. The directors are responsible for the preparation of the interim condensed consolidated financial statements in accordance with, and containing the information required by the International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") and the framework concepts and the measurement and recognition requirements of IFRS, the requirements of the Companies Act No. 12 of 2002, and the requirements of the Dar es Salaam Stock Exchange PLC Rules, 2022.

Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, '*Review of financial information performed by the independent auditor of the entity*'. A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements as at 30 September 2025 and for the six months period then ended, have not been prepared, in all material respects, in accordance with the basis of preparation described in Note 2 to the interim condensed consolidated financial statements.



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

07 November 2025

Condensed consolidated statement of profit or loss and other comprehensive income

for the period ended 30 September 2025

TZS m	Notes	Six months ended		12 months ended
		September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Revenue	4	905 333	730 194	1 539 360
Direct expenses		(275 883)	(236 900)	(487 389)
Staff expenses		(45 676)	(39 835)	(90 415)
Publicity expenses		(23 464)	(15 391)	(25 810)
Other operating expenses ¹		(237 522)	(215 833)	(430 034)
Depreciation and amortisation		(214 871)	(138 765)	(285 433)
Net credit losses on financial assets		(2 583)	(1 059)	(12 102)
Operating profit		105 334	82 411	208 177
Finance income		33 039	20 286	46 116
Finance costs		(76 193)	(42 240)	(102 088)
Net gain/(loss) on foreign currency transactions		4 036	(2 299)	(7 296)
Profit before tax		66 216	58 158	144 909
Income tax expense	5	(24 554)	(15 985)	(54 398)
Profit for the period/year		41 662	42 173	90 511
Other comprehensive income		–	–	–
Total comprehensive income for the period/year		41 662	42 173	90 511
Attributable to:				
Equity shareholders		41 583	42 145	90 434
Non-controlling interests		79	28	77
		41 662		90 511
		TZS	TZS	TZS
Basic and diluted earnings per share (TZS)	6	18.56	18.81	40.37

1 The amount includes tower lease and maintenance expenses TZS 73 440 million (September 2024: TZS 75 542 million), (March 2025: TZS 150 522 million).

Condensed consolidated statement of financial position

as at 30 September 2025

TZS m	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Assets			
Non-current assets	1 669 588	1 287 313	1 573 432
Property and equipment	553 618	643 645	553 807
Right of use assets	577 107	265 134	586 593
Intangible assets	332 449	262 644	298 042
Capacity prepayments	105 853	24 435	56 869
Goodwill	1 639	1 639	1 639
Income tax receivables ²	35 336	37 320	34 298
Trade and other receivables	16 582	9 986	9 882
Deferred tax assets ³	45 908	42 510	31 206
Other investments	1 096	—	1 096
Current assets	1 576 242	1 177 267	1 404 542
Capacity prepayments	21 870	10 564	15 446
Inventories	5 935	2 278	4 300
Trade and other receivables	141 960	136 115	124 396
Government grant receivables	8 918	2 458	13 283
Income tax receivables ²	35 045	25 333	25 415
Mobile financial deposits ⁴	1 064 504	820 921	923 235
Cash and cash equivalents	298 010	179 598	298 467
Total assets	3 245 830	2 464 580	2 977 974

2 These are deposits made with the tax authority in relation to disputed corporate tax assessments.

3 The increase is primarily due to accelerated depreciation of Radio Access Network assets, which are being replaced with new radio equipment as part of the network modernisation initiative.

4 The increase is driven by the M-Pesa ecosystem growth.

Condensed consolidated statement of financial position continued

TZS m	Notes	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Equity and liabilities				
Share capital		112 000	112 000	112 000
Share premium		442 435	442 435	442 435
Capital contribution		27 698	27 698	27 698
Retained earnings		330 706	286 082	334 371
Equity attributable to the owners of the parent		912 839	868 215	916 504
Non-controlling interest		111	52	75
Total equity		912 950	868 267	916 579
Non-current liabilities		644 272	277 011	642 348
Lease liabilities		610 009	263 420	620 544
Licence payable classified as debt ⁵		14 043	—	—
Other financial liabilities		10 211	6 801	13 831
Provisions	7	10 009	6 790	7 973
Current liabilities		1 688 608	1 319 302	1 419 047
Lease liabilities		76 245	108 288	84 703
Licence payable classified as debt ⁵		5 175	—	—
Other financial liabilities		5 878	1 648	4 764
Mobile financial payables ⁴		1 064 504	820 921	923 235
Trade and other payables		464 426	356 085	396 929
Derivative financial liabilities ⁶		487	—	—
Dividend payables		45 636	27 003	277
Income tax payables		22 566	244	2 576
Government grant		852	10	852
Provisions	7	2 839	5 103	5 711
Total liabilities		2 332 880	1 596 313	2 061 395
Total equity and liabilities		3 245 830	2 464 528	2 977 974

The interim condensed consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 30 October 2025 and were signed on its behalf by:



Philip Besimire
Chief Executive Officer



Hilda Bujiku
Finance Director

5 This amount is payable for the acquisition of the spectrum license and has been classified as debt due to the significant financing nature of transaction.

6 This relates to open forward exchange contracts that had not matured as at 30 September 2025.

Condensed consolidated statement of changes in equity for the period ended 30 September 2025

TZS m	Share capital	Share premium	Capital contribution	Retained Earnings	Equity attributable to owners of Parent	Non controlling Interest	Total
Six month period ended 30 September 2025 (Reviewed)							
1 April 2025	112 000	442 435	27 698	334 371	916 504	75	916 579
Total comprehensive income for the period	–	–	–	41 583	41 583	79	41 662
Transactions with owners:							
Dividend declared	–	–	–	(45 248)	(45 248)	(43)	(45 291)
At 30 September 2025	112 000	442 435	27 698	330 706	912 839	111	912 950
Six month period ended 30 September 2024 (Reviewed)							
1 April 2024	112 000	442 435	27 698	270 660	852 793	–	852 834
Total comprehensive income for the period	–	–	–	42 145	42 145	–	42 173
Transactions with owners:							
Dividend declared	–	–	–	(26 723)	(26 723)	–	(26 740)
At 30 September 2024	112 000	442 435	27 698	286 082	868 215	–	868 267
Year ended 31 March 2025 (Audited)							
1 April 2024	112 000	442 435	27 698	270 660	852 793	41	852 834
Total comprehensive income for the year	–	–	–	90 434	90 434	77	90 511
Transactions with owners:							
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

Condensed consolidated statement of cash flows

for the period ended 30 September 2025

TZS m	Note	Six months ended		12 months ended
		September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Cash flow from operating activities				
Cash generated from operations	10	414 810	307 471	718 714
Income tax paid		(29 934)	(18 022)	(39 860)
Net cash flow generated from operating activities		384 876	289 449	678 854
Cash flows used in investing activities				
Additions to property and equipment and intangible assets		(137 893)	(127 575)	(198 019)
Asset acquisition		(4 339)	(34 032)	(60 720)
Proceeds from disposals of property and equipment		43	—	—
Purchase of other investments		—	—	(1 096)
Government grant received		4 015	2 478	2 955
Finance income received		6 831	3 726	7 169
Net movement in mobile financial deposits		(141 269)	(90 628)	(192 942)
Interest received from M-Pesa deposits		26 208	16 561	38 947
Net cash flow used in investing activities		(246 404)	(229 470)	(403 706)
Cash flow used in financing activities				
Dividend paid		68	(6)	(26 758)
Principal payment of other financial liabilities		(857)	(4 510)	(4 762)
Interest payment of other financial liabilities		(352)	(166)	(386)
Settlement of derivative financial liabilities		(686)	(722)	(875)
Withholding taxes on shareholders' loan		(799)	—	—
Payment of lease liabilities – principal		(50 813)	(60 729)	(92 312)
Payment of lease liabilities – interest		(48 628)	(25 175)	(53 901)
Interest paid to M-Pesa customers		(31 299)	(13 535)	(16 493)
Net cash flow used in financing activities		(133 366)	(104 843)	(195 487)
Net increase/(decrease) in cash and cash equivalents		5 106	(44 864)	79 661
Cash and cash equivalents at the beginning of the period/year		298 467	221 697	221 697
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies		(5 563)	2 765	(2 891)
Cash and cash equivalents at the end of the period/year		298 010	179 598	298 467

Notes to the interim condensed consolidated financial statements

for the period ended 30 September 2025

1. General information

Vodacom Tanzania Public Limited Company (the “Company” and its subsidiaries (together, the “Group”) are incorporated and domiciled in Tanzania. The Company is a limited liability company and its shares are listed and traded on the Dar es Salaam Stock Exchange. The principal activities of the Group are disclosed in the Directors’ Report issued with the latest audited consolidated and separate financial statements. The address of the Company’s registered office is disclosed under the Corporate Information issued with the latest audited consolidated and separate financial statements.

2. Basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with, and containing the information required by the International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) and the framework concepts and the measurement and recognition requirements of IFRS.

The interim condensed consolidated financial statements have been prepared on the historical cost basis, except where otherwise stated. Amounts in the financial statements are stated in Tanzanian Shillings (TZS), rounded to the nearest million (TZS m), except when otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in audited annual financial statements and should be read in conjunction with the latest audited annual consolidated financial statements of the Group. The explanatory notes in these interim condensed consolidated financial statements disclose the events and transactions that update the relevant information presented in the latest audited annual consolidated financial statements.

The significant accounting policies and methods of computation are consistent in all material respects with those disclosed in the latest audited consolidated financial statements as applied in the previous year and interim period, except where otherwise indicated as disclosed in Note 3.

3. Changes in accounting policies

The Group adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Group from 1 April 2025, none of which had any material impact on the Group’s financial results for the period. The Group has not early adopted any new, revised or amended accounting pronouncements, that are not yet effective and the Group is not expecting these pronouncements to have a material impact on the financial results of the Group.

4. Revenue

TZS m	Six months ended		12 months ended
	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Major products/service lines			
Customer service revenue ⁷	819 712	664 113	1 405 493
Mobile interconnect	26 848	24 896	49 715
Fixed service revenue	25 857	19 989	42 021
Other service revenue	11 449	9 153	18 758
Service revenue	883 866	718 151	1 515 987
Equipment revenue	9 061	9 347	17 897
Other non-service revenue	11 919	2 147	4 451
Revenue from contracts with customers	904 846	729 645	1 538 335
Interest income recognised as revenue	487	549	1 025
Revenue	905 333	730 194	1 539 360
Revenue is further disaggregated by revenue stream as follows:			
Mobile voice revenue	165 324	153 529	310 598
M-Pesa revenue	351 191	274 241	590 033
Mobile data revenue	256 205	195 217	422 181
Digital & VAS revenue	23 594	20 070	40 296
Mobile incoming revenue	26 848	24 896	49 696
Messaging revenue	20 479	17 621	36 532
Fixed revenue	25 857	19 989	42 021
Other service revenue ⁷	14 368	12 588	24 630
Service revenue	883 866	718 151	1 515 987
Non-service revenue	21 467	12 043	23 373
Revenue	905 333	730 194	1 539 360

Equipment revenue and other non-service revenue are recognised at a point in time while the service revenue are recognised over time.

⁷ Comprises of mobile contract revenue and mobile prepaid revenue.

5. Income tax expense

TZS m	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Expected income tax expense at the Tanzania statutory tax rate 30%	19 865	17 447	43 473
Adjusted for:			
Non-deductible expenditure ⁸	3 707	2 407	7 269
Net non-taxable gaming income	(1)	(95)	(602)
Net withholding tax impact on dividend income	–	–	2 116
Deferred Tax not recognised – Holding Company	–	(7 177)	–
Prior year adjustment – Holding Company	(1 255)	–	–
Prior year adjustment – Subsidiary Company	67	–	–
Alternative Minimum Tax	–	2 619	–
Withholding tax from – Subsidiary Company	2 171	873	2 142
Prior year adjustment – Subsidiary Company	–	(89)	–
Income tax expense	24 554	15 985	54 398
Effective tax rate⁹	37.08%	27.49%	37.54%

6. Earnings and dividends per share

Profit per share calculations are based on the earnings which are attributable to the shareholders and the number of ordinary shares outstanding as shown below:

	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Basic and diluted earnings per share (TZS)	18.56	18.81	40.37
Earnings attributable to the owners of the parent (TZS m)	41 583	42 145	90 434
Number of ordinary shares outstanding	2 240 000 300	2 240 000 300	2 240 000 300
Dividend declared during the period/year (TZS m)	45 248	26 723	26 723

The annual general meeting held on 21 August 2025, approved a dividend payment of TZS 20.20 per share for the financial year ended 31 March 2025. The total dividend approved was TZS 45.2 billion equivalent to 50% of the net profit after tax for the financial year 2025, in line with our dividend policy. The approved dividend was paid on 15 October 2025.

⁸ Non deductible expenditure includes charitable donations, penalties and fines.

⁹ The effective tax rate of 37.08% in the current period is higher than the statutory rate of 30.0% mainly due to non-deductible expenses, withholding tax expenses which is partly offset by prior year adjustments.

Notes to the interim condensed consolidated financial statements continued

7. Provisions

The Group is currently involved in various legal/regulatory 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.

TZS m	30 September 2025 Reviewed	30 September 2024 Reviewed	31 March 2025 Audited
At 1 April	13 684	12 080	12 080
Site restoration obligation	7 973	6 760	6 760
Legal/regulatory	1 177	928	928
Indirect tax assessments	4 534	4 392	4 392
Additions/charge to profit or loss			
Site restoration obligation-additions	1 421	—	271
Site restoration obligation -interest accrued	615	353	942
Legal/regulatory-additions	4	—	249
Indirect tax assessments	38	141	142
	2 078	494	1 604
Released to profit or loss			
Asset retirement	—	(323)	—
Legal/regulatory	—	(358)	—
Indirect tax assessments	(2 914)	—	—
	(2 914)	(681)	—
At 30 September/31 March	12 848	11 893	13 684
Site restoration obligation	10 009	6 790	7 973
Legal/regulatory	1 181	570	1 177
Indirect tax assessments	1 658	4 533	4 534
Comprising of:			
Non-current			
Site restoration obligation	10 009	6 790	7 973
	10 009	6 790	7 973
Current			
Legal/regulatory	1 181	570	1 177
Indirect tax assessments	1 658	4 533	4 534
	2 839	5 103	5 711

8. Capital expenditure and commitments

During the period the Group incurred TZS 150 837 million in capital expenditure (September 2024: TZS 127 715 million; March 2025: TZS 174 995 million). Part of this investment was deployed in the ongoing modernisation initiative, in which 35% of the targeted sites in this two years' initiative are already completed to date. In the period, we also expanded our broadband coverage and enhanced the capacity of our network including deployment of 229 new 4G sites and increased capacity in our network transmission infrastructure. We are also modernising our IT infrastructure to enhance customer experience and improve operational efficiency. The investment made to date, played an important part in supporting 56% growth in 4G traffic. Significant part of our data traffic was carried on our 4G network, with our 5G technology load increasing rapidly. This capital expenditure will be funded using internally generated funds.

The Group's capital commitments is as presented below:

TZS m	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Capital expenditure contracted for but not yet incurred (including property and equipment and intangible assets)	81 734	46 920	4 125

9. Related parties

The Group's related parties are its ultimate parent, immediate parent, subsidiaries, other related companies including sister companies, and key management personnel including directors.

TZS m	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Balances with related parties			
Trade and other receivables			
Vodafone Group Plc (Ultimate Parent)	3 815	1 547	2 069
Vodacom Group Limited (Immediate Parent)	1 925	1 288	1 242
	5 740	2 835	3 311
Trade and other payables			
Vodafone Group Plc (Ultimate Parent)	(21 369)	(2 559)	(11 388)
Vodacom Group Limited (Immediate Parent)	(40 875)	(26 232)	(7 542)
M-Pesa Africa	(6 278)	(5 182)	(8 426)
	(68 522)	(33 973)	(27 356)

The amounts due from/to related parties are interest free. All the balances due from/to related parties are due on demand and are unsecured.

9. Related parties continued

Transactions with related parties

TZS m	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Vodafone Group Plc and its subsidiaries			
Revenue	5 235	4 601	9 429
Direct expenses	(1 693)	(1 224)	(2 467)
Other operating expenses	(8 754)	(2 291)	(13 343)
	(5 212)	1 086	(6 381)
Vodacom Group Limited subsidiaries – Mozambique, DRC, Mauritius and Lesotho			
Revenue	13	23	40
Direct expenses	(254)	(145)	(307)
Other operating expenses	(4 572)	(3 354)	(6 445)
	(4 813)	(3 476)	(6 712)
Vodacom Group Limited – South Africa			
Revenue	1 983	1 290	2 813
Direct expenses	(1 114)	(934)	(1 899)
Other operating expenses	(9 930)	(8 734)	(17 110)
	(9 061)	(8 378)	(16 196)
Compensation for key management personnel			
Short-term employee benefits	(5 339)	(4 748)	(7 684)
Share based compensation	(287)	(439)	(747)
Long-term employee benefits	(261)	(218)	(860)
	(5 887)	(5 405)	(9 291)
Non-executive directors			
Non-executive directors fees	(924)	(670)	(1 301)
Executive directors			
Short-term employee benefits	(2 224)	(1 203)	(2 114)
Long-term employee benefits	(37)	(82)	(747)
	(2 261)	(1 285)	(2 861)

10. Cash generated from operations

TZS m	September 2025 Reviewed	September 2024 Reviewed	March 2025 Audited
Profit before tax	66 216	58 158	144 909
Adjusted for:			
Financing income	(33 039)	(20 286)	(46 116)
Financing costs	76 193	42 962	102 088
Net loss on foreign currency transaction	(4 036)	1 577	7 296
Operating profit	105 334	82 411	208 177
Adjusted for:			
Depreciation and amortisation	214 871	138 765	285 433
Net credit loss on financial assets	2 583	1 059	12 102
Amortisation of capacity prepayments	10 258	12 535	28 358
A gain on disposal of property, equipment	(41)	–	(14)
Increase/(decrease) in provision for inventory	491	77	(1 361)
Amortisation of government grant	–	(18)	(20)
Gain on disposal of lease liability and right of use asset	(342)	(6)	–
(Decrease)/increase in legal and tax provisions	(1 451)	(540)	662
Cash flow from operations before working capital changes	331 703	234 283	533 337
Payment of capacity contracts	(40 327)	(5 619)	(58 758)
Decrease/(increase) in inventory – gross	(2 126)	1 054	470
Increase in trade and other receivables	(50 758)	(24 917)	(19 200)
Increase in trade, mobile financial and other payables	176 319	102 670	262 865
Cash generated from operations	414 811	307 471	718 714

11. Contingent liabilities

Tax matters

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

The major tax positions taken are thus subject to review by executive management and reported to the Board. The Group has support from external advisors supporting the positions taken in respect of the significant tax matters which support the application and interpretation of the tax legislation. The Group has considered all matters in dispute with the tax authority and has accounted for any exposure identified if required.

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 period 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 period end.

12. Other matters

Spectrum license 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, and we successfully acquired one block of 50MHz in the 3700MHz (TDD) spectrum band for a total cost of TZS49.8 billion (USD18.9 million). This substantial investment will accelerate our future network expansion plans and help us unlock potential growth in innovative products.

Modernisation of Radio Access Network

During the period, 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 this change in estimate, depreciation expense increased by TZS 60.6 billion.

13. Segments

In order to identify operating segments, management identifies components that engage in business activities from which it may earn revenue 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 interim condensed consolidated financial statements. There is no revenue from transactions with a single external customer that amounts to 10% or more of the Group's revenue.

14. Fair value

During the period, the group entered into Forward exchange contracts (FEC) in a bid to mitigate the volatility in the foreign exchange market. As at 30 September 2025, The amount of fair value adjustments recorded under net loss on foreign currency transactions is TZS 1173 million (2025: TZS 722 million). The fair value of the FECs are determined with reference to quoted market prices for similar instruments, being the mid forward rates and spot rates and fall within level two of the fair value hierarchy under IFRS 13. The Group does not have any other financial instruments that required to be measured at fair value subsequent to initial recognition. The carrying amounts of the Group's financial instruments reasonably approximate their fair values due to the short-term nature of the instruments.

15. 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.

Supplementary information

Reconciliation of operating free cash flow and free cash flow

Six months ended 30 September

TZS m	2025	2024	% Change
Cash generated from operations ¹	414 810	307 471	33.6
Government grant received	4 015	2 478	62.0
Additions to property and equipment and intangible assets ²	(117 983)	(127 575)	10.7
Payment of lease liabilities – Principal	(50 813)	(60 729)	16.3
Interest paid on lease liabilities	(48 628)	(25 175)	(93.2)
Amounts owed to M-Pesa account holders ³	(146 512)	(87 625)	(67.2)
Proceeds from sale of property and equipment	43		n/a
Operating free cash flow	54 932	8 845	>200
Tax paid	(29 934)	(18 022)	(66.1)
Finance income received	6 831	3 726	83.3
Interest received from M-Pesa deposits	26 208	16 561	58.3
Interest paid to M-Pesa customers	(31 299)	(13 535)	(131.2)
Interest paid on Foreign Exchange Contracts (FEC)	(686)	(722)	5.1
Interest paid on tax liabilities	(799)		n/a
Interest on license debt	(352)	(166)	(112.0)
Free cash flow	24 901	(3 313)	>200

1 Extracted without adjustment from the interim condensed consolidated statement of cash flows for the period ended 30 September 2025.

2 For the period ending September 2025, this amount excludes TZS19.9 billion payment for the first instalment of the spectrum acquired during the financial year.

3 Relates to money held on behalf of M-Pesa customers, which is not available for use by the Company.

Non-IFRS information

The auditor's report does not necessarily cover all of the information contained in this announcement, which sets out the Interim consolidated financial results of Vodacom Tanzania Public Limited Company ('the Company') and its subsidiaries (together 'the Group') for the six months ended 30 September 2025. Shareholders are therefore advised that in order 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 products and company names mentioned herein may be the trademarks of their respective owners.

Forward-looking statements

This announcement, which sets out the consolidated Interim results of the Group for the six months ended 30 September 2025, 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.

Corporate information

Vodacom Tanzania Public Limited Company

(Incorporated in the United Republic of Tanzania)

Registration number: 38501

(ISIN: TZ1996102715 Share Code: VODA)

Directors

D Tarimo¹ (Chairman), P Besiimire (MD)², H Bujiku (FD)³,
K Mutooni⁴, M Ikongo³, M Mbungela⁵, N Nyoka⁵,
R Morathi⁵, H Ammar⁶, M Abdallah⁶, D Kastelic⁷

1 British 2 Ugandan 3 Tanzanian 4 Kenyan

5 South African 6 Egyptian 7 Slovenian

Company secretary

Caroline Mduma

Registered office

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Transfer secretary

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Sponsoring licenced dealing member

Orbit Securities Company Limited

External communications

Zuweina Farah



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